

Sustainability



Report

Falconi | 2022 | base year
2021

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INTRODUCTION

GRI 102-49 | 102-50 | 102-54

From early on in our history, we have focused on sustainability, given other names and emphasis to the concept over the past few decades – corporate social responsibility, pro-bono work, ESG (environmental, social, governance aspects), to name a couple. The idea of conducting our work while focusing not only on our organizations, but on society and the planet as well – seeking a better future for everyone – has always been a commitment.

Recently, we structured the concept and our agenda on ESG topics in the Sustainable Development Program. And, in 2021, we published our first report, so the stakeholders could learn more about **Falconi's ESG Positioning**.

It is with great pride and satisfaction that we present our **Sustainability Report**, structured for the first time according to the guidelines of the GRI (Global Reporting Initiative), Essential option, an international methodology for communicating sustainability in organizations. Our reporting is also oriented through the guidelines of the SASB (Sustainability Accounting Standards Board), in the Professional & Commercial Services category. All topics and information required by the two organizations can be found in an index at the end of this report, including indications of which disclosures are being reported in each chapter.

In this report, our view of sustainability is split among the actions we see inside our own home

– exhibited in **Chapter 3.1: Looking Inwards**; the accomplishments with customers that we think can make an impact on ESG throughout the world

– reported in **Chapter 3.2: Looking Outwards**; and the relationship with the development of the community and, as a result, all of society – present in **Chapter 3.3: Looking at Everyone**.

In each of these perspectives, we see how the most relevant topics for our organization are being perceived, handled and managed – our Material Topics. Structuring of this Materiality, which is based on our sustainable development agenda, can be seen in **Chapter 2: Our ESG Agenda**. But what underlies all of this are the values that underpin our organization, our identity – what can be seen in **Chapter 1: Our Essence**.

In addition to the management aspects and projects that address each Material Topic, our goal here is to report on the correlations between what we do and our key public commitments related to globally relevant agendas, such as the Global Compact and the UN Sustainable Development Goals. Throughout the report, the SDGs and the Global Compact Principles that correspond to the actions, initiatives and themes addressed are indicated.

In this report, we revealed everything that was under our view in 2021¹. But we always want to go further. We want to demonstrate that there is a need to look ahead, towards the tomorrow that we wish to build, and that we are now building. This is what we provide in **Chapter 4: Looking Towards the Future**. That's what we invite you to do with us now.

Enjoy the reading!

¹Period covered by the report: January 1 to December 31, 2021



Message from the President

GRI 102-14

Viviane Martins – CEO of Falconi Consultoria



A year to reflect, to connect with our mission and our strategy, with the essence of what we believe to be the positive impact we can have on the world.

2021 was a year filled with many reflections. There were reflections on everything that took place in 2020 – an intense year steeped in uncertainties and the unknown, with many urgent demands to be observed in everything from the health field to social and economic aspects – and also about our performance in relation to these demands. Even with the challenges imposed by the pandemic, we were able to find space to ramp up a number of initiatives designed

to support the companies, institutions and communities that had been most impacted by the situation. Several of them were mentioned in our report published last year.

In 2021, urgency gave way to assertiveness and to reflected movements connected with our essence, our purpose, our strategy. We remain attentive to the context – the global pandemic, the recession, the climate emergency... – but we have

Message from the President

directed our efforts towards the points we consider most relevant: education, one of the most important focuses of our work, entrepreneurship, diversity and inclusion and the impact we can have on society through our core business or the projects we are active in for the community and the development of society – either on our own or through various partnerships.

Not by chance, these are the themes of the Sustainable Development Goals (SDGs) that we prioritize here at Falconi: SDG 4 – Quality Education, SDG 5 – Gender Equality, SDG 8 – Decent Work and Economic Growth, and SDG 10 – Reduced Inequalities. This prioritization is part of the Strategic Plan that we approved back in February 2020,

which also includes the creation of our Sustainable Development Program.

As such, the past year has been a time to mature and organize a thoughtful approach to each of these topics within our strategy, making a connection to our businesses to structure the Sustainable Development Program and provide it with the strength of continuity and longevity. It was a year to understand how we can fulfill our social role better and more effectively as a company.

It is already possible to notice the ripening of the seeds that we planted throughout the past few years. One of the top examples is our promotion of diversity and gender equality through a program that is becoming

increasingly entrenched internally. We work on our goal system – following the primer of our Falconi management model – helping the theme gain traction and become even more effective, pragmatic and integrated into our recruitment, retention and promotion processes. Within this theme, we have made a significant commitment to women's leadership through our adherence to the Brazil Network of the UN Global Compact (Rede Brasil do Pacto Global), an initiative by the UN. The goal is to reach 30% of women in top leadership positions at the organization by 2025. This commitment has led to an internal deployment of goals that starts with me, in the presidency, and progresses through all areas and levels until arriving at the first level of leadership. In 2021,

Message from the President

with the help of the Career Committees, we saw major impacts on recruiting and promoting women.

This is a fundamental theme in today's world. And here at Falconi it has a strong connection with the idea of developing people-centered results, which is the way we like to work.

Our relationship with the Global Compact reflects this and translates into a public commitment to the various initiatives that the Brazil Network of the Global Compact promotes, such as the Mind in Focus Movement (Movimento Mente em Foco), which takes the mental health agenda to the center of companies' decisions

and promotes discussions on the topic, establishing concrete actions to create a healthy work environment.

Specifically, my involvement with the Global Compact goes even further, and I've been invited to serve as a "leader of impact", representative of SDG 8 – Decent Work and Economic Growth. In addition to the honor of being named, this invitation also represents a tremendous responsibility in efforts to involve and direct the Brazilian private sector in achieving the SDGs.

In this particular SDG, we have a natural positive impact on Falconi, especially with respect to economic growth. Every time we help a company to grow, to better manage its

resources and to innovate, we are benefiting its economic sector, its region and, very often, the entire value chain around it to grow, generate income and provide investments, making an impact on all of society. However, SDG 8 is not only about that.

The issues related to Decent Work – a theme also discussed by the Global Compact – have made me do a lot of thinking. Every day we see news about work analogous to slavery – to point out just one of the issues related to this subject – and it has been bothering me. There are a number of sectors of the economy that are systematically involved in this absurd violation of human rights, from coal extraction and the agricultural sector to the manufacture of clothes through domestic work. We can't

Message from the President

just watch it happen and not do anything about it. So we decided to become more involved with this issue in a pragmatic and strategic way, the Falconi way. To this end, since the end of 2021, we have been developing a project and potential work fronts to deal with this and other facets of SDG 8.

I seek to participate in all the forums and discussions on sustainability in order to see how Falconi can contribute to each of them. Lately, the environmental area has been one of the most discussed topics. There is an urgent need for Brazil to do its “homework”, especially in relation to climate change. And Falconi can turn its gaze to that from now on.

Within the ESG agenda, the environmental pillar had been strategically reserved for a

later time, even in our segment, with less impact in this area. We established that we would first take care of governance and the social. This work has been done consistently, seeking better and broader impacts, as will be revealed in this report. These areas will always be part of our agenda. But the



This is the time to cast our eyes on everything that has gone on, especially during these two years of the pandemic, and to discover a horizon of possibilities to evolve, as a company and as a society.



environmental issue has arrived.

We decided to do the B System Diagnosis², which is a movement that greatly deals with our mission to have a positive impact on society. We’re using it to gain a vision of where our opportunities for improvement lie. There is huge potential for activities in the environmental field. We are designing how our organization can contribute to minimize environmental impacts in our own activity as well as in the customers we serve, plus how we can use these concepts in a practical and pragmatic way so that they can work according to their strategies. We have been active in sectors such as industry, energy, transport and logistics, sanitation,

²B System is made up of companies that are looking for a new type of business that balances purpose and profit, while accounting for the impact their decisions have on their workers, customers, suppliers, community and the environment. Learn more about B System Brazil [here](#).

Message from the President

and countless others; any sector there is a need – and a desire, we believe – for improvement. There is still a lot to be done, and we can work on mobilizing, influencing and transforming management concepts and practices that are more environmentally responsible. These tasks can start right here in our own home, modifying the way we work to significantly reduce our emissions from transportation and logistics, and compensating for those that cannot be reduced.

We are also launching an innovative partnership with the company Aeris, a manufacturer of blades for the production of wind energy. The unconventional partnership involving a deal made between the two companies (more details can be

found in Chapter 3 of the Report) was only possible because we believe that the work that the company does and its sector of activity – renewable energy – addresses essential ESG issues, providing the increasingly needed answers to the current and future issues we face, like fossil fuel substitution and climate challenges.

Our history, our current positioning and our future perspectives make it clear: Falconi believes that sustainability is a perpetual issue. There's no going back. We realize that the company doesn't exist without this condition. And we were not meant to be short-lived. Part of our vision is to be a century-old but extremely dynamic organization that is consistently reinventing itself and is connected to

everything around it, striving to gain all available knowledge.

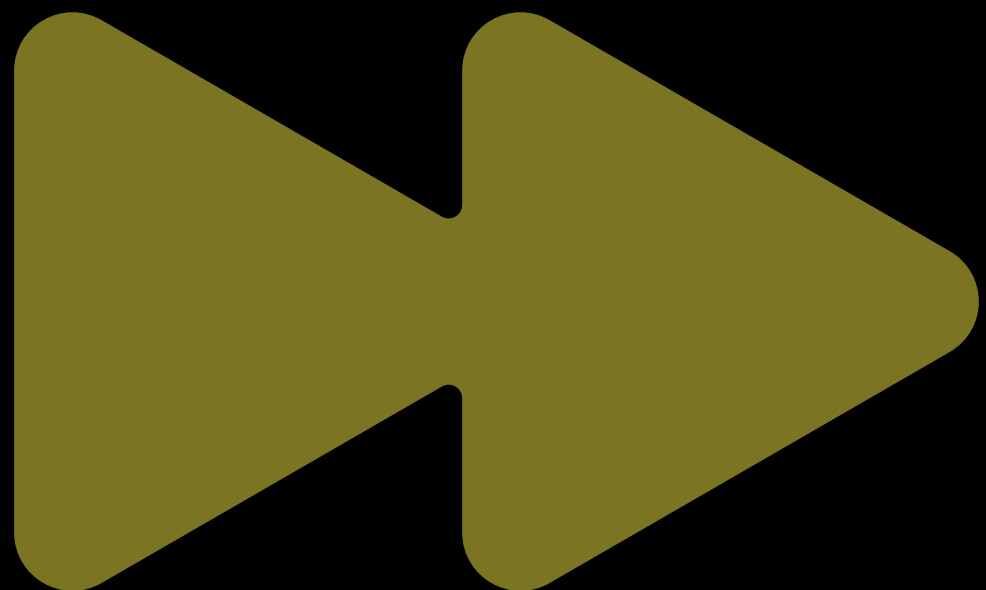
When referring to a perennial business, you need to mention sustainable development. And this virtuous cycle is what pulls us up, towards the future, in a positive spiral that demonstrates, with each turn, that we can never go back. Nor would there be any reason to retreat from a relationship in which everyone wins: company, stakeholders, society, and environment. On the contrary, we will always look for ways to improve, seek further opportunities, bring about more positive impacts, and build a sustainable future. It will be this way for as long as we exist. And we intend it to be here for the long haul; for Falconi and for the world.



01.

Our essence

GRI 102-4 | 102-7 | 102-16



The mission:

to have a positive impact on society.

How?

01.

We believe in the transformative power of people, management and technology.

02.

We share knowledge to resolve complex problems.

03.

We generate sustainable value for organizations.

04.

We make it happen, along with our customers, employees, partners, associates, private organizations, public institutions, social organizations, international agencies and society as a whole.



Our experience to serve the future

95%	Of goals reached in the projects	+40	Countries (involved)
+60000	Projects	37	Years in the market
+700	Consultants	30	Published titles

Falconi Identity

GRI 102-1 | 102-2 | 102-3 | 102-4 | 102-6 | 102-7

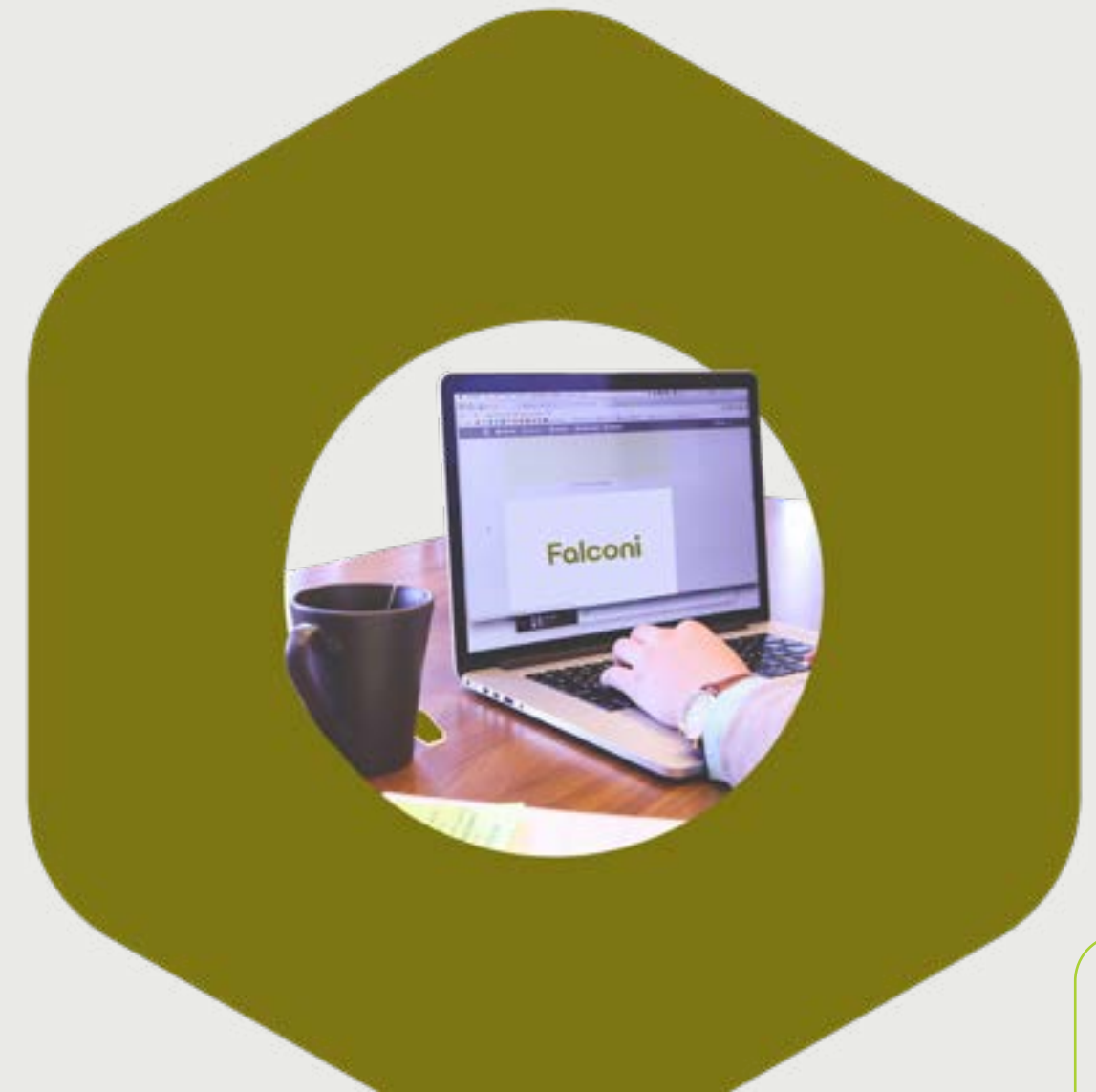
For new challenges,
we bring new results.
This is Falconi.

Founded 37 years ago, Falconi is a business and people management consulting firm that employs cutting-edge technology and data intelligence to expedite the creation of sustainable value for its customers.

We have been working with organizations in over **40 countries and 50 sectors of the economy**, setting ourselves apart from others through our renowned capacity to successfully execute projects at the following levels:

- * Strategic – strategic planning, business model and organizational structure.
- * Tactical – implementation and alignment of processes and goals.
- * Operational – alignment and monitoring of operations.

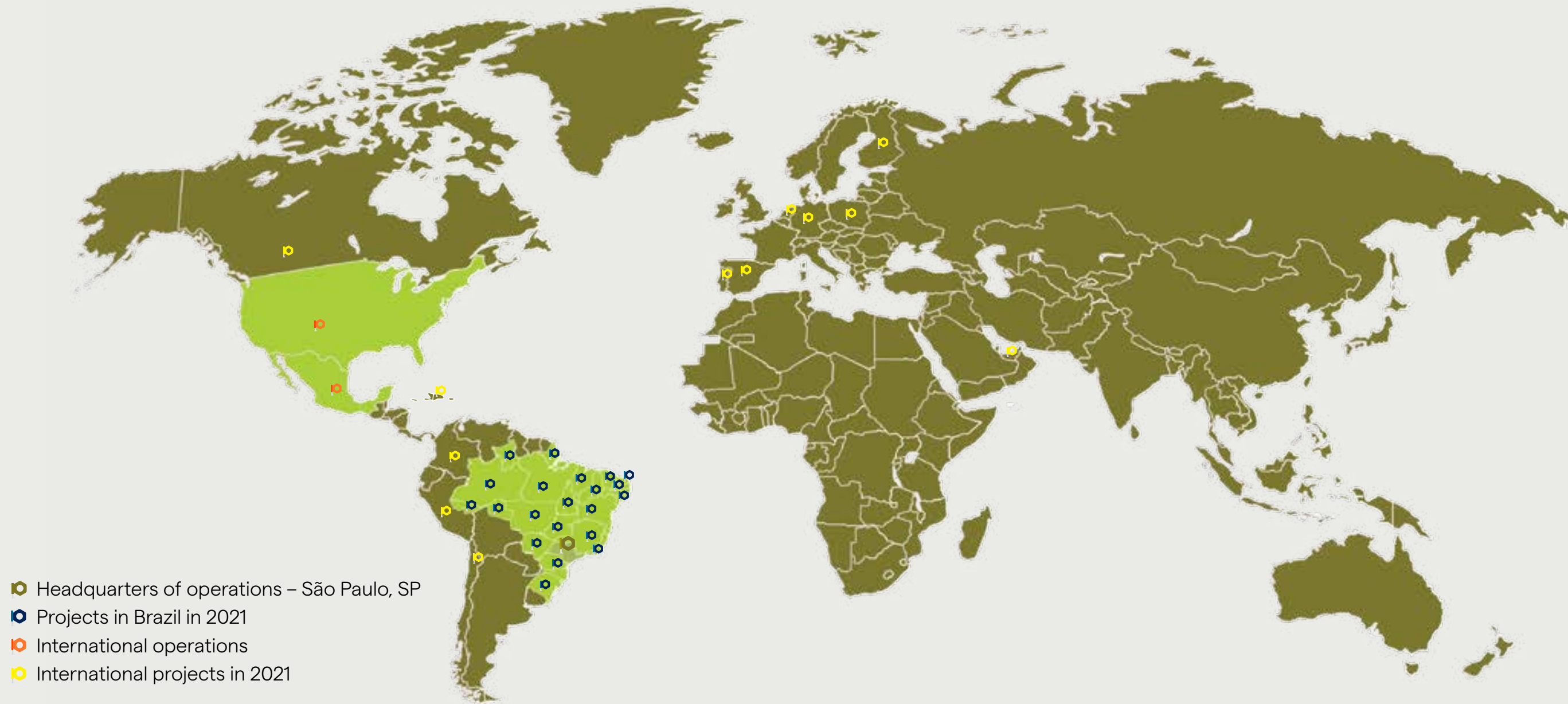
We make businesses, objectives and results integrated and competitive, aiming not only for the prosperity of organizations, but of society as a whole.



Falconi

in the world

Being a leader in management consulting in Latin America only increases our commitment to become even better with each new project.



Organizational Culture

GRI 102-11 | 102-16 | 102-17 | 103-417 | 417-1

In order to achieve our mission – **to have a positive impact on society** – we believe in the transformative power of people, combined with management and technology. Our vision is **to multiply our impact, accelerating the generation of sustainable value for customers and expanding our operations to more and more organizations**. And our values guide the path:

Ethics All issues directly related to Falconi’s relationship with society are based on ethics. We must not engage in any activity that potentially harms our fellow citizens, today or at any time in the future.

Focus on clients We understand the client’s need to provide high-quality deliverables with solutions that satisfy and exceed their expectations. We construct a solid and trusting relationship, adding value and building customer loyalty.

Results-oriented performance Hitting a goal is a point of honor. We are disciplined in the method, in the deadlines, in the use of facts and data and

in everything that involves the deliveries and commitments assumed.

Caring for people Our most important asset is people. We take care of people: we develop, listen, provide feedback, respect differences and work together to build an environment of trust and fulfillment.

Ownership attitude We have a passion for purpose, we take care of resources and ethically defend Falconi’s name and dream.

Teaching and learning Knowledge is our raw material. We have complementary skills, will and humility to learn and teach every day.

Meritocracy Merit is what sets us apart and defines our achievements. We recognize and reward absence of bias, impartiality and transparency.

Simplicity Simplicity is part of our DNA. We focus

on the essential and on people’s understanding, in a clear and objective way, without excesses.

High spirits A smile opens doors. We take pleasure in what we do and use our high spirits to facilitate relationships and create a friendly environment.

By acting in accordance with our purpose and values, and sharing our knowledge in a responsible manner, we base our actions on the common good and interests of society, seeking sustainable development for everyone. We put into practice everything we believe can benefit our people, our environment, and our future – together. And we seek answers to all the questions and themes that impact our lives: social, environmental, economic, governance. If we cannot provide direct solutions, addressing the issues in our own actions and projects, we still act in all these dimensions through our business model, along with our customers and partners.



Vision and values

Our vision and values were developed by the Strategy Committee, which is made up of Falconi partners, including our CEO, Viviane Martins. All the other partners and a number of departments at the organization took part in the process. It was approved by the Board of Directors, which acts as a guardian and promoter of our values in the everyday practice of “being Falconi”.

All employees who join Falconi go through an onboarding process, where they receive training and directions on various aspects of our business and our culture, particularly related to our values and mission. The annual meetings involving the entire Falconi team also reinforce the concepts in theory and in practice. And nothing is more effective than the attitudes and examples of our leaders, at all levels, in working and interacting together.

Falconi Positioning

GRI 102-27 | 103-417 | 417-1

At Falconi, we provide innovative results to help organizations face new challenges.

And new challenges can only be confronted if we first reflect on new futures, built, day by day, the way we believe the world needs to be: more plural, greener, more human.

With the new Falconi brand, we have also revamped all communication with our stakeholders. We have revised both our verbal and visual language as well as our positioning, so that no idea portrayed in words or images is at odds with what we believe in and wish to demonstrate to the world.

This is why, in 2021, we repositioned our brand, making it closer, dynamic, and human. We are ready to face the future.

Business Strategy

GRI 102-5 | 102-6 | 102-7 | 102-9 | 102-10 | 102-15 | 102-29 | 102-30 | 102-31 | 103-201 | 201-2

- Expand activities.
- Reach **more organizations**.
- Accelerate** the generation of sustainable value.
- Offer **transformative results**.
- Multiply positive impacts** across society.

In a world of constant change, we are always looking to broaden our vision and update our concepts so that we are prepared to address the demands and needs of our customers and their evolving markets. We believe that there are novel ways of measuring results. This is one of the reasons we need to have an integrated understanding of society, balancing aspects of sustainable growth, purposeful management and organizational excellence.

We develop products, services and platforms to provide customized solutions for each organization’s journey. In all of them, we apply our knowledge in people management and development. We apply our expertise in order to establish and achieve

challenging goals and implement changes to deliver concrete results. We use technology as a vector for accelerating the generation of value. We integrate experience and methodology into the solutions. **All this is done to ensure that value is created in a sustainable way for organizations in their various markets and sizes.**





Operational Market

In 2017, we began expanding into other segments through spinoffs, launches, equity stakes and the creation of new business units at the consulting firm. Today, as a group, we gathered a dozen brands and have operations in the areas of people development, software and applications for management, private investments and the publishing segment. We have also expanded the scope of the consulting service to include specialized support for small and medium-sized companies.

The group has a team of more than 1,200 talents spread over four continents. With our operations in Brazil, the United States of America and Mexico, and projects that have been completed in 40 other countries, we have seven operations in the public and private sector: Falconi Consultores, Falconi USA, Falconi México, Falconi Editora, Falconi Capital, FRST by Falconi and Actio by Falconi.

Our Businesses & Brands

Falconi

Consulting in management, technology, teaching and education aimed at private, public and nonprofit organizations. It offers customized solutions, ranging from strategy to practice, spanning the entire chain of operations. Its methodological solutions cover strategic alignment, digital and organizational transformation, increased sales, in addition to managing people, processes, projects, routines and spending.

Performance em 2021:

527 services provided, including:

452

consultants

75

in other models

(software licensing,
working with partners)



Software that uses artificial intelligence to monitor products and stores, offering the best management opportunities in a fast, efficient and automated way. Through algorithms that monitor each of the points of sale every day, teams receive information and recommendations to optimize inventories and leverage sales.

dayWay

A digital solution that makes routine management efficient, productive and consistent.



Software that helps executing plans and monitoring performance and results in a simple, standardized and continuous manner.

Falconi

Editora

A publishing house tasked with the creation and sales of publications, technical and professional books in the field of management, geared towards undergraduate, MBA, technologist, specialization and master's courses, in addition to professional interests in the management process

Falconi CAPITAL

A company focused on alternative management-based investments and a clear philosophy with constructive activism and a long-term horizon. Management, innovation and technology are applied as tools to take on opportunities efficiently and look for growth to fully realize the upside of its investees.

Management Consulting for Medium-Sized Enterprises

MID is Falconi's management and consulting services platform dedicated to assisting medium-sized companies. The model was designed to address the reality of these managers, who have been able to break through the barrier of a small business, but still require tools to exercise the optimal management of their medium-sized company. We use our experience and methodology, along with state-of-the-art technology, to train teams and leaders in best practices, which lead to more concrete results.

MID is the fulfillment of a dream by Prof. Falconi: democratize excellence in management, making it increasingly accessible to companies.

The project started in 2020. **We have already reached 120 companies, from 26 sectors, in 15 Brazilian states.** This alone represents a great impact on Brazilian society. These are companies that are located in every corner of the country, from the big cities to the countryside, and are responsible for millions of workers and their families. They provide prosperity, income, employment and increased opportunities to entire regions.



If your company is doing well, then Brazil as a whole will get better. We believe that more efficient organizations build a more equal and prosperous society.

Mid by Falconi



Knowledge Platform/ Learning Tech

FRST is a people development platform where leaders and professionals learn through agile problem solving in a real environment.

Our platform is supported by a community of roughly 200 experts and mentors, who work to drive the collaborative pillar, applying cutting-edge content curated from the world's best references. We use artificial intelligence to scale learning and skills development.

More than just a business leadership school, FRST is an accelerator of people that elevates the human potential to resolve problems and generate results.

Focusing on the corporate market and operating since 2020, FRST has ramped up the development of **over 20,000 people in more than 5,000 companies of all sizes and various segments in 43 countries.** In 2021, FRST achieved a growth of more than 600% in participants, maintaining satisfaction levels above 90%.

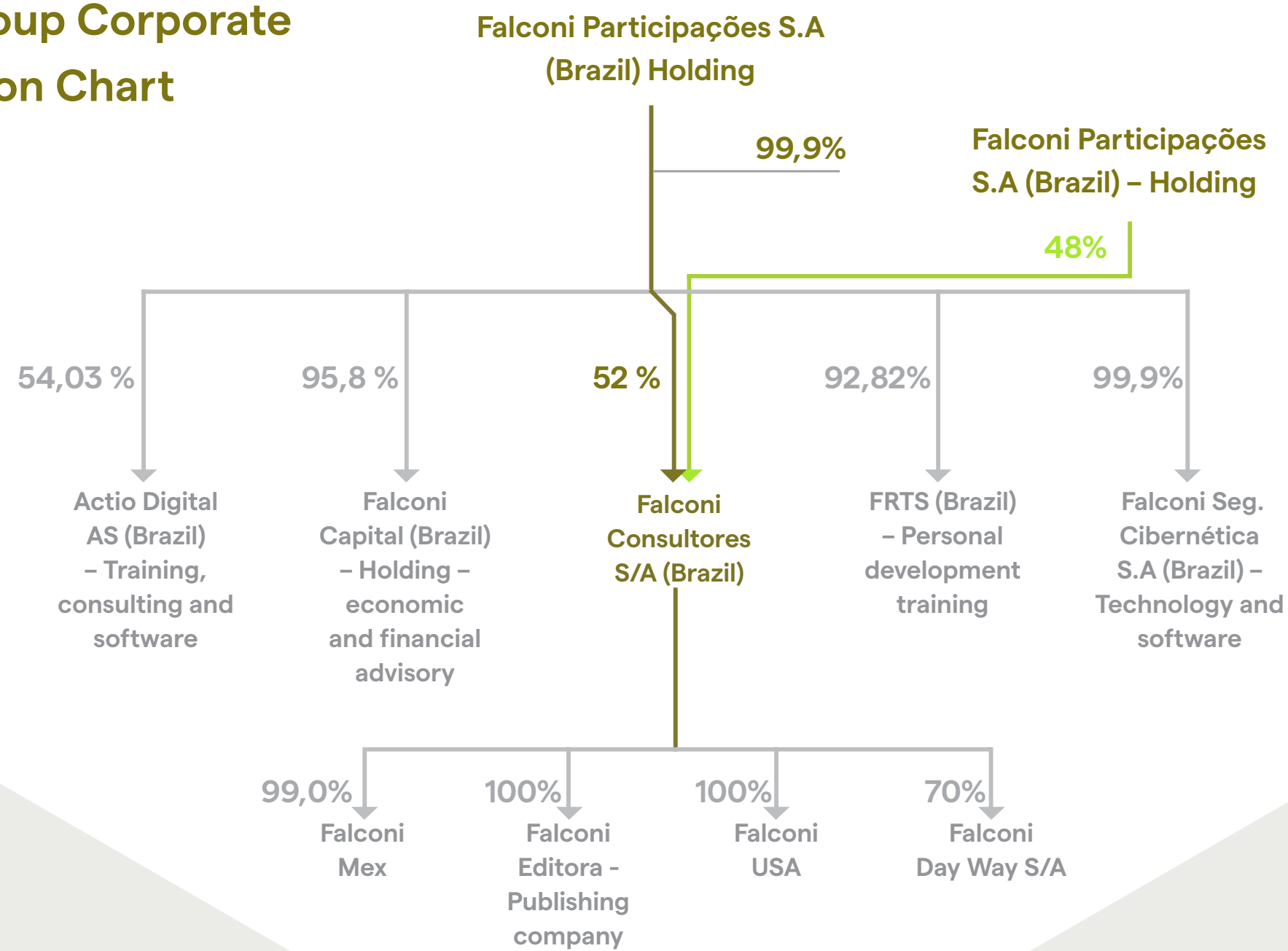


We want to transform more than 8 million leaders and professionals in Brazil, impacting 50% of Brazilian companies by 2027.

FRST



Falconi Group Corporate Organization Chart



Risks and Opportunities

The **operational and financial risks** involved in our operation – ensuring that the work requested by the client is delivered, liquidity, investment security, and others – are individually evaluated and monitored by the Governance, Finance and Risks Committee, with the approval and decision, whenever necessary, of the Board of Directors, which checks on the effectiveness of the organization's risk management processes. One of the goals established to handle financial risks is the selection of reliable banking institutions (AAA rated) to invest our capital.

The classic risks of our business are, therefore, already addressed through rigorous assessments, monitoring and a definition of targets for their mitigation. But other types of risk (as well as opportunities and impacts related to them) are currently the target of our attention and action: those arising **from sustainability trends and ESG&P related topics – environmental, social, governance and prosperity.**

Our Board of Directors is responsible for identifying and managing the impacts, risks and opportunities of Falconi's ESG&P aspects, making sure to keep aligned with the strategic agenda and maintain a focus on the company's future vision.

To foster a constant connection with society and our multiple stakeholders, we have surveyed some of their representatives about risks and opportunities in ESG&P and collected some insights on ways to minimize the risks of our business while maximizing opportunities, including suggestions on paths to follow within our strategic lines of operation.



Risks, according to stakeholders:

“There may be risks due to the link with customers who have problems in this aspect.”

Business Partner Consultant

“Low risk, very mild. It has the impact by travel and emissions that result from it.”

Client

Opportunities, according to stakeholders:

“Offering management solutions in the environmental portfolio of customers.”

Employee

“Engagement of customers with the best practices seen in the work carried out by Falconi.

Create forums and be a channel for fostering good practices.”

Client



What we already do:

We believe that, because we work exclusively with intellectual capital, our operation does not run risks related to the environment like, for example, occurrences caused by climate change or loss of biodiversity. However, we have the opportunity to act indirectly on these issues when working with customers from sectors that contain the most relevant environmental impact. For these companies, our FIVE (Falconi Impact, Value & Execution) and ESG solutions can support the definition and implementation of operational improvements that respond to these challenges.

More on this theme in chapter 3.2 – Looking Outwards / ESG&P Impact of Customers



Risks, according to stakeholders:

"The proper message is not conveyed to customers about diversity and inclusion."

Supplier (Ecosystem of Innovation)

"Not being able to engage and retain talent."

Client

Opportunities, according to stakeholders:

"Expand diversity and inclusion goals with minority audiences."

Employee

"Develop strategies to attract and retain more diverse people."

Business Partner



What we already do:

We realize that if we do not invest in the diversity of our team of professionals, we run the risk of not keeping up to date with the ideas and concepts that are so relevant to society today. Through the Diversity & Inclusion program we have the opportunity to diversify our team, our ideas and solutions for a world that is constantly on the move, so plural and challenging, and thus positively impact our customers and society as a whole.

In addition to attracting talent and diverse ideas to our workforce, there is also a need to train and develop people for professional performance and for life. Our Learning Paths create a number of opportunities for the team to acquire knowledge that will allow it to grow and go beyond, lifting all of Falconi together.

Our activities aimed at education, health, pro-bono projects and incentivized projects are also ways of working in the social area, creating opportunities for sustainable development for our stakeholders and, as a result, for society as a whole.

More on this theme in chapter 3.1 – Looking Inwards / Inclusion, Diversity and Equal Opportunities /People Development and Knowledge Generation and in Chapter 3.3 – Looking at Everyone





Governance

Risks, according to stakeholders:

"We have already come a long way towards reducing these risks."

Business Partner

"The security of customer information."

Client

Opportunities, according to stakeholders:

"Expand diversity in senior management."

Employee

"Adequacy and adaptation to the new reality of the market."

Falconi's former employee



What we already do:

Our partnership structure is a way to reduce risks related to succession at Falconi. It is also a way of offering our best performing employees an opportunity to join the highest level of the company and to get involved in the daily routine of running our business and in strategic planning for the sustainable future of the organization. With the help of the Diversity and Inclusion program and our targets for leadership positions (such as having 30% of women within senior management by 2025), we have a great chance to diversify our concepts and ideas for decision making, broadening our vision of the world and our business.

More on the theme in this chapter can be found in the topic Organizational Structure and Governance

Risks, according to stakeholders:

“Does not follow the transformation of the market.”
Employee

“Not having compatibility between sales and human resources capacity (development and retention of people).”
Business Partner

Opportunities, according to our stakeholders:

“Develop technologies to take care of people. We’ve already done that.”
Business Partner

“Develop the positioning to operate in the market with the ESG theme.”
Falconi’s former employee



What we already do:

To reduce the risk of business stagnation and expand and accelerate our positive impact on society, we need to be more accessible to a greater number of companies and generate more value in the organizations we serve. We then found opportunities in the creation of new businesses, such as MID – launched in 2020 and geared towards medium-sized companies – and a solution that has been developed and tested to work with small companies, which will be introduced soon. These two new markets will make it possible to democratize management, contributing to local economic development as well as support Falconi’s growth.

More on this theme in chapter 3.2 – Looking Outwards



Organizational Structure and Governance

GRI 102-10 | 102-18 | 102-19 | 102-20 | 102-22 | 102-23 | 102-24 | 102-26 | 102-27 | 102-28 | 102-29 | 102-32

“We create opportunities for more people and for positive results, with transparency and vast awareness of how governance should work.”

Professor Vicente Falconi

Our structure and governance system is based on the concept of a **rotating partnership**, a model of society that values harmony between management and ownership, in an effort to perpetuate the legacy of Professor Falconi, founder of the organization. Created in 2012, the model offers the company’s top professionals a chance at acquiring Falconi shares, thereby becoming partners.

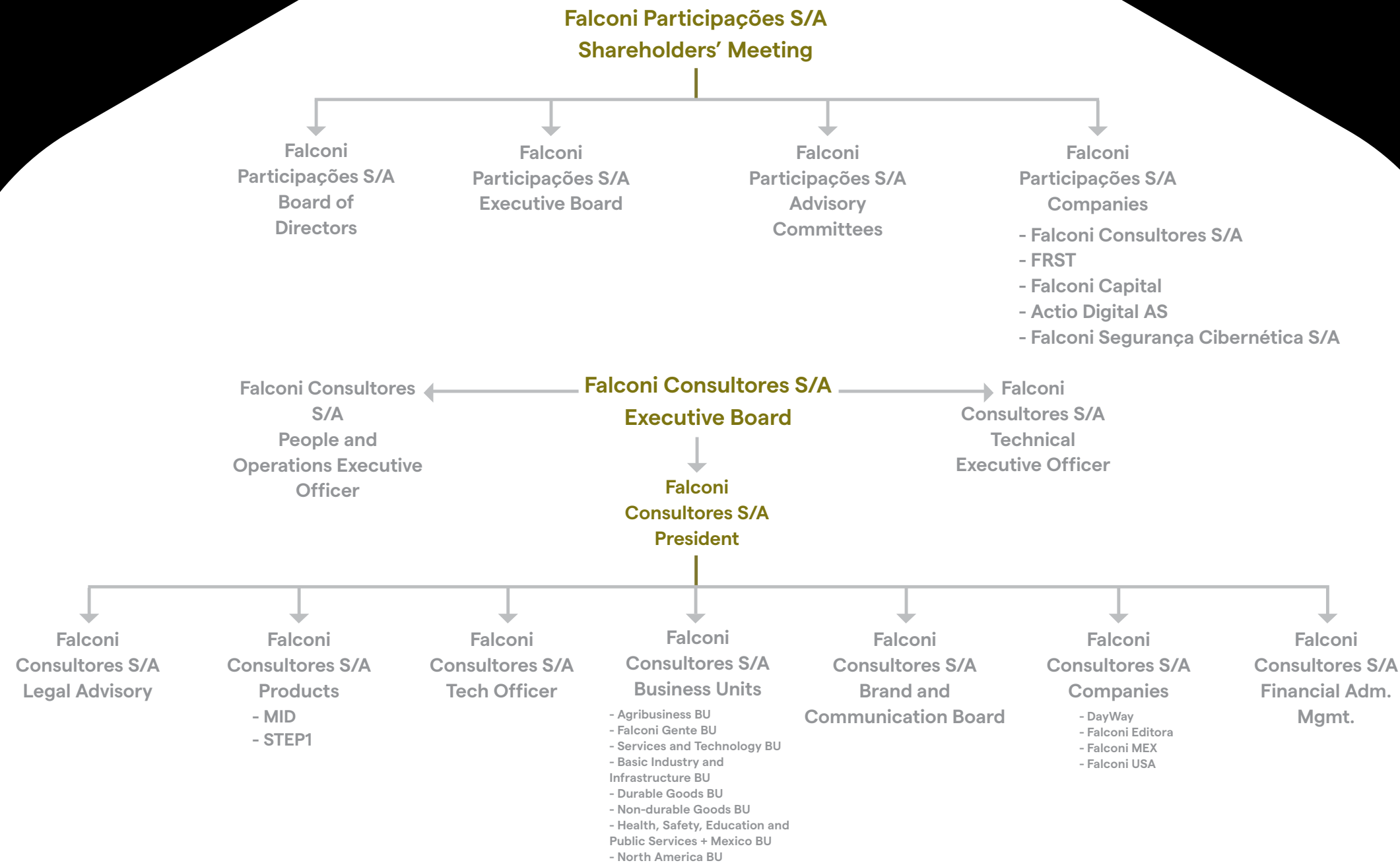
The **Shareholders’ Agreement** for the partnership establishes guidelines for the succession and renewal of the partnership, including the obligation to sell shares to new prospective partners before reaching the age of 60, as well as the clauses of “non-kinship” between partners.

The Agreement also contains key points for Falconi’s governance. These include reinforcing the rights and duties of company members (with their roles and responsibilities clearly defined) a strict separation between ownership and business, provisions for mitigating conflicts of interest and resolving conflicts, and the debarment of members who engage in unethical conduct.

The **Governance and Management structure** is aimed at ensuring compliance with the Shareholders’ Agreement. It is governed by a **Statute** that articulates the rules of this commitment in a consistent way.



Falconi Group Governance Structure



The **Shareholders' Meeting** is Falconi's highest decision-making entity and is the forum that gathers all partners to vote on relevant issues for the business, from legal matters, decisions on targets, strategies and profit distribution, to acceptance and removal of partners, traversing a wide variety of issues and any subject that is considered important to Falconi. All members have the right to speak, to vote and to value the harmony of decisions, instead of representativeness.

The **Board of Directors** is the guardian and promoter of the dissemination and practice of our principles, purpose, vision, values and the Code of Conduct. The Board is prohibited from participating in management. The members are elected by the shareholders at the General Meeting for two-year terms, invited to take part due to their vast market experience and skills that pertain to the company's strategy. The Board is advised by the following Committees: **People, Careers & Succession Committee; Finance Committee; Risk & Corporate Governance Committee; Technology and Development Committee.**

The Board and Committees hold bimonthly meetings, in addition to extraordinary whenever necessary.

Relevant topics on the organization's strategy are addressed at these meetings, including economic, social, environmental and governance issues. Indicators and goals are presented at these times by the responsible areas. The Board makes decisions on the concerns brought to its attention and determines recommendations for issues that fall within the scope of the Shareholders' Meeting and the measures to be taken by the Board of Directors when the issues are within its jurisdiction.

Expert guests are also invited by the Board of Directors to address economic, social and environmental topics. In 2021, a partner was hired to prepare the organization's ESG project. Its entire development was brought to the attention of the Board, as well as all partners and employees, through workshops and in-house publicity.

Board of Directors

6 members, composed as follows:

- * 1 woman
- * 5 independents
- * 6 professionals with vast market experience.

BOARD OF DIRECTORS	
Term of Office:	April/21 to April/23
Prof. Vicente Falconi	Founding Partner
Márcio Fróes	Chairman of the Board
Guilherme Stocco	Adviser
Mônica Grespan	Adviser
Nívio Ziviani	Adviser
Silvio Morais	Adviser

ADVISORY COMMITTEES	
Finance, Risk and Governance Committee	
Viviane Martins	Adviser
Silvio Morais	Adviser
Lúcia Casasanta	Adviser
People, Careers & Succession Committee	
Prof. Vicente Falconi	Adviser
Márcio Fróes	Adviser
Mônica Grespan	Adviser
Neuza Chaves	Adviser
Technology and Development Committee	
Pedro Donati	Adviser
Nívio Ziviani	Adviser
Guilherme Stocco	Adviser
Flávio Boan	Adviser
Breno Barros	Adviser

The **Executive Board**, elected by the Board of Directors, is tasked with planning and executing the primary guidelines related to the day-to-day

management, especially in the economic, social, governance and operational topics.

COMPANY CEOs	
Viviane Martins	Falconi Consultores S/A
Juliana Scarpa	FRST
Alvaro Guzella	Falconi Capital / Falconi Segurança Cibernética (Cyber Security)
Guilherme Barbassa	Actio Digital AS
EXECUTIVE BOARD	
Viviane Martins	CEO of Falconi Consultores S/A
Daniel Spolaor	People and Operations Executive Officer
Flávio Boan	Technical Executive Officer

All levels operate in harmony and balance, with respect to each other’s rules and policies, competencies, duties and guidelines.

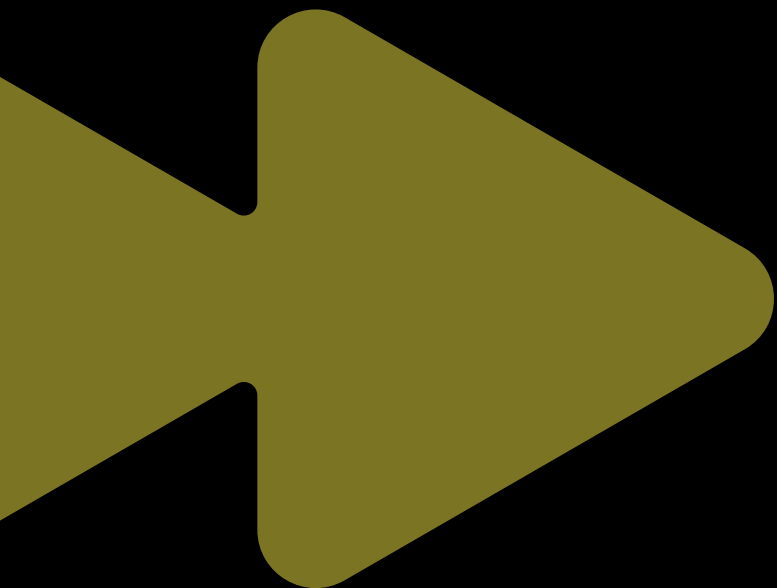
There was no significant change in the organization’s share capital in 2021. Similarly, there were no changes in operations and facilities. Our supply chain and relationship with suppliers also did not present significant alterations in the period.



02.

Our ESG Agenda

GRI 102-16



We believe that every organization has a social responsibility – from generating jobs, income and investments, to improving the environment, the region and, consequently, the entire country. This social responsibility includes organizations of any size, market or industry.

At Falconi, our social role is to help each organization fulfill its own duty, achieve its mission, and realize its vision, improving the

business, structures, processes and strategies, bringing sustainable development into the business model.

But to help organizations accomplish all of this, we need to look at our own business. And we need to surround all our strategies and decision-making with the precepts of sustainable development.

Sustainability Management/ ESG&P

GRI 102-12 | 102-13 | 102-16 | 102-21 | 102-29 | 102-46 | 102-51

In order to have sustainable development at the base of our business, we need to go beyond the basics and target all pillars of impact: environmental, social and governance. We need to recall the history up to this point, the teachings of Professor Falconi, and reach our own particular look at ESG, adding a fourth and crucial pillar: **Prosperity**. In this document, we will not simply stick to the three basic letters that deal with sustainability today, but rather expand our concept to **ESG&P**.

Prosperity is reached through results and the generation of value for organizations. But not just any value. A sustainable value that has awareness and responsibility for our performance, with a single

purpose: to promote a positive impact on society.

In both working with our clients and in pro-bono initiatives, we have strengthened our belief that the promotion of management is the way to transform society. Once we transform management so that it is responsible and sustainable, there is no turning back. And it all starts with us.

This is stamped in our history through significant experiences, such as our participation in the resolution of the energy crisis that Brazil confronted in 2001 – one of the greatest deployments of goals in the world, causing a mobilization in all sectors and in the entire population. It was also seen in



our work with the Brazil Network of the UN Global Compact, which expanded our awareness of the Brazilian reality in the face of the SDGs.

Education

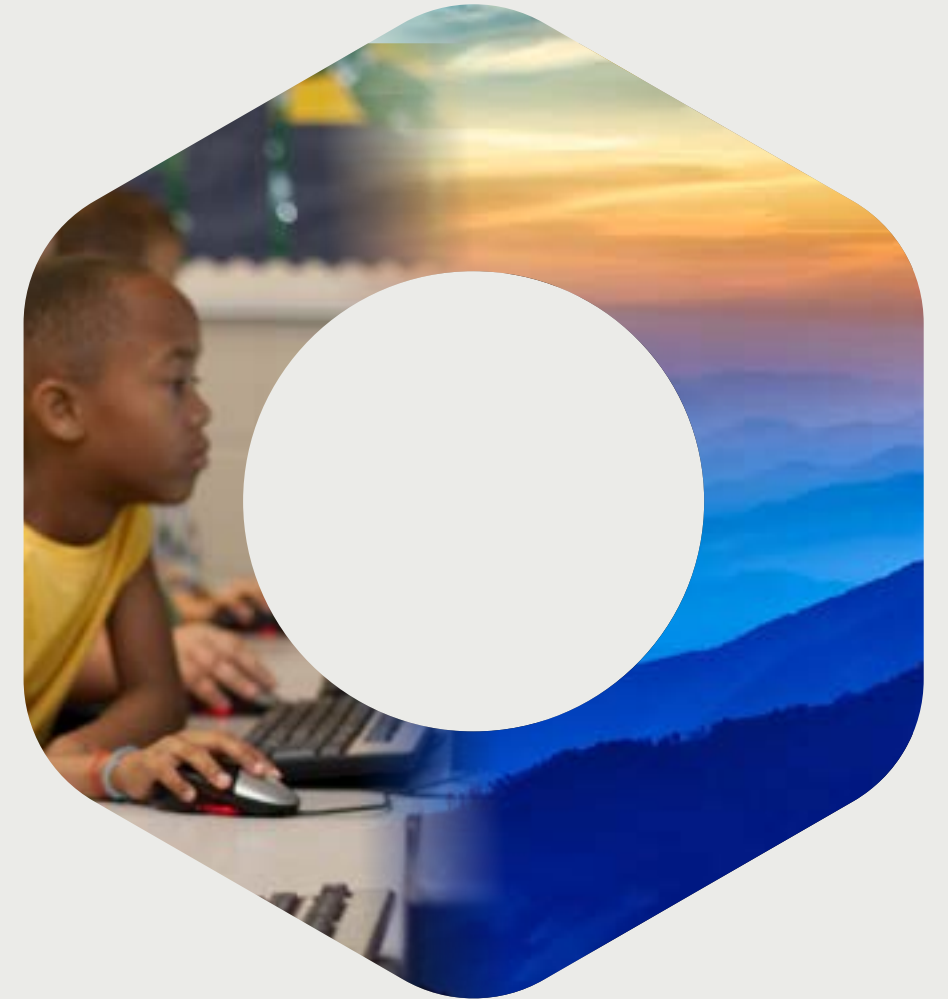
Some relevant themes in the sustainability agenda have been under our gaze for many years, even before work was started around the Global Compact and the UN 2030 Agenda. **Education** is one of them, which relies on our strong performance since the early 2000s in solutions directed towards managing public education, with high social impact in fundamental vectors to develop this theme. We believe that this is a highly relevant structuring pillar for the development of our society.

By believing as much as we do in the power of education – a belief that is rooted in our DNA, we prioritize **SDG 4 – Quality Education** as one of the focuses of our action for sustainable development. We support initiatives that contribute to the effective improvement of our country's education system. **We want to help make that change happen, to turn the tide of Brazilian education.**

More information about our work and our projects in education are in Chapter 3.3 – Looking at Everyone.

In 2020, with thousands of lives lost and growing social inequality due to the Covid-19 pandemic, all this work for sustainability that we began to put in place gained an even greater sense of urgency and relevance. So that we launched the **Sustainable Development Program**, which structures and systematizes our pro-bono work (which broke a record during the pandemic) and all institutional initiatives that have a direct impact in the fields of education and health, in addition to other volunteer actions focused on the development of micro and small companies.

We believe that everyone can do a bit and that the sum of each part will bring about a major change.



Falconi Sustainable Development

GRI 102-12 | 102-13 | 102-15 | 102-16 | 102-21 | 102-29 | 102-40

Falconi's **Sustainable Development** Program is our commitment to the social well-being of all our stakeholders. The UN 2030 Agenda, with its 17 Sustainable Development Goals (SDGs), is the guideline for the initiatives, projects and investments. And they all need to follow clearly aligned guidelines:

* Investments must have clear benefits for not only society, but also for Falconi;

* Initiatives should have a positive impact on the workforce, brand image, strategic partnerships, innovation capacity and society.

Scope of work

Falconi Community: initiatives that began in 2020 and gained prominence due to the urgency and relevance of the demands that emerged with

the Covid-19 pandemic. Focused on minimizing the impacts of the health and economic crisis on society, the projects were deployed in the areas of health, logistics and coordination of stakeholders and initiatives (donations, volunteers, etc.), security of municipal elections, entrepreneurship, and others.

Incentive Projects: Falconi contributes to the development of projects in the areas of education, culture, sports and leisure through incentive and tax exemption laws. Throughout 2021, we supported eight projects, using ISS (Service Tax) and IRPJ resources (Corporate Income Tax).

More information about the Falconi Community and the incentivized projects can be seen in Chapter 3.3 – Looking at Everyone.

Work on the 2030 Agenda/SDG Prioritization: As signatories to the UN Global Compact since 2019,

we have promoted the 17 SDGs of the 2030 Agenda, prioritizing four of them: Quality Education; Gender Equality; Decent Work & Economic Growth and Reduced Inequalities.





Commitments and Global Compacts

GRI 102-12 | 102-13 | 102-15 | 102-29

Global Compact

Falconi's partnership with the Brazil Network of the **UN Global Compact**, kicked off in 2019 when we accepted the challenge of building a strategic plan to strengthen its operations and, consequently, effectively contribute to achieving the SDGs through the business sector. The **2030 Strategy** was conceived, with a number of courses of action linked to the insertion of the SDGs in the strategies of the companies and in deploying these areas into goals.

The importance of this partnership and this commitment for us was heightened by the invitation that our CEO, Viviane Martins, received from the Brazil Network of the Global Compact to be a **Leadership of Impact, representative of SDG 8 – Decent Work & Economic Growth**.

It is with great responsibility that we undertake this commitment to support the **ten principles** governing the **human rights, labor, environment and anti-corruption agenda**. From our strategy to day-to-day operations, we are increasingly committed to putting the concepts and values of each principle into practice, in addition to engaging in cooperative projects that promote sustainable development goals.

2030 Agenda – Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by UN members in 2015, gives a roadmap to peace and prosperity for people and the planet for today and well into the future. At the center are the Sustainable Development Goals (SDGs), an urgent call for all countries to take action in a global partnership.

We would like to align our strategy with the concepts of Sustainable Development and ESG&P (Environmental, Social, Governance & Prosperity) in order to achieve our mission of positively impacting society and contributing to the transformation of the Brazilian environment. We also obtain a complete view of how we can work on each of the 17 Goals and contribute to achieving the goals proposed by the 2030 Agenda – Brazilian and global goals. We are also working with the Brazil Network to promote discussions on how private organizations can engage in achieving the established goals.

Our ability to take direct or indirect action on nearly all the SDGs comes from understanding the breadth of our business – which interacts with organizations of different natures, sectors and markets – and our mission of promoting a positive impact.





Falconi Theory of Change

At the first Theory of Change exercise held here at Falconi, we saw that our direct action leads to results aimed at the development of human capital – both for our employees and the people we interact with in the projects and implementations done with customers. We transfer knowledge, and this helps us develop skills that are essential for managing organizations.

When working with various types of organizations, we also support the generation of results from these customers. Our business model, organized into separate units, is capable of working with multiple segments of the industry and generating results and indirect impacts on a variety of themes, including health

and well-being, energy, water and sanitation, forests, etc. Through our projects, we help organizations improve their results and impact virtually all of the UN 2030 Agenda's Sustainable Development Goals.

By applying the Theory of Change in our reality, we are looking to explain how results were achieved for society as a whole, either through our own work or, even more importantly, through interaction with our customers. This relationship is rather important for us, as it reveals that our work with customers solves problems, generates results, provides positive impacts, promotes change and offers sustainable development.

Identification of Impacts from our direct and indirect activities

DIRECT BUSINESS PERFORMANCE

Human Capital Development



Data Privacy & Security



Governance



Carbon Footprint



INDIRECT BUSINESS PERFORMANCE

NORTH AMERICA	HEALTHY, SAFETY, EDUCATION AND PUBLIC SERVICES	SERVICES AND TECHNOLOGY	DURABLE GOODS	NON-DURABLE GOODS	BASIC INDUSTRY AND INFRASTRUCTURE	PEOPLE	TECH	MID	STEP 1

SOCIAL ACTION

We are committed to contributing to the transformation of the Brazilian reality, considering the 17 UN SDGs. We have prioritized four of them:

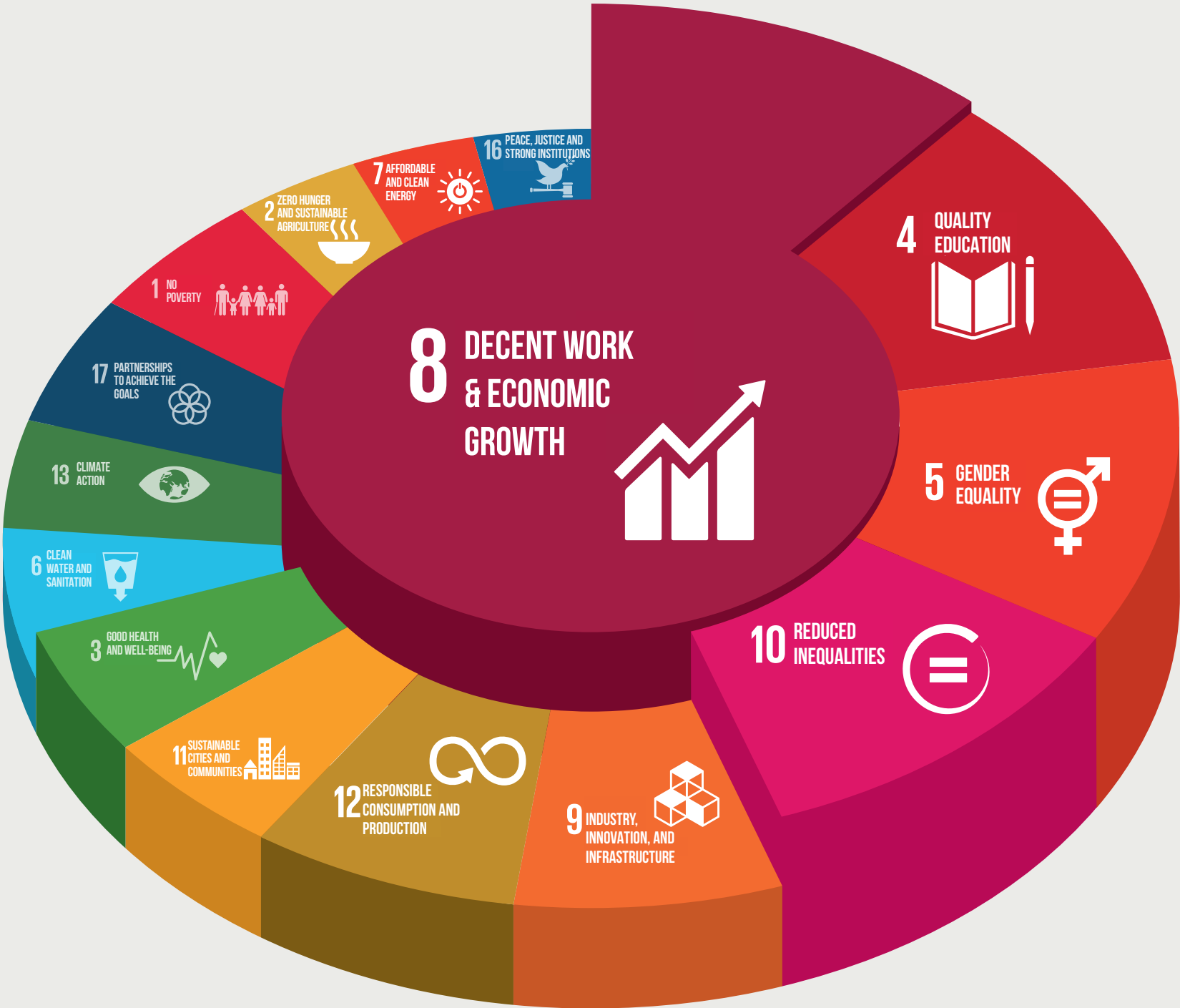


Prioritization of SDGs for Falconi's ESG Strategy

To make our activities even more effective, we set up an agenda that could review the prioritization of SDGs for our organization to bring focus and provide guidance to our efforts in the face of the numerous possible – and necessary – projects to work towards achieving the changes that the world needs.

The following aspects were considered to help the process of prioritizing the SDGs:

- 1. The impacts generated in the SDGs by our business model;
- 2. Our Strategic Planning and its relationship with the SDGs;
- 3. The perspective of action according to our materiality.



Understanding that all 17 SDGs have their importance, but that some will have more adherences to our business, we have organized the Objectives into four levels of relevance to our organization:

1st level: Intrinsic adherence to the business



Decent Work & Economic Growth

This is the SDG with the highest affinity to the mission of our business as well as our business model. Believing in this, we reaffirm our commitment to seek progress in reaching the goals, being leaders of the impact of this SDG in the Brazil Network of the Global Compact.

2nd level: Complementary adherence to the business



Quality Education



Gender Equality



Reduced Inequalities

These three SDGs are relevant to our organization both by Falconi’s business history and institutional positioning seen in our materiality and strategic planning. **Education** is one of the strong traits in our DNA. We were born within an educational institution, adhering to the ideas of a professor who wanted to spread knowledge as a way to modify the educational situation in Brazil. And we stand firm in the purpose of improving the quality of the country’s education.

As for the **reduction of inequalities**, we believe that it is part of our social duty to play a role in advancing the economic growth of organizations and the country in order to distribute wealth and generate opportunities for everyone, both in our work with customers and in pro-bono projects that benefit multiple social groups. It can also be found in our internal operations, with the strategic positioning of promoting diversity and inclusion among our employees. By promoting diversity and pursuing **gender equality**, we are attempting to expand the perspectives and strategic vision of our team. This is an important theme for us, to the point that we have established a goal (and signed a commitment) to have 30% of women in senior management positions by 2025.

3rd and 4th levels – All other SDGs (with the exception of SDG 14 – Life in Water – and SDG 15 – Life on Land), on which we can generate some impact and help make progress in achieving global sustainable development goals. For these Objectives, our work is more indirect and carried out mainly with our customers. We consider our history of sectorial performance when it comes to dealing with the SDGs between the two levels, with the 3rd level being the SDGs related to the most predominant sectors in our market and, at the 4th level, the SDGs linked to sectors in which we have had more specific actions.

ESG Strategic Direction

GRI 102-11 | 102-40 | 102-41 | 102-42 | 102-43 | 102-44 | 102-49 | 102-51

In 2021, we started building our **ESG Strategic Direction**.

The task included a series of internal workshops attended by employees from various levels (CEO, partners, officers, and consultants) and opportunities to listen to stakeholders.

Over the course of four workshops, held between the end of 2021 and the beginning of 2022, common constructs were made, such as **giving priority to the SDGs** most relevant to Falconi’s activities (described in the previous session of this report), defining **priority stakeholders** and material topics for the organization.

Priority stakeholders

Level 1	Clients / Employees
Level 2	Civil Society/ Alumni / Innovative Ecosystem
Level 3	Shareholders / Press
Level 4	Competitors / Government and Regulatory Agencies / Market

Stakeholder engagement

We develop various types of engagement actions with all our stakeholders, seeking a productive dialog and an exchange of knowledge and ideas about expectations, demands and needs. From sectorial meetings to communication actions and the use of our social networks as engagement channels, we don’t want to reach our stakeholders just by sharing our achievements. We also want to hear them tell us what is most relevant to our relationship and development: as an organization, as individuals, and as a society.

In 2021, we began publishing our Sustainability Report as a relevant channel of communication with our stakeholders. The first publication, **Falconi’s ESG Positioning Report**, used a more open reporting format. It not only illustrated the achievements of 2020, but also a historical review of all our actions on behalf of sustainable development.

It also cemented our commitments to society, customers and the market, to sustainability and the future. Starting in 2022, this report (the one you’re reading now) and future ones will feature an annual snapshot of ESG and sustainability achievements and initiatives to inform our stakeholders.

Interaction and engagement actions with external stakeholders

Our communication channels are spaces for interaction and engagement with all our stakeholders, using content sharing such as solutions, articles, events, opportunities and know-how. All media, including Instagram, LinkedIn, Podcast, Website, YouTube or Facebook, is used to engage, serve and present the Falconi way to all of society.

Falconi's Instagram	Content sharing channel presenting solutions, events, happenings, engagement and knowledge for any and all external audiences. In this channel, we give an inside look at Falconi and how it relates to all its stakeholders.
LinkedIn	A message-sharing channel intended for B2B, where Falconi communicates with companies and attempts to support them through all solutions. It is also where we provide news about job openings and relevant information about the company, such as leadership articles, materials and reports in which we are mentioned in the media.
Podcast Falconi	Initially called "Perguntas que nos movem" (Questions that drive us) the Falconi podcast assembles specialists who have somehow transformed the way they confront and consider challenges in the market. Each episode includes a dialogue to help construct knowledge and to look for answers about leadership, the future, value generation, digital business, data, innovation, ESG, and other topics. It is currently hosted by Bernardo Miranda, Partner and Head of Falconi North America.
Falconi's Website	On our website, people and companies can learn about our institutional message. It is where we share our position, cases on our experience, solutions we offer, open job positions, and other subjects like compliance and diversity. We also share knowledge, through articles, courses and books published by our publishing arm (Falconi Editora), etc.
Youtube	A video channel containing Falconi's campaigns and solutions, as well as sharing something we call "Histórias Inspiradoras"(Inspiring Stories) – a web series that recounts stories of various employees and their relationship with employer brand storylines.
Facebook	A space to share information on campaigns and news about the availability of Internships and Trainee registrations for Falconi's semiannual program.

There are also interaction and engagement actions with internal stakeholders

The internal channels are Falconi’s spaces for publishing updates and news about events, projects, stories, opportunities, and other subjects. Communications are carried out through Teams, internal Instagram and the weekly newsletter, which compiles the information into a 360o view of key events.

Falconi 360°	Weekly newsletter distributed to the entire team. News about Falconi, news on the market, projects, topics on diversity & Inclusion, benefits, and various others.
Team Space	Monthly agenda with the entire team to promote initiatives and topics that impact the entire organization. It includes interactions between leadership and employees.
Leader Space	Bimonthly event for Falconi leaders (Corporate, Tech and Consulting) that presents leadership-oriented themes that impact the organization or its teams.
Internal Instagram	Channel for sharing news from the organization and teams. Calendar of internal events, sharing inspiring stories (a series that tells the story of some employees relating each to employer brand storyline), creating engagement and collaborative content.

For material topics, we have specific engagement actions with our in-house audience, including awareness campaigns on dates such as Yellow September, Pink October, Blue November, and others, plus tips and instructions on the team’s well-being and health, one of our material topics.

The stakeholders engagement actions created to bring more visibility to some material topic will be described in the next chapters of this report.

Definition of Materiality

GRI 102-46 | 102-47

The process of defining material topics for Falconi began with a sectorial benchmark study conducted by the consulting firm retained to help us construct our strategic direction in ESG. The study revealed some of the more relevant and most addressed topics in our sector, both in Brazil and abroad.

The topics were brought to the attention of Falconi’s internal stakeholders (CEO, officers, partners and employees) at workshops, where they were assessed and prioritized according to their relevance from this group’s point of view.

The list created of relevant topics was then submitted for analysis by our priority stakeholder groups in qualitative studies (interviews with employees, former employees/alumni, customers and members of our ecosystem) and quantitative studies (online survey with employees, partners/shareholders, business partners, innovative ecosystem, suppliers, press, alumni, customers, civil society organizations).

Based on this work, the topics that will be strategically addressed by Falconi in the next two years were defined, with the dedication of teams and the development of relevant projects, which can have a positive impact on all of our stakeholders involved in each of these issues.

Falconi Material Topics

- 1. People Development & Knowledge Generation
- 2. Ethics, Integrity and Compliance
- 3. Well-being & Mental Health
- 4. Inclusion, Diversity and Equity of Opportunities
- 5. ESG&P (Environmental, Social, Governance and Prosperity) Customer Impact
- 6. Data Protection & Information Security
- 7. Commitment to Communities for Reducing Social Inequality
- 8. Climate Changes

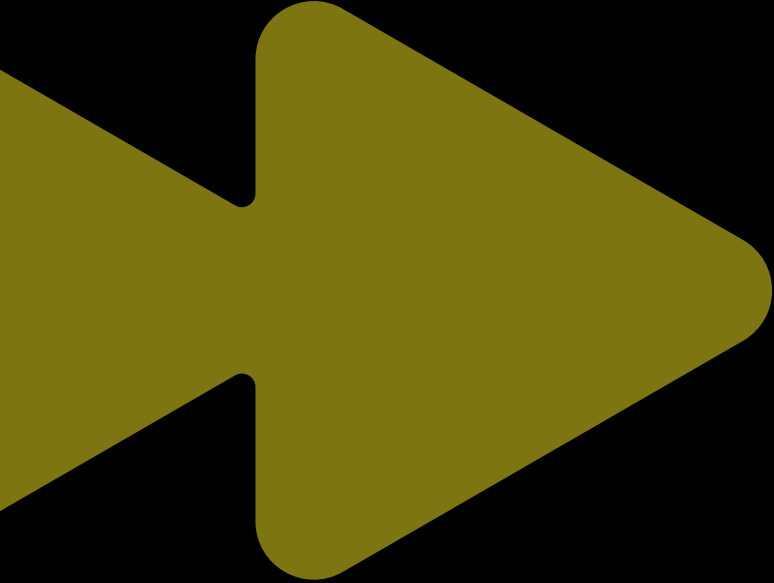
The consolidation of **Falconi’s Strategic Materiality**, with the construction of a materiality map and the definition of how each theme will be handled, will take place in the first half of 2022, and will then be incorporated into the organization’s strategic planning.

In the next chapter, we will show our look at each of these material topics: how they are being addressed – in projects, data, results and perspectives – in our internal management, in “Looking Inwards”; in the work developed with customers, in “Looking Outwards”; and in our action on behalf of society, in “Looking at Everyone”.

03.

Our vision

GRI 102-46 | 102-47 | 102-50



Material topics
under our vision:
relevance, performance,
governance, policies, projects,
results, perspectives.

How

do we see our performance in each of our spheres and in each of the material topics?

By pursuing what is most relevant to us inside our own home, we are able to see that the way we treat our people, the way we develop our knowledge, the way we preserve our integrity and how we protect our data really matters. It makes all the difference.

Looking inwards, we see:

- Inclusion, diversity and equity of opportunities;
- People development and knowledge generation;
- Well-being and mental health;
- Ethics, integrity and compliance;
- Data protection and information security.

By shifting the perspective of the look, stepping out of our realm and looking outwards toward relationships with our customers and partners, with different sized organizations from various sectors, we realize that, with everyone together contributing with their knowledge and their work in the world, as well as their purpose and their will to make a positive impact, we can do a lot more for the world, for society, for the preservation of our planet and our future. **Looking outwards**, we see:

- ESG&P impact on customers;
- Climate changes.

What if we widen our vision by including all of society and looking for solutions to the issues that we have to overcome so sustainable development can occur for everyone, guaranteeing not only our future, but also our present? By **looking at everyone**, we understand:

- Our commitment to communities for reducing social inequality.

Here we will present the initiatives developed in recent years, especially those from 2021, which reflect Falconi's priorities, addressing the most relevant topics for us and for all our stakeholders.

3.1 Looking Inwards

As we **look inwards** at, our own home, we find people who build our organization every day – and we are concerned with supporting **inclusion, diversity and opportunities** for them. We understand that the **development of people and the generation of knowledge** are essential for our evolution, just as **health and well-being** must also be prioritized in any path we wish to take. Being aware that

the foundation of everything has been laid out since the beginning, we have always worked with **ethics, integrity and compliance**. Finally, we look at all the people and organizations we deal with and conclude that **protecting their data and information security** is critical to building a relationship of trust and prosperity for everyone.

Inclusion, Diversity and Equity of Opportunities

GRI 102-8 | 102-41 | 103-401 | 103-405 | 103-406 | 401-1 | 401-3 | 405-1 | 405-2 | 406-1

SASB SV-PS-330a.1 | SV-PS-330a.2 | SV-PS-330a.3 | SV-PS-000.A | SV-PS-000.B

Talent
+ experiences
+ diverse thinking
+ open mind
= exceptional results

To build a better society – with more respect, tolerance and empathy – we started in our own home. We make a commitment to our employees to bring diversity, inclusion and opportunities to everyone. We have made respect and acceptance of the uniqueness of our employees and partners a non-negotiable principle.

In addition to the human aspect, we have a goal in diversity. Diversity **inspires creativity, benefits performance, brings together minds that think differently and broadens the spectrum of solutions and results.** Not only results in business, but in the whole society. Together we are stronger.

Our objectives in diversity and inclusion



Being open
to dialogue
and different
perspectives



Have an impact
on society
through our
actions



Seeking to
propagate new
knowledge about
Diversity and
Inclusion



Questioning the
Status Quo and
inappropriate
conduct



Practicing
empathy and
respect for
others without
distinction

The assumptions and concepts that guide us through this theme were structured in a **Diversity & Inclusion Program**. This was captained by our president and sponsor, Viviane Martins, and managed by the Diversity & Inclusion Committee (D&I). The strategic initiative responds directly to our commitment to SDG 10 – Reduced Inequalities and SDG 5 – Gender Equality.

Falconi rejects any type of discrimination on the basis of color, race, religion, political ideology, gender, sexual orientation, age, physical, social, professional conditions or any other reasons.



Led by the D&I Committee, our team works together to promote an increasingly diverse and inclusive environment. This is why we created five **Affinity**

Groups, whose mission is to shift attitudes in the organization through **education and visibility**.



Each group carries out activities according to its theme. In addition, an institutional action plan was developed to implement changes in processes,

policies and in the awareness and training of the team. The initiatives are organized in structuring actions and education and visibility activities.

Initiatives that structure and strengthen our Diversity & Inclusion program include:

FALCONI CENSUS AND PERCEPTION SURVEY:
those who don't measure don't manage! Understanding our diversity helps us define our priorities;

D&I GOALS:
for all prioritized themes, at different levels, with ramifications on internal processes;

INCLUSIVE LEADERSHIP AGENDA:
a forum that is part of the executive meetings for each business unit to discuss the topic and define new actions;

ATTRACTION, RECRUITMENT AND HIRING WITH A FOCUS ON D&I:
programs, goals and processes designed to attract talent and diversity to the Falconi team;

PARENTING BENEFITS:
it's important to ensure that our employees have security and peace of mind as to their families;

COMPLIANCE PROGRAM:
adaptation of terms to promote an inclusive environment and respect for all aspects of diversity;

EDUCATION AND ENGAGEMENT:
the D&I agenda requires visibility and understanding to achieve true employee engagement.



Some of these initiatives will be described in more detail on the upcoming pages.



2021 Falconi Census

We know very well that– this is part of our job – “those who don’t measure don’t manage”. That is, to manage well, we need to measure and understand

contexts. This is why we have been collecting information about the diversity of our team since 2018 by conducting the **Falconi Census**.

HOW DIVERSITY MAKES UP FALCONI’S HIERARCHICAL LEVELS

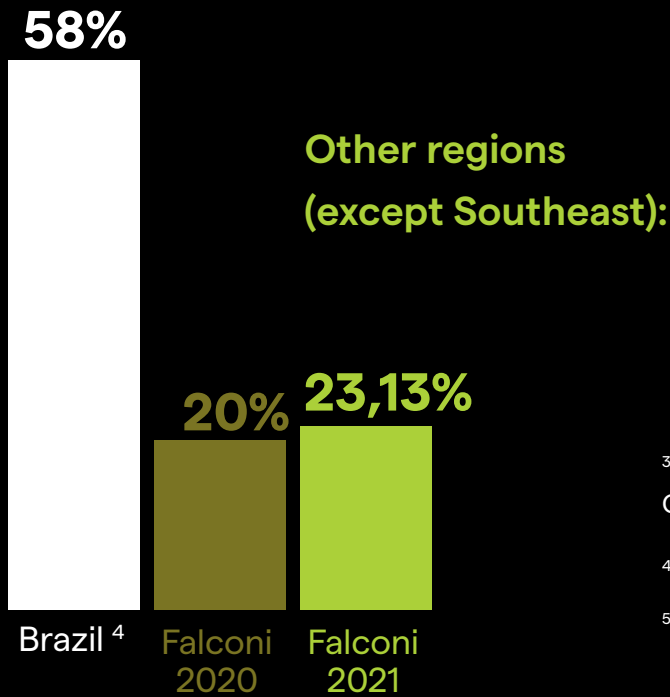
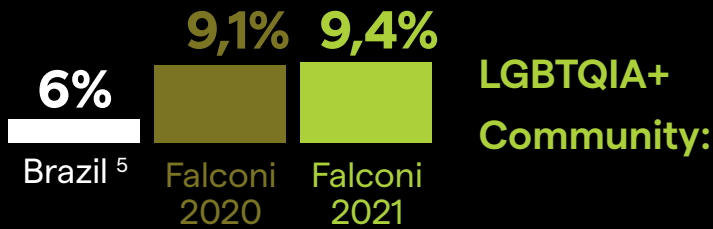
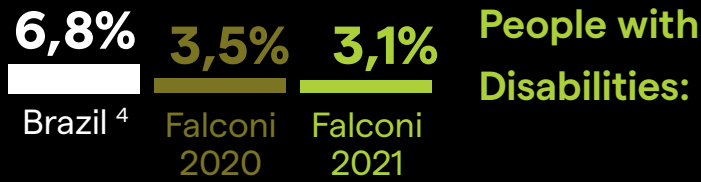
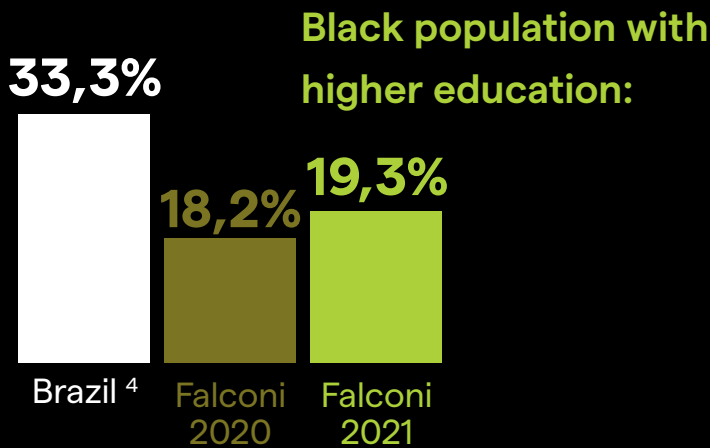
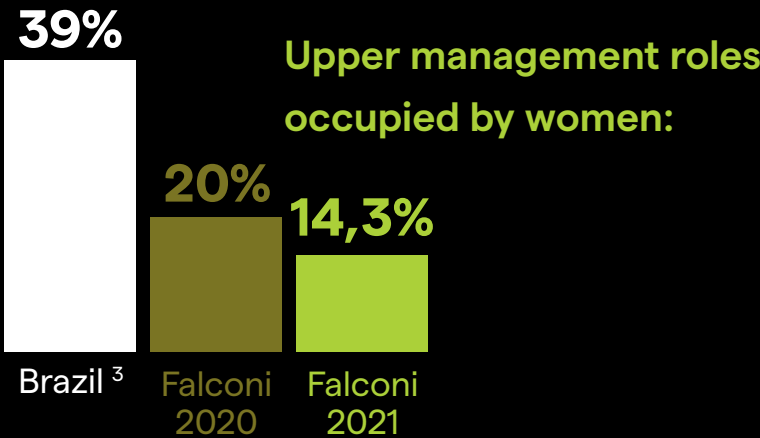
Group	Women (cis and trans)	Sexual orientation LGBTQIA+	Color/Race Black and brown people	PwD	Other regions (except Southeast)	Training in various courses
Upper management	14,3%	3,6%	17,9%	7,1%	25%	32,1%
Management	31,1%	3,7%	11,1%	2,2%	23,7%	16,3%
Coordinator / specialist	47,8%	7,5%	14,2%	0	32,8%	23,9%
Analyst and assistant	50,5%	12,9%	21,9%	4,8%	20,1%	34,5%
Intern and apprentice	35%	10%	42,5%	0	12,5%	67,5%
TOTAL	43,6%	9,4%	19,3%	3,1%	23,1%	30,6%

The data obtained by the Falconi Census allow us to evaluate the organization as a whole and in specific areas, to see the advancements as well

as the opportunities for improvements, to help in decision-making and in establishing metrics and actions for the next steps.

Representativeness: the diversity figures in Brazil and Falconi

The percentages revealed by the 2020 and 2021 censuses of diversity in Falconi, compared to the Brazilian population.



³ Study conducted by Grant Thornton, 2021

⁴ IBGE

⁵ Outnow Report, 2017

Perception Survey

In addition to the census, we also conduct an annual perception survey with our team. We apply the results into assessing employees' knowledge of the D&I Program, measuring progress, identifying challenges and relating the perceptions of various diversity groups.

Conducted in November 2021, the survey obtained 630 responses, which represents 80% of our internal team (consultants, corporate employees and business partners). We saw positive results in the team's perception on the progress and impact of the work in D&I:

Progress in performance: increases the perception that we have more and more **policies and initiatives** that promote diversity.

The **impact of D&I on decision-making and employee behavior** rose by 13%.

Compliance: boosted the team's familiarity with the Compliance Program and the Falconi Code of Conduct. However, 62% are still not familiar with the **Reporting Channel** and 23% do not feel comfortable using it.

Aspirations: various people still perceive **opportunities** in different ways. The biggest differences are in reaching the position of partner for women, LGBTQIA+, PwD and various Courses.

Goals, indicators and results in D&I

The diversity, equity and inclusion agenda is contained in our strategic and operational planning, with goals and indicators related to constructing representation for minority groups within Falconi.



“Equity is a Priority: Gender” Program

With the “Equity is a Priority: Gender” program from the Brazil Network of Global Compact, we have a formal and public commitment undertaken before society. The Program sets the rather bold goal of having **30% of women in leadership position by 2025**. The target for 2021 was 14%, and we reached 14,3%

Goal escalation up to 2025:

2022 - 18,4%

2023 - 22%

2024 - 25,6%

2025 - 30%

The subject is also covered in our Careers Committee, which establishes the implications of these goals for all levels of the organization. We know that, structurally, a greater representation of women throughout the organization helps in the preparation and generation of opportunities for the career advancement of professionals.

We also established specific goals for other prioritized aspects of D&I, such as representation of **black people**, people from **different academic backgrounds**, **trans people**, **people with disabilities**, among others.



Attraction, Recruitment and Hiring with a focus on D&I

At Falconi, what matters most is having good people and, as such, good professionals on our team – regardless of gender, color, educational institution, age, native region. We look for people who can contribute to the Falconi we are building from a variety of perspectives.

In order to attract the top talented people– keeping in mind that the more diverse the team, the higher the potential for harnessing these talents – we have developed programs and selection processes like:

- **Falconi Diversa:** an umbrella program to attract various types of people. The first edition focused on the hiring of black youth for internships;

- **Young Falconi Program:** all stages of the selection process for the internship and trainee program were reviewed in order to mitigate unconscious selection biases.

Recruitment and Selection Targets were established in order to seek diversity of gender, race and training in the team.



Parental Benefits

The inclusion and adaptation of professional mothers (mainly) and fathers is also an important agenda for Falconi. Therefore, the benefits offered to parenthood should be differentiated, helping to provide a little levity and security to the burden at this stage of life:

- six-month leave for mothers and 20 days for fathers;
- working from the base (no travel) for one year after returning from leave for mothers;
- daycare assistance and guarantee of a benefit up to 11 years for children with disabilities;
- Profit-sharing guaranteed without deducting leave days;
- Mother-mentor program: volunteer mothers support new mothers in returning to work and facing the challenges brought on by this new stage in life;
- Coaching for Mothers: preparation program for mothers' returning to work after maternity leave with professional coaching support.

Education and Engagement

We understand that, in addition to changing policies, processes and creating initiatives that drive our D&I program, the employee training – targeting an understanding and actual engagement in this agenda – is crucial. It is also important to unveil the cultural challenges we face every day, understand the reality and difficulties that people from minority groups confront and encourage the sharing of best practices. To provide this training to our employees, we created a number of educational and engagement actions:

- Training on Brazilian Sign Language offered to employees;
- Onboarding and training on Unconscious Biases and Diversity & Inclusion for all people: learning program to evoke empathy and change attitudes;
- Lectures, booklets, awareness materials for the entire team;
- Roundtable discussions on the various topics, including in-house and external guests, promoted by the affinity groups and the D&I Committee. They had a representative participation (around 100 people per meeting) of Falconi employees.

Governance in Diversity and Inclusion

Strong governance is vitally important to achieve the results we hope for, and to have all our Affinity Groups working together in harmony aligned with the guidelines of the D&I Committee. This is


what ensures that the subjects are always put in front of our leadership, that all parties involved are listened to and that it is dealt with across the entire organization.

Our Public Commitments

Since 2017, before we became a signatory to the UN Global Compact, we have clearly positioned ourselves on the topic and have signed on to relevant commitments, including the UN Women’s Empowerment Principles, participation in the LGBTQIA+ Business and Rights Forum and in the Business Network for Social Inclusion.

As signatories of the Global Compact, the commitments and goals from our Diversity & Inclusion Program contribute to SDGs 5 – Gender Equality, and 10 – Reduced Inequalities.



Reports of practices that violate Diversity, Equity and Inclusion can be made through our **Reporting Channel.** 

The work takes place in a network:

the **D&I Committee** allows a **systemic view of the Program**, defines guidelines and validates structural actions.



Each affinity group has focal points that lead the activities in conjunction with the **volunteers** (all employees involved in the Affinity Groups are volunteers)



that identify the **team’s needs** and support the execution of actions.



Falconi’s **support areas**, in turn, also suggest initiatives based on their responsibility and aligned with the committee’s guidelines.



they **carry out actions** and are involved according to demands.

Our actions to address this Material Topic relate to:

SDG	Global Compact
<div><div><div>5</div><div>GENDER EQUALITY</div><div></div></div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div><div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div><div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div></div></div></div>	<div><div></div><div>Human Rights</div><div></div><div>Work</div></div> <div><p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.</p><p>Principle 6: Eliminate discrimination in employment.</p></div>

“ We are **793** people working for Falconi⁶. And **115** business partners⁷. ”

TYPE OF CONTRACT

Under the Brazilian Consolidated Labor Laws [CLT] (sum)	(793)
CLT – Full-time	732
CLT – Part-time / Intern and apprentice	61
Independent Contractor (sum)	(115)
Consultants	98
Corporate	17

⁶ Under the CLT system.
⁷ Partnership for providing a service, like a Corporation.

All the following tables refer to employees under the CLT system.

COMPOSITION – POSITION X GENDER

Position/gender	Female		Male	
Fulltime (sum)	(334)	45,6%	(398)	54,4%
Upper management	7	16,6%	35	71,4%
Management	36	34,3%	69	65,7%
Coordinator / specialist	63	47%	71	53%
Analyst and assistant	228	50,6%	223	49,4%
Part-time	(23)	37,7%	(38)	62,3%
Intern and apprentice (sum)				
TOTAL	357	45%	436	55%

COMPOSITION – POSITION X AGE

Position/age	30 YEARS OLD OR LESS		31 TO 50 YEARS OLD		50 YEARS OLD OR MORE	
Fulltime (sum)	(420)	57,4%	(293)	40%	(19)	2,6%
Upper management	0	0	30	71,4%	12	28,6%
Management	2	1,9%	101	96,2%	2	1,9%
Coordinator / specialist	62	46,3%	70	52,2%	2	1,5%
Analyst and assistant	356	78,9%	92	20,4%	3	0,7%
Part-time						
intern and apprentice (sum)	(60)	98,4%	(1)	1,6%	0	0
TOTAL	480	60,5%	294	37,1%	19	2,4%

AVERAGE SALARY POSITION X GENDER

Position/gender	Female	Male	Ratio
Upper management	R\$ 37.009	R\$ 41.578	89%
Management	R\$ 27.022	R\$ 27.984	97%
Coordinator / specialist	R\$ 13.531	R\$ 13.212	102%
Analyst and assistant	R\$ 6.222	R\$ 7.154	85%
Intern and apprentice	R\$ 1.881	R\$ 2.223	85%
Overall mean	R\$ 9.933	R\$ 13.771	72%

Notes:

- * The lowest compensation (regardless of gender) is 1.5x higher than the minimum wage (relative to 2021).
- * The annual compensation of the organization’s highest paid individual is 11.8x higher than the total average annual compensation paid to all employees (excluding the highest paid individual).

COMPOSITION – POSITION X RACE⁸

Cargo/raça	ASIAN		WHITE		INDIGENOUS		NOT REPORTED		BROWN (MIXED-RACE)		BLACK	
Fulltime (sum)	(4)	0,5%	(540)	73,8%	(2)	0,3%	(6)	0,8%	(164)	22,4%	(16)	2,2%
Upper management	0	0	33	78,6%	0	0	6	14,3%	3	7,1%	0	0
Management	1	0,9%	85	81%	1	0,9%	0	0	18	17,1%	0	0
Coordinator / specialist	0	0	107	79,9%	1	0,7%	0	0	25	18,7%	1	0,7%
Analyst and assistant	3	0,7%	315	69,8%	0	0	0	0	118	26,2%	15	3,3%
Part-time												
Intern and apprentice (sum)	(0)	0	(35)	57,4%	0	0	(1)	1,6%	(15)	24,6%	(10)	16,4%
TOTAL	4	0,5%	575	72,5%	2	0,2%	7	0,9%	179	22,6%	26	3,3%

COMPOSITION – POSITION X STATE

Position/state	SP	MG	OTHERS
Fulltime (sum)	(342)	(242)	(148)
Upper management	17	19	6
Management	45	37	23
Coordinator / specialist	55	46	33
Analyst and assistant	225	140	86
Part-time			
Intern and apprentice (sum)	(20)	(33)	(8)
TOTAL	362	275	156

COLLECTIVE BARGAINING AGREEMENTS

Employees covered by agreement	
Consolidation of Labor Laws (CLT)	690 (87%)
CLT – Apprentice	3 (0,4%)
Employees not covered by agreement	
Statutory staffing	42 (5,3%)
Trainees	58 (7,3%)

⁸ Race self-declared by respondents.

Turnover Rate

Hiring X Layoffs 2021

The turnover rate over 2021 was 38.65%. There were 408 hires, of which 196 women and 212 men.

There were 204 layoffs, of which 88 women and 116 men.

HIRING BY AGE GROUP X GENDER X RACE

Age group/ gender/ race	ASIAN	WHITE	INDIGENOUS	NOT REPORTED	BROWN	BLACK	TOTAL
30 years old or younger (sum)	(3)	(232)	(1)	(1)	(59)	(25)	(321)
Female	2	106	1	-	29	16	154
Male	1	126	-	1	30	9	167
31 to 50 years old (sum)	(1)	(67)	-	(1)	(14)	-	(83)
Female	-	34	-	-	6	-	40
Male	1	33	-	1	8	-	43
51 years old or older (sum)	-	(1)	-	(3)	-	-	(4)
Female	-	-	-	2	-	-	2
Male	-	1	-	1	-	-	2
TOTAL	4	300	1	5	73	25	408

LAYOFFS BY AGE GROUP X GENDER X RACE

Age group/ gender/ race	ASIAN	WHITE	INDIGENOUS	NOT REPORTED	BROWN	BLACK	TOTAL
30 years old or younger (sum)	-	(77)	-	(1)	(47)	(1)	(126)
Female	-	34	-	1	22	-	57
Male	-	43	-	-	25	1	69
31 to 50 years old (sum)	-	(57)	-	-	(12)	(8)	(77)
Female	-	25	-	-	-	5	30
Male	-	32	-	-	12	3	47
51 years old or older (sum)	-	(1)	-	-	-	-	(1)
Female	-	1	-	-	-	-	1
Male	-	-	-	-	-	-	-
TOTAL	-	135	-	1	59	9	204

People Development and Knowledge Generation

GRI 102-33 | 102-35 | 102-36 | 102-37 | 102-38 | 102-39 | 103-401 | 103-404 | 202-1 | 401-2 | 401-3 | 404-1 | 404-2 | 404-3

At Falconi, we are constantly developing and always improving the application of one of our core values: **caring for people**.

Based on this value, our activities have been designed to place people at the center of our business model, as per the strategic plan approved in 2020. We have also defined this value as a **pillar of support for our culture** as a part of a broad and structured effort aimed at cultural evolution that we have been working on since the end of 2020.

In order for our employees to access their full potential, both as professionals and as people, constant **development** needs to be provided and encouraged in an attempt to **improve their skills**.

During their time at Falconi, employees have access

to many opportunities for growth and learning. The scope of training is built on the needs of our people and Falconi's business in which "hard", "tech" and "soft skills" are offered in the form of courses, tracks and training sessions.

Learning and Training Tracks

In 2021, we began building the learning experience based on three pillars: **leadership, technology and soft skills**. They balance the technical and human knowledge inherent in our guiding principles and values. Two new Learning Tracks have been incorporated to respond to these pillars: **Caring for People; Agile and Digital Transformation**.

As soon as the employee is hired by Falconi, they go through the onboarding process. This process

is more than integration training, it's a methodology run by experienced consultants at Falconi who are experts in a variety of topics to teach classes and courses. For example, the **Fit Cultural and Attitudes Falconi** session trainings are used so that newcomers to the organization are able to become familiar with our organizational culture and get to know our values better, understanding the importance of concepts such as ethics and integrity. The highlight of the process is the construction and presentation of a case based on a real business problem.

At **Falconi University**, we have Learning Tracks available to improve the knowledge of the company's solutions and to develop new skills. The topics covered are spread throughout various thematic learning modules:

- Young Falconi Program
- Leadership Track
- Management Track
- Technology Track
- Business Track
- Caring for People Track
- Agile and Digital Transformation Track

Between synchronous and asynchronous courses, over **100 hours** of content are available on our training and learning platforms.

Innovation Processes

In addition to training people, we also have a structured **innovation process**, where we work on improving our approaches, product development and solutions. This process is based on the application of analytics, technology and artificial intelligence.

All know-how is provided by seeking the best global practices and trends in order to anticipate current and future challenges. We understand that this construction goes beyond the walls of Falconi. This is why we have an ecosystem of partners and experts who work with us on the problems involved in constructing new knowledge.

Goal Model

Professor Falconi always says that to achieve new results, it is important to set goals. And to achieve those goals, develop new knowledge, working in the field of the unknown.

In the management of Falconi itself, we work with goals that reflect our challenges and our strategy. The goals of each level of the organization are defined according to the contribution to the results.

In this management process, each area develops its action plan to achieve its respective goals. The projects that have been deployed from strategic planning are managed by Falconi's Project Management Office (PMO). It is through the execution of projects that we are able to implement the required changes so that we can amend our level of results.

Since our consulting work is organized by projects, we need to continually assess the success of these projects (achievement of established goals) and the satisfaction of our customers.

We understand that **consulting projects are successful** when they produce expected deliverables,

results and benefits, develop the teams involved and promote the satisfaction of our customers and consultants. These themes are translated into indicators and goals for business units and leaders.

As such, it's clear that the success of the projects and the achievement of goals are highly strategic values for Falconi.

Compensation and Benefits

We believe that compensating our professionals fairly and offering them benefits provides peace of mind in their ability to take care of themselves and their families. These are factors that drive development – both for our employees and for the organization itself. This is one of the reasons why we strive for the best market practices and translate them into our context, bringing solutions to our team that we believe will benefit everyone.

Our compensation policy was devised using three formats:

- **Fixed Compensation:** Current policy for all positions, it is assessed twice a year.

- **Variable Compensation:** Short-Term incentive, based on individual annual goals and achieving the company’s net profit target.
- **Stock Compensation:** According to the distribution determined in the bylaws of the corporation.

For the highest governance positions at the organization, the compensation policy addresses some performance criteria that involve the ESG agenda, such as diversity goals and pro-bono projects.

Benefits

All employees are provided life insurance and health insurance as basic benefits.

Parental leave is a benefit for everyone with the exception of interns. In the reporting period (2021), 10 women and 7 men applied for parental leave. All employees who took a leave returned to work after the end of the furlough and remained employed for at least 12 months after their return.

Other benefits offered to our employees are:

- Gympass
- Psicologia Viva (psychology services)
- Food and meal allowance
- Transportation allowance
- Support for new parents (consulting for mothers)
- A time policy, which facilitates different ways of working – will be detailed below.

Communication with Employees

The engagement of employees with the policies and programs involves them knowing and understanding what is being proposed. Every two months a virtual meeting is held with all Falconi leaders and, in interspersed months, with the entire staff. In these meetings, known as **Leader Space** and **Team Space**, new policies, programs, achievements and results are presented transparently, with time for questions and discussion.

There are also daily, weekly and monthly communication channels through **Internal Communication and Newsletters**.

In addition to institutional communications, there is room for conversation, developments and details on initiatives and resolving issues in every area or business unit. As well as opportunities for employees to share their ideas and ask questions. We strongly believe in the role of leaders in building direct and transparent communication, thereby building a link of closeness and trust among everyone at Falconi.

Our actions to address this Material Topic relate to:

SDG

3

GOOD HEALTH AND WELL-BEING

4

QUALITY EDUCATION

8

DECENT WORK AND ECONOMIC GROWTH

10

REDUCED INEQUALITIES

16

PEACE, JUSTICE AND STRONG INSTITUTIONS

Global Compact

Human Rights

Work

Principle 1:
Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 6:
Eliminate discrimination in employment.

Well-being and Mental Health

GRI 102-33 | 103-401 | 103-403 | 401-2 | 401-3 | 403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-6 | 403-7 | 403-8 | 403-9

The excellence of our work is directly linked to the quality of our health, well-being and work environment. This applies wherever we are working – at Falconi offices, at home (remote work) or at our customers' premises.

Health Management

The issue of well-being and mental health is a priority at Falconi. This led to the creation of the **Health and Well-being area**, associated with the People and Operations Department, reporting directly to the CEO.

This area is supported by the committees responsible for the health and safety of employees, whose objective is to discuss and make decisions regarding support, prevention and health promotion. One of these was the **Covid-19 Monitoring Committee**, which monitors cases of the disease and vaccinations. The committees also report to the CEO.

Health and safety management is done in partnership with an independent company responsible for conducting risk measurements, verifying the needed exams (hiring, periodical and dismissal exams) for each position and preparing two key reports: the Environmental Risks (PPRA, in Portuguese) and the Occupational Health Medical Control Program (PCMSO, in Portuguese).

We also have a partner for the management of health benefits (health insurance, dental insurance, life insurance).

Occupational Safety

The **Code of Conduct** covers well-being and health, with a focus on the safety and physical integrity of employees and partners. In an office environment like Falconi, this means keeping an eye out for accidents and avoiding unsafe acts, such as

climbing on chairs, using stairs without handrails, and traveling in vehicles without the proper use of safety equipment (seat belts, helmets, etc.).

Because our environments are generally low risk to workers, there are no formal organizational processes or a specific policy besides the guidelines found in the Code of Conduct. But any employee who identifies a hazardous situation can report it to the department or HR. The occupational health and safety instructions put forth by our customers to work in their facilities, such as the use of PPE, demarcated routes, among other standards, requirements and recommendations, also need to be strictly observed.

We understand, however, that a work environment that prioritizes health and wellness pays attention to a lot more than just the safety and physical integrity of employees, partners and customers.

These are fundamental assumptions. But we go further, offering an environment that respects people's individual characteristics, tolerance for mistakes, careful use of assessment tools and feedback, always based on our beliefs and values. Taking care of this environment and the people who are in it (in person or virtually) is a daily commitment for everyone.

"Bem Viver" Health Program

Our Bem Viver Health Program reinforces the concept of "caring for people". It is being developed based on three pillars:

Support → offering information and tools for treatment when there is an illness;

Prevention → outlining strategies for anticipation and intervention in health care before becoming ill;

Promotion → actions for health maintenance, self-care, and quality of life on and off the job.

Our goal is to work in comprehensive health with both our employees and their families.

Communication on the subject of health and well-being ranges from specific issues about health benefits (done through email, with specific notes that

need to be addressed) to general issues of interest to employees on the subject of health (covered in the weekly news feature). When pertinent, some subjects are also tackled at the Leader and Team Spaces.

Mind in Focus Movement

Recent events in the world, like the Covid-19 pandemic and the adaptations that workplaces have had to make, introduced a number of issues in the health sphere. These challenges have demonstrated that the division between personal life, public life and professional life went through some major changes. The quality of people's health involves all these aspects, including the body, mind and collective health.

In light of this situation and considering what our own staff had gone through, we became signatories of the **Mind in Focus Movement**, part of the Brazil Network of the Global Compact. The movement is an invitation to Brazilian companies and organizations to recognize the importance of mental health in the workplace and to combat stigma and social prejudice around the theme for the benefit of their employees and society as a whole.

Project objectives:

- Raise the mental health agenda to the forefront of decisions and encourage discussions on the subject;
- Establish concrete actions and support for employees;
- Create a healthy work environment.

In 2021, we signed the Movement's letter of commitment and pledged to carry out the following measures:

- Having a support professional available for advice and assistance;
- Providing guidance and crisis management;
- Ensuring the permanent assessment of employees;
- Keeping managers engaged, including training to respond to the issue and guidance on the best conduct, given the fact that they are agents of transformation;
- Creating an anti-stigma program: promoting open debates and group interventions with issues that attempt to reduce the stigma related to psychological distress, including it as a permanent agenda at the organization;

- Promoting actions to incentivize mental health: campaigns and initiatives to encourage cultural, sports, nutrition, well-being, education, and others, based on identified demands.

In order to fulfill the goals established in our formal commitment to the movement and to go even further, we created a committee and, later, the aforementioned Bem Viver Health Program. We are also structuring an action plan to improve the mental health and well-being of employees, thereby reducing stress, burnout, depression, and others.

Time Policy

One of the key efforts from this endeavor was the creation of the **Time Policy**, which addresses working hours and time off, focusing on quality of life. The document regulates and explains the rules for flexible working, “Short Friday” and time off, covering all employees of Falconi, Falconi Capital and Falconi Editora.

According to the Policy, the working format may vary between:

- **full remote**: the work day can be fulfilled in any city in Brazil without needing to go to the offices/physical presence at the locations/clients;
- **hybrid**: the frequency of going to the office (or to the client, in the case of the consultant teams) is determined by management.

“**Short Friday**” is an initiative to allow our staff to decompress and take some time to relax. Applying to all work formats, it stipulates that, every Friday starting at 1pm, there are no working hours, including meetings and work involving customers and suppliers. This time can be used for development, training, sharing and exchanging practices, voluntary participation activities (e.g., diversity, webinar, innovation talks), or simply for rest and leisure, according to the employee’s wants and needs.

Time off is also provided for in the new policy. The “Breathe” furlough can be used to take courses, develop a personal project or even for a sabbatical. The “Have Some Time” leave is an option for professionals who want to dedicate themselves part time (half-day, with a proportional reduction in compensation).

Our actions to address this Material Topic relate to:

SDG



Global Compact



Human Rights

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

Ethics, Integrity and Compliance

GRI 102-12 | 102-16 | 102-17 | 102-25 | 102-27 | 102-33 | 103-205 | 103-307 | 103-410 | 103-412 | 103-419 | 205-1 | 205-2 | 205-3 | 307-1 | 410-1 | 412-1 | 412-2 | 412-3 | 419 -1

SASB SV-PS-510a.1 | SV-PS-510a.2

“Every time you go to do something, ask yourself if this attitude can harm someone else or Falconi. If the answer is ‘yes’, don’t do it!”

Prof. Vicente Falconi

The only way we can create a positive impact on society is if our actions are based on integrity, ethics and respect. We consider this to be non-negotiable, irrevocable and indispensable.

We are all guardians of our values, and ethics comes before any contract signed or income generated. We don’t take shortcuts. Consistency, fairness and transparency guide our steps and our professional relationships with colleagues, suppliers and customers. Deviations from our values, intolerance

and the mere possibility of harming human rights are not admitted; neither internally nor with regard to our customers, partners or suppliers.

Ethics & integrity

All issues directly related to Falconi’s relationship with society are based on ethics. We must not engage in any activity that potentially harms our fellow citizens, today or at any time in the future.

The behavior expected of our employees in their relationships with any stakeholder is based on ethics and integrity:

- Ensuring honesty and transparency.
- Acting with integrity, respect and responsibility, both personally and professionally.
- Developing a benchmark for ethical conduct

and respect for the company’s ethics program for subordinates. Teaching by example and not just by speech.

- Maintaining the confidentiality and privacy of all Falconi information and all customers.
- Acting impartially in decision-making, and not allowing personal interests to prevail over the interests of the company.
- Recognizing mistakes and guiding efforts to learn from them and avoid them in the future.
- Refusing any offer of high-priced gifts (above R\$ 200,00) or any personal favoritism.

In our individual conduct, we must protect Falconi’s reputation and ensure the trust of our stakeholders and society, fully and responsibly.

Formal governance structures

Formal Governance mechanisms and structures for dealing with issues related to the ethics and integrity of the organization are stipulated in the **Code of Conduct** and the **Compliance Policy**. All other policies, documents and internal rules incorporate ethics into their scope as a basic principle, supporting all the other principles that help make our organization what it is: transparency, respect, and justice are just some of them.

Code of Conduct

A document that provides guidance and clarifies the conduct and behavior we expect from our Employees and Partners. This ensemble of rules and guidelines helps to prevent, detect and remedy any act that could be potentially harmful to Falconi and its role in society, as well as all the people involved in our operations.

The primary objective of the **Code of Conduct** is to outline actions and decisions, from the ordinary to the most complex. Its content is based on our values, which are reinforced at every stage of our history. It recommends that employees are allowed freedom of expression and possess the know how to use

dialog as a relevant way of harmonizing the interests of all: employees and partners, customers and suppliers and the organization itself. Irregularities, unethical conduct or violations of current laws need to be disclosed through the Reporting Channel or brought to the attention of Legal and Compliance Counsel.

Compliance

The **Compliance Program** was created to strengthen our commitment to integrity. It is aligned to a set of initiatives designed to identify and prevent conduct that does not comply with the rules (legislation, regulations, internal and external standards and procedures and corporate principles), identifying risks and their causes, taking remedial action, and promoting a culture of ethics, integrity and doing the right thing.

Acting contrary to these guidelines, something we call “non-compliance”, bears the risk of negative implications for Falconi’s integrity and can lead to legal or regulatory sanctions, bring about financial losses and cause damage to the company’s reputation, its key leaders and representatives, and to each one of us.

Compliance refers to a systemic situation, where each party – employees, suppliers, customers and partners – affects the whole. As such, **Falconi’s Code of Conduct and Compliance Policy** – as well as all other Policies – are guidelines that must be known and practiced.

The guidelines developed for the program are important to ensure Falconi’s compliance effectiveness:

- Dissemination of the principles and guidelines of the Code of Conduct through high standards of integrity and ethical values, highlighting the relevance of compliance for Falconi;
- Protection of Falconi’s reputation, maintaining the confidence of all its stakeholders and society as a whole; and
- Existence of a compliance structure dedicated to managing the Program in an independent, autonomous and empowered manner, equipped with the proper resources, ensuring the exemption and impartiality of the actions.

Compliance Program



Learn about our Compliance Channel, with our concepts, values and policies.

Environmental Compliance

Falconi is concerned with making sure that its activities are compatible with the protection of the environment and the preservation of healthy and safe workplaces, and it expects our employees and partners to cooperate in this regard based on our ESG values and practices.

Our Code of Conduct deals with Environmental Compliance by providing guidance on the conduct to be practiced by employees when it comes to

the environment. While we do not maintain formal governance structures dedicated to this topic, it has been discussed more effectively in some existing forums and handled as a project that will receive due attention and commitment by the Executive Board with the support of the Board of Directors in the near future.

Social Compliance

We seek an open and transparent dialogue with society, respecting local specifics, establishing ethical relationships of partnership and trust and stimulating regional development.

Our projects impact society directly and indirectly, increasing the competitiveness of companies, supporting the transformation and growth of organizations, creating jobs and turning the economy around, saving lives in the areas of health and safety and improving public and private education.

Falconi’s formal governance structure that handles Social Compliance and Social Legislation is linked to the Executive Board and the Board of Directors, with legal support.

Social Compliance practices are included within the scope of our Code of Conduct and other policies. The entire Falconi team receives training related to this content, as explained in this same chapter, in the item *People Development and Knowledge Generation*.

The **Compliance Committee** is composed of the CEO, the People Officer and the Legal and Compliance Manager. It is the governance structure, within the operational scope of the Executive Board that determines planning, priorities, material and immaterial resources, awareness campaigns and decision-making regarding the reports received by the Reporting Channel or any other means related to situations that characterize misconduct.

The **Reporting Channel** is an important mechanism for reporting potential internal and external risks regarding unethical or illegal behavior that are detrimental to the integrity of the organization. In this channel, anonymous complaints are made and subsequently brought to the Committee for analysis. The anonymity and the confidentiality of the person reporting are guaranteed, in accordance with legal rules, if that person so wishes. All conduct

inappropriate to the work environment or to Falconi's values is investigated.

Between January 1 , 2021 and May 31, 2022, 30 complaints were received by the Reporting Channel. All of them were evaluated by the Compliance Committee. Whenever needed, we call for independent help (outside service) to investigate and evaluate specific cases.

All complaints generate a protocol number, which can be viewed to monitor the process. When the complaint is not anonymous, a direct interview is made with the author for a better perception of the facts.

The 30 complaints received revolved around the following issues:

- Moral harassment/disrespect/abuse of leader: 10
- Criticism of promotions or the HR area: 12
- Information security incident: 1
- Criticism of the services provided or the technical content: 4
- Other: 3

Policies

Our policies provide us with references, support and security. They highlight what the most appropriate conduct should be when it comes to relationships with suppliers, partners, customers, and public authorities, in full compliance with current legal requirements and in accordance with our values and ethics.

↳ **Compliance Policy** – establishes Compliance principles, guidelines and duties applicable at all levels of Falconi, in order to comply with external and internal legislation, regulations, standards and procedures, and with corporate principles that ensure the best market and Corporate Governance practices.

↳ **Gifts, Giveaways and Entertainment Policy** – establishes the guidelines for the delivery, offer, promise and receipt of gifts, giveaways, entertainment and other benefits by Falconi employees.

↳ **Supplier and Partner Contracting Policy** – establishes the guidelines and procedures for reviewing potential suppliers, partners and other third parties in order to give Falconi employees the ability to evaluate procurements and avoid exposure to risks that can be previously identified and mitigated.

↳ **Anti-Corruption and Relationship with the Government Policy** – provides details on the anti-corruption rules of the company and its subsidiaries and affiliates, and establishes guidelines for the relationship, interactions and external dialog of employees, interns, directors and executives of Falconi and service providers, subcontractors and consultants (partners) with Public Officials.

↳ **Privacy and Data Protection Policy** – presents the most important information about the personal data processing procedures conducted by the Falconi Group.

Relationship with Customers – there is no specific policy that establishes guidelines to be fulfilled. However, in the commercial proposal presented for signature by the parties during the contract process, there are legal provisions that dictate the conduct concerning issues such as intellectual property, compliance with labor, tax, social security, assistance and insurance legislation, confidentiality, governance, and others. One of the clauses found in the document is the commitment by both parties to not use slave labor or subject employees to forced labor, and to not exploit children for labor, or to contract/procure products and services from individuals or legal entities that exploit child labor.

Anti-corruption Practices

Falconi does not act on nor condone any activities or operations that are minimally related to any type of corruption, whether by our suppliers, customers, partners, or by the people who are part of the staff, from the first levels of the hierarchy to senior management.

The official anti-corruption procedures are dealt with by the **Anti-Corruption and Relationship with Public Authorities Policy**. Guidelines are established in the Policy for relationships, interactions and external dialog of employees, interns, directors and executives of Falconi, service providers, subcontractors and consultants with Public Officials and all stakeholders.

To prevent conflicts of interest in the management of the organization, **senior** executives and the **Board of Directors** are signatories to confidentiality agreements in which they declare clearance before being appointed. They also refrain from participating in discussions at Board meetings in cases where there is a conflict of interest.

We rely on our **Employees and Partners** to conduct our activities with ethics and transparency, professionalism and integrity. They need to observe the Anti-Corruption Policy at all times when representing Falconi. Any situation involving suspicion, distress or evidence of corruption needs to be submitted to the Reporting Channel or to the Legal and Compliance Department. Some examples of objectionable actions include:

- Payment to Public Officials or persons/ companies related to them; payment to a bank account unrelated to the contract; payment in cash instead of a deposit into a bank account;
- Commission or “contingency fee” of extraordinarily high value, contrary to market practice or disproportionate;
- Advanced payment or unusual pressure for payment;
- Extravagant and excessive gifts;
- Projects or contracts under conditions that are atypical or detrimental to Falconi’s interests, whether due to costs, conditions or deadlines;
- Preference or steering towards hiring certain Partners;
- Attempt to avoid or prevent Partner due

diligence processes;

- Failure to follow the usual procedures for procuring vendors;
- Absence of documents or records related to meetings or decision-making;
- Request or approval of invoices payments above the values laid down contractually;
- Refusal to comply with contractual clauses.

Training is conducted for employees related to anti-corruption practices. Other forms of engagement to combat corruption are conducted with our stakeholders. These include questionnaires applied to suppliers and partners designed to assess the risk of Compliance, and the requirement, for customers, of consent in relation to our policies and practices at the time contracts are signed.

In 2021, we had no incidents and complaints, either internally or externally, related to corruption.

Human Rights

As a signatory to the UN Global Compact, we have a formal commitment to support and respect human rights. More than a commitment, we have a firm belief in the transformative power of people, and it is only fully achieved when their existence and their rights are guaranteed and respected. This is why we cannot accept any attitude or initiative that jeopardizes the principles of human or labor rights.

Falconi also has commitments signed with the LGBTQIA+ Forum of Rights and Companies, the Social Inclusion Business Network (REIS) and the Women’s Empowerment Principles (UN Women).

Our activities involving Human Rights

* We have taken a firm stance in our **fight against discrimination** in our own operations and activities and throughout the value chain, while promoting diversity and inclusion.

*We have respect for human, individual and collective dignity, and dialog and promote **freedom of expression**.

*We work to ensure a **safe, healthy and ethical work environment**, including in relation to the mental health of our employees.

*We make efforts to contribute to **the effective eradication of child labor and forced or compulsory labor**, ensuring that suppliers, partners and customers are also acting, internally and in their value chain, for the same purpose.

*We offer training to our employees, along with **educational and awareness** initiatives on the subject.

Our Reporting Channel is open to receiving notifications of any incident related to human rights violations, whether they take place in-house or elsewhere in our value chain. In 2021, no complaints were received regarding this aspect. Reports filed will be forwarded to the Compliance Committee, where appropriate measures will be taken depending on the seriousness of the case.

Our actions to address this Material Topic relate to:

SGD



Global Compact

Anti-corruption

Human Rights

Work

Environment

- Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2:** Make sure that they are not complicit in human rights abuses.
- Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective negotiation;
- Principle 4:** Elimination of all forms of forced or compulsory labor;
- Principle 5:** The effective abolition of child labor.
- Principle 6:** Eliminate discrimination in employment.
- Principle 7:** Businesses should support a precautionary approach to environmental challenges.
- Principle 8:** Undertake initiatives to promote greater environmental responsibility.
- Principle 9:** Encourage the development and diffusion of environmentally friendly technologies.
- Principle 10:** Companies should combat corruption in all its forms, including extortion and bribery.

Data Protection and Information Security

GRI 102-33 | 103-418 | 418-1

SASB SV-PS-230a.1 | SV-PS-230a.2 | SV-PS-230a.3

The privacy of our stakeholders – employees, partners, customers and suppliers – and of society in general is one of our primary concerns since before the approval of the **Brazilian General Data Protection Regulation (LGPD)**.

Governance and operating model

With the publication of the law, we expanded the governance processes on the subject and created our Privacy Policy. This policy is designed to consolidate this work and illuminate the key points regarding the processing of personal data by Falconi.

The structure tasked with organizing and preserving data and customers at Falconi is the **Privacy Area**,

which has its own infrastructure and budget, with the support of the Data Protection Officer (DPO) to manage and protect the personal data processed by our organization through the following activities:

- Internal data management tools (OneTrust); Regular mapping of internal systems and collection points;
- Acceptance of complaints and reports from holders and the National Data Protection Authority (ANPD) and adoption of measures;
- Review of contracts and addendum (Customers, partners and suppliers);
- Conducting and providing regular training to employees to provide guidance on the practices of Privacy and Protection of Personal Data;

- Development and review of policies, best practice manuals, impact reports and communication documents for authorities, data holders and stakeholders; and
- Management of actions to be adopted in the event of security incidents involving personal data.

Falconi also has a Personal Data Protection Information Channel (DPO Channel) and uses an email (dpo@falconi.com) to contact teams and communicate actions.

The DPO Channel offers:

- manuals and procedures of governance and best practices, split up by area (Legal, HR, Financial, Marketing, Commercial and Supplies);

- Internal policies and handbooks and info from the National Data Protection Authority (ANPD, in Portuguese);
- guidance for in-house communication channels and training, as well as external websites from government authorities and foreign laws;
- news on the security and protection of personal data;
- articles and texts;
- free courses provided by external platforms.

Collection and processing of data

There is no economic activity in Falconi's business model that involves sharing personal data with third-party companies. For this reason, personal data may be collected by us in the following ways:

- By accessing the holder data through the company that the he/she works for;
- By the holder supplying the data;
- Through cookies collected in interaction with our browsed websites;
- By having parents or legal guardians supply it;
- Data made manifestly public by the holder.

All of the personal data that we process is supported

by the legal bases listed in articles 7 and 11 of the LGPD, reaffirming the lawfulness of our operations. As such, when we become the lawful Controller of personal data, we can process it according to one of the assumptions listed below:

- Upon gathering their express and unequivocal consent, at which time the holder will be made aware in advance about the purpose and other information involving the processing, except for the data made manifestly public by the holder;
- For the fulfillment of a legal or regulatory obligation by Falconi, meaning in cases where some normative act establishes that processing is mandatory, such as tax and/or labor legislation;
- When necessary, to implement a contract or preliminary procedures relating to a contract to which the holder is a party, at the holder of the data's request;
- For the regular exercise of rights in judicial, administrative or arbitral cases;
- When there is a need to fulfill our legitimate

interests or those of third parties, which may be to support and promote our activities or to provide services that benefit the holder of the data, unless the fundamental rights and freedoms of the data holder prevail that require the protection of personal data.

Security measures and information storage

Falconi is responsible for maintaining data privacy and is concerned with the security of the information they carry. Employees responsible for the information assets that support personal data are signatories to a "Confidentiality and Liability Agreement".

Our suppliers also take steps to prevent violations of privacy. But, if something does happen, swift and effective procedures are performed to detect, respond to and correct the incident.

The storage of all personal data processed by Falconi can be done in three different environments, depending on the type of data and sensitivity of the information:

- 1. a Data Processing Center with access control through biometrics;
- 2. an outsourced, third-party data center using the best security practices provided for by the security standard for hosting systems owned by Grupo Falconi; or
- 3. using cloud storage with high-security standards, with trusted providers who are certified in international frameworks with the strictest standards.

Security incidents

To date, we have had **one security incident** involving our employees’ personal data, processed by a service provider. Corrective measures were promptly taken and there was no risk or damage to the data holder.

Our actions to address this
Material Topic relate to:

SGD



Global Compact



Human Rights

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2:

Make sure that they are not complicit in human rights abuses.



Anti-corruption

Principle 10:

Companies should combat corruption in all its forms, including extortion and bribery.



3.2 Looking Outwards

When looking outwards, for those who are at our side in all our endeavors – primarily customers and partners – we are reminded of what our social duty is: helping organizations fulfill their own social purpose by improving the business model, structure, processes, strategy and operation. As such, we can work together on stepping up the

transformations that will ensure the perpetuity of both the organizations and our planet. We can find the best ways to provide even more **positive ESG&P impacts through our clients' activities**. We can also broaden our vision to take care of the world we live in and the challenges we face with **climate change**.

ESG&P Impact of Customers

GRI 102-12 | 102-15 | 102-29 | 102-31 | 103-203 | 203-1/203-2

We realize that organizations that can generate sustainable value are prepared for the future. They have solid businesses, competitive capital costs and increased resilience to risks associated with sustainability. Those are the organizations and institutions we want to work with. Together we can multiply the impact that we are able to generate.

As such, we created the **Falconi ESG Platform** to leverage the positive results of this agenda:

Influence the Mindset

Planning and strategy work with an ESG bias

Transform negative impacts into positive ones

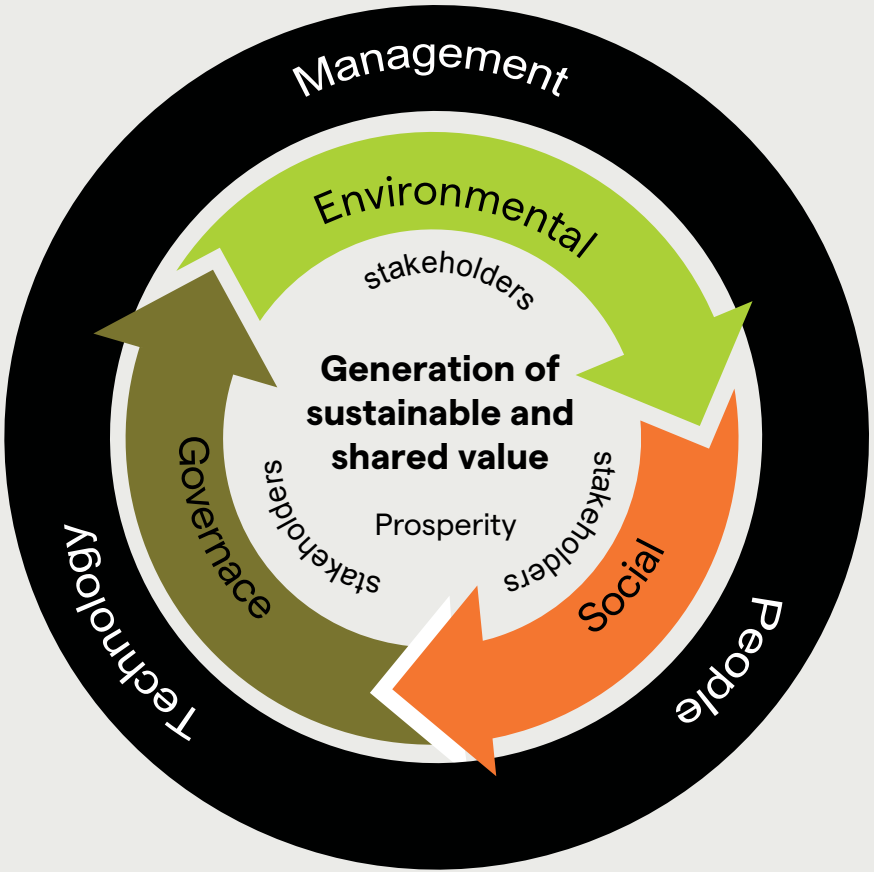
Achieve better, more responsible, and more sustainable results

Grow

Positively impact society

The platform is designed to work on our customers' ESG agenda, identifying their current and future needs, risks and opportunities for organizations, the environment and society, all in an effort to create

shared value that is geared towards prosperity. This journey is customized and modularized according to the level of maturity and needs of the organization.



- 1** Raising awareness and training for the Board, C-level officers, upper management and all the staff on ESG
- 2** Diagnostics of the ESG agenda and management maturity on the subject
- 3** Definition of strategic ambitions and ESG initiatives
- 4** Suitability of the stakeholder relationship model and the integrated ESG management rituals
- 5** Implementation and generation of sustainable value integrated to managing relationships with stakeholders



The ESG Platform introduces solutions that enhance the client's organizational maturity on the agenda and prepares them to respond to expectations – both its own and those of its internal and external stakeholders – with respect to their main material topics in the context of sustainability.

SOLUTION PRODUCTS



Raising awareness and training on ESG for upper management.



Diagnosis of the ESG agenda and management maturity on the subject – using standard tools and references on the subject to generate an ESG Score.



Definition of strategic ambitions and priority initiatives in the ESG pillars – metrics, goals, integration into the strategic plan, initiatives deployed over a period of time.



Preparation for certifications.



Structuring and/or strengthening of corporate governance.



Diversity and Inclusion programs.



Design of processes and structures that are more adherent to the needs of ESG, management and innovation.



Corporate Social Responsibility Programs (education, health, sanitation, entrepreneurship, roadway safety, and economic and social development).



Employee climate and satisfaction.



PMO structuring, planning and management of programs and projects in ESG areas.

In addition to the best ESG practices we are deploying alongside customers, we work on producing improved results in various aspects: economic-financial, people, innovation, climate, culture, technology, as well as a social and environmental impact.

Impacts of projects on the SDGs

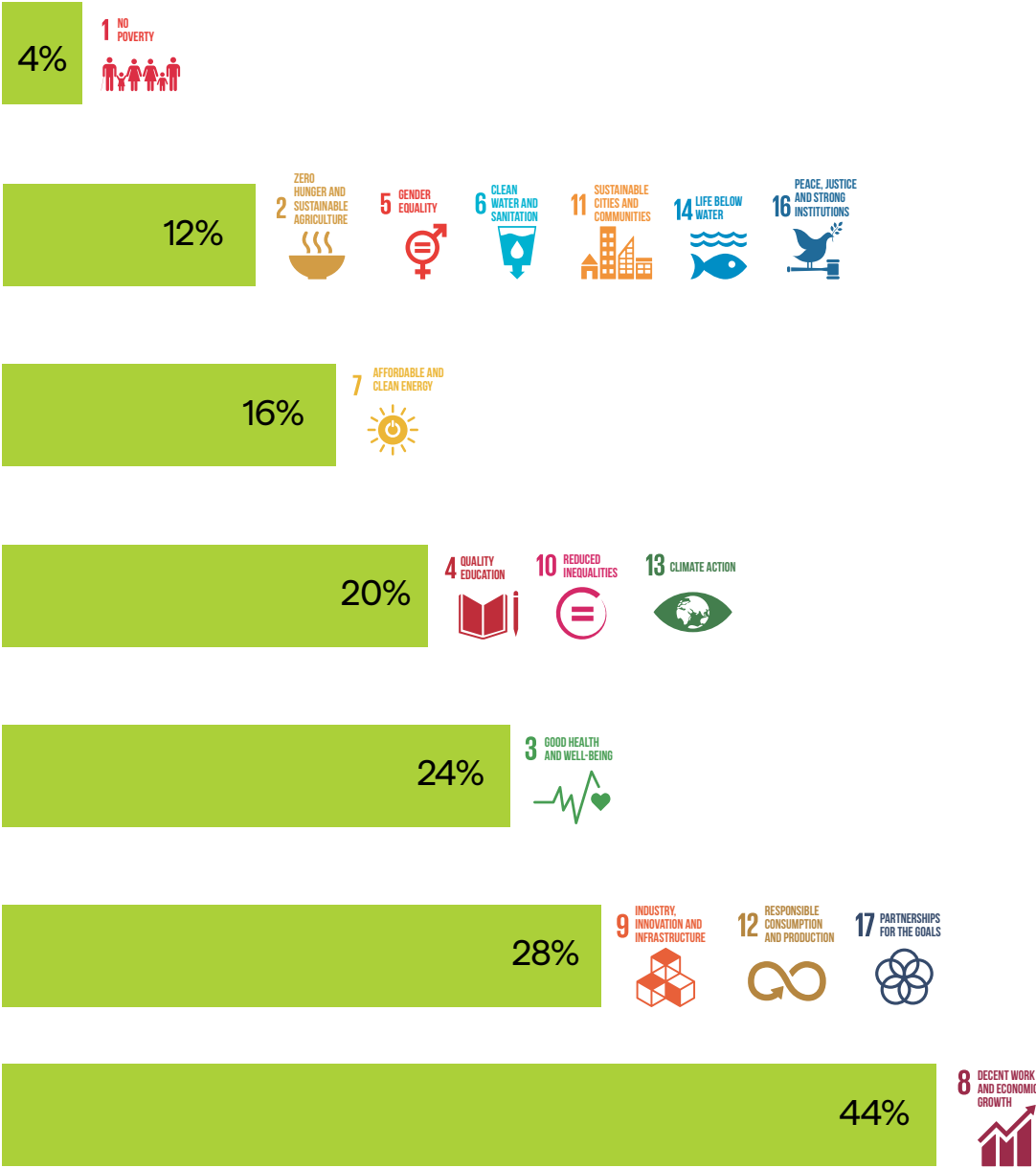
Our efforts as a consulting firm have a direct impact on the 2030 Agenda, particularly with SDG 8 – Decent Work and Economic Growth. We are still developing analytics and methods to measure our results beyond the goals we help our customers achieve through our work.

As such, we instituted a pilot plan in which we conducted a survey with our consultants to estimate how the projects performed in 2021 helped our customers make an impact on the Sustainable Development Goals.

Although the sample of projects assessed was small, some results stood out:

- The most impacted Objective was SDG 8 – Decent Work and Economic Growth, cited in 44% of the projects.
- The most cited SDGs after that were: SDG 17 – Partnerships and Strengthening the Means of Implementation, SDG 12 – Responsible Consumption and Production, and SDG 9 – Industry, Innovation and Infrastructure, tied with 28% of citations, followed by SDG 3 – Good Health and Wellbeing, cited in 24% of the projects surveyed.
- Among the 17 SDGs, all were cited with the exception of SDG 15 – Life on Land.

Percentage of projects impacted by the SDGs



SGD

- 1. No Poverty
- 2. Zero hunger and sustainable
- 3. Good health and well-being
- 4. Quality education
- 5. Gender equality
- 6. Clean water and sanitation
- 7. Affordable and clean energy
- 8. Decent work and economic growth
- 9. Industry, innovation and infrastructure
- 10. Reduced inequalities
- 11. Sustainable cities and communities
- 12. Responsible consumption and production
- 13. Climate action
- 14. Life below water
- 16. Peace, justice and strong institutions
- 17. Partnerships for the goals

Our work done on projects with clients, material topic ESG&P Impact of clients are related, in varying degrees of impact, to all SDGs:

SDGs:



Human
Rights

Global
Compact



Work



Environment



Anti-corruption

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2:

Make sure that they are not complicit in human rights abuses.

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective negotiation.

Principle 4:

Elimination of all forms of forced or compulsory labor.

Principle 7:

Businesses should support a precautionary approach to environmental challenges.

Principle 8:

Undertake initiatives to promote greater environmental responsibility.

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.

Principle 10:

Businesses should combat corruption in all its forms, including extortion and bribery.

Principle 5:

The effective abolition of child labor.

Principle 6:

Eliminate discrimination in employment.

When private organizations from various sectors and public institutions decide to look together at a major societal challenge, the impact and result of this partnership can be as great as the lives that are saved.

Roadway Safety – Multi-sector partnership for life

Traffic accidents are the leading cause of death worldwide for people aged 5 to 29 years old, according to the World Health Organization (WHO). On average, 1,350,000 lives are lost annually on roadways throughout the world.

In view of this sobering figure, Ambev has been running awareness campaigns on driving X alcohol consumption. In 2013, this initiative gained prominence with the change in traffic legislation, which became known as Lei Seca (Dry Law). However, it was still not enough. The company wanted a more complete analysis of the traffic situation in Brazil so that it could come up with more effective projects that would make a difference in roadway safety for our population. That's why they called Falconi.

In 2014, the partnership between Ambev and Falconi defined a strategy for working in roadway safety. The Infosiga platform was created, a pioneering database on traffic accidents created for the state of São Paulo. Between 2015 and 2016, the partnership managed an 11% reduction in deaths in 15 cities of São Paulo.

The experience in São Paulo motivated us to develop a project that would go beyond the task of organizing and systematizing data for the management of a public policy and could, in fact, promote the reduction of traffic accidents and deaths. In 2017, the **Brasília Vida Segura** project was established to coordinate public policies related to road safety. Around 12 government and traffic institutions, as well as various experts from domestic and international universities, were involved in the project. This included the Falconi team, which carried out the operational management of the project and became responsible for:

- Structuring and analyzing data on deaths and injuries in traffic;
- Defining and deploying targets to reduce fatalities;
- Identifying profiles and critical points;
- Conducting field visits and diagnosing possible causes of accidents;
- Defining an action plan (programs and projects);
- Tracking the execution of actions;
- Controlling the results.

During the first decade (2010-2020) of Actions for Roadway Safety with the **Brasília Vida Segura** project, the Federal District (Brasília) Government

saw a reduction of about 50% in fatalities in traffic accidents, from 461 fatal victims in 2010 down to 234 in 2020⁹, reaching the goal established by the UN for this issue.

In addition to becoming a benchmark for road safety projects in other cities, the successful partnership between Falconi, Ambev and the Federal District Government with Brasília Vida Segura was responsible for establishing a traffic information system at the federal level: RENAEST – National Registry of Accidents and Traffic Statistics, in partnership with the Ministry of Infrastructure, agencies and departments of the 26 states in the country. RENAEST now makes it possible to be aware of and gain access to actual data on traffic accidents in Brazil, something that was not possible before.

Brasília Vida Segura also inspired the development of projects in other countries, with the Global Lab.

24 countries are now employing the initiative, with Ambev one of the major promoters, along with our support on developing the projects.

“The complexity of roadway safety management and the absence of statistical data systematization was a major challenge that we came across. But, with Falconi’s support, we managed not only to resolve data systematization and generate project cycles, but to develop something bigger. Dialog and understanding between the various parties – us, transit agencies, and government entities – have always been above shifts in government and political parties. The project was bigger than that. The figures speak for themselves: the reduction of fatal accidents/deaths or the amount of lives saved is quite significant.”

Anna Paula Alves

ESG Public Policy Manager – AMBEV



⁹Source: <https://www.detran.df.gov.br/dados-mensais/> - Historical Series of Traffic Accidents, accessed on 6/20/22.

Climate Changes

GRI 102-2 | 102-15 | 103-201 | 201-2

Our businesses and the positive impacts we want to have on society are immediately aligned with the Social and Governance pillars. In fact, they are important impacts to consider, given the context we live in. However, the whole world is concerned with the climate challenges we have been experiencing and that are looking to intensify in the coming years.

This is why we are looking to ramp up our work with customers on projects that contribute to SDG 7 – Affordable and Clean Energy, and SDG 13 – Climate Action. We conducted an initial survey, accounting for the universe of projects performed in 2021, and we reached a percentage within the collected sample of 20% of projects with a potential impact on SDG 13, and 16% on SDG 7.

Starting in 2022, our own Sustainable Development Program will work on the topic in a strategic and systematic way. Some aspects of it are now beginning to be tracked and are on the agenda to devise

diagnoses, plans, goals and indicators, such as, for example, Falconi's GHG emissions report.

Partnership with Aeris Energy

In November 2021, we took another step in the direction we want to take on the environment and climate change. We have entered into an innovative partnership – one that combines investment, strategy and management – with Aeris Energy, a company in the renewable energy sector, joining forces in working for sustainable development in the country.

Aeris Energy is a leader in the manufacture of wind blades in Latin America – and one of the largest producers in the world. The partnership with Falconi reinforces the growth potential of the manufacturer and the entire renewable energy sector. According to the International Energy Agency (IEA), the sector will quadruple in size by 2030 to meet a global demand for energy.

Falconi will provide consulting services for the development and evolution of management systems, focusing on Aeris' operational performance and future challenges. This is an investment that the two companies are making together, which will promote SDG 7 – Affordable and Clean Energy, 13 – Climate Action, 9 – Industry, Innovation and Infrastructure, and 11 – Sustainable Cities and Communities.

Impact on the Environment

The key ingredient of our business, as well as the products and services we offer to the market, does not represent a risk of impact on the environment: knowledge. On the contrary, it provides a great opportunity to make a positive impact on the market and society in relation to environmental and climate challenges.

Throughout 2021, we worked on projects at three major companies in the basic sanitation sector –

Sabesp, GS Inima and BRK Ambiental – in an effort to improve their businesses, thereby helping them to expand their coverage and improve the quality of services offered to the population.

Our actions to address this Material Topic relate to:



SDG



Global Compact



- Principle 7:**
Businesses should support a precautionary approach to environmental challenges.
- Principle 8:**
Undertake initiatives to promote greater environmental responsibility.
- Principle 9:**
Encourage the development and diffusion of environmentally friendly technologies.

To what extent is Falconi able to impact the ESG of companies or a sector through its work? Below we outline a case involving the Brazilian Mining Institute as an example of the degree of impact that our work has achieved.

IBRAM and the challenge of modifying the reality of mining in Brazil with ESG

Minas Gerais, Brazil and the entire world watched in bewilderment as the recent episodes unfolded involving the collapse of tailings dam from mining activities, and the consequences it produced. Cities were buried in mud, lives were lost and the biodiversity of the regions was affected, as well as the mining sector in its entirety.

While very important for the country's development, extractive activities are still responsible for relevant socio-environmental impacts. Society demanded answers from mining companies and was anxious for concrete demonstrations of the sector's commitment to best ESG practices.

It was at this point that the Brazilian Mining Institute (IBRAM), a national entity that represents the sector, with more than 80 associated mining companies, drafted a **Letter of Commitment** for society in 2019 establishing 12 focal points to transform the sector by 2030. Each includes Working Groups, action plans and collective and individual goals to be achieved within the stipulated timeframe.

1. Operational Safety
2. Dams and Tailings Disposal Structures
3. Occupational health and safety
4. Mitigation of Environmental impacts
5. Local Development and Future of Territories
6. Community relations
7. Communication and Reputation
8. Diversity and Inclusion
9. Innovation
10. Water
11. Energy
12. Waste Management

But how to put these commitments into practice? How can data from different institutions be managed, working groups defined, and action plans, goals and indicators structured for an entire sector?

Falconi, which was born within the UFMG (Federal University of Minas Gerais) School of Engineering and has always been linked to the mining sector through its work with mining companies, sought out IBRAM to find out how it could help the industry get through this difficult time. IBRAM then presented the Letter of Commitment, but the project was going through difficulties related to management.

In October 2020, Falconi's partnership with IBRAM was made official. On a pro-bono basis, we developed and organized the project management processes and the activities of the working groups (WGs), composed of representatives of the participating miners. Our work also helped reorganize goals, actions and processes. The result¹⁰ of the full joint effort was:

- more than 60% of the mining companies associated with IBRAM engaged in the development of the project, participating in the Working Groups;
- 31 commitments signed by the companies;
- 49 indicators;
- 33 goals, divided into 12 Working Groups;
- 162 actions.

With Falconi helping to structure the project, the WGs began to get a clearer picture of what needed to be done, when and how. Each had its own goals, based on history and structured according to the reality of the mining sector. In 2021, a 52% increase of management maturity for the WGs could be seen (considering indicators based on commitments, metrics, data, goals, good practices, action plans and engagement) and a 120% growth in the engagement of the mining companies with the project.

In less than two years, the project gained a new dimension. What was only a Letter of Commitment turned into an articulation and integration of the sector with the purpose of modifying the mining chain in Brazil. **ESG in Mining** is probably the first project in Brazil in which a sector has fully engaged with joint ESG goals.

“When we had only the Letter of Commitment, the project was unattached. It is now active with ESG in Mining. We thought we could do this on our own, but there was no project management. Now we have some continuity in our work. We systematized and included the entire mineral sector within this proposal. The project is a great learning experience for everyone involved in the process. It’s not just identifying the metric and achieving the results. It’s the journey we are experiencing to improve the social and environmental performance of the mineral sector.”

Paulo Henrique Leal Soares
IBRAM Communication Officer



¹⁰Status of the project in March 2022.

3.3 Looking at Everyone

“Application of knowledge is what adds value. The only way to eliminate poverty and misery and really change our country is starting with the mind and heart of each one of us. This change has to be driven by our efforts and by the application of knowledge in our daily lives, from within the organizations to Society.”

Prof. Vicente Falconi¹¹

Looking at everyone, we can really understand what Professor Falconi has been saying since our business began: change happens through the application of knowledge, from within organizations to outward, to all of society. We will not move forward as a society as long as social inequalities exist in our country. To help reduce this significant discrepancy, we operate via knowledge, coordination and improvement of management for better results. Generating positive results for everyone and promoting the necessary transformations. This way, we have therefore assumed **our commitment to communities for reducing social inequality.**

¹¹ Quote from his book “Gerenciamento da Rotina do Trabalho do Dia a Dia” [Managing the Routine of Day-to-Day Work] (2004).

Commitment to Communities for Reducing Social Inequality

GRI 102-12 | 102-29 | 103-203 | 103-413 | 203-1 | 203-2 | 413-1

If our expertise is to promote excellence in management, we can use it to look for solutions to the many challenges we face for the sustainable development of society. As such, we build partnerships and act on a number of different fronts: voluntarily and pro-bono, developing our own projects or taking part in initiatives of institutions that promote improvements in society.

We are looking for quality education, reduced social inequalities, promoting diversity promotion and equal opportunities. We are using incentive laws to support projects in the fields of education, sport, culture and leisure. Through each of these actions, we have reasserted our mission of generating a positive impact on society and our commitment to promoting excellence in management on behalf of better, more aware and responsible organizations.

The structure responsible for leading the projects is the Sustainable Development Program, which coordinates the various areas and reports monthly directly to our CEO. Each project is led by consultants dedicated to this purpose, or by volunteer employees, such as Falconi Juntos, Instituto Semear, Amist and projects encouraged through tax incentive laws.

Work in Education

Transform education for education to transform Brazil.

We believe that one of the key ways to achieve our mission of having a positive impact on society is to invest in and work on projects that focus on education.

This is why Falconi made a choice two decades ago to

get involved in the field of education, which directly impacts **SDG 4 – Quality Education**.

We have already worked on over 100 projects in this segment, in dozens of municipalities spread through 15 Brazilian states. We work with management, people and technology to improve student learning. From defining the strategic plan (where we are going) to the proper structuring of the process (initiatives and actions), we ensure that improvements reach the classroom and teachers' activities with students so that real progress can take place.

Clerks, technical and regional teams, school staff and communities work together to understand the focus of the problem, what needs to be done, defining the best method, implementing and managing their results periodically, to rectify the course when necessary. It is truly satisfying to be able to witness the

joint initiatives carried out by all these entities to help an entire education network attain its best results.

We go through unique experiences in schools with students, parents, teachers and technicians who, through the proper management, can gain greater clarity on how to work on certain challenges and resolve problems.

Through our consulting projects for public education, we had the opportunity to work on coming up with a strategic plan for education in the city of Rio de Janeiro and the State of Mato Grosso, in addition to improving the Management for Results model in the city of Fortaleza. These projects were sponsored by OSCIPs (acronym in Portuguese for “public interest non-governmental organizations”), who have been working effectively on behalf of Brazilian public education.

Working with education, particularly public education, is working for our society and for our future. We are very proud of our history and we are always looking to contribute even more. Periodically, we improve our approaches along with partners and experts who help tackle the issues, which were exacerbated even more by the Covid 19 pandemic.

One of the priorities in Falconi’s Sustainable Development Program is our pro-bono support for various initiatives that contribute to effective change in education:

Todos Pela Educação (All for Education)

A non-profit, non-governmental civil society organization completely unaffiliated with political parties, which is geared towards boosting the quality of basic education in Brazil.

The organization conducts public monitoring of education in the country to add transparency to some educational data, track the results (access, trends and learning) and provide guidance on educational policies and processes. Data analysis and presentations are made to society and government officials to influence decision-making.

Falconi supported the organization on two fronts:

1. Performing analysis and having discussions on choosing new strategies for public monitoring by mapping out the current process, identifying benchmarks and gathering information from political stakeholders, advisers and internal staff to support and orient the discussions.

2. Preparing a guide to qualify public spending that will be published by Todos Pela Educação helping thousands of public managers in Brazil to classify and optimize public education budgets in the country by allocating resources to the pedagogical part, which directly impacts the students’ learning.

Educação que Dá Certo (Education that Works)

One of the initiatives by the Todos pela Educação organization, the **Educação que Dá Certo** project aims to identify and publicize success stories in public education policy to:

- Help implement technical proposals of the **Educação Já** (Education Now) program;
- Reinforce which major themes should be prioritized in the educational agenda;
- Show what can be done and what’s worth doing;
- Influence the decision-making of public managers.

Our team worked on documenting success stories from various places around Brazil. An example is **the education system of the State of Ceará**. In this case, we found that success was achieved by the presence of five factors:

- Plan by Stakeholders: existence of reformist leaders of a political and technical nature;
- Worldview and values plan: building collaboration based on trust and joint action between states and municipalities around clear and well-defined projects;
- Institutional plan: creation of appropriate structures and incentives designed to seek results, with a virtuous articulation between operation and competition;
- Educational policy plan: use of the tripod (i) selection/training of teachers and managers; (ii) proper pedagogical material and (iii) continuous monitoring/evaluation, in which all three aspects feed into each other;
- Strategic plan: model based on short-, medium- and long-term goals, whose effectiveness occurs because educational and pedagogical policies reach the municipalities properly, seeking both quality and equity of the outcomes.

Mondó Network

Conceived by the National Association of Private Universities (ANUP), the Mondó Network is born from the union of private organizations with the purpose of transforming the Marajoaras schools (from Marajó Island, one of the regions with the lowest HDI in the country and facing tremendous social challenges) into social solutions platforms in the areas of education, health, economic development and infrastructure. Falconi has been working strategically since 2021 on defining the courses to be taken in each pillar, in addition to organizing information on each stage of the project for registration and subsequent multiplication of the methodology in other territories.

Falconi Community

In March 2020, when a virus halted the entire world, Falconi began to move, seeking solutions and initiatives that helped to take on the pandemic. We are involved in various fronts created to mitigate the risks imposed on society in the areas of health, economy, social inequality, and others. As a result, the **Falconi Community** was created. It's a set of projects aimed at supporting companies, institutions and communities most impacted by the serious situation that the country and the whole world faced.

Our actions to cope with the crisis and initiatives to make an impact on society continued in 2021 with new projects that became part of the Falconi Community portfolio.

Instituto Semear (Sowing Institute)

This is an organization that develops and connects high-potential university students (called “young seeds”) who may lack opportunities but are committed to social challenges and who are interested in working as multiplying agents for a better and fairer Brazil.

Our work focused on expanding Falconi's reach among these young people, increasing participation in corporate volunteering and practical training in mentoring and training. We financially support some young seeds by providing scholarships. In 2021, two scholarships were granted.

Gerando Falcões

Gerando Falcões is an NGO that develops social leaders and works in a network to accelerate the power of leadership impact – in favelas across the country – they have a common dream: to leave the poverty of the favelas behind. One of its projects is Falcons University – a platform that trains leaders

to break the cycle of intellectual, emotional and technical poverty in the favelas. Falconi helped Gerando Falcões define the drivers and assumptions of the University's Expansion Model and to develop unique fundraising models that make Falcons a financially sustainable business.

AMIST

AMIST, the Residents Association of the Island of Santa Terezinha (Santo Amaro, Recife, PE), was a social project created in order to transform the lives of children in the region by constructing a computer room for classroom activities. When the pandemic emerged as an obstacle to construction, the area reserved was then used as a vaccine center. In addition to donating 20 laptops, Falconi provided legal advice, providing assistance with documentation, registration and other bureaucracies, in order to obtain a new location for the construction of the room. Construction is being completed in 2022.

Instituto Bússola Jovem (Bússola Jovem Institute)

The Instituto Bússola Jovem is a social project that is devised to transform the lives of low-income young people through 3 pillars: Education, Work and Career. The institute helps train young people

to enter the labor market. During the pandemic, it began offering online courses and laptops to help students continue their studies over the period. Falconi provided 20 laptops to facilitate remote classes for youths involved in the project.

Falconi Juntos (Falconi Together)

Falconi's free management mentoring program that helps micro and small businesses rise to the challenges posed by the market. Falconi consulting firm, on a voluntary basis, offer training and mentoring to help entrepreneurs identify problems and their causes, suggest measures to solve them and support the development of business management. In all, there were over 7,300 people impacted, 120 companies supported in the 5 regions of Brazil and more than 330 consultants involved.

Unidos pela Vacina (United through the Vaccine)

The United through the Vaccine movement mobilized civil society in 2021 by focusing on accelerating the vaccination process in Brazil. Over 1.9 million items were donated by nearly 350 companies, totaling R\$ 50 million, and sent to more than 4,000 Brazilian municipalities.

Falconi's donations played a leading role in this movement. We coordinated the PMO (Project Management Office), which was tasked with ensuring that the ideas and decisions coming from the central core of the movement were properly allocated and monitored for the success of the initiative. Through an approach that we call Crisis Management, using project management techniques, communication and systemic vision, we assist in rapid and assertive decision-making by sharing and capturing information with the entire network involved.

We were an immense group of people and companies that tried not to become discouraged by the spread of the pandemic and the difficulties related to rolling out vaccinations, particularly given the size of our large country.

What's the greatest legacy we could offer to society after two years of pandemic? Technology, innovation, independence and autonomy to ensure what we need most at this time: health.

Butantan Institute Vaccine Factory – Doing what needs to be done to battle the pandemic

In the midst of the serious crisis that slammed 2020 with the beginning of the Covid-19 pandemic, the big question that hung in the air was: how do we get out of this? Guidance on the use of face masks, social distancing and constant hygiene were only the first appropriate measures to prevent the virus from spreading even more. But it soon became clear that the disease could not be controlled without highly effective technology to prevent people from becoming contaminated, or at least make them manifest milder forms of the disease: the vaccine.

All over the world, public and private laboratories have worked diligently on formulating this agent of hope. In Brazil, it was no different. Highly qualified institutions here were willing to research and develop vaccines against the coronavirus. One of those institutes was the Butantan Institute, an entity linked to the government of the state of São Paulo, responsible for the manufacture of a number of vaccines that we were able to make available in our successful national immunization program.

“We knew that Butantan was capable of manufacturing Coronavac, but did not have a factory to fully produce it. We were only able to finalize the production here. We needed our productive independence.”

Wilson Mello Neto

President of InvestSP¹² during the project,
Currently a partner at the law firm Stocche Forbes

In the search for solutions – sooner rather than later given the urgency of the situation – the Butantan Institute decided to build a vaccine factory that would make it fully qualified to produce the Brazilian vaccine against Covid. To this end, it mobilized InvestSP and Comunitas¹³ and developed the Multipurpose Center for Vaccine Production (CPMV) project.

There was then a need to come up with effective solutions to implement the project along with the government of São Paulo. They needed agility, competence and expertise. The resolution was to seek private partnerships that would make it independent of the bureaucratic obstacles of public management.

¹²InvestSP – São Paulo Agency for Investment Promotion and Competitiveness.

¹³Civil society organization specialized in modeling and implementing sustainable partnerships between the public and private sectors.

“If we opted for public management of the project, the estimated completion period would be eight years. But we needed a rather quick response. And we managed, using private resources and management, to implement the project in 1 year and 3 months.”

Ronyse Pacheco

Strategy and Institutional Relations Officer –
Comunitas

About 70 companies mobilized to finance the project through donations. Society and the private sector were very supportive of the initiative and were quite anxious about the arrival of the vaccine. In 45 days, R\$ 140 million were collected. To handle these donations and a strong demand from everyone involved, the management and governance of the project needed to be efficient and highly structured. A number of partners were prepared, donating the services and their time, knowledge and articulation:

- * Falconi acted as PMO (project management office).
- * Comunitas managed the private fundraising;
- * The law firm Stocche Forbes provided legal advice;

- * Tishman Speyer was responsible for managing the construction;
- * PWC performed the audit.

A governance core was created to manage the process of structuring the new factory. It was composed of 12 members, including representatives from public, private and civil society entities. The core coordinated four committees divided by areas: receipt of funds for the new factory, legal modeling and compliance, execution of construction projects and assembly and communication.

It was a R\$ 189 million highly complex project because of its nature and technical expertise, and also because it was a public-private partnership. In this scenario, we proposed to develop the management and control of the project and apply our best resources to:

- Prepare the scope, schedule, budget, risk plan, communication plan and stakeholder engagement;
- Perform results governance and integration of stakeholders and committees;
- Report on results and measures to handle deviations and risks.

“Translating countless documents, processes, stories and work fronts – construction, legal, audit, donors, governance – into a project flowchart slide. In 20 minutes of Falconi’s presentation, we knew everything that was going on. There were millions of reais (R\$) and many donors involved, who demanded answers. There’s the rush and the pressure of getting our vaccine. In view of all this, our deadline control was excellent, thanks to Falconi.”

“It was a project that touched the lives of all of us. And we were battling to get everybody vaccinated. Nobody was winning anything, getting nothing. The goal was to leave a legacy for society. Engagement, partnership and loyalty were differentials in this experience.”

Wilson Mello Neto

President of InvestSP during the project,
Currently a partner at the law firm Stocche Forbes



The shared governance model points to the Multipurpose Vaccine Production Center as the greatest legacy of a public-private partnership with social impact, which attempted to foster the country's scientific development and help save millions of lives. More efficient than merely donating funds, the model adopted for the project favors co-creation and assembles the knowledge of each partner in decisions taken with planning and transparency.

Over 12 months of partnership and a significant volume of stakeholders, variables, resources and expectations – in other words, a lot of pressure from partners and society – we were able to fulfill our main objective: to deliver the physical infrastructure¹⁴ of the multipurpose production center of vaccines, in march 2022, to the Butantan Institute. It's an experience that brings us pride and satisfaction due to both challenge of the project and for what it represents for our country and our society at this historic time.

¹⁴With the infrastructure delivered, Anvisa's regulations and clearance are lacking. It is a specialized technical process under the responsibility of the Butantan Institute.

Incentive Projects

Falconi contributes to the development of projects in the areas of education, culture, sports and leisure through incentive and tax exemption laws. Throughout 2021, we supported eight projects, using ISS and IRPJ resources.

Escola de Trovadores (Trovadores School)	ISS	Serves elementary school children and adolescents with music and theater classes. The focus of the project is on public schools in São Paulo, in various regions of the city.
Hospital de Base de São José do Rio Preto	IRPJ	Performs the maintenance of the geriatric intensive care unit and combats and prevents Covid-19, ensuring comprehensive patient care.
Querubins (Cherubs)	IRPJ	Promotes daily attendance with complementary hours to regular school, totaling a workload of 20 hours per week of artistic and cultural activities.
Reintegrar (Reintegrate)	ISS	Free audiovisual training for young people aged 16 to 20 fulfilling socio-educational measures in the city of São Paulo. The goal is to reduce recidivism rates, empowering adolescents to represent their own image and their communities.
S/C Stories Collective Journal	ISS	A monthly publication of a collectible newspaper that tackles subjects like sustainability, diversity and inclusion, economy, creative industry, art, fashion, cultural events, technology, innovation, feminism, urban mobility, and other issues that shape and enhance the city of São Paulo.
Semear (Sowing Institute)	IRPJ	This is an organization that develops and connects high-potential university students (called “young seeds”) who may lack opportunities but are committed to social challenges and who are interested in working as multiplying agents for a better and fairer Brazil.
Sonho de uma Noite sem Palavras (A Wordless Night’s Dream)	IRPJ	Creation and assembly of a family-oriented musical theater show whose central theme is dyslexia, a neurobiological disorder that makes it difficult to recognize written words.
Remando para Inclusão 2 (Rowing for Inclusion 2)	IRPJ	Stimulating, expanding, enabling and rehabilitating the sports capacities of people with disabilities, providing health and a better quality of life. This project, along with the family and the technical team, is also meant to contribute to educational development, which consequently affects social inclusion, given that a school-project relationship is established that is intended to help the participants’ school performance.

Our actions to address this Material Topic relate to:

SDG

3
GOOD HEALTH
AND WELL-BEING

8
DECENT WORK AND
ECONOMIC GROWTH

10
REDUCED
INEQUALITIES

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION

16
PEACE, JUSTICE AND
STRONG INSTITUTIONS

4
QUALITY
EDUCATION

9
INDUSTRY, INNOVATION
AND INFRASTRUCTURE

11
SUSTAINABLE CITIES
AND COMMUNITIES

13
CLIMATE
ACTION

17
PARTNERSHIPS
FOR THE GOALS

Global
Compact




- Principle 1:**
Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 4:**
Elimination of all forms of forced or compulsory labor.
- Principle 5:**
The effective abolition of child labor.
- Principle 6:**
Eliminate discrimination in employment.



04.

Looking towards the Future

GRI 102-28 | 102-49



The future begins now. It is designed according to the projects we are working on today. It is in the projections we make, in the goals we create, in the concepts we adopt, in the ideals we believe. The future lies in the values we have provided throughout our history. They reflect our past, are practiced in the present and represent how we should act in the future.

When we look at everything we can produce in the future, leveraging the positive impact we will leave on the world, we understand that now is the best moment to take action. That's why we have taken on increasingly bold commitments and challenges, spreading them across our entire organization – in the Falconi way of attaining the relevant results. We have been developing projects that connect with our values and strategies, that go beyond what we have done before, taking another step to address the issues that we believe are so vital for our society and the world, today and in the future. As such, we continue to idealize, plan and create. As well as reconsidering, correcting courses, doing more and constantly designing a new future.

2022 Goals

In March 2022, we approved the **goal model** that will drive us during this year. It includes guidelines for all areas and positions at our organization, and clearly outlines where we want to go, the course that needs to be taken and the right steps we need to follow.

What motivates the goal model?

- * The **belief** that excellence in people, management and technology builds extraordinary organizations for a better society;
- * The **culture** of agility, with the mentality of growth, collaboration and caring for people;
- * The **challenges** of being a “consultech”, of working with transformation and with the unknown, with what we have always done and also with the new, with the collective and the individual, with learning;
- * The **management of results** and value generated, alignment and connection;
- * Our **positioning** in practice.

The goals created for 2022 are split between the **economic-financial result** (net income and cash) and ESG (environmental, social and governance) aspects. Some of the key **ESG** targets include raising the percentage of women in the organization’s senior leadership and improving the B Impact Assessment scores (find out more in the chart on the next page) in the areas of governance, community, workers, customers and the environment.

In the exercise of sustaining the goals within the organization, all the key upper management positions

(up to the management level) are given general and specific goals for their area, which are then divided among the teams.

The metrics are validated with the Board of Directors and recalculated after the budget review every four months.

One of our primary goals, replicated and deployed throughout Falconi, involves Women in Senior Leadership:



The Results Management area is the guardian of assessments and management of the company’s goal cards. They will create the tools to dynamically monitor results, not only at the end of the month.

↳ B System and ↳ B Impact Assessment

Companies that are part of the B System are those that seek to balance purpose and profit, while considering the impact of their decisions on their workers, customers, suppliers, community and the environment.

The Global B Business Movement was created in 2006 in the United States in an effort to redefine economic success, now not only emphasizing financial success, but also the well-being of society and the planet as well. A global community of leaders was formed soon after, using their businesses to build a more inclusive, equitable and regenerative economic system for people and the planet.

Certification as a B Company is not just a way to recognize the qualities of a product or service. It involves monitoring and measuring factors that go beyond the economic performance of the business, taking into account, above all, **the**

social and environmental performance that the company generates during the course of its business.

For this, a **B Impact Assessment (BIA)** is made, which allows for an analysis and monitoring the evolution of the company's performance according to the highest standards of performance and positive impact recognized by the market. The analysis is performed in five areas: **Governance, Workers, Customers, Community and Environment.**

Falconi is preparing to conduct a B Impact Assessment and become a certified B Corp. This will represent a major breakthrough in our impact and sustainability agenda. That's why there is a need to set goals in order to improve all assessment indices. More than simply becoming certified, we intend to achieve a higher level as an organization with a positive impact on the world.





SDG 8

Sustainable Development Goal 8 – Decent Work and Economic Growth – is one of the SDGs prioritized in our ESG strategy, as it reflects exactly what our core business is: the promotion of economic growth in a sustainable way.

However, SDG 8 also covers other issues that are rather relevant to society, such as decent work for all. This is why we are rolling out a strategic project to expand our operations and respond to some of the current challenges in this area. Such challenges include high unemployment rates, the dependence of an increasing portion of society on social programs, the slow economic recovery and unequal access to decent work opportunities. In addition to these tasks, we intend on addressing one issue in particular that has stirred both outrage and a sense of urgency in resolving the problem: labor conditions analogous to slavery, human trafficking and child labor.

Project objectives

- A new voice for the debate on decent work and economic growth in Brazil.
- Provision of human and financial resources to act on the theme and its structural problems.
- Generation and availability of knowledge on the subject.

The project is in the study phase. In its implementation, some themes will be prioritized in the scope of the work, among the other goals established for this SDG, such as:

*Goal 6 – Reduction of “NEET” (young people neither in employment nor in education or training, leaving the economy stagnant and worsening the prospects for the future);

*Goal 7 – Eradicate labor in conditions analogous to slavery, human trafficking and child labor.

Final Message

from the Sustainable Development Program team

It's with tremendous satisfaction and pride that we wrap up our Sustainability Report, prepared for the first time following GRI standards, continuing the work initiated in 2021 with the ESG Positioning Report.

We have made significant progress in the last year, as we have illustrated throughout this document. And we are a lot clearer on the commitments we need to assume and the initiatives to be developed and reinforced with a constant eye on a more sustainable future.

We are putting the final touches on defining our strategic materiality after listening to our stakeholders. This will help us make our ESG

strategy even more robust, incorporating material topics in a more structured way into Falconi's global strategy.

Topics such as well-being and mental health, the development of people and knowledge generation, diversity, inclusion and equal opportunities, ethics, integrity and compliance, and ESG&P impact of our clients are priorities for our strategy.

The materiality study makes it even clearer that we need to continue working with communities to reduce social inequality, that data protection and information security are essential, and that we have a responsibility when it comes to the climate



agenda, whether in our own work or with our customers.

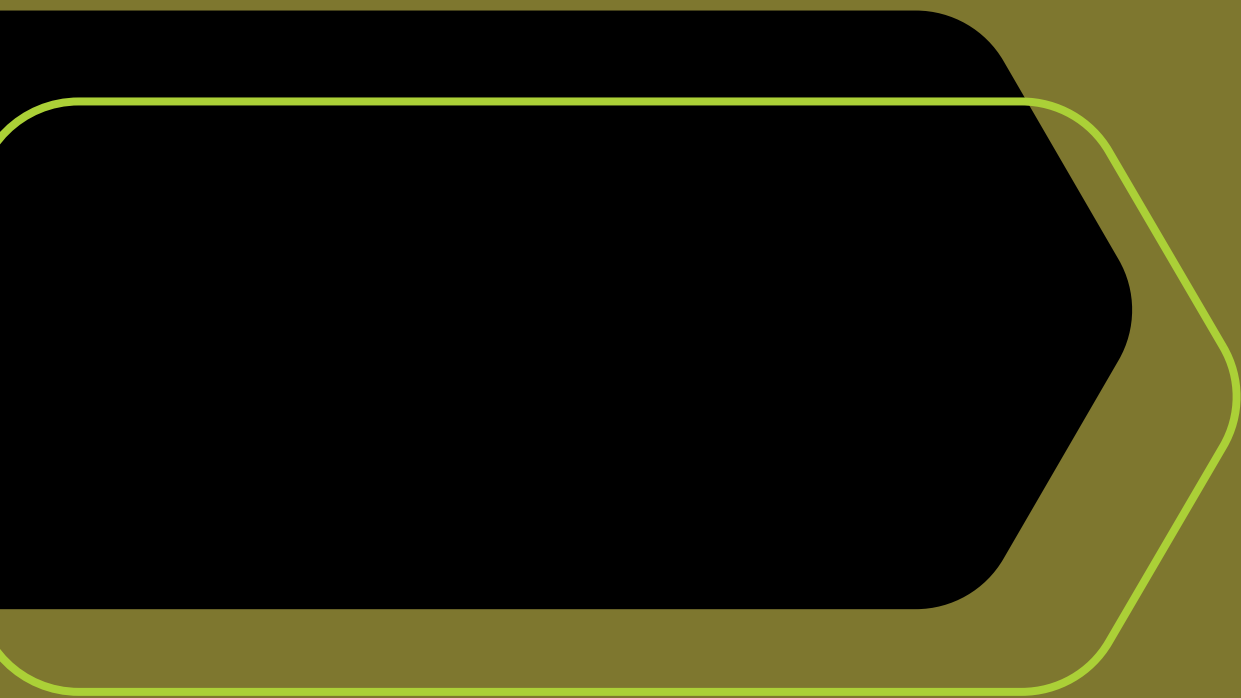
We have had the privilege of being able to impact a number of topics and sectors through our consulting work, digital products, skills development and a host of other formats, products and services that we currently offer or are under development – all of which incorporate this view of sustainability.

With an understanding that results can only truly be achieved through the actions of everyone at our organization, we are working on defining specific goals and challenges for various areas of Falconi, as well as related plans, policies and projects.

And so we invite one and all to work with us on this agenda. This is a task that means

a future – for Falconi, for our stakeholders and for society. We have the duty and the opportunity to make a difference on this journey.





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GRI Index

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