Annual Report 2024

Sustainability, Management, and Governance Letter



DO ESTADO SÃO PAULO SÃO TODOS Secretaria de Desenvolvimento Urbano e Habitação

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Opening

The Housing and Urban Development Company (CDHU), throughout its 75 years, has dedicated itself to tackling major housing and urban challenges, especially in the metropolitan regions of the major centers of *São Paulo*.

CDHU

As a public company linked to the Government of the State of *São Paulo*, CDHU seeks to promote access to housing and improve housing and urban conditions in the State. Throughout its history, it has consolidated itself as an important operational arm of the State in combating the housing deficit and inadequate housing, becoming the largest promoter of affordable housing in the country.

In the areas where it operates, there is a high concentration of low-income families living in incomplete and precarious urbanization conditions, which requires diversified and intersectoral actions to address such challenges, at the local and regional levels.

In 2024, CDHU will dedicate itself to implementing new strategic guidelines, expanding its operations by more intensively integrating urban, regional, and territorial planning and development into its actions. This new positioning, established in 2023, is in line with the mission of the new Secretariat of Urban Development and Housing (SDUH).

The recent administrative restructuring of the State Government strengthens CDHU's performance with the creation, in 2023, of the Directorate of Planning and Urban Development, which aims to provide technical support for the coordination and articulation of SDUH's activities.

This Report reaffirms CDHU's commitment to respect and responsibility in all its interactions, direct and indirect, arising from its activities. The Company emphasizes its dedication to transparency in its relationships with all stakeholders.

The document was prepared in accordance with the Global Reporting Initiative (GRI) Standards and inspired by the Integrated Reporting Framework, adopting a double materiality perspective. This approach supports the prioritization of CDHU's sustainable projects and actions while also aligning with the criteria of the Sustainability Accounting Standards Board (SASB) and the environmental, social, and governance (ESG) guidelines.

The Report's structure is organized with an emphasis on material topics, prioritizing urban development and highlighting the expansion of the Company's activities in this strategic area.

In 2024, CDHU completed 10,927 service deliveries across its various areas of operation, including 7,694 housing units, 360 credit letters, 1,306 urban lots, and 1,567 households benefiting from urbanization. The year was marked by an expansion of its scope, tackling new challenges and exploring new opportunities to improve access to housing and enhance urban settlements in the state of *São Paulo*.

Sustainable actions are more integrated with strategic goals, allowing for more efficient environmental management, reflected in the improvement of indicators and the quantification of environmental and social benefits promoted by the Company's initiatives.

This Sustainability Report presents the main actions of the Management and items included in the Governance Charter for the fiscal year 2024. The document meets the requirements of Federal Law No. 13,303/2016 (State-Owned Companies Law), which requires public companies and mixed-capital companies to present annual sustainability or integrated reports, ensuring greater transparency in their activities.

CDHU

Happy reading!

Messages



Since 2023, SDUH and CDHU have been undergoing a maturation phase for new processes through the incorporation of an expanded scope of operations. This shift has allowed us to move beyond simply providing housing and focus on the planning and organization of cities and regions across *São Paulo*. The launch of new programs and the enhancement of ongoing initiatives by the Secretariat have had a direct impact on CDHU's daily operations, as the synergy between the entities strengthens each day. We are increasingly shaping an ideal model in which the Secretariat leads with a strategic vision for public policy development, while CDHU serves as the executing arm for these initiatives.

As a result, in 2024, we reaped the benefits of innovative initiatives that pave the way for an even more promising future. We are diversifying our housing service and production models, breaking away from traditional processes. This year saw the first deliveries of condominiums built through Associative Credit Letters, as well as approximately 1,800 units developed through market calls for projects with approved designs. These innovations shorten production cycles, improving efficiency and expediting assistance to families in need of state support. Additionally, we launched new market calls for the construction of housing developments via Associative Credit Letters in the capital, interior, and coastal regions. Pioneering a new approach, the Secretariat and CDHU conducted a diagnostic study to assess the needs of municipalities, providing a solid foundation for the allocation of state-funded housing projects. This analysis took into account factors such as housing deficits, the Human Development Index, and a proprietary index developed by CDHU, which considers municipalities' investment capacity and responsiveness.

CDHU

By cross-referencing these heat maps, we were able to quantify housing production for each region based on strictly technical criteria, ensuring alignment with the SDUH and CDHU budgets while maintaining a strong focus on urban development.

We also restructured the formalization of partnerships with municipalities, now implemented through adherence agreements. This simplified instrument reduces bureaucracy, allowing us to focus more resources on CDHU's core mission-producing housing and other solutions that directly benefit the population.

At the end of the year, we announced the creation of *Bairro Paulista – Cidades Sustentáveis*, an initiative designed to support municipalities in enhancing urban intervention projects through nature-based solutions. CDHU is incorporating these guidelines into its projects to help municipalities increase resilience and adaptability, particularly in the face of extreme events driven by climate change.

Message from CDHU [GRI 2-22]

The year 2024 was a milestone for CDHU, consolidating the integration of new organizational responsibilities and reaffirming our role as a transforming agent in housing policy and urban development in the State of *São Paulo*.

Throughout this period, we faced significant challenges, but we also achieved significant results, the result of robust strategic planning and a commitment to continuous improvement of our practices.

Among the notable initiatives, I would like to highlight the success of the Associative Credit Letter Program, a new approach in partnership with the private sector that ensured greater agility and efficiency in housing production. This Program, inspired by operations similar to those by *Caixa Econômica Federal*, but less bureaucratic, allowed the construction of approximately 16,000 housing units, with the first 1,800 units delivered in 2024. Furthermore, more than 70% of the housing units under production in the CCA Program are scheduled for delivery in 2025.

This successful experience reinforces our strategy of expanding partnerships, integrating operational efficiency and innovation to meet housing needs more quickly and effectively.

We approved, through the **Board of Directors**, the allocation of 1.5% of the Company's resources to innovation projects, integrating sustainability and governance into our operations

CDHU

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CDHU

Another relevant point in 2024 was the strengthening of the *Viver Melhor* Program, focused on housing improvements, which underwent important adjustments to improve diagnoses and interventions. We are committed to ensuring greater precision in our actions, prioritizing quality and efficiency in the results delivered to the families we serve.

In addition, we strengthened our work in the field of land regularization, an issue that is increasingly standing out as a priority in housing services. The delivery of property titles in consolidated areas has transformed the lives of thousands of families, recognizing their efforts and ensuring legal security for their homes. We are also innovating in the field of land regularization by transforming how these services are carried out. We launched a public call for the regularization of CDHU-occupied areas, aiming to empower local residents to organize and facilitate the necessary projects and works to formalize their communities.

This work, combined with the continuity of the *Cidade Legal* Program, reaffirms our commitment to housing dignity and the reduction of urban inequalities. From a sustainability standpoint, we have made progress on several fronts, with emphasis on the adoption of innovative technologies. Our Board of Directors approved the allocation of 1.5% of the Company's resources to innovation projects, integrating sustainability and governance into our operations.

We have also taken important steps in industrialized construction methSDG, with proof of concept underway that has the potential to transform the way we execute our housing projects in the future.

In the area of governance, 2024 was marked by consistent performance by internal and external audits, which contributed to the improvement of our processes and regulations. This progress not only strengthens our internal controls, but also increases transparency and trust in our operations, consolidating CDHU as a reference in public management.

As we look to the future, we acknowledge the challenges that lie ahead, especially in a context of economic restrictions and high interest rates, which impact the raising of funds in the capital markets. Even so, we remain determined to expand our partnerships and explore new sources of financing, always prioritizing the responsible use of public resources and meeting the housing and urban demands of the State of *São Paulo*.

CDHU reaffirms its commitment to sustainability, equity and improving the quality of life of the populations it serves. We believe that by transforming access to housing and urban conditions, we are not only benefiting directly impacted families, but also promoting a fairer and more balanced environment for society as a whole.

We will continue to work with dedication and responsibility to build a more sustainable and inclusive future, integrating housing, innovation, and urban development as central pillars of our mission.

Best regards!

Reinaldo Iapequino President at CDHU, 2024



Highlights of the year



10,927 services delivered, of which:



housing units delivered in housing developments promoted by CDHU

,567

homes benefited by the urbanization of slums

urbanized lot

letters of credit that make it possible to acquire ready-made homes on the real estate market

19,048

housing units (Housing units) in production/under construction site (position on 12/31/2024) homes under urbanization works



CDHU

1. CDHU 2024 Actions Report.



Advances in CDHU housing production (RA)

In addition to the housing units already delivered and under construction, CDHU maintains a significant number of projects in different stages of development.

The figures updated up to December 31, 2024 demonstrate the scope of the actions underway:

7,815 housing units in the bidding and contracting phase housing units in the design phase

housing units with land under analysis, showing potential for future construction

CDHU

In addition, CDHU plays an essential role as a technical and financial agent in the Associative Credit Letter Program, enabling the construction of: housing units financed directly by CDHU

11,622

housing units with resources from the *São Paulo* Social Interest Housing Fund (FPHIS)

1. CDHU Action Report 2024.

CDHU in numbers [AR]1

613,197 services provided (housing units delivered, credit letters granted, and households benefited with urbanization) over more than 50 years of operation; approximately **1.7 million people**² reside in homes benefited by the Company's actions, a number higher than the population of most Brazilian municipalities

98% presence in the municipalities of the State of *São Paulo* (services provided in **631 municipalities** out of a **total of 645**)

R\$3.5 billion transacted in 2024

CDHU received important recognition in 2024, standing out in different areas of activity:

01

2024 Seal of Merit Awards – promoted by *ABC Habitação* and the National Forum of Housing and Urban Development Secretaries (FNSHDU):

Social Interest Housing Projects (HIS) category: winning project with the *Eiji Kikuti* Warehouse: and

HIS Management Improvement Category: awarded for the Annual Sustainability Report, Administration, and Governance Charter - Fiscal Year 2023. 02

Classification in the *Época Negócios* Magazine Yearbook 2024 (2023 balance sheet):

202nd place in the general ranking of companies in the Country;

7th place among state-owned companies; and

11th place place in the construction, materials and decoration sector.

These recognitions reinforce CDHU's commitment to excellence and innovation in its practices

 CDHU Action Report 2024.
 Reference: average household size according to the 2022 Census by the Brazilian Institute of Geography and Statistics (IBGE).







Urban development integrated with social housing

Vida Longa Program – Araçatuba L Development

CDHU

CDHU [GRI 2-1, 2-6]

CDHU is a public entity linked to the indirect administration of the State of *São Paulo*, whose activities are governed by its bylaws and by Federal Laws No. 6,404/1976 and No. 13,303/2016, in addition to other applicable regulations.

Founded in 1949, the Company has had several names, such as CECAP, CODESPAULO, and CDH, adopting its current name, CDHU, in 1989. Its mission is to promote, develop, and implement urban development and housing solutions, with programs and projects aimed at offering decent and affordable housing to the low-income population, seeking innovative and inclusive solutions to increasingly meet expectations for quality housing.

As the largest affordable housing company in Brazil and the primary operational arm of SDUH and the Government in the areas of housing and urban development, CDHU plays a vital role in transforming housing conditions and urban quality across the state. Fulfilling an essential social function, CDHU strives to provide adequate housing and urban conditions, primarily for families earning between 1 and 5 times the minimum wage, and complementarily for those earning up to ten times the minimum wage. CDHU's initiatives promote housing and urban development through financed and subsidized projects, as well as partnerships with municipalities, community organizations, and public agencies. These actions are carried out directly or indirectly, always with the goal of fostering sustainability and social inclusion.

As a key driver of solutions for the complex challenges in the housing and urban environment, CDHU continuously works to address these issues by applying expertise, strategic planning, and partnerships. Through these efforts, the company provides *São Paulo* with programs that enhance housing accessibility and urban development for its population.



Municipality of São Paulo – land regularization: delivery of property titles

CDHU

Profile of the State of São Paulo

The state of *São Paulo* is the most populous in Brazil, with a population of over 44 million inhabitants, spread across a vast urban and rural area.

This State, the country's economic engine, has a diversity of socioeconomic realities ranging from large metropolises, such as the capital *São Paulo*, to inland and coastal regions with their own environmental, economic, and cultural characteristics. The state of *São Paulo* is made up of a complex network of cities, currently with **9 metropolitan regions and 1 urban agglomeration**, which were created to facilitate integrated management between nearby municipalities, mainly in the areas of urban development, transportation, and regional public services.

These regional units are interconnected and demonstrate different dynamics and territorial characteristics, polarized by the Metropolitan Region of *São Paulo*, thanks to its extraordinary socioeconomic weight with national and international scope. Located mainly in metropolitan areas, but also in areas with good transport infrastructure in other regions, large and medium-sized municipalities concentrate the greatest social vulnerabilities, associated with urban and housing precariousness and other dimensions related to the safety and well-being of the population (health, education etc.).

The metropolitan regions and urban agglomeration of São Paulo are:

- ✓ Metropolitan Region of São Paulo;
- ✓ Metropolitan Region of Campinas;
- ✓ Metropolitan Region of Sorocaba;
- ✓ Metropolitan Region of Vale do Paraíba and Litoral Norte;
- ✓ Metropolitan Region of *Baixada Santista*;
- ✓ Metropolitan Region of *Ribeirão Preto*;
- ✓ Metropolitan Region of São José do Rio Preto;
- ✓ Metropolitan Region of *Piracicaba*;
- ✓ Metropolitan Region of *Jundiaí*; and
- \checkmark the urban agglomeration of *Franca*.

The complexity of these challenges is even greater in peripheral areas and in irregular occupations, where the population lives with infrastructure deficiencies, in a scenario that requires housing policies to integrate sustainable urban development actions and the creation of alternatives so that the population has access to decent living conditions.

According to the Brazilian Institute of Geography and Statistics (IBGE - Census 2022), the State of *São Paulo* had 3,123 slums and urban communities, totaling 1.2 million households and a resident population of 3.6 million.

The population of *São Paulo* represents approximately 22% of the national total, and the State of *São Paulo* has an **Urban Development Index (HDI) of 0.806**, classified as having **high human development**. The territory is made up of **645 municipalities**, housing the largest and most complex urban network in Brazil, with an urbanization rate of 95.9%, directly influencing neighboring states and impacting the entire national territory¹.

1. IBGE, 2022 Census. United Nations Development Programme (UNDP), 2021.



CDHU

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The state of São Paulo comprises 645 municipalities, forming the most extensive and complex urban network in Brazil

New functions [GRI 2-6]

The Housing Department underwent a significant change in its scope of action in 2023, becoming the Department of Urban Development and Housing (SDUH). More than just a name change, the department took on new responsibilities.

Now, in addition to promoting housing services, it is responsible for facilitating the promotion of construction and the supply of properties in a context that prioritizes the analysis and encouragement of development in metropolitan regions, where there are higher population densities and, consequently, a more pronounced housing deficit.

In this way, the Company was directed in its efforts to act more broadly in serving the most vulnerable groups, impacted by housing and urban challenges. By implementing its programs, CDHU also contributes to the urban development of cities, with structural actions in the territories where it operates.

The new SDUH guidelines establish that CDHU is responsible for assisting the public authorities in facing the major challenges related to the housing issue in the State of *São Paulo* on two strategic fronts: **O1 Providing new housing:** primarily for

the low-income population, not served by the formal market, within the scope of a structured HIS policy, addressing the housing deficit; and

O2 Recovering and qualifying the urban and environmental

liabilities generated by the intense and precarious growth of cities, characteristics of the exclusionary process of urbanization and appropriation of land, urban goods and services, confirmed by the more than 3 million homes in *São Paulo* with deprivation. Added to this already complex picture is the need to understand the regional diversities of this nation-state that is the territory of *São Paulo*.



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Strategic objectives of the 2025 Business Plan

[GRI 2-6, 2-24] [SDG 16]

Taking into account the regional diversity of the state of *São Paulo*, CDHU has the following strategic objectives:

Contribute to meeting housing needs by working with other government agencies and social actors in the State of *São Paulo*;

ensure housing services for low-income families with decent solutions that improve their quality of life;

promote social inclusion and citizenship by providing new housing and urban development and recovery actions, integrated with local and regional social policies in the State of *São Paulo*;

promote local and regional urban development in partnership with municipalities, public agents and organized civil society, by implementing urban and housing solutions integrated with the urban planning of municipalities and regions;

support the technical and institutional development of agents of social housing and urban development policies; and

ensure stable budgetary sources for financing and subsidies, expanded with international, federal, private, and municipal counterpart funding.

With Decree No. 64,646/2019, CDHU strengthens its role as a key technical and operational agent for the public sector, contributing to the efficient and high-quality management of projects and construction works.

Long-term strategy

[GRI 2-23, 2-24] [SDG 16]

Considering the economic outlook for the 2025-2029 period, the CDHU Investment Plan remains in progress, with a forecast for significant expansion. This plan is aligned with the goals outlined in the Government's 2023-2026 Target Plan and the Multi-Year Plan (PPA) 2024-2027.

The plan aims to reduce housing deficits and inadequacies, address urban liabilities, and promote the revitalization of degraded areas. Additionally, it seeks to enable the development of housing projects on CDHUowned land or through partnerships with municipalities, public agencies, and private sector stakeholders. Strategic actions for the next five-year period (2025-2029):

1. Expansion of partnerships: promotion of Public-Private Partnerships (PPPs) and joint operations with public entities for urban and housing development.

5. Implementation

of BIM: adoption of

Information Modeling)

the BIM (Building

system in new

developments to

enhance efficiency,

production integration.

sustainability, and

2. Management and monitoring of PDHOUSING UNITS 2040:

- identification

 of projects in
 metropolitan and
 regionally significant
 areas; and
- creation of a database and sectoral coordination networks.

6. Industrialized7. Urbanconstruction (off-
site): developmentredevelopmentof housing projectsregularizedusing industrialized
constructionaddressinsolutions to increaseensuringproductivity and
reduce timelines.living con

7. Urban redevelopment and land regularization: addressing urban liabilities and ensuring better living conditions for families residing in CDHU areas.

8. New business models: exploration of commercial opportunities and partnerships based on the guidelines of Article 28 of Federal Law No. 13.303/2016.

9. Encouraging private sector production:

stimulating privatesector housing production to accelerate housing availability and reduce response times to *São Paulo's* housing demand.

3. Integrated beneficiary registry: implementation and continuous monitoring to integrate data and assess the outcomes of the housing policy. 4. Promotion of innovation and sustainability: alocation of 1.5% of the Company's annual investments to innovative and sustainable initiatives.



In 2024, CDHU's vision, mission and strategic objectives were revised, considering the new functions related to urban and metropolitan planning and development.

Mission

To promote and implement social housing solutions, popular market and sustainable, innovative and inclusive urban development, aiming to meeting the housing and urban needs of the population of the State of *São Paulo*.





To be a reference and innovative company in meeting local and regional housing and urban development demands, in order to face the challenges of housing provision, urban requalification and land regularization, in an integrated manner with infrastructure and mobility policies and environment and climate change for the establishment of safe, resilient, inclusive, prosperous, and sustainable cities.

Business model [CR12-6]

We follow the guidelines of the Integrated Reporting Framework (International Integrated Reporting Council) to illustrate how our operations generate value through different types of capital. On this page, we demonstrate how CDHU's activities contribute to the creation of sustainable value, transforming inputs from various forms of capital into financial and non-financial benefits.



Input capitals/resources



Human Capital 370 employees.



Financial Capital

 Available resources for service delivery and investments.



Natural Capital

- Promotion of modernization in construction processes;
- 12,618 gigajoules of energy consumed by the organization;
- R\$70 million invested in photovoltaic systems in housing units since 2019;
- 63.1 cubic meters of water consumed in construction sites:
- Waste management with proper disposal; Responsible supplier management.



Manufactured Capital

 10,927 services provided; • Over R\$20 million invested in infrastructure and service support: • Estimated R\$8.6 billion investment in Associative Credit Letters.



Social and Relationship Capital

• R\$159.4 million invested in social housing efforts; R\$1.4 billion spent on local suppliers.

Intellectual Capital

 Service efficiency; and Housing planning and project development.

Activities

CDHU is a company linked to the Government of the State of São Paulo, primarily operating in the housing sector, ensuring dignified living conditions for low-income populations.

MISSION:

To promote and implement innovative, inclusive, and sustainable housing solutions for social interest, the affordable housing market, and urban development, addressing the housing and urban needs of the State of São Paulo's population.

VISION:

To be a leading and innovative company in addressing local and regional housing and urban development demands, tackling challenges such as housing provision, urban redevelopment, and land regularization. This is achieved through integration with infrastructure policies, mobility, environmental sustainability, and climate change adaptation to establish safe, resilient, inclusive, prosperous, and sustainable cities.

Key Functions

- Promoter and financial agent for housing and urban development;
- technical agent for urban development, housing, and public service delivery to municipalities and regional entities; and
- operator of the Housing Finance System (SFH).

Output capitals/results

Human Capital

- 7.2 hours of average training per employee; and
- 100% of governance members and employees trained in anti-corruption policies and practices.

Financial Capital

- R\$3.5 billion in economic value distributed:
- R\$964.8 million in revenue collection: and
- 21.30% delinguency rate.

Natural Capital

- 2,304 gigajoules of energy generated from fuel consumption, 87% from renewable sources:
- 18,901 housing units with photovoltaic systems, generating a monthly savings of 1,365 MWh;
- 47,44 tons of waste generated and properly disposed of; and
- 100% of suppliers contracted following socio-environmental criteria.

Manufactured Capital

- 7.694 housing units delivered:
- 360 credit letters issued:
- 1,306 urban plots;
- 1.567 households urbanized:
- 19.048 housing units in production/construction: and
- 41,005 housing units under the Associative Credit Letter Program.

Social and Relationship Capital

- 1,900 housing units delivered under the "Viver Melhor" program;
- 7,411 families received housing assistance;
- 34,807 families supported through post-occupancy social work;
- 50 municipalities benefited from the "Pomar Urbano" program, which expanded by 66%; and
- 122 families in precarious settlements assisted through TTS services, reaching over 70,000 service actions.

Intellectual Capital

• Tailored solutions for various demands (general demand, resettlement, indigenous communities, quilombolas, isolated communities, etc.); and • Development of sustainable projects and adoption of new technologies (Typology Guide, BIM, etc.).

		Impacts					
		Value creation for society	Material topics	Stakeholders	Sustainable Development Goals (SDGs)		
	Human Capital	Transmission and collective construction of knowledge.	 Human capital management; and Ethics, transparency, and integrity. 	Employees, leaders, senior management, councils, public authorities.	8 (Home detector) 8 (Home detector) 10 (Home detector) 4 (1)		
Ð	Financial Capital	Efficiency in public investment, prioritizing the construction of quality social housing.	 Operational and budget efficiency; and Social housing policy with diversity and inclusion. 	Senior management, employees, leaders, councils, public authorities, civil society.	1 Mustr 2 BB 3 BEHADIN 8 BENARDING 9 BENARDING 16 Mat diller matrices 1 Method		
6	Natural Capital	Control of negative environmental impacts.	 Environmental management in operations. 	Senior management, suppliers, public authorities, civil society.	8 ENTROPIES 11 ENTROPEERS IN CONSISTENT OF CONSISTENCE OF CONSIS		
¢	Manufactured Capital	Reduction of the housing deficit and provision of quality housing suited to different social needs.	 Social housing policy with diversity and inclusion; and Integrated urban development for social housing. 	Employees, leaders, senior management, councils, suppliers, public authorities, civil society.	3 standards 		
A CONTRACT	Social and Relationship Capital	Expansion of social inclusion, particularly for marginalized and vulnerable populations.	 Social housing policy with diversity and inclusion; and Integrated urban development for social housing. 	Employees, leaders, senior management, councils, suppliers, public authorities, civil society.	3 HARRAN 5 BAR S HOLE PARK S AND A REAL PARK S A		
Ð	Intellectual Capital	Actions that improve quality of life and public safety, reducing social vulnerability and environmental degradation.	 Resilient and sustainable cities; and Innovation in technology and new housing and urbanization models. 	Employees, councils, leaders, senior management, suppliers, public authorities, civil society.	9 HALF FRANK		

CDHU's role as a promoting, technical, financial and service provider agent [GRI 2-6]

CDHU plays an essential role in promoting social housing and strengthening housing and urban policies, aiming at integrated action with other public policies and sustainable management of resources.

As established in its Bylaws, CDHU performs the following main functions:

\checkmark Housing promoter and

financial agent: works in various types of housing services, aligned with state and municipal guidelines for urban and housing development and global agendas for urban development.

\checkmark State housing and development technical agent and service

provider for public agents: supports the implementation of priority state and municipal plans and programs to serve the low-income population, providing technical, legal, community, and financial assistance services; provides assessment, budgeting, design, management, inspection and consulting services, in addition to planning and execution of works and engineering and architectural services aimed at urban or community buildings and equipment, through contracts and agreements with public entities; develops or promotes housing

development projects; provides condominium administration services for buildings of the State of São Paulo Government, as well as inspection, assessment and land regularization services for properties; expands its field of activity to integrate multisectoral public policies, especially those aimed at urban development and interaction with the real estate and capital markets: contributes to the urban. regional and territorial planning and development of the State, in line with the guidelines of the SDUH.

\checkmark Housing Finance System **Operator (SFH):** may

enter into agreements and contract services with financial institutions and international entities to raise funds and manage financing for beneficiaries of housing programs promoted by CDHU.



Programs, actions and main products and services [AR]1 [GRI 2-6]

Based on the guidelines set out in the State Housing Plan 2011–2023 and the Multi-Year Plan 2024–2027, CDHU executes the following programs and actions:



Housing Provision Program

Provision of new housing for social housing demand, operated by CDHU through direct execution or partnerships for the production of housing projects; promotion of the acquisition of finished or underconstruction housing units and the production of housing projects or urbanized lots associated with production; and financing of housing in order to reduce the housing deficit.

Related actions:

Provision of housing for general demand and

resettlement: provision of isolated housing or housing developments with urban infrastructure and equipment produced or acquired through (i) direct and indirect production, (ii) granting of housing credit letters, and (iii) urbanized lots delivered associated with production, aiming to expand the meeting of general demand and social housing resettlement in the State of *São Paulo*. The following CDHU programs stand out: Partnership with Municipalities: production of projects for general demand and/or resettlement. Under this model, CDHU and municipalities combine efforts to produce housing projects. The projects are built on approved land, which is then subdivided and registered, and the lots are donated to CDHU. Project approvals (on a municipal basis), licensing and registration of the subdivision are the responsibility of the municipalities, while CDHU is responsible for the analyses, projects, reports, and opinions required for licensing, contracting, and execution of works. In the case of housing resettlement, the responsibility for meeting the demand lies with the municipality, with support from CDHU. Families from high-risk areas or other situations that require their removal from their area of origin must be eligible for assistance from CDHU. To meet general demand, families are selected through a selection notice and public drawing, promoted by CDHU, with support from the municipalities. The target audience is made up of low-income families. without access to the formal real estate market, and who do not own their own property or have a mortgage. In addition, they must have lived or worked in the municipality where the project is being developed for at least 5 years.

CDH

1. CDHU Actions Report 2024.

Resettlement: housing assistance for families removed from their homes linked to urban and environmental regualification projects. This involves providing permanent housing for families living in precarious and irregular settlements who have to involuntarily vacate the place where they live, due to urban and environmental structuring and recovery works and services, especially those managed by the State and municipalities. Given the irregular situation of these occupations, which cannot be classified as expropriation and compensation in a regular and adequate manner, it is necessary to seek solutions to provide assistance in order to promote and guarantee the right to housing and the restoration of living conditions for socially vulnerable families involved in these displacements. To this end, isolated or grouped units are made viable, with urban infrastructure and equipment, offering credit for the acquisition of units on the market and encouraging production through partnerships with other promoting agents.

Individual Credit Letter (CCI): a financing modality used in various programs of the Company as a housing solution option, enabling the acquisition of autonomous units or properties in developments facilitated by the private sector (completed and regulated properties, either new or preowned). This is subject to CDHU's established conditions regarding urban integration, habitability, legal compliance, health standards, and safety. The program fosters partnerships with municipal, state, and federal public administration bodies, as well as organized housing movements, thereby expanding the availability of housing solutions. Since its implementation as a housing assistance mechanism, the CCI has facilitated the acquisition of 7,512 housing units, including 360 in the year 2024.

Indigenous Housing: housing assistance at no cost for families living on officially recognized Indigenous lands in the State of São Paulo. The design and execution of the projects aim to respect and adapt to the cultural practices and traditions of each beneficiary village, with housing typologies developed by CDHU. In addition to the architectural projects, CDHU also prepares the technical reports and assessments required for budgeting and contracting the construction work. The program, established by State Law No. 11.025 of December 28, 2001, has already enabled the replacement of 612 substandard homes with new housing units across 11 Indigenous lands located in 10 municipalities in the State of São Paulo.



In March 2024, a partnership agreement was signed between CDHU and the Municipality of *Franco da Rocha*, aiming to join efforts in assisting 70 families severely affected by a landslide that claimed the lives of 18 residents of the *São Carlos* settlement in February 2022.

The municipality secured federal resources for the reconstruction or replacement of housing units destroyed by disasters, as outlined in Ordinance No. 998 of April 5th, 2022, which applies to situations of emergency or public calamity recognized by the Ministry. However, due to administrative challenges faced by the municipality, CDHU played a crucial role in the initiative by managing the acquisition of properties through the Individual Credit Letters (CCI) granted to the 70 families.

This highly successful initiative achieved a completion rate of 75% of the planned assistance by December 2024, less than a year after the partnership was established.



- Quilombola Housing: this action aims to improve the housing situation of the quilombola communities in the state, with the implementation of housing exclusively for residents in communities titled by the Fundação Instituto de Terras do Estado de São Paulo José Gomes da Silva (ITESP), on lands holding a Title of Ownership in the name of the Quilombola Association. Additionally, in partnership with ITESP, there is an initiative to promote housing in rural settlement areas.
- Vida Longa: an action that aims to serve elderly people without solid family ties or who are alone, independent to perform daily tasks and with an income of up to 2 minimum wages and registered in CadÚnico. It consists of the implementation of free assisted housing equipment in horizontal condominiums with up to 28 housing units, delivered with the basic furniture essential to the needs and activities carried out by residents and the management team. Developed with resources from SDUH and in partnership with the State Secretariat of Social Development and city governments, the Vida Longa Program provides an area for social coexistence and integration with the social network for the protection and defense of the elderly. Social management is the responsibility of the municipal government, through its social assistance and development department. CDHU is responsible for executing the projects, reports and opinions required for the budget for contracting the works for the project.

Sustainable development of the coast of *São Paulo*:

aims to promote housing development in municipalities in the coastal region and in the areas of influence of the *Serra do Mar*, as an integral part of the sustainable development actions of the coast of *São Paulo*, with actions such as urbanization of slums and housing resettlement, eradication of risk areas, urban renewal of central areas and revitalization of slums; provision of housing and financing for housing renovation.

• Vida Digna Program: the Vida Digna Program consists of a broad set of actions and interventions by SDUH through CDHU, focusing on the removal and resettlement of approximately 3,000 families living in stilt houses and flood-prone areas in *Cubatão, Guarujá, Praia Grande, Santos* and *São Vicente*. The families are being transferred to new housing complexes to be built in these 5 cities in *Baixada Santista*. With an investment of around R\$600 million from the *São Paulo* state government, *Vida Digna* promotes the socio-environmental recovery and requalification of areas occupied by stilt houses on the edge of the *Santos* estuary. The Program had the support of the municipalities in providing land for the construction of the units and counterparts in the removals, social work, and recovery of vacant degraded areas. Provision of urban lots: direct execution by CDHU or in partnership with municipalities for the implementation of regular popular subdivisions, including infrastructure works, earth-moving, paving, and treatment of free and institutional areas. The production of urbanized lots on municipal land is the first stage in the process of implementing projects in partnership with municipalities. After the land presented by the city government is technically approved by CDHU, the phases of project preparation, licensing, budgeting, and contracting of works begin, with direct execution by the Company or the municipality, with transfer of resources. The bidding for the works is done in 2 stages, the first being the implementation of the urban planning, with all the infrastructure, and then contracting the production of the housing units. This 2-stage production model was established with the purpose of gaining agility in the entire production cycle of the housing project.

Associative Letter of Credit: granting of financing for the acquisition of housing produced by accredited market agents, involving a letter of credit to individuals grouped together in an associative form, organized according to the rules established by the legislation regarding the social housing system.

Note: in 2024, there were no housing units delivered under the Indigenous Housing and Quilombola Housing programs. Source: CDHU, 2024.

Urbanization and Improvements Program

Action in precarious settlements, such as shanty towns and tenements, and in inadequate housing, to improve housing conditions and urban and socio-environmental qualifications with urbanization actions and urban and housing improvements based on risk, recovery, and environmental protection or the influence of public works.

The Program aims to correct problems identified in the territory that require integrated public policies to address them, seeking to promote the quality of life of large portions of the population of *São Paulo* who live in precarious areas, especially in metropolitan regions and other cities in the state with regional importance.

Linked action:

Urbanization of precarious settlements and housing and

urban improvements: actions for the recovery and social and urban development of slums and precarious settlements, which may include: urbanization and implementation or adaptation of infrastructure; environmental recovery and elimination of risks; implementation of public and social facilities; housing improvements; actions for social and economic development and integration; urban regularization as well as physical interventions that result in housing and urban improvements and services in homes and/or housing complexes or settlements and urban housing centers.

Services Provided in 2024

	Housing P	rovision					
General Demand Provision Resettlement Provision							
Partnership with municipalities	4,923	Housing units enabled	1,99				
<i>Vida Longa</i> Program	222	Individual Credit Letter – CDHU	36				
Urban Lot Provision		Sustainable Development on the São Paulo Coa	st				
Urban lots	1,306	<i>Vida Digna</i> Program	21				
Associative Credit Letter	332	Associative Credit Letter					
Subtotal of General Demand Provision	6,783	Subtotal of Resettlement Provision	2,57				

Urbanization and Improvements						
Urbanization of precarious settle	nents					
Households served	1,567					
	Overall total: 10,927 services provided					

CDHU

Municipalities served and CDHU regionalization [CRI 2-6]

The municipalities served during the 2024 fiscal year are indicated on the map as follows.

In addition to highlighting the boundaries of the 9 metropolitan regions established in the State of *São Paulo*, the map also shows the territorial division adopted by CDHU to facilitate the administration and control of specific activities that occur in these areas (according to Standard and Procedure 01.10 – CDHU Regionalization and Regional Management for Housing Services, approved on 12/05/2023).



CDHU

Housing Development Program

The development actions aim to contribute to the reduction of housing shortages, providing access to adequate housing for the low-income population without housing or living in precarious housing, through various actions with resources from the FPHIS, including: promotion of housing production; housing credit programs; subsidies in housing financing and public-private partnerships; urban and housing improvements operated by CDHU.

Related actions¹:

Emergency Housing Assistance (AME) and Temporary Housing Assistance (AMP):

AME is a benefit intended for families who are homeless or displaced due to rain, and who live in municipalities that have declared a state of emergency or public calamity. AME is provided for by State Decrees No. 55,334 of 1/11/2010 (amended by State Decree No. 55,370 of 1/27/2010) and by State Decree No. 56,664 of 1/11/2011. In turn, AMP is intended for families who are involuntarily removed from their usual residences due to urbanization or resettlement works for the execution of public works. These families should have their permanent housing assistance resolved in the coming years. To grant the benefit, CDHU acted in the management of families, with resources provided for in the Annual Budget Law (LOA) of SDUH/Casa Paulista and with resources from partners, with the Bolsa do Povo Program being responsible for paying the benefit directly to families, which are families that are in temporary housing until definitive housing assistance is made possible. In December 2024, the Bolsa do Povo State Program (established by State Law No. 17,372/2021) was discontinued, returning to CDHU the operationalization of the payment of the housing assistance benefit to families, with resources transferred by SDUH/Casa Paulista directly to the Company.

Promotion of Social Interest Housing

Technical-Operational Agent	Total Number of Services
Housing Support	7,411
Housing Assistance/Contracted - Housing	5,618
Housing Assistance/Contracted - Partners	333
Emergency Assistance/Agreement - Housing	1,460

1. CDHU manages FPHIS funding for various initiatives and programs, such as the Urban and Housing Development Plan and the Associative Credit Letter Program.



Vida Digna – Praia Grande F-G-I Development



Land regularization

Throughout CDHU's housing production process since 1964, many developments were not delivered to residents in a regular situation, which resulted in the impossibility of borrowers having access to the property title when paying off their financing.

There are several irregularities that often require a complex and time-consuming process, requiring CDHU to make an effort to regularize its developments. The land regularization of housing complexes and developments delivered by CDHU has been a fundamental step in realizing the right to housing and the city.

Urban Land Regularization / CDHU Housing Complexes	Total Services Provided
Registered Developments	54
Regularized Housing Units	17,745

Source: CDHU, 2024.

Note: In addition to this direct initiative, the company supports SDUH in the development of the *Cidade Legal* Program.

Associative Letter of Credit Program

The Associative Credit Letter Program (CCA) aims to facilitate access to decent housing for families with a gross monthly income of up to 5 minimum wages, by granting subsidies in housing credit operations with individuals, grouped by an organizing entity.

In addition to the organizing entities, it also seeks to assist families living in risk areas, those coming from temporary housing assistance (awaiting definitive housing assistance), from public call notices issued by CDHU or registered in city halls.

Its characteristic is the decentralization of housing promotion, with the participation of associative entities, housing companies and other similar entities, such as housing cooperatives, condominiums, or legal entities focused on housing production.

The Associative Credit Letter program is developed by the CDHU, SDUH and/or in partnership between SDUHand/or CDHU and municipal, state and federal public administration bodies and entities, or organized pro-housing movement entities.

The resources for the development of the actions come from the budget of CDHU, partners and SDUH/*Casa Paulista*, foreseeing the use of FPHIS resources, expanding the possibilities of meeting the demand of social interest through the granting of subsidies in credit operations with other financial agents besides Caixa Econômica Federal, with whom it has already been working in partnership with the Federal Government. CDHU acts as a technical and financial agent, promoting the analysis of projects, technical, legal and economic-financial assessment for the effective financing of housing units, as well as technical monitoring in the execution phase of the project, with the release of financing installments to the promoting/ developing agents according to the progress of the works.

The model adopted by the Associative Credit Letter program provides greater speed in housing production, since it does not need to go through the CDHU project development process (the responsibility lies with the construction company), expropriation and acquisition of land, and bidding for works and services, which is usually time-consuming.

It also has lower costs, since there are no expenses with management, inspection of works, or other administrative and operational costs. Another important aspect is that the housing development projects meet sustainability standards, requirements for insertion into the urban grid, access to public services, and quality building standards.

The developments are registered through accreditation and/ or call notices issued by SDUH and CDHU. To participate in the Program, the housing complex must be incorporated and the technical and legal documentation approved by CDHU.

CDHU

The properties are financed according to the CDHU criteria and the guidelines of the State Housing Policy, which provide for zero interest and a commitment of 20% of income, with the payment of monthly installments of the financing for up to 30 years. Families are also exempt from charges during the construction phase, and the first payment will only be made 30 days after the keys to the ready-to-live-in property are handed over.

In order not to burden the families' budget in the phase prior to the delivery of the ready-to-live-in properties, the State Government is covering all the financing expenses, such as the payment of the Property Transfer Tax (ITBI), registration of the property at the notary's office and insurance against death or permanent disability during the construction, ensuring peace of mind for the families.

The Associative Credit Letter Program has also become an important alternative to meet the demands of the public sector itself, through projects remaining from accreditations of the former Housing Secretariat, or resulting from public selection carried out by municipalities, with necessary adjustments to CDHU's marketing policy, with the Company's own resources. In 2024, a partnership was signed with the *São Paulo Popular* Housing Company (COHAB-SP) to make 4,071 housing units feasible, and 3 call notices were published to obtain proposals for projects or housing units for contracting financing operations for the acquisition and/or production of 7,330 housing units that will be classified, at the discretion of CDHU and SDUH, under the Individual Credit Letter Program (CCI-CDHU), Housing Support Program – Associative Credit Letter Modality (CCA-CDHU) and/or Private Housing Production Credit Program (PPH), operated by *Desenvolve*-SP with resources from FPHIS.

Resources - Associative Credit Letter

For operations intended for execution by the PPH, CDHU will participate as a technical agent, analyzing the projects and monitoring the progress of the works with an indication of the feasibility of releasing the financing installments to the promoting/developing agents by *Desenvolve*-SP.

The Associative Credit Letter Program, within the commitments signed and published until 12/31/2024, estimates to make possible the financing of 41,005 housing units, with a total investment forecast in the order of R\$8.6 billion.

Status	Housing units	State funds	Complementary funds	Total investment		
Delivered	3,185	R\$572,488,001.46	R\$0.00	R\$572,488,001.46		
Contracted	15,716	R\$2,823,736,511.50	R\$22,844,601.43	R\$2,846,581,112.94		
Under review	5,722	R\$1,236,032,000.00	R\$0.00	R\$1,236,032,000.00		
In planning	16,382	R\$3,999,700,000.00	R\$0.00	R\$3,999,700,000.00		
Grand Total	41,005	R\$8,631,956,512.96	R\$22,844,601.43	R\$8,654,801,114.40		

Source: CDHU, 2024.

In summary, of the 41,005 housing units mentioned, 3,185 housing units were delivered in 2024, 15,716 are in production, 5,722 are in the analysis phase and another 16,382 are in planning awaiting submission of proposals and approval. The process involves 32 real estate development companies and 9 organizing entities representing pro-housing groups.

Service in the CCA Program [GRI 2-6]

		Number of housing units/status					
Municipality		In process					
		Delivered 2024	Contracted	Under review	Subtotal	In planning	Tota
Barueri		0	0	0	0	500	500
Carapicuíba		0	0	0	0	500	50
Diadema		0	632	0	632	0	63
Embu das Artes		0	2,925	0	2,925	0	2,92
Embu Guaçu		0	624	0	624	0	62
Franco da Rocha		0	372	0	372	0	37
Ferraz de Vasconcelos		0	590	0	590	0	59
Guarulhos		0	432	0	432	0	43
Itaquaquecetuba		0	342	0	342	0	34
Mauá		0	196	0	196	0	19
Osasco		0	0	0	0	250	25
Santo André		0	1,662	0	1,662	0	1,66
São Bernardo do Campo		420	1,631	0	2,051	0	2,0
	SP – North Zone	401	2,047	1,340	3,788	0	3,78
	SP – South Zone	0	517	781	1,298	800	2,09
Cão Doulo	SP – East Zone	54	1,290	761	1,805	0	1,80
São Paulo	SP – West Zone	2,310	1,736	0	4,046	0	4,04
	SP – Center	0	0	192	192	5,000	5,19
	Subtotal for São Paulo City	2,765	5,590	2,774	11,129	5,800	16,92
Suzano		0	416	0	416	0	41
Taboão da Serra		0	304	0	304	0	30
Total for the São P	aulo Metropolitan Region	3,185	15,716	2,774	21,675	7,050	28,72

CDHU

Source: CDHU, 2024.

Service in the CCA Program [CRI 2-6]

			Number of housing units/status					
	Municipality			In process				
			Delivered 2024	Contracted	Under review	Subtotal	In planning	Total
	Baixada Santista	Guarujá	0	0	420	420	0	420
		Itanhaém	0	0	464	464	0	46
		Mongaguá	0	0	496	496	0	49
		Praia Grande	0	0	390	390	0	39
F		São Vicente	0	0	666	666	0	66
COAST		<i>Baixada Santist</i> a (in planning)				0	3,564	3,56
ŭ		Subtotal for Baixada Santista	0	0	2,436	2,436	3,564	6,00
		São Sebastião	0	0	512	512	0	51
	Litoral Norte	Litoral Norte (in planning)	0	0	0	0	5,488	5,48
		Subtotal for Litoral Norte	0	0	512	512	5,488	6,00
		Total for Coast	0	0	2,948	2,948	9,052	12,00
INLAND	Capivari		0	0	0	0	200	20
	Rafard		0	0	0	0	80	8
Z		Total for Interior	0	0	0	0	280	28
	Total for the	São Paulo Metropolitan Region	3,185	15,716	2,774	21,675	7,050	28,72
	Coast		0	0	2,948	2,948	9,052	12,00
		Interior	0	0	0	0	280	28
		Grand Total	3,185	15,716	5,722	24,623	16,382	41,00

Source: CDHU, 2024.

CDH^U

CDHU

Viver Melhor Program

The Viver Melhor (Live Better) Program aims to promote improvements and adaptations in housing units located in precarious settlements that are regularized or in the process of land regularization, as long as they are not located in risk areas. The interventions include technical and infrastructure assistance, replacement of housing in critical situations, support for land regularization, repairs to wall and floor coverings, reinforcement and review of roofs, implementation of water and sewage networks with connection to public systems, installation of toilets, among other services.

Coordinated by SDUH, the Program is made possible through the *Casa Paulista* Urban Development Program, with resources from FPHIS, and executed by CDHU.

The interventions result in the improvement of health conditions, accessibility and quality of housing, positively impacting the lives of residents and contributing to the appreciation and transformation of the urban landscape in the benefited areas.

In 2024, the Program completed the requalification of 1,900 homes in 50 housing units. Since its creation, the *Viver Melhor* has already carried out improvements in a total of 10,429 housing units, covering 62 areas served in different municipalities in the state.

This year, the Program began to adopt a new contracting method, which expanded the scope of the interventions. In addition to housing improvements, the works began to include urban interventions focused on road safety, basic sanitation, tree planting and installation of street furniture.

With this expansion and the adoption of the full contract model, it became necessary to carry out preliminary diagnoses to support the preparation of projects and budgets for the works. In these areas, in addition to the inventory of buildings, surveys were conducted with residents to identify the main needs and deficiencies of the community, contributing to the definition of the interventions.

This new methodology was applied in 7 areas:

- ✓ Alto Pimenta (Barretos);
 ✓ Vila Nova (Holambra);
 ✓ Jardim Esperança (Porto Ferreira);
 ✓ Retalhamento Santa Catarina (São José do Rio Preto);
 ✓ Vila Brandina (Campinas);
 ✓ Vila Nely (Itaquaquecetuba); and
- 🗹 Cadaval II (Carapicuíba).

In addition, a registry of households in the *Mário Covas* Settlement in *São Simão* was carried out to replace precarious housing with prefabricated units.

Another advance was the expansion of the intervention perimeter by 9 centers, extending the survey and diagnosis areas to the following locations:

- ✓ DER (São Bernardo do Campo);
- ✓ Jardim Maria Rosa (Itaquaquecetuba);
- ✓ Nuporanga (Ribeirão Preto);
- ✓ Parque dos Sábias (Piracicaba);
- ✓ Vila Nova Estação (Mogi das Cruzes);
- ✓ Jardim Gonzaga (São Carlos); and
- ✓ Heliópolis, Paraisópolis e Jardim Piratininga Cangaíba (São Paulo).

It is worth noting that, in 2024, a satisfaction survey was carried out in the areas where the works were completed, with the aim of measuring the level of satisfaction of residents in relation to the Program, considering both the implementation process and the housing and urban improvements carried out.

Public-private partnerships (PPPs)

CDHU has been increasingly involved in the feasibility of PPP projects, acting in the coordination of efforts aimed at expanding the supply of public housing, with special attention to the Municipality of *São Paulo*, a region that accounts for a significant portion of the housing deficit in the Metropolitan Region.

In the context of the agreement established between the Housing Department and the concessionaire PPP *Habitacional* SP Lote 1 S/A, regarding the PPP for the Central Area of the Municipality of *São Paulo*, CDHU acts as a provider of a subsidiary guarantee for the payment of the consideration due, in addition to the main guarantee provided by *Companhia Paulista de Parcerias*.

In addition, within the scope of the PPP for Municipal Housing in *São Paulo*, an agreement was formalized with COHAB/SP, through which CDHU also offers a subsidiary guarantee for the payment of the consideration due by the municipality, in addition to the main guarantee provided by *Companhia São Paulo de Desenvolvimento e Mobilização de Ativos*.

In June 2023, the *São Paulo* Investment Partnership Program (PPI-SP), within the scope of urban development and housing, qualified PPP projects for the implementation of 50,000 social and popular housing units in metropolitan areas, in synergy with other public policies and state and municipal projects, in order to enable the creation of new central areas.

The qualified projects include the following territories of operation: (i) Central Area of São Paulo; (ii) Tiquatira; (iii) Itaquera; (iv) Guaianazes and Lajeado; (v) CDHU Invaded Areas; (vi) Fazenda Albor; (vii) Guarujá; (viii) Guarulhos (CECAP Park); (ix) Bragança Paulista; and (x) Campinas, Sumaré and Hortolândia. Architectural and urban planning, economic and financial models were prepared for the projects Central Area of *São Paulo, Guarujá, Itaquera* and *Fazenda Albor,* with the following developments:

The PPP Área Central was divided into 2 projects – Centro Histórico and Liberdade – Glicério.

The technical content of the Centro Histórico Project was delivered by CDHU to the Investment Partnership Secretariat (SPI – Administrative Process No. SEI 378.00000125/2023-29).

The Liberdade/Glicério Project had its existing studies updated. The action has already been implemented by CDHU and forwarded in August 2024 to SPI (under No. SEI 387.00002863/2024-82).

the Guarujá and Itaquera Projects previous studies were updated and forwarded in August 2024 to the SPI (No. SEI 387.00002811/2024-14 (08/07/2024).

the Fazenda Albor Project had the technical contents for opening the administrative process delivered to the SPI in July 2024 (No. SEI 387.00002555/2024-57).

Integrated urban development

The issues inherent to urban development and housing. resulting from accelerated, disorderly and unequal urban growth, both in terms of socioeconomic dynamics and the form of territorial occupation by human settlements, impose major challenges on the State of São Paulo.

In this context, CDHU, as a technical agent linked to the Housing Secretariat, has been called upon to respond to these demands by acting in multidisciplinary and multisectoral activities, characterized by high technical complexity.

Overcoming these adversities requires CDHU to constantly update and improve its institutional practices, as well as adopt innovative methods capable of increasing the efficiency of management processes and the provision of public services aimed at the population.

This institutional improvement aims, above all, to harmoniously and effectively integrate public policies aimed at urban development and housing, with a view to ensuring concrete advances in the quality of life of São Paulo society.



To promote intersectoral integration and federative coordination of other public policies, especially those related to mobility, sanitation, and the

> To recognize and value partnerships by including and strengthening stakeholders involved in the expansion and improvement of urban infrastructure. housing production, and the regeneration of areas occupied by socially and environmentally vulnerable informal settlements.

In the same context of its technical activities, the Company plays an important role in supporting the development of methodologies and guidelines for the preparation and updating of municipal master plans, aiming at the integration of these initiatives with regional perspectives and the definition of strategies aimed at integrated urban development. In addition, the Company works on the preparation, modeling and implementation of integrated urban development projects considered to be of regional relevance.

The performance of the role of technical agent of the Urban Development and Housing System by CDHU includes the preparation of inputs and the provision of technical support for institutional coordination and the development of studies and models that cover all stages of the process of identifying, structuring and implementing structural projects aimed at promoting development and urban recovery, with special emphasis on the metropolitan regions of the State of *São Paulo*.

The identification of priority areas for the development of these projects takes into account local and regional needs, as well as the guidelines of urban and housing development policies, with a particular focus on risk-prone areas, degraded central zones, water sources, and other critical sites. The projects under development include housing interventions, in addition to other uses, integrating with strategic investments, such as the Intercity Train and other relevant initiatives.

In 2024, CDHU's activities focused primarily on developing projects for the Metropolitan Regions of *Sorocaba* and *Campinas*.

The projects are supported by Technical Cooperation Agreements established between the National Bank for Economic and Social Development (BNDES), SDUH, regional agencies, and the municipalities of *Sorocaba* and *Campinas*, respectively.

The actions undertaken within the scope of these agreements aim to develop strategies, models and specific projects that aim to requalify and revitalize the central areas of the metropolitan centers, identified as having underutilized properties, but with potential for integrated urban development and for attracting investments, for the benefit of the local population. In 2024, CDHU completed the diagnostics to support the strategies and models for project execution, fulfilling their responsibilities under the Cooperation Agreements.

CDHU

Similarly, partnerships were established with public agencies to support new structuring projects, with emphasis on:

- CAVA Carapicuíba operations;
- SP Urbanismo/SMUL Água Espraiada Operation;
- 🗸 Ribeirão Vermelho SP Águas; and
- DER/Campinas Miguel Melhado Campos Highway.


SDUH [GRI 2-24] [SDG 16]

The Urban and Housing Development Plan (SDUH) is a planning instrument focused on urban development and social housing in the State of *São Paulo*, with the objective of recognizing the territorial dynamics and specific needs of municipalities and regions, in order to effectively guide the formulation of policies and the allocation of public investments.

This instrument also seeks to enhance regional potential and mitigate socio-environmental vulnerabilities, consolidating the role of the State as an articulator of territorial planning and management.

The SDUH aims to provide technical training and support to municipalities and regions by strengthening 3 areas of action:

i) Urban planning and social housing;ii) infrastructure and mobility; andiii) environment and climate change.

These axes are worked on at different territorial scales, with the aim of promoting a balanced and articulated urban network, which ensures the development of safe, healthy, resilient, inclusive, prosperous and sustainable cities.



CDHL

The State's coordinating role

To ensure the full implementation and effectiveness of the SDUH, a geospatial database is planned to be structured, associated with a monitoring system aimed at monitoring international sustainable development goals and indicators, in line with national and global agendas and policies, such as the New Urban Agenda and the Sustainable Development Goals (SDGs) of the United Nations (UN).

In addition, the SDUH includes coordination with the geocollaborative platform Metropolitan Information and Monitoring System (SIMM), aiming at the preparation of thematic and integrated analyses, as well as the construction of indexes capable of supporting the decision-making process in the sphere of territorial and housing planning.

In 2024, CDHU completed the 1st edition of the technical/ thematic notebooks that update the information and bases for the SDUH, understood as an incremental process and shared with other sectoral bodies, municipalities and regions. The preparation of the booklets included internal workshops, bringing together all the affected areas of the ministry, and sectoral workshops with the Secretariat of Environment, Infrastructure and Logistics (SEMIL), the Institute of Environmental Research (IPA) and STM and FSEADE, in addition to meetings for ongoing sectoral cooperation with the State Secretariats of Education and Social Development.

The SDUH 2040 is fully aligned with the principles and guidelines of the New Urban Agenda of UN-Habitat, with the purpose of promoting sustainable and integrated solutions that contribute to balanced and inclusive urban development in the coming decades.

Investiments in infrastructure and suppor for services

[GRI 3-3 Urban development integrated with social housing, 203-1] [SDG 5, 9, 11]

In fiscal year 2024, investments in infrastructure and service support remained in line with the standards adopted in previous years, including the provision of specialized technical services, including the preparation of projects, budgets, construction management, agreement management, consultancy, real estate appraisal and inspection.

These activities aimed to meet the demands of the State Public Administration Secretariats, autonomous agencies and other related entities, contributing, directly or indirectly, to the strengthening of social actions and actively participating in the implementation of government programs through agreements and institutional partnerships, with impacts through indirect actions in almost all municipalities in the State of *São Paulo*.

CDHU

During the reporting period, 110 Service Commencement Orders/ Service Orders (OISs/OSs) were issued regarding urbanization works and services, urban infrastructure works and services and service support, among which:

8 new contracts for the implementation of urban infrastructure;

41 topographic surveys; and

61 surveys for subsoil characterization.

Investments in infrastructure and service support	Monetary Value (in BRL)
Urban infrastructure	R\$14,488,314.93
Urbanization	R\$2,864,829.72
Service support - topographic durveys	R\$1,752,809.82
Service support - subsoil characterization survey	R\$1,534,661.65
Total	R\$20,640,616.12

Source: CDHU, 2024.

Provision of services: other Public Administration bodies [CRI 203-1] [SDG 5, 9, 11]

The incorporation of the activities inherited from *Companhia Paulista de Obras e Serviços* (CPOS) brought new financial and operational dynamics to CDHU. The integrated work between the Service Provision team and the other areas of the Company, such as Legal, Social and Administrative, has added value to contracts and ensured the fulfillment of complex demands.

In addition, the development and continuous training of employees has proven to be fundamental for the innovation and improvement of services, expanding CDHU's operations beyond the housing segment and consolidating its presence as a reference in engineering and public management solutions. During the 2024 fiscal year, the provision of specialized technical services to other Public Administration bodies continued the actions undertaken in previous years, covering:

- Cost reference bulletin;
- property appraisal;
- consulting, planning, execution, management and supervision of engineering and architectural works and services;
- condominium management;
- Management of contracts and agreements;
- engineering and architectural projects;
- technical support for bids;
- land regularization;
- social work;
- \checkmark inspections, budgets and consultancies; and
- Management and supervision of works.



Praça da Cidadania – São José do Rio Preto

These activities met the demands made by state government departments, government agencies and other entities, contributing significantly to the strengthening of social policies, both directly and indirectly, as well as to the implementation of government programs through agreements and partnerships.

During the period in question, there were 35 contracts, agreements and collaborations in progress, totaling R\$368 million, in addition to 62 projects completed, totaling R\$51 million. The total revenue in the last 12 months was approximately R\$81 million.

The initiatives developed resulted in direct actions with approximately 40 public agencies, including departments, institutes, foundations and city halls, having generated indirect impacts in practically all municipalities in the State of *São Paulo*.

Among the main partnerships signed in 2024, the following stand out:

- Department of Public Security: management of 5 contracts underway, including the Saldanha Marinho Building, the new headquarters of the São José do Rio Preto Judicial Police Station and the Itanhaém Sectional Police Station;
- Department of Government: management of agreements and contracts related to parliamentary amendments for municipalities;
- Court of Auditors: development of a standard typology project for regional units in *Mogi Guaçu* and *Andradina*, with potential for reproduction in other locations;
- Department of Justice and Citizenship: preparation of renovation projects aimed at adapting accessibility and obtaining the Fire Department Inspection Certificate (AVCB);
- Department of Finance: preparation of renovation projects, asset management, topography, technical reports, real estate appraisals, land regularization and environmental investments;
- Department of Agriculture: management, inspection and preparation of projects and services for the department's units;

- Public Defender's Office: provision of specialized technical services, renovation and restoration projects;
- State Attorney General's Office: restoration and renovation project for the *Maria Paula* Building;
- Municipal Department of Education: preparation of projects, technical reports, assessments, inspections, consultancy and budgets, with emphasis on the renovation of 30 schools in progress;
- Department of Sports: management and supervision of renovation, restoration and accessibility adaptation works at the *Baby Barioni* Sports Complex and the *Mário Covas* Olympic Village;
- Department of Tourism and Travel: development of projects, consultancy and management of works aimed at the implementation of nautical structures;
- São Paulo Social Fund (FUSSP): execution of agreements for the preparation of projects, management and supervision of works, with 5 squares under construction and 7 projects completed, awaiting contracting of the works; and
- Guarulhos City Council: preparation of renovation and expansion projects.

CDHU

CDHU

Furthermore, 2 highly complex projects carried out in 2024 stand out:

Restoration and Renovation Project for the *Ícaro de Castro Mello* Stadium: completed in a short period of time, including architectural projects, restoration, concrete and metal structures, electrical installations, automation, sound infrastructure, hydraulic installations, drainage, irrigation, air conditioning, earthworks and landscaping, in addition to obtaining approvals from the appropriate agencies; and

Executive Project for the *Jaguariúna Rodoshopping*: development of a complete project, with emphasis on the metal structure of the roof, requiring a technical solution for large spans and ensuring natural ventilation and structural lightness. Throughout 2024, CDHU consolidated its strategic role in supporting the State Public Administration, with emphasis on highly complex projects with significant social impact. The efficiency in the execution of activities and the integration with several public and private entities consolidate CDHU's role in the development of infrastructures that meet the needs of the population.



Supply chain and purchasing practices [GRI 2-6]

CDHU maintains strategic partnerships with a diverse group of suppliers, including construction companies, engineering firms and service providers linked to urban infrastructure.

These suppliers are responsible for executing housing projects, supplying materials and carrying out the works, in accordance with the standards and guidelines established by the Company.

The hiring of suppliers is formalized through bidding processes, in strict compliance with the provisions of Federal Law No. 13,303/2016, which regulates the contractual activity of public companies and mixed-capital companies. Companies located in all regions of the country are eligible to participate in the bidding processes promoted by CDHU, provided they meet the established requirements; however, there is a greater concentration of suppliers headquartered in the State of *São Paulo*, in addition to some companies from other states of the Federation, such as *Bahia, Distrito Federal, Espírito Santo, Minas Gerais, Paraná* and *Rio de Janeiro*.

With a view to improving processes and strengthening the production chain, CDHU encourages interaction between the agents involved, seeking to increase productivity, promote standardization and improve the efficiency of construction processes, with attention to the adequate management of human resources and materials used in the works. The Company maintains commercial relations with companies that operate in different specialties, covering the following activity profiles:

- Technological control and surveys;
- execution of engineering works and services;
- 🧭 construction management;
- Social management;
- < project development;
- land regularization;
- 🖌 topography and geodetic surveys;
- 🔗 signing of agreements with city halls;
- \checkmark technical consultancy; and
- 🖌 supply of furniture.

Geographic distribution of active contracts and/or those with measurements during the reporting period		Monetary value measured
Bahia	1	R\$235,645.76
Distrito Federal	2	R\$5,103,327.66
Espírito Santo	3	R\$273,361.76
Minas Gerais	42	R\$129,445,028.48
Paraná	3	R\$3,751,094.27
Rio de Janeiro	2	R\$22,863,906.47
São Paulo	507	R\$1,406,186,239.52
Total	560	R\$1,567,858,603.92

Source: CDHU, 2024.

Social evaluation of suppliers [GRI 414-1, 414-2] [SDG 5, 8, 16]

CDHU adopts rigorous procedures for assessing and monitoring the social requirements applicable to contracted suppliers, ensuring that its contracts comply with current legislation and the principles of social responsibility and respect for human rights.

All CDHU suppliers are selected through bidding processes governed by Federal Law No. 13,303/2016, which ensure broad competition and allow the participation of companies established in any region of the country. The bids promoted by the Company are guided by the search for the best proposal, in accordance with the principles of legality, equality and impartiality, ensuring that the public interest is met. There is no distinction or unjustified restriction that limits the participation of interested parties in the bidding processes.

Depending on the nature of the contracted object, bidding companies must present certificates and technical records that prove their capacity and qualifications to perform the intended services. In particular, in bidding processes for engineering works and services, compliance with the Program for the Insertion of Ex-Prisoners of the Penitentiary System into the Job Market (*Pró-Egresso*), provided for in State Decree No. 55,126/2009, is required. In addition, all contracts signed by CDHU are fully monitored, covering 100% of contracts. To date, no cases of suppliers identified as causing actual or potential negative social impacts have been recorded.

The bidding and contractual processes follow the guidelines of integrity and transparency, so that transactions with related parties are aligned with good corporate governance practices. Contracted suppliers are subject to established social and environmental standards, and are subject to sanctions in the event of non-compliance with the agreed obligations.

The contracts provide for the presentation of a Cross-Civil Liability Insurance policy, which includes coverage against work accidents and various risks. Suppliers must also submit a declaration of regular status to the Ministry of Labor, stating that there is no night work, dangerous or unhealthy work by minors under 18 years of age, and that there is no work by minors under 16 years of age, except as apprentices, in accordance with applicable law. Contracts related to the execution of works require the presentation of the layout of the construction site, verifying compliance with Regulatory Standard 18 (NR-18) – Working Conditions and Environment in the Construction Industry. The schedule for the presence of the workforce and the dimensioning of the Specialized Service in Occupational Safety and Medicine (SESMT) are also required. In addition, companies must present the Program for Working Conditions and Environment in the Construction Industry (PCMAT), prepared according to the specificities of the activities and services to be performed.

Thus, through strict control and supervision of signed contracts, CDHU ensures that its suppliers comply with social, environmental and safety standards, reaffirming its commitment to social responsibility and the promotion of decent working conditions at all stages of its production chain.



CDHU









Housing and technological innovation

São Simão - off-site construction completed in 2025

Guidelines for new project programs

[GRI 3-3 Technological innovation and new modes of housing and urbanization production] [SASB IF-HB-410b.1, IF-HB-410b.3] [SDC 9]

Considering the expanded functional scope of SDUH and CDHU, the new programs and projects follow guidelines that aim to guarantee the right to housing in a broader sense, provided with all urban infrastructure, open spaces, commerce and adequate public services, capable of providing economic, environmental and social sustainability.

The guidelines, presented below, have been incorporated in a structured and progressive manner in the development of the Company's new programs and projects.

Urban recovery guidelines:

- **1. Urban integration** (formal, spatial and functional relationship with the sidewalk and the neighborhood; urban integration of complexes; encouragement of public enjoyment; use of active facades; open space systems; requalification of public spaces; and retrofitting);
- **2. architectural repertoire** (harmony in variations of volume, height and alignment; use of typologies that preserve the identity of buildings; and diversified treatment of ground floors and facades that qualify the open spaces of the lots);
- **3. building and population density** (optimizing the use of the implemented public infrastructure, mainly along public transportation axes, contributing to the reduction of long trips and sprawl); and
- **4. diversity of uses and incomes** (complete neighborhoods; housing integrated with commerce; public services and facilities; serving different age groups, income, gender and race, encouraging activities that generate employment and income).



MULTIFUNCTIONAL GREEN AREAS - URBAN VEGETATION

JRBAN TREE PLANTING - 8/23

CDHU

Environmental and sustainability guidelines:

- 1. Urban drainage (solutions that slow down runoff and enable the reuse of rainwater, with an emphasis on nature-based solutions; adoption of green and blue infrastructure with linear parks, rain gardens and bioswales);
- 2. solid waste (principles of non-generation, reduction, reuse, recycling and treatment of solid waste: recycling initiatives, domestic composting linked to urban gardens and pocket parks);
- 3. urban environmental comfort and energy conservation (passive use of natural resources; adequate solar orientation; cross ventilation; afforestation; typologies suited to physical and climatic conditions; installation of energy-saving equipment; individualized metering of water, gas and energy; and adoption of photovoltaic energy); and
- **4. public health and climate actions** (encouraging active mobility; reducing pollution; food security and urban afforestation, contributing to the reduction of non-communicable diseases and the formation of healthier citizens; and planting of mini-forests).

Mobility and safety guidelines:

- Road safety and accessibility (opening and/or requalification of the existing road system, making sidewalks and walk-ways accessible, safe and comfortable for all road users);
- 2. active mobility (priority for pedestrians and cyclists, with the adoption of bicycle parking in all complexes; discouraging the provision of parking spaces as a priority; and expansion of the cycle path network);
- **3. public collective transportation** (integration into the public collective transportation network; and treatment of the road system from the complex to the passenger boarding/disembarking point); and
- **4. public safety** (solutions that provide natural surveillance and crime prevention; efficient and sufficient lighting; visibility of common areas and roads; transparency of facades; and spaces without visual barriers, corners or hiding places).

As an example, we cite the programs and projects under development: *Santos AE, SP-Brás, SP-Belém O, SP-Guaianazes B30.*

Santos AE











CDHU

SP-Belém O







These guidelines are aligned with the modern concepts of compact development and 15-minute city, which aim to ensure that all essential services are within a 15-minute walk for any citizen. This approach aims to reduce the need for, and time spent on daily commutes, thus promoting a better quality of urban life.



Typologies booklet of urban improvement project

[GRI 3-3 Technological innovation and new approaches to housing and urbanization production] [SASB IF-HB-410b.1, IF-HB-410b.3] [SDG 9]

CDHU plays an essential role in training city governments to promote sustainable cities, disseminating technical knowledge through manuals that support the design of housing and urban projects that follow international best practices and aim to strengthen urban resilience by adapting cities to the challenges of climate change.

As part of this commitment, the Company is developing, together with SDUH, **the Modular Urban Typologies Booklet**, a strategic document for the implementation of green infrastructure, bioengineering and nature-based solutions that prioritize improved drainage, reduced soil impermeability, stimulate mobility and road safety, among other direct benefits for the population, assisting municipalities in the preparation of projects, facilitating the formalization of agreements and serving as a reference for interventions carried out with their own resources. The Booklet's objective is to support managers, planners and communities in adopting solutions that reconcile development and preservation, promoting the construction of a fairer future for all, in accordance with the guidelines of the 2030 Agenda, proposed by the UN, and with the precepts of the City Statute and the Metropolis Statute.

With a modular structure, the booklet allows for constant updates and the inclusion of new typologies as needed.

The aforementioned Booklet was structured around thematic axes that guide the approach to the following urban issues: rainwater management; road paving; mobility; water system management; multifunctional green areas; equipment; energy efficiency; and signage. Based on these axes, modular urban typologies were developed, accompanied by application sheets, which detail the technical information and unit costs necessary for the implementation of the proposed solutions.

Through this material, municipalities can select, in a practical way, the solutions most suited to their specific needs, according to local environmental challenges, considering the typologies organized in each thematic axis. From green infrastructure to the recovery of urban ecosystems, each typology presented in this booklet was designed to be adaptable to the different realities of the State of *São Paulo*.



Vida Longa - Boituva H Development

CDHU



The improvements planned for the 8 axes will be implemented in such a way as to cover, according to the particularities of each one, several of the 17 SDGs established by the UN in the Brazilian context. The initiatives led by the state government will be aligned with global goals, such as poverty reduction; environmental preservation; climate change mitigation; and the promotion of conditions that ensure peace and prosperity for all people, everywhere.

In addition, CDHU provides a set of technical manuals that enrich and guide this process. Among these materials, the Project Manual stands out, which defines guidelines for the design and execution of housing projects, and the Landscaping Manual, which offers subsidies for the planning and qualification of green areas and public spaces.

New construction technologies

[SASB IF-HB-420a.2, IF-HB-160a.4]

In 2024, CDHU launched Public Call for Proposals No. 001/2024, which aims to approve offsite modular industrialized construction processes. The initiative aims to foster scientific research and technological innovation, mobilizing the expertise and agility of the private sector for the large-scale production of regular and safe housing, with quality and sustainability.

These projects will be able to meet the State's housing policy and assist in rapid responses to extreme events. The proposed construction processes are evaluated based on environmental requirements, such as carbon emissions, waste reduction, reduction of solid waste and use of recycled materials.

Currently, CDHU is beginning the production stage of proof of concept, with ambitious goals for the application of the approved systems in future projects, including:

- **7,500** multi-family vertical housing units;
- **7,500** single-family horizontal housing units; and
- 100,000 m² of usable area for non-residential modules, such as public facilities and administrative buildings.

The Technological Research Institute (IPT) provides technical support in developing criteria and methodology for verifying systems, considering references such as SiNAT/PBQP-H, ABNT NBR No. 15,575 and the measurement of environmental performance and industrialization levels. To date, 71 companies have expressed interest, of which 23 have 59 proposals in the proof-of-concept implementation phase.

CDHU also became a partner institution of IPT in the creation of the Science Center for the Development of Carbon Neutral Cities (CCD). This Center aims to develop research, policies and innovative solutions that contribute to making cities increasingly aligned with the principles of a low-carbon society and the SDGs.

The Project is composed of 5 sectoral tracks, one of which is buildings and civil construction. The products foresee the development of low-carbon construction technologies, the use of renewable materials and carbon capture, among other solutions aligned with the objectives of CCD-*Cidades*.

It also seeks to address the challenges of greenhouse gas emissions and consolidate a sustainable urban environment, simultaneously considering aspects of economic development, environmental preservation and sociocultural equity.





New technical solutions to tackle climate changes

[CRI 201-2] [SASB IF-HB-160a.4, IF-HB-420a.2, IF-HB-410a.1] [SDC 13]

During 2024, the projects developed by CDHU maintained the housing and urban planning standards established based on studies carried out by the Innovation and Sustainability Committee.

These standards include the incorporation of sustainable urban drainage solutions and the use of eco-efficient equipment in housing units, such as reduced-flush toilets (VDR), taps with aerators and water flow reducers, in addition to the implementation of photovoltaic systems in all housing buildings. Seeking to contribute to saving water consumption, they also implement individualized water metering in multi-family housing complexes.

In addition, guidelines that prioritize the efficiency of water supply installations, the preservation of quality and the rational use of water have been incorporated into the development of new programs and projects by the Company, with emphasis on:

- (i) Individualization of water, gas and electricity metering in housing units;
- (ii) installation of water and energy-saving equipment, such as flush toilets, efficient light bulbs and presence sensors in condominium areas;
- (iii) adoption of drainage solutions that slow down runoff and ensure rainwater retention and, whenever technically feasible, promote water reuse. These solutions include green and blue infrastructure and nature-based interventions, such as linear parks, rain gardens, bioswales and other bioretention systems; and
- (iv) application of the principles of the National Solid Waste Policy, which involve non-generation, reduction, reuse, recycling, adequate treatment of solid waste and environmentally responsible final disposal of waste, both during construction work and in the projects' waste collection systems. Initiatives such as recycling, home composting, pocket parks and urban gardens are worthy of note.

As mentioned, starting in 2025, CDHU will begin implementing the first proofs of concept for industrialized buildings (off-site), contracted by the Company, whose projects and works, among other aspects, must strictly comply with the sustainability requirements developed in partnership with IPT. Proven compliance with these criteria will be considered a differential, awarding points in the final evaluation of the buildings.

CDHU

Among the requirements provided for, the following stand out: the mandatory use of certified wood in the works; the reuse and repurposing of materials during the execution of the projects; the use of inputs and components from manufacturers registered in the Construction Environmental Performance Information System (SIDAC); and the International Organization for Standardization (ISO) certification No. 14,000 by the executors and their partners.

In addition, efficient management practices for water and energy resources will be required, as well as the appropriate management and disposal of solid waste generated, both during the construction of buildings and in the daily activities of construction sites. In addition, the prioritization of the acquisition of raw materials and components from suppliers located near the production site will be required, aiming to reduce the environmental impacts associated with transportation and to strengthen the local economy.



New geo collaborative and digital tools

CDHU has invested in geo collaborative and digital tools to improve housing and urban development planning and management in the State of *São Paulo*. Such applications involve cadastral intelligence for managing public services, georeferencing for territorial planning, and BIM system modeling for managing the entire construction process, considering all stages of planning and production.

Building Information Modeling (BIM) [GRI 2-17]

CDHU has been implementing the BIM methodology as part of its strategy to improve housing production processes. This initiative aims to increase productivity, simplify work stages and reduce costs in projects and works under its responsibility.

In 2024, the Company created the BIM Committee, responsible for coordinating and promoting the integration of this methodology into its activities. The first seminar held by the committee brought together CDHU's technical staff and leaders, as well as experts and representatives of successful experiences in the public and private sectors.

To support digital transformation, CDHU is in the process of hiring a specialized consultancy, which will work with technicians and managers from all of its departments, leading the modeling and implementation of BIM processes. Reinforcing its commitment to training and the search for international references, the Company enabled the Committee coordinator to participate in training held in the United States in the last quarter of 2024. The course addressed the principles and digital bases applicable to BIM, with a focus on incorporating these tools into CDHU's actions in the field of innovation and sustainability.

Metropolitan and Municipal Information System (SIMM)

One notable initiative is SIMM, whose main objective is to map precarious settlements in the metropolitan regions of *São Paulo*. The platform, developed by the Geographic and Cartographic Institute (IGC) and CDHU, is integrated with the Spatial Data Infrastructure of the State of *São Paulo* (IDESP), providing support for local and regional housing and urban development.

SIMM allows different government entities to insert, edit and view georeferenced information, facilitating integrated territorial management based on the shared use of essential information for urban planning, housing and other public policies. In this sense, it is an essential support for the preparation and updating of PDUH and PDUIs in the metropolitan regions and urban agglomerations of the state. In 2024, SIMM made progress in mapping precarious settlements in municipalities in the Metropolitan Regions of *Baixada Santista, Piracicaba, Jundiaí* and *São Paulo*, whose work had been underway since 2022 and 2023, and expanded its operations, integrating municipalities in the Metropolitan Region of *Vale do Paraíba* and North Coast.

The Metropolitan Region of *Jundiaí* took an important step forward in terms of the institutional arrangement for implementing the SIMM platform, with the creation of the Technical Office for Strategic Projects (ETPE), integrating the 7 municipalities of the Metropolitan Region of *Jundiaí*.

ETPE was created with the mission of supporting the execution of projects and services included in public functions of common interest, that is, projects whose importance goes beyond municipal boundaries and require shared solutions. SIMM has made decisive contributions to the development of projects such as the urban requalification of the *Jundiaí* River Valley, the redefinition of boundaries between municipalities, among other activities of regional relevance.

Below is a map showing the metropolitan regions mapped by SIMM and registered precarious settlements.



Precarious settlements recorded in SIMM and IBGE (2022)



CDHU

Integrated Housing Service System (SIAHAB) [GRI 413-1]

The SIAHAB project aims to modernize and integrate CDHU's service processes and systems, consolidating customer databases and automating validations and services. The goal is to provide an integrated and automated view of the journey of registrants, beneficiaries and borrowers, improving the efficiency and quality of services provided, and also improving relationships and communication with the Company's stakeholders.

In 2024, the project was mapped and validated by CDHU's technical areas, with the survey and diagramming of housing service processes, covering; scheduling, in-person services, Housing Assistance Program, enrollment, Scheduled Individual Service (AIP), post-occupancy and condominium organization. Requirements for the modernization of registration, selection and socioeconomic qualification systems were also raised.

The development of the integrated system and detailed modeling of the SIAHAB modules are currently underway. At the same time, negotiations are progressing with the São Paulo State Data Center (CDESP) to enable the sharing of data from other agencies, such as personal information, income, property ownership, participation in social programs and registration regularity.

CDHU

The next steps include modeling the SIAHAB environment, with a 360° view of customers; cleaning and integrating historical data; analyzing other existing systems at CDHU for interoperability; the development of the "address" module, for diagnosing housing stock and providing individual documentation for each unit; and the implementation of an artificial intelligence module for capturing and summarizing data, facilitating management and decision-making.

With these initiatives, they seek to improve transparency, strengthen process security and offer more efficient and agile service to the population.

The main actions include:



Implementation of automatic validations and integration with external databases. using artificial intelligence, to ensure security and agility in processes.



Adoption of a single, customizable form for collecting customer data.



Creation of an address module. allowing monitoring of the status of housing units from conception to post-occupancy.



Strengthening governance and data protection. in compliance with the General Data Protection Law (LGPD).



Development of an integrated system. with the migration of current registration, lottery and socioeconomic qualification systems.







São Bernardo do Campo - urbanization of the Alvarenguinha neighborhood

CDH

Climate change: actions and financial implications

[GRI 3-3 Sustainable and resilient city, 201-2] [SASB IF-HB-420a.2] [SDG 13

The State Plan for Climate Adaptation and Resilience (PEARC), coordinated by SEMIL, which includes the participation of SDUH/ CDHU, reinforces the importance of housing policies and urban planning as fundamental instruments for mitigating the impacts of climate change.

These actions are related to the themes of climate adaptation and sustainable urban development in the State of *São Paulo*, which, among its strategic actions, has been working to remove occupations in risk areas and its recovery, ensuring the resettlement of families in decent and sustainable housing, in addition to the urbanization and regularization of precarious settlements.

These initiatives are aligned with CDHU guidelines and are supported by current legislation, especially the Multi-Year Investment Plan 2024–2027, which structures housing provision programs, including support for resettlement, urban housing improvements, and land regularization. Complementing these guidelines, the PDHOUSING UNITS 2040 is based on the premise of strengthening climate resilience in urban spaces and the mitigation of impacts and adaptation actions. The process of developing the PDHOUSING UNITS 2040 is underway, expanding and updating the goals established in the State Housing Plan 2011-2023.

Its scope aims to integrate urban and regional development policies, considering the specificities of the different areas of the state. CDHU plays a central role in this process, acting as a technical agent in the formulation of guidelines, institutional support and development of strategic studies for urban recovery and qualification, especially in metropolitan regions.

For 2025, the focus of the actions will be on strengthening metropolitan and regional planning, consolidating climate adaptation as a central axis of urban policies. The synergy between housing, infrastructure and sustainability reflects the State of *São Paulo's* commitment to the balanced and resilient development of its urban territories. CDHU



Urban Development and Housing Plan (PDHOUSING UNITS)

[RA] [GRI 3-3 Sustainable and resilient city, 2-29] [SDG 13]

Launched by the Secretary of Urban Development and Housing during the Municipalities Congress in May 2023, the PDHOUSING UNITS 2040 (see **Chapter 4**) continued its groundwork throughout 2024. This plan aims to update the guidelines and goals of the State Housing Plan 2011–2023, expanding its scope to include strategies for urban and regional development across *São Paulo* State.

As the technical agency responsible for leading the process, CDHU completed the first edition of the **Thematic Notebooks** in 2024, consolidating key data and foundations for ongoing planning. This process follows an incremental and collaborative approach, engaging sectoral agencies, municipalities, and regions.

The preparation of the notebooks involved internal workshops integrating various divisions of the Department of Urban Development and Housing, as well as sectoral workshops with SEMIL, IPA, and the Metropolitan Transport Secretariat (STM). Additionally, intersectoral cooperation meetings were held with the State Secretariats of Education and Social Development and *Fundação Seade*.

At the same time, CDHU has been developing indicators to monitor urban development and housing initiatives, reinforcing its commitment to qualified planning and the integration of public policies for the sustainable development of *São Paulo* State.



General Data STATE OF SÃO PAULO



Environmental and Climate Dynamics STATE OF SÃO PAULO AND METROPOLITAN REGIONS



Socio-territorial Vulnerability STATE OF *SÃO PAULO* AND METROPOLITAN REGIONS



Urban Infrastructure ESTATE OF SÃO PAULO AND METROPOLITAN REGIONS



Economic and Demographic Dynamics STATE OF SÃO PAULO AND METROPOLITAN REGIONS



Urban Dynamics and Centralities STATE OF SÃO PAULO AND METROPOLITAN REGIONS



Transport and Mobility STATE OF SÃO PAULO AND METROPOLITAN REGIONS



Housing Needs STATE OF SÃO PAULO AND METROPOLITAN REGIONS





In the same sense, CDHU participates in the development of integrated urban development projects, acting as a technical agent of the urban development and housing system, contributing to the preparation of inputs and technical support for institutional coordination and the development of studies and models for the entire process involving the identification, structuring and implementation of strategic projects for urban development and recovery, with a focus on the metropolitan regions of the State.

Based on the priorities and aspects indicated in the PDUIs and in the dialogue with the Regional Development Councils and their thematic chambers, the focuses for the development of these projects are being identified, which may involve housing in addition to other uses and integration with strategic investments.

For 2024, diagnostic references were developed for projects in central areas in the Metropolitan Regions of *Sorocaba* and *Campinas*, both subject to a technical cooperation agreement with BNDES, SDUH, the Regional Agency and the municipalities, from which specific strategies, models and projects will be developed, with the objective of recovering and revitalizing central areas of metropolitan headquarters in which underutilized areas are identified with potential for integrated development and attracting investments for the broad benefit of the population.

Strategic housing projects

[GRI 3-3 Sustainable and resilient city] [SDG 12

CDHU's housing and urban requalification actions in precarious settlements contribute to the promotion of sustainability and the population's quality of life, strengthening cities in the face of climate threats, especially in the Metropolitan Regions of *Baixada Santista, São Paulo, Vale do Paraíba* and North Coast.

CDHU

As mentioned, of the 10,927 CDHU services in 2024, 2,577 were intended for the resettlement of families from risk areas, areas of slum densification, areas of recovery and environmental protection and areas influenced by public works. The housing service solutions include isolated units or in sets with urban infrastructure and equipment, the provision of credit for the acquisition of units on the market and the promotion of production through partnerships with other promoting agents.

In addition, 1,567 families were served with urbanization actions. In the context of these actions, the granting of housing assistance is also strategic, to carry out the removals. [SASB IF-HB 420 a2]

CDHU

Urban development: removal and resettlement actions for families in risk areas

[GRI 2-25, 201-2] [SDG 13, 16]



For resettlement actions, technical and social work in the intervention areas is of fundamental importance, both in terms of the diagnosis of occupation (mapping and registration of households) and in obtaining the adherence of families to the removal and resettlement process.

In 2024, the projects in the municipalities of *Cubatão* (*Serra do Mar* Socio-Environmental Recovery Program), *Santo André, São Bernardo do Campo, São Paulo* (*Eiji Kikuti*) and *São Sebastião* (*Vila Sahy* and other areas affected by the 2023 tragedy) stand out, all of which are still ongoing.

Highlights

Emergency actions in São Sebastião and the coast

To assist families affected by the disaster that occurred in 2023 in *São Sebastião*, CDHU delivered, in 2024, 704 housing units spread across 3 developments: *São Sebastião* T; *São Sebastião* U, located in *Baleia Verde*, with 262 and 256 units, respectively; and *São Sebastião* V, in *Maresias*, with 186 housing units.

Additionally, the *São Sebastião* S - *Topolândia* development is underway, with the construction of 256 housing units.

The urbanization project for *Vila Sahy* was developed, encompassing diagnostic and integrated solution work, and was delivered to the Municipal Government of *São Sebastião*.

São Sebastião - permanent housing units intended for the resettlement of families affected by the 2023 tragedy

Status	No. of housing units
Concluded	262
Concluded	256
Concluded	186
Under construction	256
	960
	Concluded Concluded Concluded

Source: CDHU, 2024.

To date, the program has benefited 5,820 families with new housing units and 1,980 families with urbanization works. Among the actions underway within the scope of financing with the Inter-American Development Bank (IDB), the construction of 715 housing units in the municipality of *Cubatão (Cubatão* K project), the granting of 23 letters of credit, complementing the goals of the Program, and the land regularization of urbanization centers, through REURB-S, in partnership with the municipality of *Cubatão*, stand out.

Complementing the efforts to assist the significant population living in favelas and risk areas in the *Baixada Santista* and Northern Coast regions, the Accreditation of Promoter Agents was carried out under the Associative Credit Letter Program. In 2024, in response to Public Notice 001/23, 16 developments entered the analysis phase, encompassing 2,948 housing units out of the 12,000 planned.

Eiji Kikuti: Seal of Merit (ABC/FNSHDU)

CDHU has secured decent and safe housing for 600 families from the *Eiji Kikuti* warehouse community in *São Bernardo do Campo*, who previously lived in precarious conditions and under constant risk.

All families are being assisted through the Associative Credit Letter modality, with the service provided quickly. In just 2 months, the families were removed from the site and sent to safe temporary housing. Planning for this action began in 2022.

During the construction period of the new units, the Company, in partnership with the City of *São Bernardo do Campo*, guarantees the payment of housing assistance in the amount of R\$600 per month.

The occupation of the warehouse presented serious risks, such as fires, floodings and collapses. To prevent new invasions after the eviction, CDHU carried out the progressive demolition of the homes as they were vacated.

The families will be resettled in two housing developments. Half of them have already formalized the financing contract with the Company, while the others are awaiting the completion of the administrative processes related to the second condominium. Once completed, these families will also sign their contracts and have access to permanent housing.

The State's investment in the operation totals R\$122 million, intended to subsidize the acquisition of apartments, in accordance with the state housing policy, which provides for zero-interest financing for families with an income of up to 5 minimum wages. The installments are calculated so as to compromise a maximum of 20% of the monthly family income. The model adopted accelerates access to housing, as it partners with developers with housing projects already in the final stages of approval with the city government.

The *Eiji Kikuti* occupation was located in a complex consisting of a four-story building and four warehouses, distributed over an area of 23,000 square meters, previously belonging to the company *Produflex Indústria de Borracha Ltda*. After a tax foreclosure in 2005, the land was incorporated into the assets of the State Treasury Department.

The illegal occupation began in 2003. After the families are resettled, the land will be transferred to the City of *São Bernardo do Campo*, with plans for urban revitalization and construction of municipal public facilities.

The social survey conducted by CDHU identified 1,537 people living in the area, with an average of 2.73 residents per household. The average age of the population was 25 years old, with only 2% being 60 years old or older.

It was observed that most families were young and small, with heads of households with an average age of 36 years old, predominantly women. While the national average indicates that 50.8% of households are headed by women, in the *Eiji Kikuti* warehouse this rate reached 60%.

These actions to relocate residents from risk areas reaffirm CDHU's commitment to promoting decent and sustainable housing, contributing to the socio-environmental recovery and quality of life of the populations served.





São Bernardo do Campo - Eiji Kikuti

Urban development: family resettlement and urbanization actions in partnership with public bodies

Another area of CDHU's work in removal and resettlement actions is to support state and municipal public agencies responsible for public works in mobility, sanitation, among others. The partnerships signed in 2024 and previous years include 9,000 housing units.

Some highlights: Carapicuíba (Cadaval, Porto de Areia and Vila Municipal); São José do Rio Preto (Vila Itália/Favela Marte); São Paulo (Metro lines 5, 15 and 17, Dersa); Santos (VLT - EMTU); and Campinas (Barro Vermelho).

Also noteworthy are the actions to recover water sources in the Metropolitan Region of *São Paulo*, in partnership with the cities of *São Paulo* and *São Bernardo do Campo*, aiming to mitigate socio-environmental damage in areas irregularly occupied by low-income populations, in these areas of regional importance.

Resources are provided for housing units intended for the removal of families from water source areas; support for the implementation of social interest land regularization actions (REURB-S); provision of land for family resettlement; and construction of housing.

A total of 8,307 households will benefit, 2,965 with urbanization actions, 700 with land regularization, and 4,642 with housing units.



Carapicuíba Development – Pequiá

[GRI 2-25, 201-2] [SDG 13, 16]

CDHU

Urban development: urbanization actions [GRI 2-25, 201-2] [SDC 13, 16]

Other projects directly executed by CDHU include interventions in central areas (*Santos*) and urbanization of precarious settlements, such as those developed in *Guarulhos (Pimentas)*, *São Bernardo do Campo (Vila Ferreira)*, also involving actions to support land regularization (*São Paulo; Guaianases;* and *Santo André – Jardim Santo André*).

Urban development: requalification of irregularly occupied CDHU areas [GRI 2-25, 201-2] [SDG 13, 16]

In 2024, CDHU innovated by launching a public call (No. 003/2024) aimed at residents of irregularly occupied areas of the Company, with the objective of promoting land regularization and necessary urban requalification, through the submission of proposals prepared in partnership with legal entities, with or without profit, habilitated and qualified to execute the work plan together with the residents, at no cost to CDHU and with a view to urban, environmental and social improvements.

To this end, the planning of the occupied territory is foreseen, as well as the registration of the subdivision and title of its occupants.

Included in the call for proposals 51 CDHU plots, which encompass occupations covering 2.2 million square meters, with approximately 33,000 resident families.

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Urban Orchard [GRI 203-1] [SDG 5, 9, 11]

In 2024, the *Pomar Urbano* (Urban Orchard) program was established as an essential initiative to strengthen climate resilience in CDHU housing developments. In line with UN SDG 11, the initiative seeks to promote urban sustainability and environmental education with beneficiary families, applying solutions focused on climate issues. The Project foresees the strategic planting of fruit trees in the territories of the housing units, contributing to the creation of green spaces and encouraging community engagement.

The results for 2024 demonstrate a significant increase in positive impacts compared to the previous year. The Urban Orchard was implemented in 50 municipalities, representing an increase of 66.66% compared to 2023.

In total, 5,937 seedlings were planted, reaching 98.95% of the established goal. The difference in relation to the total goal is due to external factors, such as the election period and the severe drought that affected municipalities in the interior of *São Paulo*. The positive environmental impact of the Program is also evidenced by the 69.82% increase in the number of seedlings cultivated compared to 2023, when 3,496 seedlings were planted.

The success of the Urban Orchard in 2024 was possible thanks to strategic partnerships established with state agencies, city governments and local associations, which supported the acquisition of seedlings through donations or reduced prices.

In addition, the commitment of the representatives of the Municipal Institutional Group (GIM – <u>see **Chapter 8**</u>), stands out, who dedicated themselves to irrigating the seedlings during the dry season, ensuring the maintenance and growth of the orchards in the housing complexes.

These advances demonstrate the importance of collaborative action and continuous monitoring to ensure environmental sustainability and the quality of life of the communities served by CDHU.





CDHU

Environmental management in operations

São Bernardo do Campo – urbanization of Jardim Serro Azul



[GRI 3-3 Environmental management in operations]

CDHU's performance in implementing interventions and technical and administrative activities prioritizes sustainability and environmental preservation, while seeking to reduce consumption and maintenance costs for the beneficiary public, providing more efficient and affordable housing.

All procedures, from the selection of land to the assessment of impacts on biodiversity and the identification of vegetation restoration needs, are subject to supervision and control by the competent environmental agencies.

The activities of managing measurements and recording information regarding water and electricity consumption in housing projects conducted by CDHU are performed in a decentralized manner, directly at each construction site, and the data is entered into the Project Management System (GEM), allowing the consolidation of indicators that monitor resource consumption at housing development sites.

Land use and ecological impacts

[SASB IF-HB-410a.4, IF-HB-410b1, IF-HB-160a.4]

Housing policy focuses on qualifying and revitalizing urban spaces, promoting decent housing solutions for vulnerable populations. The impacts of these actions are: a) economic, both through the resources mobilized by the works and by encouraging the installation of new businesses and services; b) social, through improving the health and sanitation conditions of the population, in addition to the jobs generated by the works and new demands for services resulting from the organization of the territory; and c) environmental.

In this context, housing resettlement actions also stand out, providing new housing for families from risk areas, slums, environmentally protected areas and places impacted by public works, having benefited, as already mentioned, 2,577 families in 2024.

CDHU

As for environmental gains, the following aspects can be highlighted:

The projects for implementing the developments are developed in accordance

with Brazilian Regulatory Standard (NBR) No. 15,575, which guarantees quality and safety in construction; in addition, housing typologies are adapted to the thermal and climatic characteristics of each region, following the guide-lines of climate maps for better environmental comfort;

- CDHU strictly complies with planting and environmental compensation requirements, promoting environmental preservation and the recovery of impacted areas; and
- In all developments, the Company adopts strategies to balance earth movement, reducing the need to transport materials and, consequently, minimizing fuel consumption, contributing to greater environmental efficiency and sustainability in the works.

Location of land

When selecting and evaluating land for the implementation of housing projects, CDHU adopts criteria that classify areas into two categories: land with prohibitive characteristics and land with essential attributes.

Land located in mining concession areas, drainage headwaters, forest reserves, permanent preservation areas or spaces defined as green areas in land subdivisions, among others, are considered prohibitive.

Land with essential characteristics is land that prioritizes the occupation of urban voids and is located in regions with easy access to employment centers, commerce and services, in addition to having adequate infrastructure for water, sewage, drainage and public facilities in the areas of education, health, sports and leisure, capable of absorbing population growth.

CDHU seeks to make housing viable that ensures quality of life, balancing technical, social, environmental and economic criteria.

To guide this selection, the Company adopts the Technical Manual - Land Feasibility Analysis, which aims to:

Ensure that future residents have, in addition to quality housing, access to public services, commerce and urban in-frastructure, promoting their integration into the city;

reduce public costs with infrastructure works and social facilities; and

subsidize the preparation of architectural projects with information about the land (urban, land, environmental etc.) that contributes to the design of intervention programs and the real estate registration of projects.



CDHU

It is also important to mention that CDHU has started accepting land that is no longer used for institutional housing, if it meets all the selection criteria, and consults the National Institute of Historic and Artistic Heritage (IPHAN) to verify the existence of archaeological sites, ensuring compliance with current legislation.

In programs carried out in partnership with municipalities, the choice of land often takes into account the lowest urbanization cost. However, the land indicated by the municipalities is submitted to a feasibility analysis by CDHU, and if it does not meet the required criteria, a new area must be indicated.

In projects where CDHU is responsible for acquiring the land, especially in metropolitan and coastal regions, the Company faces the challenge of needing higher resources, aiming to ensure that the projects are implemented in areas that are properly integrated into the urban fabric, with adequate access to infrastructure and services.

In the preliminary analysis stage of the technical feasibility of implementing projects on a given piece of land, CDHU considers, in addition to compliance with current urban and environmental legislation, a series of physical aspects.

Among these, the presence of springs, watercourses, lakes, lagoons, marshes, temporary drainage systems, respective permanent preservation areas (APP), deposition of rubble or garbage, irregular landfills, instability of slopes and natural embankments, erosion processes, susceptibility to flooding, steep slopes, changes in the original soil profile and existing vegetation cover stand out.

The identification of any of these aspects requires a specific technical analysis, which may result in partial or total restrictions on the occupation of the land or, even, in the requirement of specialized studies that prove the environmental feasibility of using the area in accordance with the applicable legislation.

In the projects developed, CDHU adopts as a premise the integration of the natural characteristics of the location with urban planning. The aim is to preserve and enhance existing vegetation, for example by placing squares and leisure areas in wooded areas, which provides more welcoming environments upon completion of the project.

When it is necessary to remove native vegetation or cut down isolated trees, environmental compensation projects are drawn up, as well as plans for the restoration and revegetation of green areas, leisure systems and APPs, in accordance with the criteria established in Resolutions No. 07/2017 and No. 72/2017 of the Secretariat of the Environment (SMA). The definition of the implementation plan prioritizes the balance between cuts and fills, avoiding, whenever possible, the need to import or remove soil. In addition to reducing costs, this approach minimizes risks and environmental impacts, adopting controlled slopes with average heights.

Earthwork projects are always complemented by surveys and, when necessary, specific geotechnical tests, ensuring the safety and technical feasibility of the intervention.

When there is evidence of debris or waste being deposited in the area, an Environmental Assessment Report must be prepared by a specialized company, including preliminary investigations and, if necessary, additional physical and chemical analyses. If contamination is identified, a plan for recovery or mitigation of the impacts is presented.

The developments have surface and gallery drainage systems, which conduct rainwater in a controlled manner to the water bodies. On land with a steep slope, temporary drainage projects are planned to ensure safety during the execution of the works. During the period of construction, CDHU requires the preparation and implementation of a waste management and environmental impact mitigation plan.

In addition, the Company seeks to minimize soil impermeability in urbanized areas. As a guideline, standard sidewalks are 2.00 meters wide, with 1.20 meters for the sidewalk and 0.80 meters reserved for the green grass strip.

In these areas, municipal governments, in return, plant a seedling of an ornamental or fruit tree, with a minimum height of 1.60 meters, in front of each lot in horizontal developments.



Compact developments [SASB IF-HB-410b3]

As mentioned in Chapter 6, the concept of compact developments is applied to CDHU projects, with the aim of bringing services closer to the place of residence, reducing the need and time for daily commutes. The criteria for selecting land, already explained, adhere to the concept.

Far from resembling American suburbs, dominated by automobiles, CDHU projects can be classified as compact, including all of the Company's developments delivered in 2024. In general:

In areas occupied irregularly by precarious housing, at risk and/or in environmental preservation areas: CDHU promotes the removal of these precarious buildings, providing assistance to the families removed, and regenerates these vacant sites by providing their environmental recovery. In the remaining portion (when there is one and it is composed of consolidated buildings), CDHU implements the urbanization and regularization of the occupation, which transforms it into a healthy neighborhood, inserted into the urban fabric of the city and dialoguing with all of its various uses; and

in vacant areas (plots): CDHU promotes the implementation of horizontal and vertical housing complexes. In these cases, the aforementioned compact development standards are also met, with the design of neighborhoods with residential, institutional, green and leisure areas and, in some cases, commercial areas. CDHU's horizontal subdivision projects follow the configuration of a traditional neighborhood, in which different uses and types of housing mold the shape of a city, planned to encourage walking and, ideally, allow residents to travel on foot to stores, schools, places of worship and parks.

CDHU allows, for small and medium-sized municipalities in the interior where horizontal residential complexes with single-family homes are implemented, a density of around 62.5 housing units per hectare. For this calculation of the potential of a plot of land, a single-family lot of 160 square meters is considered, with 50% of the plot occupied by lots, with the remaining 50% for leisure systems/green areas, institutional areas (public community facilities such as davcare centers, schools and urban facilities, such as sewage pumping stations) and the road system. This is a first approximation, as each development has its own particularities, with vegetation cover with fragments of native vegetation, variable slopes and irregular plot shapes, or even in terms of its urban insertion. As for vertical developments, these are very variable, with housing typologies of 5, 7, 8 and 15 floors, with or without associated facilities, which makes it difficult to consider them in a single index.



Housing construction in areas under water pressure

[GRI 3-3 Environmental management in operations, 303-1] [SASB IF-HB-160a.2] [SDC 6, 12]

Introduction and Overview of the Water Balance in the State of São Paulo

Water security implies the availability of water in the right quality and quantity to meet different human uses and needs, to conserve aquatic and terrestrial ecosystems, and to support the development of economic activities¹.

For the analysis of areas with water stress, the main reference used was the most recent Environmental Quality Report² (2023), based on data from 2022, prepared by SEMIL, where the water balance is one of the dimensions of environmental analysis for the *São Paulo* territory. The concept is based on the relationship between demand and water availability, enabling the identification of areas or regions under pressure from water use or water stress. The results are presented by the Water Resources Management Unit (UGRHIs).

To estimate water availability, reference flow rates Q7.10 and Q95%³ (both data from 2022) are used as parameters. For both coefficients, the critical level classification establishes the same percentages, as shown in the following table.

Reference values for the water balance

Total flow granted Q95%/Q7.10	Classification	
≤ 5%	Excellent . Little or no management activity is required. Water is considered a free good.	
> 5% and ≤ 30%	The situation is comfortable, but there may be a need for management to solve local supply problems.	
> 30% and	Worrying . Management activity is essential, requiring medium investments.	
≤ 50%		
> 50% and	The situation is critical , requiring intense management activity and large investments.	
≤100%		
> 100%	The situation is very critical.	

Source: Secretaria de Infraestrutura e Meio Ambiente do Estado de São Paulo/Conselho Estadual de Recursos Hídricos (SIMA/CRHi, 2019), prepared by SIMA/Coordenadoria de Planejamento Ambiental (CPLA, 2021).

Based on this classification, it is possible to identify the regions of greatest water stress in the State of *São Paulo*, as shown in the following map.

- Department of Infrastructure and Environment (2021). Economic-Ecological Zoning. Available at: <u>https://smastrl6.</u> blob.core.windows.net/portalzee/sites/83/2021/12/20211207_nota_tecnica_cartas_sintese_consulta_num. pdf. Accessed on: 01/25/2024.
- 2. Department of Environment, Infrastructure, and Logistics (2023). Environmental Quality Report. Available at: <u>https://smastr16.blob.core.windows.net/home/2024/06/RQA_2023_ONLINE%203.pdf</u>. Accessed on: 01/30/2025.
- 3. The reference flow rate Q7,10 is the minimum flow rate over a 7-day period, with a return period (RP) of 10 years. This reference flow rate determines the flow that occurs most of the time in a watercourse, regardless of whether it is a drought or rainy season. The Q7,10 flow is considered more stringent in terms of safety. In contrast, the Q95% flow indicates that in 95% of the historical series period, the flow rate was at least 0.45 cubic meters per second. Available at: https://sobreasaguas.com/. Accessed on: 01/25/2024.

CDHU

Water balance by UGRHI and subUGHRI in 2022



Source: SEMIL, 2022; prepared by CDHU, 2024.

The situation of the State of *São Paulo* regarding the water balance has worsened from the last survey (base 2021) to the most recent one, in 2022. In addition to the historically very pressured basins – 05 and 06, which cover the Metropolitan Regions of *São Paulo*, *Campinas*, *Piracicaba* and *Jundiaí*, new areas of water stress have emerged in the interior of the State, with emphasis on the UGHRIs of *Médio e Baixo Tietê* (10 and 19), *Vertente Paulista do Rio Grande* and *Vertente Paulista do Rio Paranapanema*.

Within this framework and to meet the GRI Standards and Sustainability Accounting Standards Board (SASB) disclosure, the demand for housing and urban development and the supply of housing units are analyzed, verifying their impact on the regions, according to the state water balance framework. The supply considers the units delivered in 2024 and the units on site.

In addition, water consumption is also addressed. in the administrative buildings of CDHU, from the perspective of the state water balance.

CDHU

Housing demand on water balance (2022)

The subnormal settlements identified and mapped by the IBGE (2022 Census) – currently called *favelas* and urban communities – constitute one of the main challenges for urban and housing development policy, demanding the qualification and improvement of these urban areas and the resolution of multiple urban and building inadequacies. These precarious settlements are located in the most densely populated urban areas, especially metropolitan regions. Of the 3,123 nuclei present in the State of *São Paulo*, 2,473 are in the Metropolitan Region of *São Paulo* (79.1%). Of the remaining 20.9%, more than 90% are located in other metropolitan regions.

Number of favelas and urban communities by region



Source: IBGE. Censo Demográfico (2022).



The following map shows the concentration of subnormal clusters in 2019 on the water balance in the State of *São Paulo* (2020 situation).

Favelas and urban communities on water balance (2022)



CDHU

Source: SEMIL, 2022; prepared by CDHU, 2024.
As previously mentioned, UGRHIs 05 (*Piracicaba/Capivari/Jundiai*) and 06 (*Alto Tietê*), which are classified as being in a very critical situation, cover the Metropolitan Regions of *São Paulo*, *Campinas*, *Piracicaba* and *Jundiai*, where the largest number of households and population living in slums in the State of *São Paulo* are located. These are the basins that suffer the greatest water stress due to the high demand for water, mainly for public supply. UGRHI 06, where the Metropolitan Region of *São Paulo* is located, requires importing water from adjacent UGRHIs to meet internal needs.

CDHU operates throughout the State of *São Paulo*, with a significant incidence of its production in areas of water pressure, which are also those where the most critical housing problems and the most intense urbanization are concentrated. The Company's work, promoting the implementation of adequate urban infrastructure, including sanitation, contributes to the conservation of water resources, replacing irregular occupations with inadequate collection and discharge problems. Environmental and urban recovery actions contribute significantly to minimizing pressures, especially those actions developed in the Metropolitan Regions of *São Paulo* and *Baixada Santista*, where precarious settlements in areas of risk and environmental protection constitute an enormous challenge, involving more than 1.3 million households and complex solutions to equate the problems.

In short, CDHU has been working in the main areas of water pressure, which also coincide with the location of slums and urban communities, where the main urbanization, environmental sanitation and resettlement projects for families living in areas of socio-environmental risk are concentrated.

Housing supply based on water balance (2020): units delivered and made viable in 2024 [SASB IF-HB-160a.2]

The following map and graphs show the volume of CDHU services in 2024 in the UGRHIs classified by critical balance category. 7,354 new housing units were considered to serve the low-income population without access to the formal housing market.

As a public Company operating throughout the state, it can be seen that CDHU services in 2024 cover most of the UGRHIs, and not exclusively the metropolitan regions.

 The number of housing units considered in the water stress study does not include 340 units from the Associative Credit Letter Program (see production table in **Chapter 4**).

Number of housing units delivered in 2024 on water balance (2022) [SASB IF-HB-160a.2]



Source: SEMIL (2022); CDHU (2024), prepared by CDHU.

Number of housing units delivered (2024) by water balance classification (2022) [SASB IF-HB-160a.2]



Source: SEMIL/CPLA (2023); CDHU (2024).

Approximately half of the services provided in 2024 (52.9%) were concentrated in areas of water stress, considering the "critical" and "very critical" categories. The areas considered "worrying" cover 11.5% of the units, and with "excellent" and "comfortable" levels are another 35.6%. The percentages did not change significantly in relation to 2020 in the "critical" and "very critical" categories, which were 54.7%.

CDHU

Housing units delivered in 2023 and 2024 by water balance category (2020 and 2022) [SASB IF-HB-160a.2]

Water balance	Housing units deliv	ered (%)	
(classification	2023	2024	
Critical	43.7%	38.2%	
Worrying	10.7%	11.5%	
Very critical	11.0%	14.6%	
Comfortable	32.2%	29.0%	
Excellent	2.4%	6.6%	
Grand total	100%	100%	

Source: SEMIL/CPLA. Environmental Quality Report (2023); CDHU (2024).

When observing the location of the projects, the proportions are similar, with a slightly higher proportion of projects in critical and very critical areas (59.4%), in relation to the volume of services – units delivered (54.7%).

Percentage of projects delivered in 2024 according to water balance category [SASB IF-HB-160a.2]

Water balance	%
Critical	36.6%
Worrying	22.8%
Very critical	19.8%
Comfortable	15.8%
Excellent	5.0%
Grand total	100%

Source: SEMIL/CPLA. Environmental Quality Report (2023), prepared by CDHU.

These results reinforce the importance of CDHU acting in the most critical areas from the point of view of water resources, where demand is most concentrated. As mentioned, this action contributes to the conservation of water resources by enabling adequate sanitation infrastructure and mitigating territorial pressures resulting from occupations in situations of risk and environmental fragility. In addition, the interventions comply with the guidelines and regulations of the environmental agencies responsible for this matter.

Volume of water consumed in construction site (2024) over water balance (2022) [CRI 303-5] [SDC 6]

CDHU

The previous items addressed the relationship between the occupation of the *São Paulo* territory and the situation of the river basins (UGRHIs), highlighting, in this context, how the supply of CDHU housing units is distributed throughout the territory, particularly in the most densely populated areas and in situations of water stress.

As for the volume of water consumed in CDHU's activities in relation to areas of water stress, the main measurable indicator is the total volume of water consumed at the Company's construction sites and administrative buildings, calculated based on the water balance of the municipalities where they are located.

The measurement of water consumption at CDHU construction sites has seen significant progress compared to 2023. In this fiscal year, the collection of water consumption data covered approximately half of the projects on site (46 out of 84). In 2024, the Company made a significant effort to improve the management of this topic, achieving, in partnership with the managers, greater engagement of all those responsible for filling out information in the GEM system. As a result, data was collected from 127 construction sites, out of a total of 133, increasing water consumption data coverage to 95.5%.

It is worth noting, however, that there is not data for all construction sites for all months, especially because some completed construction throughout the year, in order to deliver housing to the population, and others began their activities in different months of 2024. Other reasons that led to the partial filling of the GEM system are suspended contracts or work stoppages during the year, due to various factors (contractual, climate, etc.).

Therefore, the significant increase observed, from 14.7 megaliters in 2023 to 63.3 megaliters in 2024, in the total water consumed on construction sites, reflects not only more efficient management of information monitoring, but also a significant increase in the number of

Considering the available data, the table below indicates the volume of water consumed outside the Company by critical balance level.

Volume of water consumed on construction sites in 2024 by water balance level (base 2022) [CRI 303-5] [SDC 6]

Water balance	Consumed on construction sites (ML)	%	
Critical	22.35	35.4%	
Worrying	22.01	34.9%	
Very critical	9.50	15.0%	
Comfortable	7.40	11.7%	
Excellent	1.89	3.0%	
Grand total	63.14	100.0%	

Source: SEMIL/CPLA. Environmental Quality Report (2023), prepared by CDHU.

The results show the same logic observed in relation to the housing units delivered, that is, 70.2% of consumption occurs in areas with the greatest demand for housing and urban development actions, those that, in turn, due to population density and concentration of economic activities, put the greatest pressure on the water system.

Finally, with regard to improving the indicators, the challenge is to collect additional information in the monitoring system, such as the forms of collection and disposal.

Source: SEMIL (2023); CDHU (2024), prepared by CDHU (2024).



active construction sites.

Water consumption in the Company on water balance [GRI 303-1, 303-5] [SDG 6, 12]

The Company's water consumption includes the headquarters buildings in the capital – called *CIDADE* Condominium I, II and IV, and 18 administrative buildings and support offices located in other regions of the State.

In all of the Company's administrative buildings, the water supply comes from the public network through concessionaires. Only *CIDADE* Condominium I, II and IV has an artesian well for cooling the air conditioning system, which consists of 6 cooling towers.

CDHU is the administrator of *CIDADE* Condominium I, II and IV, consisting of 3 separate buildings on Rua Boa Vista, in the capital, and which houses other State institutions, such as the Departments of Social Development and DAEE. As a result, it was necessary to adjust the consumption of water supplied by the concessionaire, based on the distribution made among the agencies that occupy the buildings, according to the criterion of occupied area. In this case, CDHU is responsible for 30% of the total consumption (it was 25% in 2023). It is worth noting that there is no allocation of expenses in the case of water extracted from the artesian well, but it can be assumed, by similarity, that CDHU would have a share equivalent to the area it occupies (30%).

The following tables show the total water consumption in the administrative buildings in 2024, placing them in relation to the water availability of the municipality where they are located.

Volume of water consumed in CDHU administrative buildings in 2024

Supply	Consumption (megaliters)	CDHU fraction (megaliters)	Total CDHU (megaliters)
Concessionaires/administrative buildings of CDHU outside the headquarters	3.1	100%	3.1
Concessionaires <i>CIDADE</i> Condominium I, III and IV	23.02	30%	6.91
Artesian well <i>/CIDADE</i> Condominium I, III and IV	5.62	30%	1.69
Total			11.69

Source: CDHU and SAS, 2024.



Volume of water consumed in CDHU administrative buildings in 2024 by water balance level of the municipalities where they are located [CRI 303-5] [SDG 6]

Municipality	UCRHI	River basin	Water balance	Megaliters (ML) consumed in 2024	Subtotal by water balance situation (ML)	Percentage consumed
Marília	UGRHI 21	Aquapeí and Peixe	Comfortable	0.27		
Presidente Prudente	UGRHI 22	Pontal do Paranapanema	Comfortable	0.13	Comfortable 0.56	4.88%
São José dos Campos	UGRHI 02	Paraíba do Sul	Comfortable	0.16		
Araçatuba	UGRHI 19	Baixo Tietê	Worrying	0.24		
Cubatão	UGRHI 07	Baixada Santista	Worrying	0.04	Worrying 0.47	4.02%
Santos	UGRHI 07	Baixada Santista	Worrying	0.19	0.47	4.0270
Araraquara	UGRHI 13	Tietê-Jacaré	Critical	0.17		
Ribeirão Preto	UGRHI 04	Pardo	Critical	0.19	Critical	
São José do Rio Preto	UGRHI 15	Turvo/Grande	Critical	0.31	0.88	7.53%
Sorocaba	UGRHI 10	Sorocaba and Médio Tietê	Critical	0.21		
Campinas	UGRHI 05	Piracicaba/Capivari/Jundiaí	Very critical	0.15		
São Bernardo do Campo	UGRHI 06	Alto Tietê	Very critical	0.03		
Santo André	UGRHI 06	Alto Tietê	Very critical	0.33	Very critical 9.78	83.66%
	UGRHI 06	Alto Tietê	Very critical	8.59		65.0070
São Paulo ¹	UGRHI 06	Alto Tietê	Very critical	0.68		
Total				11.69	11.69	100.00%

Source: SEMIL (2023); CDHU and SAS (2024).

1. The water consumption of the CIDADE Condominium I, II and IV, which corresponds to CDHU, is the result of the 30% fraction of the total consumption of the buildings.

As expected, the highest consumption of the buildings that make up CDHU's headquarters in the capital is located in UGRHI 06, classified as having very critical water stress. As a means of saving on consumption, water limiters were installed on taps and cisterns were installed in the rooms. In addition, the Company has included clauses in service provision contracts so that contracted companies value good practices and the rational use of resources, especially with regard to building cleaning, which is supervised to save water.

As an example of inclusion in the bidding documents, the following stands out: "Minimizing the environmental impacts resulting from this contract includes the adoption of sustainable environmental practices that encourage the rational use of water and electricity, the use of recyclable and non-toxic materials and supplies, the provision of regulated vehicles fueled with less polluting fuels and additives, and the disposal of waste in accordance with current legislation."

CDHU

Water and effluents

[GRI 3-3 Environmental management in operations, 303-1, 303-2, 303-3, 303-4] [SDC 6, 12]

CDHU makes the occupation of its housing developments conditional on the existence of a supply of drinking water and adequate systems for the collection, treatment and final disposal of domestic effluents, provided by sanitation concessionaires, such as the Basic Sanitation Company of the State of *São Paulo* (SABESP), municipal companies or government agencies authorized by the respective municipalities.

With regard to the supply of treated water, it is the responsibility of the concessionaires to indicate the connection point of the network that will serve the development. Projects and works are prepared and executed in accordance with Brazilian technical standards, especially NBR 12,218 – Water Distribution Network Project for Public Supply, in addition to the specific guidelines and requirements of the responsible concessionaire. Ensuring the quality of the water supplied is an exclusive responsibility of the sanitation companies.

As for the sewage system, CDHU requires, from the project development stage, that collection networks be provided and, whenever necessary, appropriate sewage treatment plants (STPs) duly approved and licensed by the Environmental Company of the State of *São Paulo* (CETESB).

All urban developments implemented by CDHU are designed to collect and dispose of effluents in public sewage networks, interconnected to STPs duly licensed by CETESB. The Company only authorizes the occupation of housing units if the STP responsible for the final treatment of the effluents has a valid Operating License.

Exceptionally, for isolated communities located in non-urban areas, such as indigenous villages and *quilombolas*, simplified individual or collective systems for treating domestic effluents are adopted. These systems include solutions such as septic tanks, anaerobic filters and sumps, the efficiency of which must be proven before implementation.

Septic tank: retains and separates solids from sewage, allowing the sedimentation of particulate matter and the floating of oils and fats;

anaerobic filter: complements the treatment, promoting the degradation of organic matter through bacterial action, by making the sewage percolate through a layer of gravel or filter material. This component is essential in areas with shallow water tables, avoiding the risk of contamination; and

sump: performs the final disposal of the treated effluent in the soil, allowing its infiltration and promoting the natural purification of remaining impurities, as long as they are in suitable conditions so as not to compromise the soil or the water table.

For public sewage networks, the standards and regulations of local sanitation concessionaires are followed, which, in certain cases, have higher requirements than the standards of the Brazilian Association of Technical Standards (ABNT).

The quality of the water body receiving the treated effluent is the responsibility of the municipal sanitation company, with CETESB responsible for inspection and issuing operating licenses for the ETEs.

Drainage and rainwater

[GRI 3-3 Environmental management in operations] [SDG 6, 12]

All CDHU projects include urban drainage systems sized in accordance with technical standards, with appropriate devices to prevent environmental damage.

In accordance with State Law No. 12,526/2007, condominiums and facilities built on lots with impermeable areas greater than 500 square meters are equipped with rainwater retention reservoirs, with the purpose of cushioning and reducing peak flows during periods of heavy rain.

In addition to meeting the permeable area requirements determined by CETESB, sidewalks in subdivisions are designed with a minimum width of 2.00 meters, with 1.20 meters for concrete sidewalks and 0.80 meters reserved for grassy areas, allowing water to infiltrate into the soil.

The slopes resulting from the earthmoving processes receive landscaping treatment with grasses, aiming to facilitate the infiltration of rainwater and prevent erosion and surface sediment transport, which helps to avoid the silting of galleries and watercourses, thus collaborating in the mitigation of floods.

Lots located in flood zones

CDHU conducts hydrological studies in areas designated for housing developments that are subject to flooding. This approach was especially important in projects in *São Sebastião* intended for the resettlement of families affected by the 2023 rain tragedy, for which minimum implementation quotas were defined.

The studies currently take into account the following return period:

For hydrological studies of flood levels: 100 years.

For all projects :

For storm water galleries: 10 years;

🧹 for gutters and downspouts: 10 years; and

🧹 for watercourse channeling: 25 years or 100 years.

Regarding the selection of locations for projects, outside metropolitan and coastal regions, where there is a large supply of areas for the implementation of housing developments and at a lower cost, unsuitable locations in terms of flood risk are discarded and the respective city governments are asked to indicate new land.

For metropolitan and coastal regions, where there is a difficulty in finding land and, when available, it is expensive, a feasibility study is carried out, taking into account flood levels, and if the study carried out to solve the problem results in a viable investment, the land is used by CDHU. Otherwise, it is discarded.



Global concern about rainwater reuse has been increasing every year. Many city governments are including mandatory rainwater collection and reuse in their laws.

In line with this, in October 2024, *Vida Longa Pederneiras* K, the first project with a reused water reservoir, was inaugurated. This is a pilot project with the purpose of verifying the effectiveness of the system's filtration and helping to save treated water used for less noble purposes, such as flushing toilets, washing floors and watering plants. The effectiveness of the system is being studied, and it should be noted that, since the project was already inaugurated with this device, there will be no direct comparative data.

Another project in its final stages of construction, also equipped with a reused water reservoir, is *Cubatão* AB – Phase OI, whose system will only supply toilet flushing. The reserve capacity is 23 cubic meters, with 13 cubic meters in the lower reserve, where the filter is located, and 10 cubic meters in the upper reserve, which receives water by pumping from the lower reserve.





Energy [GRI 3-3 Environmental management in operations] [SDG 7, 8, 12, 13]

CDHU's management of the sensitive topic of energy comprises 4 distinct fronts:

- In the development of new projects, in which energy conservation and environmental comfort solutions in the distribution of blocks, blocks and road systems (with criteria of solar orientation, prevailing winds, etc.) are incorporated into the implementation of the projects;
- ✓ in the implementation of photovoltaic systems in the homes delivered to the population, since 2019 and, before that, with solar heating systems, in the period from 2009 to 2018, with very positive socio-environmental results;
- in housing production, that is, the energy consumed on construction sites; and

in the consumption of energy in the administrative buildings of CDHU.

The last 3 items are subject to monitoring, and the results for the 2024 financial year are detailed in the next items, which describe CDHU's energy management.

Energy saved with photovoltaic device

[GRI 302-4, 302-5] [SDG 7, 8, 12, 13]

Energy efficiency has been one of the main differentiators of CDHU housing, which began installing solar heating systems 15 years ago through partnerships with concessionaires and its own investments. Between 2009 and 2018, the use of these systems provided a projected savings of 18,239 kilowatt-hours (kWh) per month.

The adoption of photovoltaic systems (PFS) in housing units began in 2019, with the delivery of the first projects equipped with this technology. Based on the proven effectiveness of these systems, all housing units whose construction began in 2019/2020 began to be delivered with solar panels installed, promoting a significant reduction in electricity costs for residents and contributing to more sustainable consumption.

In addition, all units equipped with PFS now have LED lamps, further increasing the energy efficiency of the homes delivered by CDHU.

The Company calculated the energy generated by all horizontal units installed between 2019 and 2024, demonstrating the positive impact of this initiative. This generation represents the amount of energy that was no longer consumed by the concessionaires, promoting sustainability in the electrical system and providing savings for residents.

The monthly savings history at the end of each year shows significant progress. Considering that each photovoltaic system installed by CDHU has an average generation capacity of 80 kWh/month - the 18,901 units delivered until December 2024 represent savings of 1,365 megawatt-hours (MWh) per month.

CDHU

By the end of 2024, the 18,901 horizontal housing units delivered resulted in savings of



The following graph shows the annual evolution of the number of homes benefiting from the photovoltaic system since its implementation, as well as the monthly savings generated (MWh/month), considering the position on 12/31 of each year. The total number of homes in each period reflects the accumulated deliveries since 2019.



Since the first installations in 2019, it is estimated that the accumulated energy generation from the SFV installed in the horizontal housing units of CDHU has reached 35,871 MWh. This volume is equivalent to the monthly energy consumption of a municipality like *Junqueirópolis*, which has approximately 20,065 inhabitants.

This energy production represents a significant reduction in demand from electricity concessionaires. Between 2019 and 2024, the implementation of this technology required an investment of over R\$70 million.

In addition to the economic and energy benefits, the positive environmental impact is also noteworthy. Considering the greenhouse gas emission factor (GHG – tons of carbon dioxide per megawatt-hour [tCO_2 /MWh]) of the National Interconnected System in 2024, estimated at 0.0545¹, the monthly generation of 1,365 MWh provided by the photovoltaic systems installed in 18.9 thousand homes resulted in a reduction of 74 tCO₂ emitted into the atmosphere.

Considering that the absorption of a tree in the Atlantic Forest is 8.16 kilos of CO_2 per year, the 74 t CO_2 associated with the generation of the installed SFVs represent the equivalent of the CO_2 absorption of more than 9,110 trees in one year².

CDHU's experience with the implementation of photovoltaic systems in social housing has been a reference and has been expanded to other services provided to the Public Administration, enhancing the social, economic and environmental benefits of this technology.

- Ministério de Ciência, Tecnologia e Inovação. Available at: <u>https://www.gov.br/mcti/pt-br/</u> <u>acompanhe-o-mcti/sirene/dados-e-ferramentas/</u> <u>fatores-de-emissao</u>. Accessed on: 02/17/2025.
- 2. Calculations based on the Akatu Institute report from 11/03/2021. Available at: <u>https://akatu.org.br/</u> <u>dica/plante-arvores-e-tenha-energia/</u>.



CCA – São Bernardo de Campo – Residencial Cooperativa II



CDHU

Energy consumption on construction sites

[GRI 302-2] [SDG 7, 8, 12, 13]

In 2024, during the execution of the construction of housing units, an average monthly energy consumption of 2.26 gigajoules (GJ) was recorded per project under construction, totaling a consumption of 659,298 kWh for the construction of new housing units.

The average monthly consumption was 628 kWh per project under construction. This total value was calculated based on monthly energy consumption records reported directly by active construction sites, which were entered into CDHU's GEM System.

Since the pandemic, the filling of energy consumption data in GEM was much lower than expected. Through work by CDHU and managers, it was possible to achieve greater engagement of all areas responsible for collecting and entering data into the System, increasing the coverage of construction sites to 95% in 2024.

To calculate energy intensity, monthly data on energy consumption at construction sites (numerator) were collected and divided by the number of workers located at the site each month. Through this calculation, the index of 50 kWh/worker was reached in 2024. The kWh/worker index in 2023 was 19 kWh per worker, but there is still no evidence to characterize a real increase, considering that until 2023 the information collected on energy consumption at construction sites had many gaps. Improving the databases for the following cycles can contribute to improving the indicator.

Maintaining consistency in filling out the data in the next cycle will allow us to assess whether this significant change is due only to the increase in the amount of data or whether there are other factors contributing to this variation.

In 2024, data collection on energy consumption covered 95% of the construction sites

Energy intensity on construction sites (2024) [GRI 302-3] [SDC 7, 8, 12, 13]



With these systematic and constant measurements, CDHU strengthens its capacity to analyze and manage energy consumption, promoting greater sustainability and efficiency in the execution of its projects.

Source: CDHU (2024).

Note: The table shows the monthly energy consumption of each project under construction since 2019, the year in which monitoring of this consumption on construction sites began.

CDHU

Energy consumption at CDHU

[GRI 302-1] [SDG 7, 8, 12, 13]



CDHU monitors the consumption of electricity in its administrative buildings and in the *CIDADE* I, II and IV Condominiums, which together cover an area of 52,177.45 square meters.

The energy is supplied by external concessionaires, and control is carried out through monthly invoices and monitoring by the CDHU Operational team with the administration of the *CIDADE* Condominium.

CDHU occupies 30% of the total area of the *CIDADE* I, II and IV buildings, which has a proportional impact on the energy consumption of its headquarters.

Energy generated by fuel consumption (GJ)	2024	2023	2022
Renewable ¹			
Ethanol	1,994.75	2,280.11	1,903.21
Non-renewable ²			
Diesel	309.50	127.70	1,903.21
Source: CDHU, Administrative Services Sup (1) 31 ethanol vehicles. (2) 2 diesel vehicles.	5,		

Source for calculating ethane and diesel oil consumption http://www.gov.br/inmetro/pt-br. The fleet consists of 33 vehicles, 31 of which are fueled by ethanol and 2 vehicles (4x4 pickup trucks) are fueled by diesel (non-renewable fuel), which were added to the fleet in September 2023. In this case, consumption in 2024 was 7,681.67 liters, resulting in 273.85 GJ during the period from January to December 2024. As determined by the Superintendence of Service Administration, flex-fuel vehicles (31 units) must be fueled exclusively with ethanol (a renewable fuel) that is less harmful to the environment.

In addition, CDHU adopts measures to reduce electricity consumption in its facilities. In decentralized administrative buildings, it is standard practice to turn off the power at the end of the working day, with specific instructions to managers to maintain this routine. CDHU regularly monitors consumption levels in these buildings and, when discrepancies are identified, sends technicians to investigate.

In *CIDADE Condominium* I, II and IV, which does not have its own power plant for energy transformation, the air conditioning systems are operated daily, being turned off at 8:00 p.m. and turned on again at 6:30 a.m., under constant monitoring.

These initiatives are in line with best practices for energy efficiency in commercial buildings, which include proper management of air conditioning systems and raising user awareness about responsible energy use.

Energy purchased from third parties (GJ)	2024	2023	2022
Electricity	10,313.96	11,656.49	9,454.89

Source: CDHU (2024).

Materials, comfort and quality of housing

[CRI 3-3 Environmental management in operations] [SASB IF-HB-410a2, IF-HB-410a3, IF-HB-410a4] [SDG 8, 12]

CDHU projects do not have WaterSense® certification, but they require that 100% of the products and services contracted meet the quality requirements defined in the Sectoral Quality Programs (PSQs) of the Housing Construction Quality Program of the State of *São Paulo* (QUALIHAB).

QUALIHAB, established by State Decree No. 41,337/1996, aims to promote and ensure the quality of materials, components and construction systems, projects and works linked to projects under the responsibility of the Government of the State of *São Paulo*, in addition to promoting the optimization of the use of human resources, materials, natural and energy inputs.

Within the scope of QUALIHAB, sectoral agreements are signed with entities representing the production sector and PSQs are implemented, aiming to induce improvements in the quality and productivity of the sectors involved. These programs encourage the development and updating of standards and technical documents, train the workforce and implement processes for qualifying, approving and certifying products (materials, components and systems) and services (projects and works).

It is worth noting that they are required to include, in their contracting modalities and in the bidding notices for works, projects and engineering services, requirements that ensure proof of the quality of the services and products provided.

These requirements are defined based on the 40 PSQs established between 1996 and 2008. Examples include water-saving devices, sanitary ware and metals, tanks, polyvinyl chloride (PVC) pipes and connections, wires, cables and conduits for electrical systems, ceramic blocks, plates and tiles, paints and mortars, steel frames, wooden doors and locks, in addition to criteria aimed at qualifying construction companies and managers responsible for executing and administering the projects.

合 Learn more about the QUALIHAB Program.



Biodiversity [GRI 3-3 Environmental management in operations, 304-1, 304-2, 304-3] [SASB IF-HB-160a.4, IF-HB-410b.2] [SDC 6, 14, 15]

The Company operates throughout the State of *São Paulo* implementing housing projects, often close to sensitive areas or areas of high environmental value, such as APPs, located along streams, springs or with significant remnants of vegetation.

The impact of the implementation of housing projects by CDHU close to environmentally fragile and preservation areas, habitats of protected or endangered species is minimal or non-existent, for several reasons, the main ones being:

- The projects are established in urban areas intended for housing, following criteria that comply with current environmental and urban legislation, and are previously approved by the competent bodies; and
- CDHU does not carry out large-scale projects that require prior environmental licensing, such as Environmental Impact Studies and Environmental Impact Reports (EIARIMA), which are necessary for larger projects that may cause significant environmental degradation. In 2024, no project required the preparation of EIARIMA.

In the event of identification of vegetated areas that must be removed for the implementation of the project, the species at risk are subject to environmental compensation actions. This is formalized through Environmental Recovery Commitment Terms (TCRA). The TCRA, when necessary for the viability of the housing project, is signed by the State approval body – the *São Paulo* State Housing Project Analysis and Approval Group (GRAPROHAB) – and, as a counterpart, the city governments assume the maintenance and generation of monitoring reports every 12 months, during the 48 months following the implementation of the TCRA, ensuring its effectiveness. During this period, insect and invasive plant controls are carried out to avoid harming the seedlings' take hold, which are replaced when necessary. In this way, any impacts of CDHU's actions on habitats with species at risk are mitigated.

The specific legislation that regulates the preparation of the TCRA incorporates the criteria of the International Union for Conservation of Nature (IUCN) in its provisions. State Law No. 13,550/2009, which prohibits the suppression of vegetation included in the IUCN in remnants of the *Cerrado* biome, is linked to Resolution SMA No. 80/2020, which establishes the procedures for analyzing requests for suppression of native vegetation for land subdivision, condominiums or any building in urban areas and the establishment of permeable areas in urban areas.

CDHU follows CETESB legislation, and therefore, all projects involving the restoration or revegetation of areas have their projects prepared by competent professionals, such as agricultural or forestry engineers. These projects meet the guidelines for quantity and diversity provided for in state legislation and include threatened, vulnerable and critically endangered species.



For forest recovery in urban areas originally occupied by forest environments, CDHU is guided by the Resolution that presents a list of tree species and an indication of their natural occurrence in the biomes/ecosystems and ecological regions of the State of *São Paulo*, with the successional classification and the category of threat of extinction. These are guidelines for proposals with percentages of categories for restoration.

Considering the variations in species available in the nurseries at the time of planting, CDHU accepts exchanges of species for others in the same risk category, as long as the specific proportions in projects are maintained.

For environmental compensation, due suppression of native vegetation, cutting of isolated trees or interventions in APP in urban areas, CDHU complies with the parameters and criteria of Resolution SEMIL No. 002/24.

The following table summarizes the TCRAs and Environmental Commitment Terms (TCAs) signed and implemented by CDHU in 2024 in the projects developed by the Company.

TCRAs and TCAs in 2024

	Signed	Implanted
TCRAs and TCAs	12	26
Projects with planting	18	51
Areas with TCRAs, TCAs and condominium leisure systems in m ²	180,851.07	417,056.94
Number of trees to be planted, including those in the road system	15,230	30,436

Other factors that contribute to the conservation and protection of biodiversity, already discussed in other chapters, are the actions planned in the implementation phase of the projects regarding drainage, directing rainwater to streams in a controlled manner, regarding the treatment of debris or garbage present in the intervention area (including treatment or mitigation of contamination) and regarding the management of waste at construction sites, disposing of it correctly. In addition, it is worth mentioning the minimization of soil impermeability, with green strips on sidewalks.

Urban mini-forests: CDHU signed a Cooperation Agreement with the **Formigas de Embaúba** Organization to carry out socio-environmental education actions, promote the regeneration of ecosystems and sustainable development, and improve the quality of life of residents of housing complexes through the participatory planting of urban mini-forests of the Atlantic Forest, both in housing complexes already implemented and in new developments under development by CDHU.

Compared to 2023, the planted area increased from 248,000 to 417,000 square meters, and the number of trees planted increased from 18,700 to 30,400

CDHU

Emissions

[GRI 3-3 Environmental management in operations, 305-1, 305-2, 305-3] [SDG 3, 12, 13, 14, 15]

The preparation of GHG inventories is an essential tool in the fight against global warming and climate change. Through this tool, it is possible to identify emission sources, quantify emissions and plan processes that ensure economic, energy or operational efficiency, envisioning a low-carbon construction process.

In 2023, CDHU took the first step in this direction, by carrying out a pilot project in the *Pongaí* F project with a view to applying the Energy Consumption and Carbon Emissions Calculator in Civil Construction (CECARBON) tool to analyze the energy consumption associated with the construction of buildings. CECARBON takes into account the entire life cycle of the inputs used in the work, from their extraction to their use in the construction phase.

This result reinforced the importance of expanding the application of the tool to projects of different types and located in different regions of the State.

In 2024, new construction sites were selected to expand the GHG emissions calculation base, covering 1,895 housing units. Data is being collected by those responsible for the construction sites, covering operational information such as consumption of materials and inputs, associated freight and fuel use.

The projects selected for this verification were defined based on the forecast start of construction in 2024 and the expectation of partial or total completion between 2025 and 2026.

Housing units with GHG monitoring through CECARBON

Project	Municipality	CDHU Region	Administration Region	Housing units	Estimated delivery
Canas C	Canas	Taubaté	São José dos Campos	50	06/04/2025
Cubatão W/Z (Mantiqueira/ Pedreira)	Cubatão	Baixada Santista	Santos	174	05/30/2025
Echaporã G	Echaporã	Marília	Marília	58	07/31/2025
Jaboticabal F	Jaboticabal	Ribeirão Preto	Ribeirão Preto	28	09/30/2025
Mariápolis D	Mariápolis	Presidente Prudente	Presidente Prudente	38	11/30/2025
Américo de Campos F	Américo de Campos	São José do Rio Preto	São José do Rio Preto	80	11/15/2025
Santa Bárbara D'Oeste D	Santa Bárbara D'Oeste	Campinas	Campinas	372	09/21/2025
SP – Campo Belo AB	SP – Campo Belo	Capital – Zona Oeste	Metropolitan Region of São Paulo	590	10/30/2026
SP – Parque do Carmo A	SP – Parque do Carmo	Capital – Zona Leste	Metropolitan Region of São Paulo	252	11/30/2025
Taquarituba H	Taquarituba	Bauru	ltapeva	253	08/31/2026

CDHU

Source: CDHU (2024).

Monitoring from the initial stages will allow the data recorded in CECARBON to generate an accurate diagnosis of GHG emissions at the local level, serving as a basis for defining effective mitigation policies.

The initial experience carried out in 2023 drove the expansion of the management of the topic at the Company, which began to extend the application of the tool to ongoing projects, with deliveries scheduled for 2025 and 2026, which is why there are no results available for 2024. The final results will be generated at the end of each project, according to the established schedules.

Another important step was the formalization of CDHU's membership in the **Carbon Neutral Cities Project**, an initiative led by IPT, which aims to develop solutions aimed at increasing the climate resilience of infrastructure and urban populations, in addition to encouraging the incorporation of nature-based technologies and solutions in the development of cities. Among the results expected from the project, those of direct interest to CDHU stand out, especially:

Carbon Stock Measurement Platform: related to land use and land use change, with the development and registration of specific software for this purpose;

prototypes of innovative technological solutions that contribute to the decarbonization of buildings and, consequently, of cities; and

digital models of urban buildings: integrated with data on materials and construction systems that enable the calculation of CO₂ emissions throughout the entire life cycle of buildings, covering the manufacturing, construction, use, operation, maintenance and final disposal phases.

CDHU's participation in this project reinforces its commitment to sustainability and the search for innovative solutions that reduce environmental impacts and contribute to the construction of more resilient cities aligned with carbon neutrality goals.

CDHU

Waste

[GRI 3-3 Environmental management in operations, 306-1, 306-2] [SDG 3, 6, 8, 11, 12, 15]

Waste management is present in all CDHU activities, ranging from administrative and technical processes carried out at headquarters and regional units to construction sites. This topic is addressed comprehensively and strategically, integrating all stages of housing production and urban interventions in the State of *São Paulo*.

Environmental and operational impacts vary according to the context and require specific procedures for monitoring, collecting and disposing of waste. In all cases, CDHU strictly follows current environmental legislation, ensuring the correct and sustainable disposal of the waste generated.



Waste management in administrative units (headquarters building and regional units)

[GRI 3-3 Environmental management in operations, 306-3] [SDG 3, 11, 12]

CDHU, at its administrative headquarters (*CIDADE Condominium* I, II and IV), separates all recyclable waste, which, along with regular trash, is collected daily by the public concessionaire *Sistema Nova Ambiental*, which has a Certificate of Destination for Environmentally Interesting Waste (CADRI-CETESB). It is worth mentioning that throughout the condominium there are specific trash cans for each type of waste – paper, plastic, batteries, etc.

Recyclable waste and regular trash generated both in the headquarters buildings and in the regional offices of CDHU are collected and disposed of by municipal public services, following local disposal and recycling programs and in compliance with current environmental legislation and guidelines. Since these services are the responsibility of the municipal concessionaires, it is not possible to monitor the exact amount of waste collected.

Waste management in CDHU's main buildings also involves a specialized company, *Multilixo Remoções de Lixo Ltda.*, hired to remove and dispose of **classified waste**, i.e. class I waste (light bulbs) and class I – miscellaneous, class II-A non-inert waste (organic) and class II-B waste (non-recyclable civil construction). This waste is stored in appropriate containers for removal by the contractor for final disposal.

The inspection and monitoring of the services provided by *Multilixo* are carried out by CDHU's Condominium Management Operational Area, ensuring compliance through the analysis of documents and proof of collection and final disposal of waste.

In 2024, 139.89 tons of classified waste were removed, of which 47.4 tons corresponded to CDHU's share in the condominium, equivalent to 30% of the total.

Tons of classified waste collected per month – total and fraction of CDHU

Contract CDHU/Multilixo

Month	Total waste collected (t)	Total waste collected from CDHU (30% fraction)
Jan.	10.51	3.15
Feb.	10.97	3.29
March	11.27	3.38
Apr.	10.2	3.06
Мау	11.62	3.48
Jun.	10.76	3.23
Jul.	13.9	4.17
Aug.	11.5	3.45
Sep.	12.48	3.74
Oct.	21.77	6.53
Nov.	14.91	4.47
Dec.	18.29	5.49
Total	139.89	47.44

Source: CDHU (2024).

CDHU

Waste management: projects and construction sites

[GRI 3-3 Environmental management in operations] [SDG 3, 11, 12]

When required by municipal governments, CDHU prepares the Construction Waste Management Plan (PGRCC) as part of the project approval process. This plan follows the waste classification established in Resolution No. 307/2002 of the National Environmental Council (CONAMA).

From September 15, 2023 to September 14, 2024, CDHU issued 2 PGRCCs, in the project phase, meeting the specific requirements of the municipalities, as per the attached list.

The total expected waste generation in these works was estimated at 870.40 cubic meters. There was no provision for reuse or recycling of this volume on the construction sites themselves; the entire estimated volume was disposed of in duly licensed areas, in accordance with the classification and disposal required by current legislation.

It should be noted that the data presented refer to the design stage, and information on the actual generation, destination and possible reuse practices during the execution of the works can only be confirmed after the completion of the projects. Furthermore, they do not represent the expected volume of waste, either because the PGRCC is not prepared for all projects or because there is no information from the construction site on the volume by type of waste generated and its final disposal.

CDHU complies with Law No. 12,305/2010, which establishes the National Solid Waste Policy, according to which the final disposal of waste is environmentally appropriate, observing operational standards that avoid damage or risks to public health and safety, minimizing adverse environmental impacts. To comply with this, CDHU specifies, in its public works bidding notices, that all waste must be sent to certified "dumping" areas, that is, areas for transferring and sorting construction waste and bulky waste that cannot be removed by regular garbage collection, or sanitary landfills legalized/registered by CETESB. [GRI 306-2]

Construction companies must still present the receipt of acceptance of discarded material, issued by establishments authorized by CETESB, which is checked and stored by companies that provide management and inspection services to the Company.

During 2024, 100% of CDHU projects were inspected for waste management. Although current monitoring focuses on the volumes transported and the correct disposal of waste, CDHU recognizes the need to improve its processes to include the compilation of detailed data on the types and volumes of waste discarded, aiming at even more efficient and transparent management. Negotiations have already begun with managers and inspectors to provide information on the quantities by type of waste discarded.

In this way, CDHU reaffirms its commitment to the responsible management of solid waste, integrating sustainable practices from the planning phase to the final delivery of housing projects.



Environmental assessment of suppliers [GRI 3-3 Environmental management in operations, 308-1, 308-2]

All suppliers contracted by CDHU are selected through bidding processes, in accordance with Federal Law No. 13,303/2016. The bidding processes are open to Brazilian companies, regardless of their location, and compliance with clauses that ensure respect for human rights and compliance with environmental and social criteria adopted by the Company is mandatory.

Therefore, with a focus on the best proposal, aiming to achieve the public interest, CDHU does not provide differential treatment and does not impose any type of restriction on the participation of suppliers in bidding processes for the acquisition of goods and services. 100% of suppliers are contracted in compliance with these criteria.

However, CDHU, in compliance with QUALIHAB guidelines, requires, in its bidding notices, that companies whose sectors already have sectoral quality agreements comply with sectoral programs and technical standards and prove their qualifications, as a condition for participating in its housing projects. As already mentioned, the items covered by these agreements include water-saving devices, among others, with respect to sustainable environmental practices.

During 2024, CDHU maintained its supply chain stable, with no significant changes to existing contracts and agreements. No environmental damage was recorded during the execution of works and services performed by the Company, nor were any significant negative environmental impacts identified in the supply chain.



CCA Program – São Paulo: delivery of the SIM Sapopemba development







Housing Assistance Policy with diversity and inclusion



CCA Program - São Bernardo do Campo: delivery of Residencial Cooperativa II

The housing policy has a significant impact on improving the living conditions of the population, especially among vulnerable groups such as the elderly and people with disabilities, who require greater state protection.

This chapter discusses some available indicators regarding the population served by CDHU, confirming that housing and urban policies have effectively reached priority groups. It also highlights actions aimed at these groups.

Regarding **Technical Social Work (TTS)**, developed with communities, the objectives and results highlight the social and economic benefits of housing policy beyond the provision of buildings and adequate urban conditions. TTS is present in all the programs and actions of the Company, with the primary objective of fostering community organization, local development, and strengthening the residents' connection to the housing solutions offered and the territory.

TTS is developed through 2 axes: actions in urbanization and improvement interventions, and actions in housing complexes delivered to the population.

Viver Melhor – Municipality of São Paulo – Heliópolis

CDHU

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Profile of the population served in CDHU programs – general demand

[GRI 3-3 Housing assistance policy with diversity and inclusion, 413-1]

In 2024, CDHU published the Direct and Indirect Benefits Bulletin, based on 2023 sales for general demand, providing data on the social vulnerability of beneficiary families and the positive impact of the housing and urban actions implemented. Key aspects include:

- The vast majority of families had very low incomes: one of CDHU's main strategies to enable access to housing for lowerincome families is granting subsidies, given that many of them do not have access to credit in the formal market – 73% of families earned up to 2 minimum wages, 24.9% fell within the range of 2 to 5 minimum wages, and only 1.7% earned more than 5 minimum wages;
- most families previously renting a home before financing through CDHU allocated more than 20% of their family income

to rent: 70.9% of families living in rented homes before CDHU financing spent over 20% of their family income on rent. These families experienced income improvements by assuming CDHU financing, which caps the maximum income commitment at 20% for monthly installments.

- CDHU adopts an inclusive policy that acknowledges the diversity of contemporary family structures:
- Single individuals: in 2023, they represented 16.2% of new housing unit recipients.
- same-sex families: 0.8% of the total families served.
- women-headed households without a spouse: 39.2% of families were led by women without a spouse, compared to 26% of households in São Paulo State, according to IBGE (PNADc, 2022). This family arrangement is often linked to more precarious labor market integration, leading to lower incomes; and

- **families with elderly or disabled members:** These constituted 10.1% and 8.1% of families, respectively. Most were selected through legal quotas, which reserve 7% of housing units for people with disabilities and 5% for the elderly; and
- 22.8% of families included young children (up to six years old), a group of particular interest to public policies, as early childhood is a critical stage for human development.

0% zero-interest for low-income families

CDHU

1. Group that meets the conditions required by CDHU for access to housing programs, identified through municipal registrations announced via public notice and lottery, with a household income between 1 and 10 minimum wages.

Registration process for housing provision aimed at the general demand

CDHU does not maintain a permanent registration system for individuals interested in housing. Registration opportunities arise when there is a housing development either in the planning stage or nearing completion in the municipality where the applicant lives or works.

Registrations are announced through a public document titled the CDHU Housing Programs Registration Notice. This notice, published in the municipality of the development, includes key information such as registration opening and closing dates, eligibility criteria, prioritization and beneficiary selection processes, and conditions for participating in public lotteries. It also outlines quotas for specific groups, such as the elderly, police officers, and persons with disabilities, among others. In addition, it provides details on the required documentation and the characteristics of the housing units offered.

The demand gathered through this process is referred to as "general demand." Beneficiaries of the housing units are selected through a public lottery, regulated by current legislation (State Law No. 13,094/2008). All housing service and sales processes follow the guidelines established in internal policy and procedure manuals.

The criteria for selecting and classifying beneficiaries are available on CDHU's website and in the published notices. Lists of selected beneficiaries and alternates are also published online.



Housing unit lottery in Santo Antônio do Aracanguá

Technical Social Work (TTS) in social housing territories and projects

[GRI 3-3 Housing assistance policy with diversity and inclusion, 413-1] [AR]

Post-occupation actions in housing complexes aim to ensure families remain in their new homes, adapt to the new environment, and access urban rights. The integration of the population into the new territory and the strengthening of citizenship also seek to prevent delinquency and the resale of properties in the informal real estate market, which could contribute to the housing deficit.

The methodology is structured around specific processes: social organization, condominium organization, condominium management, and land regularization. These approaches allow for the customization of activities to meet local needs. Complementing the areas of activity, there are special projects—that is, various and specific interventions by the TTS that do not fit into the previously defined and structured work processes.

An example of a special project is the initiative developed under the Sustainable Neighborhood Program, by SDUH. In the so-called post-occupancy phase, the TTS also provides for cross-cutting actions aligned with the defined work axes, structured to promote dialogue between municipal public agencies and the population, aimed at addressing their specific demands and needs. Accordingly, the creation of the Municipal Institutional Group (GIM) and the Local Governance Group (GGL) is planned in the municipalities and territories of operation, as detailed below. The main planning tool for the activities to be carried out in each housing development is the **Social and Technical Work Plan (PTTS)**. This is where the strategies applicable to each situation are defined, always aiming to encourage active community participation in the planned and implemented actions, allowing residents to express their aspirations and contribute to the development of a shared agenda of commitments and priorities.

To support all these activities, the TTS has an essential tool to identify the main challenges and needs of the populations served - the Impact Assessment survey, which was initiated in 2023 for the Minha Casa, Minha Vida (My House, My Life) Federal Government developments, in which CDHU provided technical services, and expanded in 2024 to include the Company's developments. It is important to mention that CDHU's expertise in post-occupancy TTS has been recognized by other promoting agents – municipalities, COHABs, etc. – with whom the Company has established service provision contracts.

In 2024, actions were carried out in 226 housing complexes across 131 municipalities, reaching a total of 34,807 households. Of the 226 housing complexes, 14 were the result of contracts, encompassing 2,162 households.

Finally, it is important to highlight, in the post-occupancy actions, the expansion of the Urban Orchard, previously discussed, with direct involvement from municipal management and residents within the scope of GIM and GGL.

Municipal Institutional Group (GIM)

The formation of GIM is mandatory in all agreements between CDHU and municipalities for new housing projects. GIM brings together municipal management – departments of education, health, infrastructure, etc.- to systematically address social demands arising from new housing developments.

The GIM enables the municipality to exercise more efficient public management, both through prior knowledge of the population's service priorities and needs, and by providing an appropriate channel for receiving local demands. This creates the conditions for more transparent and participatory governance, allowing residents to track their requests.

In 2024, CDHU formed 44 GIMs to coordinate public policies addressing local demands and improving living conditions, benefiting both housing projects and their surroundings.

Local Governance Groups (GGL)

In 2024, CDHU continued the formation and implementation of GGLs in housing projects with TTS intervention, reinforcing its commitment to participatory management.

The GGL consists of beneficiary families and serves as a platform for community representation and participation. It plays a crucial role in defining priorities, planning actions, and negotiating commitments that reflect residents' needs, particularly those in vulnerable situations.

The GGL is the main social participation body within the scope of the TTS. After its formation, members undergo an organization and training process led by CDHU's technical team to ensure they are prepared to monitor the activities carried out and establish effective dialogue with public authorities.

Once trained, the GGL representatives act as mediators between the community, CDHU, the municipality – through the GIM – and public utility companies. Their main goal is to improve the quality of life in housing developments by facilitating solutions to local needs such as public transportation, safety, lighting, urban cleaning, and expanded access to health, education, culture, sports, and leisure facilities.

In 2024, 47 GGLs were established in developments that received TTS actions, consolidating the community's leading role in pursuing improvements and strengthening community development.

CDHU

Impact Assessment [GRI 413-1]

In 2024, CDHU consolidated the use of surveys as a routine part of Technical Social Work (TTS) activities.

The surveys aim to map the socioeconomic profile of families, housing conditions, access to services and infrastructure, and the economic sustainability of beneficiaries. They serve to support the work of the TTS teams by identifying demands and guiding social interventions more accurately, enabling the monitoring of impacts over time and evaluating the results of housing provision and social actions carried out in the developments.

Among the main advances, the following stand out:

- **Expansion of TO Surveys:** systematic application in all projects, regardless of the area of operation, to collect initial data on beneficiary families, as a parameter for subsequent evaluations;
- **TO Pilot Survey with Control Group:** experimental application by telephone with 27 non-beneficiary families, allowing the development of a comparative methodology for impact assessment;
- implementation of TI Surveys: conducting surveys in selected projects after 12 months of occupation and closure of TTS activities, with 942 families in 23 housing complexes, to assess the results and changes perceived by the families; and
- **construction of an integrated panel:** integration of data from the different research stages (TO and TI), allowing the construction of a continuous and analytical information system.



CDHU



What was the previous housing situation of the families served

82.64%

Running water

85.17%

78.31%

Paved streets

79.42%

Postal service coverage

88.91%

Garbage collection

80.77%

Sewage system

63.2%

Public transportation

79.77% Basic services coverage Less than 1 year 16.42% 0% 20% This improvement in data monitoring and analysis strengthens CDHU's ability to make evidence-based decisions,

Residence time by band

28.27%

19.61%

20.75%

14.95%

10 years or more

From 1 to 3 years

From 4 to 6 years

From 7 to 10 years

contributing to the development of more effective and sustainable housing policies.

TTS in urban recovery projects

[GRI 3-3 Housing assistance policy with diversity and inclusion, 413-1, 413-2] [SDG 1, 2]

The TTS developed in *favelas* and precarious urban settlements where CDHU operates to implement infrastructure and services, in addition to improving the buildings themselves, faces numerous challenges and unique aspects. One of the main difficulties is securing the engagement of local residents, as the intervention projects often involve the relocation of families to other areas.

A fundamental principle of TTS in these projects is continuous dialogue between the community and the social team, as well as between this team and the various technical areas of the Company involved in the intervention. From the very beginning of operations in the area, the goal is to clarify, negotiate, and propose solutions to emerging issues, ensuring the feasibility of the planned improvements in the territory.

In 2024, TTS was implemented in 122 *favelas* and precarious urban settlements across 47 municipalities, benefiting approximately 26,000 families and resulting in more than 70,000 individual consultations.

Notably, key initiatives were carried out in the *Viver Melhor* Program and the *Eiji Kikuti* Warehouse, both previously discussed but revisited here from the perspective of the challenges faced by the social team.





Viver Melhor – São Paulo: Cidade das Crianças (before the intervention)

Viver Melhor – São Paulo: Cidade das Crianças (after the intervention)



TTS in the Viver Melhor Program

In any intervention in precarious settlements, the TTS plays a fundamental role in recognizing the territory by mapping all households and understanding the population profile through socioeconomic research. This process provides key insights for CDHU to plan and execute interventions, especially regarding relocation solutions when families need to be resettled elsewhere.

In the *Viver Melhor* Program projects, this initial phase has gained even more relevance by incorporating residents' perceptions of the urban aspects of the settlements included in the new contracting model. This model now encompasses not only improvements to buildings but also priority urban infrastructure projects, including road safety measures, basic sanitation, urban landscaping, and public furniture installations.

The combination of mapping results, socioeconomic surveys, and residents' perceptions forms a unique stage known as the Diagnostic Survey. A key innovation is the residents' perception survey, which aims to gather insights to guide the definition of actions to be implemented by investigating how residents perceive local needs. The methodology applied is both qualitative and quantitative, including (i) The use of a semi-structured observation guide, (ii) focus group discussions with residents, and (iii) spatialization of findings through a collaborative mapping approach.

Additionally, a satisfaction survey is being conducted in all settlements. In projects developed before the new contracting model, the survey is carried out in a single data collection phase. However, in the new *Viver Melhor* Program projects, the satisfaction survey will be conducted at the end of the intervention, aiming to compare residents' perceptions before and after the improvements.

This approach provides a more precise and in-depth understanding of the impact of the implemented enhancements, evaluating both the execution process and the final results from the residents' perspective.

CDHU

The expected outcomes of this new TTS methodology should help refine and continuously improve the program. These additions introduce new challenges to the TTS methodology in precarious settlements, aiming to enhance communication channels between CDHU and the community, ultimately leading to more effective interventions and better outcomes for the territory.

Viver Melhor Porto Ferreira - Diagnostic Research

Porto Ferreira is located in the *São Carlos* Government Region and has a population of just over 52,000 inhabitants.

The neighborhood selected for the *Viver Melhor* Program, under the new contracting model, is *Jardim Esperança*, situated approximately 3 kilometers from the city center. Residents of the neighborhood rely on public facilities – such as the Basic Health Unit (UBS), elementary school, and Social Assistance Reference Center (CRAS) – located in the neighboring *Jardim Anésia*, about a 15-minute walk away. A tributary of the *Mogi Guaçu* River runs through the neighborhood, where household sewage is irregularly discharged.

A socioeconomic survey conducted in 154 households identified 429 residents, averaging 2.7 people per household, similar to the city's overall average. The families are predominantly young and mostly headed by women. Additionally, 73% of the residents self-identified as black or mixed-race.

The following tables summarize the identified issues and the proposed service interventions.

Торіс	Problems Identified
Solid waste	 Accumulation of garbage in public streets (figure 1); accumulation of recyclable materials in public streets or improvised areas (figure 4); insufficient number of individual trash bins, which allows garbage to be torn apart by animals; and insufficient number of individual trash bins.
Community and leisure spaces - how do you evaluate the service you received?	 Public squares without maintenance, with poorly maintained playground and fitness equipment; median strips used as improvised public squares; soccer field without maintenance, used for horse grazing, infested with ticks, and with waste disposal; stream where sewage is discharged, used by children for recreation (figure 2); and poor tree coverage in public streets.
Traffic safety	 Lack of sidewalks in alleys; some areas without public lighting on streets and alleys; and uneven public roads without accessibility ramps or stairways.
Sanitation and electricity services	 Households not connected to the main sewage system, with open sewage discharge or discharge into watercourses (figure 3); flood-prone areas affecting homes; and illegal electrical connections in alleys.
Mobility	 Absence of bus stops in the neighborhood; and absence of bike lanes.
Regularization	Occupation without land tenure regularization.



Figure 1 - Accumulation

of garbage.







Figure 2 - Stream used as a leisure area.

Figure 3 - Open sewage discharge.

Figure 4 - Accumulation of recyclabe materials in an improvised area. Figure 5 - Pig raising.

CDHU

Proposed services to be performed in households Themes • Ensure that all houses have individual trash bins with appropriate height and mesh Solid waste to prevent animal access.. Individualize water meters (39% share meters). Water • Individualize standard electric poles (40% share poles). Electricity · Adjust the number of bedrooms to the number of residents. Densification Solid waste Install collective trash bins for garbage collection from residents of alleys. • Renovate fitness equipment and playgrounds in the park; • install a park in the median strip with appropriate urban furniture; Public and \cdot upgrade the soccer field infrastructure to prevent the presence of animals and illegal recreational waste dumping; spaces • restore/requalify the banks of the stream; and • plant trees along public streets. • Improve existing sidewalks and install new ones in alleyways; Traffic safety • build accessibility ramps or stairways in areas with uneven terrain; and and mobility \cdot install a bike lane connecting the lower area to the city center.

CDHU

Recommendations for the municipality

• Improve public lighting to prevent lamps from being vandalized with stones or other materials;

• install bus stops within the neighborhood;

· carry out maintenance and upkeep of public spaces;

 \cdot educate families on appropriate areas for raising animals such as pigs and chickens;

• develop initiatives to support recyclable material collectors, strengthening existing informal activities.

Physical Inspections Accompanied by the Social Team (Map)



TTS in the *Eiji Kikuti* Project [GRI 413-2] [SDG 1, 2]

The *Eiji Kikuti* warehouse was the target of an intervention by CDHU in 2024, leading to the relocation of 600 families who were living in hazardous conditions.

As mentioned earlier, the building and four existing warehouses housed 1,537 people under extreme precariousness and risk. Water supply relied on pumps to distribute water to the residences, and electricity was illegally connected with exposed wiring. The building floors had been divided into hundreds of small apartments, lined up along narrow corridors. At the back of the warehouses, the steep terrain was occupied by small single-story or stacked houses, built beneath numerous eucalyptus trees.

The survey highlighted the social vulnerability of the families residing in the warehouse. When analyzing the indicators of age, education, income, and family composition, the following characteristics stand out:

- The population is predominantly young, with an average age of 25 years. The average age of the household head is 36 years; and
- Gouseholds led by women represent the most vulnerable group, accounting for 60% of all households, higher than the national average of 50% (IBGE, 2022).

- Nearly half of these families are single-parent households without a partner, and about one-third have children aged six or younger;
- female-headed households have lower average incomes than male-headed ones: R\$1,154.00 vs. R\$1,535.00; and
- this disparity is even more pronounced when considering per capita income: R\$697.00 for female-led households vs. R\$1,054.00 for male-led households.

Given this context, addressing the housing crisis was a major challenge, requiring both a structured relocation strategy and the adoption of new procedures to rapidly implement permanent housing solutions.

Removal strategy: block removal of families and immediate demolition of buildings to prevent reoccupation of the site. Transfer of the area of approximately 23,000 square meters to the municipality, which will be responsible for urban revitalization and construction of social facilities.

Housing assistance strategy: to enable the expedited block removal of families due to exposure to risk, CDHU and SDUH/ *Casa Paulista* employed different mechanisms: ■ Families whose homes were interdicted by Civil Defense before the operation began: emergency assistance through an individual credit letter worth R\$200,000.00 for purchasing a property on the market;

■ families who meet the criteria of the São Paulo State Housing Policy: allocation of 2 housing developments under construction in the region through the Associative Credit Letter Program, with a housing allowance payment of R\$600.00 until the permanent move to the housing unit. This strategy, where the apartment financing contract is signed at the time of moving in, was not only a strong incentive for families to join the removal process but also established a deadline for receiving the housing allowance.

preventing the common fear among families in this situation of living for years with a provisional solution; and

families not meeting São Paulo State Housing Policy

criteria: guarantee of receiving 12 installments of the housing allowance. This group currently consists of 20 families, some unable to access financing due to being former borrowers, and others facing situations requiring regularization, for example, regarding civil status. This strategy serves two purposes: (i) provide a minimum resource for families to reestablish themselves, and (ii) allow a period for families with resolvable irregularities to address the issues and obtain definitive assistance.



CDHU

Rights of indigenous and *quilombola* **peoples**

[GRI 3-3 Housing assistance policy with diversity and inclusion, GRI 411-1] [SDG 2]

In 2024, there were no records of any violations of the Rights of Indigenous Peoples within the scope of the Indigenous Housing Program. On the contrary, since 2002, CDHU has maintained a compensatory policy aimed at implementing housing on Indigenous Lands in the State of *São Paulo*, contributing to guaranteeing the basic rights of this population and improving housing conditions.

Compensatory public policies for indigenous peoples began to take shape after the Federal Constitution of 1988, and in the State of *São Paulo*, the specific housing policy for this population was consolidated with State Law No. 11,025/2001, which instituted the Indigenous Housing Program. This policy provides for free housing assistance for families residing on Indigenous Lands approved in the State.

Since the beginning of the program, 11 officially recognized Indigenous territories have been served across 10 municipalities in *São Paulo* state, with a total of 612 housing units delivered to replace precarious dwellings in these areas.

The housing typology is defined in collaboration with Indigenous communities, ensuring that the designs respect the customs, habits, and cultural traditions of each territory while meeting the specific needs of the Indigenous population. Currently, 160 housing units have been approved in 6 Indigenous territories under the *Casa Paulista* – Urban Development Program. These units will be built in the municipalities of *Bertioga, Eldorado, Mongaguá, Peruíbe, São Paulo,* and *Tapiraí*.

To fully meet the housing demand in these communities, an additional 258 housing units will be required in 5 of the 6 Indigenous territories-except for *Ribeirão do Aguapeú* Indigenous Territory (*Mongaguá*), where the current housing production will completely fulfill local needs.

Additionally, 5 communities previously served by CDHU have submitted new requests due to natural population growth. At the same time, the National Foundation for Indigenous Peoples (FUNAI) has initiated discussions on adjusting the program's regulations to extend housing assistance to Indigenous territories that have not yet been officially recognized. This expansion would broaden the reach of housing policies aimed at Indigenous populations. The 2022 Demographic Census (IBCE) indicated a significant growth of 88.82% in the number of indigenous people in Brazil compared to 2010, totaling approximately 1.73 million people (0.83% of the national population).

This increase is mainly due to methodological changes, including greater participation of indigenous people in the data collection process, shared monitoring with the National Foundation for Indigenous Peoples (FUNAI), and the expansion of the question about indigenous identity outside of indigenous lands. Furthermore, the number of Indigenous Lands increased from 505 to 573 between 2010 and 2022.

In the State of *São Paulo*, the indigenous population grew by 31.8%, reaching 55,331 people (0.12% of the state population). According to the 2022 Census, there are 1,374 occupied homes on Indigenous Lands in the state. Since its creation, the CDHU Indigenous Housing Program has built 612 homes, representing 44.5% of the housing units counted in these areas.

Quilombola Housing Program

The compensatory public policies for Indigenous peoples, which began to take shape after the 1988 Federal Constitution, also extend to *quilombola* communities.

In the State of *São Paulo*, the *Quilombola* Housing Program, established in 2004, aims to improve housing conditions for communities residing in areas with finalized land titling. This initiative is carried out in partnership with ITESP (Institute for Land Settlement and Agrarian Reform of the State of *São Paulo*).

To date, 36 *quilombolas* communities have been officially recognized by the *São Paulo* State Government, with 9 of them located on state-owned public lands. In cases where *quilombola* territories are situated on private lands, land regularization falls under the jurisdiction of the federal government, through the National Institute for Colonization and Agrarian Reform (INCRA).

According to the 2022 IBGE Census, the *quilombola* population in the State of *São Paulo* is 11,006 people, representing 0.02% of the state's total population. Of these, 4,076 individuals reside in officially designated *quilombola* communities.

Over the course of 20 years, the *Quilombola* Housing Program has managed to serve 6 of the 9 titled communities, with the last three titles granted this year. A total of 191 housing units were delivered across five developments located in the municipalities of *Eldorado* and *Iporanga*.

Currently, the sixth project of the program, called *Eldorado* L, is in the implementation phase and foresees the construction of 110 homes for the *Ivaporunduva Quilombola* Community.

The project will be carried out in two phases: the first phase will include 36 housing units, currently being prepared for bidding, while the second phase will consist of 74 units, which are in the project development stage.

In November 2024, CDHU, in partnership with ITESP, announced the construction of 630 housing units for *quilombola* families and small rural producers. Of this total, 164 units are designated for *quilombola* communities located in the regions of *Registro* and *Sorocaba*. With this initiative, CDHU continues to advance its commitment to providing decent housing for *quilombola* communities, ensuring housing security and respect for the culture and identity of these peoples.


Rights of persons with disabilities and the elderly

[GRI 3-3 Housing service policy with diversity and inclusion, 413-1, 413-2] [SDG 1, 2]

Elderly individuals and people with disabilities receive special attention in public policies, as they are vulnerable groups that require greater state support to exercise their fundamental rights and freedoms on an equal basis, promoting social inclusion and citizenship.

CDHU's housing policy reserves units for these two social groups in developments with selection processes announced through public notices.

Since 1996, CDHU has allocated 5% of housing units in its projects to families with members who have disabilities, increasing this percentage to 7% in 2001 in compliance with state legislation (State Law No. 10,844/2001 and State Law No. 12,907/2008). In 2024, CDHU designated 780 housing units for families with at least one member experiencing a disabilitywhether mental, motor, visual, auditory, or organic (clinical conditions affecting social integration and activity performance).

Regarding elderly individuals, since 1999, CDHU has reserved 5% of housing units in its projects for this group, surpassing the quota established by Federal Law No. 10,741/2003 (Elderly Statute), which sets a 3% guota. In 2024, 556 housing units were allocated to elderly beneficiaries.

Since 2010, the São Paulo State Government has implemented an assisted living program for low-income elderly individuals, initially called Vila Dignidade and restructured in 2019 as Vida Longa, reinforcing its commitment to this population. In 2024, a total of 222 housing units were delivered under this program.

CDHU's guota policy also allocates 4% of housing units to civil and military police officers, prison security agents, and prison escort and surveillance officers (State Law No. 11,818/2005), as well as 3% for individuals aged 30 or older who live alone.

Additionally, State Law No. 18,025, enacted on September 9, 2024, authorized the Executive Branch to create a housing program for civil, military, technical-scientific, and penal police officers, as well as prison security agents and prison escort and surveillance officers in São Paulo. This program, regulated by State Decree No. 68,927 of September 26, 2024, established the Moradia Segura Program, which provides housing assistance through credit letters and reserves 4% of state-sold properties for eligible beneficiaries (maintaining the 2005 guota law). Eligibility for financing is based on criteria such as age, number of children, and a lottery system. The program will be managed by SDUH or CDHU, in cooperation with the São Paulo Public Security Secretariat (SSP) and the Penitentiary Administration Secretariat (SAP), and may receive funding from FPHIS.



REGISTRO DE IMÓVEIS DA COMARCA DE JACAREÍ

CDHU



Jacareí – land regularization

Vida Longa Program

In recent decades, Brazil has undergone a rapid aging process. According to the 2022 IBGE Census, the population aged 60 and older increased from 10.0% in 2010 to 17.2% in 2022. Meanwhile, the proportion of individuals aged 0 to 14 declined from 21.5% in 2010 to 18.0% in 2022.

In the State of *São Paulo*, the State Plan for the Elderly, launched in 2008, organized actions aimed at the elderly population in vulnerable situations. Based on this context, the Department of Urban Development and Housing (SDUH) and CDHU created, in 2009, the *Vila Dignidade* Program, which was improved and, in 2019, was renamed the *Vida Longa* Program.

The *Vida Longa* Program aims to implement free assisted housing, aimed at elderly people aged 60 or over, with a monthly income of up to two minimum wages, registered with CadÚnico and, preferably, alone or with fragile family ties.

The program serves people who are independent for daily activities and who have lived in the municipality for at least two years. The initiative seeks to prevent institutionalization, promoting autonomy and community life, strengthening the social protection network and ensuring housing as an essential part of comprehensive care for the elderly. The developments consist of up to 28 housing units and a Community Center, delivered furnished, ensuring adequate conditions of safety, comfort and accessibility.

The Vida Longa Program is the result of a partnership between the Secretariat of Urban Development and Housing (SDUH), the Secretariat of Social Development (SDS), the Municipal Governments and CDHU, consolidating itself as a public facility for free assisted housing, aimed at promoting the dignity and quality of life of the elderly population in vulnerable situations.

In the first phase of the program (*Vila Dignidade*), 356 housing units were delivered across 18 municipalities. During the six years of the *Vida Longa* program (2019–2024), 550 housing units were provided in 21 municipalities, with 222 of them delivered in 2024 alone. Additionally, 306 units are currently under development in 12 other municipalities.

In total, this innovative program has produced 1,212 housing units, providing dignified housing for elderly individuals while also integrating them into the social protection network.









Operational and financial efficiency

Vida Longa Program – Araçatuba L development

17 R

Economic and operational performance

[GRI 3-3 Operational and budgetary efficiency] [SDG 8, 9]

As a state-owned company, CDHU follows a multi-year plan and an annual budget, both regulated by the legislation of the State of *São Paulo*. Its main sources of funding include: contributions from the State Treasury, made through the subscription of shares in the Company; and its own resources, mainly from the management of the portfolio of housing loans granted to beneficiaries.

In addition to these sources, CDHU also receives funds from other public administration bodies and entities, including SDUH, through partnership agreements and contracts for the provision of services.

CDHU maintains strategic partnerships across various sectors and collaborates with municipalities in a range of initiatives, from donating land to support the necessary resources and inputs for housing programs to actions such as project contracting, land regularization, and other urban development initiatives.

As of December 31, 2024, CDHU's share capital was R\$18.570.419.599,81, reflecting the State's commitment to maintaining and expanding housing services for the low-income population in *São Paulo*.

CDHU - Composition of capital share

Change to be low	Sharehold	Shareholding position on 12/31/2023					
Shareholders	R\$	%	In shares				
Fazenda do Estado de São Paulo	R\$18,570,419,575.49	99.99999987%	26,634,092,276				
CETESB	R\$15.96	0.00000089%	21				
CDHU (treasury shares)	R\$8.36	0.00000046%	11				
Total	R\$18,570,419,599.81	100.00%	26,634,092,308				

Source: CDHU, Finance Superintendency (2024).

The subscribed and paid-in capital is represented by 26,634,092,308 single-class, registered ordinary shares with no par value.

Details of CDHU's main sources of funding are provided in the Annex to this Report.

Budget sources [GRI 201-4]

Government organization	Amount received (R\$ thousand)
State Government (capital contribution)	R\$1,646,837
Budget of the State Housing Secretariat	R\$1,324,106
Budgets from other state agencies (DERSA/DAEE/Metro/other departments)	R\$(1,296)
Accumulated economic value	R\$2,969,647

Source: CDHU, Finance Superintendency (2024).

Details of CDHU's main sources of funding are available in the Annex to this Report.

Economic value generated and distributed

[GRI 201-1] [SDG 8, 9]

R\$ mil	2024	2023	
Economic value generated	R\$2,495,533	R\$2,423,355	
Revenues	R\$2,495,533	R\$2,423,355	
Distributed economic value	R\$(3,542,145)	R\$(2,992,834)	
Operating costs	R\$(2,154,428)	R\$(1,856,689)	
Employee Salaries and Benefits	R\$(250,578)	R\$(218,853)	
Payments to the government	-	R\$(16,035)	
Community Investments	R\$(147,949)	R\$(158,279)	
Others (granted subsidies)	R\$(989,190)	R\$(742,978)	
Accumulated economic value	R\$(1,046,612)	R\$(569,479)	

Source: CDHU, Finance Superintendency (2024).

Extract from the explanatory notes to the CDHU financial statements

Bill No. 529, of 08/12/2020, which was processed by the Legislative Assembly of *São Paulo* establishing measures aimed at fiscal adjustment and balancing the public accounts of the State of *São Paulo*, was converted into State Law No. 17,293, of 10/15/2020, which authorizes the Executive Branch to promote the extinction, among others, of CDHU.

Nevertheless, in recent years, the actions and attributions of the Company have been strengthened, with emphasis on the transfer of resources destined to CDHU in 2024, which totaled R\$1.6 billion and was destined for housing projects on land belonging to the Company or in partnership with municipalities, in addition to various urban recovery actions, which firmly demonstrates the operational continuity of CDHU.

CDHU



Total attendance in 2024 [SASE IF-HB-410b2, IF-HB-160a.1]

During 2024, CDHU consolidated its role as a key public agent in promoting the right to decent housing through the implementation of several housing programs and projects.

At the end of the fiscal year, on December 31, there were a total of 19,048 housing units in production, with construction work underway at construction sites spread across different regions of the state, demonstrating the Company's ongoing commitment to expanding access to housing for the low-income population.

In parallel with the progress of projects under construction, CDHU completed and delivered 10,927 housing solutions during the same period, covering different types of service. Among these results, 7,694 housing units completed and destined for families included in housing projects promoted directly by the Company stand out, consolidating projects that provided safe and adequate housing to thousands of citizens.

In addition, 1,306 urbanized lots were delivered, equipped with basic infrastructure and ready for the future construction of residences, enabling beneficiary families to build their homes according to their needs and possibilities. In the context of actions aimed at urban requalification and addressing housing insecurity, 1,567 homes located in informal settlements benefited from urbanization programs, ensuring better living conditions and integration of these territories into the formal urban network.

In addition to the housing access initiatives, CDHU made it possible, through the granting of 360 letters of credit, to acquire ready-made housing units on the real estate market, expanding the alternatives for families to acquire their own home quickly and safely.

Of the total services provided during the year, 2,217 housing units and another 360 letters of credit refer to housing resettlement actions, totaling 2,577 services.

The results achieved throughout 2024 reaffirm CDHU's strategic role in implementing the housing policy of the State of *São Paulo*, contributing to the reduction of the housing deficit and the promotion of social inclusion, with positive impacts on the quality of life of the population served.

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Delivery of the Riversul E development

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Indirect economic impacts

The actions developed by CDHU throughout 2024 generated positive and significant impacts that transcend direct assistance to beneficiary families, reaching the local community, society and cities in a broader perspective.

These initiatives reflect socioeconomic, urban and environmental benefits, contributing to improving quality of life, promoting social justice and strengthening urban infrastructure.

In this context, 4 areas of action stand out with concrete repercussions on the living conditions of the assisted population, described below.

Actions to raise funds and reduce default rates [GRI 3-3 Operational and budgetary efficiency, 413-2] [SDC 1, 2]

Throughout 2024, CDHU maintained its commitment to ensuring the right to decent housing for low-income populations, without losing sight of its financial responsibility and the need to recover the capital invested in its housing programs.

It is worth noting that, after the COVID-19 pandemic, there was an increase in the percentage of defaults, influenced by the end of the exceptional conditions granted during the emergency period, which included exemption from down payments in agreements, extended deadlines for the first installment to be due, and temporary suspension of collections.

With the resumption of regular criteria, the requirement of a minimum down payment of 10% on the value of the debt represented an additional challenge for families to regularize their debts, requiring the Company to continually adapt its strategies to ensure a balance between the social function of housing and the financial sustainability of the housing program.

In this sense, actions aimed at the financial regularization of housing finance contracts were intensified, seeking to offer negotiation alternatives that balanced the families' payment capacity with the preservation of the Company's economic and financial sustainability.



Pimentas Urbanization Project – Guarulhos

CDHU

In November 2024, the Financial Regularization Campaign was approved by Senior Management, with the implementation of differentiated and facilitated conditions for the renegotiation of debts. This initiative aimed to encourage borrowers to pay their debts and reduce the volume of overdue contracts.

The conditions offered included the reduction of the percentage required as a down payment to formalize the agreement and the granting of additional facilities, according to the specificities of each situation. Negotiations began to include administrative and judicial agreements, refinancing of contracts terminated with debt, novations and portability, with criteria being adopted such as the exclusion of interest on arrears and late fees, the updating of the outstanding balance without the incidence of interest on remuneration and the installment of the debt until the remaining term of the contract, upon payment of a minimum down payment.

As part of the strategies to increase borrower participation, CDHU sent down payment slips with the best negotiation conditions directly to debtors, by mail and also made available on the Company's electronic portal. The following measures stood out:

ho In the refinancing of contracts terminated with debt,

fspecial conditions were adopted, such as the absence of interest and late payment fines, with installments of up to 120 months and a minimum installment amount equivalent to 25% of the current minimum wage;

in the novation of debt, the restructuring of contracts was permitted in which the recalculated installments proved incompatible with the borrower's payment capacity, ensuring the zero interest policy and the extension of the term to up to 360 months, respecting the commitment limit of 20% of family income; and

in portability, the migration of the financial conditions of current contracts to the new financing rules was made possible, also benefiting from the zero interest policy and terms adjustable to family income.

However, in relation to contracts that, even after the facilities offered, remained in default or were again overdue for more than 3 months, the Company continued with collection and credit recovery measures. The cases were subject to individual analysis, considering the volume of the debt, the location of the properties and the applicable contractual instruments, resulting in extrajudicial notification and, when necessary, referral for filing legal actions. In December 2024, 315 cases were forwarded to the Legal Department, aiming at the reinstatement of possession and execution of judicial agreements.

In parallel with the Financial Regularization Campaign, CDHU reinforced support to borrowers by modernizing and expanding service channels.

The Customer Relationship Management (CRM) System was improved to ensure greater agility and accuracy in records and negotiations, and was used at physical service points and by the Call Center, which actively worked, including scheduling hearings with the Judicial Centers for Conflict Resolution and Citizenship (CEJUSCs), which are units of the Judiciary Branch focused on mediation and conciliation of conflicts.

The CDHU application for smartphones allowed borrowers to issue and view payment slips and duplicate installments, while the Company's portal maintained services such as issuing grouped payment slips, simulating agreements and settlements. In addition, 4 contracted consortiums worked to provide in-person and remote service to beneficiaries.

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During 2024, CDHU also implemented the **Housing Unit Repurchase Program**, on a pilot basis, in the Campinas region. The Program aims to reacquire properties produced and financed by the Company, whose owners express an interest in voluntarily returning them, allowing CDHU to incorporate these units to meet priority housing demands at a lower cost than new production.

The Program includes properties with current contracts, with the housing unit regularized or in the process of regularization, provided that a minimum period of 18 months has elapsed since the signing of the acquisition contract. The properties will be subject to prior evaluation, considering their habitability and conservation conditions.

CDHU borrowers or their successors, legitimate or instrumental, who are in good standing or in default of their contractual and condominium obligations, may participate in the Program by voluntarily expressing an interest in reselling their housing units to CDHU under the Program. The results achieved in 2024 reflect the ongoing search for a balance between social services and fiscal responsibility. At the end of December of 2024, CDHU's active portfolio accounted for **269,376 contracts**, of which **211,999 were in good standing**, corresponding to a **good standing rate of 78.7%**, **and 57,377 were in bad standing**, representing **21.3%**.

CDHU

Active credits ¹	Default	Compliance
269,376	57,377	211,999
	21.3%	78.7%

1. Corresponds to financing contracts, excluding onerous concession instruments

CDHU relies on a broad set of laws and regulations (see **Policy Commitments**) to implement its social and financing policy. Combating defaults is essential to guarantee rights and the sustainability of the portfolio, which translates into more social investments, hence the ongoing concern with this issue.

Total revenue was R\$964.8 million in December 2024, compared to R\$896.02 million the previous year

Housing subsidy and assistance policy [GRI 3-3 Operational and Budgetary efficiency, 203-2] [SDC 1, 3, 8]

Housing financing for social interest needs is made possible with the support of subsidies applied to monthly payments, ensuring access to housing for the families served.

In the field of subsidy policies for housing services, CDHU's actions can be highlighted as follows:

a. Policy on subsidies granted in the provision of housing financing: to enable the target audience of the state housing policy to acquire housing. To this end, one of the main focuses of CDHU's service policy is to grant housing subsidies to low-income families who do not meet the conditions for access to housing financing provided by the Company, in its role as a financial agent. Historically, more than 80% of the target audience of the State's housing programs has a family income of up to 3 minimum wages, requiring a significant contribution of resources as a way of adapting the families' debt capacity to the costs of accessing housing produced with public resources, whether through the State Treasury, through CDHU's own resources, through specific collections.

The subsidy constitutes a personal and non-transferable bonus granted to lowincome beneficiaries and is applied to the monthly installment. It is necessary to maintain the financing rule adopted by CDHU, which sets the maximum percentage of monthly family income commitment for payment of monthly installments at 20%. The difference between the full amount of the monthly installment and the amount calculated according to CDHU's financing rules is the subsidy amount, applied to each beneficiary's installments in the form of a discount. The purpose of defining a maximum percentage of family income commitment for the installment is to avoid placing an excessive burden on families and to allow access to decent housing.

Granting subsidies that impact a family's income availability for other essential expenses

Month/Year	Month/ Year	No. of Contracts with Subsidy	Payment Under Collection (R\$)	Subsidy Resources Applied per Month (R\$)	%
Jan/24	274,167	104,183	R\$133,804,735.52	R\$50,353,327.32	37.63%
Feb/24	274,206	104,198	R\$134,311,665.71	R\$50,351,415.24	37.49%
Mar/24	274,272	104,223	R\$134,686,913.09	R\$50,481,013.43	37.48%
Apr/24	273,586	103,963	R\$134,268,737.73	R\$50,432,061.83	37.56%
May/24	273,180	103,808	R\$134,448,524.71	R\$50,382,868.83	37.47%
Jun/24	272,345	103,491	R\$134,885,366.07	R\$50,352,920.33	37.33%
Jul/24	271,455	103,153	R\$135,792,471.49	R\$50,163,571.88	36.94%
Aug/24	271,529	103,181	R\$136,125,964.55	R\$50,132,298.88	36.83%
Sep/24	271,153	103,038	R\$136,423,178.73	R\$50,134,237.60	36.75%
Oct/24	270,380	102,744	R\$136,858,588.22	R\$50,236,922.23	36.71%
Nov/24	269,926	102,572	R\$137,179,128.36	R\$50,280,891.83	36.65%
Dec/24	269,376	101,877	R\$137,576,131.78	R\$50,327,965.77	36.58%
Total			R\$1,626,361,405.96	R\$603,629,495.17	

CDHU

This is a policy with significant social impact, considering that of a total of more than 269 thousand active contracts of the Company, recorded in December 2024, almost 101 thousand (38%) received subsidies in the form of discounts on the installment of the property in that month, corresponding to 36.5% of the value of the installments due.

It is important to highlight that, during the year of 2024, the month of March had the highest volume of active contracts and families benefiting from subsidies on the installment, respectively 274 thousand contracts and 104 thousand families. The fluctuation during the year is normal and indicates the movement of the portfolio, with new contracts signed, but also with old contracts terminated. In this same perspective, there was a small fluctuation in percentage terms in the proportion of contracts with subsidies and in the value of the installments due.

b. Temporary and/or emergency housing assistance: a form of subsidy for families removed from areas at risk or affected by urban interventions, as well as those affected by emergencies, such as natural disasters. This benefit aims to ensure access to housing on a temporary basis, until a definitive housing solution is found.

In December 2024, the Bolsa do Povo State Program, established by State Law No. 17,372/2021, was discontinued, with CDHU returning to the operation of the payment of the housing assistance benefit to families, with resources transferred by SDUH/*Casa Paulista* directly to the Company. The benefit was operated with resources from SDUH, through *Casa Paulista*, and transferred to CDHU.

In 2024, 7,411 families received at least one installment of housing assistance, of which 34% (2,537) of the assistance was granted to families from projects originating in the capital, 36% (2,698) from municipalities in the *São Paulo* Metropolitan Network, and 29% (2,176) from the interior. In addition, 81% (6,031) of the housing assistance grants granted have been in effect for more than 3 years.

With the exception of families whose housing assistance is paid for by partner agencies (*Metrô*, etc.), in 2024, 7,078 families received the benefit. In 2023, this number was 6,851, representing an increase of 3.3%. Although 733 housing assistance payments were cancelled in 2024 due to the completion of permanent housing resettlement, death of the beneficiary, the family's failure to meet the criteria for receiving the benefit and other factors, an increase of 960 families was recorded, resulting from new urban interventions, which culminated in the need for removal and temporary housing resettlement.

Benefit X source of funds	Families
Housing allowance contracted - housing sector	5,618
Housing allowance contracted - partners	333
Emergency housing allowance under agreement - housing	1,460
Total	7,411

Source: DAH. Position as of 12/31/2024.



CDHU

Urban, housing and environmental

[GRI 3-3 Operational and budgetary efficiency, 203-2] [SDG 1, 3, 8]

In the context of urban, housing and environmental benefits, CDHU's role in coordinating measures that promote access to essential services and urban requalification stands out, contributing to the sustainable development of the areas served. The following areas stand out:

🗸 Housing services in resettlement, urbanization and

similar actions: athe housing services actions promoted by the Company cover the general demand, which accesses housing products through registrations published in a public notice and specific selection process, and services linked to specific audiences, in resettlement, urbanization and similar actions, with replacement and/or gualification of housing in the locations where they are located. It is understood that these actions bring direct benefits to families and indirect benefits to the locations, which have their risks addressed, infrastructure installed and the possibility of land regularization, as a result of the housing actions. In addition to providing access to sanitation infrastructure and improving housing conditions and accessibility, the Company seeks to choose locations close to the original housing area to make housing services viable, in order to guarantee the replacement of the living conditions of socially vulnerable families involved in these displacements.

Social, public and/or community facilities: the positive impacts of housing policy go beyond ensuring adequate housing conditions for the low-income population. When implementing housing developments, areas are designated for public and/or community facilities that enable an increase in the quality of life of citizens, allowing for the provision of activities and services such as education, health, leisure, etc. This approach involves housing projects designed with adequate urban infrastructure and conditions for the implementation of facilities such as schools, health clinics, parks, etc., contributing to the quality of cities and, consequently, the lives of citizens.

Housing requalification actions - Housing improvement actions carried out within the scope of the Viver Melhor Program: The Program is carried out by SDUH through the *Casa Paulista* Urban Development Program, with resources from FPHIS, transferred to CDHU, which is responsible for the operation. It involves actions aimed at promoting improvements and adaptations in housing units already built in precarious settlements that are regularized or subject to regularization and that are not occupying risk areas. It includes technical and infrastructure assistance, replacement of housing, support for land regularization, repairs and improvements to wall and floor coverings, roof inspection and reinforcement, construction of water and sewage piping and connection to the existing public network, installation of toilets, among other items. The actions implemented provide health, accessibility and quality to precariously constructed homes in the areas selected for intervention and have an impact not only on the lives of their occupants, but also on the community where they are located, transforming the local landscape.

In 2024, the *Viver Melhor* Program expanded its scope and operations, reaching 1,454 buildings located in 63 areas, covering 44 municipalities. This expansion involved the adoption of a new contracting model for full contracts, including urban interventions focused on road safety, sanitation, tree planting and installation of street furniture, in addition to housing improvements. This approach required preliminary diagnoses and surveys with families, so that interventions could be designed based on the specific needs of residents.

As part of this work, the actions developed in 7 centers, located in *Barretos, Holambra, Porto Ferreira, São José do Rio Preto, Campinas, Itaquaquecetuba* and *Carapicuíba*, stand out, in addition to the expansion of intervention areas in another 9 centers, distributed in municipalities such as *São Bernardo do Campo, Itaquaquecetuba, Ribeirão Preto, Piracicaba, Mogi das Cruzes, São Carlos* and in the capital of *São Paulo.* As another measure to improve the Program, a satisfaction survey was conducted this year with residents who received the improvements, with the aim of assessing their perception of the process and the works carried out.

Social support for permanent housing assistance: families

requiring permanent housing assistance, arising from resettlement actions, whether through housing assistance or not, require complex and detailed work from the CDHU social team, in relation to: i) defining the best type of assistance, based on the socioeconomic situation and family composition, among those currently available – a ready-made CDHU unit, a remarketed CDHU unit, built in partnership with the private sector or through the granting of a letter of credit; and ii) advice throughout the process, so that the condition of social vulnerability does not become an obstacle to housing assistance.

Among the actions carried out, the implementation of the social water and sewage tariff with SABESP stands out, which ensured, in 2024, assistance to 22,046 families living in 203 developments, distributed across 20 municipalities. This benefit provides discounts of up to 78% on water and sanitation bills, benefiting low-income families and social housing. In addition to easing household budgets, the social tariff has an impact on public health and environmental sustainability by encouraging the responsible use of water resources and ensuring access to basic sanitation.

Jobs created [GRI 203-2] [SDG 1, 3, 8]

It is important to highlight that CDHU's actions generate significant impacts on the generation of direct and indirect jobs, due to the execution of large-scale housing projects and programs. The Company's actions, by boosting the construction industry's production chain and fostering the local economy, contribute to the creation of jobs and increased income in the regions covered by the projects.

CDHU

Therefore, the actions undertaken in 2024 reaffirm CDHU's vocation as an agent of social and urban transformation, consolidating its commitment to reducing the housing deficit and promoting citizenship, in line with the principles of sustainability and social inclusion.

Estimates of jobs generated in the construction industry are an important parameter for assessing the multiplier effect of investments in the sector. These estimates are based on the Input-Output Matrix (MIP), prepared by the IBGE every 5 years, the last one being in 2015. The indicator calculated by the Brazilian Chamber of the Construction Industry (CBIC) was adopted as a reference for the actions of the SDUH and CDHU.

The latest available indicator from the CBIC, based on the 2015 MIP with values updated by the 2017 National Accounts System, establishes that, for every R\$1 million in investments, 18.31 jobs are created, being: 6.53 direct jobs, 5.8 indirect jobs and 5.98 induced jobs. These are jobs generated in the sector itself, jobs created in the sectors that produce raw materials (indirect effect) and induced jobs due to the increase in income generated by the expansion of production and direct and indirect employment (induced jobs).

Using these criteria, it is possible to estimate that the investment values made in 2024, in the order of **R\$3.5 billions** generated, throughout the State, around **64,857 jobs**, being **23,130 direct jobs**, **20,545 indirect jobs and 21,182 induced jobs**.

Operations with significant negative impacts - real and potential - on local communities

CDHU's institutional role is also linked to the promotion of housing programs aimed at low-income populations and in accordance with the SDUH guidelines and the provisions set forth in the State Constitution and the Federal Constitution, especially in articles 6 and 23, item IX, as well as in the terms of Federal Law No. 13,465/2017, which regulates urban land regularization. This Report therefore highlights the measures adopted by the Company to combat irregular occupations in areas owned by it.

CDHU actively works to defend its real estate assets, especially in situations where properties owned by it, whether vacant areas, developments under construction or housing units already completed and not yet delivered, are the target of invasions and irregular occupations.

In these cases, the focus of action is on adopting the appropriate legal measures, with the filing of possessory actions with the Judiciary, aiming at the reinstatement of possession of unduly occupied properties.

In order to reconcile property protection with the search for solutions that minimize the social and urban impacts resulting from occupations, the Government of the State of *São Paulo*, in a recent initiative, launched the Public Call Notice, establishing an innovative policy for the regularization of informal settlements located in CDHU areas, occupied over the years.

This call complies with the applicable legal and regulatory provisions and aims to identify and formalize permanent housing solutions for families living in these areas, observing the criteria of legal certainty and public interest.

It is worth noting that part of the areas subject to the ongoing possessory actions were included in the aforementioned Notice, which is in its initial phase, comprising technical surveys, registration of occupants and formulation of intervention proposals. In view of the necessary compatibility between the judicial measures and the development of the administrative actions linked to the call, CDHU has informed the Judiciary about the new policy, requesting, in the ongoing processes, that the records be sent to the provisional archive.

CDHU

The purpose of this measure is to safeguard the progress of the regularization program and to allow legal measures to be resumed, if necessary, only after the completion of the qualification and analysis stages of the areas included in the Notice.

Despite this conciliatory stance, there are cases in which judges have requested the intervention of the Support Group for Judicial Orders for Repossession (GAORP), aiming at mediation and the search for extrajudicial solutions that are less onerous for the occupying families. In these cases, CDHU, when summoned to hearings mediated by GAORP, has provided the necessary clarifications about the objectives of the Public Call Notice and the possibilities for regularization, always with a view to amicable settlement and negotiated resolution of possessory disputes.

Although it prioritizes consensual solutions and land regularization, the Company continues to act in defense of its assets in cases in which occupations persist and there is no prospect of regularization or adherence to the public call.

Throughout 2024, **16 writs of reinstatement of possession** were served, while **12 new possessory actions were filed**, demonstrating CDHU's efforts to balance the guarantee of the social function of property with the protection of public assets and the search for sustainable solutions for situations of irregular occupation.





Ethics, transparency and integrity

Delivery of the *Itu* I development

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CDHU

Corporate governance

[GRI 3-3 Ethics, transparency, and integrity, 2-9, 2-23, 2-24] [SDG 5, 16] CDHU has always valued the adoption of solid corporate governance and compliance practices, based on respect, responsibility and transparency in its various relationships arising from its activities.

In compliance with Law No. 13,303/2016, which aims to improve governance and transparency in state-owned companies, the Company has implemented measures to comply with legal requirements, strengthening its organizational structure.

This legislation defines guidelines on the disclosure of information, risk management, adoption of a Code of Conduct, oversight mechanisms by the State and society, in addition to criteria for the composition of boards and the appointment of directors.

All policies developed by the Company are submitted for approval by the Board of Directors and the Board of Directors, ensuring alignment with strategic objectives.

After approval, these policies are widely disseminated among employees withannual training.

CDHU's governance is conducted by the Board of Directors and a governing body formed by the Presidency and five Directorates: Administrative-Financial; Projects and Programs; Housing Services; Engineering and Works; and Planning and Urban Development.

Complementing this structure, the Superintendencies and Managements work in specific areas according to their competencies.

Selection and appointment to positions of trust, including for Senior Management, follow criteria based on the competence and qualifications necessary to perform the functions.

The CEO plays a leadership role by actively participating in debates and discussions on the Company's activities in committees, collaborating directly with those responsible for urban and housing development in the State of *São Paulo*. The current Chairman of the Board of Directors does not hold an executive position in the Company. [CRI 2-11] [SDC 16]



Governance structure

[GRI 2-9, 2-10, 2-12, 2-13] [SDG 5, 16]



Each instance of the Company has specific attributions:

- General Meeting: responsible for electing the Board of Directors, defining the total number of positions within the limit set forth in the bylaws and appointing its chairman;
- Eligibility Committee: issues conclusive opinions to guide shareholders in the appointment of directors and fiscal advisors, verifying compliance with the requirements and the absence of impediments;
- Fiscal Council: collegiate body that oversees the actions of the administration and represents the interests of the Company, in accordance with the Bylaws, issuing opinions and recommendations;
- **Board of Directors:** responsible for discussing, approving and monitoring decisions related to corporate governance, integrity, code of conduct, risk management systems and internal control, in addition to evaluating accounting, financial and anti-corruption issues;
- Statutory Audit Committee: responsible for monitoring the integrity of information, internal controls, financial statements, internal audit, the whistleblower channel, risk management and transactions with related parties, ensuring compliance with the code of conduct and the promotion of ethical behavior;

Internal Audit: linked to the Statutory Audit Committee, it verifies the adequacy of internal controls, risk management and the reliability of CDHU's financial statements;

CDHU

- Ombudsman: guarantees citizens the right to information and the quality of services provided, ensuring the appropriate handling of complaints received;
- **Compliance, Risk Management and Internal Control:** establishes policies that ensure compliance with laws, standards and regulations, in addition to adopting internal control and risk management structures and practices;
- Code of Conduct and Integrity: defines procedures that ensure respect and responsibility in the Company's relationships, applicable to all those involved with CDHU;
- Ethics Committee: an independent and multidisciplinary body that advises the Board of Directors in cases related to violations of the Code of Conduct and Integrity;
- Reporting Channel: available on the Company's website, it ensures the anonymity of whistleblowers and is aimed at reporting misconduct involving CDHU and its partners.

CDHU

Changes in organizational structure [GRI 2-9] [SDG 5, 16]

Changes to CDHU's organizational structure in 2024 were made to the Housing Services Directorate and the Engineering and Works Directorate (DAH):

- ✓ Transfer of the Taubaté Regional Management to the city of São José dos Campos, as it is a geographically strategic municipality and includes a large CDHU real estate portfolio, with the possibility of improving the management of the portfolio, to reduce defaults and improve revenue collection. As a result of the change, the management will now be called the São José dos Campos Regional Management.
- V transfer of the Regional Management of *Ribeirão Preto* to the Regional Government Office of the State of *São Paulo* (ERGSP), implemented by the current state administration with the purpose of hosting several public companies in a single standardized public facility, for administrative management and citizen service; andcreation of the Post-Occupancy Technical Management aimed at centralizing and standardizing the response to complaints regarding the emergence of pathologies in buildings.

On 12/31/2024, the Company had the following management structure:

Board of Directors

Fabricio Moura Moreira

lêda Aparecida Patrício Novais

Fabio Bernacchi Maia

Djalma Dias

Geraldo Ferreira de Paula Eduardo

Jônatas Souza da Trindade - presidente

Carlos Augusto Gomes Neto

Vinicius Mendonça Neiva

Reinaldo Iapequino

Supervisory Board (members)

Izadora Rodrigues Normando Simões - full member

Rafael Antonio Cren Benini - full member

Roberto César de Oliveira Viegas - full member

Nerylson Lima da Silva - full member

Rafael Ramos da Silva - full member

Directors

Reinaldo Iapequino - Chief Executive Officer (CEO) Nedio Henrique Rosselli Filho - Administrative and Financial Director Silvio Vasconcellos - Director of Engineering and Works Maria Claudia Pereira de Souza - Director of Urban Planning and Development

Ticiane Costa D'Aloia - Director of Housing Assistance

Maria Teresa Diniz dos Santos Maziero - Director of Programs and Projects

CDHU

The Company also has the following governance instruments developed and implemented: [GRI 2-23] [SDG 16]

CDHU's **Code of Conduct and Integrity** systematizes and improves the Company's procedures to ensure respect and responsibility in all relationships arising from its activities. It is intended for all people who maintain any type of commercial or work relationship with CDHU, including members of Boards and committees, directors, employees, interns, apprentices and service providers.

This code covers everything from CDHU's principles, values and mission to guidelines on preventing conflicts of interest, as well as the prohibition of acts of corruption and fraud.

The Fala SP platform (https://fala.sp.gov.br/) is the official Whistleblower Channel through which all employees and other internal and external stakeholders must report concerns related to ethics, suspected fraud, moral or sexual harassment, or any misconduct involving CDHU and its various partners.. Queries about professional ethics or reports of violations of CDHU's Code of Conduct and Integrity may be made by anyone and are recorded and handled by the Ethics Committee.

The Whistleblower Channel and the Code of Conduct and Integrity are published on the CDHU Portal and can be accessed via the link: <u>http://</u>www.canaldedenuncias.cdhu.sp.gov.br.

The Compliance, Risk Management and Internal Control

Area, in accordance with article 9 of Law No. 13,303/2016, develops policies to promote compliance with laws, standards and regulations, as well as to prevent, detect and treat risks of irregular, illicit and unethical conduct by members of the Company. These policies include effective structures and practices for internal control and management of strategic, asset, operational, financial, socio-environmental and reputational risks, among others. They must be periodically reviewed and approved by the Board of Directors, and communicated to all employees.

The **Internal Audit** department reports directly to the Audit Committee, in accordance with applicable legislation and regulations, and is responsible for assessing the adequacy of internal controls, the effectiveness of risk management and governance processes, as well as the reliability of the process of collecting, measuring, classifying, recording and disclosing events and transactions for the preparation of financial statements.

According to State Law No. 10,294/1999 and State Decrees No. 44,074/1999 and No. 60,399/2014, CDHU's **Ombudsman's Office** acts as an independent and autonomous channel of direct communication with citizens within the Company. In addition, CDHU also relies on the technical support of the following committees and working groups, duly constituted and designated by acts of the president:

- CDHU Strategic Action and Investment Plan Management Committee, which evaluates technical proposals and monitors the execution of budgets and the strategic action and investment plan, identifying deviations that may compromise the achievement of established goals, periodically providing indications of corrective actions and inputs for decisionmaking by the governing body;
- Housing Unit Monitoring and Delivery Committee, which organizes information relevant to the delivery of projects; and
- Innovation and Sustainability Committee, which identifies priority themes and actions for innovation and sustainability, supporting SDUH and CDHU initiatives regarding the continued improvement of housing service and urban development solutions.

Thus, it can be seen that the Company has the main elements of corporate governance, that is, the system by which CDHU is managed, involving the relationships between the controller, the Board of Directors, the Executive Board, the inspection and control bodies and other related parties, which contributes to the quality of its management, its longevity and the common good. [GRI 2-12]

Governance and sustainability – delegation of responsibility for impact management [CRI 2-13]

CDHU's highest governance body is responsible for analyzing and approving the information reported, including the organization's material issues. This process is conducted rigorously, under the supervision of Senior Management and with the monitoring of the Statutory Audit Committee.

The management of material issues is carried out in an integrated manner, involving several areas of CDHU. For issues of greater strategic relevance, the company relies on the support of the Investment Plan and Business Plan Management Committee, composed of representatives from all relevant areas. This collaborative model favors the continuous implementation of improvements in the routines of the areas involved, contributing to strengthening the integrity and credibility of the organization's sustainability report.

Senior Management conducts periodic reviews on the adequacy of internal controls, ensuring that the sustainability report meets not only regulatory requirements, but also reflects CDHU's commitment to transparency and social responsibility.

Additionally, the company's goals and strategies, monitored through the Business Plan and Long-Term Strategy, are periodically presented and validated by the Board of Directors, the Audit Committee and the Board of Directors. This review and validation cycle enables the constant evolution of processes and the progressive incorporation of improvements in the routines of the areas involved.

In addition, the Board is responsible for approving the Integrated Report, which gathers and presents information regarding the management of the organization's economic, environmental and social impacts.

Conflicts of interest and integrity

In accordance with the quarterly and/or annual financial statements, the Related Party Transactions Report is prepared to comply with the provisions of Article 24, item VI, of Federal Law No. 13,303/2016.

This responsibility is assigned to the Statutory Audit Committee, which is in charge of evaluating and monitoring the Administration and the Internal Audit Area, and the adequacy of transactions with related parties.

The aforementioned report is also assessed by the Board of Directors, in order to demonstrate that the various transactions with related parties do not represent conflicts of interest, since they are in compliance with the Related Party Transactions Policy.

Finally, the Related-Party Transactions Policy is also part of the stakeholder engagement approach, covering all segments involved in CDHU's operations: suppliers (contractors, management firms, and oversight entities), representatives of organized civil society, and public authorities, including government agencies and beneficiary populations.

This policy monitors the adequacy of the company's transactions with all agents involved in technical and administrative processes, particularly those that may present a potential conflict of interest with CDHU.

Among the transactions mentioned in the report, we can mention the remuneration of directors, the management of agreements with other government agencies and payments for services provided by entities identified as related parties. Additionally, even with the periodic preparation of the report, cases of conflict of interest may also be taken directly to the CEO by the directors of the areas involved.

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These cases are handled by the Board of Directors and, if necessary, an internal investigation may be initiated. Based on the principles and values established in the Code of Conduct and Integrity, as well as current legal standards and the Consolidation of Labor Laws (CLT), the Company establishes unacceptable practices related to conflicts of interest.

These practices are applied to corporate activities and actions, including the receipt of gifts and presents, and are aligned with compliance rules, legislation and prevention of fraud and corruption.

Stakeholder engagement

Stakeholder engagement is essential for the development of public policies and the implementation of housing and urban development programs. Beneficiaries of public housing and urban development policies and institutional partners are considered essential stakeholders of CDHU, as they are involved in the execution of the policies implemented by the Company since their formulation, through the State Housing Council and metropolitan bodies.

Over the years, CDHU has improved its relationship and engagement with these stakeholders through various means, including:

- a. State Housing Council and metropolitan bodies: CDHU participates in and supports SDUH in developing the activities of the State Housing Council, which has broad representation from civil society and the Public Administration with an interface with the Housing Development Policy, and fulfills an advisory role and serves as a forum for discussing key issues of housing policy. Due to the expansion of the scope of action with new functions in the field of urban development in 2023, CDHU recently began to support SDUH in interfacing with metropolitan development councils and technical chambers in conducting integrated urban development plans and projects and in developing a metropolitan and municipal information platform.
- **b. Coordination with other government agencies:** Partnerships with municipalities to make housing and urban development programs viable, and with other state-level public agencies, combining resources and expertise to implement numerous projects and programs (Secretariat of Social Development to implement the *Vida Longa* Program, *Fundação Nacional do Índio* to implement the Indigenous

Housing Program, ITESP to implement *Quilombola* Housing initiatives, etc.). In this sense, it is also worth mentioning the agencies linked to transportation, sanitation, and the environment, with which CDHU maintains partnerships to develop the PDUH 2040 and, especially in strategic projects, involving housing resettlement actions to support structural public actions and housing and urban recovery, and also in receiving demands from various public agencies to provide services.

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c. Communication channels with the target audience of housing programs: the Company has several channels for receiving demands, inherent to the actions of Technical-Social Work and relationships with beneficiaries, including the processes of identifying the target audiences of housing programs and selecting beneficiaries, social participation during interventions, commercial qualification and postoccupation monitoring;

Communication channels with the general public and the general public: these are also important means of receiving various demands, such as complaints, criticisms, compliments and requests for information from the general public, in addition to providing services to beneficiaries, both online and in person at physical locations. The Communications Department plays a complementary role, disseminating news and information of public interest and responding to requests from other media outlets for institutional outreach.

The available means of communication, institutional forums for participation and social teams dedicated to interventions ensure that CDHU fulfills its public functions in a comprehensive, transparent and efficient manner throughout the state of *São Paulo*.

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15

World Urban Forum – UN Habitat [AR]

In November 2024, CDHU participated in the UN Habitat World Urban Forum, held in Egypt, where it presented the initiatives of the Government of the State of *São Paulo* aimed at partnerships in the diagnosis of precarious settlements, analysis of socio-environmental vulnerabilities and identification of potential for urban projects.

The official participation took place at the Round Table – Academia, entitled "In the Eye of the Storm: How Can Research & Data Help Solving the Urban Housing-Climate Crisis", bringing together representatives from all continents. The exchange of experiences at this meeting paves the way for new government cooperation and partnerships with agencies that promote urban development, strengthening innovative strategies for housing and climate resilience in cities.



Inquiry Committee [CRI 2-16]

Matters of high relevance are formally communicated to the directors through official letters, notifications, processes or other appropriate means of communication. The directors responsible, in turn, present the matter for analysis and discussion at a meeting of the Board of Directors. Depending on the Board's decision, an Inquiry Committee may be established to investigate the facts presented in greater detail.

The recommendations resulting from this investigation are then submitted for deliberation by the Board of Directors.

In a public company, the Inquiry Committee is generally responsible for investigating cases of contractual irregularities, disciplinary infractions or inappropriate conduct by public employees, such as::

- Professional misconduct: iIncludes abuse of authority, moral or sexual harassment, discrimination, negligence in duties, misuse of company resources, among others.
- violation of rules and regulations: The committee may investigate violations of laws, policies, rules and company procedures.

- **conflict of interest:** Situations in which an employee uses his/her position to obtain personal benefits or where his/her interests conflict with those of the company.
- fraud and corruption: Cases of misappropriation of resources, bribery, falsification of documents and other fraudulent acts.
- **misuse of resources:** Includes the inappropriate use of assets, equipment, vehicles, strategic information, or any company resource.
- **unsatisfactory performance:** Investigates situations in which an employee fails to fulfill his/her responsibilities or fails to meet established performance standards.

Given the nature of the issues, investigations at CDHU are conducted confidentially and in accordance with internal requirements. This structure reinforces CDHU's commitment to transparency and accountability in all its processes.

Given the nature of the facts, investigations at CDHU are handled confidentially. In 2024, CDHU established a single investigation committee, demonstrating its commitment to diligently addressing the extremely important concerns that arise.



CDHU

Communication and relationship channels

[GRI 2-16, 2-26] [SDG 16]

CDHU has several communication channels throughout its ecosystem, the communication and interaction processes range from the highest governance body, to customers, suppliers and public authorities, trying to reach 100% of the stakeholders related to the Company's activities.



New Implementations in 2024

[GRI 3-3 Ethics, transparency, and integrity] [SDG 5, 8, 16]

The Government has established the "Citizen Services Portal", which can be accessed at <u>www.servicos.sp.gov.br</u>. The Portal includes the services of all public companies in the State of *São Paulo*, and each institution is responsible for implementing and/or updating the Citizen Services Charter, which consists of an instrument to inform users about the services offered, detailing the requirements and deadlines, in order to promote transparency, efficiency and quality in public services, ensuring access to the necessary information and compliance with service standards.

CDHU implemented 53 citizen services in the "User Services Charter", which are available on the Government services website, as well as on the CDHU Portal, accessible via the <u>link www.cdhu.</u> <u>sp.gov.br/web/guest/informacoes-cidadao/menu-guia-de-servicos</u>.

Another implementation in 2024 was the creation of the Public Services Users Council, with the objective of evaluating the services provided by public companies.

To form the Councils, a public call was made to select interested parties to form the bodies of each state company. At CDHU, the first service to be assessed is the issuance of duplicate bills, with monitoring by the Ombudsman's Office. The current Government of the State of *São Paulo* has emphasized standardization and improvement in the provision of services to citizens. As part of this strategy, the Regional Government Offices of the State of *São Paulo* (ERGSP) were implemented, which bring together several public companies in a single space, promoting greater administrative efficiency and improving customer service. The first Regional Office was established in *Ribeirão Preto*.

In addition, the company hired a specialized company to provide transportation, operational support and logistical support services to the CDHU Mobile Project, through the non-occasional rental of new vehicles, including 01 (one) tractor-type truck coupled to a Special Semi-Trailer Vehicle and 02 (two) van-type vehicles, transformed into Mobile Service Units, aiming to expand services to the population served or interested in CDHU Housing Programs, configuring a new channel for citizen service.

These initiatives expand CDHU's service channels, facilitating the population's access to housing programs and reinforcing the company's commitment to the continuous improvement of the services provided.

Institutional Identity

The main change to CDHU's institutional identity in 2024 was the modernization of its logo. Traditional elements and silhouettes, recognized and consolidated in the Company's image, were preserved, but underwent adjustments to give it softer and more rounded shapes, in line with contemporary trends in visual communication. This new identity symbolizes the current phase of CDHU, which, since 2023, has expanded its scope of action, incorporating the State's Urban Planning into its traditional role of providing housing. This change reflects the Company's transition from the Housing Secretariat to the Urban Development and Housing Secretariat (SDUH).

The colors of the new brand were redefined to black and red, referring to the hues of the flag and coat of arms of the State of *São Paulo*. This choice symbolizes CDHU's harmony and integration with other state agencies, especially with SDUH, reinforcing its role as a strategic agent in the implementation of Housing and Urban Development policies in the State.

The new logo was officially presented to employees at an internal event and via email marketing. Subsequently, the Company's materials and visual identity were gradually updated, adapting them to the new standard.

Fala São Paulo (Ombudsman) [GRI 2-16, 2-26] [SDC 16]

It is responsible for receiving, analyzing and directing user complaints to the appropriate areas, aiming to improve service and correct actions that are potentially harmful to the public. Its role is to ensure quick and objective responses to demands, with issues of greater relevance forwarded to the Board of Directors and, in complex cases, to the president, who decides together with the directors.

In 2024, the Company began receiving contacts for its ombudsman's office through the Fala.SP platform, which is integrated with other public services of the Government of the State of *São Paulo* and which allows citizens to register ombudsman complaints and requests for access to information in a simple and secure manner.

Through the *Fala SP* website, it is possible to send compliments, suggestions, requests, complaints, reports and requests directed to state public administration bodies and entities.

Citizens can send requests to the Ombudsman's Office directly to CDHU through the *Fala SP* Platform link (<u>https://fala.sp.gov.br/</u>) published on the CDHU website, by phone, letter or in person. All complaints received are recorded on the Fala SP Platform, classified according to their type (compliment, suggestion, request for action, complaint, report) and forwarded for analysis by the competent departments, whose responses are returned through the same channel. The legal deadline to respond to complaints is 30 days, extendable for the same period.

Semi-annual reports consolidate relevant information, identifying problems and challenges to improve service to citizens, whether or not they are beneficiaries of housing programs.

The Ombudsman's Office's semi-annual reports are published on the CDHU Website, Link: https://www.cdhu.sp.gov.br/web/guest/publicacoes/transparencia/relatorios-ouvidoria.

Total interactions - 1st and 2nd semester in 2024

Tune	Digitalized			2 nd semester		
Туре	system	Fala SP (b)	(a) + (b)	Fala.SP	Total	
Complaint	710	179	889	530	1,419	
Compliment	6	1	7	2	9	
Others	111	0	111	0	111	
Complaint	1,316	119	1,435	495	1,930	
Request for information	888	0	888	0	888	
Request for action	0	72	72	134	206	
Suggestion	20	3	23	9	32	
Total	3,051	374	3,425	1,170	4,595	

In 2024, the Ombudsman's Office registered a total of 4,595 reports, including 1,419 complaints, 1,930 complaints, 888 requests for information, 206 requests for action, as well as 9 compliments, 32 suggestions and 111 other matters. Responsible for measuring the level of satisfaction with the service, the system sends a survey to the user, who responds voluntarily.

Reports regarding issues involving non-compliance with the CDHU Code of Conduct and Integrity, previously registered on the CDHU Reporting Channel, are now registered on the Fala SP Integrated Ombudsman and Access to Information Platform.

Reports received are forwarded to the Ethics Committee for investigation. In 2024, 6 cases were registered, which were duly investigated and closed after the appropriate measures were taken.

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Citizen Information System (SIC) [GRI 2-16, 2-26] [SDC 16]

Instituted in compliance with the Access to Information Law (Federal Law No. 12,527) and the State Decree that regulates it, No. 68.155, of 12/09/2023.

With the implementation of the Fala SP Integrated Ombudsman and Access to Information Platform, which took place in May/2024, replacing the Integrated Citizen Information System - SIC complaints began to be registered as Requests for Access to Information, and their forwarding was done through the *Fala SP* Platform.

In 2024, 701 requests were registered, and the main topics addressed by users were: information on housing services, requests for copies of project plans, financial information, requests for copies of processes and contracts, and housing delivery data. The semiannual Information Access Request (SIC) reports are published on CDHU's Portal: <u>https://www.cdhu.sp.gov.</u> <u>br/web/guest/publicacoes/transparencia/relatorios-sic</u>.

Customer service channels [GRI 2-16, 2-26] [SDG 16]

In 2024, the official customer service channels were maintained, such as the CDHU Online Portal and chat (human and robot), in addition to the Service Stations, *Poupatempo*, Consortiums of Executors, *Alô* CDHU Service Center and Regionals.

Videoconferencing applications (teams, zoom, google meets and others), chat, telephone, SMS, and mail were used, in addition to *Poupatempo's* WhatsApp as a way of approaching the customer.

In addition to these, new channels were established during the year. (see New Implementations in 2024).

CDHU uses Microsoft's Dynamics Customer Relationship Management (CRM) system, which gathers data from other corporate systems of the Company. It is through this system that customer services and information are performed and recorded, allowing for traceability, i.e., it identifies who provided the service, the service and information provided, the services most accessed by the population and several other data of interest to the Company, in addition to enabling the population's data to be kept up to date. The number of services by source channel recorded in 2024 is summarized in the table below:

Number of occurrences
13,159
19,456
32,698
425,107
193,368
280,234
998
37,310
1,002,330

Source: CDHU, 2024.



We observed that the "CDHU Online Portal" service channel was the channel that had the greatest growth between 2023 and 2024, with an increase of around 48% in occurrences, which symbolizes greater reliability in this service modality; that borrowers have access to technologies; greater independence in solving their problems, which makes it worthwhile to invest in new services through this service channel.

Regarding the level of satisfaction with the service provided by CDHU, we have the measurement by our *Alô* CDHU Service Center, responsible for 42% of the services registered in the year 2024, and presents a very positive performance, as we can see:

Period: 01/01/2024 to 12/31/2024

Questions	Score 0 to 7	Score 8	Score 9	Score 10	Total	ISC	ISC ¹ (%)
On a scale of 0 to 10, was the reason for your call clarified in this service	15,626	7,152	16,795	92,821	132,394	116,768	88.20%
On a scale of 0 to 10, how would you rate the service received?	8,335	5,206	14,252	93,293	121,086	112,751	93.12%
Total	23,961	12,358	31,047	186,114	253,480	229,519	90.55%

Source: CDHU, 2024. 1. Customer Satisfaction Index (CSI) – scores from 8 to 10.



When compared to 2023, we observed that the satisfaction rate of service provided by the Call Center improved by 2.86%, going from 87.69% to 90.55%

Vida Longa Program – Garça N development

CDHU

CDHU

Risk management

In the second half of 2024, the Company approved its Risk Management Policy, in addition to the Standard and Procedure for Corporate Risk Management.

After this approval, the area responsible for risk management began updating the Risk Matrix.

This process demonstrates CDHU's commitment to compliance, risk management and internal control, in line with the guidelines defined by Federal Law 13.303/2016, which establishes governance standards for state-owned companies.

The Company ensures transparency, compliance and effectiveness in its activities through the implementation of the Three Lines of Defense model:

- First line of defense: internal controls exercised by the organizational units linked to the directorates.
- Second line of defense: independent control measures generated by the Compliance, Risk Management and Internal Control Superintendence.
- Third line of defense: verification of the adequacy of internal processes by Internal Audit.

The main objective of risk management is to identify events that may compromise CDHU's corporate strategies, as well as to define actions for their management. The work carried out is monitored by the Statutory Audit Committee and regularly presented to the Board of Directors and the Board of Directors.

In 2022, the Company hired a specialized consultancy to review processes and update the Risk Matrix, allowing a preventive approach in internal auditing. The work is valid for 36 months and is supervised by the Statutory Audit Committee, ensuring the effectiveness of the measures implemented.

In 2024, the biennial update of the Risk Matrix began, a process that will continue throughout 2025.

Fight against corruption

[GRI 3-3 Ethics, transparency, and integrity, 205-1, 205-3, 2-27] [SDG 16]

In compliance with Law No. 13,303/2016, State Decree No. 62,349/2016 and its Bylaws, in addition to its commitment to transparency, ethics and good corporate governance practices, CDHU developed its Integrity Program in 2022. Its main purpose is to prevent, detect and combat corruption, ensuring that all CDHU activities are aligned with integrity principles. Senior management bodies, such as the Audit Committee and the Fiscal Council, play critical roles in supervising and monitoring integrity practices.

The program's main objectives are:

- Consolidate policies and actions carried out by the Company's various units, reinforcing the commitment to good management practices and a transparent and ethical corporate environment,
- adopt policies and regulations aimed at preventing, monitoring, detecting and responding to harmful acts provided for in the legislation and encourage compliance with the Code of Conduct and Integrity and the use of the reporting channel.

The Company has a set of disciplinary measures that are applied in cases of violation of the Integrity Program rules. Violations are treated seriously, and sanctions may range from warnings to termination of the contract, depending on the severity of the violation.

CDHU uses bidding processes to provide housing services, assuming responsibility for monitoring and evaluating the works and services contracted. All bidding and contracting procedures are subject to external oversight, including by the State Audit Court (TCE), the Audit Office of the Treasury Department and the External Audit Office, in addition to the Internal Audit Area, which reports to the Statutory Audit Committee.

When questions arise about possible irregularities at any stage of the bidding or contracting process, these are forwarded to CDHU, which conducts the investigation as established in the Procedural Standard (NP) – Responding to Questions from the State Audit Court.

Depending on the results of the investigation and the TCE guidelines, CDHU may implement improvements in its operational processes. If financial losses or functional liability are found, the Company takes the necessary corrective measures.

No ano de 2024, não foram registrados casos de corrupção.

In 2024, the Company received a total of 41 citations and fines for non-compliance with CDHU's policies. These fines, issued by city halls in the State of *São Paulo*, by the Environmental Company of the State of *São Paulo* (CETESB) and by the Fire Department, originated from lack or deficiency in the conservation of spaces and properties owned or under the responsibility of CDHU, such as lack of cleaning, garbage removal and weeding, absence of dividing walls and/or other equipment, and irregularities resulting from illegal occupations on Company land.

Value of fines received: R\$17,446.80; and;

number of non-monetary sanctions received (Qty.): no sanctions received in 2024.

Also in 2024, CDHU received four notices of violation from the Ministry of Labor, for which defenses have been submitted and are still pending review. Additionally, the appeals filed by CDHU in 2023 for ten notices of violation from the Ministry of Labor also await evaluation.

All notices of violation stem from various infractions related to legal regulations on work hour control and duration.

The management of CDHU's Integrity Program is an essential commitment to promoting a culture of ethics and transparency. Through a robust governance structure, clear policies and ongoing training, CDHU seeks to ensure integrity in its operations and the trust of society.

This effort not only strengthens the institution's reputation, but also contributes significantly to building a more ethical and responsible public environment.

Policies, regulations, instruments and other documents related to integrity are available on the <u>CDHU website</u>.

Communication and Training in Anti-Corruption Policies and Procedures [CRI 205-2] [SDC 16]

CDHU

Mandatory training on Combating Corruption was carried out through digital newsletters sent to all employees and covered topics such as ethics, fraud prevention and proper use of the reporting channel, enabling employees to identify and deal with ethical dilemmas in their daily activities.

This approach ensured broad access to the content, using clear and objective language to facilitate understanding of the topic and reinforce awareness of ethical practices. **100% of governance members and employees were trained in anti-corruption policies and practices**.

Child, forced or slave labor [GRI 3-3 Ethics, transparency, and integrity, 408-1, 409-1] [SDC 8, 16]

In its relationship with Economic Agents, CDHU, through contractual instruments, emphasizes the mandatory adoption of preventive and corrective measures provided for in safety and hygiene regulations, in the CIPA determinations, as well as in the provisions of Federal Law No. 6,514/77, which amended the CLT, in the Regulatory Standards for Safety and Occupational Medicine, approved by Ordinance No. 3,214/78 and its updates, with emphasis on NR-18 – Working Conditions and Environment in the Construction Industry, without prejudice to other applicable legal standards.

The Company, through its management companies, constantly monitors contracted works, with special attention to the conditions of the construction sites and accommodations, with the aim of verifying and preventing possible irregularities, especially situations involving child labor and/or conditions analogous to slavery. In 2024, no risks or cases of child labor or slave-like working conditions were identified in CDHU's supply chain.

Despite this, CDHU was included in the Ministry of Labor's registry of employers that subject workers to conditions analogous to slavery due to an infraction notice issued against the contracted construction company, *Construtora Viasol*. It is important to clarify that there was no irregularity on CDHU's part. The workers in question were employed by Construtora Viasol, which provided services to the company until 2019, when the contract was terminated due to non-compliance with clauses related to project execution. The labor inspection, however, took place in 2020, after the contract had already been terminated.

The lodging facility subject to inspection was not located at a CDHU construction site but in the city of Jaguariúna, where the company had no active projects. This fact disassociates CDHU from the situation. Since the inspection, the matter has been clarified in administrative proceedings, and all necessary measures are being taken to rectify the error and remove the company from the list.

In February 2025, CDHU filed an annulment lawsuit in the Labor Court, requesting an injunction to suspend its inclusion in the registry until a final decision is reached, as well as the annulment of the infraction notice and the corresponding administrative process. Additionally, a public civil action is pending judgment in the Labor Court. CDHU acknowledges the inherent risks of working with contracted construction companies, particularly regarding subcontractors that provide labor. To mitigate these risks, the company is implementing new requirements in its Operations Manual, mandating that management firms include, as part of their inspection procedures, verification of employment records for workers at construction sites and conduct monthly inspections of lodging facilities.

The inspection processes result in detailed reports that document identified irregularities, the degree of non-compliance, and deadlines for corrective actions. These reports cover both environmental issues and occupational health and safety conditions, addressing situations observed at construction sites and worker accommodations.

It is worth noting that 100% of CDHU's contracts are subject to this rigorous inspection process. The company reaffirms its commitment to worker safety and well-being, acting proactively and strengthening its control processes to prevent any form of irregularity.

Participation in entities representing society [GRI 2-28]

CDHU plays an active role in councils, committees, groups and associations, by appointing representatives from its technical staff, aiming to integrate housing and urban development policies with other sectoral policies. This work aims to strengthen inter-institutional cooperation, facilitate the exchange of information and contribute to the formulation of standards and programs linked to the Urban Development and Housing Policy in the State of *São Paulo*.

The Company's senior management directly participates in the State Housing Council (CEH) and the Management Board of the *São Paulo* Social Interest Housing Fund (CGFPHIS). In addition to these bodies, CDHU technicians work in other forums, representing the Secretariat of Urban Development and Housing, such as in the areas of Environment and Sanitation, Public Policies on Human Rights, Social Assistance and Special Demands, including the Elderly, People with Disabilities, Women Victims of Violence, Indigenous Peoples, Children and Adolescents. Currently, 40 participatory seats have been mapped, distributed among 32 regional and urban policy councils and representations, 2 bodies related to the management of Public-Private Partnerships (PPP) and 6 administrative and budgetary bodies.

CDHU considers its presence in all forums to which it is designated to be strategic, especially those that deal with sensitive public policies. Since 2015, the Company has been a signatory of the Global Compact Brazil Network, reaffirming its commitment to the principles of sustainability and social responsibility.



Health, safety and customer communication

[GRI 3-3 Ethics, transparency, and integrity, 416-1] [SDG 16]

The main service offered by CDHU is housing production to reduce the housing deficit, providing security and habitability to the low-income population that, for the most part, lives in unhealthy conditions in precarious settlements, in congested homes or with serious building problems, and without access to the formal housing market.

To ensure the delivery of housing in adequate conditions and to offer support in case of problems, CDHU carries out actions that positively impact the health and safety of residents, including:

- **1. Guidelines for new projects:** Adoption of the Crime Prevention Through Environmental Design (CPTED) concept for public safety, with a focus on visibility and surveillance of common areas, efficient lighting, vegetation that does not block the view, and spaces without hiding places. Initiatives to encourage active mobility and the use of public transportation are also prioritized, including bicycle parking and integration with cycle paths;
- 2. housing provision, recovery and requalification: Structural improvements that provide adequate safety and habitability to solve problems of unhealthiness and overcrowding, helping to reduce diseases related to inadequate conditions, such as poor ventilation and humidity;
- **3. housing safety certification:** Delivery of 100% of the units with a Certificate of Completion or Occupancy Permit, in addition to the Fire Department Inspection Report (AVCB) when applicable, ensuring regularity and fire safety;
- **4. repair mechanisms:** Provision of actions to correct non-conformities due to construction defects, in addition to insurance against external damage, such as fires and floods, during the term of the financing.

These actions contribute to improving the quality of life and health of CDHU beneficiaries.

There are mechanisms in place for cases of non-compliance of the building

CDHU



According to article 618 of the Brazilian Civil Code, the contractor is responsible for repairing physical damage to properties during the first 5 years of construction; after this period, maintenance is considered to be the responsibility of the family/condominium.

The main complaints we receive through our customer service channels regarding the quality of the product supplied are infiltrations (500), leaks (339), cracks and fissures (286), loose floors and coverings (238), access to the complex (1,417), solar heater (103), out of a total of 5,535 records in 2024, which represents 60% of the construction problems reported by the population.

A large volume of occurrences refer to requests for plans and projects, with a total of 1,620 occurrences, which do not characterize construction problems. Of the universe of occurrences sent to construction sites, 2,040 (36.86%) are concentrated in units delivered to families up to 5 years ago. The other occurrences recorded are the responsibility of the residents to maintain the property to prevent it from compromising the health and safety of the people who live there. Although the temporal issue is relevant with regard to objective civil liability, the Works Area adopts the following procedures for Analysis and Response to Complaints of Construction Defects:

a. Inspection of the housing unit:

- **Properties up to 5 years old:** the inspector performs an inspection to identify problems and causes.
- **Properties over 5 years old:** the borrower is advised to perform maintenance on their own, except in cases of cracks or problems in retaining walls, which will be assessed by the inspector regarding risks and solutions.

When a risk is identified, even outside the warranty period, CDHU may choose to carry out works to correct the problem.

b. notification from the city hall or construction company:

If a construction defect or failure in execution is found, the City Hall or Construction Company is notified to carry out the repairs, depending on the type of housing program.

c. completion or denial of repair:

Once the repairs are completed, the construction company forwards a signed completion document and the case is closed in the CRM system.

If there is no administrative solution after the deadline, the case is forwarded to the legal department for the adoption of appropriate measures.

d. CDHU property owner's manual:

All developments are delivered accompanied by the Owner's Manual (houses and apartments) and the Condominium Manager's Manual (buildings), containing information about the property and condominium maintenance. The manuals are prepared by the construction company, reviewed by the inspector and approved by CDHU's Construction area, following the guidelines of ABNT NBR 15,575 and the Company's internal standards. The Owner's Manual was revised in relation to the previous year.

Despite these procedures adopted, CDHU ended 2024 litigating 2,824 lawsuits, involving a total of 4,279 housing units. [CRI 416-2] [SDG 16]

In 2024, a Post-Occupancy Technical Area was created in the Engineering and Construction Department to centralize and standardize the handling of complaints regarding the emergence of pathologies in buildings. This new form of management is expected to provide agility and efficiency in service, reducing the number of lawsuits and improving beneficiary satisfaction.



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Real Estate Home Insurance

The purpose of home insurance is to guarantee the payment of the loan in the event of death or permanent disability of one of the parties to the contract, respecting the proportionality of their participation, and to ensure the recovery of the property in the event of physical damage covered by the policy, restoring it to its original conditions.

Therefore, it can be concluded that insurance is the only instrument capable of adequately protecting the invested assets and ensuring the return on the capital employed.

The obligation to purchase insurance derives directly from the origin of the resources used in home financing. At CDHU, financing is made possible by public resources, originating from deposits in savings accounts and FGTS, characterizing the Company as a member of the Housing Finance System (SFH), or from the collection of taxes from the State of *São Paulo*.

CDHU carries out a bidding process, in the form of an electronic auction, to contract a single insurance company to cover home insurance.

In compliance with Bacen Resolution No. 3,811/09, CDHU began to ensure in contracts signed with beneficiaries and purchasers the choice of the winning insurer in the bidding process or, alternatively, the possibility of presenting an individual policy contracted directly on the market.

Bacen Resolution No. 3,811/09 also establishes that the institutions that are part of the SFH will only grant housing financing with insurance coverage that includes, at a minimum, Death and Permanent Disability (MIP) and Physical Damage to Property (DFI).

In relation to Physical Damage to Property (DFI) insurance, in addition to the payment of compensation in kind, it is also common to carry out works to recover damaged properties.

CDHU





CDHU has been continuously working to develop and improve its internal and external controls, always with the aim of offering quality and secure services to its customers. In this context, the adoption of robust measures to ensure the security of data and the technological environment has become an essential condition for reducing the risks of cyberattacks and other vulnerabilities that could compromise the Company's infrastructure. These initiatives are essential both for maintaining existing services and for enabling the implementation of new technological solutions and innovations.

CDHU has focused its efforts on modernizing and improving its processes in three strategic pillars:

- Implementation of IT governance processes;
- implementation of data governance processes;
- implementation of information security processes.

These initiatives are aligned with the search for compliance with the General Personal Data Protection Law (LGPD - Law No. 13,709/2018), reinforcing the Company's commitment to the protection and privacy of its customers' and partners' data.

1. Actual and potential, negative and positive impacts:

Protecting customer privacy is a critical issue for CDHU, given that its activities involve the handling of personal data related to housing programs. Potential negative impacts include the violation of privacy and the undue exposure of confidential customer information, which can lead to disruptions, financial and reputational damage. On the other hand, effective privacy management has positive impacts, strengthening customer trust, legal compliance and the Company's reputation;

2. involvement with negative impacts: In 2024, CDHU identified the occurrence of 29 complaints of fraudulent attempts involving the misuse of customer contractual information, with 20 individuals having reported financial losses as a result of payments made. Over the past four years, CDHU has recorded repeated attempts of fraud involving customer data, with incidents reported through letters, phone calls, WhatsApp messages, and other fraudulent contacts. These events prompted this Company to request investigations by the Cyber Crimes Division. At the same time, the Company continues to improve its processes along three main pillars: implementing IT governance processes, implementing data governance processes, and implementing IT security processes. These efforts aim to enhance data protection and the technological environment, with a focus on preventing future incidents;



Vida Digna Program – Praia Grande F-G-I development

- **3. policies and commitments:** CDHU has a Privacy and Personal Data Processing Policy, which establishes clear guidelines for the collection, use, storage and protection of its customers' data;
- **4. management measures:** To prevent and mitigate negative impacts related to privacy, CDHU continually invests in improving its information security controls, training employees and effectively communicating with customers about its data protection policies and practices. In 2024, CDHU completed the preparation of a new security plan and submitted it to the National Data Protection Authority (ANPD). The plan includes regular audits and technological updates aimed at protecting borrowers' personal data;
- **5. tracking effectiveness:** CDHU monitors the effectiveness of its privacy protection measures through key indicators, such as the number of substantiated complaints and data leak incidents. In addition, the company conducts periodic internal and external audits to identify opportunities for improvement in its processes. The lessons learned are incorporated into the ongoing updating of its policies and operational procedures; and
- 6. engagement with stakeholders: CDHU maintains open channels of communication with its customers and other stakeholders, receiving feedback and suggestions that support the continuous improvement of its privacy protection practices. Whenever necessary, the company also engages with regulatory authorities and other relevant bodies to ensure compliance and effectiveness of its actions.

Number of fraud complaints [CRI 418-1] [SDG 16]

Year	Complai	nts	With loss		
	Accumulated	Per year	Accumulated	Per year	
2020	112	112	25	25	
2021	1,102	990	108	83	
2022	1,766	664	151	43	
2023	2,672	906	205	54	
2024	2,701	29	225	20	

CDHU

It is important to highlight, this year, the success of the initiatives taken, with the drastic reduction in complaints, which fell from 906 in 2023 to just 29 in 2024.

The security incident involving CDHU highlighted the importance of data protection and the need for clear communication with authorities and affected data subjects. The measures adopted and the continuation of investigations in 2024 reflect a commitment to mitigating future risks and strengthening the security of personal data.








People management

[GRI 3-3 Human capital management] [SDG 3, 5, 8, 10]

The activities and actions carried out by the Human Resources Management area arise from the employment contractual relationship between CDHU and its employees, covering aspects such as remuneration, benefits and collection of social and labor charges.

All of these initiatives are fully aligned with current state and federal legislation, including the Consolidation of Labor Laws (CLT), the Federal and State Constitutions, the General Data Protection Law (LGPD), as well as regulations from the Ministry of Health, Labor, Social Security and the National Health Agency.

In addition, CDHU follows guidelines from the Federal Revenue Service, Collective Labor Agreements, regulations from the State Audit Court and internal regulations on compliance and professional conduct, ensuring transparency and compliance in all its people management practices.

Political contributions

As a public entity, CDHU is prohibited from making donations to parties or candidates, in accordance with section II of article 24 of the Electoral Law (Federal Law No. 9,504, of 09/30/1997).

New hires and turnover

[GRI 401-1] [SDG 5, 8, 10]

A comparative analysis of employee dismissals and hirings at CDHU in 2024 and 2023 shows the continued trend of low staff turnover, in line with the scenario of progressive reduction in the workforce in recent years, as a result of the absence of public competitions to fill new positions since 2002.

Regarding hiring in 2024, six employees were hired, representing a hiring rate of 1.62% of the total staff. This number is lower than that seen in 2023, when 15 were hired, with a rate of 4.03%. In 2024, of the total number of employees hired, five were men (rate of 1.35%) and one was a woman (rate of 0.27%). In 2023, the hiring of men was higher (14 hires, rate of 3.76%), while women represented only one hire, with the same rate of 0.27%.

The distribution by age group, in 2024, revealed that one hire was of a person under 30 years old (0.27%), while in 2023 there were no hires in this age group. In the 30 to 50 age group, one hire was recorded in 2024 (0.27%), which represents a significant reduction in relation to 2023, when there were 10 hires (2.7%). The age group over 50 years old was the one that concentrated the majority of hires in 2024, with four hires (1.08%), while in 2023 there were five hires (1.3%).

Regarding layoffs, it is observed that, in 2024, there were 11 layoffs, corresponding to a turnover rate of 2.97%, a lower volume than that observed in 2023, when 28 layoffs were recorded, with a rate of 5.8%. Of the 11 layoffs, 04 were employees who passed through public examinations and 7 were employees in freely appointed positions. Thus, it is observed that the 4 positions dismissed correspond to the effective reduction of the Company's workforce without the corresponding replacement.

In 2024, the layoffs of men predominated, with 10 departures (2.7%), compared to 18 in 2023 (4.3%). Women represented one layoff in 2024 (0.27%), a number much lower than in 2023, when 10 layoffs occurred among female workers (1.5%).

The analysis by age group reveals that, in 2024, there were no layoffs of employees under 30 years of age, maintaining the same situation as in 2023. In the 30 to 50 age group, two layoffs were recorded in 2024 (0.5%), compared to five in 2023 (2.0%). The group over 50 years of age accounted for most of the layoffs in 2024, with nine departures (2.4%), although there was a significant reduction in relation to 2023, when there were 23 layoffs in this age group (3.8%).

The data show that, although there was a drop in both hiring and layoffs in 2024, the turnover of the workforce remains concentrated among employees over 50 years of age, reflecting the aging profile of the Company's workforce.

This configuration reinforces the concern with staff renewal and preservation of accumulated technical knowledge, considering that the replacement of employees remains limited and there is no forecast for holding a new public selection process. Even so, there is a possibility of a public hiring process taking place in 2025.

In addition, the low hiring of women and people under 30 also highlights challenges in the field of age and gender diversity, which may compromise the composition and future dynamics of the Company's workforce.

Total number and rate of new employee hires, by gender and age group [CRI 401-1] [SDC 5, 8, 10]

2024		2023		2022	
Hires	Hire rate	Hires	Hire rate	Hires	Hire rate
5	1.35%	14	3.80%	4	1.00%
1	0.27%	1	0.30%	3	0.80%
Hires	Hire rate	Hires	Hire rate	Hires	Hire rate
1	0.27%	0	0.00%	0	0.00%
1	0.27%	10	2.70%	4	1.00%
4	1.08%	5	1.30%	3	0.80%
	Hires 5 1 Hires 1 1	Hires Hire rate 5 1.35% 1 0.27% Hires Hire rate 1 0.27% 1 0.27% 1 0.27%	Hires Hire rate Hires 5 1.35% 14 1 0.27% 1 Hires Hire rate Hires 1 0.27% 0 1 0.27% 1	Hires Hire rate Hires Hire rate 5 1.35% 14 3.80% 1 0.27% 1 0.30% Hires Hire rate Hires Hire rate 1 0.27% 0 0.00% 1 0.27% 10 2.70%	Hires Hire rate Hires Hire rate Hires 5 1.35% 14 3.80% 4 1 0.27% 1 0.30% 3 Hires Hire rate Hires Hires Hires 1 0.27% 0 0.00% 0 1 0.27% 10 2.70% 4

Total number and turnover rate of employees, by gender and age group [CRI 401-1] [SDC 5, 8, 10]

2024		2023		2022	
Terminations	Turnover rate	Terminations	Turnover rate	Terminations	Turnover rate
10	2.70%	18	4.30%	13	2.20%
1	0.27%	10	1.50%	7	1.30%
Terminations	Turnover rate	Terminations	Turnover rate	Terminations	Turnover rate
0	0.00%	0	0.00%	0	0.00%
2	0.50%	5	2.00%	6	1.30%
9	2.40%	23	3.80%	14	2.20%
	Terminations 10 1 Terminations 0 2	Terminations Turnover rate 10 2.70% 1 0.27% Terminations Turnover rate 0 0.00% 2 0.50%	TerminationsTurnover rateTerminations102.70%18110.27%10TerminationsTurnover rateTerminations00.00%020.50%5	Terminations Turnover rate Terminations Turnover rate 10 2.70% 18 4.30% 11 0.27% 10 1.50% Terminations Turnover rate Terminations Turnover rate 0 0.00% 0 0.00% 2 0.50% 5 2.00%	TerminationsTurnover rateTerminationsTurnover rateTerminations102.70%184.30%13100.27%101.50%7TerminationsTurnover rateTerminationsTerminations00.00%00.00%020.50%52.00%6

Note: The reported information should be considered for the period from 01/01 to 12/31. Source: CDHU, 2024.

Employees [GRI 3-3 Human capital management, 2-6, 2-7] [SDG 8, 10]

In 2024, CDHU's permanent staff had a total of 370 positions, with 367 professionals working full-time and 3 employees (1 woman and 2 men) working reduced hours, less than 8 hours per day.

The Company's operations remain concentrated exclusively in the State of *São Paulo*, in the Southeast region of the country, through 11 regional centers located in the interior of the state.

CDHU has been facing a significant and continuous reduction in its workforce, reaching an accumulated reduction of approximately 65% in the period. This scenario is aggravated by the fact that the average age of employees is currently 59 years old, with 50% of the staff being 60 years old or older.

This context represents a concrete risk to the maintenance of the operational structure and the preservation of the Company's institutional competencies. The repercussions of this situation are already being felt in the daily routine of the organization, resulting in an overload of activities for the remaining employees, an accumulation of responsibilities by managers, a lack of retention and succession of technical skills, an imminent risk of loss of corporate knowledge, a reduction in productivity and a weakening of the organizational culture and identity. In addition to these factors, there is an increase in healthcare costs, an increase in cases of stress and psychosocial disorders, and the existence of hierarchical levels that, due to the reduction in the number of employees, do not have subordinate teams, compromising the efficiency and continuity of processes.

During the fiscal year 2024, a total of 06 employees were hired, 5 males and 1 female. The hires, all in the state of *São Paulo*, occurred in the age groups Under 30 years old (1 position) for men; 30 to 50 years old (1 position) for men; and Over 50 years old (4 positions), (1 position) for women and (3 positions) for men. Admissions were only made to freely appointed positions, since permanent employees are only hired through public selection processes, which has not happened since 2002, and this does not correspond to the replacement of the number of career employees.

In February 2025, the Company's Job and Salary Plan was approved, and the procedures to launch a new recruitment process to replenish the workforce were authorized, still within 2025.



Housing Unit Lottery in Santa Bárbara D'Oeste

CDHU

Company staff [CRI 2-7] [SDC 8, 10]

	2024		202	2023		2
	Men	Women	Men	Women	Men	Women
By employment contract						
Indefinite term	232	138	235	137	244	146
Definite term	0	0	0	0	0	0
Total	232	138	235	137	244	146
By type of employment						
Full time	230	137	233	136	242	145
Part-time work	2	1	2	1	2	1
Total	232	138	235	137	244	146
Grand total	37	0	37	2	39	0

Source: CDHU, Human Resources Superintendency, 2024.

To support its activities, CDHU hires consulting and support companies for technical and social management, as well as for supervising the execution of projects.

These activities are carried out by issuing specific service orders, resulting in previously defined products.

In addition, part of the Company's activities are performed by interns and apprentices, who are not part of the company's own staff, but are managed internally. In 2024, CDHU had 183 workers in these categories, being 174 interns and 9 apprentices.

Other professionals in the company's workforce¹ [GRI 2-8]

	2024	2023	2022 ²
Interns	174	170	55
Apprentices	9	14	-
Total	183	184	55

Source: CDHU, 2024.

1 The Company does not monitor data by gender. Source: CDHU, Human Resources Management Department, 2024. 2. In 2022, the total figures for the combined categories were presented.

CDHU

Diversity and inclusion

[GRI 3-3 Human capital management, 405-1] [SDG 5, 8]

As demonstrated in other indicators, CDHU ensures diversity in the composition of its workforce through public selection processes for hiring employees and collaborators.

Permanent employees are hired exclusively through a public selection process, while interns and apprentices are selected through widely publicized processes, which include quotas for minority groups. Therefore, there is no direct or indirect intervention in the hiring of these professionals, with the classification resulting from the selection processes being the only determining criterion. All admissions follow current state legislation and regulations, ensuring diversity and equal opportunities.

CDHU's governance structure is predominantly composed of 11 male administrators, being 7 of them over 50 years of age, and 4 female administrators, being 3 of them over 50 years of age. CDHU's staff consists of a total of 370 positions, 63% of which are male, corresponding to 232 employees, of which 88% are over 50 years of age. Female employees represent 37% of the total, totaling 138 positions, and 87% are also over 50 years old.

As for racial diversity, 5.68% of employees identify as Asian, 8.38% identify as mixed race and 4.05% as black, and 81.89% as white. Regarding the inclusion of people with disabilities (PWDs), the Company has a total of 20 employees in this category, of which 4 are female.

Composition of the governance framework broken down by gender and age group

	< 30 years (qty)	-	Between 30 and 50 years (qty)	Percentage (%)	> 50 anos (qtde)	Percentage (%)
Male	0	0%	4	26.67%	7	46.67%
Female	0	0%	1	6.67%	3	20.00%

Composition of the workforce broken down by gender and age group

	< 30 years (qty)	-	Between 30 and 50 years (qty)	Percentage (%)	> 50 anos (qtde)	Percentage (%)
Male	1	0.27%	28	7.57%	203	54.86%
Female	0	0.00%	18	4.86%	120	32.43%



Composition of the workforce broken down by functional category, according to gender and racial diversity [CRI 405-1] [SDC 5, 8]

Racial diversity	Yellow	Yellow (%)	Brown	Brown (%)	Black	Black (%)	White	White (%)
Managerial								
Male	4	1.08%	9	2.43%	2	0.54%	105	28.38%
Female	2	0.54%	3	0.81%	2	0.54%	50	13.51%
Administrative								
Male	0	0.00%	2	0.54%	1	0.27%	39	10.54%
Female	5	1.35%	4	1.08%	2	0.54%	31	8.38%
Technical								
Male	5	1.35%	3	0.81%	5	1.35%	31	8.38%
Female	5	1.35%	2	0.54%	1	0.27%	31	8.38%
Operational								
Male	0	0.00%	8	2.16%	2	0.54%	16	4.32%
Female	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	21	5.68%	31	8.38%	15	4.05%	303	81.89%
Male	9	2.43%	22	5.95%	10	2.70%	191	51.62%
Female	12	3.24%	9	2.43%	5	1.35%	112	30.27%

Source: CDHU, 2024.

Composition of the workforce broken down by functional category, gender, minorities, and other diversity indicators

Minority or vulnerable groups - PWD	Women	Women (%)	Men	Men (%)	Total	Total %
Management	7	2%	15	4%	22	6%
Administrative	11	3%	1	0%	12	3%
Technical	8	2%	14	4%	21	6%
Operational	0	0%	10	3%	10	3%

[GRI 3-3 Human capital management 404-1] [SDG 4, 5, 8, 10]

In 2024, the company took a significant step towards building a fairer, more respectful and welcoming work environment for its employees. With a focus on promoting diversity and inclusion, comprehensive training was provided, covering topics such as valuing differences, the importance of equity and practices to ensure an inclusive environment free from discrimination.

In addition, the Company also focused its efforts on combating moral, and sexual harassment, providing specific training on how to identify, prevent, and act in these situations. The training sought to encourage reflection on the culture of harassment, its origins, forms of manifestation and the harm it can cause.

Торіс	Workload
Anti-corruption	1h
LGPD with a focus on the legal area	2hrs
LGPD with a focus on HR	2hrs
LGPD with a focus on IT	2hrs
LGPD for the general public	2hrs
Diversity and Inclusion in practice	1h30
Governance - Workshop Risk Management and IIA Lines of Defense	3hrs
Code of Ethics	1h
Human Rights Policy	1h
Combating Moral and Sexual Harassment	2hrs

Source: CDHU, 2024.

CDHU

The Company, up to the date of closing of the report (March/2025), has not received any reports of cases of discrimination, either by employees and/or collaborators, or even with third parties, customers, and stakeholders.

Any further occurrence will be handled by the Company's Ethics Committee based on the Code of Professional Integrity and internal rules for Disciplinary Sanctions. [GRI 406-1] [SDG 5, 8]



Labor relations

Remuneration policy

[GRI 3-3 Human capital management, 2-19, 2-20, 2-30] [SDG 8]

CDHU's Remuneration Policy is established by the Job and Salary Plan, approved by the Salary Policy Committee (CPS) and the Governor of the State of *São Paulo*. This plan defines salary scales organized by ranges and steps, according to the different groups of positions, covering mid-level and higher-level careers.

Salary values may be adjusted annually through a Collective Labor Agreement (ACT) between the Company and the union representatives of the categories, and 100% of employees are covered by the collective agreements.

Admissions occur exclusively through public selection processes and always for entry-level positions, in the corresponding first salary range. Salary progression may occur horizontally, through performance evaluation, or vertically, when the employee moves to an immediately higher position within the career.

Employees are represented by several union categories, among which the following stand out: the Architects' Union, the Engineers' Union and the Union of Workers in Housing Companies and Cooperatives and Urban Development in the State of *São Paulo* (SINCOHAB), which represents the predominant category in the Company. The remuneration policy guarantees a minimum wage for all categories, and all employees are remunerated according to the position held, without any type of distinction. Salary variations occur due to progressions based on merit and/or assignment to bonus functions, since, in the case of entry via public examination, all admissions are made at the first level of the initial career level.

Proportion of total annual remuneration [GRI 2-21]

	2024	2023	2022	2021
Total annual compensation for the highest-paid individual in the Company	R\$377,376.35	R\$340,635.23	R\$325,904.41	R\$290,312.10
Average total annual compensation of all Company employees, except the highest-paid individual	R\$195,078.09	R\$173,813.18	R\$161,594.95	R\$144,079.66
Ratio of highest-paid individual to average of all employees	1.93	1.96	2.02	2.01
Percentage increase in total annual compensation for the highest-paid individual in the Company	1.11	1.05	1.12	-
Average percentage increase in total annual compensation for all Company employees, except the highest-paid individual	1.12	1.08	1.12	-
Ratio of increase of the highest-paid individual to the average of all employees	0.99	0.97	1	-

Source: CDHU, 2024.

There is no remuneration policy for the governance staff, since the remuneration amounts are defined by government bodies (State Treasury Department), based on the remuneration of the Governor of the State of *São Paulo*. The remuneration is fixed, with no provision for additional remuneration, bonuses and/or retirement benefits.

The proportion of total annual compensation at CDHU between the highest-paid individual and the average of other employees, the following analyses and considerations are verified in relation to the year 2024:

The highest-paid individual is an employee of the Company and has his/her compensation adjusted by the same index applied to all employees, as established in the Collective Labor Agreement (ACT). In 2024, the adjustment index was 2.77%.

Furthermore, in 2024, there was a decision in the labor court to apply the correction index of 7.80%, resulting from the Collective Labor Dispute of May 2021.

The information shows that the proportion between the total annual compensation of the highest-paid individual and the average compensation of all employees was 1.93 in 2024, showing a slight reduction in relation to 2023 (1.96) and 2022 (2.02). [CRI 2-21]

This fluctuation is mainly due to layoffs that occurred during the periods and changes in management positions, which directly impact the composition of overall remuneration. Regarding the percentage increase in the total annual remuneration of the highest-paid individual, the rate recorded in 2024 was 1.11%, close to the value recorded in 2023 (1.05%) and 2022 (1.12%), in line with the adjustment applied in the ACT. [CRI 2-21]

Regarding the average percentage increase in the total annual remuneration of employees, excluding the highest-paid individual, it was 1.12% in 2024, a behavior similar to that of 2023 (1.08%) and 2022 (1.12%). This variation is mainly due to layoffs that occurred throughout the year, which impact the average salary. The departure of employees in lower-paid positions increases the average remuneration of the remaining employees, resulting in a percentage slightly higher than the adjustment rate provided for in the ACT.

Finally, it is worth noting that the ratio between the increase in remuneration of the highest-paid individual and the average for employees in 2024 was 0.99, a value close to the 0.97 recorded in 2023 and 1.00 in 2022, showing that the salary adjustments applied throughout the period follow equivalent patterns among the group of employees and those occupying the highest-paid positions in the Company.

CDHU's workforce is composed of 37% women. In 2024, the average remuneration of women, considering 138 positions, was R\$15,565.70, lower than the average salary of men, who, in 232 positions, received R\$16,365.51, resulting in a ratio of 0.95. [CRI 405-2] [SDC 5, 8,10]



Pay equity between men and women [GRI 405-2] [SDG 5, 8, 10, 13]

	Percentage of Employees	Qty.	Average compensation (amount)
Managerial/leadership	100%	177	R\$21,915.24
Men	68%	120	R\$21,895.89
Women	32%	57	R\$21,955.96
Ratio (F/M)			1.00
Administrative/university-level positions	100%	84	R\$15,503.18
Men	50%	42	R\$16,809.85
Women	50%	42	R\$14,196.50
Ratio (F/M)			0.84
Technical/technical positions	100%	83	R\$7,695.0 ⁻
Men	53%	44	R\$7,690.04
Women	47%	39	R\$7,700.6
Ratio (F/M)			1.00
Operational ¹	100%	26	-
Men	100%	26	R\$4,804.46
Women	-	-	-
By gender	Percentage of	Percentage of	Average compensation
by genuer	employees	employees	(amount)
Men	232	63%	R\$16,365.51
Women	138	37%	R\$15,565.70
Total	370	100%	R\$16,067.20
Ratio between base salary and compensation received by women and that received by men for all job categories	-	_	0.95

Source: CDHU, 2024.



In the Management/Supervisory Group, women correspond to 32% of the total number of employees in the group. Comparing the remuneration (salary) of women (57 positions) with that of men (120 positions), in 2024, women received an average remuneration of R\$21,955.96, higher than the average remuneration of men, which was R\$21,895.89, at a ratio of 1.003.

In the Administrative/University Positions Group, women correspond to 50% of the total number of employees in the group. Comparing the remuneration (salary) of women (42 positions) with that of men (42 positions), in 2024, women received an average remuneration of R\$14,196.50, lower than the average remuneration of men, which was R\$16,809.85, at a ratio of 0.84.

In the Technical Group/Technical Positions, women account for 47% of the group's total workforce. Comparing the remuneration (salary) of women (39 positions) with that of men (44 positions), in 2024, women received an average remuneration of R\$7,700.61, higher than the average remuneration of men, which was R\$7,690.04, at a ratio of 1.001.



Benefits [GRI 401-2] [SDG 3, 5, 8]

CDHU employees have access to a wide range of benefits, including life insurance, medical and dental health insurance, maternity and paternity leave, transportation allowance, supplementary sickness or work-related accident benefits, funeral allowance, daycare allowance, meal vouchers, and food vouchers. It is worth noting that the last two benefits are also guaranteed to interns and apprentices. All of these benefits are provided for in the Collective Bargaining Agreement (CBA).



Benefits Granted to Employees	
Maternity leave	Yes
Disability coverage	Yes
Childcare assistance	Yes
Funeral assistance	Yes
Assistance for children with special needs	No
Chartered transportation	No
Meal allowance	Yes
Food voucher	Yes (also available to interns)
Paternity leave	Yes
Variable compensation	No
Gym membership	No
Stock purchase plan	No
Retirement fund	No
Group life insurance	Yes
Transportation voucher	Yes (also available to interns)
Medical assistance	Yes
Dental assistance	Yes

Source: CDHU, 2024.

Maternity/paternity leave

[GRI 401-3] [SDG 5, 8]

The total number of employees entitled to maternity or paternity leave at CDHU is 370, of which 232 are male and 138 are female, covering 100% of employees.

During 2024, only one employee took maternity leave, with the return scheduled for 2025, and one employee took paternity leave.

The retention rate for these employees was 100%. The low number of absences due to maternity or paternity leave at the Company is attributed to the high average age of employees, which is currently 59 years old.

Performance evaluation [GRI-2-18]

CDHU Administrators are evaluated annually based on the guidelines established by the CODEC Resolution, through a process that includes both the collegiate (collective) evaluation of the board's performance and the individualized selfevaluation of each member. The results are forwarded for analysis and verification of compliance by the Eligibility and Advisory Committee (CPSEC).

After validation by the Committee, the evaluation results are sent to the Government Secretariat, CODEC, and SDUH, in compliance with the requirements of the governance and external control bodies.

It is important to highlight that, historically, all evaluations carried out have met or exceeded the established expectations, demonstrating the adequacy and commitment of the Administrators to the required performance standards.

This result has contributed to the bodies responsible for appointing and supervising the Company's management maintaining the composition of the boards over the years.

The administrators were evaluated by the members of the Eligibility and Advisory Committee, collectively and individually, using guidelines and filling out forms contained in CODEC Resolution No. 2 of March 15, 2024, with the following results obtained:

- Score of the collective assessment of the Board of Directors: Final score of – 3.20: the collective/collegial performance of the Board of Directors "meets legal and statutory expectations";
- 2) average score of the individual assessment of the Board
 Members: Final score of 3.41: the individual assessment of the Board Members "exceeds legal and statutory expectations";
- 3) score of the collective assessment of the Board of Directors: Final score of – 3.25: the collective/collegial performance of the Board of Directors "meets legal and statutory expectations"; and
- 4) average score of the individual assessment of the directors:
 Final score of 3.79: the individual performance of the directors "exceeds legal and statutory expectations".

Training [GRI 3-3 Human capital management, 404-1, 404-2] [SDG 4, 5, 8, 10]

The Human Resources Management Department defines an annual training and development calendar with the aim of ensuring compliance with mandatory training. In addition, it maps the qualification needs of the various areas of the Company, identifying specific demands for professional development.

The department also responds to requests arising from updates and new requirements in the housing sector, covering areas such as law, architecture, engineering, environment, finance, planning and social, among others.

In fiscal year 2024, the average number of training hours provided was 7.16 hours for a workforce of 370 employees. The average training provided among women (138) and men (232) was 7.16 hours for both genders.

Total and average training hours¹ [CRI 404-1] [SDG 5, 8, 10]

By gender	Total training hours	Average per employee
Male	1,662	7.16
Female	988	7.16
Total	2,650	7.16

Source: CDHU, 2024.

1. The company does not have control over training data by professional category.

This initiative reinforces the company's commitment to creating a safe environment where everyone can develop professionally with dignity and respect, values that are essential for collective growth and the well-being of employees. In fiscal year 2024, the total investment in training was R\$312,993.00.

Every year, CDHU offers training to keep the highest governance body's training up to date on Law No. 13,303/2016, its implications, as well as on the Code of Conduct and Integrity and the LGPD. [CRI 2-17]

The Company expects the approval of the Job and Salary Plan in February 2025, after which functional movements related to career changes and new hires will be resumed. In parallel, the implementation of the Skills Improvement Program is planned, aimed at the professional development of employees.

In December 2024, the Retirement Preparation Program was launched, with completion scheduled for February 2025.

These initiatives are scheduled for development and implementation following the approval of the Job and Salary Plan, with implementation expected throughout 2025, with the aim of strengthening the people management policy and ensuring adequate succession and training of the staff.



Occupational health and safety

Occupational health and safety management system

[GRI 3-3 Human capital management, 403-1, 403-4, 403-5, 403-7, 403-8] [SDC 8, 16]

CDHU's Human Resources Management Area is responsible for managing the actions aimed at occupational health and safety at work in the Company.

To perform activities aimed at occupational health and safety, the Company relies on information technology tools that ensure greater efficiency in the control and management of processes, ensuring full compliance with legal requirements and the correct processing and sending of mandatory information to the Ministry of Labor, in accordance with periodic updates to current legislation.

CDHU supervises the contract with a company specialized in providing Occupational Health and Safety services, duly certified and qualified to meet the legal requirements of the area, having a professional Psychologist and a Social Worker, who work in psychosocial care for employees in situations that require specific support and support. In addition, these professionals provide support to the activities of the Occupational Physician, especially in conducting pre-employment, periodic, and dismissal exams and other procedures related to occupational health.

CDHU adopts accredited standards and guidelines for risk management and occupational health and safety, in accordance with labor and regulatory legislation, highlighting the implementation and monitoring of the Environmental Risk Prevention Program (PPRA), in compliance with NR-9, the Occupational Health Medical Control Program (PCMSO), in accordance with NR-7, and the Risk Management Program (PGR), in accordance with applicable standards. Currently, 100% of the Company's employees, totaling 370 people, and 100% of the interns, currently numbering 174, are covered by the occupational health and safety management system. It is worth noting that CDHU is in the process of expanding its number of interns, which may reach a total of 300 students, who will also be fully covered by the same health and safety protection measures.

CDHU

Finally, it is worth noting that CDHU does not exercise control or management over the health and safety conditions of employees linked to companies providing outsourced services. This monitoring is the responsibility of the managers of the requesting areas, who are in charge of administering the respective contracts.

Participation and evaluation in the occupational health and safety management system occur through an open communication channel, which allows direct interaction between employees and representatives of the Internal Accident Prevention Committee (CIPA).

CDHU periodically disseminates relevant information on occupational health and safety, aiming to guide and raise awareness among the Company's employees.

The management of these activities is conducted through systematic recording of occurrences and continuous monitoring of the measures implemented.

Hazard identification, risk assessment, and incident investigation

[GRI 403-2, 403-7] [SDG 8]

CDHU carries out the Risk Management Program (RMP) annually, covering all areas of the Company. The program aims to monitor, identify and eliminate risks and unhealthy conditions in the work environment, ensuring the protection of the health and physical integrity of employees.

In addition to implementing the RMP, CDHU conducts periodic inspections of the workplace, in a joint action between the professional responsible for the Occupational Safety area and the members of the Internal Accident Prevention Committee (CIPA).

These inspections make it possible to identify any situations that require adjustments, whose recommendations are forwarded to the related areas for the adoption of the necessary corrective measures, aiming at the elimination or mitigation of risks.

The Company ensures the quality and effectiveness of these processes through the continuous training of CIPA members, as well as through the monitoring and technical support provided by the professional responsible for the Occupational Medicine and Safety area.

ed by the professional responsible for the Occup ine and Safety area. All incidents, records and reports of risk situations are analyzed and forwarded for action to the Service Administration Area and the Human Resources Management Area, which work to resolve the demands presented. CDHU

Reports on risks can be made by CIPA members or directly by employees, ensuring that there is no form of retaliation against workers, in compliance with the Code of Conduct and Integrity, as well as the Standards of Professional conduct and disciplinary sanctions.

Should any situation arise that contravenes this commitment, the employee may resort to the Company's Reporting Channel, ensuring confidentiality and protection against retaliation.

It is important to emphasize that the activities carried out by CDHU employees, in all its areas, do not expose them to situations involving significant risk of injuries or occupational diseases. This fact is proven by the Company's classification as the lowest level of risk provided for in the classification of professional activities.

Additionally, CDHU maintains a history free of incidents that have required investigation processes or emergency measures, due to the low level of risk associated with the functions performed within the Company. This scenario reinforces the effectiveness of the practices adopted and the institutional commitment to the health and safety of its employees.

Occupational accidents

In 2024, CDHU recorded only 2 workplace accidents, resulting in absences totaling 17 days (136 hours). There were no accidents involving service providers.

The main incidents involved furniture falling and accidents on the way to work. Preventive measures include frequent inspections by the CIPA and the Occupational Safety Technician, ensuring a safe environment and minimizing risks.

CDHU reaffirms its commitment to the health and safety of its employees, ensuring an adequate work environment, free from significant risks and aligned with the best practices in the sector.

Occupational health services [GRI 403-3] [SDG 8]

CDHU has implemented the PCMSO – Occupational Health Medical Control Program, through which it performs periodic medical examinations on all employees and interns, ensuring effective control of occupational health conditions in the Company.

The program is carried out by a medical professional. Monitoring reports are stored in specific files, in a restricted environment, with exclusive access to the occupational physician and the manager designated by the Company, ensuring the confidentiality and privacy of the information collected. The data is used solely to monitor and track the occupational health of employees, without any misuse of purpose.

As a complement to the medical control program, educational actions are promoted on relevant health topics, such as mental health, suicide prevention, breast cancer, and prostate cancer.

In 2024, a Mindfulness program was launched, focused on improving quality of life and developing emotional intelligence, and is expected to continue until 2025. In addition, the Company has adopted a Code of Conduct and Integrity, through which it reaffirms its commitment to ensuring adequate health and safety conditions for its employees.

Employees may, at any time, contact the CIPA and/or the Human Resources Management area to investigate any risk situations at their workstations, including those related to COVID-19. Support from the Fire Brigade, located in the CIDADE I Building, is also available.

Whenever necessary, on-site inspections are carried out to gather information about incidents and/or risks, with the participation of representatives from the CIPA, Fire Brigade and/or civilian firefighters. The assessment and reassessment of hazardousness is carried out in specific inspections by a qualified professional from a contracted company, with the aim of preparing the Technical Report on Environmental Conditions at Work - LTCAT.

It is important to note that CDHU is classified as risk level 1, corresponding to the lowest level of risk.

Promoting workers health [GRI 403-6] [SDG 3]

CDHU has a nationwide health insurance plan for its employees, directors and dependents, providing preventive care and/or access to various treatments, according to broad coverage of medical, hospital, and clinical laboratory specialties.

It also offers employees and their dependents the possibility of joining a dental insurance plan with a broad service network.

In addition to the services provided by the plan, CDHU facilitates access to the annual vaccination schedule of the State Health Department, especially in campaigns that require greater mobilization of the population.

Additional guidance is provided by the occupational physician, psychology and social service professionals from the Human Resources Management Area, even in situations not related to the work environment, including care for family members.

CDHU annually carries out awareness and prevention campaigns for various diseases, such as breast cancer, prostate cancer, mental health and suicide prevention, among others.

To ensure the confidentiality of sensitive employee information, the company adheres to the LGPD and restricts access to this information, which is exclusive to the occupational physician through a password-protected electronic system, in addition to keeping physical medical records in its own files.

Asset security [GRI 410-1] SDC 16]

The Company does not have security guards on its staff and therefore hires outsourced security services to ensure the security of its properties, including land, green areas, institutional areas and housing units, as well as to monitor the *CIDADE* I, II and IV buildings, located in the *Sé* neighborhood, in the central region of the city of *São Paulo*.

These services aim to prevent and curb acts of vandalism or invasion, ensuring the integrity of its assets.

Companies providing these services must have an operating license issued by the Federal Police, as established by the Private Security Statute, established by Law No. 14,967, of September 9, 2024. In addition, they are required to provide duly qualified labor, with security guards who have completed a training course accredited and authorized by the Federal Police. Regarding contractual obligations, contracted companies are responsible for providing annual training for their security guards, covering topics such as human rights, use of force, politeness, discretion, appearance, and skills in dealing with the public.

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These measures aim to ensure that professionals are able to perform their duties ethically and efficiently, in line with legal guidelines and the specific needs of CDHU.

On September 9, 2024, Law No. 14,967 was enacted, establishing the Statute of Private Security and Security of Financial Institutions, replacing the former Law No. 7,102 of 1983. This new legislation modernizes the rules of the sector, incorporating technological innovations and expanding regulated services.

CDHU, aware of these changes, is reviewing its processes for contracting and monitoring security services to ensure compliance with the new legislation, ensuring the protection of its assets and the safety of its employees and the public served.







About the Report





CDHU

CDHU has been committed to increasing the transparency of its actions and sustainability guidelines, addressing the demands of the Fiscal and Administrative Councils, as well as CODEC. The Sustainability, Management, and Governance Letter Report has been one of the commitments undertaken by the Company with all its stakeholders, maintaining periodic disclosure of this document since 2009.

As a public company linked to the Government of the State of *São Paulo*, the Companhia de Desenvolvimento Habitacional e Urbano do Estado de *São Paulo* (CDHU) is subject to the provisions of Federal Law No. 13,303/2016 (State-Owned Companies Law). Article 8 of this legislation mandates that public companies and mixed-capital entities meet minimum transparency requirements, including the annual publication of an Integrated or Sustainability Report. [GRI 2-2]

In compliance with these requirements, since the 2009 fiscal year, CDHU has adopted the GRI standards in the preparation of its Annual Sustainability Report, covering the economic, environmental, social, and governance performance of the Company.

Additionally, starting in 2022, CDHU voluntarily adhered to SASB indicators specific to the home builders sector. From that year onward, it has also integrated into its annual reports the documents required by Federal Law No. 13,303/2016, notably the Management Report and the Governance Letter.

The data presented in this Report cover the period from January 1 to December 31, 2024, and aim to transparently and objectively disclose the main results related to the material topics identified by the Company. The document also addresses policies, practices, performance, and management of all CDHU operations in the State of *São Paulo*. [GRI 2-3]

The materiality matrix considered in this edition was defined in 2023, based on a comprehensive consultation with stakeholders and in-depth interviews with the Company's senior management and SDUH partners. The definition of material topics was subsequently validated by CDHU's Management. [GRI 2-14]

Financial and management information refers to the same period and is included in the Annual Financial Statement, audited by an independent entity and published simultaneously in the Official Gazette of the State of *São Paulo* and on the institutional website of the State of *São Paulo* (refer to the "source" section for additional references). [GRI 2-3]

The Sustainability Report, Management Report, and Governance Letter comprehensively cover CDHU's activities, with the latest edition referring to the fiscal year 2023. In 2024, there were no changes in the nature of the business during the reporting period, nor were there any errors to correct. Additionally, no mergers or acquisitions occurred that had significant impacts on the report.

There were isolated changes in some indicators, which will be addressed within the context of each response (such as, for example, the revision of CDHU's mission and the organization of programs according to the new Multi-Year Plan 2024–2027, without direct or significant impact on the Company's operations. [GRI 2-4]

A specialized consultancy supported the production of the Report, which also counts on the support of an internal team dedicated toits preparation.

Questions or requests for additional information about this Report can be submitted through the official website of the Government of the State of *São Paulo*: (<u>https://fala.sp.gov.br/</u>), a channel through which it is also possible to file requests for information access, compliments, complaints, reports, or requests for measures. [GRI 2-3]

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ESG commitment [GRI 2-14]

CDHU has been adopting and integrating environmental, social, and governance (ESG) aspects into its strategies and business processes, aligning its practices with the principles and guidelines of Integrated Reporting while reinforcing its control and information systems. This approach ensures gradual compliance with traceability requirements for reported information.

The Report is analyzed and approved by the Company's Senior Management, with oversight from the Statutory Audit Committee. The management of material topics involves various areas of CDHU and, for the most strategic issues, may rely on support from the Strategic Actions and Investment Plan Management Committee, as well as the Innovation and Sustainability Committee.

External verification [GRI 2-5]

CDHU submits its financial statements to external verification by an independent audit firm every quarter. Annually, these statements are consolidated and published in the Sustainability Report and the Management Report/Governance Letter, ensuring consistency of information across all these documents.

At the end of each fiscal year, these instruments are validated and approved by the relevant governance bodies, including the Company's Full Board of Directors, the Statutory Audit Committee, the Fiscal Council, and the Board of Directors.

In the current sustainability/integrated reporting cycle (2022-2024), the content was not submitted for external verification. However, in addition to maintaining a strong focus on effectively integrating sustainability into the Company's business strategies and processes, a gradual process of improving the quality of the disclosed information is underway.

This effort aims to strengthen the robustness and reliability of data sources, allowing for proper traceability of reported information. The implementation of an external verification process specific to non-financial information remains an ongoing challenge, pursued in all sustainability report cycles. This initiative aligns with the development of internal information monitoring systems.

Materiality [GRI 3-1, 3-2]

In 2023, CDHU conducted a new materiality process for the 2024/2025 biennium. This process was guided by the International Sustainability Standards Board (ISSB) and GRI standards, aligned with the concept of double materiality, which considers both topics that may impact the Company's value and the effects of its activities on the environment, society, and the economy.

The process was structured in two phases:

- I. A qualitative analysis with Senior Management representatives on key risks, opportunities, and impacts related to the Company's operations, based on initial topics encompassing challenges relevant to urban development and housing policy; and
- II. an expanded online consultation with key stakeholders, covering the same 11 topics, with 648 invited participants and 244 responses received (a participation rate of 38%).

The weighted results identified eight priority material topics:

- ✓ Integrated urban development with social housing;
- technological innovation and new housing and urbanization production methods;
- ethics, transparency, and integrity;
- 🥑 sustainable and resilient cities;
- ✓ operational and budgetary efficiency;
- Housing Assistance Policy with diversity and inclusion;
- 🕑 environmental management in operations; and
- 🔗 human capital management.

The main advancement in this materiality cycle was the deepening of impact, risk, and business opportunity assessments through interviews with CDHU and SDUH leaders. These interviews not only contributed directly to the process but also encouraged reflections that may initiate a continuous evaluation cycle of the Company's impacts, as recommended by GRI standards. There was significant convergence in materiality results, even without applying differentiated weights to consulted groups: the top five prioritized topics remained in the same order, and the last three also remained, with only a sequence adjustment. Additionally, six of the seven stakeholder groups indicated the same topic as the most relevant, and Senior Management's perception was highly aligned with the overall result, reinforcing the consistency of the process.

> For more details on stakeholder consultation procedures, result systematization, and access to Sustainability Reports published since 2012, <u>click here</u>.



Positive impact: CDHU and the SDGs

The 2030 Agenda for Sustainable Development, adopted in 2015 by global leaders, represents an ambitious global commitment aimed at eradicating poverty, reducing inequalities, and preserving the environment.

Comprising 17 Sustainable Development Goals (SDGs) and 169 targets, the Agenda sets guidelines for building a fairer, more prosperous, and sustainable future for all humanity.

For CDHU, some of these Goals are directly aligned with its housing and urban development policy:



SDG 11: Sustainable cities and communities

To make the cities and communities more inclusive, safer, more resilient, and more sustainable. This SDG aims to ensure, by 2030, access for all to adequate, safe, and affordable housing, as well as basic services and the upgrading of slums.

CDHU promotes urban development through housing programs, urban revitalization, and social interest land regularization. It also contributes to the socioeconomic development of low-income populations and urban growth in municipalities.

Among the highlights is the Viver Melhor program, which improves the living conditions of low-income families by providing adequate housing and urban improvements in areas undergoing regularization, ensuring healthiness, habitability, and accessibility—without any additional costs to the beneficiaries. Through its housing programs, CDHU also supports progress on other SDGs:

CDHU



SDG 3: Good health and well-being & SDG 6: Clean water and sanitation

The *Vida Digna* program aims to improve the population's sanitary conditions, reducing vulnerability and diseases transmitted by water pollution, as well as protecting and restoring water sources in the *São Paulo* Metropolitan Region.

1 NO POVERTY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES
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SDG 1: No poverty, SDG 8: Decent work and economic growth & SDG 10: Reduced inequalities

By providing dignified housing, CDHU addresses housing and urban issues, especially in metropolitan areas with a high concentration of low-income populations, contributing to the reduction of socioeconomic inequalities.



SDG 15: Life on land

CDHU's actions encourage the use of native plant species in landscaping projects, promoting biodiversity of fauna and flora in housing developments, especially in areas near environmentally sensitive zones.





GRI and SASB content summary

Iguape F development





GRI content summary

Statement of use GRI 1 used Applicable GRI sector standard(s) The Companhia de Desenvolvimento Habitacional e Urbano (CDHU) has reported in accordance with the GRI Standards for the period 01/01 to 12/31/2024. GRI 1: Foundation 2021. Not applicable.

For the Content Index - Advanced Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed based on the Portuguese language version of the Report.

2025

CDI Standard/				Or	nission	UN Clobal Compact		GRI sector standard ref. No.
other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation		SDG	
General disclos	sures							
	2-1 Organizational details	12, 185						
	2-2 Entities included in the organization's sustainability reporting	164						
	2-3 Reporting period, frequency, and contact point	164, 186						
	2-4 Restatements of information	164						
	2-5 External assurance	165						
	2-6 Activities, value chain, and other business relationships	12, 15, 16, 19 to 36, 42, 148				-	-	
GRI 2: General	2-7 Employees	148, 149				6	8 and 10	
disclosures 2021	2-8 Workers who are not employees	149				-	-	
General disclose	2-9 Governance structure and composition	124 to 127				-	5 and 16	
	2-10 Nomination and selection of the highest governance body	125				-	5 and 16	
	2-11 Chair of the highest governance body	124				-	16	
	2-12 Role of the highest governance body in overseeing the management of impacts	125, 127, 136				-	-	
	2-13 Delegation of responsibility for managing impacts	125, 128				-	-	
	2-14 Role of the highest governance body in sustainability reporting	164, 165				-	-	

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GRI 2: General disclosures 2021				On	nission	UN		GRI sector
	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	Global Compact	SDG	standard ref. No.
	2-15 Conflicts of interest	128				-	16	
	2-16 Communication of critical concerns	130, 131, 133, 134				-	-	
	2-17 Collective knowledge of the highest governance body	52, 158				-	-	
	2-18 Evaluation of the performance of the highest governance body	157				-	-	
	2-19 Remuneration policies	153, 154				-	-	
	2-20 Process to determine remuneration	153, 154				-	-	
	2-21 Annual total compensation ratio	153, 154				-	-	
	2-22 Statement on sustainable development strategy	5, 6				-	-	
	2-23 Policy commitments	17, 124, 127, 182, 183, 184				10	16	
	2-24 Embedding policy commitments	16, 17, 37, 124, 136				-	16	
	2-25 Processes to remediate negative impacts	59, 61, 62, 136				-	16	
	2-26 Mechanisms for seeking advice and raising concerns	131, 133, 134				10	16	
	2-27 Compliance with laws and regulations	136				-	-	
	2-28 Membership associations	139				-	-	
	2-29 Approach to stakeholder engagement	57, 129				-	-	
	2-30 Collective bargaining agreements	153				3	8	
Material topics								
GRI 3: Material	3-1 Process to determine material topics	166						
topics 2021	3-2 List of material topics	166						
Operational and	d budgetary efficiency							
GRI 3: Material Topics 2021	3-3 Management of material topics	112, 115, 118, 120				-	8 and 9	

GRI Standard /				Om	nission	UN		GRI sector
other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	Global Compact	SDG	standard ref. No.
GRI 201: Economic	201-1 Direct economic value generated and distributed	113				-	8 and 9	
Performance 2016	201-4 Financial assistance received from government	112, 184				-	-	
Sustainable and	d resilient city							
GRI 3: Material Topics 2021	3-3 Management of material topics	56, 57, 58				7	13	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	56, 59, 60, 61, 62				7	13	
Ethics, transpar	rency, and integrity							
GRI 3: Material Topics 2021	3-3 Management of material topics	124, 132, 136, 138, 140, 143				2, 4, 5, 10	5, 8, and 16	
	205-1 Operations assessed for risks related to corruption	136, 137				10	16	
GRI 205: Anti- corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	137				10	16	
	205-3 Confirmed incidents of corruption and actions taken	136				10	16	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	138				5	8 and 16	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	138				4	8	

GRI Standard /				Om	ission	UN		GRI sector
other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	Global Compact	SDG	standard ref. No.
GRI 414: Supplier Social	414-1 New suppliers that were screened using social criteria	43				2	5, 8, and 16	
Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	43				2	5, 8, and 16	
GRI 417: Marketing and Labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	-	417-3.a, 417-3.b	Not applicable.	In 2024, no non-compliance actions were reported regarding communication and marketing activities.	-	16	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	144				-	16	
Urban developr	ment integrated with social housing							
GRI 3: Material Topics 2021	3-3 Management of material topics	38 to 41					5, 9, and 11	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	38, 39, 63				-	5, 9, and 11	
Housing service	e policy with diversity and inclusion							
GRI 3: Material Topics 2021	3-3 Management of material topics	96, 98, 102, 107, 109				1	1, 2, 3, 8, and 16	
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	115, 118, 120, 121				-	1, 3, and 8	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	162				1	16	

GRI Standard /				Om	ission	UN		GRI sector
other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	Global Compact	SDG	standard ref. No.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	107				1	2	
GRI 413: Local	413-1 Operations with local community engagement, impact assessments, and development programs	54, 96, 98, 100, 102				1	-	
Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	102, 103, 105, 109, 115, 122				1	1 and 2	
GRI 416: Customer	416-1 Assessment of the health and safety impacts of product and service categories	140, 141				-	-	
Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	141, 142				-	16	
Gestão ambien	tal nas operações							
GRI 3: Material Topics 2021	3-3 Management of material topics	65, 69, 79, 80, 82, 86, 87, 89, 90, 91, 92, 93				7, 8 and 9	3, 6, 7, 8, 11, 12, 13, 14, and 15	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	-	301-1.a	Not applicable.	The contract with the construction companies does not require reporting on materials consumed, as CDHU contracts for the final product rather than the quantity of materials used; therefore, the materials are not itemized by weight or volume.	7 and 8	8 and 12	

other source 3 GRI 301:				Om	ission	UN		GRI sector
	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	Global Compact	SDC	standard ref. No.
···· · · · · ·	301-2 Recycled input materials used	-	301-2.a	Not applicable.	The contract with the construction companies does not require reporting on the materials consumed, as CDHU contracts for the final product rather than the quantity of materials used. Therefore, the materials are not specified by weight or volume.	8	8 and 12	
Materiais 2016	301-3 Reclaimed products and their packaging materials	-	301-3.a, 301-3.b	Not applicable.	The contract with the construction companies does not require reporting on packaging of materials consumed, as CDHU contracts for the final product; therefore, the packaging of materials used is not itemized by weight or volume.	8	8 and 12	
	302-1 Energy consumption within the organization	85				7 and 8	7, 8, 12, and 13	
	302-2 Energy consumption outside of the organization	84				8	7, 8, 12, and 13	
	302-3 Energy intensity	84				8	7, 8, 12, and 13	
	302-4 Reduction of energy consumption	82				8 and 9	7, 8, 12, and 13	
	302-5 Reductions in energy requirements of products and services	82				8 and 9	7, 8, 12, and 13	
	303-1 Interactions with water as a shared resource	69, 77, 79				8	6 and 12	
GRI 303: Water	303-2 Management of water discharge-related impacts	79				8	6	
and Effluents	303-3 Water withdrawal	79				7 and 8	6	
2018	303-4 Water discharge	79				7 and 8	6	
	303-5 Water consumption	75, 76, 77, 78				8	6	

GRI Standard /	Disclosure		Omission					GRI sector
other source		Location	Requirement(s) omitted	Reason	Explanation	Global Compact	SDG	standard ref. No.
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	87, 88				8	6, 14, and 15	
	304-2 Significant impacts of activities, products, and services on biodiversity	87, 88				8	6, 14, and 15	
	304-3 Habitats protected or restored	87, 88				8	6, 14, and 15	
GRI 304: Biodiversity 2016	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	304-4.a	Not applicable.	The Company complies with CETESB regulations, with restoration or revegetation projects developed by qualified professionals (agronomists or forestry engineers). The projects follow state guidelines regarding the quantity and diversity of species, including those that are near threatened, endangered, vulnerable, or critically endangered.	8	6, 14, and 15	
	305-1 Direct (Scope 1) GHG emissions	89, 90				7 and 8	3, 12, 13, 14, and 15	
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	89, 90				7 and 8	3, 12, 13, 14, and 15	
	305-3 Other indirect (Scope 3) GHG emissions	89, 90				7 and 8	3, 12, 13, 14, and 15	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	90				8	3, 6, 11, and 12	
	306-2 Management of significant waste-related impacts	90, 92				8	3, 6, 11, and 12	
	306-3 Waste generated	91				8	3, 11, and 12	

GRI Standard /			Omission					GRI sector
other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	Global Compact	SDG	standard ref. No.
GRI 306:	306-4 Waste diverted from disposal	-	306-4.1, 306-4.2, 306-4.3, 306-4.4, 306-4.5	Not applicable.	CDHU monitors the total amount of waste generated by its construction sites, sending it to authorized landfills. Oversight is carried out by contracted management companies, which provide landfill receipts. The composition of the waste is not reported; only its proper disposal is ensured.	8	3, 11, and 12	
Waste 2020	306-5 Waste directed to disposal	-	306-5.1, 306-5.2, 306-5.3, 306-5.4, 306-5.5	Not applicable.	CDHU monitors the total amount of waste generated by its construction sites, sending it to authorized landfills. Oversight is carried out by contracted management companies, which provide landfill receipts. The composition of the waste is not reported; only its proper disposal is ensured.	8	3, 11, and 12	
GRI 308: Supplier	308-1 New suppliers that were screened using environmental criteria	93				8	-	
Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	93				8	-	
Human capital r	nanagement							
GRI 3: Material Topics 2021	3-3 Management of material topics	146, 148, 150, 152, 153, 158, 159				3 and 6	3, 4, 5, 8, 10, and 16	
	401-1 New employee hires and employee turnover	146, 147				6	5, 8, and 10	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	156				-	3, 5, and 8	
	401-3 Parental leave	156				6	5 and 8	

CRI Standard/				Om	ission	UN		GRI sector
other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation	Global Compact	SDG	standard ref. No.
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	-	402-1.a, 402-1.b	Not applicable.	If CDHU, for any reason, ceases its operations, it is required to notify the employees and the Professional Union at least ninety (90) days in advance, without prejudice to the prior notice.	3	8	
	403-1 Occupational health and safety management system	159				-	8	
	403-2 Hazard identification, risk assessment, and incident investigation	160				-	8	
	403-3 Occupational health services	161				-	8	
	403-4 Worker participation, consultation, and communication on occupational health and safety	159				-	8 and 16	
	403-5 Worker training on occupational health and safety	159				-	8	
GRI 403: Occupational	403-6 Promotion of worker health	162				-	3	
Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	159, 160				-	8	
	403-8 Workers covered by an occupational health and safety management system	159				-	8	
	403-9 Work-related injuries	161				-	3, 8, and 16	
	403-10 Occupational diseases	-	403-10.a, 403-10.b, 403-10.c, 403-10.d, 403-10.e	Not applicable.	In 2024, CDHU had 370 employees, with no records of leave due to occupational illnesses.	-	3, 8, and 16	
GRI 404: Training and	404-1 Average hours of training per year per employee	152, 158				6	4, 5, 8, and 10	
Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	158				-	8	

GRI Standard/ other source		Location	Omission			UN		GRI sector
	Disclosure		Requirement(s) omitted	Reason	Explanation	Global Compact	SDG	standard ref. No.
GRI 405: Diversity	405-1 Diversity of governance bodies and employees	150, 151				6	5 and 8	
and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	154, 155				6	5, 8, and 10	
CRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	152				6	5 and 8	
Technological in	nnovation and new methods of housing production and urban d	evelopment						
GRI 3: Material Topics 2021	3-3 Management of material topics	45 to 49				9	9	

SASB content summary

Industry: Home builde	ers			
Торіс	Code	Metrics requested by SASB	Page or response	
	IF-HB-160a.1	Number of (1) lots and (2) homes delivered in reconstruction areas	114	
	IF-HB-160a.2	Number of (1) lots and (2) homes delivered in regions with high or extremely high baseline water stress	69, 73, 74, 75	
Land use and ecological impacts	IF-HB-160a.3	Total monetary losses resulting from legal proceedings related to environmental regulations	During the reporting period, there were no monetary losses resulting from legal or administrative proceedings related to environmental or criminal regulations.	
	IF-HB-160a.4	Discussion of the process for integrating environmental considerations into site selection, design, development, and construction	50, 51, 65, 66, 87	
Workforce health and safety	IF-HB-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contracted employees	161	
	IF-HB-410a.1	(1) Number of homes that received a certified HERS® Index score and (2) the average score	51	
	IF-HB-410a.2	Percentage of installed plumbing fixtures certified according to WaterSense® specifications	86	
Design focused on resource efficiency	IF-HB-410a.3	Number of homes delivered certified by third parties under comprehensive environmental building standards	86	
	IF-HB-410a.4	Description of risks and opportunities related to incorporating resource efficiency into home design and how the benefits are communicated to customers	65, 86	
Community impacts of new projects	IF-HB-410b.1	Description of how proximity and access to infrastructure, services, and economic centers influence site selection and development decisions	45, 48, 66	
	IF-HB-410b.2	Number of (1) lots and (2) homes delivered in occupancy locations	87	
	IF-HB-410b.3	(1) Number of homes delivered in compact developments and (2) their average density	45, 48	

Industry: Home build	ders		
Торіс	Code	Metrics requested by SASB	Page or response
	IF-HB-420a.1	Number of lots located in 100-year flood zones	80, 81
Climate Change Adaptation	IF-HB-420a.2	Description of the climate change risk exposure analysis, the portfolio's degree of systematic exposure, and strategies to mitigate risks	50, 51, 56
Activity metrics	IF-HB-000.A	Number of lots controlled	By the end of 2024, the Land Management Department had 177 parcels under pre- feasibility analysis, initially estimated to have potential for 7,634 housing units across 128 municipalities. Some municipalities submitted more than one parcel for analysis. None of these parcels are owned by CDHU. Also in 2024, 50 parcels were reviewed and approved for the project phase, with an estimated potential of 3,605 housing units in 34 municipalities.
		Number of active developments for sale	8
	IF-HB-000.C	Number of homes delivered	8, 32







CDHU

Policy Commitments [CRI 2-23] [SDC 16]

CDHU bases its governance on current legal provisions, highlighting the following:

- Federal Law No. 6,404/1976, which regulates corporations.
- Federal Law No. 13,303/2016, which governs the legal framework for public companies, mixed-capital companies, and their subsidiaries within the Union, States, Federal District, and Municipalities.
- State Decree No. 62,349/2016, which establishes the integrity program and compliance area to be adopted by companies directly or indirectly controlled by the State of *São Paulo*, regulating the application of Federal Law No. 13,303 of June 30, 2016, and creating bodies and procedures to promote internal control.

In compliance with the aforementioned legislation, CDHU developed its Code of Conduct and Integrity, Integrity Program, various policies, and bylaws of statutory bodies. All cited normative documents were duly approved by the Board of Directors and the Board of Administration, communicated via email to employees, and are available on the website in the Corporate Governance section (https://www.cdhu.sp.gov.br/web/guest/governanca-corporativa).

- Federal Law No. 12,846/2013, which addresses the administrative and civil liability of legal entities for acts against public administration, whether national or foreign, and provides other measures.
- Federal Law No. 12,527/2011, which regulates access to information as provided in item XXXIII of article 5, item II of paragraph 3 of article 37, and paragraph 2 of article 216 of the Federal Constitution; amends Law No. 8,112 of December 11, 1990; repeals Law No. 11,111 of May 5, 2005, and provisions of Law No. 8,159 of January 8, 1991; and provides other measures.
- Federal Law No. 13,709/2018, the General Data Protection Law (LGPD).

CDHU bases its core activities on current legal provisions, highlighting:

• State Law No. 10,310/1999, which governs the lottery of properties by the Housing and Urban Development Company of the State of *São Paulo* (CDHU), including its amendments.

- State Law No. 12,801/2008, which authorizes the Executive Branch to take measures aimed at the State's participation in the National Social Interest Housing System (SNHIS), establishes the State Housing Council (CEH), creates the *São Paulo* Social Interest Housing Fund (FPHIS) and the Housing Guarantee Fund (FGH), and provides related measures.
- State Decree No. 53,823/2008, which regulates Law No. 12,801 of January 15, 2008, authorizing the Executive Branch to adopt measures for the State's participation in the National Social Interest Housing System (SNHIS), establishes the State Housing Council (CEH), the *São Paulo* Social Interest Housing Fund (FPHIS), and the Housing Guarantee Fund (FGH).
- State Decree No. 55,334/2010, which authorizes the Housing Secretariat to, on behalf of the State, enter into agreements with the Housing and Urban Development Company of the State of *São Paulo* (CDHU), for the management of funds to be transferred to municipalities that have declared a state of public calamity, for the provision of temporary assistance called emergency housing aid, including its amendments.

CDHU

• Federal Law No. 10,741/2003, which establishes the Elderly Statute and other provisions, including the reservation of 3% of housing units for elderly people, with its amendments.

- Board Resolution No. 04/1999, which mandates that 5% of the units produced by CDHU and allocated for general demand, selected by draw, be reserved for elderly individuals aged 60 and over.
- SH-SEAD/09 Resolution, which establishes the regulations for the *Vila Dignidade* Program.
- State Decree No. 64,509/2019, which restructures the Vila Dignidade Program, originally established by Decree No. 54,285 of April 29, 2009, renaming it Vida Longa and providing related measures.
- SH-SEDS Resolution No. 61/2019, which establishes the regulations for the *Vida Longa* Program.
- State Law No. 12,907/2008, which consolidates legislation related to persons with disabilities in the State of *São Paulo*, with amendments.
- State Law No. 11,023 of November 28, 2001, which reserves four percent (4%) of all popular housing properties for sale to civil and military police officers, with amendments.

- Board Resolution No. 3, dated January 23, 2017, which provides for exemption from applying legal and governmental quotas for elderly individuals, single persons, and people with disabilities for the so-called "closed target groups."
- Board Resolution No. 32, dated May 13, 2014, which sets criteria and procedures for serving single individuals in housing programs aimed at the so-called "open demand."
- SH Resolution No. 024/2017, which regulates the housing resettlement policy within the social interest housing policy of the *São Paulo* State government, defining guidelines and operational procedures to be followed by executing agencies and partners consolidates the exemption from quota compliance for closed target groups in resettlement cases.
- State Law No. 9,075/1995, which establishes prohibitions for borrowers or beneficiaries of the *São Paulo* State housing policy and provides other measures (such as acquiring another property with state resources).
- State Law No. 12,276, dated February 21, 2006, which governs the sale of properties financed by the Housing and Urban Development Company of the State of *São Paulo* (CDHU) during the financing contract, with amendments.
- Federal Law No. 9,514/1997, which governs the Real Estate Financing System, establishes fiduciary alienation of real property, and provides other measures, with amendments.

- State Decree No. 64,065/2019, which establishes the Public Spending Management Committee to optimize expenses and reduce costs within the Executive Branch, including its amendments.
- State Law No. 17,347/2021, which establishes the State Policy for Early Childhood in *São Paulo*.
- Federal Law No. 14,711/2023, which provides for the improvement of guarantee rules, extrajudicial enforcement of mortgage-backed credits, extrajudicial enforcement of real estate guarantees in creditor competitions, extrajudicial search and seizure procedures for movable property in cases of default under fiduciary alienation contracts, early redemption of Financial Notes, income tax rates on earnings from gualified investment funds involving quota holders residing or domiciled abroad, and procedures for issuing debentures; it also amends Laws Nos. 9.514 of November 20. 1997: 10.406 of January 10. 2002 (Civil Code); 13,476 of August 28, 2017; 6,015 of December 31, 1973 (Public Records Law); 6,766 of December 19, 1979; 13,105 of March 16, 2015 (Civil Procedure Code): 9,492 of September 10. 1997; 8,935 of November 18, 1994; 12,249 of June 11, 2010; 14,113 of December 25, 2020: 11,312 of June 27, 2006: 6,404 of December 15, 1976; and 14,382 of June 27, 2022, as well as Decree-Law No. 911 of October 1, 1969; and repeals provisions of Decree-Laws Nos. 70 and 73. both dated November 21. 1966.
- State Law No. 17,626/2023, which authorizes the Executive Branch to provide rental assistance to women victims of domestic violence in the State.

CDHU

Policy Updates [GRI 2-23] [SDG 16]

Starting January 1, 2024, CDHU began to comply, where applicable, with Federal Law No. 14,133 of April 1, 2021 (Public Procurement and Administrative Contracts Law).

Additionally, new regulations affecting service provisions to certain specific CDHU beneficiary groups were published, including:

- State Law No. 18,025/2024, which establishes a housing program for civil police officers, military police officers, technical-scientific police, prison police, penitentiary security agents, and escort and surveillance agents in the State of *São Paulo*.
- State Decree No. 68,927/2024, which regulates Law No. 18,025/2024 and institutes the "Safe Housing Program."
- SDUH Resolution No. 059/2024, which regulates Article 7 of State Decree No. 68,927/2024.
- Joint Resolution SAP/SDUH/SSP No. 01/2024, which regulates Article 8 of State Decree No. 68,927/2024.

State Law No. 18,025, dated September 9, 2024, authorized the Executive Branch to create a housing program targeted at civil, military, technical-scientific, and prison police officers, penitentiary security agents, and escort and surveillance agents in São Paulo, linked to the Public Security Secretariat (SSP) or the Penitentiary Administration Secretariat (SAP). It was regulated by State Decree No. 68,927 of September 26, 2024, which establishes the Safe Housing Program, to be executed through credit letters and the reservation of 4% of properties sold by the State for eligible beneficiaries. These beneficiaries must meet specified financing requirements, with selection prioritized by age, number of children, and draw. The program's operation will be managed by the Secretariat of Urban Development and Housing (SDUH) or the São Paulo State Housing and Urban Development Company (CDHU), pursuant to agreements with SSP and SAP, and may also receive funds from the Paulista Social Housing Fund (FPHIS).

CDHU Funding Sources [GRI 201-4]

As a state-owned company, CDHU's multi-year planning and annual budget are governed by *São Paulo* State legislation.

Its main funding sources include capital contributions from the State Treasury through share subscriptions and its own revenues, primarily derived from managing the portfolio of housing financing to beneficiaries. Additionally, CDHU receives funds from other public administration bodies and entities (including the Housing Secretariat), through partnership agreements and/ or service contracts.

Partnerships also involve federal agencies and multilateral institutions such as the Inter-American Development Bank (IDB) and the World Bank, aimed at obtaining concessional or nonconcessional financing to support housing initiatives.

At the local level, CDHU has important partnerships with municipalities, which include donating land to contribute necessary resources and inputs for housing projects, as well as other actions such as contracting construction, regularization, and more.

The financial statements for each fiscal year, accompanied by the opinions of independent auditors, the Fiscal Council, and the Board of Directors, include consolidation of transparency requirements as outlined in Article 8 of Federal Law No. 13,303, dated June 30, 2016.

CDHU

Corporate information

São Paulo State Housing and Urban Development Company (CDHU)

The Company publishes information, public notices, calls, and financial statements in the Official Gazette of the State of *São Paulo* and widely circulated newspapers, as well as regional newspapers when necessary.

Government of the State of São Paulo

Tarcísio de Freitas

Secretariat of Urban Development and Housing

Marcelo Cardinale Branco - Secretary of State

São Paulo State Housing and Urban Development Company (CDHU) 2024		
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Credits [GRI 2-3]

Coordination

Urban Planning and Development Directorate (DPDU) Planning and Operations Superintendency (SPO) Demographic and Socioeconomic Information Management (GIDS)

Contributions

This report is the result of the efforts of all teams and departments of CDHU. We thank everyone for their participation and commitment to the implementation of projects and information gathering.

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