



# Sustainability Report

Hidroviás do Brasil S/A  
2021



# Sustainability Report

Hidroviás do Brasil S/A  
2021



sustainability  
commitment

# SUMMARY

- 06** Statement of the president of the board
  - 08** Statement of the CEO
  - 11** Hidrovias do Brasil
  - 14** Governance structure
  - 17** Corporate structure
  - 18** HBSA's sustainability journey
  - 28** Stakeholder engagement and the materiality process
- 

# MACROTHEMES

- 35** **1. SOCIO-ENVIRONMENTAL AND TERRITORIAL MANAGEMENT**  
Socio-economic and environmental impact on the surrounding communities  
Biodiversity  
Land use planning  
Waste
  - 55** **2. CLIMATE CHANGE AND OUR CONTRIBUTION**  
Emissions  
Energy efficiency
  - 64** **3. MANAGING THE VALUE CHAIN**  
Origin and impact of the transported product
  - 67** **4. DEVELOPING PEOPLE**  
Diversity  
Human development
  - 76** **5. OCCUPATIONAL SAFETY AND HEALTH**
  - 82** **6. ECONOMIC PROSPERITY**  
Employment and income generation  
Economic impact generated
  - 88** **7. ETHICS AND TRANSPARENCY**  
Risk management
  - 102** **8. ADDITIONAL INFORMATION**
  - 103** **9. GRI CONTENT SUMMARY**
-

# STATEMENT OF THE PRESIDENT OF THE BOARD

Hidrovias do Brasil S/A (HBSA) was created with the purpose of diversifying and integrating the transport sector, until then concentrated on roads and highways, which would always represent more than 60% of the logistics modal in South America. The Brazilian waterway modal is privileged due to the number of rivers with potential for navigation, including the largest drainage basin in the world, the Amazon basin. The use of the waterway modal to transport various inputs and products is an advantageous alternative compared to roads and railways in economic and environmental terms.

An actual example of the positive impact produced by the waterway modal is that a single HBSA convoy can load volumes equivalent to 1,200 trucks, with a significant reduction in fuel consumption, which, per se, already causes a reduction in greenhouse gas emissions.

Transforming the logistics potential of South America is what drives us, even in the most challenging times, such as 2021, the most complex year in the history of HBSA. Two joint factors, a decline in corn production and low water levels in the rivers, had a strong impact on our operation. At the same time, they showed that we were prepared, as we responded resiliently and ended the period with results similar to those of 2020, a very positive year.

In line with its business strategy, HBSA has sought, year after year, to improve its socio-environmental performance. For this, we are committed to several initiatives, such as fleet electrification. In the short term, our operation will have the



**Hidrovias do  
Brasil wants to  
contribute to  
the sustainable  
development of  
the country**

first electric pusher towboats in the world, as we believe that electrification is an important path for decarbonization in Brazil, especially as we have a cleaner and more renewable energy matrix, compared to other countries.

In addition to contributing to reduce emissions and the effects of climate change, HBSA wants to positively impact society. We operate in areas far from major centers and bolster a new economic dynamic, that is, service provision. As a result, we create jobs and choose to generate shared value, training and hiring local labor, which today corresponds to approximately 80% of our entire operations team.

HBSA is a company keen to contribute to the sustainable development of the country. Thus, even with no securities traded on the stock exchange, the IPO took place only in 2020. With that, we have instituted an independent Board, Committees and Commissions, and external audit procedures in order to implement robust corporate governance. In addition to all of this, we are establishing solid social action in the communities where we operate, aiming to implement social impact initiatives, based on active listening and co-creation with key people, to, only then, develop projects in the areas of job and income creation, education, and local development.

In terms of gender equity, we still have challenges to face. In the navigation segment, for example, there is a shortage of female labor. We also understand the importance



At the highest management level, our top executive positions are held by more women than men, which inspires the other levels and areas of the company

of female participation at the highest level of management positions. In our executive board, women occupy strategic positions, such as the vice-presidency of operations and the engineering board, actively participating in the management and decision-making of the Company's strategy. Our goal is to inspire women to greater roles, not only within the scope of our Company, but in the logistics sector as a whole, which is still taking baby steps in this direction.

These attributes make up the solid structure that sustains HBSA, an innovative, plural, transparent company that is genuinely concerned with improving its ESG performance. Our ambition is to be the largest and best integrated logistics platform in the world, actively working to change the logistics matrix to reduce transport costs and interference caused by greenhouse gas emissions.

**Bruno Serapião**  
President of the Board  
at Hidrovias do Brasil



At HBSA, we understand the relevance not only of the climate, but also of sustainability for operations

► GRI 102-14

## STATEMENT OF THE CEO

If, on the one hand, 2021 was a challenging year, on the other hand, it showed the resilience and solidity of HBSA's business model.

We experienced two atypical phenomena with the potential to affect the efficiency of waterway transport: a reduction in corn production, which impacted all players operating in the grain market in Brazil, and a strong water crisis, responsible for altering the water regime in the Paraguay-Paraná Waterway. Despite any adversities, HBSA ended 2021 with results compatible with those of 2020, considered positive for our operations.

The engagement of our more than 1,400 employees, who faced the difficulties with both commitment and enthusiasm, was essential for the company to emerge stronger from last year's scenario. Additionally, more than half of our capacity is supported by long-term contracts with top-tier companies, which ensures greater predictability in our operations.

We also have strong competitive advantages that allow us to operate in more adverse situations. Our vessels were developed to navigate in shallower waters, allowing transportation despite low water levels. This characteristic contributed to expanding our market share in Southern Brazil as the only operator capable of providing logistics services in the region, even if only for part of the year.

Both the lack of rain and the decline in crop yields that negatively marked 2021 are intrinsically related to the climate. Climatic and hydrological conditions have an impact on agricultural production and also on the navigability of waterways. Water crises similar to those that occurred in 2021 have already happened at other times in history, with long intervals between one event and another. Climate crises have the potential to affect all sectors of society and



must be addressed in a broad, serious and structural way. We need to come together to put in place affirmative action that prevents the increase in severity and frequency of extreme weather events like the one we experienced in 2021.

Here at HBSA, we understand the relevance not only of climate issues, but also of sustainability for our operations and, therefore, we have defined strategic guidelines that reach the entire organization. These are commitments we have made in relation to climate change, environmental impact, human and local development, responsibility in the value chain, and ethics and transparency. Today, we clearly see the risks and the paths that are to be followed to mitigate each one of them.

In 2021, we created a sustainability board, which reports directly to the CEO. Although the topic had already been taken seriously, the consolidation of this area expands the

scope of the topic, starting to be managed with clear objectives and goals to be achieved in the coming years.

We reinforce HBSA' social responsibility measures, with the development of support initiatives for the communities surrounding our operations, in line with the strategies of the private social investment company.

Waterborne transport has the lowest greenhouse gas (GHG) emissions compared to all other logistics modes. A barge transports, on average, 2,000 tons of grain, an amount equivalent to the load of approximately 50 trucks. A convoy, made up of 25 barges, removes approximately 1,200 trucks from roads for each trip. However, despite being the cleanest and most efficient alternative for transporting bulk cargo over long distances, especially in a vast continent like South America, this modal is still underused in our continent.

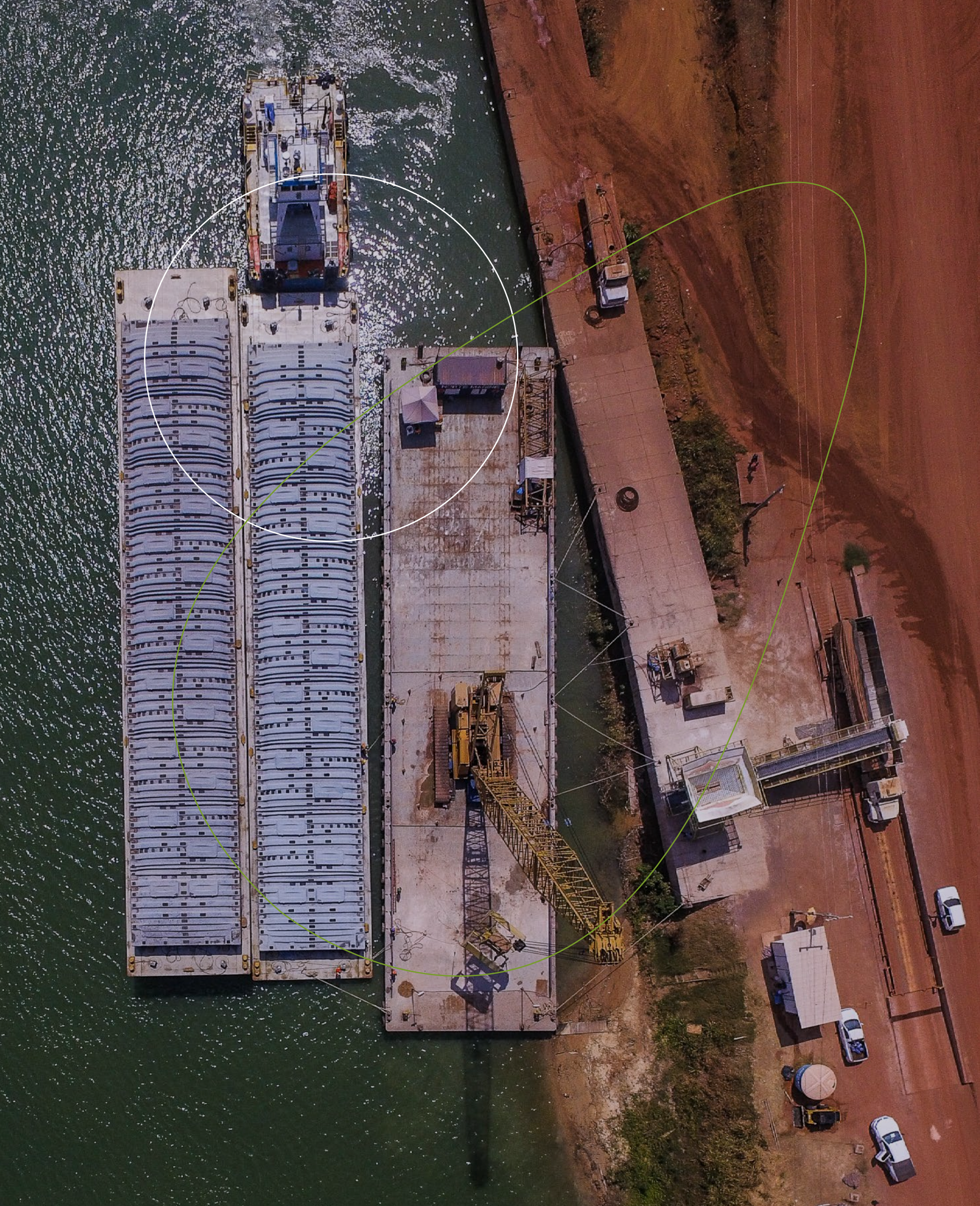
Now, after HBSA's heavy investments in new waterway logistics corridors in South America, the volume transported in this part of the world by waterways has doubled, but there is still enormous potential to be explored.

The outlook for the coming years is very positive, since Brazil is an extremely competitive country on a global scale in the sectors of mining and steel, agricultural products, and pulp and paper. At the same time, global markets will be increasingly demanding towards more efficient, environmentally friendly and socially responsible logistics. In this context, we continue to invest heavily in new technologies to make our fleet and port terminals progressively sustainable. A good example is the construction of the world's first electric pusher towboats, a genuinely Brazilian project that kicks off our program to electrify our fleet.

We will continue to consolidate the foundations of an increasingly modern, innovative company aligned with global demands.

**Fabio Schettino**

President of Hidrovias do Brasil





# HIDROVIAS DO BRASIL

Hidroviás do Brasil S/A is an integrated logistics solutions company focused on efficiency and sustainability. Its headquarters are located at Rua Gilberto Sabino 215, in Pinheiros, São Paulo. It operates on four fronts: waterway transport, terminal operation, coastal shipping services, and integration of logistics services. Founded in 2010 in a startup format, HBSA currently has over 1,300 associates, including employees, interns, and apprentices in 3 countries (Brazil, Paraguay, and Uruguay). HBSA believes that it is possible to generate value for shareholders with innovative logistics solutions and a low carbon modal, supported by ethical relationships and that generate development and prosperity for the communities in its operating ecosystem.

**HBSA is a Brazilian company that promotes country integration across all corners of the continent, through the main logistics corridors in South America**



This is a Brazilian company that promotes country integration across all corners of the continent, through the main logistics corridors in South America. HBSA has its own fleet of 27 electric pusher towboats, more than 300 barges, and 2 tailor-made vessels used in coastal shipping operations.

It transports 11.8 million tons of iron ore, grains, fertilizers, bauxite, and paper pulp annually through the two largest navigable river systems in South America: The Northern Operation, which comprises the Trombetas, Tapajós, and Amazon rivers, and the Southern Operation, which encompasses the Paraná, Paraguay, Uruguay, and La Plata rivers. In addition, it is present in the Port of Santos, the largest port in South America, operating a terminal for the storage and dispatch of solid bulk for its customers, whose modernization works will end in the second quarter of 2022.

Our main clients include Brazilian and international companies in the agricultural products, mining, fertilizers, and pulp and paper sectors, chiefly large export companies.

# OPERATIONS

## The Northern System

The Northern System comprises two complexes: ETC and TUP. The Miritituba Cargo Transshipment Station (Estação de Transbordo de Cargas – ETC), in the State of Pará, is the destination of trucks carrying grain from the State of Mato Grosso via BR-163 highway, loading their cargo onto barges to be transferred to the Port of Export. Also, in Pará, the Barcarena private port terminal (Terminal de Uso Privado – TUP) is the destination of both barges and trucks carrying agricultural commodities such as soybeans and corn to be stored or moved to export ships. HBSA was also a pioneer in facilitating the import of fertilizers into Brazil on the route between Barcarena and Miritituba, increasing competitiveness of Brazilian agribusiness.

The system can transport 7 million tons of cargo annually; in 2021, however, it did not operate at full capacity, reaching 5.4 million tons. The Northern System encompasses its own assets, that is, it is not a public concession.

## The Southern System

The Southern System connects 4 countries: Brazil, Paraguay, Uruguay, and Argentina. It uses the Paraguay-Paraná Waterway, the largest in South America, to transport grain, fertilizers, iron ore, and paper pulp, in addition to participating in port procedures (Dry Bulk Terminal of Montevideo, and the Badén Port located in Concepción, Paraguay River). Relying solely on its own assets, HBSA is the largest logistics operator with volume negotiated with this operation. In 2021, we transported 3.5 million tons of products.

In 2021, HBSA purchased shallow-draft boats, which allowed navigation to continue at different times, despite a river's low water levels.

This river system is one of the largest in the world and brings together the Paraná and Paraguay rivers, crossing five countries (Brazil, Paraguay, Uruguay, Argentina, and Bolivia). The Paraguay River extends for 2,600 kilometers from its spring, in Mato Grosso, to its confluence with the Paraná River. The Paraná River rises on the plateau of southeast-central Brazil and flows for 4,900 kilometers toward the south to the point where it joins the Uruguay River.



## Santos

This operation is the result of a public lease that took place in 2020 and aims to receive, store and ship solid mineral bulk (fertilizers and salt) from the STS20 area of the Port of Santos, the largest in South America, which contributes to connecting and developing the entire region.

Between 2021 and 2022, the terminal was modernized, and the operation will be fully resumed after the completion of the works in the second half of 2022.

The operation will have a preliminary capacity of 1.5 million tons of cargo per year, starting in 2022, and will gradually increase to 2.75 million tons/year. It comprises 3 warehouses, totaling 190,000 tons of static capacity (140,000 of fertilizers and 50,000 of salt), and is designed for road and rail transportation of products.

The operation has state-of-the-art technology, including hydraulic quay cranes, which provides greater operational efficiency, and a computerized operating system with an interface with customers and carriers that enables monitoring of the operational flow of all those involved.

Being in Santos is essential for a company with the profile of HBSA, due to the possibility of business diversification.

The largest Brazilian container port and the second largest in Latin America\*, the Port of Santos connects more than 600 destinations and moves cargo from over 200 countries. In 2020, its operations amounted to 146.6 million tons of cargo, including 4.2 million TEU (twenty-foot equivalent unit container).<sup>1</sup>




## Coastal Navigation

HBSA transports bauxite (raw material for aluminum) from the Trombetas terminal, in Oriximiná (PA), to Vila do Conde, in Barcarena (PA), where the largest alumina refinery in the world is located, owned by Norsk-Hydro

– Alunorte. Coastal Shipping uses its own assets, that is, 2 tailor-made ships flying the Brazilian flag with a capacity to transport, on average, 72,000 tons per trip. In 2021, we transported approximately 2.6 million tons.

1 – <http://www.portodesantos.com.br/wp-content/uploads/Facts-en-figures-2021.pdf>



► GRI 102-18

# GOVERNANCE STRUCTURE

HBSA's main body of Corporate Governance is its Board of Directors, composed of nine members, out of which three are independent. This format is in line with B3's Novo Mercado (New Market), a listing segment with the highest governance standards requirements of the Brazilian stock exchange, where the Company has been listed since 2020, after completing its Initial Public Offering (IPO). HBSA shares are traded on B3 with the ticker HBSA3. The disclosure of financial results occurs quarterly through a press release and meeting with the market.

The Board of Directors comprises: Bruno Pessoa Serapião (president), Felipe Andrade Pinto (vice-president), Antonio Mary Ulrich (full member), Denys Monteiro (full and independent member), Marcelo Antonio Gonçalves Souza (full member), Márcia Maria Ferraresi (full member), Marcus Menoita Nogueira (full and independent member) and Ricardo Antonio Weiss (full and independent member).

With the IPO and listing on B3's Novo Mercado, in 2020 HBSA created its non-statutory Audit Committee and a risk management area, accountable for the corporate risk management policy. One of the duties of the Audit Committee is supervising the activities of independent auditors, assessing the quality of the services provided, as well as monitoring the activities of the Audit and Internal Control Areas, reporting to the Board of Directors. This Committee has three members: Pedro Jaime Cervatti (full member and coordinator), Antonio Mary Ulrich (full member), and Ricardo Antonio Weiss (full member); it reports periodically to the Securities and Exchange Commission (CVM), as established by article 22 of B3's Novo Mercado Regulation and item 3 of the Internal Regulations of the non-statutory Audit Committee of HBSA.

HBSA's Corporate Risk Governance Framework holds all executive directors accountable for mapping and managing risks.

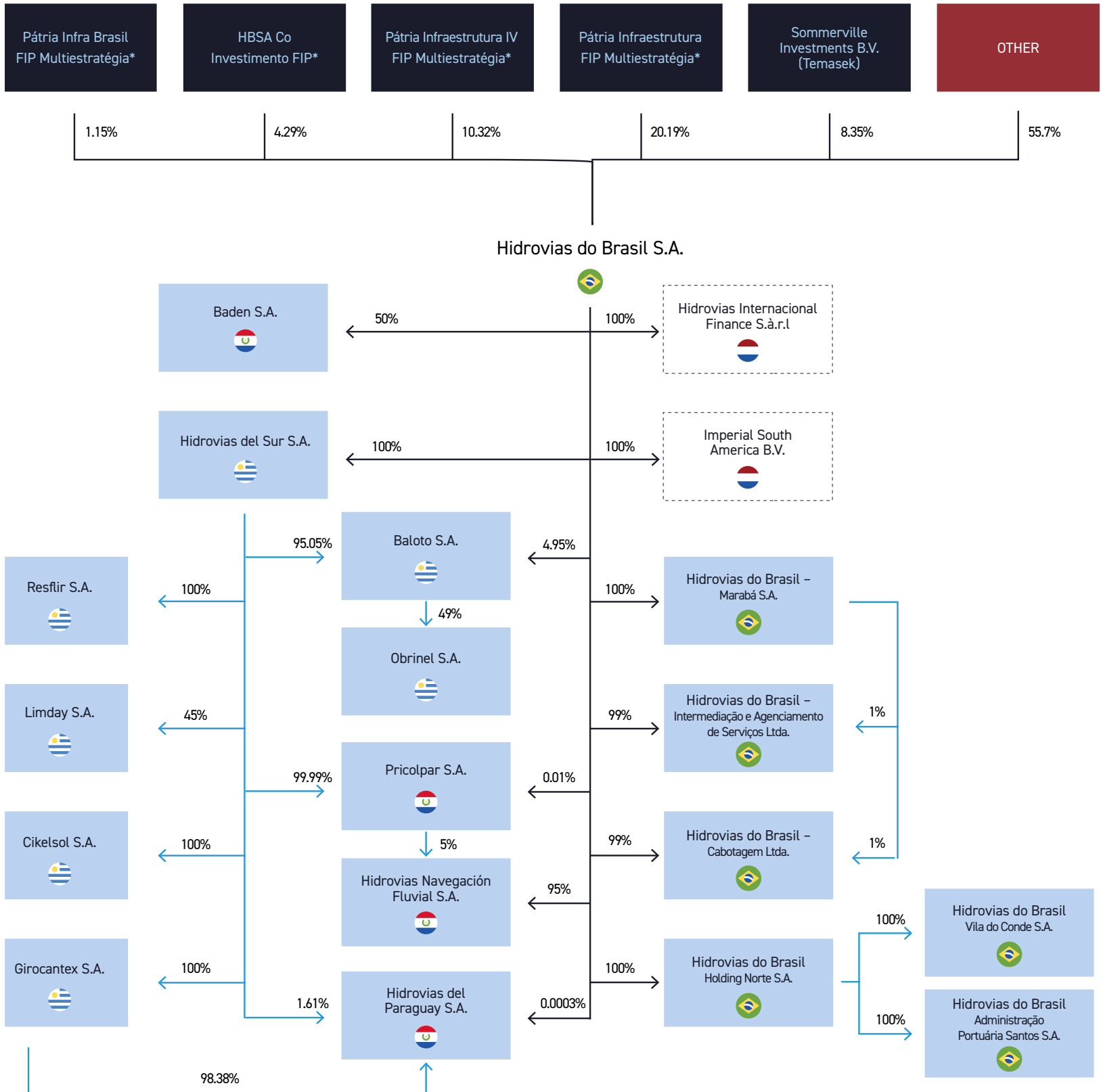
As auxiliary governance structures, HBSA has an Audit Committee and an Ethics and Sustainability Committee.

The Ethics and Sustainability Committee is responsible for monitoring and evaluating the company's Compliance Program, as well as for receiving and dealing with complaints, comments or compliments sent to the Ethics Channel. This independent group is made up of people from different hierarchical levels, areas and regions where HBSA operates.

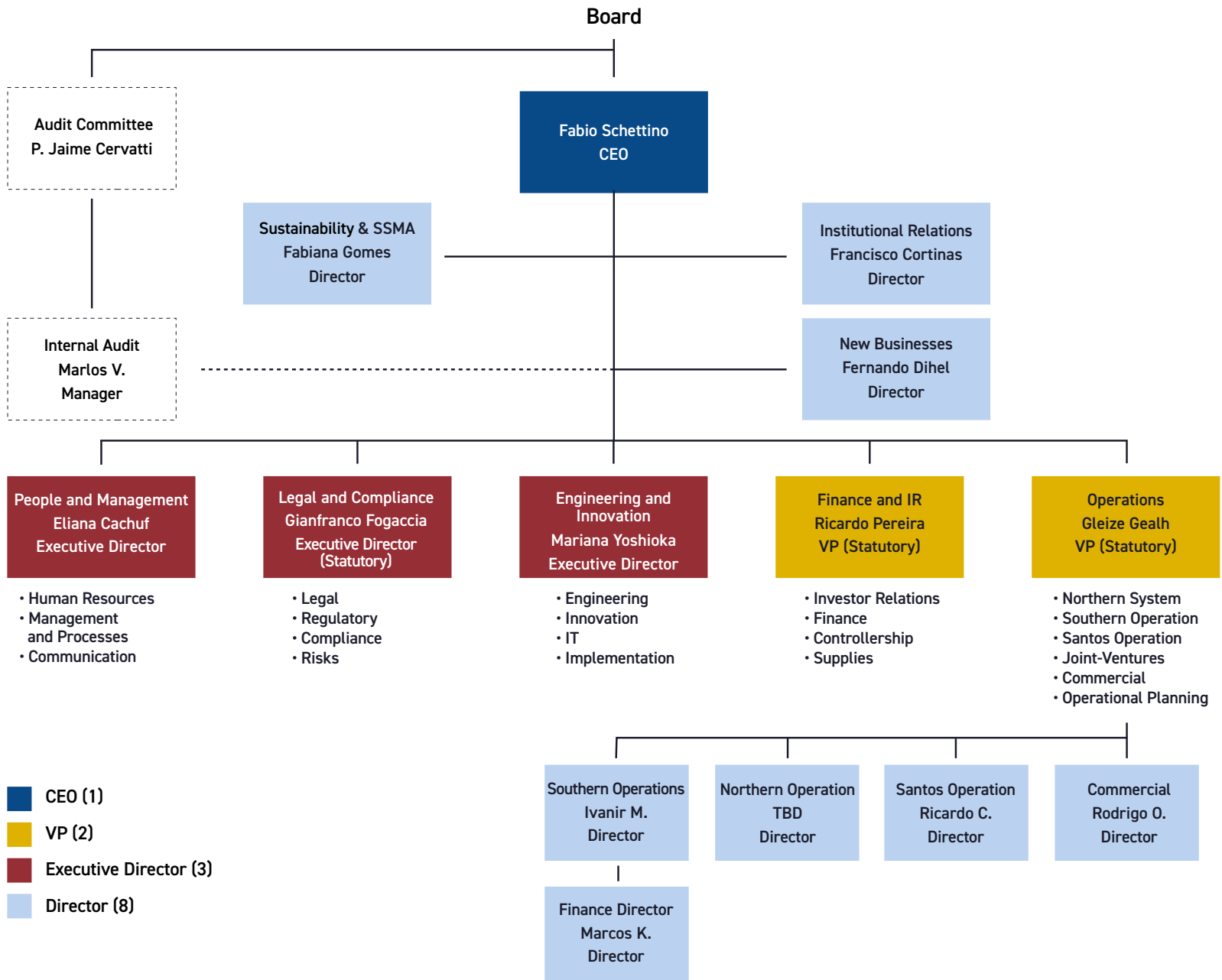
The Sustainability Committee, on the other hand, is composed of members of the Board of Executive Officers and its objective is to provide technical assistance to the Board of Executive Officers in dealing with and deliberating on topics relevant to the sustainability agenda: annual approval of compliance with corporate sustainability goals; approval of the goals defined by the company for the following year; approval of the corporate budget for the sustainability area, and deliberation of specific topics related to the agenda.



# CORPORATE STRUCTURE



\*Entities belonging to the Pátria Group; FIP: equity investment fund.



► GRI 102-16



## VISION

To be the best integrated logistics operator in South America.



## MISSION

Providing quality services using the waterway modal, always prioritizing sustainable development and ethics.



## VALUES

- Honesty, integrity and transparency
- Value creation for shareholders and customers
- Excellence in operations security
- Environmental and community responsibility
- Valuing the team and the internal environment

► GRI 102-26

# HBSA'S SUSTAINABILITY JOURNEY

Sustainability is an important part of HBSA's business, representing a competitive advantage that places our Company in a privileged position in relation to other transport alternatives available. The waterway modal has a lower socio-environmental impact compared to other linear projects (roads and railroads). Using an existing waterway dodges any impacts of habitat fragmentation that commonly occur after the implementation of railways and roadways, and the impact of territorial occupation that derives from new roadways.

Furthermore, the use of fuel per ton of cargo transported is more efficient with a consequent comparatively lower emission of CO<sub>2</sub>eq (carbon dioxide equivalent).

Each typical convoy of 25 grain barges, for example, corresponds to approximately 1,200 trucks taken off the roads, or 100 L/100 TKU of diesel versus 130 L/100 TKU of IFO (Intermediate Fuel Oil) or MGO (Marine Gasoil).

By choosing the waterway modal to dictate its business model, HBSA placed sustainability at the heart of its enterprise very early on. We were aware, however, that the challenge of integrating sustainability into the business strategy would require proper governance to manage the company's growth challenges, with a comprehensive scope, permeating all its operations and areas.

In 2021, we concluded our sustainability planning with the definition of strategic guidelines with a long-term vision and direct involvement of the CEO, and subsequent establishment of targets and indicators for 2022. These were decided jointly by the company's leaders with active participation of the Executive Board and the CEO, as well as approval by the Board of Directors.





► GRI 102-12 GRI 102-13

HBSA complies with a set of national and international standards to ensure the excellence of its performance. Combined into an Integrated Management System (IMS), these standards are ISO 9001 (Quality), ISO 14001 (Environment), OHSAS 18001 (Occupational Health and Safety), and the Equator Principles.

The Company is also aligned with the UN Sustainable Development Goals.

In addition, HBSA is associated with the Brazilian Business Council for Sustainable Development (CEBDS), a non-profit civil association that promotes sustainable development through articulation with governments and civil society, and promotes the most current concepts and practices on the subject. CEBDS is a signatory of the UN Global Compact and associated with the Ethos Institute, the GIFE – Group of Institutes, Foundations and Enterprises, and the Association of Port Terminals and Cargo Transshipment Stations of the Amazon Basin (Amport), aimed at supporting the development of logistics infrastructure in the Amazon Region.

The waterway modal has a lower socio-environmental impact. Each typical convoy of 25 grain barges corresponds to approximately 1,200 trucks taken off the roads.



Rede Brasil



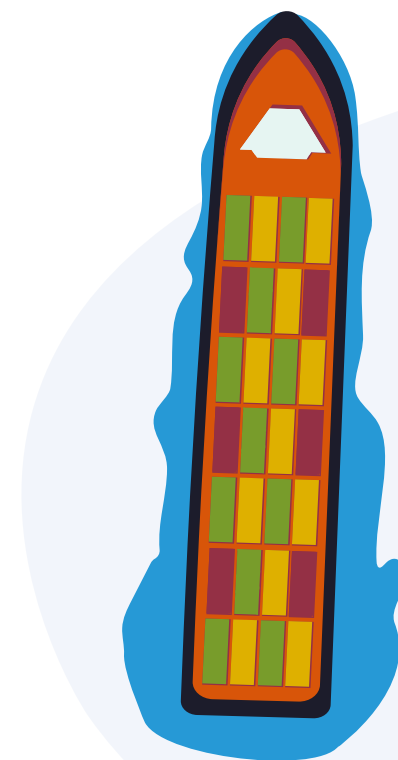


Although much of the work is already done once sustainability is in the core of its business, HBSA still needed governance structure on the subject, with a comprehensive scope, permeating all its operations and areas. The Company completed its sustainability plan in 2021, with strategic guidelines defined rooted in a long-term vision and direct involvement of the CEO. With the purpose of supporting the country in building an integrated and sustainable logistics chain, this plan is based on generation of shared value; offering innovative, reliable and low-carbon logistics solutions; ethical relationships; and generating development and prosperity for communities in the ecosystem.

Our SIX POSITIVE IMPACT COMMITMENTS were established in line with the UN Sustainable Development Goals and represent our aspirations for the topics identified as material by HBSA.

Once our aspirations have been established and our strategic focus of action has been defined, we continue on our journey setting targets for the short, medium and long term.

More than 100 company leaders and all senior management were involved through a mediated participatory process. Together with experts recognized by the market, we participated in more than 40 hours of workshops that resulted in sustainability goals and indicators for the years 2021 to 2025.



**Using an existing waterway dodges the impacts of habitat fragmentation that are common after the implementation of railways and roadways**

# Sustainable Integrated Logistics Chain



## CLIMATE CHANGE

Support the decarbonization of the Brazilian logistics system by offering innovative and reliable waterway and maritime logistics solutions and bringing our GHG emissions to zero.



## HUMAN DEVELOPMENT

Promote a safe environment and a diverse and inclusive culture, with the continuous development of our employees.



## LOCAL DEVELOPMENT

Actively contribute to the socioeconomic development of the communities adjacent to our operations.



## VALUE CHAIN

Ensure that the origin of transported products is deforestation-free and include ESG criteria in the selection, qualification, and development of suppliers.



## ENVIRONMENTAL IMPACT

Mitigate our environmental impacts and support the regeneration of river ecosystems that make our navigation possible.



## ETHICS AND TRANSPARENCY

Relentlessly and adamantly cultivate ethics and transparency in the relationship with all our stakeholders.



SUSTAINABLE  
INTEGRATED  
LOGISTICS CHAIN

9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



13 CLIMATE  
ACTION



## CLIMATE CHANGE

Support the decarbonization of the Brazilian logistics industry, offering innovative and reliable waterway transport and achieving neutrality in the emission of greenhouse gases, as well as improving energy efficiency

### Greenhouse gas (GHG) emissions

#### Short-term targets (2021-2022)

- Approve a detailed plan and associated budget, with alternatives to be NET Zero (zero net GHG emissions) by 2030. Consolidate carbon inventory (encompassing the 3 scopes of emissions) audited by a qualified entity.

#### Medium-term targets (2023-2024)

- Measure the Internal Carbon Pricing (ICP) of HBSA's operations and include this value in project modeling;
- Qualify the NET Zero 30 targets (plan to achieve zero net GHG emissions by 2030), according to the SBTi (Science Based Targets Initiative).

#### Long-term targets (05 years - 2025)

- Achieve the reduction targets for 2025 projected in the NET ZERO 30 (plan to net zero GHG emissions by 2030).

### Energy Efficiency

#### Short-term targets (2021-2022)

- Build two hybrid pusher towboats;
- Complete the conceptual design of the Super Convoy;
- Conduct a study for the use of HVO (Hydrogenated Vegetable Oil) in Turkish push boats in the south.

#### Medium-term targets (2023-2024)

- Implement the terminal for recharging batteries in the Private Use Terminal;
- Operate at least one of the Southern Fleet pushers using HVO as primary fuel.

#### Long-term targets (05 years - 2025)

- Reduce by 20% the consumption of fossil fuel/TKU (net ton-kilometer) according to the GHG Inventory (baseline 2021).



## EMPLOYEE HEALTH, SAFETY AND DEVELOPMENT

Promote a safe work environment and a diverse and inclusive culture for the continuous development of our workforce.

### Short-term targets (2021-2022)

- Implement 100% of the occupational health and safety plan;
- Publicize the new Recruitment Policy with quantitative and qualitative indicators for all selection processes.

### Medium-term targets (2023-2024)

- Be recognized internally as a company that promotes the health, safety and well-being of employees (90% favorability in the "respect" pillar – Mood Survey);
- Achieve and maintain 40% of transactions and promotions with employees hired internally (except for specially regulated professions).

### Long-term targets (05 years – 2025)

- Be recognized externally as a company that promotes the health, safety and well-being of employees (survey conducted by an independent agent);
- Achieve and maintain 60% of transactions and promotions with employees hired internally (except for specially regulated professions).



## LOCAL AND HUMAN DEVELOPMENT

Contribute to the social and economic development of communities living in areas close to our business.

### Short-term targets (2021-2022)

- Conduct a socio-environmental diagnosis of operations and routes in the territories covered by HBSA;
- Conduct research on company reputation, through independent third-party sources, with priority audiences (based on the mapping of stakeholders);
- Define our strategy for ISP (Information Search Process) and expand social responsibility actions to all regions where the company operates.

### Medium-term targets (2023-2024)

- Integrate the diagnosis into the management system, in line with the Equator Principles;
- Implement action plans for 100% of critical socio-environmental risks;
- Conduct research demonstrating an evolution of 20% from T0;
- Start social projects in partnership with the Government.

### Long-term targets (05 years - 2025)

- Implement a mitigation plan for the company's critical socio-environmental risks, based on the prioritization matrix established by the company;
- Achieve 80% favorability in reputation research involving stakeholders;
- Gain formal recognition for contributions to local development in the areas where HBSA operates;
- Hold two projects per territory, encouraging the ability to civil society organization.





Sustainability is an important part of HBSA's business, representing a competitive advantage that places the Company in a privileged position in relation to other transport alternatives available.

---



## VALUE CHAIN

Encouraging our customers to produce in areas that are regulated and in compliance with current environmental legislation, and include ESG criteria for the selection, qualification, and development of suppliers.

### Short-term targets (2021-2022)

- Develop/approve strategic supplier (pilot) in ESG criteria;
- Inventory 100% of grain customers in the Northern System and encourage them to be signatories of the Soy Moratorium.

### Medium-term targets (2023-2024)

- 50% of strategic suppliers approved in the ESG criteria;
- Ensure that 100% of grain customers in the Northern System are signatories, and that at least 70% present a certificate of adherence to the Soy Moratorium.

### Long-term targets (05 years - 2025)

- 100% of strategic suppliers approved in the ESG criteria;
- Ensure that 100% of grain customers in the Northern System are signatories, and present a certificate of adherence to the Soy Moratorium.





## ENVIRONMENTAL IMPACT

Mitigate our environmental impacts and support the regeneration of the ecosystems where we operate.

### Short-term targets (2021-2022)

- Diagnose emission of particulates, considered critical and irregular, within all company operations;
- Complete the waste inventory and prepare an action plan, containing indicators for reduction and disposal by category.

### Medium-term targets (2023-2024)

- Implement controls for fugitive particulate emissions;
- Implement waste action plans based on the diagnosis.

### Long-term targets (05 years - 2025)

- Ensure 100% effectiveness of controls (results of sampling and tolerance levels);
- Ensure sustainable destination for 100% of waste generated in operations.



## ETHICS AND TRANSPARENCY

Relentlessly cultivate ethics and transparency in the relationship with all our stakeholders.

### Short-term targets (2021-2022)

- Train employees in the Anti-Corruption Policy;
- Define the system for recording institutional interactions;
- Create Government Relations Procedure.

### Medium-term targets (2023-2024)

- Train 80% of the target audience in the institutional interaction procedure;
- Implement a systemic registry of institutional interaction.

### Long-term targets (05 years - 2025)

- Provide an external Beacon of Transparency, depicting institutional interactions;
- Prepare an Integrated Sustainability Report.





► GRI 102-40 102-42 GRI 102-43 GRI 102-44 GRI 102-46 GRI 102-47

# STAKEHOLDER ENGAGEMENT AND THE MATERIALITY PROCESS

For HBSA, dialogue and constant involvement with its stakeholders are fundamental. Our stakeholder engagement process provides for the identification of their priority concerns, in order to ensure that they are present in the Company's strategies and are in line with the expectations of its stakeholders.

We started structuring this process in 2021 and, as a first step, the main stakeholder groups were identified, as well as the relationship of these groups with HBSA, and the main existing communication channels (Chart 1).

For the HBSA Sustainability Report 2021, the main positive and negative impacts, according to the GRI Standards, were identified based on an internal analysis, through a focus group with 21 people from

the reporting team. An analysis of the organization's context, its value chain, and the main commitments of its Sustainability Strategy launched internally in 2021 was performed.

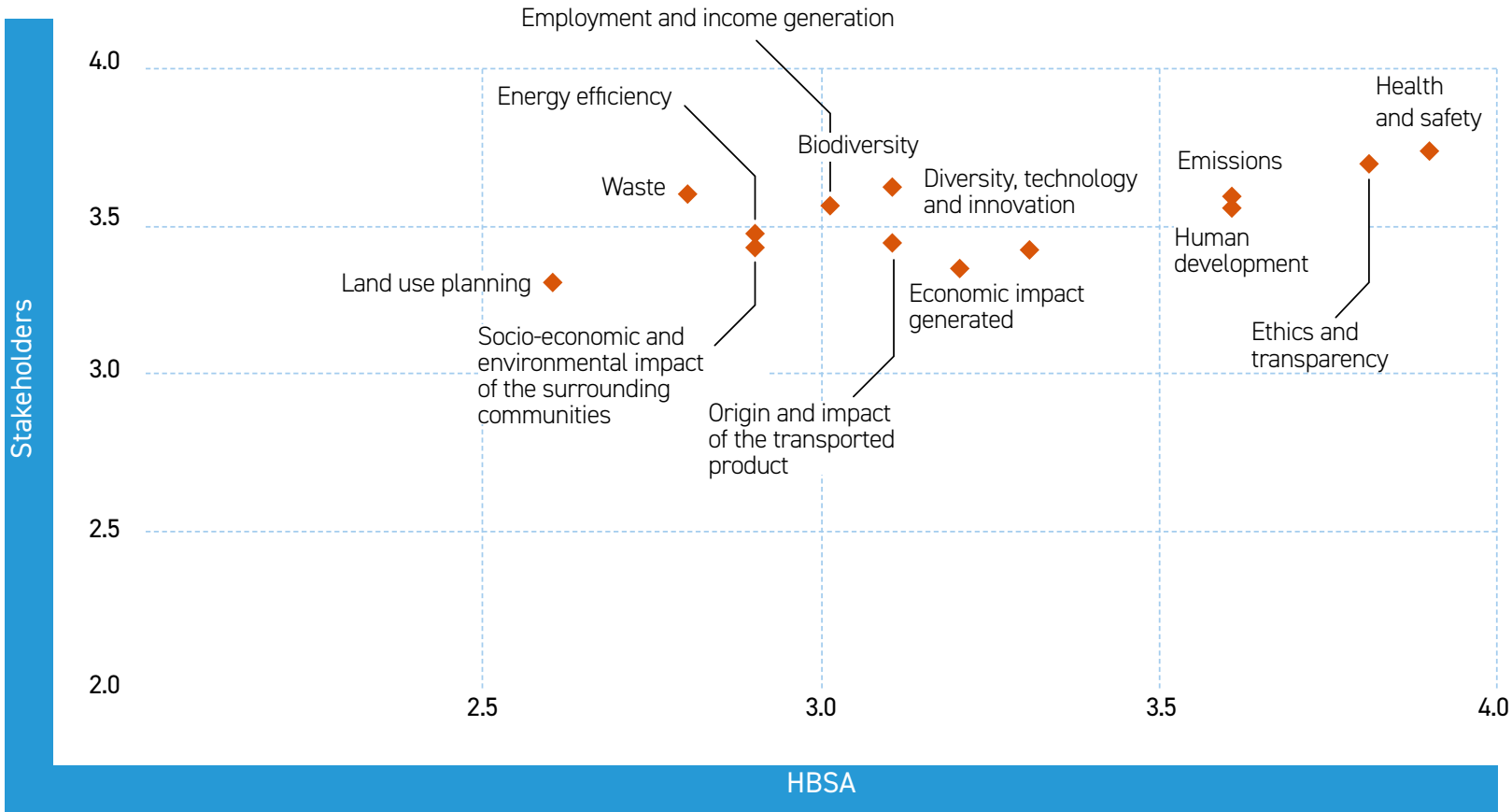
Subsequently, the material topics were defined by crossing the priority themes resulting from internal and external analyses, carried out through interviews and the application of closed questionnaires, with an open question to the following groups of stakeholders: employees, suppliers, investors, customers, and outsourced workers. The choice of these stakeholders was based on the impact of their activities, services, and products on the HBSA business. The survey had 280 respondents, 201 of whom were employees, 64 suppliers, 5 customers, 7 outsourced workers, and 3 investors.

**Chart 1:**  
**Engagement channels and main topics listed by stakeholder group.**

Stakeholder	Engagement channels	Topics listed
Associate	Internet portal (workplace), telephone, email, WhatsApp, BlueJeans; Jaber – employees/qualification system, electronic market (B2B) – outsourced; for all, ombudsman and ethics.	Emissions; energy efficiency; biodiversity; waste; human development; diversity; health and safety; socioeconomic and environmental impact on the surrounding communities; employment and income generation; ethics and transparency; technology and innovation
Supplier	Internet portal, telephone, email, WhatsApp, qualification system, electronic market (B2B); for all, ombudsman and ethics.	Emissions; origin and impact of the transported product; energy efficiency; biodiversity; waste; human development; health and safety; ethics and transparency; technology and innovation; generated economic impact
Investor	Website, e-mail, virtual and in-person meetings, and telephone.	Emissions; energy efficiency; land and river planning; ethics and transparency
Customer	Periodic meetings, daily mailing, telephone, WhatsApp, email; for all, ombudsman and ethics.	Health and safety; socioeconomic and environmental impact on surrounding communities; ethics and transparency
Outsourced workers	Internet portal (workplace), telephone, email, WhatsApp, BlueJeans; Jaber – employees/qualification system, electronic market (B2B) – Outsourced; for all, ombudsman and ethics.	Health and safety; socioeconomic and environmental impact on surrounding communities

Crossing the degree of importance of the subject matters for the stakeholders and for the internal team at HBSA resulted in the materiality matrix (below), comprising 14 topics.

### HBSA materiality matrix



The following material topics were considered a priority for the company:



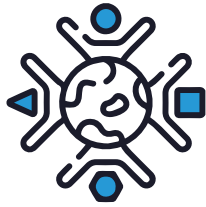
#### Health and safety

One of HBSA's strategic targets is to offer a safe work environment that promotes the well-being and development of its employees.



#### Employment and income generation

HBSA seeks to positively impact the regions where it operates, generating jobs regionally and locally, and expanding the qualifications and employability of people in these locations.



## Diversity

One of HBSA's strategic targets is to promote a culture of diversity and inclusion, which allows for the continuous development of its workforce, as well as an emotionally safe and welcoming environment that fosters the full expression of the potential of its employees.



## Human development

HBSA understands that its employees can and should develop fully, through actions that engage and sponsor the learning and growth of employees within the company, ensuring benefits that encourage health, well-being, and acceptance.



## Socio-economic and environmental impact on the surrounding communities

This topic is linked to one of the organization's values: Acting with socio-environmental responsibility, legitimately listening to the communities affected by its operations, and protecting the environment. HBSA develops actions that support the progress of local communities and mitigate the negative impacts of its operations, and enhance their positive impacts.



## Ethics and transparency

Ethics and transparency are key values for HBSA and must be reflected in its performance.



## Economic impact generated

It involves the management and tax planning of the company, its pricing policy, and the incentive strategies to boost the local economy.



## Emissions

In 2021, HBSA released its first greenhouse gas (GHG) inventory, referring to 2020. The inventory included the three scopes of emissions and showed that, comparatively, CO<sub>2</sub> eq (carbon dioxide equivalent) emissions per net ton-kilometer (TKU) from HBSA are, on average, three times lower than those of roadway and railway modals. We now have the challenge of effectively reducing our emissions.



## Land and river use planning

HBSA's operations are located in areas whose land and river dynamics precede the Company's operations. Therefore, the company, for the purposes of its operations and projects, considers the multiple uses and interests of the areas where it operates, positioning itself as a generator of positive development and respecting the other historical, current, and future uses of the regions.



## Biodiversity

HBSA works in the monitoring, management, and mitigation of its environmental impacts. However, we recognize that we can no longer afford to simply remain at this level. HBSA understands that it must contribute to the restoration of the ecosystems where it operates, promoting regeneration and recovery of these areas, in addition to mitigating operational impacts.



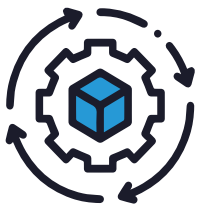
## Waste

HBSA's operations generate solid waste and effluents destined for processors authorized by environmental agencies. Regarding this issue, we focus not only on complying with legal obligations but also on operational efficiency as a tool for reducing the volumes generated, and for a disposal method that allows the reuse of materials whenever possible, as we do with the uniforms used by employees in the operations in Pará, donated to manufacture backpacks and bags by the *Tecer* Program.



## Energy efficiency

HBSA's strategic operational guideline is the evolution of its energy matrix, both in navigation and in terminals. We have already started this process with the construction of the first hybrid river pusher towboats in South America.



## Origin and impact of the transported product

HBSA transports solid bulk and commodities from mining, agribusiness, and pulp production. We recognize ourselves as part of these chains and we are aware of our obligation to positively influence the performance of our clients in the search for processes with low socio-environmental impact.

These 13 material topics were grouped into six major themes that guided the preparation of this report:

MACROTHEME	MATERIAL TOPICS
SOCIO-ENVIRONMENTAL AND TERRITORIAL MANAGEMENT	Socio-economic and environmental impact on the surrounding communities, Biodiversity, Land use and waste planning
CLIMATE CHANGE AND OUR CONTRIBUTION	Energy efficiency and emissions
MANAGING THE VALUE CHAIN	Origin and impact of the transported product
DEVELOPING PEOPLE	Diversity and Human development
OCCUPATIONAL HEALTH AND SAFETY	Healthy and Safety
ECONOMIC PROSPERITY	Job generation and Economic impact generated
ETHICS AND TRANSPARENCY	Ethics and transparency



The ways of managing material topics and their key indicators are detailed in specific chapters in this document, with details of the initiatives carried out or planned, and the results obtained.



# MACROTHEMES



# SOCIO-ENVIRONMENTAL AND TERRITORIAL MANAGEMENT

HBSA has incorporated systems into its operations that contribute to reducing the socio-environmental impact of its activity on several fronts. The social and environmental management guidelines follow the International Finance Corporation (IFC) Performance Standards and other internationally recognized methodologies.

The transition process to socio-environmental management based on the Sustainability Platform, which began in the first quarter of 2021, is underway and the Company's global targets are being designed. The work front involves the operational, tactical, and strategic levels in different groups, working in cooperation to create targets in line with the Sustainable Development Goals (SDGs).

In 2020, the Association of Port Terminals and Cargo Transshipment Stations of the Amazon Basin (Amport), of which HBSA is a member, hired a specialized consultancy firm for the enforcement of an Integrated Environmental Control Plan for the projects of its associates in the ZCIP (Industrial and Port Commercial Zone) of Itaituba, district of Miritituba, including:

**The transition process to socio-environmental management based on the Sustainability Platform, which began in the first quarter of 2021, is underway and the Company's global targets are being designed.**

These programs are part of HBSA's socio-environmental and land management strategy.

## Socio-environmental Responsibility and Institutional Articulation Program,

aimed to support the local public authorities of Miritituba and Itaituba with regard to the care of workers in the enterprises, providing health, education, public safety and social assistance services, as well as promoting the integration between the enterprise and the local communities (Miritituba, Itaituba, and Campo Verde) and monitoring, in partnership with the municipality, the process of demobilization of the work force of the enterprises and the future insertion of these workers in the labor market.

## Environmental Education Program,

with the purpose of sensitizing those involved in the operation of the enterprise to environmental impacts that can potentially affect the area of influence, and contribute to developing a stronger bond between the local population and the environment, as well as more comprehensive care, through guidelines and actions that favor the expansion of appropriate attitudes regarding environmental conservation and social development. The employee education campaign is carried out monthly at the ETCs (cargo transshipment stations) of the associated enterprises.

## Social Communication Program,

directed to give visibility to the actions of the Environmental Programs carried out within the scope of operation of the associated enterprises, and to create an open and transparent channel for open dialogue with the population of Itaituba, Miritituba, and other communities involved.



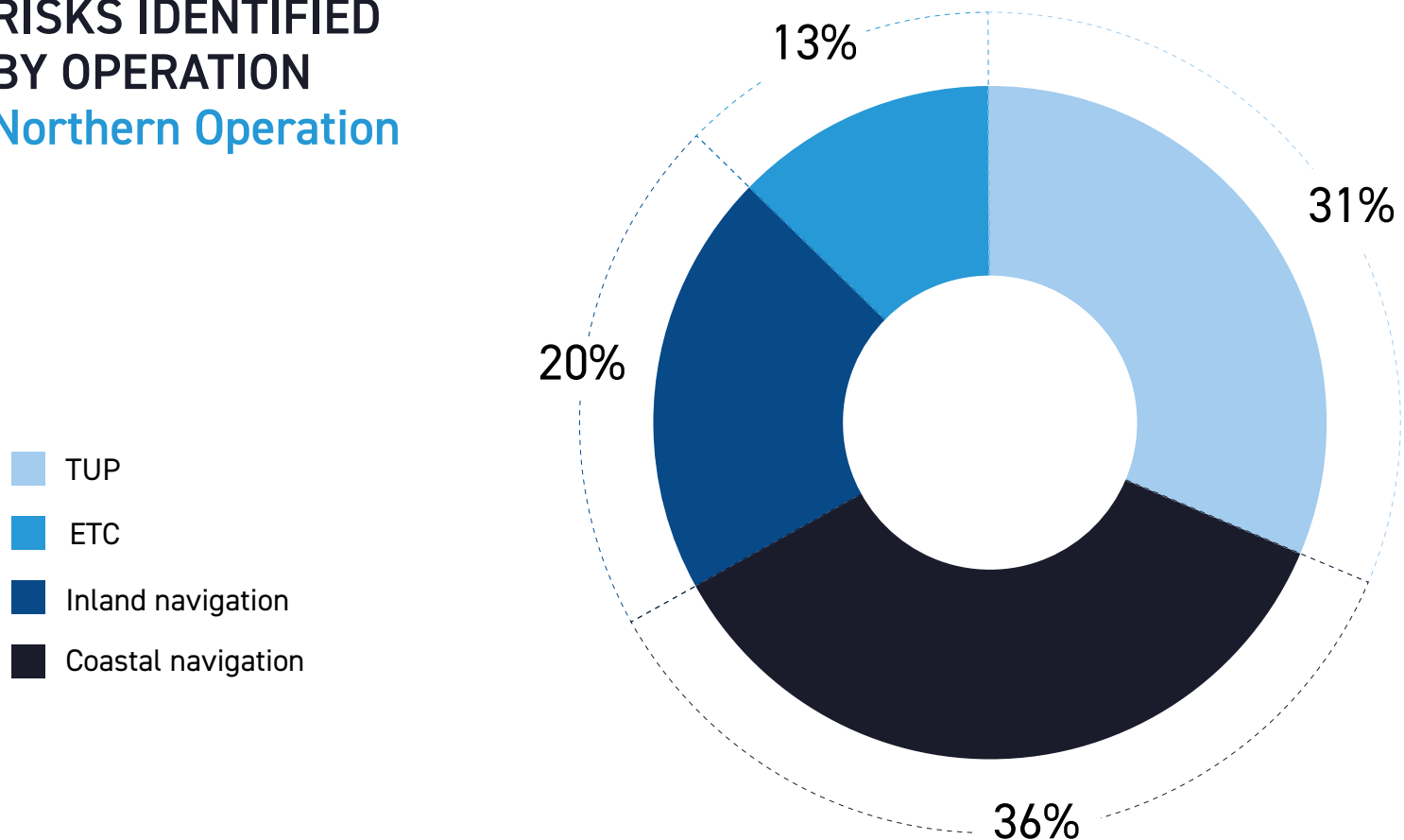
In Itaituba, the ETC is located about four kilometers from the Munduruku Indigenous lands, Praia do Índio, and Praia do Mangue. In partnership with the other companies involved in this plan, an Indigenous Component Study project was initiated to assess the impacts of the presence and activities of the associated companies.

The project is coordinated by Funai (National Indigenous People Foundation) and involves consultations with the peoples and leaders of the Munduruku who live in these two reserves, but also with those who live in villages located in other Brazilian states, such as Amazonas and Mato Grosso, along the Lower, Middle and Upper Tapajós River. The completion of these studies is expected by the end of 2023.

## Socio-economic and environmental impact on the surrounding communities

The Company has effectively and transparently carried out a series of studies to support its socio-environmental management measures and strengthen the relationship with stakeholders. In 2021, we initiated the first stage of the process of identifying and analyzing the socio-environmental risks of HBSA's operations, which will be the foundation for directing strategic actions and improving the Company's socio-environmental performance. The studies began with the operations in Northern Brazil, in the State of Pará, covering the Miritituba ETC (Itaituba) and the TUP of Vila do Conde (Barcarena); the inland navigation operations that connect these two port terminals; the coastal navigation operation that moves bauxite from the Trombetas Port to the Vila do Conde Port, operated by CDP (Pará Docks Company); and the arrival/departure of cargo by road to/from both terminals.

### RISKS IDENTIFIED BY OPERATION Northern Operation



In addition to the socio-environmental risk assessment, key stakeholders related to the project were identified and engagement and relationship plans were proposed for the most relevant stakeholders.

As a result of this work, 117 socio-environmental risks were mapped, 42 in the ETC operation, 36 in the TUP operation, 24 in inland navigation, and 15 in coastal navigation. The graphs (on the right) show quantitative risk results by operation, in percentages, for the Northern Operation.

The risk assessment methodology was adapted from the criteria of HBSA's own Integrated Management System (IMS), through the application of the Corporate Risk Management Policy. The risk rating methodology follows a multicriteria classification matrix divided into low (light blue), medium (green), high (orange) and very high (dark blue) risk levels, establishing a relationship between the consequence (levels of impact) and the likelihood (levels of probability) that a specific consequence will occur. Risk is calculated by multiplying the severity and probability factors. Based on the risk scores, the most relevant risks are prioritized in an action plan that involves the HBSA IMS risk treatment guidelines, pointing out:

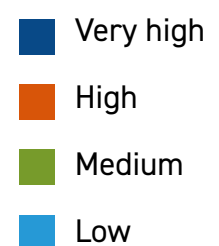
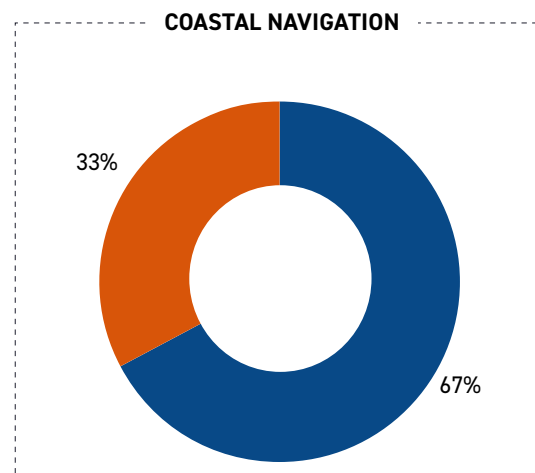
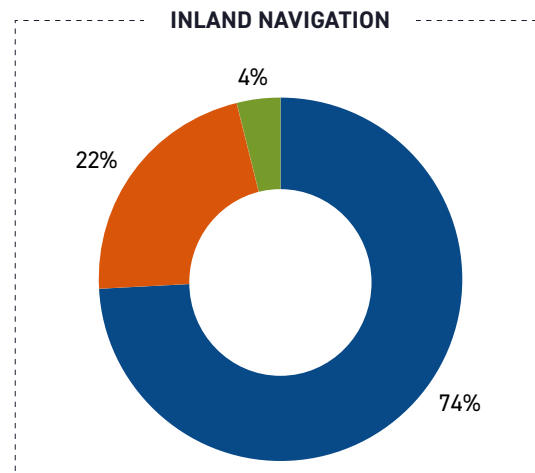
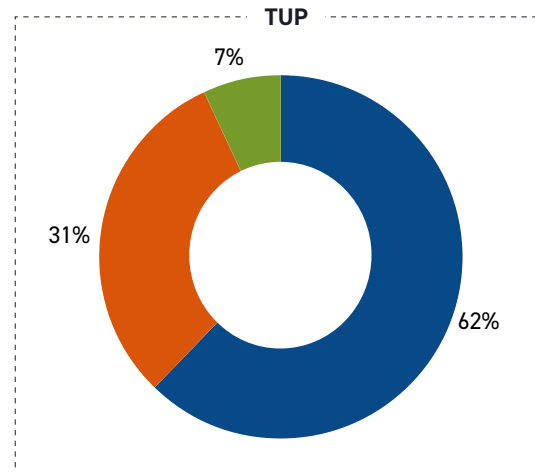
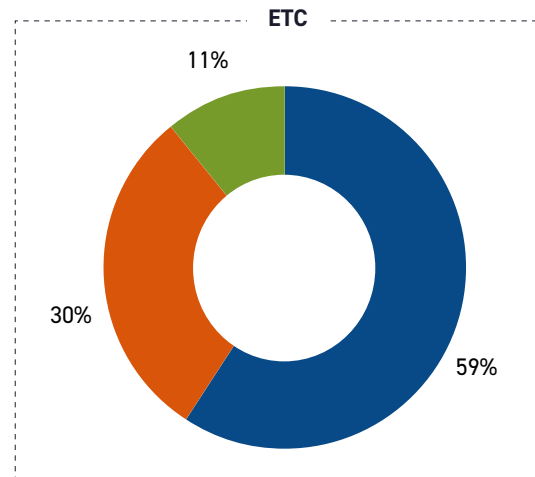
**VERY HIGH - UNACCEPTABLE RISK**  
Eliminate, avoid, or reduce to a lower level

**HIGH - MANAGEABLE RISK**  
Proactively manage

**MEDIUM - TOLERABLE RISK**  
Actively manage

**LOW - ACCEPTABLE RISK**  
Monitor progression

The results obtained by operation are presented below:



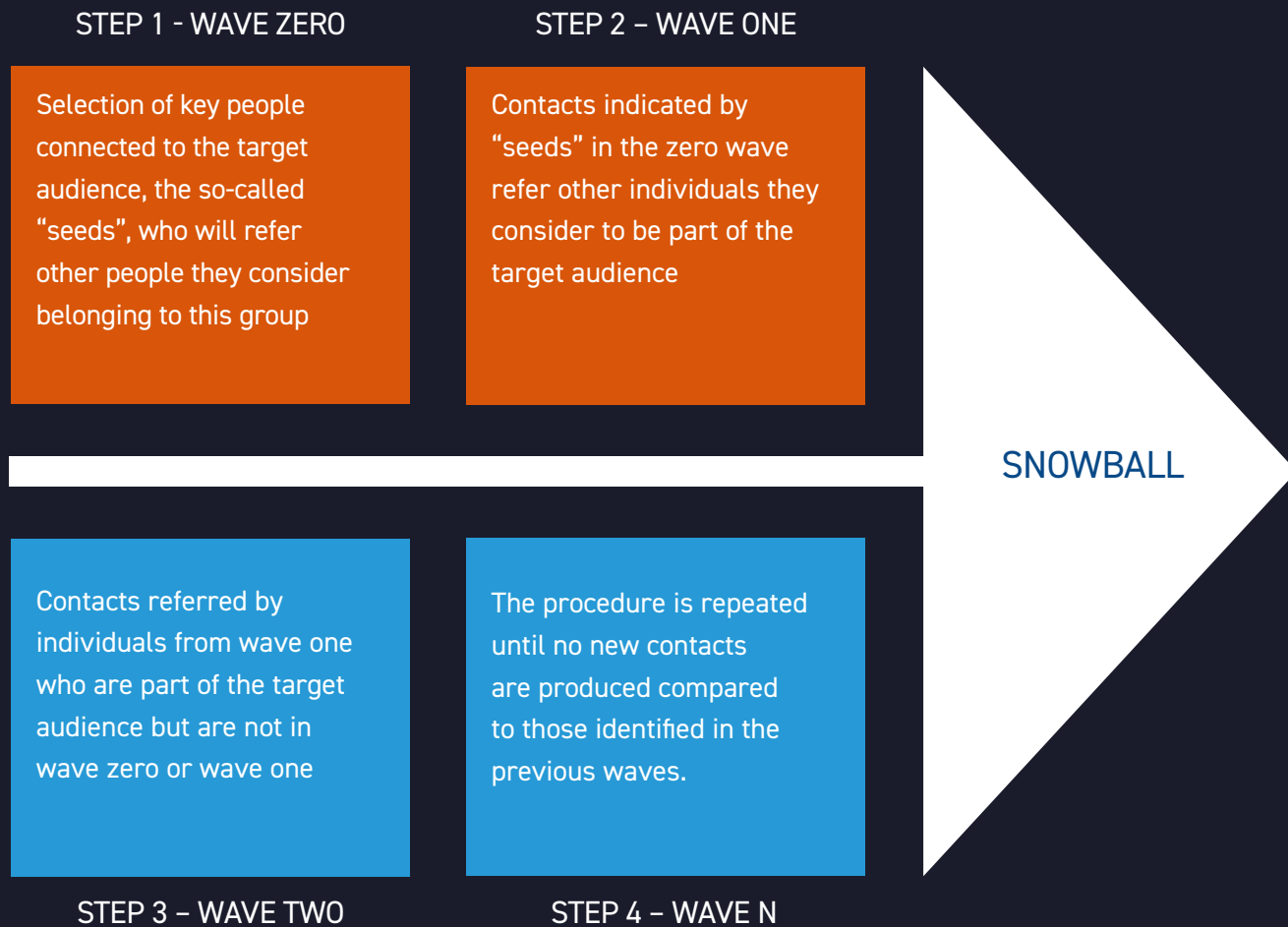
Each mapped risk has an action plan that addresses it and requires a combination of focused investments, management optimization, and/or improvement of internal processes. The implementation of action plans will be carried out gradually, always prioritizing the actions that address critical risks. We expect the Northern System operations to prepare and implement action plans for the risks identified, based on the highest sustainability standards in the sector.



The prior strengthening of the relationship between HBSA and its stakeholders enhances the process of identifying the benefits and risks of the project and how they can impact individuals, families, and the communities as a whole. Stakeholder identification reflected the methodological procedures and guidelines defined in the AA1000 Stakeholder Engagement Standard (2015) of Accountability<sup>1</sup>. The mapping process involved two stages of formal document review and field work.

1 - Available from: <https://www.accountability.org/standards/aa1000-stakeholder-engagement-standard>.

## Stakeholder mapping methodology in the Northern Operation.



Source: Stakeholder mapping, Porto Velho/RO, 21122-0000-AAS-RL001-0, TetraTech Study, São Paulo: HBSA/Tetrattech, July 2021.

The mapping process identified 61 stakeholders in the Northern Arc Ports project, categorized according to principles of dependence, responsibility, tension, and influence into low, medium, or high level.



Then, the assessment's results served as foundations for a positioning analysis and then, a sensitivity analysis, which sums up the attributes examined and makes it possible to rank the stakeholders with regard to prioritization and engagement strategies to be adopted, privileging the most relevant ones.

**Engagement methods were based on the AA1000 Accountability Standards (2015) and point to the following levels:**



**Chart 2.**  
**Engagement levels and respective proposed methods**

ENGAGEMENT LEVEL	DESCRIPTION	METHOD
Remain passive	No active communication between the parties	<ul style="list-style-type: none"> <li>• Stakeholder concern expressed through protest</li> <li>• Letters</li> <li>• Media</li> <li>• Websites etc.</li> </ul>
Monitor	One-way communication: Stakeholder > HBSA	<ul style="list-style-type: none"> <li>• Media and Internet tracking</li> <li>• Second-hand reports from other stakeholders possibly via targeted interviews</li> </ul>
Advocate	One-way communication: HBSA > stakeholder	<ul style="list-style-type: none"> <li>• Pressure on regulatory bodies</li> <li>• Other social media advocacy efforts</li> <li>• Lobbying</li> </ul>
Inform	One-way communication: HBSA > stakeholder, there is no invitation to reply	<ul style="list-style-type: none"> <li>• Bulletins and letters</li> <li>• Brochures</li> <li>• Reports and websites</li> <li>• Speeches, conference and public presentations</li> </ul>
Transact	Limited two-way engagement: Setting and monitoring performance according to terms of contract.	<ul style="list-style-type: none"> <li>• Public-Private Partnerships</li> <li>• Private Finance Initiatives</li> <li>• Donations</li> <li>• Marketing-related cause</li> </ul>
Consult	Limited two-way engagement: HBSA asks questions and the stakeholders answer	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Focus groups</li> <li>• Meetings with selected stakeholders</li> <li>• Public meetings</li> <li>• Workshops</li> </ul>
Negotiate	Limited two-way engagement: Discuss a specific issue or range of issues for the purpose of reaching consensus	<ul style="list-style-type: none"> <li>• Collective bargaining with workers through their unions</li> </ul>
Involve	Two-way, or multi-way engagement: Learning takes place on both sides, but the stakeholders and HBSA take action individually	<ul style="list-style-type: none"> <li>• Multi-stakeholder forums</li> <li>• Advisory panels</li> <li>• Participatory decision-making processes</li> <li>• Focus groups</li> <li>• Online engagement tools</li> </ul>
Collaborate	Two-way, or multi-way engagement: Learning, negotiation, and decision making on both sides	<ul style="list-style-type: none"> <li>• Joint projects</li> <li>• Joint enterprises</li> <li>• Partnerships</li> <li>• Multi-stakeholder initiatives</li> <li>• Online collaborative platforms</li> </ul>
Empower	New organizational forms of accountability and decision-making delegated out to stakeholders. Stakeholders have formal role in governance of an organization	<ul style="list-style-type: none"> <li>• Integration of stakeholders into governance structure, in the organization's strategies and operations</li> </ul>

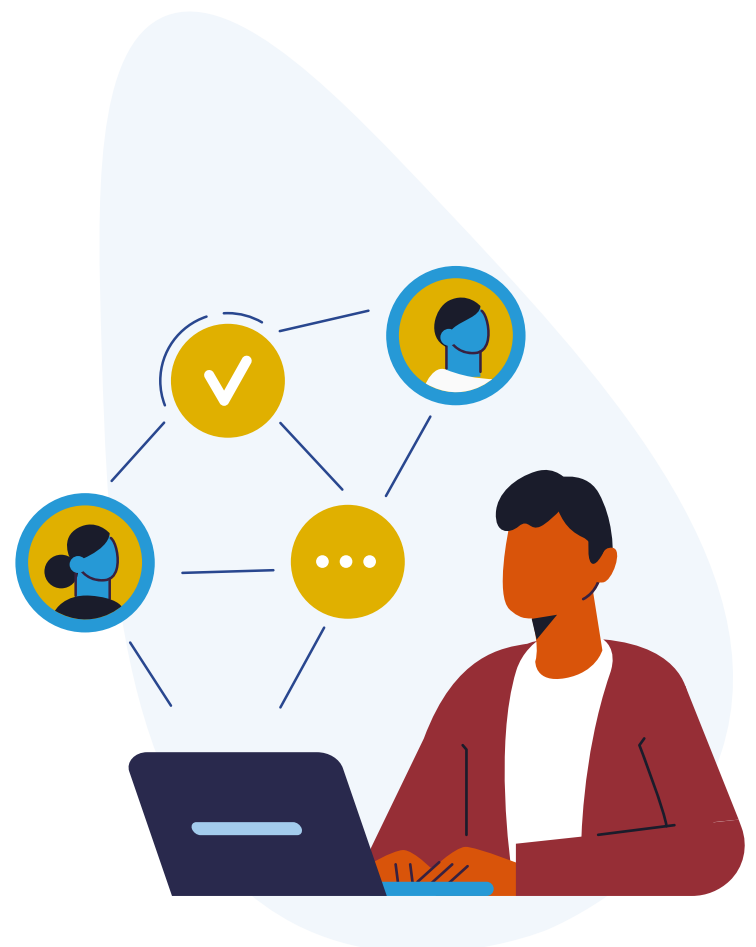
The engagement strategy adopted for each type of stakeholder identified is presented in the chart below.

STAKEHOLDER TYPES	ENGAGEMENT STRATEGY
Associations Foundations Representative entities	Consult Inform
The municipality	Consult Inform Defend Collaborate Transact
Partner company/supplier	Collaborate Transact
Private sector companies installed in the port area	Involve Collaborate
NGOs Social movements Environmental movements	Remain passive Monitor
Blogs and media	Inform Monitor
Public educational institutions Public health facility	Inform Transact

Both the socio-environmental risk studies and the stakeholder matrix and respective engagement and relationship plans will be carried out in 2022, also for HBSA's Southern Operations, completing this stage. The same study will be conducted for the Santos operations, once they resume their activities, closing the final stage of the process.

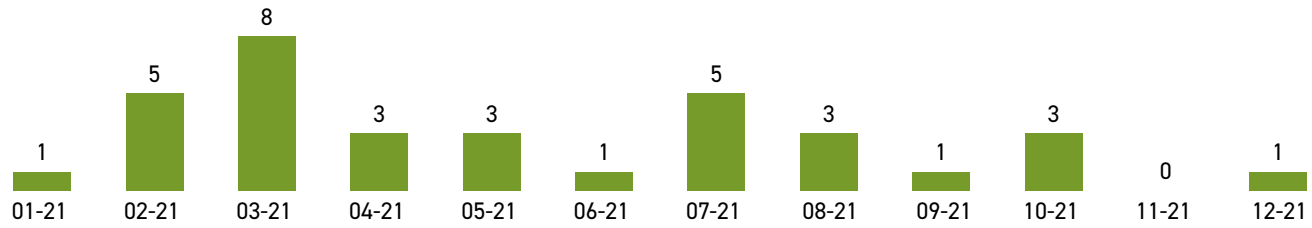
In addition to risk studies and mapping and engagement plans with stakeholders, HBSA is improving the instrument for capturing community demands, the Ombudsman Channel, so that communities, customers, suppliers, employees, and other stakeholders can express themselves easily and quickly, strengthening communication and relationships. This space respects local characteristics and the profile of presentation of demands according to the routine and reality of each audience.

In 2021, 34 complaints were registered by the HBSA ombudsman channel, of which 29% were related to requests and 26% to actual complaints. Of the total received, 6% are in progress to be resolved.

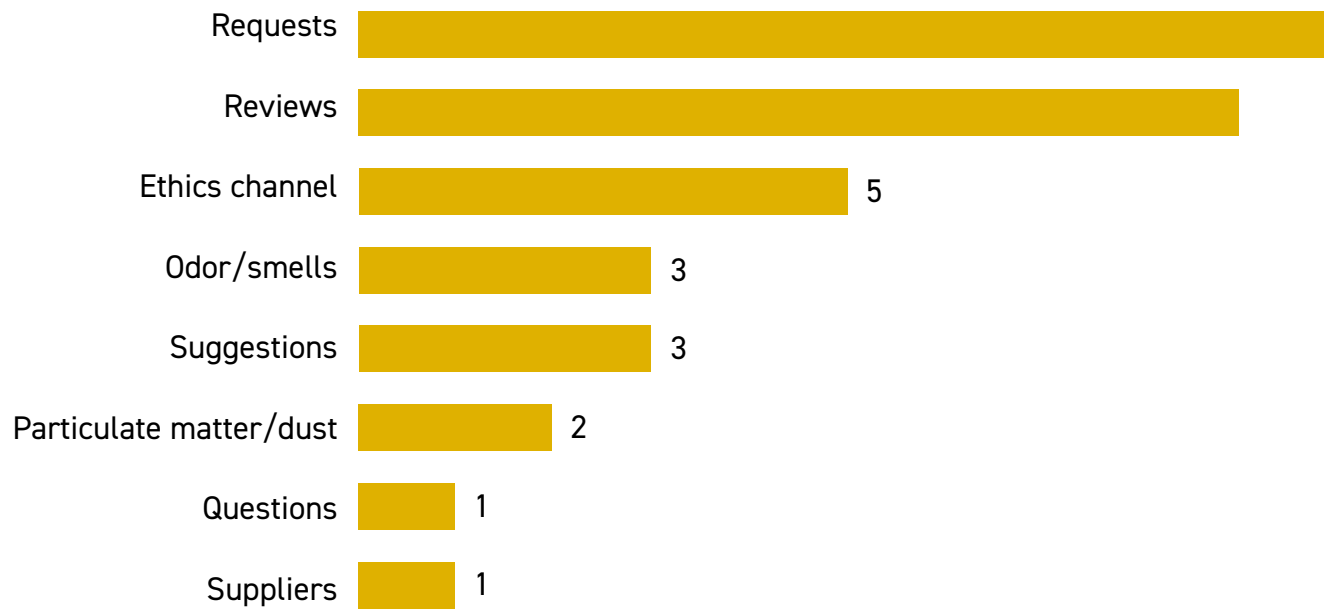


## EVOLUTION

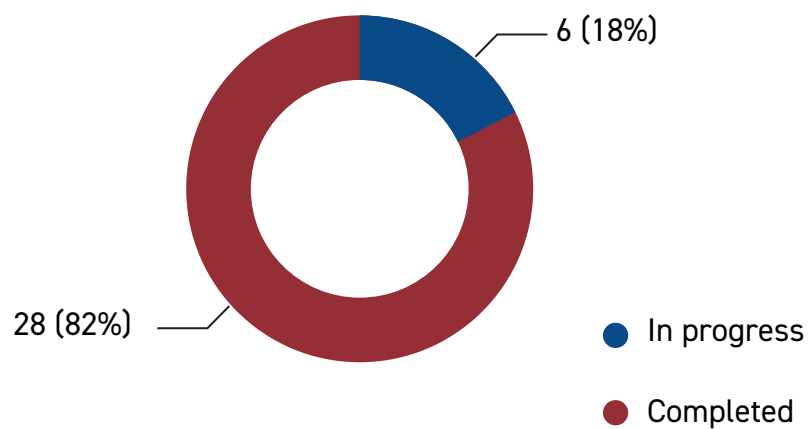
every month of 2021



## TYPE



## STATUS



HBSA has constantly developed and improved its socio-environmental management processes. We understand that our operations can cause positive and negative socio-environmental impacts on the surroundings. As a result of this understanding, HBSA designed a strategy to identify priority areas for action aimed at the Company's implementation of relationship plans and actions, impact management, and social investment and, based on that, measure the negative and positive impacts of the operations, and understand the Company's image and reputation with priority stakeholders.

**By applying the criticality matrix, the company will be able to precisely identify the communities and issues that demand more attention, working in the most critical communities.**

After defining the priority territories, HBSA will complement the stakeholder matrix, mapped in the risk analysis study, and will carry out an evaluation of them, in order to refine the engagement plan, considering the particularities of each stakeholder. This is a target planned for 2022.



This topic is related to SDG 10 – Reducing Inequalities, Target 10.2: By 2030, to empower and promote social, economic and political inclusion for all, regardless of age, gender, disability, race, ethnicity, origin, religion, economic status, or more.



This topic is also related to

- SDG 11 – Sustainable Cities and Communities, focusing on Target 11.6: By 2030, to reduce the per capita negative environmental impact of cities by paying special attention to air quality, municipal waste management, and more.
- SDG 16 – Peace, Justice and Strong Institutions, Target 16.6: Develop effective, accountable and transparent institutions at all levels 16.7: Ensure responsive, inclusive, participatory and representative decision making at all levels.

# Biodiversity



In its operations in Pará, HBSA monitors fauna, as established by the conditions of its environmental licenses.

At the ETC, we have monitoring programs for terrestrial fauna, ichthyofauna, and hydrobiological communities associated with the Integrated Environmental Control Program (performed jointly with the other ETCs of Miritituba). At the TUP, we monitor ichthyofauna and hydrobiological communities associated with the Environmental Control Plan, at the private terminal of Barcarena - PA, since the environmental agency waives the monitoring of terrestrial fauna.


Both units are located in the Amazon Biome, and the objective of these programs is to learn about and assess local diversity and its ecological interactions, with a view to conserving species over time.

The ETC and the TUP are located in locations defined by the Ministry of the Environment as Priority Areas for Biodiversity Conservation. The first, located on the banks of the Tapajós River, is considered an “Extremely High” priority, while the latter, located at the Pará River, an access to the Marajoara islands, and an important route for the logistical fluidity of Barcarena and region, is regarded as “High and Extremely High”.

Care began during the acquisition phase of the land where the units were installed, chosen based on criteria that ensured the least possible intervention in conservation or protected areas, as well as less environmental impact, considering physical, biotic, and social characteristics. In addition, in the vegetation suppression stage for the construction of the ETC, in Itaituba, species were selected and donated to local institutions for the formation of a germplasm bank. All the wood material removed was also donated.

In Barcarena, there were no green areas, and the facilities are at a safe and interference-free distance from the Alunorte Environmental Preservation Areas, the Marajó Archipelago, and the Samaúma Private Natural Heritage Reserve.

**The objective of these programs is to learn about and assess local diversity and its ecological interactions, with a view to conserving species over time.**



This topic is also related to SDG 15 – Life on Land, Target 15.1: By 2020, ensure the conservation, restoration and sustainable use of inland terrestrial and freshwater ecosystems and their services, particularly forests, wetlands, mountains and drylands, in accordance with obligations under international agreements.



This topic is related to SDG 14 – Life Below Water, more specifically related to Target 14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, especially from land-based activities, including marine debris and nutrient pollution; and Target 14.2: By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, for example by strengthening their resilience, and taking steps to restore them to ensure healthy and productive oceans.

## Land use planning

The installation and operations of HBSA, namely the ETC and the TUP, in Vila do Conde caused changes in the landscape, with topographical alterations and suppression of vegetation, in addition to an increase in the traffic of trucks and people on the site. These landscape changes also involve physical, economic and productive aspects related to land use adjustments.

In the ETC operation, the impacts of the increase in the circulation of barges on the Tapajós River directly interfere with the navigation of small vessels locally, especially for passenger transport and non-industrial fishing. Three Indigenous tribes live in the area of direct influence of the ETC, notably in the city of Itaituba.

In Barcarena, where TUP Vila do Conde is located, the Burajuba community, in Vila dos Cabanos, was judicially considered an area of cultural, social, religious, ancestral, and economic reproduction. Likewise, the Community of Boa Vista was also recognized as a traditional population that has its own form of social organization, occupies and uses territories and natural resources as a condition for its cultural, social, religious, ancestral and economic reproduction, applying knowledge, innovations, and practices generated and transmitted through tradition.

With the objective of contributing to the quality of the roads used in the municipalities where it operates, in 2021 HBSA invested more than BRL 1 million in Itaituba for the maintenance and improvement of strategic points of the transport route that leads to the ETC.

In the municipality of Barcarena, HBSA invested BRL 5 million in restoration work on approximately 8 km of the road that gives access to the TUP and neighboring communities.



## Waste

Management of solid waste in our operations aims to apply the best treatments available, with a focus on reducing environmental impacts and on the continuous improvement of processes for non-generation, reuse, and circular economy practices. Periodically, a review is made of the matrices of environmental aspects and impacts aimed at the implementation of control measures. All units implement actions aimed at non-generation, reduction, reuse, recovery and recycling of waste, as well as awareness-raising actions, and training and qualifications for the operational teams.

Our pushers and ships have suitable places for storing solid waste separately in accordance with Marpol 73/78 – International Convention for the Prevention of Pollution from Ships, created in 1973, to preserve the marine environment by eliminating pollution by hydrocarbons and other harmful substances.

The collection of waste generated from HBSA's operations is performed regularly by specialized and licensed partners; for this, a Waste Manifest and, later, a certificate of final destination are issued. Operations in Brazil are 100% compliant with the National Information System on Solid Waste Management (SINIR) and are also compatible with the new Federal Decree No.19.936, of January 12, 2022, which regulates the National Solid Waste Policy.

In 2020, 48.3% of our solid waste was destined for energy recovery by blending and co-processing; 20.8% went on for recycling/reuse; 20.79% for composting; 5.2% for incineration; and 4.91% for other environmentally appropriate forms of final disposal, so that only 1.24% were sent to sanitary landfills.

In 2021, 60.58% of waste was sent for recycling/reuse; 16.47% for energy recovery by blending and co-processing; 10.58% for composting; 6.11% for incineration; 5.33% for external effluent treatment stations; and only 0.93% of the waste generated by HBSA was sent to landfills. The rates above show that HBSA management is focused on environmentally appropriate and sustainable disposal of waste.

The increase in the recycling/reuse rate between 2020 and 2021 is due to the fact that 83% of the destination for this purpose referred to civil construction waste from works and renovations carried out at our unit in the Port of Santos.





**Table 1.**  
**Waste by composition, in metric tons (t) – 2021**

Waste categories	Waste generated (t)	Waste not intended for disposal (t)	Waste intended for disposal (t)
<b>Hazardous waste</b>			
Used oil (hydraulic or lubricating)	22.63	22.63	0.00
Healthcare waste	0.19	0.00	0.19
Hazardous electronic waste	0.63	0.63	0.00
Hazardous liquid waste	1.12	1.12	0.00
Oily waste	2,517.27	1,384.73	1,132.54
Contaminated solid waste	73.21	0.79	72.42
<b>Total hazardous waste</b>	<b>2,615.06</b>	<b>1,409.90</b>	<b>1,205.158</b>
<b>Non-hazardous waste</b>			
Urban solid waste and similar waste	178.68	0.00	178.68
Construction waste	3,304.76	3,304.76	0.00
Fertilizer waste	56.62	56.62	0.00
Wood waste	64.33	57.97	6.36
Non-hazardous electronic waste	0.12	0.12	0.00
Non-hazardous liquid waste	811.14	445.69	365.45
Organic waste	1,012.41	830.23	182.17
Non-hazardous solid waste	18.92	0.00	18.92
Recyclable solid waste	35.33	22.92	12.41
Scrap metal	283.45	282.61	0.84
<b>Total non-hazardous waste</b>	<b>5,765.75179</b>	<b>5,000.93</b>	<b>764.83</b>
<b>Total waste</b>	<b>8,380.81</b>	<b>6,410.82</b>	<b>1,969.98</b>

**Table 2.**  
**Waste not intended for recovery disposal, in metric tons (t) – 2021**

Waste not intended for recovery disposal	Total	Within the organization	Outside the organization
<b>Hazardous waste</b>			
Preparation for reuse	0,00	0,00	0,00
Recycling/Reuse	1,408.78	0.00	1,408.78
Effluent treatment plant	1.12	0.00	1.12
<b>Total hazardous waste</b>	<b>1,409.90</b>	<b>0,00</b>	<b>1,409.90</b>
<b>Non-hazardous waste</b>			
Preparation for reuse	0.00	0.00	0.00
Recycling	3,668.38	0.00	3,668.38
Compost	886.85	0.00	886.85
Treatment in an external effluent treatment plant	445.69	0.00	445.69
<b>Total non-hazardous waste</b>	<b>5,000.93</b>	<b>0,00</b>	<b>5,000.93</b>
<b>Total waste</b>	<b>6,410.82</b>	<b>0,00</b>	<b>6,410.82</b>

**Table 3.**  
**Waste destined for disposal by disposal operation, in metric tons (t) – 2021**

Waste intended for disposal	Total	Within the organization	Outside the organization
<b>Hazardous waste</b>			
Blending for co-processing	1,192.08	0.00	1,192.08
Incineration with no energy recovery	0.40	0.00	0.40
Waste confinement (landfills)	12.47	0.00	12.47
Other disposal operations	0.21	0.00	0.21
<b>Total hazardous waste</b>	<b>1,205.158</b>	<b>0,000</b>	<b>1,205.158</b>
<b>Non-hazardous waste</b>			
Blending for co-processing	188.17	0.00	188.17
Incineration with no energy recovery	511.33	0.00	511.33
Waste confinement (landfills)	65.33	–	65.33
<b>Total non-hazardous waste</b>	<b>764.83</b>		<b>764.83</b>
<b>Total waste</b>	<b>1,969.98</b>	<b>0,00</b>	<b>1,969.98</b>



**Long-Term Target (05 years - 2025)**

- Ensure sustainable destination for 100% of waste generated in operations.

**Short-Term Target (2021-2022)**

- Complete the waste inventory and prepare an action plan, containing indicators for reduction and disposal by category.

This topic is related to SDG 12 -

Responsible consumption and production, more specifically related to Target 12.4: By 2020, achieve environmentally sound management of chemicals and all wastes, throughout their entire life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil to minimize its negative impacts on human health and the environment; and Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.





# CLIMATE CHANGE AND OUR CONTRIBUTION

► GRI 103-1 GRI 103-2 GRI 103-3 GRI 305-1 GRI 305-2 GRI 305-3

## Emissions

The waterway mode has a lower impact on greenhouse gas emissions compared to other modes, in addition to being more efficient in the way it is practiced by HBSA.

We are more efficient in the use of fuel per ton of cargo transported, with a consequent comparatively lower emission of CO<sub>2</sub>-eq (carbon dioxide equivalent).

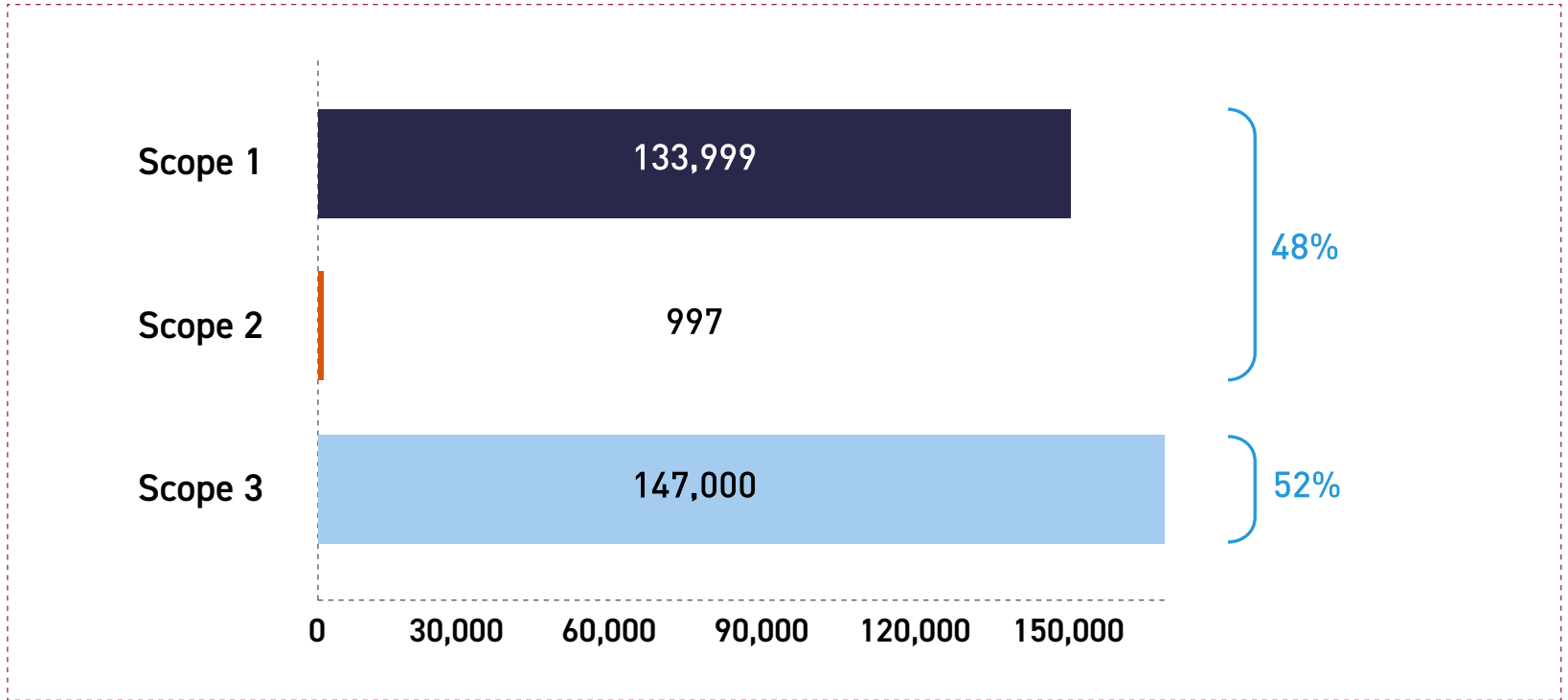
Each typical convoy of 25 grain barges, for example, corresponds to 1,000 trucks taken off the roads, or 100 L/100 TKU of diesel versus 130 L/100 TKU of IFO (Intermediate Fuel Oil) or MGO (Marine Gasoil).

This is an important alternative for Brazil to achieve the goal established at COP-26, of reducing GHG emissions by 50% by 2030 and achieving the neutralization of its emissions by 2050. The Brazilian transport sector accounted for 9% of emissions in 2020, according to the Greenhouse Gas Emissions Estimate System (SEEG).

HBSA has a Greenhouse Gas Emissions Management Program, focused on building an emissions reduction strategy.

The program brings together a series of initiatives, such as training, engagement meetings, audits, monitoring of targets, implementation of mitigation and compensation projects, internal and external reporting, and more.

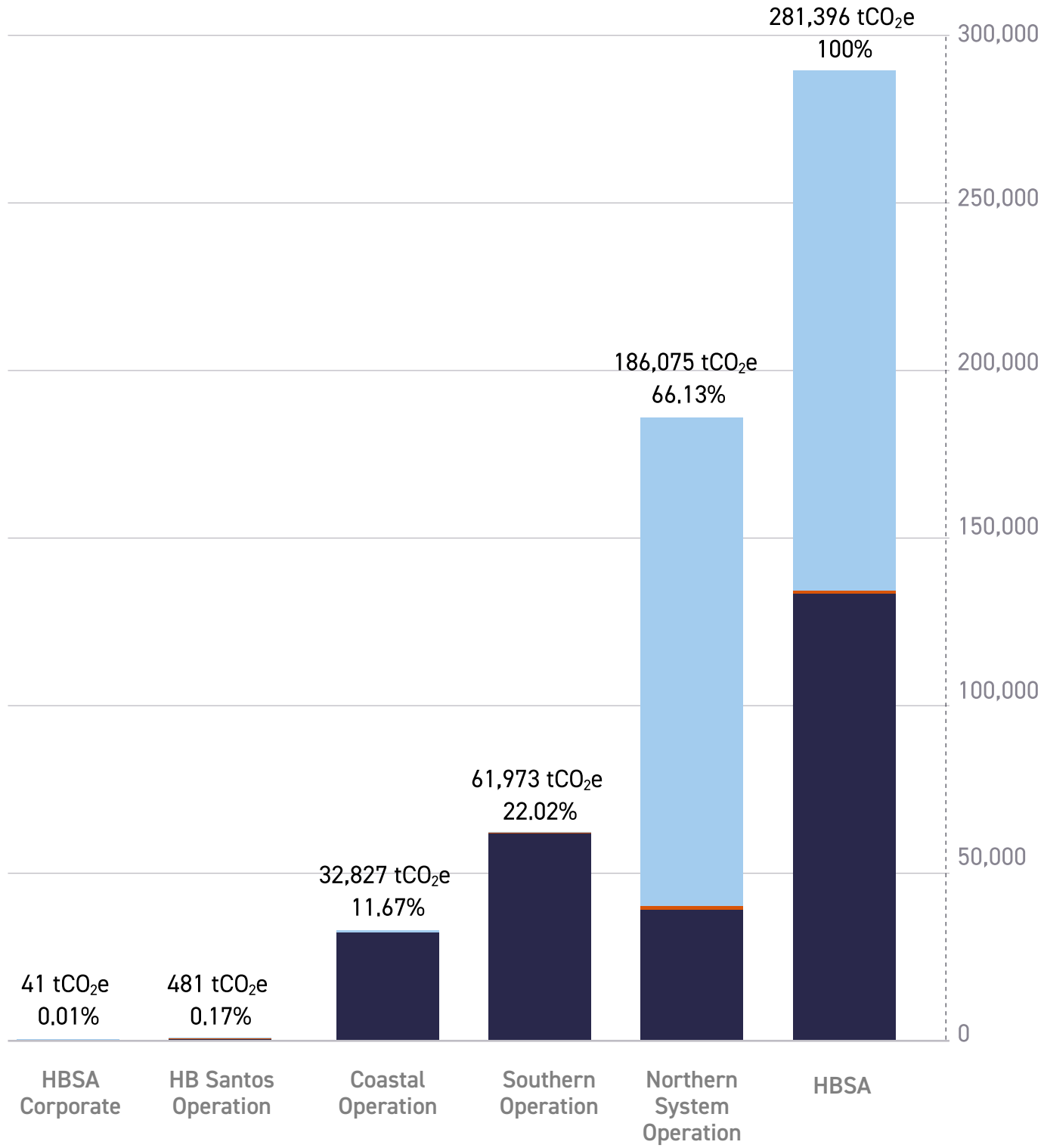
The first stage began in 2020, the year in which the company made its first inventory, encompassing scopes 1, 2 and, in part, scope 3. Scope 1 comprises direct emissions; scope 2, indirect emissions generated by energy consumption; and scope 3, other indirect emissions generated by the operations (to treat residues or transport employees).



The Company's main emissions are associated with diesel consumption when receiving and shipping goods from the Northern system, which are accounted for in the transport and distribution (downstream) category in Scope 3, which represents 52.44%. Next are mobile combustion emissions, originating from the operations of pushers, ships, and mobile equipment (Scope 1), which represent 44.51% of total emissions.

Categories	Scope 1	Scope 2	Scope 3	Overall Total
Business trips	0.00%	0.00%	0.01%	0.01%
Transport and distribution (upstream)	0.00%	0.00%	0.01%	0.01%
Stationary combustion	0.01%	0.00%	0.00%	0.01%
Solid waste and liquid effluents	0.04%	0.00%	0.00%	0.04%
Activities related to fuel and energy not included in Scopes 1 and 2	0.00%	0.00%	0.07%	0.07%
Employee transportation (home to work)	0.00%	0.00%	0.13%	0.13%
Electricity purchase	0.00%	0.34%	0.00%	0.34%
Fugitive	0.88%	0.00%	0.00%	0.88%
Waste generated in operations	0.00%	0.00%	1.55%	1.55%
Mobile combustion	44.51%	0.00%	0.00%	44.51%
Transport and distribution (downstream)	0.00%	0.00%	52.44%	52.44%
<b>Overall Total</b>	<b>45.45%</b>	<b>0.34%</b>	<b>54.21%</b>	<b>100.00%</b>

Chart of emissions by operation.





We also emphasize that the complete Scope 3 inventory is scheduled to be carried out in 2022, adding assertiveness to the analyzes for the adoption of future measures.

In HBSA's 2020 Greenhouse Gas (GHG) inventory, the main direct emissions (scope 1) are associated with the consumption of heavy fuel oil (HFO) and marine diesel oil (MDO) by the Company's own vessels at the units South Operation, North System Operation, and Coastal Navigation Operation; they represent, respectively, 31.96% (89,924.07 tCO<sub>2</sub>-eq) and 14.29% (40,219.37 tCO<sub>2</sub>-eq) of the organization's total emissions. As for direct emissions, they represent 64.41% and 30.15%, respectively, totaling 97.56% of Scope 1 emissions.

Precursor	Total emissions (tCO <sub>2</sub> e)	% of direct emissions (Scope 1- tCO <sub>2</sub> e)	% Total direct emissions (Scopes 1, 2 e 3 - tCO <sub>2</sub> e)
Ethyne	0.517849	0.00%	0.00%
CO <sub>2</sub>	0.547	0.00%	0.00%
Liquefied petroleum gas (LPG)	16.363635	0.01%	0.01%
HFC-134a	97.24	0.07%	0.03%
Sanitary sewage	129.366	0.10%	0.05%
Gasoline/Brazil	186.01926	0.14%	0.07%
Diesel/Brazil	753.061764	0.56%	0.27%
R-410A	807.278	0.61%	0.29%
HFC-227ea	1,265.46	0.95%	0.45%
Marine diesel oil (MDO)	4,0219.37178	30.15%	14.29%
Heavy fuel oil (HFO)	8,9924.06877	67.41%	31.96%
<b>Overall Total</b>	<b>13,3399.2941</b>	<b>100.00%</b>	<b>47.41%</b>



As for emissions related to electricity consumption (Scope 2), the Northern System represents 94.5% of total GHG emissions, as it is the region where the ETC and TUP terminals are installed. The Santos Operation currently has little representation due to the works in progress.

Operation and unit of Scope 2 emissions	Total emissions (tCO <sub>2</sub> e)	% Emissions (tCO <sub>2</sub> e)
<b>HBSA Corporate</b>	<b>6.779121</b>	<b>0.7%</b>
Corporate	6.779121	100.0%
<b>Southern Operation</b>	<b>10.702434</b>	<b>1.1%</b>
Southern Operation	10.702434	100.0%
<b>HB Santos Operation</b>	<b>37.186577</b>	<b>3.7%</b>
HB Santos	37.186577	100.0%
<b>Northern System Operation</b>	<b>942.331676</b>	<b>94.5%</b>
ETC-MTT (Cargo Transshipment Station of Miritituba)	315.400182	33.5%
TUP-VDC (Private Port Terminal of Vila do Conde)	626.931494	66.5%
<b>HBSA</b>	<b>996.999808</b>	<b>100.0%</b>

The emission intensity indicator was designed by dividing greenhouse gas emissions per net ton-kilometer (TKU). In 2020, HBSA found an equivalent to 32,714 MTKU, resulting in an emissions indicator of 4.1 gCO<sub>2</sub>-eq/TKU.

As a basis for comparison, other companies in the logistics sector that operate with rail, road and maritime transport had emission indicators at 14.3 gCO<sub>2</sub>-eq/TKU and 12.2 gCO<sub>2</sub>-eq/nm, respectively, in 2020.

In addition, HBSA made an important contribution to avoiding GHG emissions by using convoy navigation, compared to modes such as road transport, for the same travel sections. In the Northern System, we avoided the emission of ~2,110 gCO<sub>2</sub>-eq/10 convoys per month. In the Southern System, we avoided the emission of ~2,500 gCO<sub>2</sub>-eq/10 convoys per month. This reflects great potential to contribute to the decarbonization of our customers' logistics chain.

The Southern Operation presented the highest intensity indicator, followed by coastal navigation and North Operation.

Operating unit	gCO <sub>2</sub> e/TKU* Intensity
Coastal operation	3.58
Northern System Operation	3.06
Southern Operation	5.80
<b>Totals</b>	<b>4.10</b>



**13** CLIMATE ACTION



**This topic is related to SDG 13 –**

Take urgent action to combat climate change and its impacts, more specifically with Target 13.2: Integrate climate change measures into national policies, strategies, and plans; and Sub-target 13.2.2: Total greenhouse gas emissions per year.

## HBSA has made an important contribution to preventing GHG emissions by using convoy navigation

Based on the inventory carried out, the Company outlined its short, medium and long-term GHG mitigation targets.

### Short-term targets (2021-2022)

- Approve a detailed plan and associated budget with alternatives to be NET Zero (zero net GHG emissions) by 2030.
- Consolidate carbon inventory (including the 3 scopes) audited by a qualified entity.

### Medium-term targets (2023-2024)

- Measure the Internal Carbon Pricing (ICP) of HBSA's operations and include this value in project.
- Qualify the NET ZERO 30 targets, according to the SBTi (Science Based Targets Initiative).

### Long-term targets (05 years - 2025)

- Achieve the reduction targets for 2025 projected by NET ZERO 30.

The second stage of the Greenhouse Gas Emissions Management Program was completed in 2021, with the identification of projects for the decarbonization of the company's operations, which were approved as short, medium, and long-term targets.

### Short-Term Targets (2021-2022)

- Construction of two hybrid maneuvering pushers; completion of the conceptual design of the Super Convoy; and studies for the use of HVO (Hydrated Vegetable Oil) in the Southern Operation pusher towboats.

### Medium-Term Targets (2023-2024)

- Implementation of the terminal for recharging batteries at the TUP; and start of operation of at least one of the pushers of the Southern fleet with HVO (Hydrated Vegetable Oil) as main fuel.

### Long-term targets (05 years - 2025)

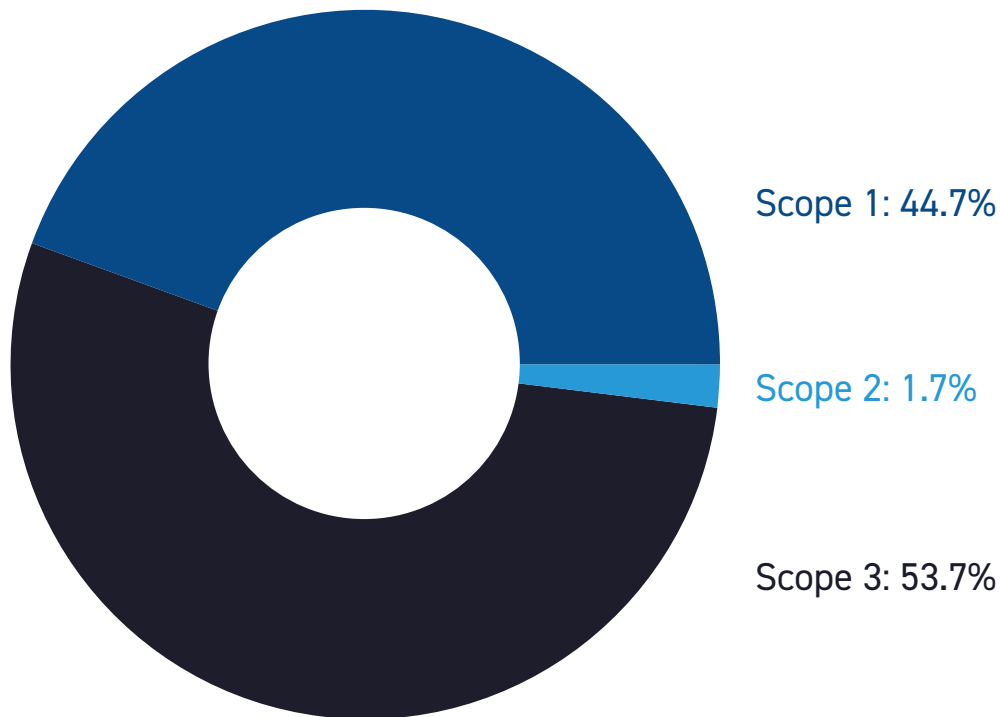
- Reduce by 20% the consumption of fossil fuel/TKU (net ton-kilometer) according to the GHG Inventory baseline of 2021.

The third stage, namely scenario building, pointed out that the implementation of all these projects would result in a 54% reduction in relative emissions in 2025, compared to 2020 rates, based on intensity (gCO<sub>2</sub>-eq/TKU).

## Energy efficiency

Total energy consumption refers to energy consumption arising from electricity purchasing and fuel consumption. The highest energy consumption is represented by Scope 3 activities, followed by Scope 1 and 2 operations.

### Total energy consumption by scope



The main precursors of energy consumption are associated with the consumption of diesel to receive and ship cargo in the Northern System operation, accounted for in the transport and distribution (downstream) category, and fuel consumption by pushers, ships, and mobile equipment moving goods for HBSA.



## Energy consumption by scope and category (%)

Category	Scope 1	Scope 2	Scope 3
Electricity purchase	0.00%	1.66%	0.00%
Stationary combustion	0.02%	0.00%	0.00%
Mobile combustion	44.67%	0.00%	0.00%
Employee transportation (home to work)	0.00%	0.00%	0.14%
Waste generated by the operations	0.00%	0.00%	0.00%
Transport and distribution (downstream)	0.00%	0.00%	53.50%
Transport and distribution (upstream)	0.00%	0.00%	0.01%
Business trips	0.00%	0.00%	0.01%

## Total energy consumption per operation – 2020 (GJ)

Hierarchy	Scope 1	Scope 2	Scope 3	Overall total
Corporate	241	445	280	966
HB Santos	4,293	1,945	0	6,238
Coastal navigation	410,227	0	86	410,313
NN (Northern Navigation)	473,904	0	172	474,076
Southern Operation	803,745	535	0	804,280
ETC-MTT (Cargo Transshipment Station of Miritituba)	1,298	19,650	1,222,981	1,243,928
TUP-VDC (Private Port Terminal of Vila do Conde)	5,323	40,619	816,488	862,430
HBSA	1,699,031	63,193	2,040,006	3,802,231

It should be noted that HBSA is still in the process of reviewing the emissions inventory for the year 2021 and preparing a complete inventory of Scope 3 emissions, which will bring greater assertiveness to the continuity of the work.

We are still in the design phase for the construction of a solar power station at the ETC in Miritituba.



This topic is related to SDG 7 -

Clean and affordable energy, more specifically related to Target 7.2: By 2030, substantially increase the share of renewable energies in the global energy mix; and Target 7.3: By 2030, double the global rate of improvement for energy efficiency.

# MANAGING THE VALUE CHAIN

► GRI 102-9 GRI 103-1 GRI 103-2 GRI 103-3 GRI 308-1 GRI 414-1

## Origin and impact of the transported product

HBSA has more than 1,000 active and approved suppliers, divided into several categories, such as QEHS services and products (quality, environment, health and safety), food, maintenance, IT, communication, marketing, consulting, facilities, grain classification and certification, corporate, equipment, engineering and construction, fuel and energy, transportation, leasing, and more. In order for business partners to be aligned with the company's principles, all of them sign a form, committing to follow, in their daily business, practices related to health, safety, social responsibility, human rights (repudiation of prostitution and any form of sexual exploitation, child labor or slave-like practices), the environment, quality and ethics, that is, the policies of the code of ethics. The Company still does not use environmental and social criteria in the selection process.



Suppliers are ranked according to their relevance to the business. The most strategic, whose activities directly impact the company, are classified as critical. HBSA will map this chain to understand where they stand against ESG principles. In 2021, the Company created a questionnaire, which will be applied to all critical suppliers in 2022. The survey was designed after consulting reference companies in this topic and analyzing capital market indices. It considers the following aspects: culture and strategy, risk and sustainability management system, ethics and transparency, environmental management, legal requirements, social management, dialogue and engagement, social capital, and innovation. Once the current situation is identified, the Company will begin to approve new suppliers that adopt ESG criteria starting in 2022 and reaching 100% of critical service providers in 2025. Currently, critical suppliers undergo an annual performance evaluation, including items such as delivery, quality, and safety, which can lead to the permanence of the relationship, monitoring with an action plan, or the replacement of the supplier.

The relationship with this public is guided by transparency and proximity. Thus, HBSA provides suppliers with an ethics channel for reporting situations that do not comply with ethical guidelines and standards, which can be activated via email, telephone, or online. It also has an ombudsman to forward compliments, suggestions, requests, questions or criticisms in relation to the Company and its local operations.

HBSA operates in areas far from major centers and, therefore, has the business profile of benefiting surrounding communities. Much more than a corporate social responsibility policy, this strategy is important for the operation, as the Company realized the

urgency of developing a local market to meet its needs. Therefore, most of the employees and suppliers are local, although, currently, there is no indicator to measure their representativeness.

During the period covered by the report, the digital transformation process was also an important initiative, with the implementation of a Registration and Legal Ratification Portal covering the entire relationship with suppliers. Before, information exchanges and sharing took place via email, and documents were uploaded to the Company's network.

In 2021, HBSA did not identify any environmental or social impact generated by its suppliers, nor risks of child or slave-like labor.



**This topic is related to SDG 17 -**

Partnerships and means of implementation  
- Strengthen means of implementation and revitalize the global partnership for sustainable development, more specifically with Target 17.10: Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system within the framework of the World Trade Organization, also with the conclusion of negotiations under the Doha Round of the Development Agenda.



# DEVELOPING PEOPLE

▶ GRI-103-1 GRI 103-2 GRI 103-3 GRI 405-1 GRI 405-2

## Diversity

HBSA understands Diversity and Inclusion as a strategic topic for the continuity of the business, and wants to promote an emotionally safe and welcoming environment, which allows the full expression of the potential of its employees.

Aware of the importance of this matter, we are currently defining HBSA's diversity strategy.

We recently completed our first internal census to understand gender and racial/ethnic diversity within our company. With this data in hand and relevant information that we collected from the Great Place to Work employee mood survey, it was possible to get to know our internal diversity and, from there, define a strategy that matches the commitment to local employability so appreciated by our employees.

## Average Satisfaction Index (%)

### Employee Mood Survey – Overall average: 80%

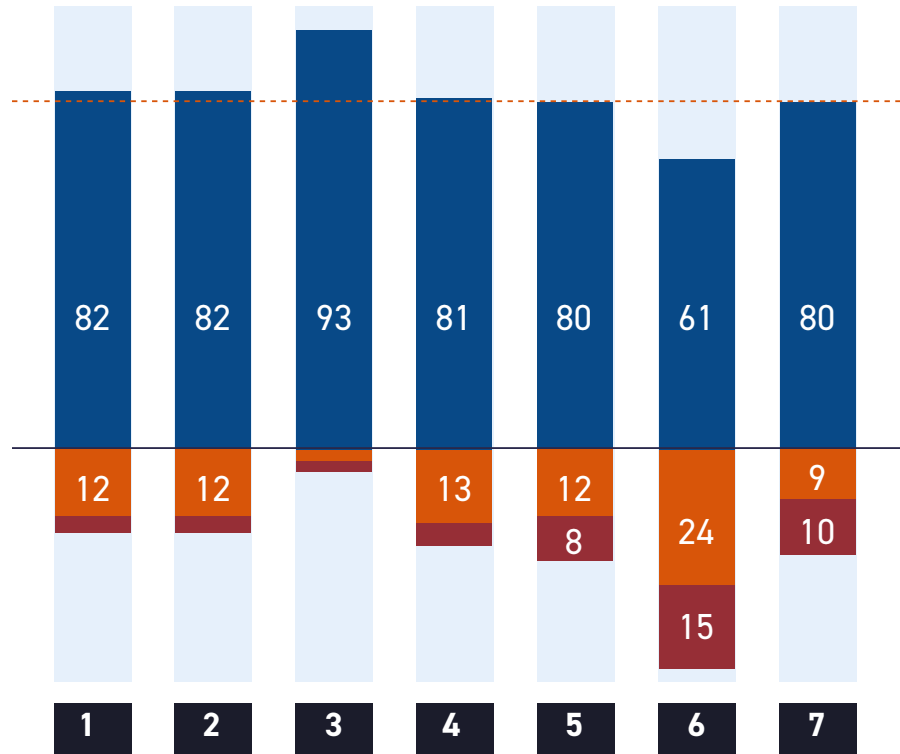
#### BY RACE

Responded: 841

Did not respond: 341

Color/Ethnicity

<b>1</b>	Yellow	1.4%
<b>2</b>	White	34.1%
<b>3</b>	Indigenous	0.7%
<b>4</b>	Mixed	50.8%
<b>5</b>	Black	11.2%
<b>6</b>	I do not want to declare	1.1%
<b>7</b>	Anonymous form	0.7%



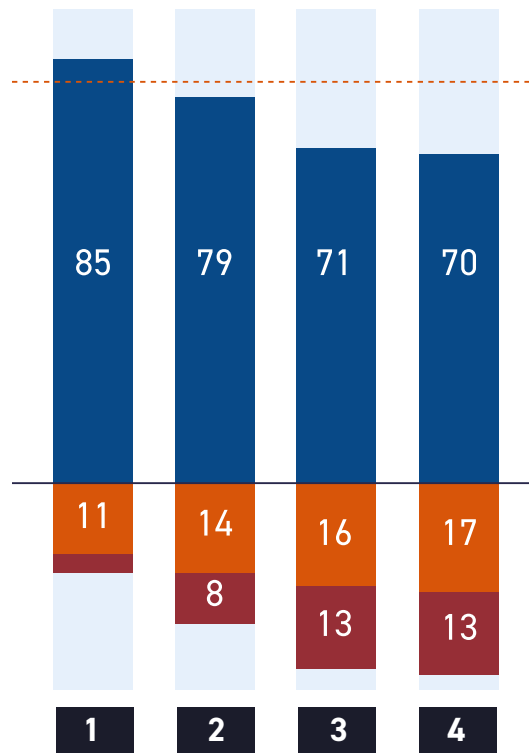
#### BY GENDER

Responded: 1,169

Did not respond: 14

Gender

<b>1</b>	Female	25.5%
<b>2</b>	Male	71.4%
<b>3</b>	Other	1.5%
<b>4</b>	Anonymous form	1.6%



■ Favorability index

■ Neutral

■ Unfavorable

**Commitment to reducing inequalities of any kind is part of HBSA's DNA and is clearly stated in our code of ethics, according to which all employees are trained and to which they commit.**

“We respect all individuals and do not tolerate any discrimination of a political-ideological, ethnic-racial, social, economic, cultural, regional, religious, gender, sexual orientation, age, or any other nature, nor situations involving disrespect, intimidation, or threats in the relationship between professionals, regardless of their position in the Company; we value differences and consider them an essential part of human diversity. We believe that all professionals should be treated with dignity and respect and, therefore, we do not tolerate any kind of discrimination or harassment.”

GRI	Indicator	Functional Category	Categories	2020	2021
405-1 Diversity of governance bodies and employees	a. Percentage of individuals in the organization's governance bodies (Board of Directors and Executive Directors), by diversity category	Directors	Female	29	29
			Older than 50 years	29	33
			Non-white	5	5
	b. Percentage of employees by functional category (positions below the executive directors) in each of the following diversity categories: gender, age group, and minorities or vulnerable groups	Employees	Female	19	22
			Younger than 25 years	09	11
			Older than 50 years	11	08
			Non-white	52	47
			Non-college students	58	55



GRI	Indicator	Functional Category	Operation	2018	2019	2020	2021
405-2 Gender gap in base salary and remuneration	a. Gender gap in base salary and remuneration for each functional category, by major operating unit (all operations) – difference in % of women's salary in relation to that of men	Management		0.2	0.2	0.2	0.2
			Northern	-	-	-	-13
			Southern (PY/UY)	-	-	-	-16
			SP/Santos	-	-		11
		Coordination	-	-14.6	-12.9	-13.2	-
			Northern	-	-	-	-16
			Southern (PY/UY)	-	-	-	-18
			SP/Santos	-	-	-	-7
		Other leaders		-11.5	-10.5	-10.3	-
			Northern	-	-	-	-3
			Southern (PY/UY)	-	-	-	-23
			SP/Santos	-	-	-	-1
		Analysts	-	-3.1	-2.7	-2.8	-
			Northern	-	-	-	-3
			Southern (PY/UY)	-	-	-	-9
			SP/Santos	-	-	-	-14
		Operation	-	0	0	0	-
			Northern	-	-	-	N/A
			Southern (PY/UY)	-	-	-	N/A
			SP/Santos	-	-	-	N/A
		Interns and apprentices	-	0	0	0	0

## Human development

Our differentiated practices begin in the recruitment and selection process. We have increasingly emphasized the behavioral dimension and cultural alignment from the stage of attracting candidates. In 2021, we revisited our career page in order to increase the attractiveness for candidates, with a fully digital selection process, generating opportunities for professionals from all states of Brazil and outside the Paraguayan capital of Asunción (PY), for positions

that do not require physical presence to carry out the tasks. What matters to HBSA is that the professional, in addition to having technical capacity, is aligned with the Company's purpose.

The tests are evaluated by a Panel of Interviewers, usually composed of a manager and his/her peers, an internal client, and an HR professional, and the decision about filling the job vacancy is made jointly by all.



### The paths of professional development

We encourage our employees to invest in their self-development and career construction, and we have practices that help establish guidelines and support them in their professional growth journey, such as the Performance Cycle/Individual Development Program and the HBSA Academy.

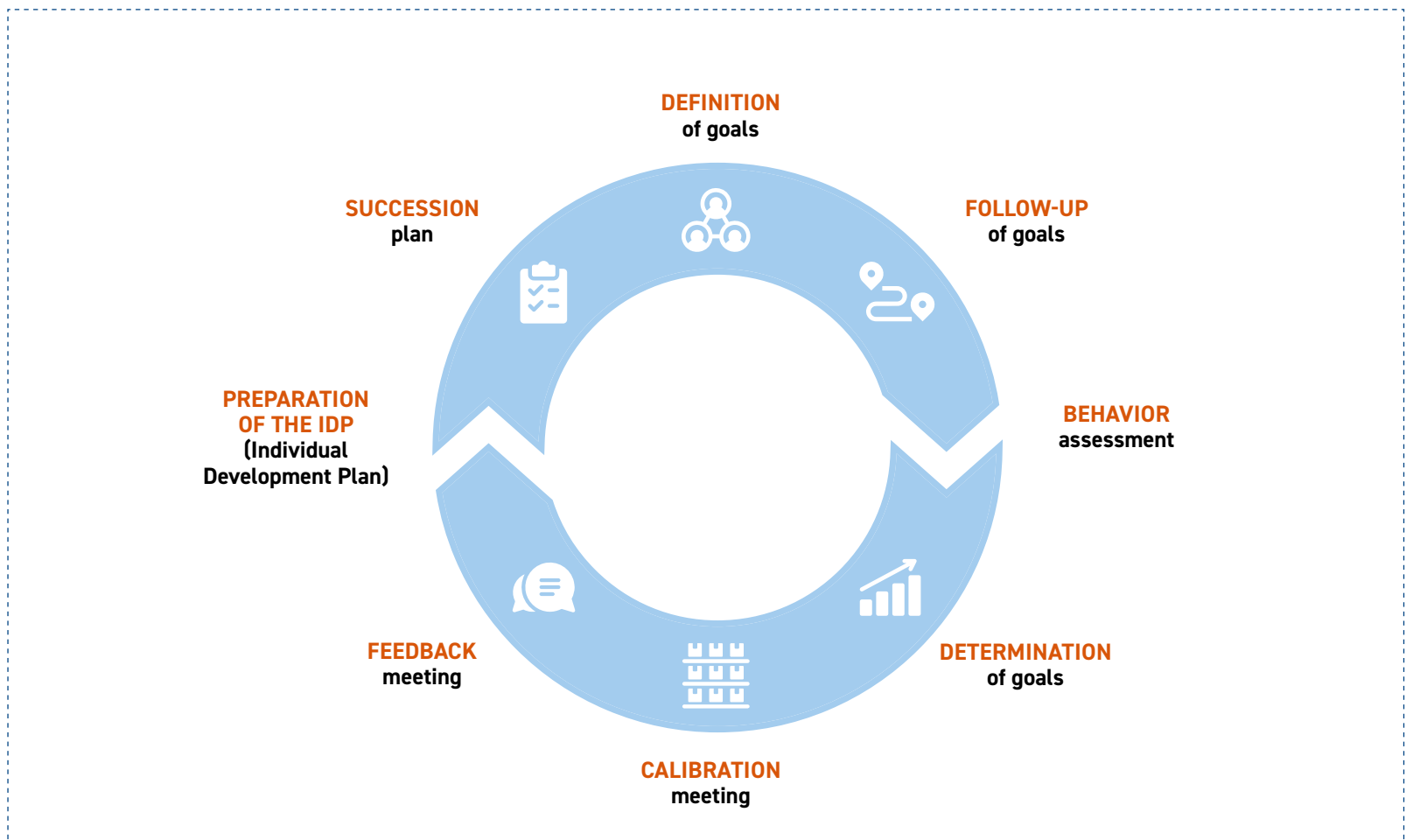


## Performance cycle

HBSA necessarily evaluates 30% of its employees with a focus on two distinct pillars, but all employees can participate in the cycle. Achieving the annual targets contracted by position and function is aimed at evaluating performance and paying bonuses. The behavioral assessment carried out using the renowned 9-Box methodology, aims at professional development and the identification of performance trends that indicate a potential talent to be polished. The process culminates with the elaboration of the Individual Development Plan, agreed between the manager and the employee, always with the support of the HBSA Human Development team.

Held annually, the Performance Cycle basically involves the following activities:

- Definition, at the beginning of each year, of specific global goals for all employees.
- A 360° assessment, based on the company's key behaviors.
- Based on the results of the goals and on the evaluation of behaviors, the positioning of the employee is defined in the 9-Box matrix ("Below Expectations", "Meets Expectations" and "Exceeds Expectations").
- Calibration Meeting, in which a committee of managers validates the positions of employees. The objectives at this stage include building a consensus to reduce subjectivity in evaluations, promote meritocracy, provide transparency to the process and enrich development feedback.
- Feedback from the manager to the employee and the possibility of jointly elaborating the Individual Development Plan. In addition to this formal meeting, we encourage employees to ask for feedback whenever they wish.



## HBSA Academy

The HBSA Academy brings together six schools structured by business area, functional levels, and learning paths.

In 2021, due to the pandemic, the main training channel for HBSA employees was the HBSA Academy, an online training platform that covers the most diverse topics in learning paths suitable for each profile/position within the company.

Knowledge management is another important facet of the Academy. Part of the materials is generated internally. These are modules produced by professionals

who share their knowledge with colleagues, based on their practical experiences in our Company. Part is developed by external experts.

Learning paths are accessed through a digital platform that gives our professionals full autonomy to explore the resources offered and invest in their development. On this platform, mandatory topics are also raised, such as safety, ethics and integrity, operational excellence, and safety protocols against Covid-19. With online and in-person courses and career paths by position, which reflect our training, the HBSA Academy is one of our assets for the development of our employees and is constantly evolving. In 2022, we started the learning path dedicated to Sustainability and Strategy Communication.



### SCHOOL OF LEADERSHIP

Develop process and people management among employees, with a focus on performance and responsibility for business performance.

### SCHOOL OF OPERATIONS

Train employees to carry out operational activities at ports with excellence and safety.

### SCHOOL OF EXCELLENCE

Develop and execute processes and procedures, with excellence and focus on results.

### SCHOOL OF NAVIGATION

Train crew members to carry out operational activities with excellence and safety.

### SCHOOL OF SAFETY

Train employees to carry out activities safely.

### SCHOOL OF INNOVATION

Develop creativity, creation, and business innovation in employees.



GRI	Indicator	Categories	2020	2021
404-1 Average hours of training per year, per employee	Average hours of training carried out by the organization's employees, broken down by gender	Male	-	45,8
		Female	-	29,2
	Average hours of training performed by the organization's employees, broken down by functional category	Executive Directors and Superintendence	-	12
		Managers	-	26
		Coordinators and other leaders	-	43,3
		Operational (crew and analysts)	-	38,2
Interns and apprentices	-	11,8		
404-3	Percentage of total employees, broken down by gender, with regular performance and career development evaluation	Male	-	70%
		Female	-	30%
	Percentage of total employees, broken down by functional category, with regular performance and career development evaluation	Executive Directors and Superintendence	100%	100%
		Managers	100%	100%
		Coordinators and other leaders	100%	100%
		Analysts	100%	100%
		Assistants/helpers	0%	0%
Operational (crew)	0%	0%		
Interns and apprentices	0%	0%		
412-2	Total number of hours dedicated to training on human rights policies or procedures relating to aspects of human rights relevant to the organization's operations	-	0.7	0.7



## Acknowledgment

Thanking and acknowledging are essential to ensure a motivating environment that encourages people to engage in the strategies and pursuit of the Company's objectives. Profit sharing, long-term incentives, and the celebration of records and achievements are instruments that we traditionally use for managers to reward and value those they lead.

In order to promote peer recognition, we have our Valoriza HBSA (HBSA Recognition) program. As part of the program, we vote every year for our peers, without hierarchical distinction, and we offer a seal of recognition and a comment to employees who we believe represent the principles and values that make a difference in our daily lives:



COLLABORATION



CONTINUED GROWTH



CARING FOR TOMORROW



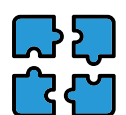
VALUE GENERATION



INNOVATION



INSPIRE



INTEGRITY



SAFETY AND EXCELLENCE

In all, more than 5,200 recognitions were sent to 50% of our employees. Champions in each principle receive a stipend of BRL 700 (or equivalent in local currency) to invest in training.

In order to get to know the organizational environment, we participate annually in the GPTW (Great Place To Work) Mood Survey and, based on the results, we develop improvement action plans. In addition, we have Employee Mood Committees in all locations. They are made up of representatives from all areas, and the suggestions that arise from their interaction with employees result in customized action plans for each location. The local Committees, which often share experiences and ideas with each other, have full autonomy and their own budget to invest in the initiatives – an innovative practice in the market.



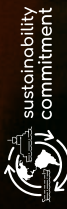
This macro-theme, which includes diversity and human development, is related to SDG 5 – Gender Equality, more specifically to Target 5.1: End all forms of discrimination against all women and girls everywhere; and Target 5.5: Ensure the full and effective participation of women and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.

► GRI 103-1 GRI 103-2 GRI 103-3 GRI 403-1 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-8 GRI 403-9

# OCCUPATIONAL SAFETY AND HEALTH

The Integrated Management System – IMS is structured to ensure full compliance with the ABNT NBR ISO 9001 and ABNT NBR ISO 14001 standards, in all Units and Operations, and with the OHSAS 18001 standard, exclusively for the Santos Operation, in their current versions, which are documented, implemented, maintained, and continuously improved with the main objectives of:

- Enhance the ability to consistently provide services that meet the requirements of our customers;
- Improve our environmental performance;
- Improve our performance in Occupational Health and Safety, specifically in the Santos Operation;
- Identify and comply with legal and other requirements applicable to our activities;
- Address the risks and opportunities associated with our context and our objectives;
- Increase the satisfaction of customers, employees, and other stakeholders;
- Strengthen our integrated management model.



Internal and external issues relevant to the current context of HBSA were identified based on a medium and long-term strategic vision, revisited annually, providing the basis for the targets of the following period.

To identify these issues, the following aspects were considered: legal and regulatory that impact our activities; technological environment and our vocation for innovation; our competitive positioning; general aspects of the Brazilian waterway market, especially that of commodities; relationship with neighboring communities; our knowledge of the market in which we operate and its environmental sensitivity; our commitment to regional development, and more.

All documentation that provides coverage to meet these requirements is placed in a SWOT Worksheet

with context, definition of priorities, and goals set by the company, in addition to integration with the risk management platform.

HBSA identifies and maintains access to all legal and other requirements related to the environmental aspects of all its activities in all its operations, in addition to those related to the health and safety of the Santos Operation activities. This is done through the hiring of specialized Legal Advisory services, which ensure the monthly update of new requirements, managed by the IUS Natura system.

All employees are covered by the company's Occupational Health and Safety Management System. Even in non-certified operations, good practices, rules and procedures are followed by employees, either hired internally or externally, partners, and visitors.



Regarding communications and internal and external demands pertaining to its SGI, HBSA has established procedures for them to occur in accordance with legal requirements and in a consistent manner.

Within the scope of the Santos Operation, HBSA defined methodologies for the participation of employees, as well as, if appropriate, outsourced workers and external stakeholders, with regard to their involvement in: hazard identification activities; risk assessment; incident investigation; development and review of policies and objectives; and even adversities and representation in the issue of occupational health and safety.

To discuss practices, propose actions and reinforcement measures, and align themes, such as campaigns, health and safety indicators, safe behavior, etc., HBSA holds monthly meetings with leaders (organized by the Occupational Health and Safety and Environment Commission [HSE]), monthly meetings with the entire HSE team of the operations, as well as Daily Safety Discussions and local forums.

All worker health issues comply with medical practices and are in line with our ethics. Since, in the exercise of our activities, we respect the human being and the environment, the protection and appreciation of life come first. Health information (clinical charts and attendance records) are kept in properly locked cabinets, under the custody of local health professionals.

Electronic data are accessed through a specific and exclusive electronic interface for health professionals, ensuring the confidentiality of information.


Our Occupational Health and Safety (OSH) management encompasses the mandatory requirements of Programs such as PPRA and PCMSO, in addition to the actions of the Internal Commission for the Prevention



HBSA identifies and maintains access to all legal and other requirements related to the environmental aspects of all its activities across all its operations.

of Work-Related Accidents (CIPA), responsible for supporting the safety culture and enforcing the determinations to guarantee health and well-being. In this sense, local health and safety actions are promoted monthly in the operations, with the participation of outsourced and contracted employees; and forums and posts published on the Company's internal social network, to inform and debate the most relevant and previously defined topics.

Our goal is to create an independent safety culture, so that each employee behaves in a way that allows them to perceive risks and avoid them.



Shortly after the beginning of the Covid-19 pandemic, in mid-2020, we created the HBSA Crisis Committee, formed by the Company's directing body and a health specialist. The main objectives of this Committee include assessing the current pandemic scenario, analyzing the impact on HBSA's business, discussing and devising strategies to mitigate impact on the business, ensuring the health and safety of employees. As an example, at the end of 2020, we definitively implemented our "New Way of Working", a campaign that disseminates all the rules and guidelines for the implementation of the hybrid work model, changing the employment contract of professionals with an administrative profile and compatible tasks, who are now able to work from home.

In acute periods of crisis, this committee met daily and remotely, but over the months, with each change in pandemic patterns, the implementation of new protocols, immunizations and hybrid work, meetings became weekly and incorporated subjects that directly and indirectly impact the health and well-being of employees (illness and grief in the family, hopelessness, home office, changes in family routines, etc.). At the end of 2021, we felt the need to change the name Crisis Committee to Health, Welfare and Hybrid Work Commission, as the focus shifted from the Covid-19 pandemic itself to the consequences and sequels it had left in relation to both our business and employees. In this Committee, health, well-being and hybrid work actions are discussed, which will be adopted in all HBSA businesses so that our employees continue to work in a safe, healthy and productive way, balancing professional and family life.

We run Daily Safety Discussions or Weekly Safety Discussions, depending on the operation. These are brief meetings, lasting 5 to 10 minutes, in which safety issues and specific issues of each operation are addressed, seeking to address problems preventively, in a fast and dynamic way. They take place in all shifts of the operations, in various instances, and under the coordination of the Safety Committee.

We have the "Right Attitude: health and ergonomics at all times" program with the purpose of carrying out training, lectures and sharing content to ensure the health and well-being of employees, during all daily activities.

In 2021, we reformulated the golden rules so that they were clearer and included all the main safety points of our activities, namely: Personal protective equipment (PPE) and collective protection equipment (CPE), work permits, incident reporting, training, alcohol and drug prohibition, area isolation and signage, organization and cleaning, chemicals, energy blocking. We therefore saw an opportunity to renew our basic work guidelines, and, in 2021, we delivered some new and/or revised guidelines and mapped all those that need to be updated.

We also held the Internal Occupational Accident Prevention Week (SIPAT) and created the Commission for the Prevention of Accidents at Port Work (CPATP), in operations that are mandatory.

All employees (and workers who are not employees, but whose work and/or workplace is controlled by the organization) are covered by an occupational health and safety system, which is audited at specific certified locations, such as the Santos operation while the others simply follow internal inspections.

Our goal is to create an independent safety culture, so that each employee behaves in a way that allows the perception of risks in order to avoid them.

In 2021, 11 mandatory reporting accidents were recorded with 05 resulting in medical leaves for employees hired internally and outsourced, leading to a 0.42 index (calculated on 200,000 hours worked) and 5,290,634.27 hours worked. There were no reports of fatal, serious or occupational illnesses requiring mandatory reporting. The main situations that lead to accidents are impacts against objects, accidents with falls on the same level or with a difference in level, and accidents with friction or abrasion.

### Long-term targets (05 years - 2025)

- Be recognized externally as a company that promotes the health, safety and well-being of employees (survey conducted by an independent agent);
- Achieve and maintain 60% of transactions and promotions with employees hired internally (except for specially regulated professions).

### Medium-term targets (2023-2024)

- Be recognized internally as a company that promotes the health, safety and well-being of employees (90% favorability in the “respect” pillar of the Mood Survey);
- Achieve and maintain 40% of transactions and promotions with employees hired internally (except for specially regulated professions).

### Short-term targets (2021-2022)

- Implement 100% of the occupational health and safety plan;
- Publicize the new Recruitment Policy with quantitative and qualitative indicators for all selection processes.

# ECONOMIC PROSPERITY

► GRI 103-1 GRI 103-2 GRI 103-3 GRI 401-1 GRI 401-2

## Employment and income generation

HBSA is present in several regions of South America and its workforce reflects the cultural and ethnic diversity of each region. We operate in regions with different economic needs, and we found a variety of expectations from our employees and the surrounding communities.

Meeting these different profiles with due equality is one of the main challenges in the People and Management area. There are guidelines for the Company to work with its teams: promote an empathetic, integrative, diversified, inclusive and welcoming environment, in which people are encouraged to develop their full potential, regardless of nationality, ethnicity, sexual orientation, gender, or age.

Diversity also builds HBSA's strength, as it broadens horizons and, consequently, increases creativity and reveals new paths and solutions. Regional diversity is an important asset for our company which, in addition to providing plural profiles, encourages continuous generation of innovation in all its processes.





## Benefits offered

Health, physical and emotional well-being, safety, quality of life, and balance between personal and professional life are aspects that inspire the wide range of benefits we provide to our employees. They include health and dental plans, life insurance, transportation or transportation vouchers, medical clinics that assist in operations, cafeteria, meal vouchers, food, gym facilities, flu vaccination, day care assistance, and maternity/paternity leave, which was extended in 2019 when we joined the Corporate Citizen Program (Law No. 11270/2008).

Maternity leave was extended to six months and paternity leave to 20 days, in addition to the extension of leave in cases of adoption.

We also have a differentiated initiative to help employees and their families to face difficult contexts, such as emotional, financial, legal problems, alcohol or drug addiction, and interpersonal conflicts inside and outside work, and more. Called "Chat", this Employee Assistance Program is accessed through an 0800 number, which provides the services of a network of specialists that includes psychologists, psychiatrists, social workers and lawyers, and is available 24/7.

The company provides access to an accredited network of doctors and health professionals who work in clinics, hospitals, and laboratory test centers with nationwide coverage, through the health insurance plan granted to employees and direct dependents, all of them with hospitalization in a private room, regardless of employee's position. In addition, telemedicine services are available to the dependents of employees in all operations. HBSA also offers an incentive plan for sports, which is the Gympass

platform, bringing together partners who have health, physical and mental well-being services and the users of these services.

The hybrid model has been recognized as a differential of attraction and competitiveness by professionals with a compatible activity profile, and internal surveys have indicated the acceptance of managers and employees in relation to productivity, which exceeds 75%.



## Economic impact generated

HBSA's operations in 2021 were impacted in the Northern Operation by the lower quality of soybeans destined for export during the first half and, in the second half, a lower corn production in Brazil and consequent reduction in exportable volume. In the Southern Operation, there was an impact on the iron ore operation, due to the low level of rivers in the region, the worst in 90 years – reaching levels close to the historic low of 120 years of measurement from October to November. Even in the face of all these challenges, the company proved the resilience of its business and the strength of its take-or-pay contracts and presented adjusted EBITDA of BRL 630.2 million in 2021 (very close to 2020) with a margin robustness of 50.6%.

HBSA's competitive advantage is long-term contracts, with an average term of approximately 14 years, signed with first-class customers in the main transport corridors where it operates.

In the Northern Operation, 5.4 million tons were transported in 2021, a volume 15.2% lower than that recorded in the previous year due to the lower volume of exportable grains, as mentioned above. In the case of soybeans, excessive rains damaged part of the production, reducing the amount sent to the foreign market. Regarding corn, drought and frost, associated with planting and harvesting outside the ideal window, led to a smaller harvest, with exportable portion being directed to domestic consumption.

HBSA's competitive advantage is long-term contracts, with an average term of approximately 14 years, signed with first-class customers in the main transport corridors where it operates.



**This topic is related to SDG 8 –**

Decent Work and Economic Growth, more specifically related to Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including youth and persons with disabilities, and equal pay for work of equal value; and Target 8.8: Protect labor rights and promote safe and secure working environments for all employees, including migrant workers, in particular women migrants, and those in precarious employment.



Even so, adjusted EBITDA from the Northern Operation rose 28.1% to BRL 369.2 million, reflecting the benefit and strength of the Company's contracts. More than 50% of the volume handled in this region is contracted under the take or pay model, through which the customer has to guarantee payment of the amount contracted for the year, even if the entire volume is not available. There was also an actual increase in fees, which contributed to the positive indicators. In the year 2021, HBSA increased its market share in the region. Of the grains harvested in Mato Grosso and sent to the foreign market, 52% were moved through Barcarena, where we have our private port terminal.

In the Southern Operation, the volume transported was 27.0% higher in 2021, reaching 3.5 million tons, which represented the largest volume of iron ore transported.

Adjusted EBITDA totaled BRL 193.3 million, impacted occasionally by higher costs to operate in restrictive draft conditions. It should be noted that HBSA's navigation assets have state-of-the-art technology and structure that allow navigation at a lower draft, between 2 and 2.3 meters, compared to the market average, which is around 3 to 3.5 meters. This allowed HBSA to sail in August and, occasionally, in September, when most of the competition had already stopped. As a result, the Company ended 2021 with an 84% market share of iron ore in Corumbá, consolidating its position as the main logistics player in this market.

The volume transported by coastal shipping, however, was 23.7% lower than the volume transported in the previous year, at 2.6 million tons. This decline occurred due to specific situations at the port of discharge of a

customer, but it did not affect our results because the contract for this operation is in the take or pay model, protecting HBSA from variations in volume. Adjusted EBITDA from this operation remained very resilient, totaling BRL 135.9 million in 2021, with a strong adjusted EBITDA margin of 58.2%. This operation mainly carries bauxite from the Trombetas port (PA) to the Barcarena Public Terminal (PA) and serves Alunorte, which uses the product to manufacture alumina and, ultimately, aluminum.

In 2021, HBSA recorded an accounting loss of BRL 339.1 million, primarily impacted by the negative effect of hedge accounting and currency exchange variation, both with no cash impact.

For next year, expectations are more positive in all operations. In the Northern Operation, there are projections of a record harvest in the State of Mato Grosso, with increases of 8.9% in soybean production

Of the grains harvested in Mato Grosso and sent to the foreign market, 52% were moved through Barcarena, where we have our private port terminal.



**8** DECENT WORK AND ECONOMIC GROWTH



This topic is related to SDG 8 –

Decent Work and Economic Growth, more specifically related to Target 8.2: Achieve higher levels of productivity in economies through diversification, technological modernization, and innovation, also through a focus on high value-added sectors and labor-intensive sectors.

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



This topic is also related to SDG 9 –

Industry, Innovation, and Infrastructure, Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and cross-border infrastructure, to support economic development and human well-being, with a focus on equitable and affordable access for all.

and 19.8% in corn production, and the area of influence closest to HBSA is the one that grows the most!

In the Southern Operation, the level of the rivers where the Company operates has increased since the beginning of the rainy season, in line with historical data. In addition, the short-term public projections made available by the Geological Survey of Brazil website corroborate our internal projections that 2022 will not yet be a year of full operation, but will present better trends than 2021.

HBSA will resume operations at the Santos Terminal, which has been under renovation and will receive loads of fertilizers and salt as of the second half of 2022. The terminal was leased for 25 years and strategically positions the company in the largest organized port in Latin America, further diversifying the business and with profitability very much in line with our other operations.

The lower draft navigation in the Southern Operation was made possible, mainly, by the purchase of Imperial Logistics in April 2021, which, among other benefits, expanded the capacity of HBSA in the south, adding seven trunk pushers and 84 barges to the operation, which sail when the rivers have lower water levels. The transaction was worth US\$ 86 million, with an eventual additional payment of up to US\$ 5 million over the next four years, subject to the achievement of certain operational metrics.



# ETHICS AND TRANSPARENCY

In 2021, HBSA renewed Trace International's Compliance Certification, which recognizes companies that have anti-corruption, compliance, and governance mechanisms. The Compliance Program "Our Origin, Our Destination," implemented at the beginning of HBSA's activities in 2013, has two important pillars: ethics and transparency. Through this program, we created our anti-corruption policy, which reflects the guidelines and main rules of the company's relationship with private entities and with public authorities. This policy has been communicated to all Board members, all employees, and business partners. In 2021, there were no cases of suspected or identified acts of corruption.

The conduct expected of all employees is described in the Code of Ethics, an instrument of the "Our Origin, Our Destination" program, which establishes the four basic principles and commitment to doing business, always ethically and strictly within the law. The Code of Ethics applies to consultants, suppliers, subcontractors, representatives, and any others acting on behalf of the Company. It addresses topics such as employee performance guidelines and conduct to avoid any type of prejudice or harassment, conflict of interest, corruption, bribery, payment for extortion, or facilitation.

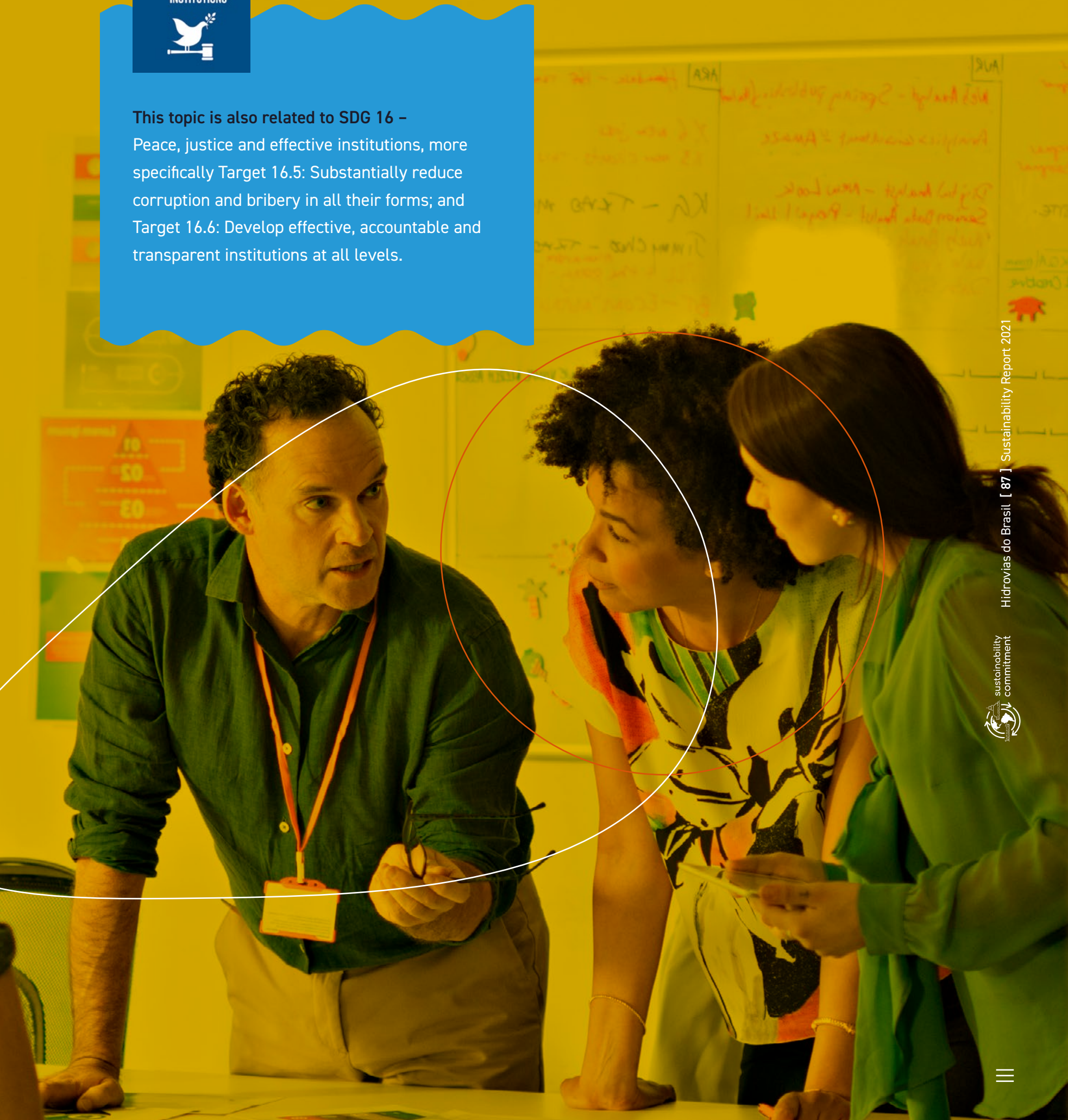
Any violation of the rules described in the document must be reported, confidentially, via the Ethics Channel. In 2021, HBSA carried out intense work on disclosure and engagement, and the channel was most frequently accessed in operations with low adherence to the tool. Since it was created, the channel has received 340 complaints, 103 of which in 2021 alone.



**16** PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



This topic is also related to SDG 16 – Peace, justice and effective institutions, more specifically Target 16.5: Substantially reduce corruption and bribery in all their forms; and Target 16.6: Develop effective, accountable and transparent institutions at all levels.



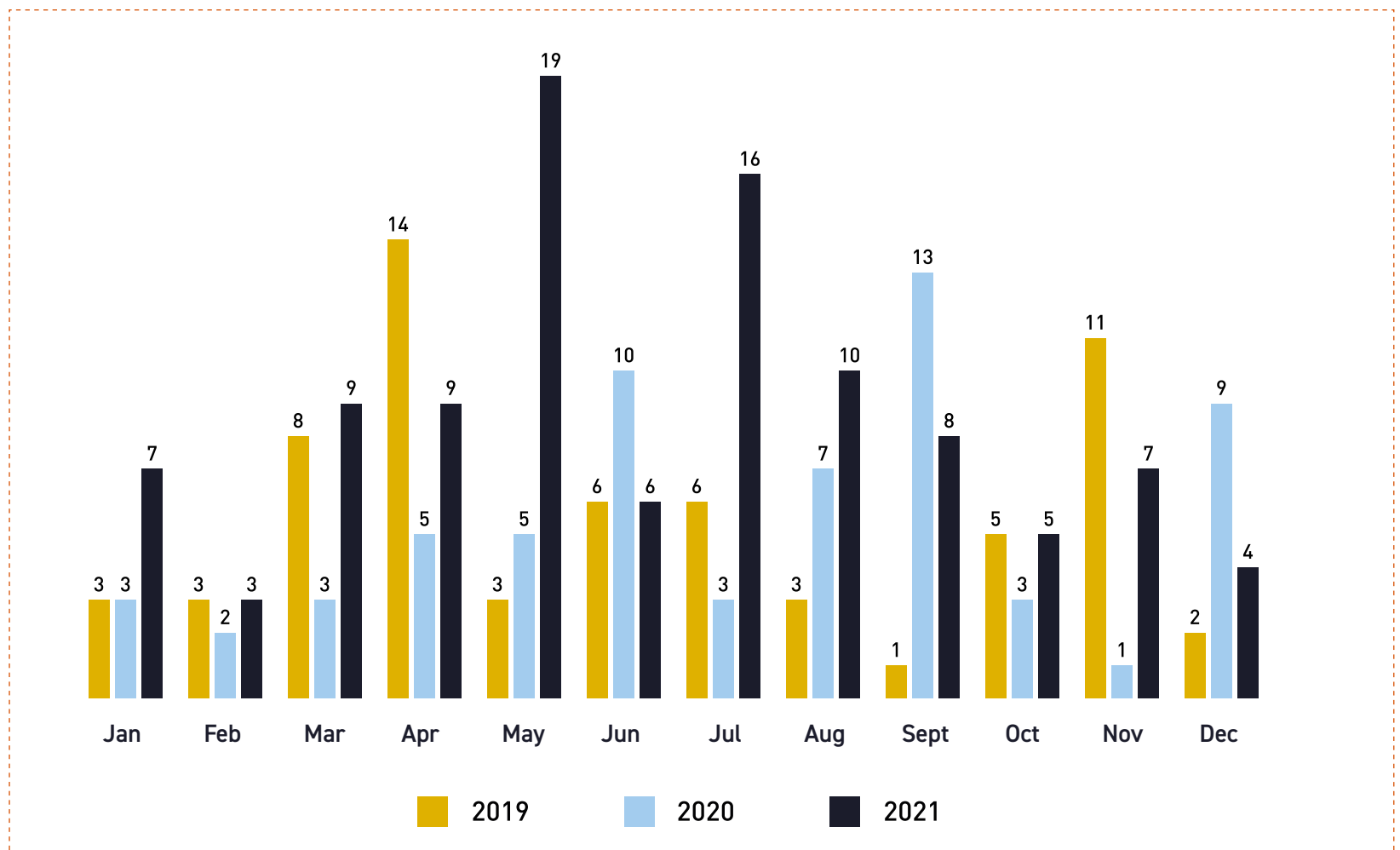
The branches involved in internal integrity mechanisms and procedures, which compose the “Our Origin, Our Destination” program, are the Board of Directors, the Audit Committee, the Risk and Compliance sectors, the Legal and Compliance Department and the Ethics Committee, responsible for training employees on ethics and integrity. In 2021, 1,123 employees received training on the contents of the Code of Ethics and, as of 2022, this learning path will become part of the periodic training program. The Ethics Committee is the division responsible for evaluating and monitoring the compliance program and receiving information from the Ethics Channel.

In 2021, HBSA did not benefit from any financial assistance from the government, was not involved in any claims of unfair competition or antitrust violations, and did not make political donations.

HBSA’s operations are conducted in 4 countries, Brazil, Argentina, Uruguay, and Paraguay, and is therefore subject to different tax laws and conventions in each of these jurisdictions.

The Company qualifies to claim tax exemptions applicable to maritime or river activities in Brazil, Uruguay, and Paraguay. In Brazil, these include tax benefits under the Special Incentive Regime for Infrastructure Development (REIDI), the Additional Charge over the Freight for Merchant Marine Renewal (AFRMM), and the Amazon Development Superintendence (SUDAM). The taxation rates applied to the Company depend on the valuation of deferred tax assets and liabilities, the impact of various accounting rules, changes in these rules and tax laws, and inspections performed by different authorities and tax entities.

## Number of complaints received by the Ethics Channel





## Risk management



In 2020, together with the consultancy EY, HBSA started the Corporate Risk Management Program, which defines the risk treatment methodology, processes, and governance structure, and covers the creation of a risk management policy and the identification, analysis and assessment of each corporate risk. This work is carried out by the Risk Management area, which is responsible for developing and monitoring the initiatives of the internal program, together with risk owners and their respective focal points. In addition to annually reviewing risk ratings, they are responsible for creating mitigation plans, which are formally recorded. The Risk Management area monitors the implementation of these plans, and, in some cases, their effectiveness and efficiency are evaluated by the Internal Controls and Internal Audit areas. Information from the Corporate Risk Management Program is periodically presented to the Audit Committee.

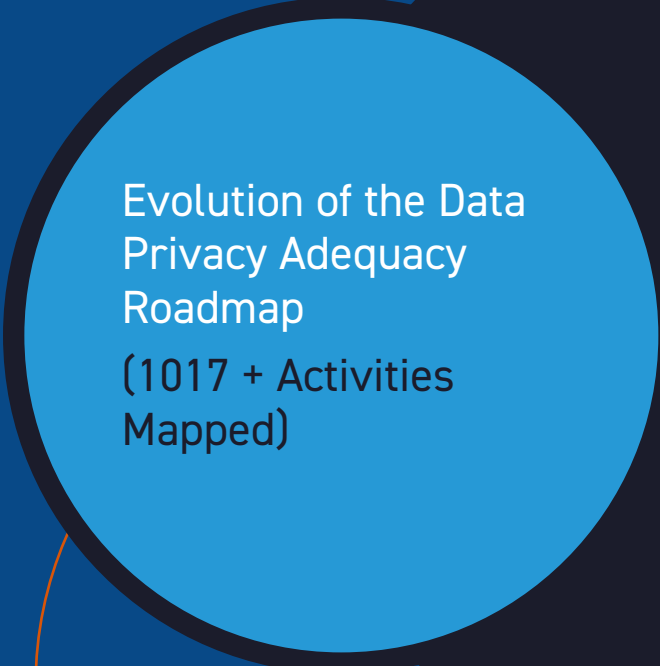
The Program covers the creation of the risk management policy; the identification, analysis and assessment of each corporate risk; the risk treatment methodology; and the governance structure.

## Data protection and information security

HBSA has implemented policies and processes that guarantee a secure information environment and the protection of personal data handled by all companies of the group.

The policies that guide the Company's performance in this field include:

- Information Security Policy: reference document and guidelines for the implementation of a safer information environment at HBSA and all companies of the group.
- Information Security Incident Response Plan: complements the General Information Security Policy, defining guidelines to respond to security events or incidents that are impacting or may impact information assets/services or computing resources of HBSA and companies of the group.
- Internal Data Privacy Policy: gathers measures and guidelines applicable to the privacy and protection of the personal data of customers, employees, partners, suppliers and other holders whose data are processed by the HBSA Group.
- External Data Privacy Policy: regulates the information collected by HBSA through its website.
- In 2021, the Company completed its adaptation to the General Personal Data Protection Law (Federal Law No. 13709, of August 14, 2018), as shown in the infographics. In 2021, the position of Data Protection Officer was formalized, responsible for implementing data protection actions and coordinating cybersecurity. The Company also has a Data Privacy and Information Security Commission that meets monthly to monitor the actions implemented in this field.



Evolution of the Data Privacy Adequacy Roadmap  
(1017 + Activities Mapped)

**Sept 2020**

### **GDPR ASSESSMENT AND ROADMAP**

- Mapping of the personal data processing flow
- Survey of systems used for data processing and IS and PD technologies
- Identification of IS and PD risks
- GDPR Compliance Planning and Roadmap

**July 2021**

### **GDPR COMPLIANCE – COMPLETED**

- Review of the personal data handling flow mapping
- Formalization of the DPO and the Data Protection Channel
- Definition of IS and PD policies and procedures
- Adequacy of Customer and Supplier Records in SAP
- Definition of the SGPD, IS and PD indicators, and risk methods

**2021/2022**

### **GDPR COMPLIANCE – IN PROGRESS**

- Adequacy of legal basis and procurement processes, HR, IT/IS communication, etc.
- Adequacy of employee and third-party contracts
- IS and PD training and communication
- IS and PD risk classification and management
- Adaptation and implementation of IS and PD technologies

**2022/2023**

### **GDPR PROCESS AUTOMATION**

- Implementation of data management technologies
- Implementation of technologies aimed at protecting equipment and cloud applications
- Technical IS and PD audits
- Structuring a Business Continuity Plan

**01.08.21**

GDPR sanctions take effect. Companies can be FINED up to BRL 50 million for data leakage and misuse



# Social management

Social programs seek to contribute to the development of the communities where the company operates.

They are guided by the UN Sustainable Development Goals (SDGs), emphasizing three pillars: Education, Employment and Income Generation, and Local Development. In 2021, the Company invested around BRL 4.7 million to execute several projects in the 2022/2023 cycle.

# The Institute

The HBSA Institute is an independent institution, created in 2018, which aims to leverage the social performance of HBSA (HBSA) in the territories where it operates. Its mission is to develop communities, making a long-term commitment.

Guided by the UN Sustainable Development Goals and the premise of participation and social transformation, the HBSA Institute develops based on three main pillars: Education, Employment and Income, and Local Development – each pillar has specific fronts of action.

**In 2021 and 2022, the Institute has undergone a true administrative transformation, to modernize its governance and then, resume its activities within the pillars of action in the priority regions of operation.**

In the field of education, in 2021, the institute encouraged young people to stay in college by granting monthly scholarships from the beginning to end of the courses. Also noteworthy is our volunteer program, which developed activities with young people, covering topics such as career planning and learning in the challenging context of the 21st century.

With regard to income and employment generation, the Tecer Program promoted the reuse of inputs to generate income, training 25 residents of Itaituba, Pará, in model cutting and sewing. With training in three

modules, female entrepreneurship was strengthened, as was the recycling of materials and, above all, an important initiative for social transformation.

In local development, we support communities to prevent hunger by donating food staples in the cities of Santos, Itaituba, Barcarena, Montevideo, and Asunción. We also highlight the awareness-raising work carried out with truck drivers regarding the day dedicated to the fight against the sexual exploitation of children and adolescents, a very sensitive and important aspect in the defense of human rights.

Also in 2021, HBSA launched the first public notice to financially support up to ten projects aimed at developing the places where the company operates, namely Itaituba (PA), Barcarena (PA), Santos (SP), Montevideo (Uruguay), and Asunción (Paraguay). According to the public notice's regulation, the following topics could be included in the proposals: strengthening civil society organizations, income generation, bioeconomics, education, environmental preservation, and protection and guarantee of rights. The purpose of the initiative was to bring communities closer to priority relationship institutions, strengthening ties with the locations where it operates, and building genuine initiatives that develop these territories. Around BRL 1 million was earmarked for the projects (listed below), which were selected by an HBSA evaluation committee to receive support in 2022-2024.





### Every place has a story to tell

The project, which will be carried out by the Museum of People, aims to promote cultural dialogue between school and community, by recording the life stories of its residents, so that the memory of these people is preserved as a reference in the pedagogical and social practice of the schools. The project will be carried out in Itaituba – PA.



### STEM Brasil

STEM Brasil, whose proponent is the Educando organization, is a complete, high-quality distance continued education program for teachers of mathematics and natural sciences.

It will be offered in public high schools in the city of Barcarena – PA.



### Institute of Reference and Support to Assistance Projects in Brazil (IRAPA)

The Institute of Reference and Support to Assistance Projects in Brazil (IRAPA) will be responsible for the project to strengthen the management of civil society organizations, regarding the strategic, tactical and financial planning of the NGOs mapped and selected in the city of Santos – SP.

## Female Entrepreneurship Club

The project, which will be carried out by the Uruguayan organization Centro de Promoción por la Dignidad Humana (CEPRODIH), aims to contribute to the economic inclusion of at least 300 women in female-headed households through the creation, maintenance and development of small personal or collective production enterprises. The project will be carried out in Montevideo – Uruguay.



## Olimpiadas del Semáforo y del Desarrollo Sostenible

The project, which will be carried out by the Paraguayan Foundation, encourages learning and the development of initiative, self-management, investigative and analytical skills, in order to define goals, dynamically face contingencies, and take advantage of alternative opportunities that arise. The project will be carried out in Asunción – Paraguay.



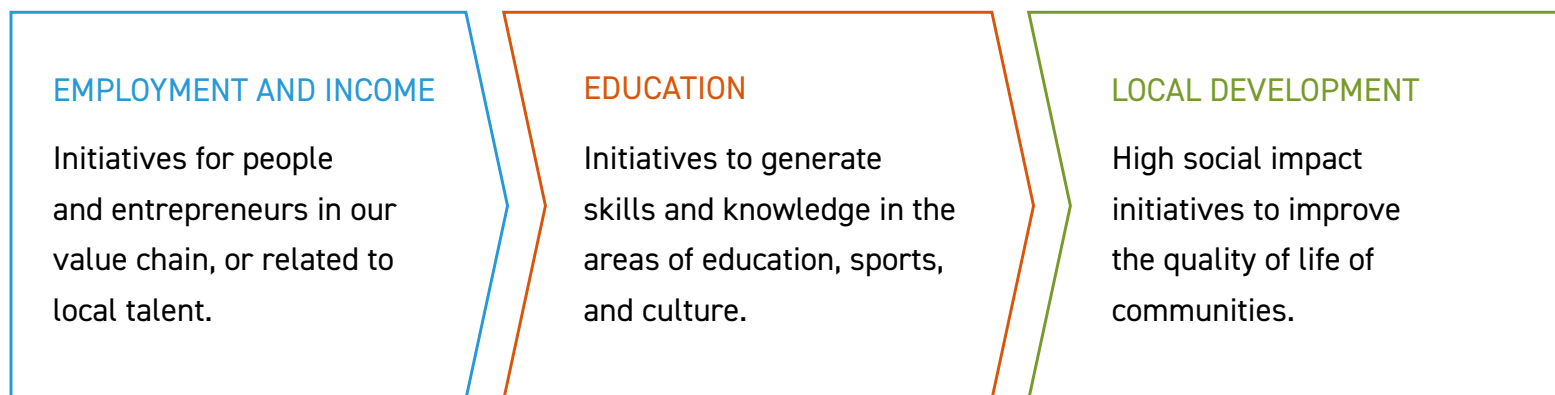
# PRIORITY RELATIONSHIP COMMUNITIES





# HBSA's social activities

## PRIVATE SOCIAL INVESTMENT | PILLARS OF ACTION



## ENGAGEMENT Establish real, long-term relationships through dialogue and building mutual trust.



## Social responsibility initiatives carried out in 2021 by HBSA.

	Initiative	Action
Corporate Volunteering	Toy Donation	Collection and delivery of toys for Children's Day and Christmas celebrations
	Youth leadership and learning, in partnership with Junior Achievement	Action by HBSA volunteers and students from a technical education school, focusing on topics such as self-knowledge, intelligence and learning, career planning, and financial education
	Professional mentoring, in partnership with the Professional Assistance Educational Center (CEAP)	Mentoring meetings for young people on the job market, information technology, and financial planning
Programs and Projects	"May 18 Awareness" Action – National Day of the Fight Against the Sexual Exploitation of Children and Adolescents	Awareness action on the topic with truck drivers
	Water, sanitation, and hygiene	Project in partnership with the United Nations Children's Fund (UNICEF), to promote a safe school environment during return to school and contribute to the fight against the Covid-19 pandemic
	Tecer Program	Promote the reuse of inputs for income generation, through training in sewing aimed at female residents of Itaituba – PA
	Scholarship Program	The program aims to encourage young people to remain in college, through the payment of monthly scholarships until the end of the course.
Donations and Sponsorships	Donation of Food Staples	Action against hunger in HBSA's territories of operation
	t"Protagonists of Now" Festival	The project's methodology was based on the "Learning for what?" program, to deal with the personal and professional development of young people during 3 days of online festival
	Tax waiver projects	Projects to strengthen reading and encourage sports after school hours
	Strengthening the Lixoxiki program	Donation of sewing machines for the expansion and strengthening of the project

	Location	Beneficiaries (direct and indirect)	Investment
	Northern		
	Santos	1,228	BRL 55,333.00
	São Paulo		
	Northern		
	Northern	4,352	BRL 297,800.00
	Itaituba		
	Barcarena		
	Southern, Santos, and Northern		
	Brazil	97,150	BRL 679,805.00
	Northern and Santos		
	Barcarena		



This topic is related to:

- **ODS 4 – Quality Education, Target 4.4:** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and professional skills, for employment, decent work, and entrepreneurship.
- **SDG 8 – Decent Work and Economic Growth, Target 8.5:** By 2030, achieve full and productive employment and decent work for all women and men, including youth and persons with disabilities, and equal pay for work of equal value.



## ADDITIONAL INFORMATION

### GRI Content Summary

This is HBSA's first sustainability report, which will be published annually. It was prepared in accordance with the GRI Standards: Core option.

The detailed GRI Summary is included in this report, including the integration with the Sustainable Development Goals (SDG) targets of the UN 2030 Agenda.

Questions or suggestions about this publication may be sent to [ouvidoriahbsa@canalconfidencial.com.br](mailto:ouvidoriahbsa@canalconfidencial.com.br)

► GRI 102-54 GRI 102-55

## GRI Content Summary

An integral part of the 2021 HBSA Sustainability Report


This report was prepared in accordance with the GRI Standards: Core option

GRI Standard	Disclosure	Page	Omissions	SDG
GRI 101: Foundation 2016				
Organizational profile				
GRI 102 General Disclosures 2016	102-1: Name of the organization	p.11		
	102-2: Activities, brands, products, and services	p.11		
	102-3: Location of headquarters	p.11		
	102-4: Location of operations	p.11		
	102-5: Ownership and legal form	p.11		
	102-6: Markets served	p.11		
	102-7: Scale of the organization	p.11-p.12		
	102-8: Information on employees and other workers	p.11		
	102-9: Supply chain	p.64		
	102-10: Significant changes to the organization and its supply chain	No significant revision		
	102-11: Precautionary Principle or approach	p.38		
	102-12: External initiatives	p.19		
	102-13: Membership of associations	p.19		
Strategy				
GRI 102 General Disclosures 2016	102-14: Statement from senior decision-maker	p.06-p.08		
Ethics and integrity				
GRI 102 General Disclosures 2016	102-16: Values, principles, standards, and norms of behavior	p.17		
Governance				
GRI 102 General Disclosures 2016	102-18: Governance structure	p.14		



GRI Standard	Disclosure	Page	Omissions	SDG
Stakeholder engagement				
GRI 102 General Disclosures 2016	102-40: List of stakeholder groups	p.28		
	102-41: Collective bargaining agreements	All employees in Brazil are covered by collective bargaining agreements		
	102-42: Identifying and selecting stakeholders	p.28		
	102-43: Approach to stakeholder engagement (how prioritization was made) and channels	p.28		
	102-44: Key topics and concerns raised	p.28		
Reporting practices				
GRI 102 General Disclosures 2016	102-45: Entities included in the consolidated financial statements	Hidrovias do Brasil S/A only		
	102-46: Defining report content and topic boundaries	p.28		
	102-47: List of material topics	p.28		
	102-48: Reformulation of information	This is the first report by Hidrovias do Brasil		
	102-49: Changes in scope and boundaries	This is the first report by Hidrovias do Brasil		
	102-50: Reporting period	January to December 2021		
	102-51: Date of most recent report	Not applicable		
	102-52: Reporting cycle	Annual		
	102-53: Contact point for questions regarding the report	ouidoriahbsa@canalconfidencial.com.br		
	102-54: Claims of reporting in accordance with the GRI Standards	This report was prepared in accordance with the GRI Standards: Core option		
	102-55: GRI Content Summary	p.103-p.109		
102-56: External assurance	External assurance, Not available			

GRI Standard	Disclosure	Page	Omissions	SDG
Material topics				
Socio-economic and environmental impact on the surrounding communities				
GRI 102 General Disclosures 2016	102-11: Precautionary Principle or approach	p.38		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	p.38		
	103-2: The management approach and its components	p.38		
	103-3: Evaluation of the management approach	p.38		
GRI 413: Local Communities 2016	413-1: Operations with local community engagement, impact assessments, and development programs	p.38		
	413-2: Operations with significant negative impacts – actual and potential – on local communities	p.38		
Biodiversity				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	p.47		
	103-2: The management approach and its components	p.47		
	103-3: Evaluation of the management approach	p.47		
GRI 304: Biodiversity 2016	304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p.47		
	304-2: Significant impacts of activities, products, and services on biodiversity	p.47		
Land use planning				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	p.49		
	103-2: The management approach and its components	p.49		
	103-3: Evaluation of the management approach	p.49		






GRI Standard	Disclosure	Page	Omissions	SDG
<b>Waste</b>				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	p.50		
	103-2: The management approach and its components	p.50		
	103-3: Evaluation of the management approach	p.50		
GRI 306: Waste 2020	306-2: Management of significant waste-related impacts	p.50		
	306-3: Waste generated	p.50		
	306-4: Waste diverted from disposal	p.50		
	306-5: Waste diverted to disposal	p.50		
<b>Emissions</b>				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	p.55		
	103-2: The management approach and its components	p.55		
	103-3: Evaluation of the management approach	p.55		
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	p.55		
	305-2: Indirect (Scope 2) GHG emissions arising from electricity purchasing	p.55		
	305-3: Other indirect (Scope 3) GHG emissions	p.55		
<b>Energy efficiency</b>				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	p.62		
	103-2: The management approach and its components	p.62		
	103-3: Evaluation of the management approach	p.62		
GRI 302: Energy 2016	302-1: Energy consumption within the organization	p.62		



GRI Standard	Disclosure	Page	Omissions	SDG
Origin and impact of the transported product				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	p.64		
	103-2: The management approach and its components	p.64		
	103-3: Evaluation of the management approach	p.64		
GRI 308: Supplier Environmental Assessment	308-1: New suppliers that were screened using environmental criteria	p.64		
GRI 414: Supplier Social Assessment 2016	414-1: New suppliers that were screened using social criteria	p.64		
Diversity				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	p.67		
	103-2: The management approach and its components	p.67		
	103-3: Evaluation of the management approach	p.67		
GRI 405: Diversity and Equal Opportunity	405-1: Diversity of governance bodies and employees	p.67		
	405-2: Gender gap in base salary and remuneration	p.67		
Human development				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	p.71		
	103-2: The management approach and its components	p.71		
	103-3: Evaluation of the management approach	p.71		
GRI 404: Training and education 2016	404-1: Average hours of training per year per employee	p.71		
	404-3: Percentage of employees receiving regular performance and career development reviews	p.71		
GRI 412: Human Rights Assessment 2016	412-2: Training of employees in human rights policies or procedures	p.71		

GRI Standard	Disclosure	Page	Omissions	SDG
Health and safety				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	p.76		
	103-2: The management approach and its components	p.76		
	103-3: Evaluation of the management approach	p.76		
GRI 403: Occupational Health and Safety 2018	403-1: Occupational health and safety management system	p.76		
	403-4: Employee participation, consultation, and communication on occupational health and safety	p.76		
	403-5: Employee training on occupational health and safety	p.76		
	403-6: Promotion of worker health	p.76		
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.76		
	403-8: Workers covered by an occupational health and safety management system	p.76		
	403-9: Work-Related Accidents	p.76		
Job generation				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	p.82		
	103-2: The management approach and its components	p.82		
	103-3: Evaluation of the management approach	p.82		
GRI 401: Employment	401-1: New employee hires and employee turnover	p.82		
	401-2: Benefits offered to full-time employees that are not offered to temporary or part-time employees	p.82		



GRI Standard	Disclosure	Page	Omissions	SDG
Economic impact generated				
GRI 102: General Disclosures 2016	102-7: Scale of the organization	p.84		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	p.84		
	103-2: The management approach and its components	p.84		
	103-3: Evaluation of the management approach	p.84		
Ethics and transparency				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	p.88		
	103-2: The management approach and its components	p.88		
	103-3: Evaluation of the management approach	p.88		

Reporting Team:  
HBSA

Project Team:  
Monique Serafim  
Daniel Ramos  
Fabiana Gomes

GRI Consultancy:  
Bridge3 Governança & Sustentabilidade  
DC Associados

Translation to English:  
Graziella Gallo



[www.hbsa.com.br](http://www.hbsa.com.br)