



SUSTAINABILITY

REPORT
2022



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INTRODUCTION



This BAMIN Sustainability Annual Report is the first publication of its kind in the company's history and was prepared during 2023 based on the GRI (Global Reporting Initiative) Standards. In addition to presenting BAMIN, the report brings together the company's economic, socio-environmental and governance information

– as well as the most important results, initiatives and achievements that happened between January 1 and December 31, 2022. The content and scope of this publication is based on BAMIN's materiality matrix (*more details below*). For more information on the Sustainability Annual Report, please contact comunicacao@bamin.com.br. **GRI 2-3**

NAVIGATING THE REPORT

The link to each chapter is located in the top margin of each page and can be used to navigate through this document. In the

lower margin, there is the link to the manual page passage and the link to the main menu of the report. Enjoy your reading!

navigation per chapter

indicator markers

main menu (summary)

page navigation

REPORTING AND MATERIALITY GRI 3-1

The process of identifying and prioritizing BAMIN's material topics (or materiality) took place in 2021 and was supported by an external consultancy. Initially, the different impacts were prioritized by benchmarking them against various sources, such as the GRI and SASB (Sustainability Accounting

Standards Board) reporting standards; ESG (Environmental, Social and Governance) ratings and sustainability reports from other companies in the mining, logistics and port sectors.

Subsequently, research and interviews were carried out with BAMIN's stakeholders – customers, suppliers, third parties, local entrepreneurs, associations and communities – to identify their perceptions of the importance of the material topics pointed out by the benchmark. The results obtained in this second stage were compiled in order to prioritize the different material topics, using the following four criteria:

importance of the topic for stakeholders, recurrence with which the topic was identified in the benchmark, importance of the topic for BAMIN's performance and risks associated with the topic in the perception of the interviewees. Finally, the result of this prioritization was presented to BAMIN's management for validation, producing the list below.

LIST OF MATERIAL TOPICS GRI 3-2

- Water management
- Biodiversity*
- Tailings and waste
- Energy**
- Air quality
- Human Rights
- Relationship with communities (*includes the topics of resettlement, expropriation and displacement of communities*)
- Local opportunities
- Occupational health and safety
- Professional development*
- Diversity and inclusion
- Corporate governance (*includes the topics of ethics, transparency and combating corruption and illicit practices*)
- Compliance with laws and regulations
- Supply chain

* Topics integrated into the report later.

** The GHG and Climate Change topic will be included as a material topic after the conclusion of the Decarbonization Indicators Project, when the company will be able to monitor the indicators related to its carbon emissions and design strategies to reduce them (*learn more in the Environment chapter, on page 50*).



MESSAGE FROM MANAGEMENT

GRI 2-22

BAMIN's purpose goes far beyond the construction and operation of its Integrated Project. It exceeds the 537 kilometers of FIOL 1 that pass through several cities in the hinterland of Bahia, reaching the southern coast of the state, surpassing the large deepwater port in Ilhéus and even the annual production of 26 million tons of very high quality iron ore from the Pedra de Ferro Mine, in Caetité. These are the means that make this project so special to us, because what truly motivates us is the desire to always do our best, because every action we take contributes to the legacy we will leave for future generations.

We use the most advanced engineering solutions, thinking first and foremost about the safety of those who work with us and live near our projects, but also about causing the least amount of disruption to the environment. At BAMIN, no activity should be initiated unless we

are certain that all safety procedures are followed.

We are also aware of our extremely important role for society. We manage a massive project that has the potential to leverage other large businesses and, as a result, become a development engine for the state of Bahia.

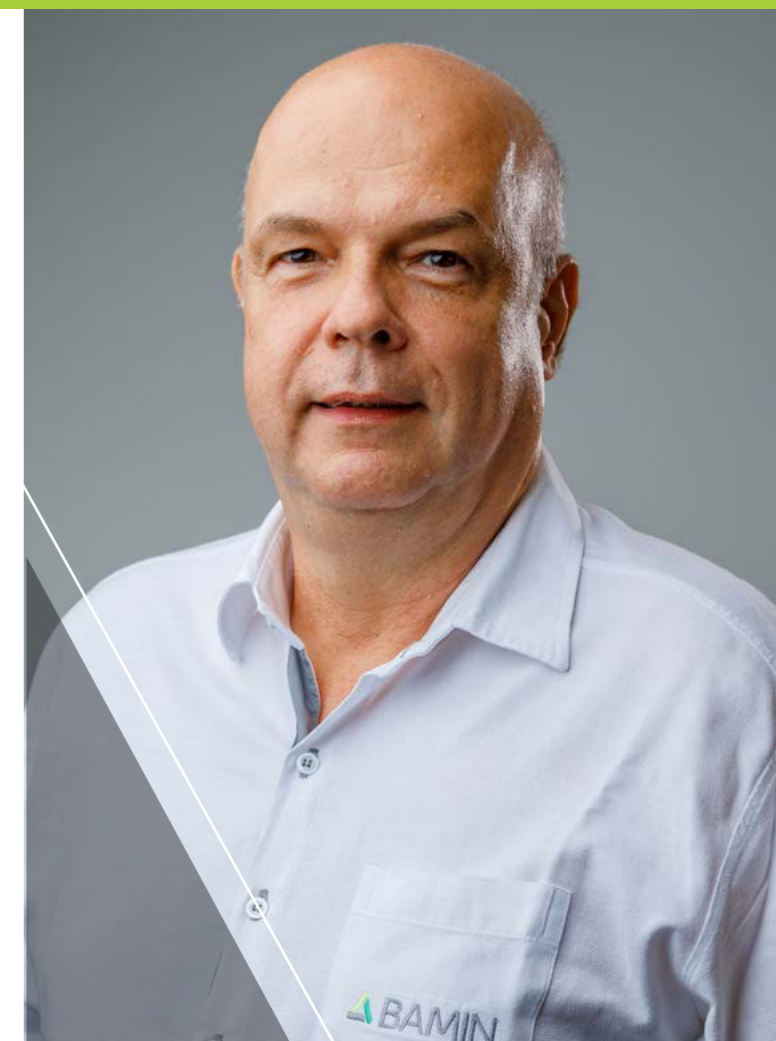
We strictly adhere to all of the terms of our licenses, and initiatives that go above and beyond the requirements imposed on us are not uncommon. BAMIN takes great pride in the social and environmental programs it has implemented with the communities surrounding its projects. In 2022, a total of 138 communities benefited from 68 programs implemented at the mine and port.

We are attentive to the various issues pertaining to sustainability in a global context, and we are eager to position

ourselves as protagonists in the state and national scene, in the forefront of the ranks of those who recognize the private sector as a crucial component in building a more sustainable future. This is one of the reasons why BAMIN's 2022 was marked by a series of significant advances in governance and the establishment of the ESG Platform, the framework that will guide the company on its sustainability journey and further strengthen the company's socio-environmental agenda.

Care is in our DNA and it is from there that we want BAMIN to be known. From the care that each of our employees puts into their daily actions, considering their family, friends, neighbors, and the natural environment that surrounds them.

For all of these reasons, we invite you to read BAMIN's first Sustainability Report, which contains details about our



performance in 2022. You can also follow our website and official LinkedIn profile, which are always updated with inspiring stories about our caring approach.

A big hug from the entire BAMIN team,

Eduardo Ledsham

CEO

BAMIN



ABOUT US AND WHERE WE OPERATE

GRI 2-1, 2-2, 2-6

BAMIN is involved in the dry processing of high purity iron ore and works on the development of the Pedra de Ferro Integrated Project

Bahia Mineração S.A. (BAMIN) is a company controlled by its majority shareholder Bahia Minerals B.V. (BMBV), which belongs to the Eurasian Resources Group S.à.r.l. (ERG Group). BAMIN is a shareholder in two other companies, as well as Pedra Cinza Mineração Ltda. (PCM), Mineração Minas Bahia S.A. (MIBA) and Bahia Ferrovias S.A. (Bahia Ferrovias), which is 100% controlled by BAMIN. PCM and MIBA are controlled by BMBV.

PCM is an ERG Group Company dedicated to exploration activities, also included in this report.

BAMIN began operations in 2005, with a small-scale operation beginning in 2020 at

the Pedra de Ferro Mine on the outskirts of Caetité (BA). There, the company is currently extracting and dry processing hematite, a high-purity iron ore. This ore is brought by road, rail and maritime modes to its final destination. With 65.5% iron in the case of Direct Shipping Ore (DSO), the product has very low phosphorus contents (less than 0.085%). The characteristics of this iron ore result in greater efficiency and lower carbon emissions during its processing by the steel industry – as well as requiring less water and generating less waste in its beneficiation process.

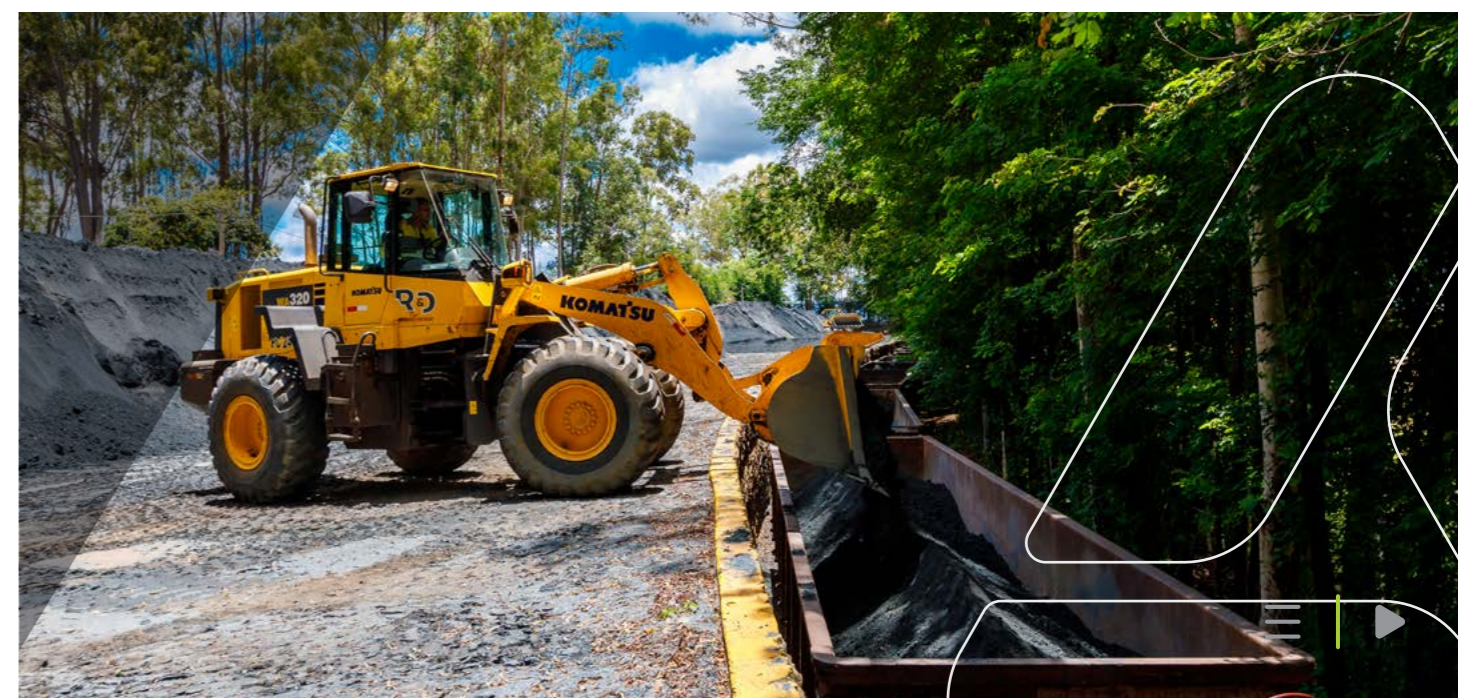
When we combine the exceptional quality of the raw material with the way BAMIN's operation is planned, we have a project

that is already highly integrated and sustainable. After all, BAMIN will have more sustainable transport and logistics modes – in this case, a railroad and a port under construction by the company.

This complex, which includes Porto Sul and FIOL 1, will result in a new and modern logistics corridor for the movement of mineral and agricultural commodities. As it has a capacity to move 60 million tons per year, higher than BAMIN's needs (which will use 40% of it), the railway will benefit several other businesses. These businesses, in fact, are not limited to the mineral and agribusiness sectors, as the company believes that other sectors have potential for synergy with the railway, such as paper and pulp, fuels and equipment for the renewable energy market in the interior of Bahia. Logistical corridors like this are currently one of Bahia's main

infrastructure shortcomings, as the state's few existing railways are old and of low capacity. Not by chance, BAMIN's logistics project is currently one of the largest infrastructure projects in Brazil.

This is how BAMIN structured the Pedra de Ferro Integrated Project (PdF) – a project comprising the Pedra de Ferro Mine, FIOL 1 and Porto Sul. The potential socioeconomic impact of PdF can be glimpsed through the analysis of other examples of anchor projects that first built important infrastructure around which an entire business ecosystem quickly coalesced. This is the case, for example, of the Port of Açú in the state of Rio de Janeiro, which began as a port for transporting mining production and then evolved into a gateway to a variety of other ventures. Thus, the economic and social potential of the Integrated Mine-Railway-Port



Project is highly relevant to Bahia and Brazil, significantly expanding business possibilities through the railway – a transport modal suitable for large volumes that is more efficient, safer and comes in at a lower cost.

We will go over the three branches of the company's operation in greater detail in the following topics: mining, railway, and port.

THE PEDRA DE FERRO MINE

The Pedra de Ferro Mine has certified reserves of 647 million tons, with 41.8% of iron, in accordance with the JORC (Joint Ore Reserves Committee) code and best market practices.



The mine's Life of Mine (LOM) plan includes feeding 30.2 million tons/year of itabirite to the concentration plants, which will produce the DRPF (Direct Reduction Pellet Feed) with a 68% iron grade, and 10.5 million tons/year to the classification plant, which will produce the DSO with a 65% iron grade.

The mine will be the first iron ore extraction project in Brazil to dispose of its tailings through filtration and dry stacking as of the beginning of its operations. This means not only a high degree of innovation and efficiency in the processes, but also a more comfortable risk perception by the surrounding communities ([learn more in the chapter Environment, on page 51](#)).

The project foresees the extraction of 1 Mtpa in the current phase of operation – and the processing plant already has installed capacity for twice this volume. The Integrated Economic Utilization Plan (PIAE) prepared by BAMIN foresees the start of full operation by 2026 and the achievement of a production capacity of 26 Mtpa in 2027. The project will place Bahia in the position of third largest iron ore-producing state in Brazil.

THE WEST-EAST INTEGRATION RAILWAY (FIOL)

FIOL was designed as three stretches totaling 1,527 km in length. Once completed, it will connect the cities of Ilhéus (BA) and Figueirópolis (TO), connecting the Bahian coast to Brazil's agricultural center.

The first stretch (FIOL 1) goes from Caetité to Ilhéus, passing through 19 municipalities in Bahia along 537 km. The concession for FIOL 1, which is already 62% built, was acquired by BAMIN in an auction in April 2021 and formalized in September of the same year. While this section's main focus is on mining and other cargoes, the second is on agricultural areas in western Bahia – and the third is especially concentrated on the connection with the North-South railway. BAMIN will invest approximately R\$ 3.3 billion to complete the works of the railway of Stretch 1 and operate it for a period of 35 years (which should be divided between five years of construction works and 30 years of operations).

The logistical and environmental gains resulting from the use of the railway to transport production are remarkable. With a load capacity ranging from 80 to 100 tons, each train car carries almost four times the average volume hauled by a truck. In practice, a train composed of one hundred

cars replaces about 357 trucks, according to data from the National Association of Railway Transporters (ANTF). In addition, studies carried out in Brazil indicate that replacing road transport with rail transport can reduce CO₂ emissions by up to 37%.

BAMIN structured the company Bahia Ferrovias in 2022, mobilized teams, and prepared the railway for the start of lot 1F* works in 2023. The status of the asset, the amount of construction that needs to be carried out and the necessary licensing adjustments (such as, for example, transfers to BAMIN of licenses that were in the name of the former concessionaire) were evaluated. Fieldwork was also conducted to assess environmental liabilities and create an inventory of them. BAMIN subsequently negotiated with the Brazilian Institute of Environment and Renewable Natural Resources (Ibama) to prioritize these liabilities, and then drew up a plan to deal with them.

BAMIN's construction on FIOL 1 kicked off in 2023.

* Stretch 1 of FIOL is composed of lot 1F, 2F, 3F and 4F.



THE PORTO SUL TERMINAL

Targeted at an investment of approximately R\$ 4 billion, the Porto Sul terminal has been licensed, designed and under construction since 2021 in the Aritaguá district of Ilhéus (BA), and will be operated by BAMIN in partnership with the Bahia state government.

The accesses are currently under construction. Among the on-shore activities carried out in 2022 are, for example, road works that will reduce the impact generated by the movement of heavy cargo trucks during the works of the port – and also when it is operational.

These works include roads, bridges (such as the one over the Almada River, which

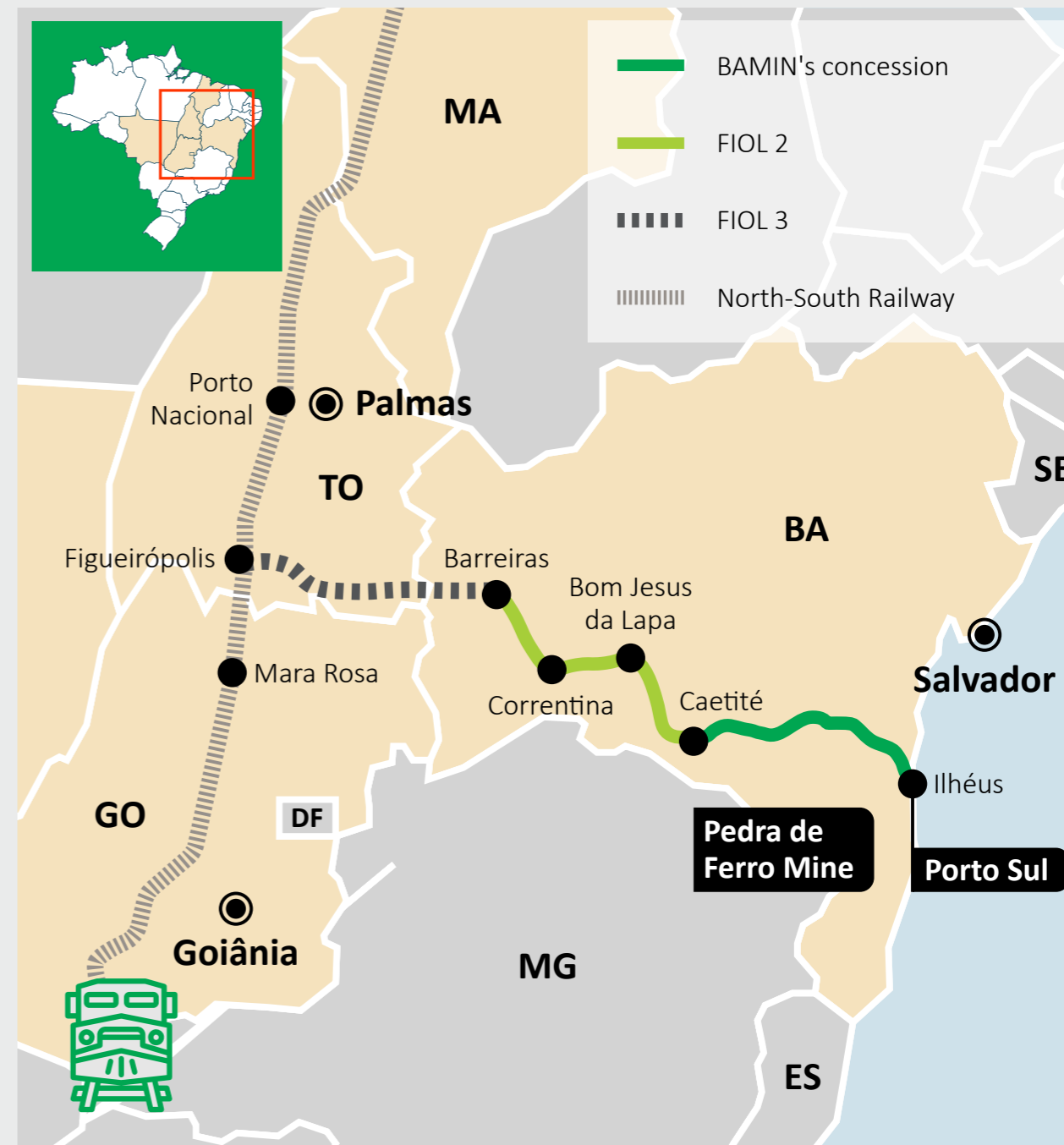
connects the BA-001 highway to the future industrial area of the port (already completed in 2021), viaducts and interchanges.

The port terminal is expected to be operational in 2027, the same period in which BAMIN will start transporting the first loads of iron ore using FIOL 1.



250 thousand tons capacity of the ships that will be received in Porto Sul

WEST-EAST CORRIDOR



Source: PPI, Valec

OUR ESSENCE



MISSION

Always strive for excellence. To constantly remain up-to-date with the changes in contemporary society without sacrificing our institutional values, and to enhance the prosperity of all those directly or indirectly involved with us.



VISION

To be a good example. To improve our sustainable operations and become a more recognized international natural resources company.

VALUES



Safety

Safety first! Not only for us, but for everyone



Unity

We work together in a shared and respectful manner



Efficiency

We deliver results, optimizing resources, focusing on what is relevant



Development

We develop the Group by improving our people and processes



Responsibility

Through a culture of trust, respect, sustainability and humanity

HIGHLIGHTS 2022



5 Mtpa

of total iron ore handling and other lithologies in the **pre-stripping** activities of the **Pedra de Ferro Mine**



99.9%

adherence to the quality level established for the product, confirming the premium character of BAMIN's iron ore in the market



Requested more than

300 authorizations

of mining for mineral exploration, a growth of 600% compared to 2021 – and which resulted in a **total of 457 authorizations granted** at the end of 2022



83 new employees

added in 2022 totaling **280 employees** (45% more than in 2021)



68 environmental and social programs

covering more than 108 communities at the mine and 30 at the port



6,702,319.1 man-hours

worked without any lost time accidents since October 2019

CORPORATE GOVERNANCE

BAMIN strives for the highest standards of corporate governance and is committed to transparency and accountability, ethics and integrity in the conduct of its business.

BAMIN is controlled by the ERG Group, a leading diversified natural resources organization with a successful track record in the global metals and mining industry for over 25 years. The ERG Group has a portfolio of production assets and development projects in 15 countries and a workforce of more than 68,000 people worldwide. Its integrated operations in Kazakhstan, Africa and Brazil cover the entire value chain, from extraction and production through to processing, energy, logistics and marketing.

The ERG Group is currently the world's largest producer of ferrochrome based on chromium grade, one of the most important exporters of iron ore in the

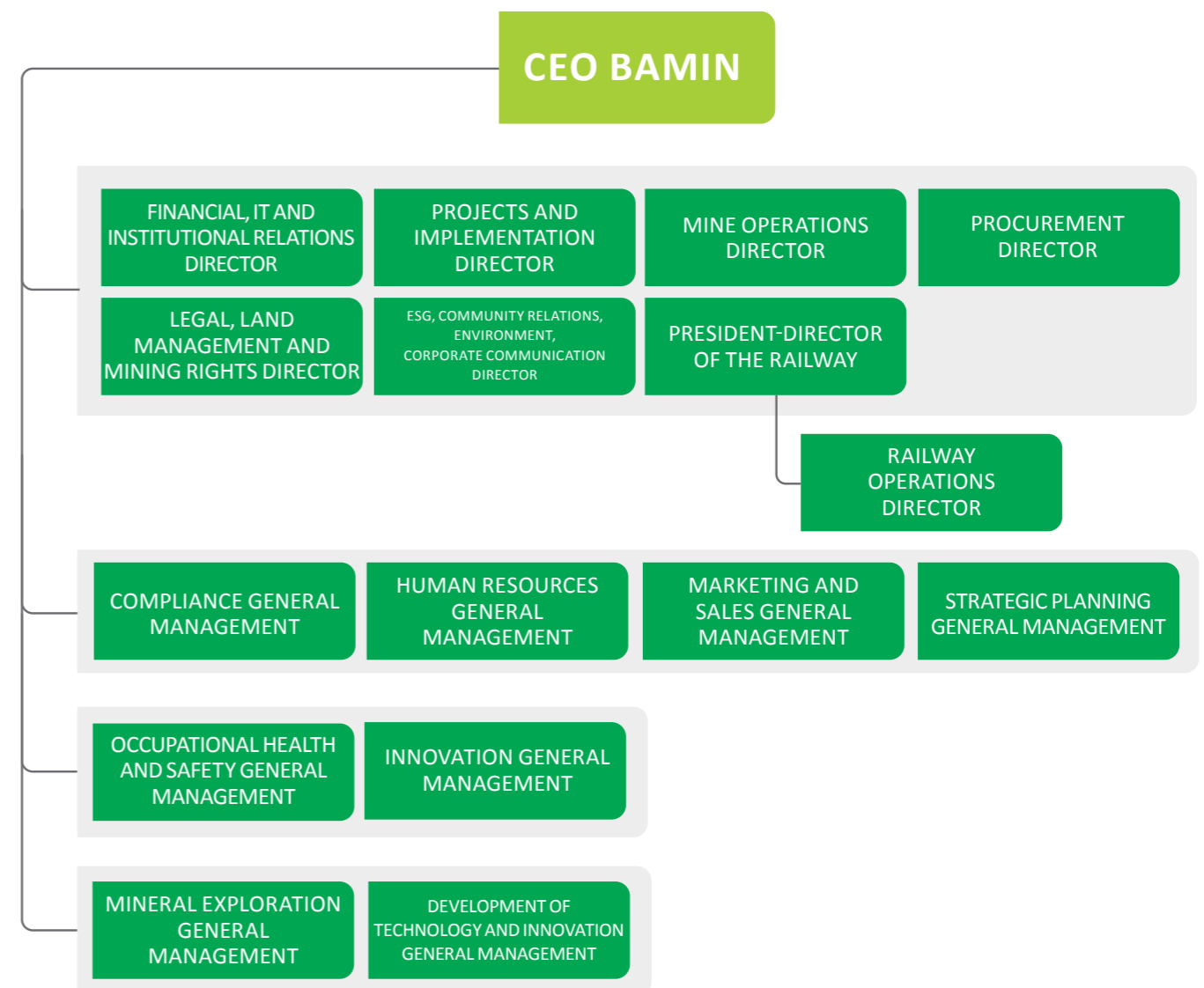
Commonwealth of Independent States (CIS), one of the top ten producers of alumina and the second leading manufacturer of cobalt, as well as a major copper producer. Its customers operate in various sectors, such as metallurgy, energy, transportation, engineering, chemicals and construction.

The ERG Group's business is strategically planned to support the global energy transition. After all, some of its main products (such as copper, cobalt, aluminum and iron ore - in the form of steel and ferroalloys) play a central role in decarbonization processes, since they are inputs in the development and production of batteries for electric vehicles and in other renewable energy systems (such as structures for generating wind and solar energy, which contain aluminum; and the infrastructure needed to obtain energy from sources such as gas, nuclear and wind, which makes use of ferroalloys).

During 2022, the ERG Group underwent a restructuring process that separated the Kazakhstan operation from the other businesses (in this case, Brazil and Africa), which are now housed

under a common structure called ERG Internacional. BAMIN benefited from the change, as it gained more agility in its business decision-making processes.

Governance structure and its composition GRI 2-9



BAMIN's CEO and Statutory Directors relations to the ERG Group pass through the ERG Group Director for the Americas, who represents the organization at the global level. The ERG Group has its own governance premises and an organizational structure that is mirrored by the companies it controls around the world. Through the Delegation of Authorities (DoA) document, the ERG Group defines the levels, limits, approvals and directions that need to be observed in the internal decisions of each controlled company. However, the internal structures and functions of each controlled company are tailored to their respective local contexts, taking into account the territorial and cultural characteristics of their operating locations.

BAMIN's senior management meets weekly to monitor various actions and results, as well as monthly to analyze the business's performance and critical points. The Strategic Committee, in turn, meets twice a year to monitor, discuss and update the company's Strategic Planning, as well as the annual objectives and goals related to it.

The year 2022 was of overarching importance for BAMIN in terms of improving corporate governance. During this period, the company implemented the Sustainability, Health and Safety Committees, the Strategic Committee

The year 2022 was of overarching importance for BAMIN in terms of the progress of corporate governance objectives

and the Regional Ethics and Compliance Committee. The structuring of the Audit Committee, which was set up in 2023, also took place during 2022.

BAMIN does not have a Board of Directors or Fiscal Council; its highest governance body is the Executive Directorate. The approval of long-term strategies and objectives is the responsibility of the Strategic Committee, and follows a model established by the Compliance Department.

In the case of Sustainability, it is up to the Department committee to approve sustainability policies and strategies aimed at the company's ESG positioning. Supervision of the organization's due diligence and other processes for identifying and managing the impacts of activities on the economy, the environment and people is the responsibility of the Departments and takes place within the framework of Performance Meetings as well as analysis of the effectiveness of the organization's processes in this area.

GRI 2-10, 2-11, 2-12, 2-13, 2-14



GOVERNANCE WORKING GROUP GRI 3-3

Another significant highlight of BAMIN in matters related to governance during 2022 was the beginning of the mapping of processes based on the company's value chain and the consequent diagnosis of gaps. Policies and procedures are being built and updated. This work will be carried out throughout 2023, making the company's governance more systemic.

The Governance Working Group (WG) was formed in September 2022 to carry out projects aimed at enhancing governance. It includes representatives from the Information Technology (IT), Internal Audit, Compliance, Legal, railway Regulatory, Strategy, Risks and Sustainability/ESG Department, a cross-disciplinary approach appropriate for the present state of BAMIN.

The WG began assembling the Governance Manual in 2022, a compilation of the company's main guidelines for the subject based on the procedures of the Brazilian Institute of Corporate Governance (IBGC). Another important advance in the company's governance during the year was the self-assessment of corporate governance metrics, using the IBGC Framework, so that BAMIN could evaluate its stage of development and maturity in this area.

In addition to the Governance Manual, this multidisciplinary group will start the preparation of the Document Management Manual in 2023, designed to unify the documentation models for the main processes used by the company. To this end, the completion and approval of the manual is slated for 2023.

THE IMPORTANCE OF SYNERGY IN GOVERNANCE

BAMIN signed its largest contract to date: a railway contract in the first four months of 2023, worth more than R\$ 1 billion. The synergy of the company's governance functions was fundamental for this success. This systemic and well-integrated performance of the Procurement, Risk, Compliance, Insurance and Finance teams is an example of the efficiency that BAMIN aims to ingrain in its governance.

It is also important to emphasize the enormous importance and criticality that suppliers and supplies have within the subject of corporate governance. During 2022, BAMIN hired a partner consultancy that was responsible for reviewing, analyzing and proposing a new operational flow for the procure-to-pay process, aiming at a greater integration of the purchasing, tax and accounts payable processes – so that there is not only more efficiency in the activities of requesting, receiving, paying and accounting for goods and services, but also a greater level of transparency in these activities.

Ethics and Compliance

GRI 2-23, 2-26, 3-3, 205-2

BAMIN's Compliance Department reports directly to ERG's Compliance and the CEO and establishes the standards, codes and policies that systematize the organization's performance guidelines both regarding Compliance issues as well as the relations with internal and external stakeholders – promoting an environment free of corruption, fraud and violations. The Compliance Department is also responsible for monitoring, controlling

Since 2022, BAMIN has had a new operational flow for the procure-to-pay process that provides greater integration of purchasing, tax and accounts payable processes

and preventing risks relating to issues such as money laundering, corruption and bribery, human rights, personal data privacy and international sanctions – as well as working to ensure strict compliance with the relevant legislation and regulations.

All employees must be cognizant of BAMIN's Code of Conduct and receive annual training. Furthermore, they must also understand the company's Compliance policies, which include a Supplier Code of Conduct as part of its contracts.

BAMIN uses the Counterparty Due Diligence (CPDD) procedure to assess its business partners from a Compliance point of view. In addition, the company has instituted a whistleblower system to mitigate actions that go against its Code of Conduct. This system is supported by the Whistleblowing Hotline channel – the ERG Group's whistleblowing channel through which BAMIN monitors reports, conducts independent analysis and investigations and takes corrective actions.

The company also has an Anti-Bribery and Anti-Corruption Policy, which has been revised to better capture recent changes not only in the laws but also in the way the reputation of organizations

is perceived today. This policy is based on the Anti-Bribery Convention of the Organization for Economic Cooperation and Development (OECD), the United Nations Convention against Corruption, the United Kingdom Bribery Act of 2010 and the Anti-Corruption Law in force in Brazil (12.846/2013), among other applicable rules.

The following policies and procedures adopted by BAMIN are also worth mentioning:

- **Agents Policy**
- **Anti-Money Laundering Policy**
- **Anti-Fraud Policy**
- **Antitrust and Competition Law Compliance Policy**
- **Data Protection Policy**
- **Gifts and Entertainment Policy**
- **Policy on Contracts with Related Parties**
- **International Economic Sanctions Compliance Policy**
- **Human Rights Policy**
- **Corporate Social Responsibility and Sponsorship Projects Policy**
- **Complaints and Investigation Policy**
- **Conflict of Interest Policy**
- **Anti-bribery and Anti-corruption Policy**



HOTLINE

BAMIN's Whistleblowing Hotline is 100% confidential and operated by an independent company 24 hours a day, seven days a week, and can be accessed via [website](#), via telephone (whose number is made available on the initiative's website) or by [email](#).

Ethics and compliance policies and commitments are communicated to employees, business partners and other relevant audiences through the Code of Conduct. In addition to mandatory training for employees and others for senior leadership, a program aimed at third-party workers is currently being implemented. BAMIN's first Compliance communication and training plan was prepared during 2022. In addition, Compliance ambassadors have been appointed in each sector of the company to act as disseminators and meet with the Compliance Department to carry out training and listening processes.

Finally, the company relies on SAC Compliance, an internal tool created to assist employees in seeking advice on how to implement the organization's policies and practices for responsible business conduct – or who have concerns about the organization's conduct. Through SAC Compliance, it is also possible to request diligence from business partners, record incidents or potential incidents related to the General Data Protection Law (LGPD), report conflicts of interest and request evaluation of institutional agendas and receipt of gifts and entertainment. [Learn more](#) about BAMIN's ethics and compliance commitments.

SUPPLIERS

GRI 3-3, 308-1, 308-2, 414-1, 414-2

The current implementation phase of the Integrated Project requires a smaller and less complex supply chain. There is still no established process that specifically considers environmental or social criteria for hiring new suppliers (or assessing the environmental and social impacts caused by them). On the other hand, the company considers the Procurement Department a key element in terms of compliance, systematically applying the Business Partner Due Diligence Procedure in the chain and improving its governance in the matter.

An example of this is the implementation of e-procurement. Scheduled for 2023, it will make pricing and the competitive process take place exclusively through an electronic platform, and no longer through exchanges of emails or sealed envelopes. The same will be true for the management of suppliers and operations with bank data: everything will be conducted through the platform and in an automated fashion, as opposed to manually.

CONFLICTS OF INTEREST

GRI 2-15, 2-24

BAMIN and the ERG Group have a Conflict of Interest Policy that establishes the standards by which all employees must always operate. This policy also states that the personal interests of officers and employees should never influence their business judgment or decision-making on behalf of the company. BAMIN respects the private lives of its employees, and reinforces that they must avoid situations that may result in conflicts between their personal interests and those of the company.

Risks linked to conflicts of interest are assessed, monitored and mitigated through the following processes:

- **(i)** Conflict of Interest Form, applied in the initial integration of new employees and then annually;
- **(ii)** Call system on the intranet, where at any time any employee can register cases of potential conflict of interest – both in BAMIN and in business partners;
- **(iii)** CPDD, aimed at business partners whose transactions with BAMIN exceed the amount of US\$ 30,000;
- **(iv)** Whistleblowing channel.

The Compliance department of BAMIN is responsible for submitting conflict of interest case evaluations to the Regional Ethics Committee's forum for discussion and possible action. There were no records of actual conflicts of interest at BAMIN in 2022 involving stakeholders, suppliers, management bodies, shareholders or related parties.

There were also no reports of cases of lawsuits regarding unfair competition and violations of antitrust and anti-monopoly laws during the period. **GRI 206-1**

COMPENSATION POLICIES

GRI 2-19, 2-20

BAMIN's remuneration policies (fixed and variable) are defined by the company's Human Resources Department and are based on market practices. BAMIN operates a system that combines the allocation of points to various positions with the use of variables by major corporations.

The existing bonuses are basically of two types: attraction or payments of recruitment incentives and, on the other hand, those linked to the delivery of large projects.

BAMIN does not have compensation policies for termination payments, return of bonuses and incentives (clawback) and retirement benefits.

Individual executives' annual goals must be 100% linked to corporate goals.

REGIONAL TARGETS

In 2022, three targets of the regional goals established by the ERG Group for its operation in the Americas were directly related to BAMIN's ESG performance: to create an ESG baseline, maintain the percentage of women in the company between 18% and 20% and stabilize the frequency rate of accidents with time off in relation to 2021 (which was zero). The only objective that was even partially achieved by the company was the first, as the work of establishing specific goals for ESG indicators encountered planning delays. **GRI 2-18**

STAKEHOLDER RELATIONS GRI 2-25

The company's relations with its various stakeholders – from operational day-to-day to the most strategic level – occur through a structure composed of three departments: Community Relations, Institutional Relations and Corporate Communication. Updated periodically, stakeholder mapping is a key strategic activity for the Stakeholder Engagement Plan, which will be prepared in 2023. In addition, BAMIN joined the United Nations Global Compact in August 2022 to reaffirm its commitment to collaborate in mitigating potential adverse effects.

Questions, complaints and suggestions can be registered on the Alô BAMIN communication channel – operated by a service provider specialized in this type

of service that can be accessed through a toll-free line (0800 071 2005), as well as a messaging application. BAMIN is committed to responding to all queries from its stakeholders about its projects.

All requests received via Alô BAMIN are met within a specific flow timeline. The simplest cases are answered quickly, through a standard procedure. If necessary, the matter is referred to specific company departments within ten calendar days for further analysis. Once the issues have been resolved, users of Alô BAMIN can participate in a satisfaction survey. In addition, the representations made to the channel are monitored monthly by the Corporate Communication department through management reports prepared by the service provider.

Below are the numbers related to **AIÔ BAMIN** during 2022:

1,003
queries registered

98%
percentage of queries closed and resolved

51%
of the queries are from companies seeking to be BAMIN suppliers

17.7%
are people looking for job or internship opportunities

8%
are complaints

Membership associations GRI 2-28

BAMIN participates in the following sector associations:

- **Federation of Industries of the State of Bahia (Fieb)** – 2005
- **Bahia Port Users Association (Usuport)** – 2008
- **Brazilian Mining Institute (Ibram)** – 2010
- **The State of Bahia Union of Metallic Ores, Noble and Precious Metals, Precious and Semi-Precious Stones and Magnesite Producers (Sindimiba)** – 2016
- **Women in Mining Brasil (WIM Brasil)** – 2018
- **Agency for the Technological Development of the Brazilian Mining Industry (ADIMB)** – 2018
- **Chamber of Retailers of Ilhéus, Caetité and Licínio de Almeida (CDL)** – 2021
- **Commercial Association of Ilhéus (ACL)** – 2021
- **National Association of Railway Transport (ANTF)** – 2022
- **Brazilian Association for Business Communication (Aberje)** – 2019
- **UN Global Compact** – 2022
- **Eastern River Basin Committee and the São Francisco River Basin Committee** – 2022
- **GRI Club** – 2022
- **Brazilian Business Council for Sustainable Development (CEBDS)** – 2022

RISK AND OPPORTUNITY MANAGEMENT

BAMIN's risk management includes assessment of all risks that may affect the company's strategic objectives over the short-, medium- and long-term. The process is essential for providing Senior Management with the necessary decision-making support. Risks are uncertainties that can manifest as threats or opportunities and usually represent the main points of concern for Senior Management. Some of the main risks are related to Installation and Operation Licenses and the mobilization of labor for business continuity. The greater economic risks to BAMIN's activities, such as the price of iron ore and the combination of foreign exchange and inflation, are factors that interfere with the short-term volatility of commodity demands (mainly from China).

The company's risk management is based on some of the main global standards, such as ISO 31000 and COSO-ERM. BAMIN's Risk Management governance is based on the concept of Lines of Defense, organized into three layers as described below:

- **1st Line:** formed by the owners of business processes and risk management activities – those responsible for identifying and assessing risks and implementing control and reduction procedures
- **2nd Line:** formed by those responsible for risk management, internal controls, Compliance and other Department. The Risk Management Department offers methodological support during the process
- **3rd Line:** formed by Internal Audit acting independently to verify the effectiveness of the most comprehensive model, roles and responsibilities of each line of defense in relation to risk management

After identifying, assessing and measuring the risks, it is essential to establish the treatment strategy to be adopted for each risk. This involves the development of actions and controls designed to mitigate both probabilities and impacts. The next step is to monitor and control the risk response plan, thus ensuring the efficiency and effectiveness of the proposed measures.

Corruption-related risks GRI 205-1

When it comes to corruption-related risks, BAMIN uses CPDD to identify so-called Politically Exposed Persons (PEPs). The most relevant risks here are in the contracting of PEPs, the misuse of donations involving the government and in favoring companies with political influence for their own benefit. In addition, the guideline for interaction with public agents sets forth that meetings and interactions with public agents must be recorded in minutes and communicated to the Compliance team.

BAMIN's Risk Management governance is formed by three Lines of Defense, and includes the monitoring and control of response plans to them



Risks related to Human Rights

The year 2022 marked a significant advancement in the management of Human Rights-related risks present in BAMIN's activities: the start of the Risk Map's development. To date, a total of 20 risks related to the Human Rights topic have been found. At the same time, BAMIN is working on a plan to contain measures to track the impacts related to this material topic. The company runs annual training sessions on its Human Rights Policy and disseminates the subject in the territories where it operates through its Community Relations department. In the case of BAMIN's outsourced security personnel, training on conduct standards is provided. GRI 410-1

BAMIN will publish its first report on Human Rights internally in 2023. Covering the year 2022, the report will make a general analysis of the risks and show how

they are being addressed. In addition, the risks will be included in a compliance risk matrix that will serve as a basis for quarterly monitoring actions.

In 2022, there were no cases reported of the right of workers to freedom of association or collective bargaining being violated or posing a significant risk of violation in any of BAMIN's operations. GRI 407-1

BAMIN recognizes that hiring the self-employed and subcontracting Individual Microentrepreneurs (MEIs) can influence workers' decisions to form (or join) a union, as well as to collectively bargain or participate in union activities. The company has been acting to curb this practice with its suppliers. The direct hiring of self-employed persons is prohibited in the company.





ESG PLATFORM GRI 2-22

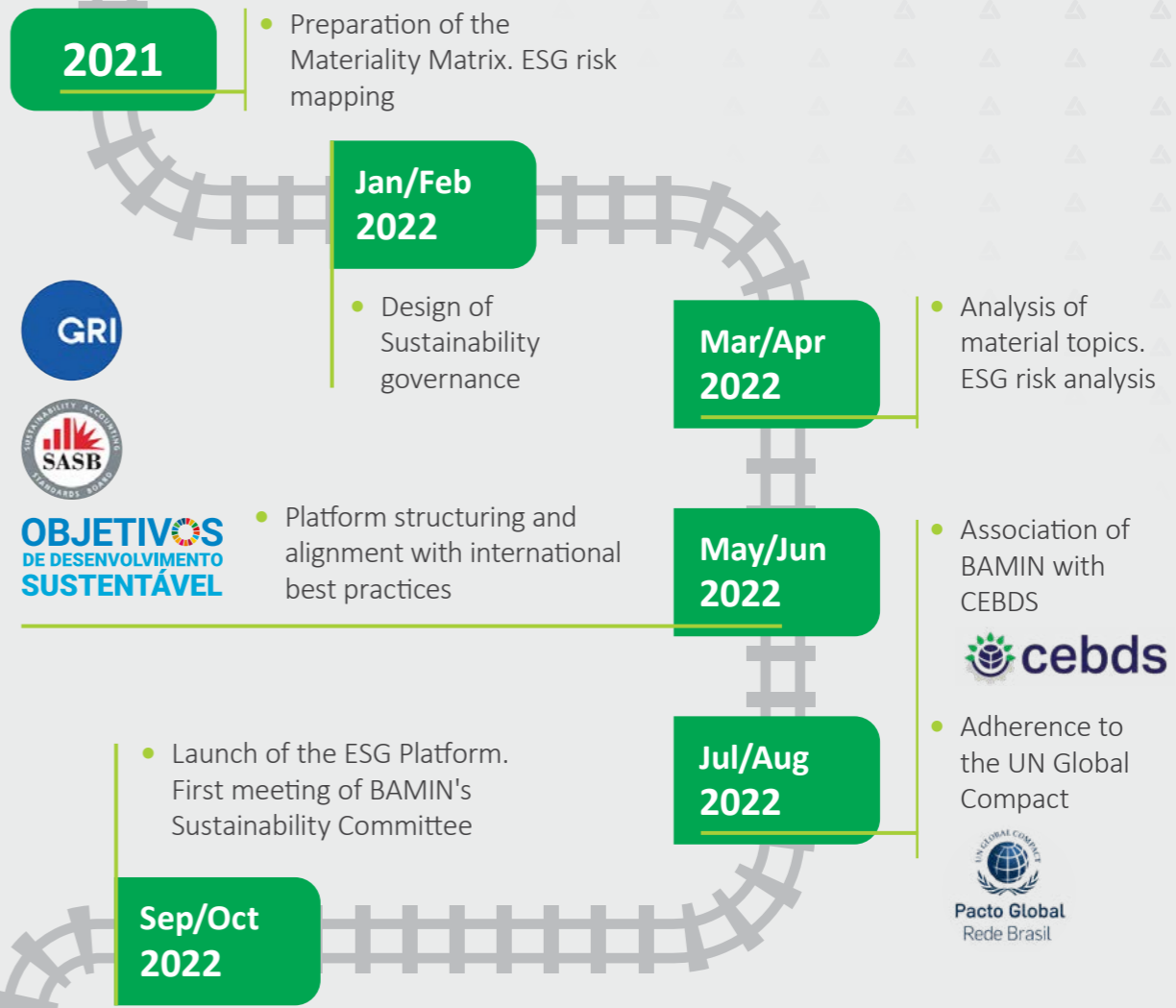
BAMIN aspires to be a differentiated and leading organization in terms of the development of the communities surrounding its projects. Therefore, BAMIN's sustainability agenda is inextricable from the Pedra de Ferro Integrated Project and not merely a parallel set of actions to the business.

The company believes in the power of its project to promote social transformation, generating positive impacts for sustainable development. Furthermore, while in the fairly recent past the idea of sustainability used to be limited to caring for the

environment and communities, today one sees in all sectors a growing mobilization and commitment to a sustainable agenda that is increasingly broad and vital to the success and continuity of an organization.

Therefore, the Integrated Project itself was born at the forefront of sustainability. After all, in addition to being based on the extraction of iron ore of naturally exceptional quality (and whose processing results in lower CO₂ emissions), it makes use of more efficient and less polluting transport modes and renewable energy sources.

BAMIN'S SUSTAINABILITY JOURNEY










BAMIN established the ESG Department in March 2022 in order to strategically position the company's sustainability agenda. It is formed of the Environment, Community Relations, Corporate Communication, and Sustainability /ESG Departments. The second step was the construction of the ESG Platform – a structuring of

commitments, material topics and contribution to the Sustainable Development Goals, detailed by environmental, social and governance dimensions. The ESG Platform was launched in August 2022, in conjunction with BAMIN's adherence to the 10 Principles of the United Nations (UN) Global Compact.

THE ESG BAMIN PLATFORM



VISION

Be a good example. Improve our sustainable operations and become a more recognized international natural resources company.



MISSION

Always strive for excellence. To constantly remain up-to-date with the changes in contemporary society without sacrificing our institutional values, and to enhance the prosperity of all those directly or indirectly involved with us.

ENVIRONMENTAL

Commitment to actions for the conservation of natural assets through the adoption of best environmental risk management market practices. In response to the global challenge of combating climate change, the commitment is to play a significant role in the green steel market.

SOCIAL

Commitment to the safety, well-being and growth of local communities, while respecting their vocations and cultural characteristics. In addition, BAMIN values a safe, healthy and diverse work environment for all employees, facilitating the professional development of each one of them.

GOVERNANCE

Commitment to raising corporate governance standards, ensuring ethics and integrity in the conduct of business. Strengthen communication and stakeholder relations and engage the supply chain in the sustainability agenda.

STRATEGIC AXES

- Natural Resources Conservation
- Climate Change



- Respect for Communities
- Socioeconomic development of the communities
- Work Environment



- Corporate Governance
- Legal and Regulatory Compliance
- Stakeholder Relations
- Supplier Management



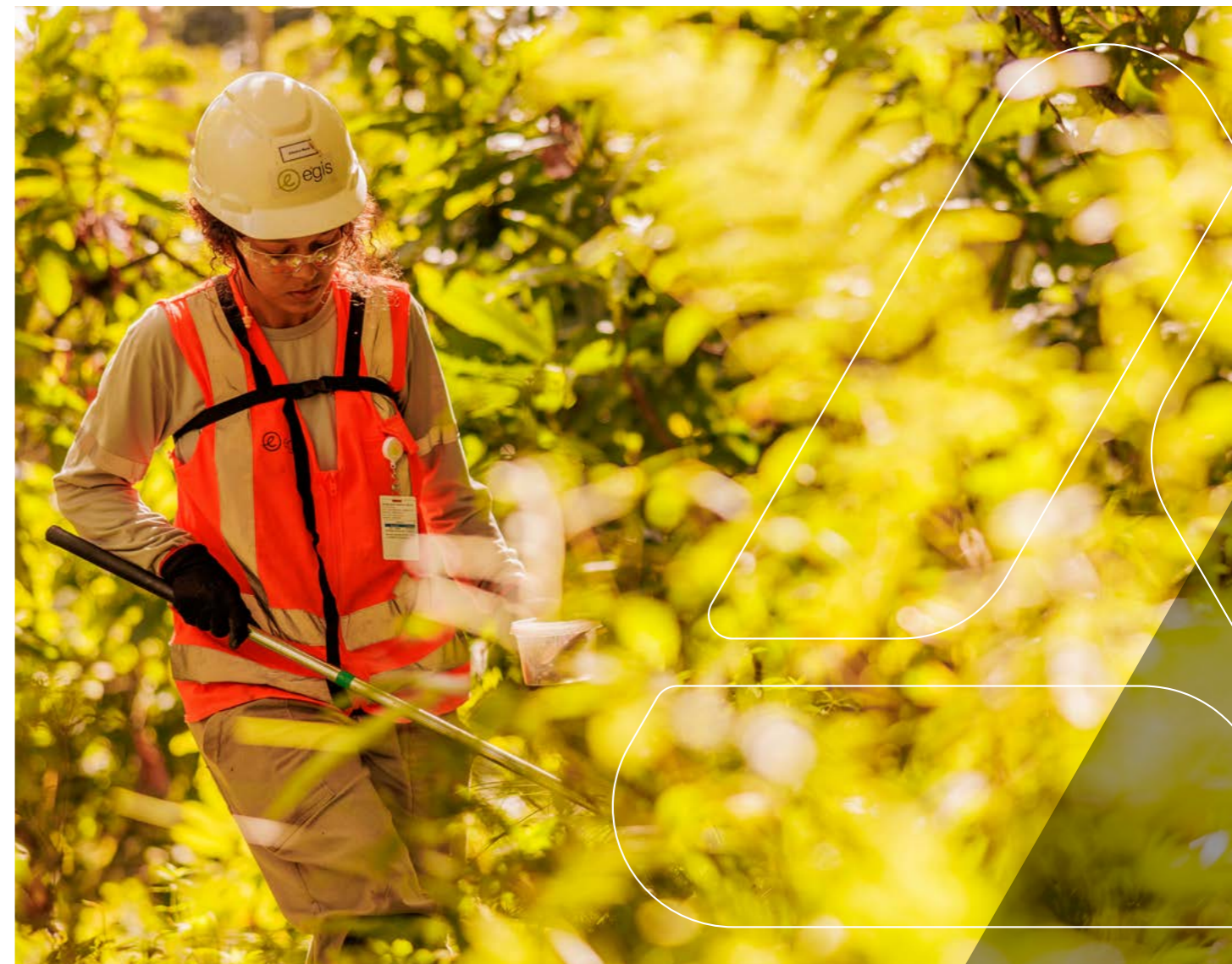
LEVERS

Innovation, Integrity and Transparency



VALUES

Safety, Unity, Efficiency, Development and Accountability



To ensure that the company is progressing toward the ESG Platform commitments, processes have been implemented to monitor indicators based on international reporting standards, to monitor the

portfolio of programs, projects, and initiatives aimed at improving the management of material issues and mitigating ESG risks, and to establish the Sustainability Committee.

Sustainability Committee

Created in 2022, the strategic goal of BAMIN's Sustainability Committee is to strategically direct and supervise the implementation of the company's sustainability agenda and performance – as well as monitor the communication of ESG performance with stakeholders.

It is also through the Sustainability Committee that crucial concerns around the issue are communicated to the CEO and the departments. In 2022, the meetings of the Sustainability Committee were held every semester. In 2023, they will be held every quarter. Minutes are generated at the end of each of these meetings, and the actions decided at the meetings are monitored by the ESG Directorate. The status of actions and proposals made previously are always informed at the beginning of each committee meeting. [GRI 2-16](#)

MAKEUP OF THE SUSTAINABILITY COUNCIL

Permanent members	Organization
Chairman	ERG Group
CEO	BAMIN
CEO Railway	BAMIN
Chief Finance Officer	BAMIN
Implementation Officer	BAMIN
Operations Officer	BAMIN
Environment, Community Relations, Corporate Communication and ESG Department	BAMIN
Head of ESG Compliance	ERG Group

MARKET INSIGHTS

The management of BAMIN's environmental, social and governance aspects for the Integrated Project has been well received by all its stakeholders – and, among them, the financial agents with whom the company deals with regarding investments.

Clients, in turn, have been looking for business partners who guarantee stability in product specification and continuity of supply, and who are committed to managing sustainability issues.

In this context, BAMIN has been presenting to its stakeholders both the premium quality of the ore extracted at the Pedra de Ferro Mine and the quality of its socio-environmental programs, which aim to mitigate the impacts of activities on the environment and people, especially in local communities.



INTEGRATED PROJECT: THE BAMIN PROJECT

THE PEDRA DE FERRO INTEGRATED PROJECT

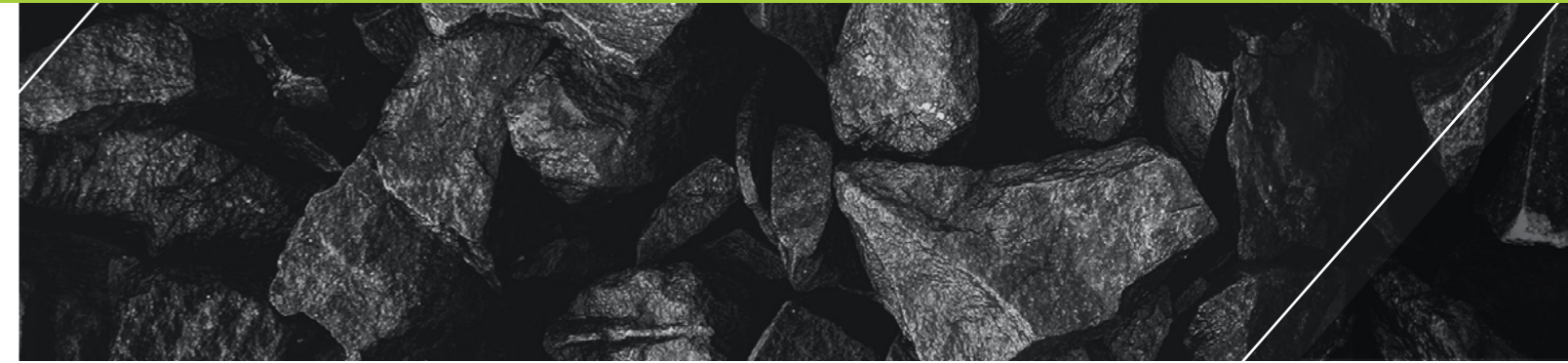
As explained in the BAMIN presentation (p. 4), the Pedra de Ferro Integrated Project – or simply the Integrated Project – consists of the Pedra de Ferro Mine, Stretch 1 of the West-East Integration Railway (FIOL) and the Porto Sul Terminal.

The Integrated Project is 100% licensed by the appropriate government agencies, and the engineering developed in its implementation works is at FEL level 3*. In addition, resources and reserves are audited by SRK Consulting.

* In 1981, Independent Project Analysis (IPA) created the basis for what is now the FEL Index® whose purpose is to translate the degree of maturity of a capital project during its development. In the 1990s, companies from various industries began to use the FEL methodology in their projects, and the division of these into phases became common in the Oil & Gas, Petrochemical, Chemical, Mining and Metals sectors. In the specific case of BAMIN, to be at FEL level 3 means to be in the phase known as Construction Planning (or "to develop the detailed engineering, execution plan and detailed cost estimate for the alternative selected in the previous phase"). At FEL 1 level, there is the so-called Business Analysis, and at FEL 2 level, there is the Selection of the Alternative.

Each of the three projects of the Integrated Project is currently in a different phase. The Pedra de Ferro Mine is starting its operation with pre-stripping activities (i.e., stripping, the removal of the first layers of iron ore from the mine). In Porto Sul, the works have been taking place as established in the schedule and are in the construction phase of the accesses, with on-shore activities (such as road works). Regarding the railway, during 2022, the due diligence and valuation process of the asset was completed, as well as the contracting of the construction packages of lot 1F, which began in 2023.

By 2027, all these operations will be fully and seamlessly operational. In addition, activities related to the environment and community relations (which currently focus on the implementation and management of social and environmental actions and programs stipulated in conditions) will be gradually expanded and strengthened, resulting in lasting and more noticeable positive impacts across the company's operating territory.



STRATEGY

The global scenario for mining today

The mining industry currently faces significant challenges and opportunities for sustainable development around the world. In order for businesses to gain the trust of investors, governments, regulators, customers, consumers, and, most importantly, the communities in which they operate, a holistic approach to environmental, social and governance issues is becoming increasingly necessary.

At the same time, issues such as costs and productivity have become more relevant, especially in the last two or three years - marked by rising inflation. Now, in addition to the production and logistical bottlenecks caused by the measures to contain the pandemic, there are supply shocks resulting from the conflict in Ukraine. Widespread price increases have affected profitability (and, consequently,

investments for the coming years), resulting in a search by companies for ways to better manage this variability and generate more value in their businesses. In this context, supply chains have gained extra importance, since adaptations and the establishment of solid relationships can generate opportunities and mitigate risks.

Another consequence of rising inflation is the increase in interest rates around the world, which has made financing more expensive. On the one hand, inflation also results in an increase in the sale price of minerals, while on the other, political and economic volatility, driven by the Russia-Ukraine conflict and China's economic movements, keeps the scenario challenging.



In any case, the energy crisis is now a central and unavoidable issue, so business related to the energy transition remains promising. Demand for battery metals, for example, is expected to exceed supply as early as 2024 due to the growth of clean energy projects. Consequently, while activities linked to fossil fuels (especially coal) have seen a drop in investment, nevertheless projects to extract critical

minerals to meet the demands of the energy transition have a very promising horizon ahead of them. No wonder the sector has been experiencing a wave of verticalization, with mergers and acquisitions being carried out as the industry looks for new business models to capture value amid these new opportunities. The growth in mergers and acquisitions in the mining industry could be observed in the first quarter of 2023, mainly in markets linked to copper, lithium, nickel, aluminum and cobalt.

It is for this reason that asset diversification is part of BAMIN's medium- and long-term strategies – and the fact that today, it has mining permits involving not only iron ore, but also zinc, quartz, lithium, manganese, copper and phosphate. As for iron ore, BAMIN believes that the volatility the world is experiencing at the moment will not be able to cancel out the exceptional quality of the product extracted at the Pedra de Ferro Mine – and neither will the demand represented by clients who are increasingly seeking to reduce their carbon emissions and obtain sustainability certifications for all their supply chains. In the midst of the uncertainties, BAMIN's conviction that the Pedra de Ferro Integrated Project is very much in line with this scenario remains solid.

Drawing up and implementing the strategy

BAMIN has defined **seven long-term strategic objectives** for its management. They are:

- 1 **Develop activities based on integrity and sustainability**
- 2 **Implementation of the Pedra de Ferro Integrated Project**
- 3 **To be a leading company in the management of natural resources and logistics**
- 4 **Focus on new project development, innovation and continuous business improvement approach leveraging investment opportunities**
- 5 **Be competitive in generating shareholder value**
- 6 **Generate value**
- 7 **Engagement with people**

The figure on the next page explains what each of these long-term goals means in practice, dividing the goals that are prerequisites for business success between ambitions and results.



STRATEGIC OBJECTIVES

Create activities based on Integrity and Sustainability

Apply best corporate governance practices, respecting legal, regulatory and governmental requirements

Implementation of the Pedra de Ferro Integrated Project

Unlock the key step of the strategic roadmap with the implementation of the Integrated Project; with infrastructure for the mine, plant, railway and port – in order to support the production of 26 Mtpa of iron ore by 2026

To be a leading company in the management of natural resources and logistics

Be efficient, deliver results, optimize resources and manage the business with a sense of ownership



People engagement

Increase the recruitment, development and retention of world-class human capital

Generate value

Develop and operate sustainable mineral assets, respecting the environment, generating value for society and preserving quality of life

Be competitive in generating value for shareholders

Seek to continuously increase net margin targets in operations year-on-year, and create a finance culture among the team

Focus on new project development, innovation and continuous business improvement approach leveraging investment opportunities

Add value to assets, enhancing performance and developing new potentials for the group

- Prerequisites
- Ambition
- Results



THE STRATEGIC MAP GRI 3-3

Derived from the Strategic Plan, BAMIN's Strategy Map establishes the path to be taken by the company and the project milestones that need to be achieved in the short-, medium- and long-term. The Strategic Map is updated annually and monitored by the Executive Directorate. During the first four months of each year, the company defines its corporate goals together with the respective measurement and monitoring criteria. These goals are taken to the Strategic Committee in two phases: the first for discussion and approval, and the second for monitoring, review and reassessment.

BAMIN's Strategic Map is based on the Strategic Plan and establishes the project milestones that need to be achieved in the short-, medium- and long-term

VALUE GENERATION





BAMIN's major highlight in operational terms during 2022 was the mine opening activities, that is, pre-stripping that resulted in overall handling of 5 million tons.

Normally, the opening of a mine does not follow the immediate sale of the ores contained therein. However, in the case of the Pedra de Ferro Mine, the premium quality of the product, market demand and relatively easy hematite mining process led BAMIN to make the decision to market the iron ore at this early stage of the operation.

BAMIN was recognized by Brasil Mineral magazine (one of the country's most important publications in the segment) as Company of the Year in the iron ore sector in the "Growth" category

Indirect economic impacts GRI 203-2

It is estimated that the total implementation of the Integrated Project will result in the generation of about 55,000 direct and indirect jobs, as well as the collection of more than R\$ 19 billion in taxes.

BUSINESS PERFORMANCE

In 2022, BAMIN presented a sales volume of 827,600 tons – 39% more than in 2021. Of this volume, 738,400 tons were sold in the international market. Considering the period from the start of the company's operations to the end of the reporting period, BAMIN exceeded 1 million tons shipped.

The company's financial information is audited, but is not yet systematically disclosed to the public. GRI 2-2



738.4 thousand tons

of iron ore were sold internationally by BAMIN in 2022

VALUE ADDED STATEMENTS (IN THOUSANDS OF R\$)

GRI 201-1

	Parent company		Consolidated	
	2022	2021	2022	2021
Revenues				
Revenue from contracts with customers	331,371	489,535	331,371	489,535
Other revenues	52,274	126	52,274	126
Deductions from revenues (except taxes)	(22,288)	(77,133)	(22,288)	(77,133)
Total	361,358	412,529	361,358	412,529
Inputs acquired from third parties				
Cost of goods sold	(56,807)	(20,224)	(56,807)	(20,224)
Materials, energy, third-party services and others	(315,343)	(368,699)	(357,117)	(385,185)
Total	(372,149)	(388,924)	(413,923)	(405,410)
Gross added value	(10,791)	23,605	(52,565)	7,119
Depreciation, amortization and depletion	(5,764)	(6,191)	(5,862)	(6,191)
Net value added generated by the company	(16,556)	17,414	(58,427)	928
Value added received via transfers				
Equity method result	(36,217)	(20,028)	-	-
Financial income	210,642	7,699	249,405	13,908
Total	174,425	(12,330)	249,405	13,908
Total added value to be distributed	157,870	5,085	190,978	14,837

	Parent company		Consolidated	
	2022	2021	2022	2021
Distribution of value added	157,870	5,085	190,978	14,837
Personnel				
Remuneration and benefits	67,052	37,850	91,062	45,175
Total	67,052	37,850	91,062	45,175
Taxes				
Federal	32,860	46,697	41,827	49,091
State	3,167	22,912	3,167	22,912
Municipal	190	1,795	254	1,820
Total	36,217	71,405	45,249	73,823
Return on third party capital				
Financial expenses	16,809	115,296	16,876	115,305
Total	16,809	115,296	16,876	115,305
Return on equity capital				
Profit (loss) for the period	37,791	(219,467)	37,791	(219,467)
Total	37,791	(219,467)	37,791	(219,467)

In 2022, BAMIN recorded an accumulated loss of R\$ 1.64 billion (compared to R\$ 1.68 billion in 2021). This performance reflects the company's current moment, that of the development of the Integrated Project. Despite the result, there are significant amounts of invested resources distributed in the company's direct labor

and in the implementation of the Integrated Project, as well as in the payment of taxes. The other distributions of value added are mainly linked to the funds allocated to the Integrated Project by the controlling shareholder, in foreign currency - which means that exchange rate fluctuations have an impact on BAMIN's results.

EFFICIENCY

BAMIN's excellence in the pursuit of efficiency contributed significantly to the increase of more than US\$ 400 million in the net present value (NPV) of the Integrated Project. While potential savings related to engineering improvements amounted to US\$ 219 million, the company's renewable energy strategy - which includes the upcoming migration to the Free Energy Market - represents a gain of US\$ 228 million.

Suppliers

As with the hiring of labor, the use of local suppliers is a fundamental tool in promoting socioeconomic development in the regions where BAMIN operates – and often results in faster service and lower costs (especially when these suppliers undergo training actions). For all these reasons, sourcing products and services locally and investing in the qualification of these suppliers is one of BAMIN's priorities in all its endeavors. Respecting the value criteria, the company may select local suppliers that have not shown the best commercial condition in competitive processes. In 2022, the company's purchasing budget spent on local suppliers was 43.48%.

It is within this context that the company hired the Euvaldo Lodi Institute (IEL), creator of the Supplier Development and Qualification Program. The aim of this program, which began in November 2022, is to improve production chain competitiveness by encouraging interaction between medium-sized and large companies (anchor companies) and their suppliers – and also by qualifying suppliers, company networks and production chains, training them in various fields of management (such as strategy, commercial, financial, quality, occupational health and safety, production, innovation, social and environmental responsibility). The kick-off of this BAMIN project with IEL took place in 2023, and was marked by an event where local suppliers, most of whom are small, were able to demonstrate their interest - especially those located along the 537 km of railway track.



INNOVATION

Since innovation is one of its strategic pillars, in 2022 BAMIN created the Innovation Department, which reports directly to the CEO and operates on four fronts:

- **decarbonization and use of clean energy**
- **digital engineering**
- **computational logistics modeling**
- **new product development**

A total of R\$ 5 million was expected to be invested by the company in the next two years in R&D and innovation projects.

PEOPLE MANAGEMENT

The basis of BAMIN's Human Resources culture is the promotion of a healthy, safe, diverse, inclusive and stimulating work environment. The team responsible

for the area stands out for its agility and transparency in all its actions, regardless of the hierarchical levels involved.

Recognition by the Great Place to Work Institute (GPTW)

BAMIN has been certified as a GPTW company since 2019 and attributes this recognition (unusual among companies in the mining sector) to its culture of integration – a culture that values the quality of the treatment given to employees, the respect that leaders have for their subordinates and the feeling of welcome that everyone feels when arriving at the organization.

During 2022, the company achieved a historic achievement for its Human Resources management by obtaining record engagement in the survey—an accomplishment that is even more impressive when we consider that BAMIN's operation, which is still in the structuring phase, nearly tripled in size between 2019 and 2022 and that the company's workforce is spread across units that are geographically dispersed. This and other significant survey results are provided below.

GPTW RESEARCH 2022

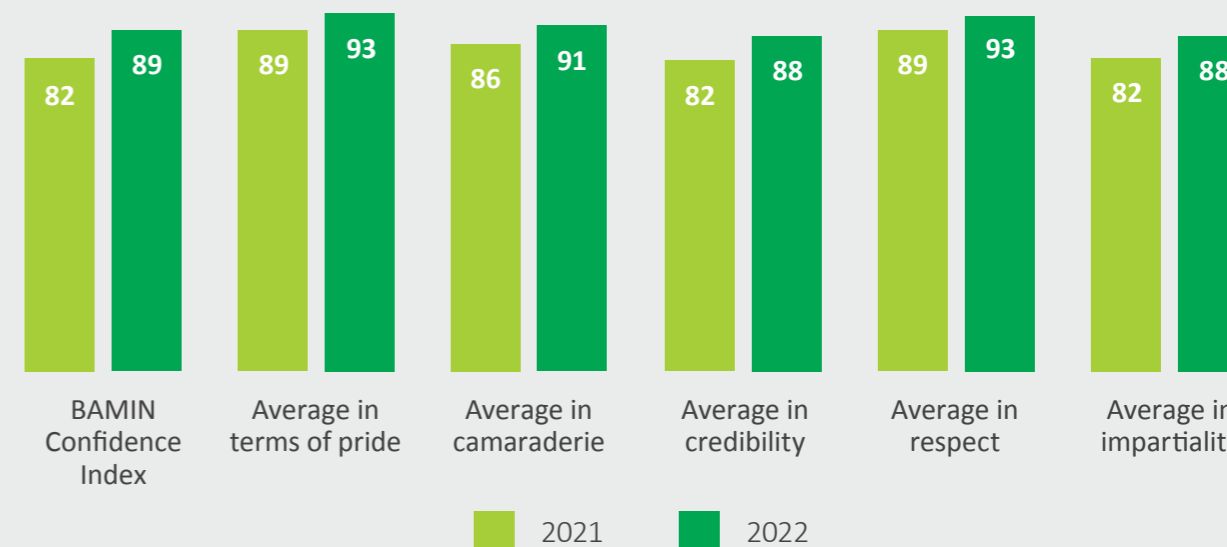
257 invited employees (admitted until 07/31)

231 forms completed

89% on the index of confidence of the GPTW

389 comments made

AVERAGES BETWEEN 2021 AND 2022 (%)



The survey's success can be attributed to BAMIN's efforts to align its remuneration practices with those of the market, as well as its significant investment in leadership programs and internal recognition programs. This engagement note was also influenced by health and well-being campaigns and actions. New programs were created and old programs were reformulated – always with an emphasis on disease care and prevention ([learn more about BAMIN's Health and Safety policies and programs on pg. 33](#)). Processes and bureaucracy are among the areas of focus, which are already being addressed by the Governance Working Group.

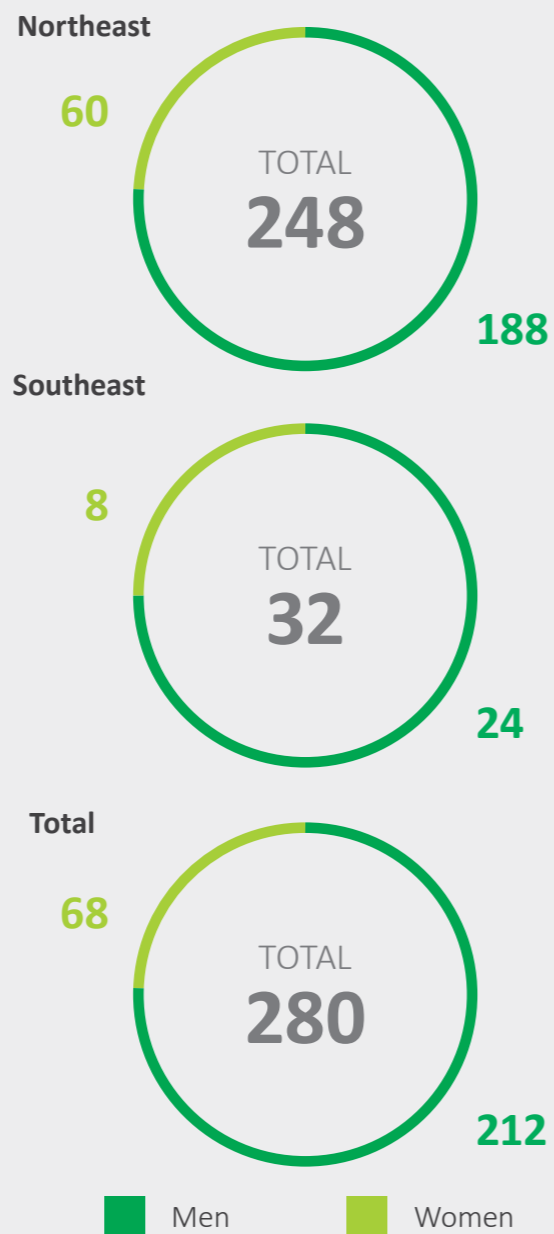
Numbers

BAMIN's workforce growth remained strong throughout 2022, which ended with the company totaling 280 employees and 1,622 third party workers – compared with 190 and 1,253, respectively, at the end of 2021. BAMIN anticipates that the workforce composed of third-party laborers will grow even more until 2026, reaching 3,000 workers only in the Integrated Project's construction activities.

All employees of the company are covered by collective bargaining agreements. **GRI 2-30**



EMPLOYEES BY GENDER AND REGION^{1 2} GRI 2-7



¹ All employees have a permanent and full-time employment contract. The data reported is based on the month of December 2022 and includes BAMIN, Bahia Ferrovias and PCM; and the CLT, Young Apprentice and Statutory bonds.

² BAMIN has no employees in the North, Midwest and South regions.

HEALTH AND SAFETY GRI 3-3, 403-1

The Integrated Project posed a number of challenges for BAMIN's Health and Safety Department. Among them are the company's geographical distribution and the specifics that must be observed in interactions with the various communities adjacent to the company's work areas. In 2022, BAMIN's Health and Safety Management System was created, based on the guidelines of the company's Occupational Health and Safety Policy – guidelines that are based on ISO 45001 and Ordinance 3214 (Brazilian regulatory standards) and that cover all workers (direct and indirect) from all business units of the company. The goal of BAMIN's Health and Safety Management System is to meet legal

requirements while also creating a culture of safety among its employees.

The Health and Safety Committee, established in the second half of 2022 to oversee BAMIN's Health and Safety Management System, should also be mentioned. This committee is responsible for deliberately defining procedures, standards, and rules, as well as discussing and developing indicators and assumptions in monthly meetings. In addition to support functions, the group is made up of managers, general managers, and directors of operation and implementation, and it is always working to bring together different departments of BAMIN so that they can better manage Health and Safety issues.

In addition to having no cases of occupational illness, BAMIN has logged more than 6.7 million hours worked since 2019 without recording any fatal or lost-time accidents

GOLD IN HEALTH AND SAFETY

BAMIN received the 2022 Brazil Protection Award in the category "Occupational Health and Safety (OSH) Actions within the Community" at the 5th Brazilian Congress on Occupational Health and Safety, held on November 11 in São Paulo (State of São Paulo). The Protection Brazil Award is the most important recognition of good Occupational Health and Safety (OSH) practices in the country, promoted by the Protection Magazine, which has been in circulation for 35 years and is a reference in worker quality of life.

The company received the Gold Award for excellence in projects developed for Ilhéus communities as well as the construction and implementation of the Porto Sul project. The zero rate of personal, environmental, and material accidents involving communities; the zero rate of accidents with workers' leave; the positive impact on the health of people in neighboring communities; and the promotion of awareness about traffic education are among the accomplishments that earned BAMIN this recognition.

Accidents GRI 403-2, 403-9

To identify hazardousness, assess risks and apply the hierarchy of controls in order to eliminate or minimize hazards, BAMIN has the Hazard and Risk Assessment (PRA) procedure. Furthermore, workers at the company can report dangerous situations using the Safe Work Analysis (ATS) procedure, and their reports will be verified by a multidisciplinary team. An internal company procedure guarantees any employee's right to refuse any task

that appears dangerous, and the same applies to the process that guides the investigation of work incidents.

Employees participate effectively in the development of the occupational health and safety management system through climate research, feedback from managers and Health and Safety Committees. GRI 403-4

In the year covered by the report, employees underwent specific occupational health and safety training to meet legal requirements and promote culture. GRI 403-5

The majority of the accident events involved hands and fingers. The greatest risks for the occurrence of occupational accidents in the workplace involve machine protection, the absence of prior activity analysis, and the failure to use Personal Protective Equipment (EPI). During 2022, two mandatory communication accidents involving direct employees and five with workers whose workplace is controlled by the company were recorded. Accident rates were 3.38% and 1.69%, respectively, as a result of these events.

The Program Iron Health

GRI 403-3, 403-6, 403-7

The Iron Health Program, which was launched in 2021, demonstrates the company's concern for its employees' overall health. According to the initiative's definition, "health is physical, psychological, mental, and social well-being." As a result, three completely integrated lines of action have been established:

- **Physical health**, contemplated through the provision, for example, of benefits such as Gym pass and nutritional consultations for employees and their dependents
- **Psychological health**, supported through the provision, also at reasonable rates, of online **consultations** with psychologists for employees and their dependents
- **Financial well being**, covered through advice and online **training** (at no cost) to help with finances and demonstrate how to manage your own money, reduce expenses, invest and so on

Seeking to promote internal engagement, BAMIN conducts various color campaigns (such as Pink October, Blue November, and Yellow September, for example) and vaccination campaigns against diseases such as covid-19, hepatitis, tetanus and yellow fever, among others. At no charge to employees, immunization campaigns are often conducted in partnership with municipal authorities in the places where BAMIN operates.

All employees and workers are covered by the occupational health and safety management system. There was no record of occupational diseases in the organization during the period covered by the report.

GRI 403-8, 403-10

HUMAN CAPITAL DEVELOPMENT GRI 3-3

BAMIN is committed to promoting employee development based on their individual needs, the company's strategic objectives, and their alignment.

The company has a People Committee that involves the company's leadership to discuss the performance of all employees, in order to mitigate possible biases of the direct manager. The methodology used in the task is 9box, and the final classification of the evaluated employee is decided by consensus among the managers present. This classification gives the employee eligibility or ineligibility to participate in development programs, training and other actions aimed at Human Resource Management. In addition, at the end of this performance management cycle, the employee receives feedback from his manager, and they jointly prepare an Individual Development Plan (IDP) – which, in turn, offers assistance to the Human Resources Department for

the mapping of development actions for employees.

The BAMIN Talent Development Plan, whose architecture was completed in 2021, is also important to mention. The initiative's goal is to work on employee development in a dynamic way, that is, in accordance with the actual needs of the business. This plan develops into a number of programs, ranging from those designed specifically for senior leadership to those applicable at all levels, including grassroots. In the latter case, the training programs address topics such as the company's strategy, projects, results management, leadership baseline and implementation of values, among others.

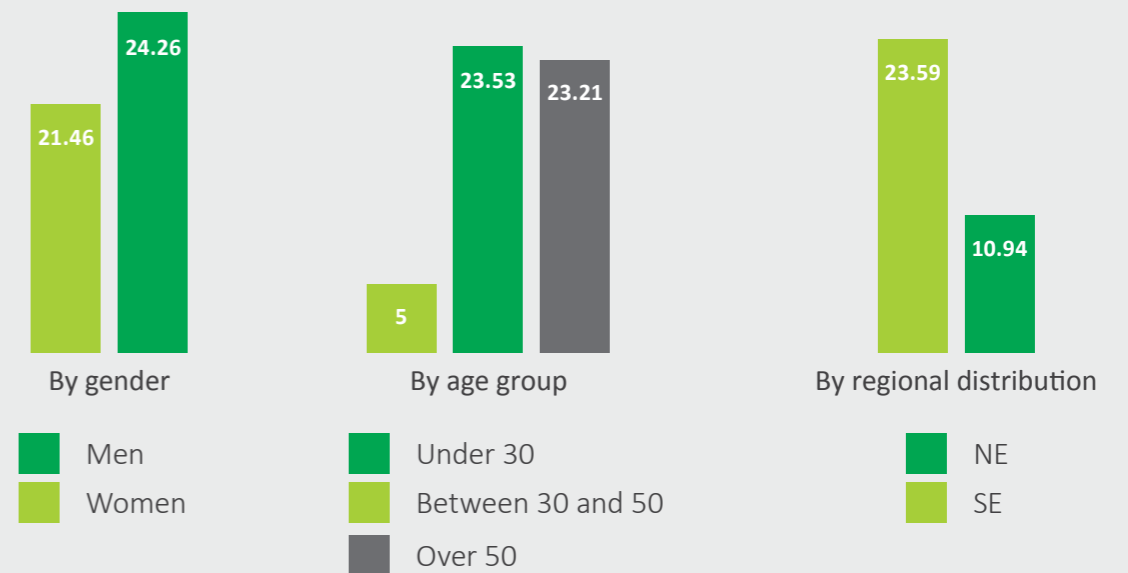
Finally, BAMIN also has team building training (those aimed at teams) and the Continuing Education Program covering three modalities: technical, academic or language study.

PLANNING LOCAL RECRUITMENT

BAMIN is aware of how many professionals each of the three projects will need, what their qualifications should be, and how far in advance the business will need to organize itself to hire and train these individuals, thanks to the labor histogram.

BAMIN is committed to having 60% local labor in its operations. This will necessitate the implementation of a robust project to train workers who will not only be able to participate in the company's selection processes, but will also be able to seek opportunities with third-party partners and even in other industries.

TURNOVER (RATE) ¹ GRI 401-1 2022 (%)



¹ Calculation methodology: [(contracted + terminated)/2]/headcount total.

Total
22.14%

Total headcount
280

DIVERSITY, EQUITY AND INCLUSION

GRI 3-3

In the mining industry, the diversity of professionals working in the field is a crucial issue.

The first corporate diversity target for the company was established in 2021, and in 2022, the proportion of female employees was 24%, exceeding the target. BAMIN also has formal commitments in this area – in this case, with the Brazilian Mining Institute (Instituto Brasileiro de Mineração) (Ibram) and Women in Mining (WIM). These commitments seek to have 30% women in leadership positions by 2030.

The restructuring of the Diversity, Equity, and Inclusion Program was given top priority by BAMIN in 2022. This work took place in two phases: the first phase

involved benchmarking sessions with several companies in the sector and sectoral documentary analyses. In the second phase, the program strategy was developed, statistical data on BAMIN's diversity was analyzed, and relationships with internal partners important to the program's success, like those in human resources, compliance, communication, health and safety, and compliance, were strengthened. All new employees hired by the company carry out mandatory training session during the onboarding phase, through online courses that offer immersion in the subject of diversity.

There were no confirmed discrimination cases reported during the period covered.

GRI 406-1

By 2030, BAMIN made formal commitments to the Brazilian Mining Institute (IBRAM) and Women in Mining (WIM) with the aim of achieving a 30% representation of women in leadership positions



DIVERSITY AND INCLUSION PROGRAM

In 2022, following the establishment of the ESG Directorate, BAMIN undertook a significant reformulation of its Diversity and Inclusion Program. The method for understanding employees' demands, aspirations, and expectations related to the diversity, equity, and inclusion agenda has also been improved. The initiative was relaunched in April 2023. The main goal of the initiative, known as BAMINclusive, is to foster a climate of equality, respect, and interpersonal understanding. The guidelines governing the BAMINclusive are:

- Representativeness
- Career development and equal opportunities
- Inclusive culture
- Inclusive leadership
- Culture of freedom of expression and thought

The program depends on the pillars of literacy, mobilization or engagement, diversity groups, improvement of organizational processes, and adherence to commitments made to external parties to accomplish its goal. In 2023, the Diversity Code was replaced by a Diversity and Inclusion Policy. In addition, specific training sessions are planned for mid-level and senior managers and for general employees.



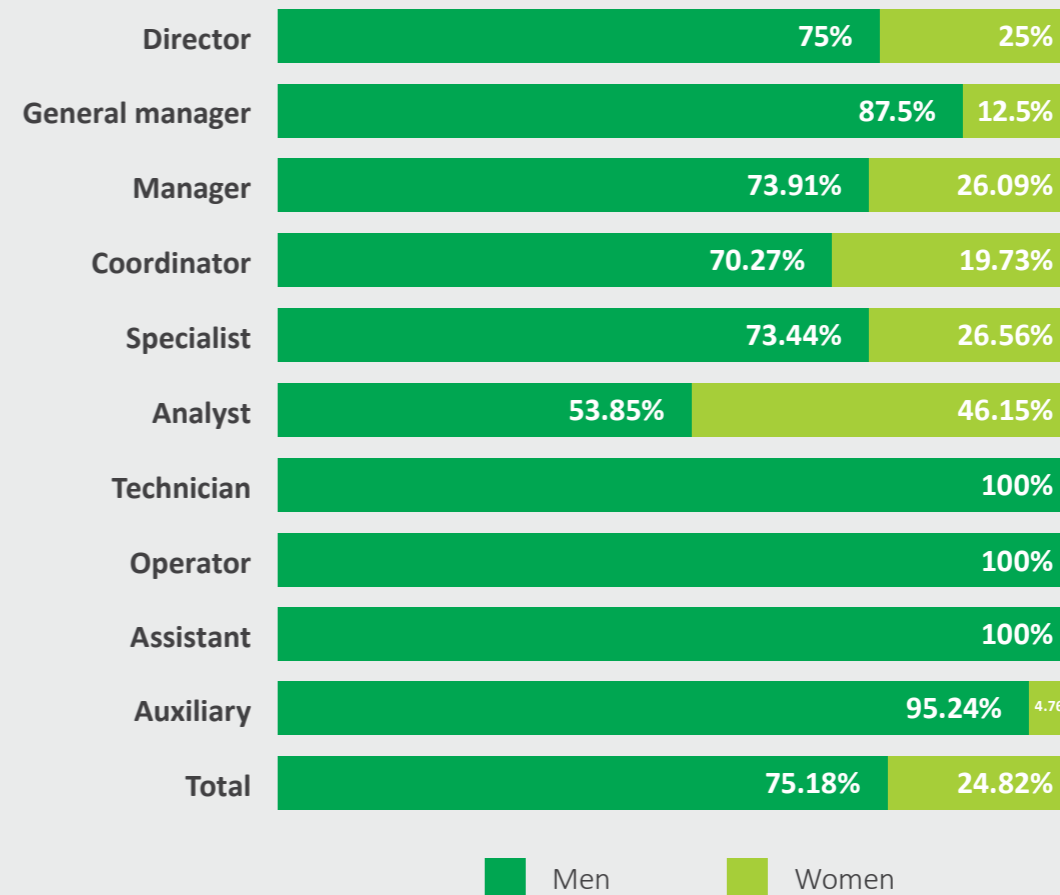


ELAS POR ELAS

Aimed at the professional development of women in the company, "Elas por Elas" (Women for Women) was developed throughout 2022 and launched in 2023. The program brings together mentors appointed by the Human Resources and Directorates based on certain pre-established criteria. The mentored professional then holds at least five meetings with her mentor – with objectives aligned between both of them and also with the mentor's manager.

BAMIN has 24.82% women among its employees and achieved a 100% return rate for maternity/paternity leave in 2022

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES BY JOB CATEGORY AND GENDER (%) GRI 405-1



SENIOR MANAGEMENT MEMBERS HIRED IN THE LOCAL COMMUNITY

GRI 202-2

	2022
Total directorate members ¹	9
Directorate members hired in the local community ²	4
Percentage of the directorate hired in the local community (%)	44.44

¹ The directorate is comprised of the Directors and the CEO.

² The term 'local' is applied to employees hired with residence in the region of work, whether in the headquarters or branch.

EMPLOYEES BY JOB CATEGORY AND GENDER (%)¹ GRI 405-1

	2022	
	Men	Women
Direct third parties	1,060	114
Indirect third parties	293	155
Total	1,353	269

¹ The company does not have information on the distribution of workers by age group and underrepresented groups.



EMPLOYEES BY JOB CATEGORY AND AGE GROUP (%) GRI 405-1

	2022		
	Under 30	Between 30 and 50	Over 50 years
Director	-	75%	25%
General Manager	-	50%	50%
Manager	2.17%	65.22%	32.61%
Coordinator	-	89.19%	10.81%
Specialist	1.56%	78.12%	20.31%
Analyst	15.38%	76.92%	7.69%
Technician	4.17%	79.17%	16.67%
Assistant	33.33%	16.67%	50%
Auxiliary	23.81%	71.43%	4.76%
Total	6.93%	73.73%	19.34%

MATERNITY/PATERNITY LEAVE GRI 401-3

	2022	
	men	women
Employees who were entitled to take leave	212	68
Employees who took leave	6	2
Employees who returned to work, in the reporting period, after the end of the leave	6	3
Employees who returned to work after leave and continued to be employed 12 months after returning to work	6	2
Return rate	100%	100%

IMPACT MANAGEMENT

This chapter will discuss the methods used by BAMIN to control the effects of its

operations on the environment and the communities surrounding its projects.

COMMUNITIES

GRI 3-3, 413-1

All of BAMIN's operational teams include people who are in charge of cultivating ties with the community. These relationships are carefully built through ethical, transparent and inclusive attitudes – and through an engagement approach of active listening, individual treatment and mutual trust, providing opportunities for broad and constructive dialogue.

Among the tools used strategically by the company to manage risks and opportunities associated with rights and communities are:

- Active listening in communities through conversation circles;
- Engagement and Awareness Building during visits to homes;
- Identification of interests and alignment with community leaders and
- Strengthening the communication channel with communities and other stakeholders (Alô BAMIN). [\[SASB\] EM-MM-210b.1](#)

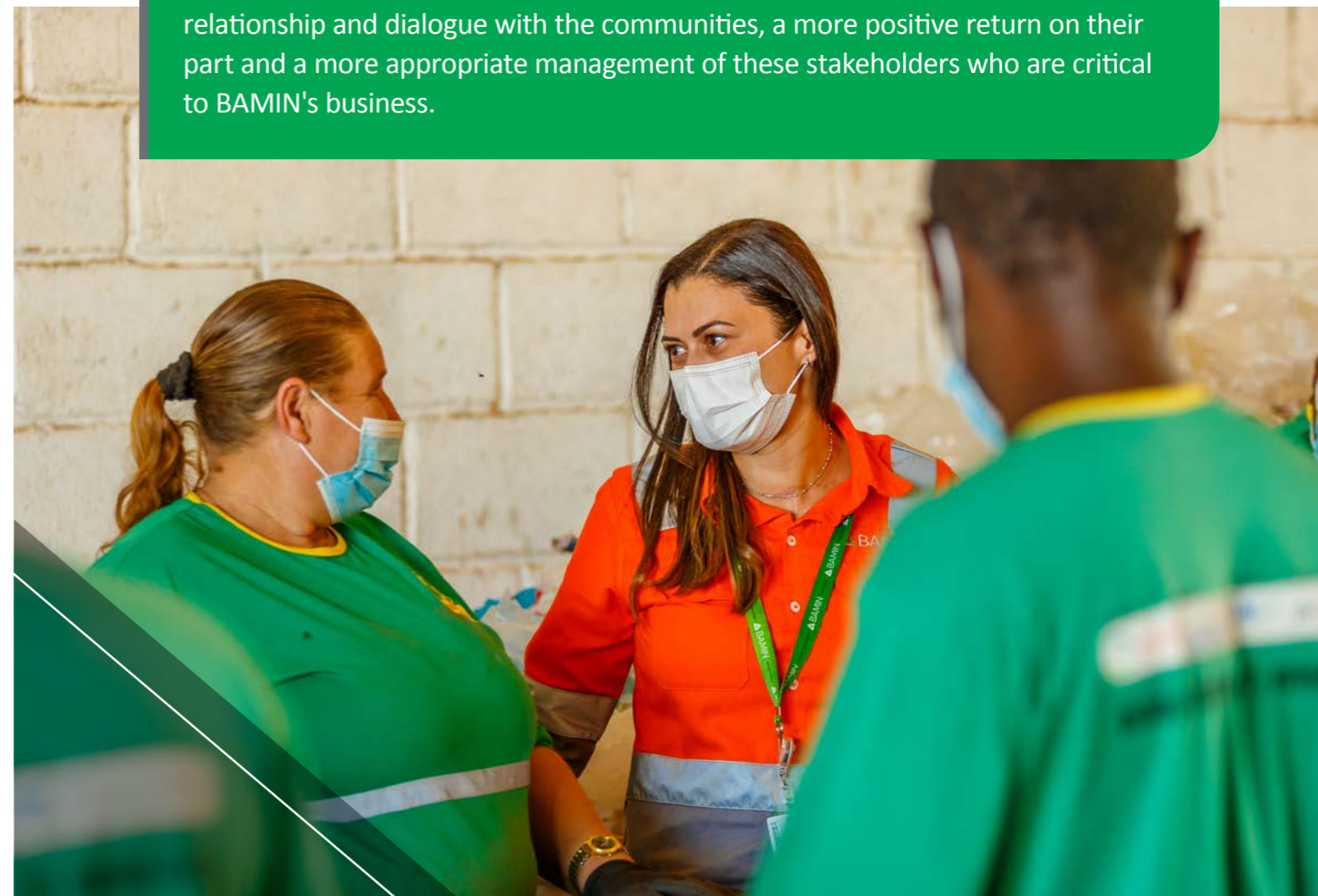
In addition, the Social Communication Program deserves particular attention, which is a condition of the enterprise licenses. BAMIN organized in 2022 about 392 engagement processes (such as meetings, workshops and actions with community interaction and involvement). There were 276 at the Pedra de Ferro Mine, reaching about 19,400 people, and 116 in Porto Sul, reaching 2,700 people.

BAMIN held more than 20 Dialogue Days with communities neighboring its operations and social institutions. Among the audiences covered by this initiative are leaders of the Tupinambá indigenous people, presidents of community associations and managers of conservation units in the region, for example.

MAPPING SOCIAL STAKEHOLDERS

In 2023, BAMIN integrated its social stakeholder mapping process following the restructuring it underwent in 2022. This survey arose from a need on the part of the company to update the information it had regarding the social panorama around the port and the mine – at the same time that it included in this process the railway, whose concession was obtained a short time ago and, therefore, had not yet undergone this analysis and recognition made by BAMIN.

Now, all three units have the same mapping methodology for these stakeholders, which allows a more assertive performance by the company, a more dynamic relationship and dialogue with the communities, a more positive return on their part and a more appropriate management of these stakeholders who are critical to BAMIN's business.



It is also worth mentioning the Project Monitoring Committee (CAE), a deliberative committee that brings together NGOs, municipal leaders (such as mayors and city council representatives), civil society and entrepreneurs. In meetings with CAE, BAMIN presents the progress of the implementation of the Integrated Project, the monitoring reports and any route changes. In reality, the CAE supports and endorses the company's project execution by acting as a disseminator and distributor of BAMIN's information. The CAE of Pedra de Ferro Mine has existed since the beginning of its activities. BAMIN plans to expand this practice to other ventures in 2023. In Porto Sul, the commission will be called the Construction Monitoring Committee (CAO).



392

engagement processes (such as meetings, workshops and actions with community interaction and involvement) were implemented by BAMIN in 2022

Here are some of BAMIN's top social and environmental initiatives, grouped by business operation.

Pedra de Ferro Mine

VIVA CIDADANIA PROGRAM

It was started in 2011 to help reduce various forms of violence against the most vulnerable people in the area, such as the sexual abuse of children, adolescents and women, as well as to assist in lowering excessive alcohol and drug use, for example. In addition, the Viva Cidadania Program aims to implement Law 13.431/2017 on Specialized and Protected Listening in order to strengthen and train the municipal basic

and special protection network. BAMIN carried out two situational diagnoses of the municipalities of Caetité and Licínio de Almeida for the training of 194 public agents of the Protection Network. It is also fostering two intersectoral committees for the implementation of the system to guarantee the rights of children and adolescents who are victims or witnesses of violence.

Porto Sul

CANTEIRO ESCOLA SITE PROJECT

An initiative of BAMIN undertaken with the National Service for Industrial Apprenticeship (Senai) has the objective of promoting opportunities for technical training of young people from local communities by offering vocational courses carried out within the construction site—and involving functions such as civil assistant, construction driver, roller operator, crawler tractor operator, excavator and backhoe operator and environmental agent for the protection of fauna and flora, for example. Women are represented among the trained professionals, including in civil construction activities. Indigenous people also benefited

from this initiative with the creation, in 2022, of 25 spots for the administrative assistant course reserved exclusively for Indigenous students from the Tupinambá's territory in Olivença. After completing the training, these students were also able to make or update their registrations in SineBahia, an intermediation service offered by the State of Bahia that aims to foster the hiring of local labor, connecting companies and professionals in search of work. The number of students that graduated from the Canteiro Escola Project totaled 200 in the 2021-2022 school year. Additionally, BAMIN intends to implement the Canteiro Escola Project on the railway in 2023.

SUPPORT PROGRAM FOR THE IMPLEMENTATION OF LOCAL HOUSING SYSTEMS AND LOCAL HOUSING PLANS

Initiated in 2018, its objective is to provide the necessary technical support so that the municipalities of the Areas of Direct and Indirect Influence of the enterprise can be

structured to manage the housing needs of their populations. Until now, seven technical workshops have been held with municipal managers. In addition, the Diagnosis of the Housing Situation and the Participatory Action Plan for Ilhéus were prepared and presented to the local government.

PREVENTION PROGRAM AGAINST SEXUAL EXPLOITATION

Initiated in 2018, its focus is on actions to ensure respect for the rights of children and adolescents and prevent the sexual exploitation of women, men, children

and adolescents. As part of the initiative, BAMIN promoted the establishment of an Observatory for the Prevention of Sexual Exploitation of Children and Adolescents in Ilhéus in collaboration with the relevant public organizations.

INDIGENOUS AND TRADITIONAL COMMUNITIES

There are no recognized indigenous or traditional communities in the areas of influence of the Pedra de Ferro Mine, and the same goes for the Directly Affected Area (ADA) along the railway.

However, in the Area of Direct Influence (ADI) of the Porto Sul project, 19 Tupinambás indigenous communities are located (all in Ilhéus, three of which have territory that extends outside the ADI, in Una). The Mangará Project, a BAMIN initiative that outlines a series of actions in 18 of the communities, is noteworthy. The actions are concentrated on three pillars: education and vocational training; community safety

and environmental preservation. The initiative aims to promote territorial development and strengthen the presence of these communities in the region. The word “Mangará” means heart in Tupi-Guarani, so it was chosen to represent the connection between BAMIN and the indigenous peoples of Ilhéus.

There are also seven quilombola communities in the Area of Indirect Influence (AII), in the municipality of Itacaré; all are outside the ADA – and all of which are assisted by the Social Communication and Environmental Education Programs with BAMIN Communities.



RESETTLEMENTS GRI MM9

In the Pedra de Ferro Mine region, between 2010 and 2011, there was the involuntary resettlement of 18 families from the former communities of Antas (belonging to the municipality of Pindaí) and Palmito (municipality of Caetité).

Currently, BAMIN manages the Sustainable Human Resettlement Program, which involves monitoring and counseling these families with the help of rural technical extension assistance while maintaining environmental compliance.

The implementation of Porto Sul will result in the relocation of 25 families of workers known as sharecroppers, and the guidelines for the management of this resettlement are established by the Expropriation and Resettlement Program, which is supervised by the Government of the State of Bahia. Since resettlement began in 2022, BAMIN has been monitoring the program and giving it the necessary support for its operations. To date, ten sharecropper families have been resettled.

In FIOLE 1, to date, no cases requiring resettlement have been identified for the development of the works in 2023.

Promoting social entrepreneurship

Through the Transformar Project, BAMIN has supported groups of small entrepreneurs around the Pedra de Ferro Mine. Located in the municipalities of Caetité, Licínio de Almeida and Pindaí, these groups operate in various segments such as industrial confection, cooking, beekeeping, meliponiculture and creative

sewing and institutional gifts. The objective of this project is to generate employment and income from professional training for work, offering technical advice focused on the creative economy, family farming and sustainable production. In 2022, 126 people benefited directly from this initiative.

Another example of an action to promote entrepreneurship carried out by BAMIN is the Germination Program, which aims to strengthen 21 organic and agroecological producers in the communities surrounding the Pedra de Ferro Mine. These small entrepreneurs benefit from public-private partnerships to support the commercialization of production. The program benefits nine rural communities, three in Caetité and six in Pindaí.

In the Porto Sul project, the Entrepreneurship Support Program aims to promote actions to strengthen and expand entrepreneurial activities in the municipalities of Ilhéus, Uruçuca, Itacaré and in the region. Among

the initiatives promoted is the *Elas Podem Mais* (Women Can do More) Project, created with the objective of boosting the entrepreneurial spirit of women living in the region surrounding Porto Sul. The idea is to connect them to business opportunities that are emerging from the implementation of the enterprise; as well as guiding them in the management and operation of their businesses through personalized technical advice, giving prominence to the female public in the generation of income and local development. In 2022, about 380 residents of the port region were assisted through workshops and training actions on the topics of waste reuse, handicrafts, root cuisine and fish processing, among others.

Environmental education

BAMIN develops a variety of projects with local communities and workers through the operations' environmental education programs. These programs aim to develop knowledge, skills, attitudes, and proficiencies in social and environmental values, with a focus on the sustainability of the local environment.

Two projects are being carried out at the Pedra de Ferro Mine: Waste Disposal Circuit (Circuito do Lixo) and Little Iron Stone (Pedrinha de Ferro).

Through the Circuito do Lixo Project, 63,000 residents of the municipalities of Caetité and Licínio de Almeida in Bahia have the opportunity to properly dispose of the garbage produced in their homes. Waste is collected door-to-door or taken voluntarily to delivery points. In addition to preventing 24,000 kilos of waste per month from ending up in landfills, the initiative also aims to generate employment and income through selective collection and composting. The project also maintains an organic vegetable garden and a worm farm and implements a calendar of environmental awareness activities for children and adults. Circuito do Lixo is the result of a partnership between the company and the Cooperative of Waste Collectors (Coopercicli) and the Association of Waste Collectors de Licínio de Almeida

(Ascalin) – both entities promoted and trained by BAMIN. Since 2010, the initiative has attracted 40 waste collectors to the cooperatives, accumulating and selling 3,100 tons of recyclable waste in both cities.

In 2022, Coopercicli was given an award in the Notice of the National Health Foundation (FUNASA), placing 1st in the "Cooperative in the Northeast" category and 3rd overall in nationwide assessments. Coopercicli will use the R\$ 512,000 award to invest in new equipment, which will enable it to increase employment by 30% given that the volume of recyclable waste collected is anticipated to rise by 50%.

The mission of the Pedrinha de Ferro Project is to encourage the development of environmental consciousness among students in the fifth grade of elementary school in the public network of the municipalities of Caetité, Pindaí, and Licínio de Almeida, while also promoting the training of young agents.

At Porto Sul, environmental education initiatives are carried out with the support of social mobilization with the aim of raising awareness, involving and integrating community leaders and members through the following projects:

In 2022, 126 people benefited from BAMIN's Transformar Project, which promotes employment and income generation through professional training with a focus on the creative economy, family farming, and sustainable production



Porto Sul

ECODIÁLOGO

It holds training meetings (such as conversation circles, seminars or lectures) between community leaders and representatives of civil society in order to promote dialogue on socio-environmental issues and bring together actors from different sectors, enabling the articulation for more effective actions that bring greater benefits to the communities.

In addition, BAMIN annually runs Environment Week, an initiative that disseminates environmental actions and initiatives among its own employees and third parties to minimize the potential impacts of its projects, thus fostering the creation of an environmental preservation culture.



SOLUÇÕES ECOLÓGICAS

It promotes the knowledge and experience of permaculture practices (the planning and execution of sustainable human occupations combining ancestral practices and modern knowledge) through collective mobilization for the construction of a sewage treatment system mainly used in rural properties.

MOVIMENTO LIXO ZERO

It encompasses various actions aimed at raising awareness in communities about the importance of separating and properly disposing of solid waste, careful consumption and the reuse of waste. Rural dumpsters were installed and recycling scavenger hunts were carried out in schools.

PLANTANDO IDEIAS

It raises environmental awareness about the importance of planting seedlings of trees, herbs, flowers and vegetables, both for the preservation of the environment and for people's quality of life.



Promotion of culture

BAMIN supports projects to enhance regional culture. An example is the Pedra de Ferro Museum, part of the Basic Environmental Plan (PBA). The museum's collection allows visitors to learn about the socio-environmental and cultural dynamics of the region through archaeology, speleology and examples of local fauna and flora.

Also noteworthy is the Nossa Flora Frutificando socio-environmental project, an initiative created in synergy with the communities surrounding the Pedra de Ferro Mine to highlight the wealth of popular knowledge and traditions present in the cultivation of fruit from local biomes. The region is part of a transition area known as Gerais, and has a predominance

of the Cerrado and Caatinga. The project seeks to contribute to the preservation of these environments through knowledge sharing. A book named after the program and an exhibition were launched in 2023 at the Bahian Alto Sertão Museum (MASB), in Caetité.

At Porto Sul, BAMIN established the Cultural Enhancement Program to promote the preservation of regional cultural practices and to enhance their cultural manifestations while preventing negative effects on the communities' intangible heritage in the project's immediate vicinity. Activities such as joint cultural efforts, actions to encourage reading, actions to encourage the rescue of cultural traditions and memories and actions where communities themselves produce audiovisual content are carried out.

ENVIRONMENT

BAMIN's management of environmental impacts is outlined by the Basic Environmental Plan (PBA) established as a condition of project licenses. The PBA document details the actions and programs that BAMIN must establish as mitigating and compensatory measures to minimize possible socio-environmental impacts identified by the EIA/RIMA (Environmental Impact Study/ Environmental Impact Report) during the phase of obtaining the preliminary license. Meeting the PBA and other conditions is essential for full compliance with the project permits. To this end, in 2023, the company implemented Licentia, a software program for managing compliance with licenses and legal requirements to improve its governance on the subject.

BAMIN's Environment department is responsible for maintaining licenses and legal requirements, managing environmental impacts and implementing the company's social and environmental programs. In addition, the department works together with the Operations and Engineering Departments to adapt its projects to the applicable regulatory environment.

BAMIN's environmental programs address issues such as water use and conservation, biodiversity, air quality and waste management. From the company's point of view, just as important as actively working to preserve these valuable resources is working to raise awareness among the project's neighborhood population about the natural riches they hold in their hands. Hence the importance of promoting environmental education in the communities surrounding the company's operations.

BAMIN implemented Licentia, software for managing compliance with the licenses and legal requirements of its projects, aimed to improve governance of the topic



Biodiversity GRI 3-3

BAMIN's projects are located in several biomes - Caatinga, Cerrado, Ecotone (transition) and the Atlantic Forest. All of these areas are significant in terms of biodiversity, with ecological relevance and richness as well as a high degree of fauna and flora endemism. The company employs technical professionals with extensive knowledge of biodiversity in general and these specific biomes in particular.

Below are some of the main programs related to the preservation of biodiversity that have been put into practice by the company:

- Terrestrial fauna deterrent, rescue and monitoring program
- Flora rescue and monitoring program
- Recovery program for degraded areas
- Environmental compensation program
- Forest restoration and compensation program

Since it began operating, BAMIN has carried out a series of studies, surveys, analyses and sample collections involving not only flora, terrestrial and aquatic fauna, but also archaeology and speleology. Together, these factors are highly relevant to biodiversity conservation. The company also promotes biodiversity conservation by acquiring areas for use as legal reserves and environmental compensation.

The Pedra de Ferro Mine, for example, currently has near 3,970 hectares of legal reserve and environmental compensation areas. In this particular project, the main impacts caused by the activities refer to the reduction of vegetation and the possibility of scaring off wildlife. Therefore, mitigating measures such as programs to monitor vegetation suppression and rescue and monitoring of fauna and flora are necessary.

Porto Sul also has a forest compensation area of 1,703 hectares in the Ponta da Tulha State Park Conservation Unit, an area with a high degree of conservation that is home to important ecosystems such as ombrophilous forest, resting trees and mangroves – and which contribute to the protection of biodiversity. The Forest Compensation Program focuses exclusively on the preservation of the Atlantic Forest through the protection of this biome's natural ecosystems.



FAUNA PROTECTION

BAMIN's main highlights with regard to fauna protection are the Wildlife Screening and Rehabilitation Center of Porto Sul (Cetras) – created in 2018 at the Porto Sul Environmental Center (Caps), in Ponta da Tulha, in the municipality of Ilhéus – and the Specialized Veterinary Support Center (Cave), which was inaugurated in 2023, at the Pedra de Ferro Socio-environmental Conservation Center, in the municipality of Pindaí (BA) (*learn more about it in the box opposite it*).

Both facilities have specialized, state-of-the-art equipment for the treatment and rehabilitation of wild animals, and can perform a series of procedures on primates, amphibians, reptiles, birds and mammals accurately and safely. In addition, they have the potential to promote educational, scientific and professional training activities.

In 2022, about 840 animals were rescued at the Pedra de Ferro Mine and 29,900 animals at Porto Sul. BAMIN's treatment and rehabilitation centers received around 47 and 295 animals, respectively.

THE PEDRA DE FERRO SOCIAL AND ENVIRONMENTAL CONSERVATION CENTER

A prominent BAMIN project in biodiversity conservation is the Pedra de Ferro Socio-Environmental Conservation Center, located 12km south of the mine. With a total area of 1,170 hectares in a transition zone between the Caatinga and the Cerrado, the center was implemented by the company in 2011 to promote actions linked to environmental education aimed at local communities. The project houses the Specialized Veterinary Support Center (Cave), a visitation center, seedling nursery with rustification areas, orchid house, germplasm bank, air and water quality laboratory, archaeological and speleological collection and a museum.



In Porto Sul, BAMIN led the creation of the Integrated Network for the Protection of Wild Animals of the Atlantic Forest (Ripas) in partnership with the Environment and Water Resources Institute (Inema). Ripas is an initiative for the conservation of local biodiversity formed by institutions active in the protection of wildlife, such as the Military Police, Fire Department, environmental agencies, municipal departments of the environment of the surrounding regions and universities, among others. Ripas already has robust operations in the Porto

Sul area, highlighting the importance of preserving wild animals in the region's biome (Atlantic Forest). It also seeks to further inter-institutional cooperation to protect and rehabilitate local wildlife, generate scientific knowledge about the biodiversity of this biome and disseminate information relevant to the territory. Ripas was awarded second place in the category “Biodiversity: Protection, Recovery and Sustainable Use of Ecosystems” at the 8th edition of Brazil GRI Infra & Energy 2022, in São Paulo.

SIGNIFICANT DIRECT AND INDIRECT IMPACTS OF ACTIVITIES, PRODUCTS AND SERVICES ON BIODIVERSITY GRI 304-2, 413-2

Nature	Impacts per activity
Construction or use of factories, mines and transport infrastructure	Loss of vegetation due to the suppression and loss and/or deterrence of fauna, noise and vibrations and road safety (applicable to mine, railway and port).
Pollution (introduction of substances that do not occur naturally in the habitat, from one-off and non-one-off sources)	Emission of total suspended particulates by the transit of vehicles and equipment (applicable to mine, railway and port). At the Pedra de Ferro Mine, impacts related to the formation of piles of material (waste rock or ore), loading and unloading of material.
Reduction of species	Plant suppression with the potential to reduce species of fauna and flora (applicable to mine, railway and port).
Habitat conversion	Changes to the landscape caused by the opening of the pit for ore extraction and the installation of the mine structures and the extraction of stone inputs from the Aninga quarry in the port.
Changes in ecological processes outside the natural range of variation	Possibility of lowering the water table due to the advance of the mining area, and possibility of interference in the watercourse near the area of influence and silting due to sediment loading in the port.

SIGNIFICANT DIRECT AND INDIRECT IMPACTS OF ACTIVITIES, PRODUCTS AND SERVICES ON BIODIVERSITY GRI 304-2

Aspect	Impacts per activity
Species affected	Pedra de Ferro Mine: 332 species of fauna inserted in the area of influence with potential for impact and 858 species with potential for impact in the seven vegetation cover formations. Porto Sul: 506 species of fauna inserted in the area of influence with potential for impact and 610 species with potential for impact in the seven vegetation cover formations.
Extent of impacted areas	Pedra de Ferro Mine: 4,136 hectares of Directly Affected Area (ADA). Porto Sul: 1,224.9 hectares of Directly Affected Area (ADA)
Duration of the impacts	At the Pedra de Ferro Mine , the impacts will occur during implementation and operation, totaling 26 years, according to the Integrated Economic Utilization Plan (PIAE). In Porto Sul , impacts will also occur during deployment and operation and, on the railway, only during deployment.
Reversibility or irreversibility of impacts	Reversible impacts with mitigation measures and irreversible impacts with compensation measures, defined in the EIA/Rima of the enterprise (applicable to mine, railway and port).

NUMBER OF SPECIES INCLUDED IN THE INTERNATIONAL UNION FOR CONSERVATION OF NATURE (IUCN) RED LIST AND NATIONAL CONSERVATION LISTS WITH HABITATS IN AFFECTED AREAS, BROKEN DOWN BY EXTINCTION RISK LEVEL * GRI 304-4

Extinction risk level	2022
Critically endangered	3
Endangered	4
Vulnerable	569
Nearly endangered	18
Low concern	783

* The projects of Pedra de Ferro Mine and Porto Sul are contemplated.





PROTECTED OR RESTORED HABITATS GRI 304-3

At the Pedra de Ferro Mine, there are a total of 130 hectares of areas to be restored. At Porto Sul, there are 316.7 hectares to be restored in permanent preservation areas (APPs) and 30 hectares with native species. Currently, 20 hectares are in the process of reforestation and monitoring.

The success of the restoration measures implemented by the company was attested by Ibama and Inema through the approval of the Degraded Areas Recovery Programs, which involve planting native species and preparing executive projects for compensatory planting in Permanent Preservation Areas (APP) if any.

Energy and decarbonization GRI 3-3

FIOL 1 is a first-world railway, with a ramp whose maximum slope is 1%. Well-designed, it is highly energy efficient. For example, the amount of fuel and energy required to transport the ore between the mine and the port is significantly less than that required to transport the ore over a distance of more than 500 kilometers by road. In addition, the type of train used, the number of locomotives and wagons will all be chosen according to the railroad's maximum ramp and the curve radius.

Porto Sul will have a range of equipment that will allow for more efficient handling and transportation of the ore, generating the least possible impact on the region. All transport vehicles will be covered. The stockpile is located in a region with natural shelter that will prevent ore wind drag.

In addition, as BAMIN will only be using new fleets at the mine, railway and port, the company will commence operations with state-of-the-art energy efficiency and cutting-edge equipment. The high-volume transportation market is undergoing a technological revolution today that encompasses new fuels, the use of batteries and studies involving hydrogen, all with a view to reducing emissions. Naturally, BAMIN is constantly evaluating how this market is evolving and what types of equipment are viable. However, the simple fact that its equipment is new brings with it a huge advantage – making the operation one of the most efficient in Brazil. The issue of replacing older but still operational equipment is one of the major challenges facing companies in the sector today.

With a maximum ramp slope of 1%, FIOL 1 is highly energy efficient. In addition, BAMIN uses only new equipment in the mine, railway and port

It is also worth remembering that Bahia is now an exponent in the renewable energy scenario in Brazil, ranking as the largest generator of both solar and wind energy in the country – with about 30% of the national generation of both types of energy. Pedra de Ferro mine is located near a large wind farm (also fitted with solar energy equipment) in Caetité. The company is studying a scenario in which it could become not only a consumer, but also a generator of renewable energy – which would make the operation even more efficient and sustainable in terms of CO₂ emissions.

At the first moment of the operation of the Integrated Project, BAMIN chose to be in the Free Contracting Environment (ACL), negotiating the acquisition of energy from clean sources (a mix of wind, solar and hydroelectric) through the Power Purchase Agreement (PPA) model – which confers competitiveness in terms of costs and also encourages the renewable energy market itself.

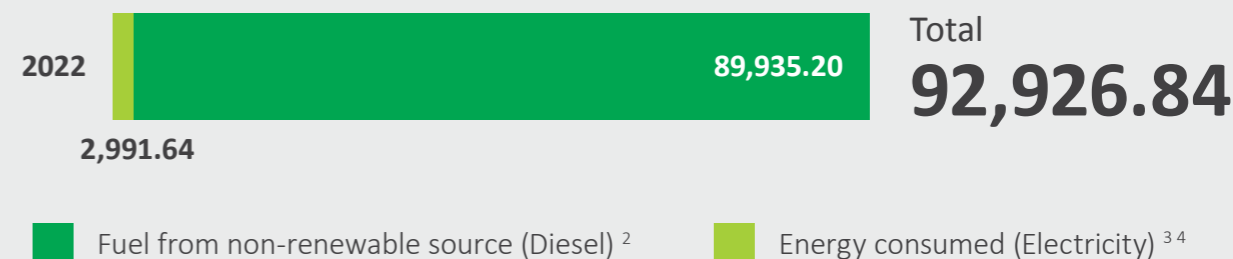
The Pedra de Ferro Mine Maintenance department is responsible for controlling the electricity consumption of the project (as well as the offices, wells and plant, among others) and fuel (in the well

BAMIN is studying a scenario in which it would be both a consumer and a generator of energy

generator, in the emergency generator and in the plant crusher). The electricity supply is provided by the Bahia Energy Distribution Concessionaire (Coelba).

Because of its production plan, BAMIN has opted to operate the plant during administrative hours – thus avoiding the 30 times higher cost of kWh at peak hours. In addition, in August 2022 the Maintenance Department started to replace the energy source used by the equipment of the Pedra de Ferro Mine, swapping diesel with electricity. Over the course of 2023, BAMIN will replace two of the four generators in the water collection wells and the crusher in Line 2 of the plant. These measures are expected to result in a 55% reduction in diesel consumption per ton of ore produced. [GRI 302-4](#)

TOTAL ENERGY CONSUMED WITHIN THE ORGANIZATION (GJ)¹ GRI 302-1



- 1 For conversions into GJ, the National Energy Balance was used (BEN, 2022).
- 2 In fuel consumption, we considered the movement of the mine, fleet, well generators, and plant equipment
- 3 In electricity consumption, we considered all offices in Caetité, Licínio de Almeida, Porto Sul, Fiol 1, Salvador, and Belo Horizonte.
- 4 There is no record of consumption or sale of energy for heating, cooling or steam.

ENERGY CONSUMED OUTSIDE THE ORGANIZATION (GJ)¹ GRI 302-2

Year	Energy consumed outside the organization
2022	305,036.46

- 1 For conversions into GJ, the National Energy Balance was used (BEN, 2022). We considered (i) the transportation of ore from the mine to the Licínio de Almeida Loading Terminal, (ii) temporary logistics operations (Petim, Enseada), (iii) transportation from the Licínio de Almeida Loading Terminal to the Enseada Port and (iv) transportation from the Petim Loading Terminal to the Enseada Port.

ENERGY INTENSITY* GRI 302-3

				2022
	Metric Used	Metric value	Energy consumption (GJ)	Power intensity
Within the organization	Mine movement (tons)	5,098,499	92,926.84	0.02
Outside the organization	Iron ore sold (tons)	827,600	305,036.46	0.37

* Due to the use of different denominators for calculating energy intensity inside and outside the organization, it is not possible to generate a total energy intensity index for the company.

GHG AND CLIMATE CHANGE: PARTNERSHIP FOR EMISSIONS MEASUREMENT

BAMIN is working to develop the Decarbonization Indicators Project in partnership with the Senai Cimatec university center – considered by the National Confederation of Industry (CNI) a reference in the implementation of its network of Senai Institutes of Innovation (ISI) and Technology (IST). The project will be completed by the first half of 2023, and from then on BAMIN will be able to monitor the indicators relating to its carbon emissions from fuel and electricity consumption – and then design strategies to reduce them.

Water GRI 3 -3, 303-1, 303-2

Water management is a topic of fundamental importance for the mining industry today. In its 2014 Stakeholder Perception Study, the International Council on Mining and Metals (ICMM) showed that water use and management is seen in all regions of the world as a more relevant environmental impact factor for mining companies than atmospheric emissions, wastewater management, land reclamation, biodiversity and greenhouse gas emissions.

All points at which BAMIN captures water are granted and have constant monitoring of volumes and the constant issuance of reports.

MINE

Potential impacts related to water resources in the area of influence of the Pedra de Ferro Mine include Groundwater for humidification of the project's accesses and operations and surface water of water from the São Francisco River for the future operation of the mine, as well as alterations to the quality of surface water resulting from rainwater runoff from the mine's structures (pit, piles and filtered stacking system). All these

possible impacts are managed through water withdrawal flow control devices and the directing of drainage waters to settling sumps that promote the reduction of sediments and water turbidity before they go into the environment.

In addition, the surface and Groundwater resources of the mine's area of influence are subject to quantitative (performed weekly by means of rulers, spillways and piezometers and daily by measuring water levels and collection) and qualitative (by means of physicochemical and bacteriological analysis performed every six months) monitoring of water and effluents, also including the area where the pipeline will be implemented.

The water collection at the Pedra de Ferro Mine takes place through nine granted groundwater wells, five of which are located on the road that connects the project to the municipality of Licínio de Almeida and four are at the facilities of the Pedra de Ferro Project. BAMIN also has a concession to collect surface water from the São Francisco River, but will only use it when the operation of the Integrated Project is started.

According to the mine's Hydrogeological Study, BAMIN also is required to implement the Water Replacement Program whenever there is a lowering of the water table as a result of the advance of ore extraction, representing a measure to minimize impacts related to water resources in the project's area of influence. The program must fulfill the minimum water replacement targets for the Antas and Jequitaí streams through the dewatering of the pit, ensuring the maintenance of aquatic ecosystems and water flow for the communities that use these resources.

Water level control and other monitoring programs are shared with stakeholders through meetings of the Project Monitoring Committee (CAE).

RAILWAY

In the case of the railway, the potential impacts are on the East Atlantic Basin, and are mitigated through biannual 140-point water quality monitoring campaigns. The targets and objectives for the management of this issue by the company are described in the Water Quality Monitoring Program presented in the project's PBA.

PORTO SUL

The activities at Porto Sul, in turn, are located in the Almada River Basin. For this purpose, BAMIN controls and monitors rainwater and surface water drainage systems to prevent accumulations of water and possible negative impacts such as soil erosion and surface water contamination. To mitigate unwanted effects, settling sumps are used to retain sediments and reduce turbidity in the existing water grid.

Assessments of impacts related to water resources in the Porto Sul region also take into account the hydrological cycle and water availability. Water quality is monitored quarterly through physical-chemical analysis, while sediment and turbidity in the existing water network are also assessed quantitatively.

Unlike the Pedra de Ferro Mine, Porto Sul is located in a humid region with no issues related to water shortages. BAMIN has been granted two surface water withdrawal points for its activities in this project. This water is used for purposes such as road watering of unpaved roads and to supply the industrial site and service fronts, for example.

Similar to the mine and the railway, the targets and objectives for the company's management of this issue are described

in its specific programs presented in the project's PBA.



ELIMINATING THE DAM: THE BAMIN EXAMPLE

The Pedra de Ferro mine eliminated the conventional tailings disposal system – dams – from its project, adopting a filtered and dried tailings stacking system. This innovative technology will not only substantially increase water recovery in the process (which increased by 18% and is now 90%), but it will also eliminate the need for a tailings dam, which was previously planned for the project. As a result, the project's water management will be enhanced, and the surrounding communities' perception of risk will diminish. The basic engineering project for the tailings disposal plant was completed and approved by the ERG Group in 2022 and filed with the National Mining Agency (ANM). It also was submitted to Inema for analysis, authorization and updating of the respective licenses.

BAMIN also have sits on the river basins' committees in the areas where it operates. The dry stacking tailings system has even been presented successfully by the company to committees at municipal, state and federal levels – together with the methodologies and technological innovations that BAMIN uses to manage water resources.

TOTAL VOLUME OF WATER WITHDRAWAL IN ALL AREAS AND AREAS WITH WATER STRESS BY SOURCE (ML) ¹ GRI 303-3

	2022	
Source ²	All areas	in water-stressed areas
Surface water (Total)	36.2	0
Fresh Water (≤1000 mg/l Total Dissolved Solids)	36.2	0
Other waters (>1000 mg/l Total Dissolved Solids)	0	0
Groundwater (Total)	537.2	537.2
Fresh Water (≤1000 mg/l Total Dissolved Solids)	537.2	537.2
Other waters (>1000 mg/l Total Dissolved Solids)	0	0
Total	573.4	537.2

¹ There is no withdrawal of seawater, produced water or water from third parties.

² Totals obtained by means of hydrometer readings.

EFFLUENTS

Mining activities do not result in effluent disposal in water bodies. The effluents generated by the operation are treated by the Effluent Treatment Plant (ETE) and sent to an infiltration ditch. In remote areas, the effluent is sent to a septic tank, which is periodically drained, and then to a licensed treatment plant.

The current phase of the port's implementation also does not generate effluent disposal in water bodies. In

this project, the effluents are directed to a system of biodigesters periodically collected, transported and sent to a licensed treatment plant.

BAMIN analyzes the effluents for the following parameters: Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), sedimentable solids, suspended solids, nitrate and chloride. The reference limits used are those present in Resolution 430/2011 of the National Environmental Council (Conama).

Tailings and waste GRI 3-3, 306-1, 306-2, 306-3

The main waste generated by operations at the Pedra de Ferro Mine is scrap iron, wood waste, used lubricating oil, waste contaminated with oil and grease, rubber, paper/cardboard, plastic, construction waste, organic waste and ordinary non-recyclable waste. The collection and sorting of solid waste generated by this operation is carried out by the Caetité Waste Collectors Cooperative (Coopercicli) – which is also in charge of the correct disposal of organic waste through composting (*learn more in the*

box below). After this sorting, the non-organic waste has the appropriate final destination, which BAMIN carries out through a licensed third-party company.

In Porto Sul, BAMIN also manages waste in accordance with the applicable legislation in the implementation works, sorting and allocating each class of waste correctly to licensed companies with the support of contractors. The waste generated by the administrative facilities is collected by the municipality for proper disposal.

ORIGIN OF WASTE GENERATED, AND DISTRIBUTION BY TYPE OF DESTINATION GRI 306-1

Origin	Disposal				
	Recycling	Class I landfill	Class II landfill	Composting	Reverse logistics
Kitchen/ Cafeteria	Plastic waste	-	Non-recyclable waste	Organic waste	-
Office/ Adm. areas	Waste paper and plastic	-	Batteries; Non-recyclable waste	-	Electronic waste/ printer cartridges
Workshops/ Industrial area	Waste paper, plastic, glass/ wood/ferrous and non-ferrous scrap/ rubber	Contaminated waste	-	-	-
Laboratory	-	-	Ore sample residues	-	-

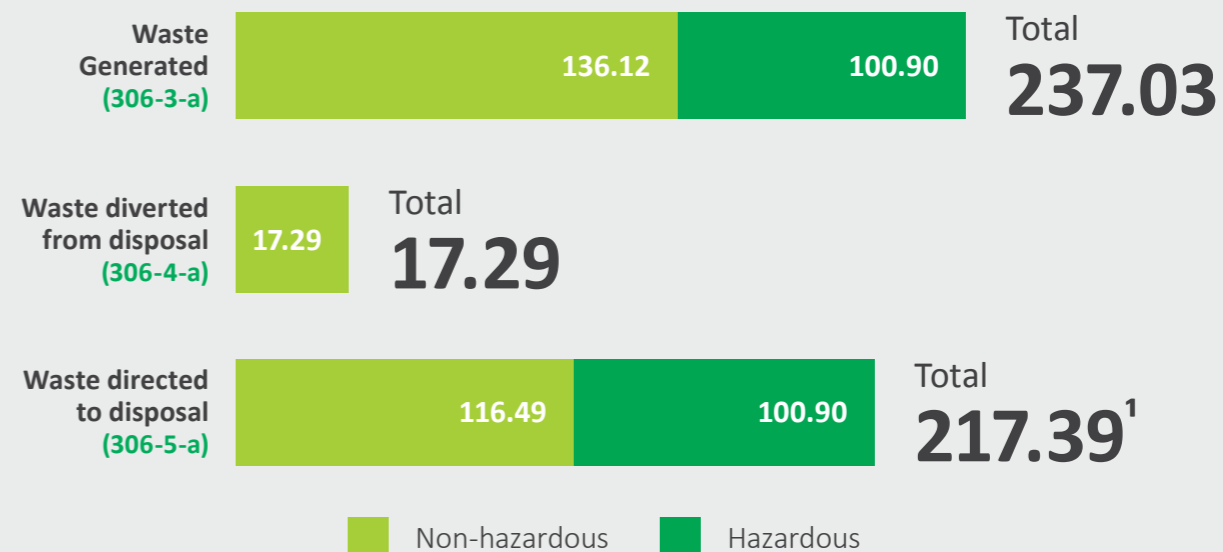
PARTNERSHIP WITH FORMER WASTE COLLECTORS

A cooperative of former waste collectors performs the Pedra de Ferro Mine's waste management program. All organic waste is turned into humus and sold, while recyclable waste is sold to companies that buy these materials. Waste that cannot be used in any way is sent to licensed landfills – while the company does not implement its own landfill at the mine. Ten years ago, BAMIN envisioned the possibility of collaborating with these individuals and promoting a better quality of life in the region. In 2022, BAMIN presented this case in a public notice published by the National Health Foundation (FUNASA),

and this effort by the cooperative won third place at the national level – first among competitors from the North and Northeast – receiving a financial incentive of R\$ 500,000 for the purchase of equipment that will improve the process. In summary, this waste management project is working so well that BAMIN is already beginning to replicate it in all its units. The railway, for example, is already talking with a local cooperative. It's important to note that the success of this program is not just about waste management itself, but also with regard to job and income generation, social inclusion and diversity.



WASTE BY COMPOSITION, IN METRIC TONS (t)



¹ The difference between the total waste generated and the sum of waste diverted from disposal and directed to disposal occurs because in the year of this report BAMIN stored non-recycled (non-recovered) waste, and only sent it to landfill in 2023.

WASTE DIVERTED FROM FOR DISPOSAL, IN METRIC TONS (t)* GRI 306-4

	Outside the organization	Total
Hazardous waste		
Preparation for use	0	0
Recycling	0	0
Composting	0	0
Total	0	0
Non-Hazardous Waste		
Preparation for use	0	0
Recycling	13.47	13.47
Composting	3.82	3.82
Total	17.29	17.29

* There is no waste disposal within the organization.



WASTE DIRECTED TO DISPOSAL, IN METRIC TONS (t)* GRI 306-5

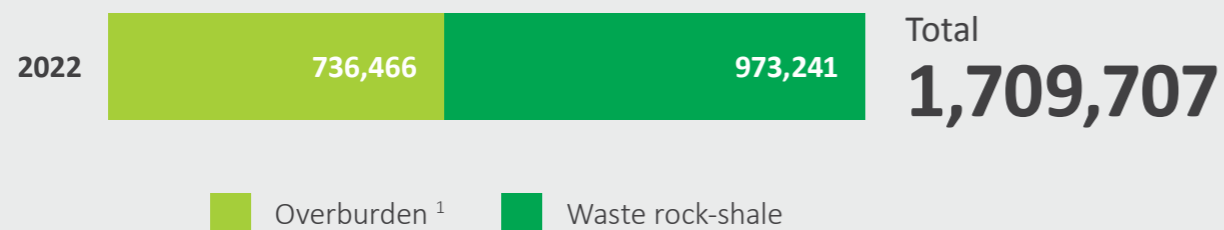
Category	Outside the organization	Total
Hazardous waste		
Incineration (with energy recovery)	0	0
Incineration (without energy recovery)	93.77	93.77
Landfill	7.13	7.13
Total	100.90	100.90
Non-Hazardous Waste		
Incineration (with energy recovery)	0	0
Incineration (without energy recovery)	4.46	4.46
Landfill	112.03	112.03
Total	106.49	106.49

* There is no waste disposal within the organization.

REDUCING THE AMOUNT OF WASTE GRI 306-2

One of the benefits of the construction of cafeterias at the Pedra de Ferro Mine and in Porto Sul was the drastic reduction in the generation of non-recyclable waste (such as marmitex). An educational campaign was also launched at the port to minimize the use of plastic cups and promote the use of organic waste for composting and fertilizer production – both of which are used in the seedling nursery of the Porto Sul Environmental Center (Caps). The awareness campaign was extended to the entire company in 2023.

TOTAL QUANTITIES OF WASTE ROCK, TAILINGS AND SLUDGE AND THEIR ASSOCIATED RISKS (t) GRI MM3



¹ Overburden is currently used as infrastructure material.

Air quality GRI 3-3, 305-7

When it comes to air quality, dispersed particulate matter (commonly called “dust”) is another significant impact generated by mining activity. BAMIN monitors the air quality around the Pedra de Ferro Mine through parameters defined by Conama 491/18, Inema 16.507/18 and Contran 513/77 resolutions. These parameters are related to the Total Suspended Particulate (TSP), the Inhalable Particulate (the particulate in its versions MP₁₀ and MP_{2.5}), the analysis of metals and black smoke. The environmental management carried out

by BAMIN aims to ensure that the air in the operation and communities areas surrounding the project (including the Licínio de Almeida Loading Terminal) complies with these parameters.

In addition, the company updated its Atmospheric Dispersion Study to adapt its sampling network to the mine's current operations. This included expanding the monitoring network near the Licínio de Almeida Loading Terminal. This expansion is subject to Inema’s approval.



In 2022, BAMIN's particulate matter (PM) monitoring stations recorded an average of 12.8 µg/m³ of MP₁₀ and 1.4 µg/m³ of MP_{2.5} emissions. In the first half of 2023, emissions averaged 13.27 µg/m³ and 1.89 µg/m³, respectively.

During the reporting period, BAMIN continued to implement improved controls and monitoring for dust suppression at the Pedra de Ferro Mine. These actions included the installation of wind fences, spraying the roads with water and applying polymer dust suppressants to the stockpiles – as well as actively listening to and addressing complaints from the local community about particulate emissions from the transportation of ore from the mine to the loading terminal in Licínio de

Almeida. Community representatives expressed their satisfaction with some of these measures at two meetings held by the Project Monitoring Committee (CAE) in 2022. Regarding the metals in the air quality filters, all analyses for the parameters aluminum, arsenic, cadmium, lead, cobalt, copper, chromium, iron, manganese, nickel and zinc indicated results within the limits of Inema Ordinance 16.507/2018, as well as the monitoring of black smoke carried out in all equipment used in the mine operations.

BAMIN does not yet monitor the parameters of CO, NO_x, SO_x, mercury (Hg) and Volatile Organic Compounds (VOCs).

[\[SASB\] EM-MM-120a.1](#)

INDICATORS AND ANNEXES



GRI CONTENT INDEX

Statement of use

BAMIN reported based on GRI Standards for the period from 01/01/2022 to 12/31/2022.

GRI 1 used

GRI 1: 2021 Fundamentals

Applicable GRI Sectoral Standard(s)

G4 Mining Sector Supplement

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION
General disclosures		
	2-1 Organization details	8
	Entities included in the organization's sustainability report	8, 28
	2-3 Reporting period, frequency and point of contact	4
	2-4 Restatements of Information	There are no restatements of information, as this is the company's first report.
	2-5 External verification	There was no external verification.
	2-6 Activities, value chain and other business relationships	8
GRI 2: General Disclosures 2021	2-7 Employees	33, 66
	2-8 Workers who are not employees	67
	2-9 Governance structure and its composition	13
	2-10 Nomination and selection to the highest governance body	14
	2-11 Chair of the highest governance body	14
	2-12 Role of the highest governance body in overseeing the management of impacts	14
	2-13 Delegation of responsibility for managing impacts	14

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	14
	2-15 Conflicts of interest	16, 17
	2-16 Procedures for communicating critical concerns	22
	2-17 Collective knowledge of the highest governance body	BAMIN does not yet have specific training aimed at promoting business management skills focused on sustainable development for its executives.
	2-18 Evaluation of the performance of the highest governance body	17
	2-19 Remuneration Policies	17
	2-20 Process for determining remuneration	17
	2-22 Statement on sustainable development strategy	6, 20
	2-23 Policy commitments	15, 16
	2-24 Embedding policy commitments	16
	2-25 Processes to remediate negative impacts	17
	2-26 Mechanisms for advice and presentation of concerns	16
	2-27 Compliance with laws and regulations	No significant cases of non-compliance with laws and regulations were identified in the year 2022.
	2-28 Membership in associations	18
2-30 Collective bargaining agreements	32	
GRI 3: Material Topics 2021	3-1 Process of defining the material topics	5
	3-2 List of material topics	5

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION
Corporate Governance		
GRI 3: Material Topics 2021	3-3 Management of material topics	14, 15, 26
	201-1 Direct economic value generated and distributed	29
GRI 201: Economic Performance 2016	201-3 Obligations of the defined benefit plan and other retirement plans	66
	201-4 Financial support received from the government	BAMIN does not receive financial support from the government.
GRI 401: Employment 2016	401-1 New employee hires and turnover	35
	401-3 Parental leave	38
Mining sector supplement	MM4 Number of strikes and lockouts lasting more than a week, broken down by country	There were no strikes or lockouts lasting more than a week in Brazil in 2022.
Local Opportunities		
GRI 3: Material Topics 2021	3-3 Management of material topics	16, 42, 43
GRI 201: Economic Performance 2016	202-2 Proportion of senior management hired from the local community	37
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	BAMIN makes monthly donations to provide meals to patients and companions of the Santa Casa de Misericórdia de Ilhéus Hospital. In 2022, BAMIN donated the equivalent of R\$720,000. More than R\$ 7 million has been donated overall since 2011.
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	28
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	66
GRI 413: Local Communities 2016	413-1 Operations with engagement, impact assessments and development programs aimed at the local community	40

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION
Compliance with laws and regulations		
GRI 3: Material Topics 2021	3-3 Management of material topics	15, 16
	205-1 Operations assessed for risks related to corruption	19, 68
GRI 205: Combate à Corrupção 2016	205-2 Communication and training on anti-corruption policies and procedures	16, 68
	205-3 Casos confirmados de corrupção e medidas tomadas	There were no recorded cases of corruption in 2022.
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	17
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	48, 49, 50
	302-1 Energy consumption within the organization	49
	302-2 Energy consumption outside the organization	49
GRI 302: Energy 2016	302-3 Energy intensity	50
	302-4 Reduction of energy consumption	49
	302-5 Reductions in energy requirements of products and services	BAMIN does not yet manage this information.
Water Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	50, 51,52

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	50, 51, 52
	303-2 Managing impacts related to water discharge	50, 51, 52
	303-3 Water catchment	52
	303-4 Water discharge	BAMIN does not yet manage this information.
	303-5 Water consumption	BAMIN does not yet manage this information. All the fresh water abstracted in 2022 was consumed by the organization.
SASB: Mineral Extraction Processing Sector - Metals and Mining Water Management	EM-MM-140a.1 Total freshwater withdrawn, total freshwater consumed, percentage of regions with high baseline or high water stress	573,426 ^{m3} of fresh water were collected, of which 537,234 m ³ (94%) come from regions of water stress. All the fresh water abstracted in 2022 was consumed by the organization.
Biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	45, 46, 47, 48
	304-2 Significant impacts of activities, products and services on biodiversity	46, 47
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	48
	304-4 Red List species and national conservation list species with habitats in areas affected by operations of the organization	47
Mining sector supplement	MM2 Number and percentage of operational units that require biodiversity management plans according to established criteria and number (percentage) of these units with plans in place	Three operational units (100%) require biodiversity management plans, and all of them have them in place.
Air quality		
GRI 3: Material Topics 2021	3-3 Management of material topics	55
GRI 305: Emissions	305-7 Emissions of NO _x , SO _x and other significant atmospheric emissions	55

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION
[SASB] Mineral Extraction Processing Sector - Metals and Mining Air Quality	EM-MM-120a.1 Atmospheric emissions of the following pollutants: (1) CO, (2) NO _x (excluding N ₂ O), (3) SO _x , (4) particulate material (PM ₁₀), (5) mercury (Hg), (6) lead (Pb) and (7) Volatile Organic Compounds (COVs)	55
Tailings and waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	52, 53, 54
	306-1 Waste generation and significant waste-related impacts	52
	306-2 Management of significant impacts related to waste	54
GRI 306: Waste 2020	306-3 Waste generated	52, 53
	306-4 Waste not destined for final disposal	53, 54
	306-5 Waste sent for final disposal	53, 54
Mining sector supplement	MM3 Total quantities of waste, tailings and sludge and their associated risks	55
[SASB] Mineral Extraction Processing Sector - Metals and Mining Waste and Hazardous Materials Management	EM-MM-150a.4 Total weight of non-mineral waste generated	In total, 147.98 tons of non-mineral waste were generated.
Supply chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	16
GRI 308: Environmental Evaluation of Suppliers 2016	308-1 New suppliers that were screened using environmental criteria	16
	308-2 Negative environmental impacts in the supply chain and actions taken	16
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	16
	414-2 Negative social impacts in the supply chain and measures taken	16

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION
Professional development		
GRI 3: Material Topics 2021	3-3 Management of material topics	35
GRI 401: Employment 2016	401-2 Benefits offered to full-time employees that are not offered to temporary employees	66
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	This measurement was only monitored at BAMIN in 2023. The data for 2022 is 15.7 hours (being the ratio between the hours of training and the number of employees).
	404-2 Programs for upgrading employee skills and transition assistance programs	There are no career transition programs offered by the company to facilitate continued employability and final career management by retirement.
	404-3 Percentage of employees receiving regular performance and career development reviews	66
Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	33, 34
	403-1 - Occupational health and safety management system	33
	403-2 Hazard identification, risk assessment and incident investigation	34
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	34
	403-4 Participation of employees, and consultation and communication with employees about occupational health and safety	34
	403-5 Training of workers in occupational health and safety	34
	403-6 Promotion of worker health	34
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	34
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	34
	403-9 Workplace accidents	34
	403-10 Work-related ill health	34
Diversity and inclusion		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-3 Management of material topics	36
GRI 202: Market presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	67
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	37, 38
	405-2 Ratio of basic salary and remuneration of women to men	67
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	36
Human Rights		
GRI 3: Material Topics 2021	3-3 Management of material topics	19
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	19
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	66
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	66
GRI 410: Safety practices 2016	410-1 Security personnel trained in human rights policies or procedures	19
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	66
Community relations		
GRI 3: Material Topics 2021	3-3 Management of material topics	40, 41, 42, 43, 44
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	47

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION
Mining sector supplement	MM5 Total number of operations located in territories of indigenous peoples or adjacent to them, and the number and percentage of operations or units where there are formal agreements with communities of indigenous peoples	There is a BAMIN operation located or adjacent to indigenous peoples' territories. This is the Porto Sul development, which is still under implementation. The project is about 45km distant from a Tupinambá community. There is no formal agreement with the communities.
	MM6 Number and description of significant conflicts concerning land use and customary rights of local communities and indigenous peoples	At the Pedra de Ferro Mine, there are only two judicial discussions and one investigative procedure related to the theme of land use and customary rights of local communities. All of them are in progress and in the process of instruction/information collection.
Mining sector supplement	MM7 The extent to which mechanisms for forwarding demands and grievances have been used to resolve conflicts relating to land use, customary rights of local communities	In the period of the occurrence of the situations that led to the processes/procedures, BAMIN still did not have a specific channel for receiving and treatment of declarations/issues. At the time, this service was carried out by representatives of the Community Relations team. Currently, this attendance also occurs through the Alô BAMIN channel (accessible by 0800 toll free number and WhatsApp)
	MM9 Resettlements sites, the number of households in each, and how their livelihoods have been affected in the process	42
[SASB] Mineral Extraction Processing Sector - Metals and Mining Community Relations	MM10 Number and percentage of operations with plans for the closure of activities	The number and percentage of operations with plans for the closure of activities is 1 and 100%, respectively (the Pedra de Ferro Mine).
	EM-MM-210b.1 Discussion of the process to manage risks and opportunities associated with the rights and interests of communities	40

ANNEXES

CHILD LABOR OR COMPULSORY LABOR GRI 408-1, 409-1

There were no operations and suppliers with a significant risk of child labor during the period covered by the report.

However, the construction of FIOL in Bahia is an operation with a significant risk of cases of forced or compulsory labor – and there is a supplier in the region with a history of this type of occurrence. In order to mitigate this risk in all its operations and also in the activities of its suppliers, BAMIN carries out quarterly monitorings which include face-to-face audits of suppliers. In addition, the company requires all subcontractors to submit to CPDD.

There were no identified cases of violation of the rights of indigenous peoples in 2022. GRI 411-1

BENEFITS AND RETIREMENT

BAMIN offers the following standard benefits for full-time employees: maternity/paternity leave, health insurance, life insurance, pension fund,

benefits plan, private pension, food/meal and fuel. The company has no part-time employees. GRI 401-2

In the case of private pension, the company makes monthly contributions equivalent to the shares chosen by the employee who chooses to join the benefit. These stakes range between 1% and 9% of each employee's salary range. GRI 201-3

PURCHASING BUDGET SPENT WITH LOCAL SUPPLIERS 1 GRI 204-1

BAMIN ² 2022

Budget for suppliers (R\$)	1,003,344,450.10
Amount spent with local suppliers (R\$)	436,284,481.74
% of budget spent with local suppliers	43.48

¹ Local suppliers are understood as suppliers in the state of Bahia.

² Headquarters and branches of the companies of the economic group in Brazil: BAMIN, Bahia Ferrovias, PCM.

NUMBER OF NON-GUARANTEED HOURS EMPLOYEES BROKEN DOWN BY GENDER AND REGION GRI 2-7

	2022		
	Men	Women	Total
North	0	0	0
Northeast	107	37	144
Center-West	0	0	0
Southeast	22	6	28
South	0	0	0
Total	129	43	172

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT ASSESSMENTS 1 GRI 404-3

	2022		
	Men	Women	Total
Diretor	100%	100%	100%
General manager	100%	100%	100%
Manager	94.74%	100%	96.15%
Coordinator	100%	100%	100%
Specialist	96.08%	100%	97.06%
Analyst	96.67%	100%	98.11%
Technician	100%	-	100%
Operator	100%	-	100%
Assistant	100%	100%	100%
Auxiliary	100%	100%	100%
Total*	97.72%	100%	98.28%

¹ In relation to the categories that did not reach 100% in the "Total" column: the performance management cycle annually considers employees hired until 09/30.

NON-EMPLOYEE WORKERS BY FUNCTIONAL CATEGORY AND GENDER ¹

GRI 2-8

	2022		
	Men	Women	Total
Direct third parties	58	38	96
Indirect third parties	1,295	231	1,526
Total	1,353	269	1,622

¹ Service providers who outsource labor are requested to fill in the Man Hours Worked (HHT) spreadsheet every month with all the information on their workforce.

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN – BY JOB CATEGORY¹ GRI 405-2

	2022
General Manager	97%
Manager	91%
Coordinator	87%
Specialist	90%
Analyst	90%
Auxiliary	100%

¹ The information on the Director functional category was omitted due to its confidentiality – given the size of the sample. There are no female employees in the technician, operator, and assistant functional categories.

RATIO OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE GRI 202-1

BAMIN uses the minimum wage of the category as a remuneration reference. The lowest wage paid is 7% higher than the minimum wage determined by

the legislation, and there is no gender distinction in the percentage ratio between the lowest wage paid by the organization and the minimum wage.



GOVERNANCE BODY MEMBERS AND EMPLOYEES WHO WERE COMMUNICATED AND WERE TRAINED ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES, BY REGION ^{1 2} GRI 205-2

		2022		
		Total	Communicated	Trained
Members of senior management ³				
Total	number	25	25	25
	%	100	100	100
Employees				
Diretor	number	9	9	9
	%	100	100	100
General Manager	number	16	16	16
	%	100	100	100
Manager	number	44	44	44
	%	100	100	100
Coordinator	number	36	36	34
	%	100	100	94.44
Specialist	number	76	76	74
	%	100	100	97.37
Analyst	number	40	40	40
	%	100	100	100

		2022		
		Total	Communicated	Trained
Supervisor	number	1	1	1
	%	100	100	100
Technician	number	21	21	21
	%	100	100	100
Operator	number	3	3	3
	%	100	100	100
Assistant	number	5	5	5
	%	100	100	100
Auxiliary	number	13	13	13
	%	100	100	100
Total	number	264	264	260
	%	100	100	98.48

1 BAMIN has employees and third parties in Belo Horizonte (MG), but does not have the stratified indicator for the Northeast and Southeast regions.

2 BAMIN does not manage information on training in anti-corruption policies and procedures for direct and indirect third parties.

3 The senior management is composed of CEO, eight directors and 16 general managers.

OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION ^{GRI 205-1}

During 2022, none of BAMIN's three operations – mine, railway and port – underwent assessments for corruption-related risks.

Information and credits

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