

# 2022 Integrated Report



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**This material is interactive.**  
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# Presentation of the report

Being committed to transparency and the continued improvement of the information made available to its stakeholders, Hidroviias do Brasil S.A. (HBSA) is proud to present its 2022 Integrated Report, the first to be developed in accordance with the directives of the International Integrated Reporting Council (IIRC) and the second in line with the Global Reporting Initiative (GRI).

Published annually, the report covers information on economic, environmental, social and governance topics relating to the operations of Hidroviias do Brasil S.A., between January and December 2022. The financial statements were audited by KPMG (independent auditors) and the socio-environmental indicators were collected with the assistance of an external consultancy. Adhesion to the directives of the integrated report was verified by Ernst & Young. Changes to the scope and/or revision of information on the indicators are highlighted by footnotes over the course of the report. **GRI 2-2, 2-3, 2-4, 2-5**

In order to provide relevant information which corresponds to the stakeholders' expectations, the content was developed in 2021 using the materiality process and involving a strengthening of the company's relationship with other categories of stakeholders, including representative entities, NGOs and the government, through the structuring of the internal regulatory and institutional relations area, which resulted in the identification of the company's material topics, from the perspective of the business itself and its various publics. The materiality matrix and the information reported in this integrated report were approved by the technical departments and the senior management. **GRI 2-14**

<sup>1</sup> Stakeholders are those individuals, companies or institutions that have some form of interest in the management of an organization and which are impacted by its operations and results.

## Materiality process **GRI 3-1**

1

[Consult the Stakeholder Engagement chart and the topics identified](#)



### ENGAGEMENT AND MAPPING OF THE STAKEHOLDERS<sup>1</sup>

The main groups of stakeholders were identified, as were their relationships with Hidroviias do Brasil and the most relevant channels of communication that exist. These groups form an integral part of the company's engagement processes, which were used to identify those points that were most deserving of attention.

2

### INTERNAL ANALYSIS AND IDENTIFICATION OF THE IMPACTS

The main positive and negative impacts, according to the GRI standards, were mapped out following internal analyses, performed by a focus group made up of 21 individuals from the reporting team. At this time, information on the context of the organization was analyzed, taking into consideration its value chain and the commitments made in the company's Sustainability Strategy.

3

[Read more in the Materiality Matrix](#)



### PRIORITIZATION OF TOPICS

The material topics were defined by cross-referencing the internal analyses and the stakeholders' perspectives, collected by means of interviews, closed questionnaires and open questions. A total of 280 people were consulted, including employees, suppliers, investors, clients, outsourced workers and representatives of the local communities.

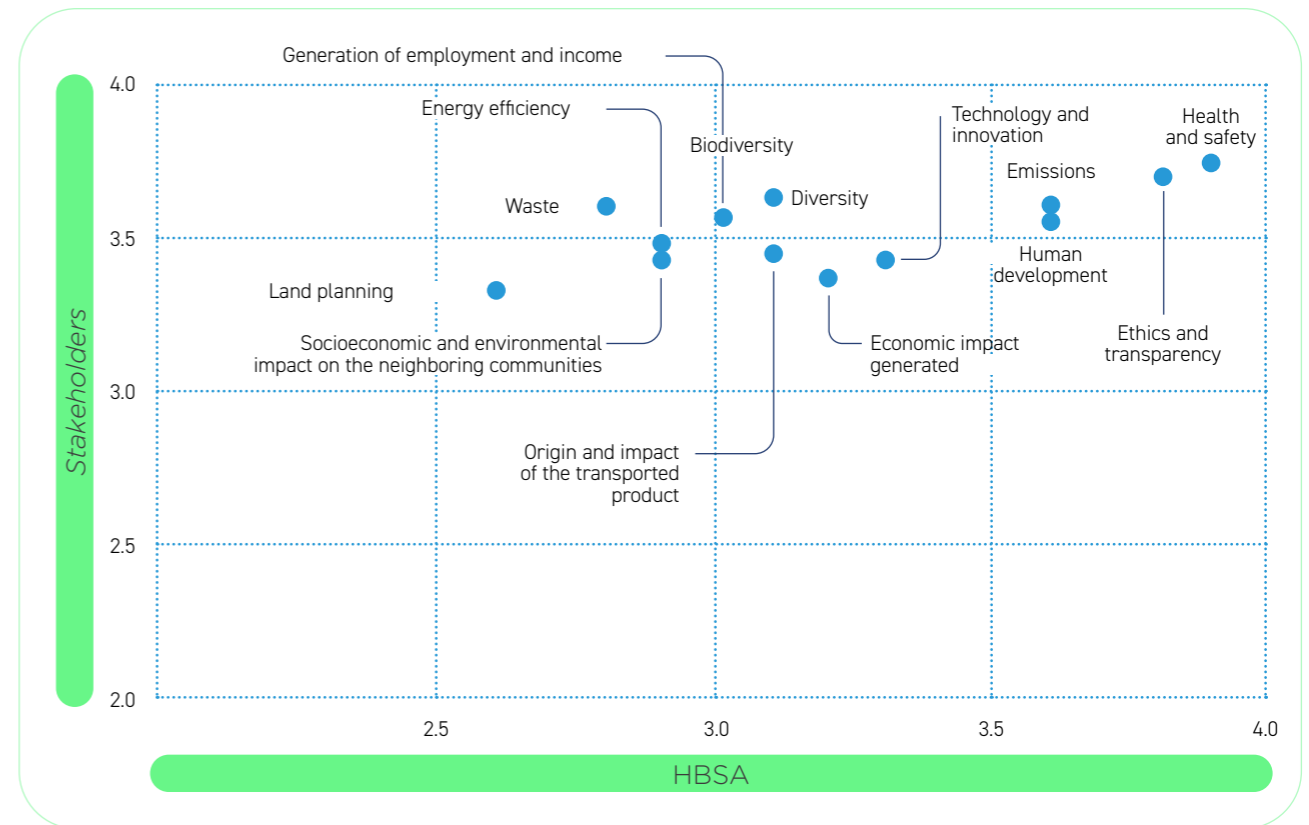


Stakeholder engagement and topics raised **GRI 2-29**

Stakeholders	Channels of Communication	Topics raised
<b>Employee</b>	Workplace, telephone, <i>e-mail</i> , WhatsApp, Teams, Google Meet, and the Ombudsman, Ethics and Compliance Hotlines. For third party employees: Telephone, <i>e-mail</i> , WhatsApp, Teams, Google Meet, and the Ombudsman, Ethics and Compliance Hotlines.	Emissions; energy efficiency; biodiversity; waste; human development; diversity, health and safety; socioeconomic and environmental impact on the neighboring communities; generation of employment and income; ethics and transparency; technology and innovation
<b>Supplier</b>	Telephone, <i>e-mail</i> , WhatsApp, electronic market (B2B); and the Ombudsman, Ethics and Compliance Hotlines	Emissions; origin and impact of the transported product; energy efficiency; biodiversity; waste; human development; diversity, health and safety; ethics and transparency; technology and innovation; economic impact generated
<b>Investor</b>	Dedicated website, e-mail, online and in-person meetings, telephone, and the Ombudsman, Ethics and Compliance Hotlines	Emissions; energy efficiency; land and waterway planning; ethics and transparency
<b>Client</b>	Periodic meetings; telephone; WhatsApp; e-mail; and the Ombudsman, Ethics and Compliance Hotlines.	Health and safety; socioeconomic and environmental impact on the neighboring communities; ethics and transparency
<b>Outsourced</b>	Telephone e-mail; WhatsApp; Teams; Google Meet; and the Ombudsman, Ethics and Compliance Hotlines.	Health and safety; socioeconomic and environmental impact on the neighboring communities

# Materiality Matrix **GRI 3-2**

By means of the process employed for development of the materiality matrix, 13 material topics were identified from the business and stakeholders' perspective, which were subsequently grouped into six macro-themes that will each be addressed in this report.





Material topics and impacts GRI 3-2

Macro-theme	Material topics	Accounting
Socio-environmental and land management	<p>Socioeconomic and environmental impact on the neighboring communities; Biodiversity; Land and Waste Management</p>	<p>Hidrovias' operations have the potential to have both positive and negative effects on the neighboring communities and the environments of which they form a part. Factors such as atmospheric emissions; non-inert and recyclable hazardous waste; sanitary and industrial effluents; dust, noise and vibrations are features of our port and shipping operations and, unless they are properly managed, they can negatively affect the immediate surrounding regions.</p> <p>Similarly, the generation of employment and income and the socioeconomic development brought about by HBSA's activities in the regions where we operate can have positive impacts that should be the objective of programs that expand and optimize them.</p> <p>Within this context, Hidrovias has implemented a strategy involving sustainability and social performance guidelines with a comprehensive approach that involves the identification of risks and impacts, the demarcation of the communities and identification of the stakeholders. By actively listening and based upon the premise of co-creation in the regions, a wide range of different initiatives has been developed involving dialog, impact management and social investment.</p> <p>Furthermore, the company has implemented mechanisms designed to ensure that the historical use of the lands continues, thereby contributing to the regeneration of the ecosystems and the proper management of the waste generated, which includes efforts to reduce and reuse the materials involved.</p>
Climate change and our contribution	<p>Energy efficiency and emissions</p>	<p>Hidrovias' operations make use of waterways which, compared to rail and road transportation systems, are considered a lower-impact alternative in relation to greenhouse gas (GHG) emissions.</p> <p>In addition to its business model, the company has implemented a decarbonization strategy that involves the evolution of its energy matrix, both in terms of shipping and the terminals. One example involves the adoption of the first tugboats using hybrid technology in South America.</p>
Nurturing the value chain	<p>Origin and impact of the transported product</p>	<p>Hidrovias transports solid grains and commodities originating from mining, the agro-chain and cellulose production. As part of these chains, the company is aware of its obligation to have a positive influence on the operations of its value chain (clients and suppliers) with the aim of implementing processes with a low socio-environmental impact.</p>
Developing people	<p>Diversity and human development</p>	<p>The attraction and retention of human capital, as well as the promotion of a safe and welcoming environment, is a priority for the company. Amongst its targets, Hidrovias envisages a diverse and inclusive culture, that allows for the continued development of its workforce, as well as an emotionally safe environment, that enables the full expression of its employees' potential. The company also promotes actions that engage and support the learning and growth of its employees within the company, guaranteeing benefits that encourage health, wellbeing and a sense of belonging and participation.</p>
Occupational health & safety	<p>Health and safety</p>	<p>The port and shipping operations have mapped out the occupational risks related to health, safety in the workplace, and the quality of life of our employees. With the aim of eliminating or mitigating the exposure to risk, wherever possible the company establishes strategic measures designed to promote a safe working environment propitious to the wellbeing and development of its employees.</p>
Economic prosperity	<p>Generation of employment and the economic impact generated</p>	<p>Hidrovias do Brasil aims to have a positive impact in the regions in which it operates, through the generation of regional and local employment, and by supporting the qualification and employability of those living in these locations. Its presence in the regions also boosts a range of indirect economic impacts related to the strengthening of local suppliers and the generation of taxes for the municipalities.</p>
Ethics and transparency	<p>Ethics and transparency</p>	<p>Ethics and transparent conduct are fundamental premises for Hidrovias do Brasil, which extends its principles to its employees and to the value chain, whilst also establishing mechanisms designed to ensure compliance in the conducting of its business.</p>



Any doubts or suggestions concerning the information contained in this report can be sent to [ouvidoriahbsa@canalconfidencial.com.br](mailto:ouvidoriahbsa@canalconfidencial.com.br). GRI 2-3



# A message from the CEO

GRI 2-22

Hidroviás do Brasil has been consistently proving the competitiveness of its business model (which benefits an increasingly well-adapted mix of the robustness of its operations and the harnessing of the market opportunities) through its results which have been increasing year upon year. The Company has been ensuring a position of note in the areas in which it operates and has contributed to the diversification of the South American logistics matrix in the form of efficient, innovative and sustainable logistics solutions.

Our history has been, and continues to be, notable for its continued evolution, in an untiring search for improvements in every area in which we work. Within this context, in 2022, our Company underwent an important process of reorganization, involving the adoption of a more vertical approach, allowing us to take advantage of the synergies that exist between our different operations and the integrated management of our strategic topics, thereby strengthening our governance even more.

We have undergone a sizable cycle of investments, that were directed towards the development and construction of modern assets, the consolidation of our operations, and increased capacity in the corridors in which we operate. We have strategically

positioned ourselves in South America and now, with this initial cycle having been finalized, we are focusing our efforts on cash generation and financial deleveraging, with the focus remaining on operational efficiency and integrated management as a means of achieving even stronger results that reflect the full potential of the Company's existing installed capacity.

We ended 2022 with a record handling volume of 16.5 million tons and an Adjusted EBITDA of R\$ 756.9 million, the highest ever recorded by Hidroviás since the Company was founded. In the Northern Corridor, the transportation of grains and fertilizers surpassed the forecast capacity for the year, reaching 7.7 million tons, meaning an increase of 44% compared to the previous year, mainly reflecting the excellent harvests of soybean and corn experienced in Brazil and destined for export to the overseas market.

In the Southern Corridor, the recovery of the depths of the river where we operate and the greater operational flexibility of our assets contributed to a record handling volume of 1.5 million tons, which was an increase of 43.9% compared to 2021. Our Coastal Navigation business transported 3.3 million tons of bauxite, an increase of 29% in relation to the previous year. And finally, in

“

We have increased our contribution through the 2022 publication of our Commitment to Sustainability, inviting our stakeholders to accompany us on this journey.

”

**R\$ 756.9**  
million in Adjusted EBITDA



Santos, we concluded the modernizations and renovations of the leased area (STS20) and began operations once again in the last quarter of the year, handling 314,000 tons of fertilizers, exceeding all expectations for the period.

This impressive growth has been experienced together with an eye on sustainability and, even though our operations are already more efficient in relation to the emission of carbon, we have continued pursuing innovative solutions, with pioneering advances being made in the development of the first tugboats to use hybrid technology. In 2022, we launched our 'Commitment to Sustainability', involving short, medium and long-term targets, and invited our stakeholders to accompany us on this journey.

Amongst the highlights of the year, we moved forward with the mapping and integration of socio-environmental risks with our corporate risk management, as well as with the solidity of our governance structure on the issue. We also performed a study to evaluate the resilience of our business in the face of climate change and continued with mitigation actions, supported by the management of greenhouse gas emissions and energy efficiency initiatives, whilst we also made advances in the ratification of suppliers based upon ESG (environmental, social and governance) criteria.

We have made a commitment to the generation of shared value for the communities in which we operate and, as such, have developed a social performance directive, driven by a social-regional engagement plan that involves stages focused on dialog, socioeconomic and environmental impact management, and social transformation actions in the areas of education, generation of employment and income, and local development.

All of these advances relating to our commitments and our governance, as well as the excellent results obtained in 2022, would not have been possible without the almost 1,600 Hidrovias employees, whom I wish to heartily thank for their performance and dedication.

I would also like to thank our partners, suppliers, clients, investors, employees and the communities in which we operate for the confidence they have shown in us. For the next few years, we will remain focused on moving forward with our business plan, demonstrating the Company's enormous potential for generating capital whilst continuing to evolve in our Commitment to Sustainability.

We are confident that we have the business model, organizational structure, values and strategy necessary to build and achieve the future we desire. We will continue to support our clients' strategies, contributing to the competitive standing of the production chains of South America, increasing decarbonization within the Company and outside it, strengthening the communities where we operate and, by doing so, generating shared value for all of our stakeholders.

#### Fabio Abreu Schettino

CEO of Hidrovias do Brasil

Our Commitment to Sustainability was published in 2022





# A message from the Board of Directors

GRI 2-22

Hidrovias do Brasil, although still a relatively young company, was founded together with the creation of a pioneering and competitive business model, standing out in all the logistics corridors in which it operates even considering the challenging external scenarios noted around the world over the past few years, which have been overcome through the implementation of innovative solutions and flexible assets, and the long-term contracts established with market-leading clients.

Investments in the order of R\$ 321.3 million were made in 2022, being directed towards increased capacity, operational efficiency and improvements to management and systems, contributing to the Company being able to register record volumes and results that year.

Also worthy of mention are the advances made in governance on ESG topics, which are part of the Board of Directors' decision-making process. On the environmental front, for example, we work sustainably in sensitive regions such as the Amazon and the Paraná-Paraguay Waterway. As for the social aspect, we addressed our role relating to the local communities, seeking alternatives for mitigating possible impacts and guaranteeing our operating license, continuing with affirmative actions for land development and the generation of regional employment and income.

Our vision for governance continues to involve agile processes that transmit the Company's values and principles as a means of mitigating risks, boosting our contributions involving our stakeholders, and fulfilling our strategic commitments. Indeed, this is taken into consideration in a number of different processes, including hiring, the approval and monitoring of targets, and the evaluation of the investments that are to be made.

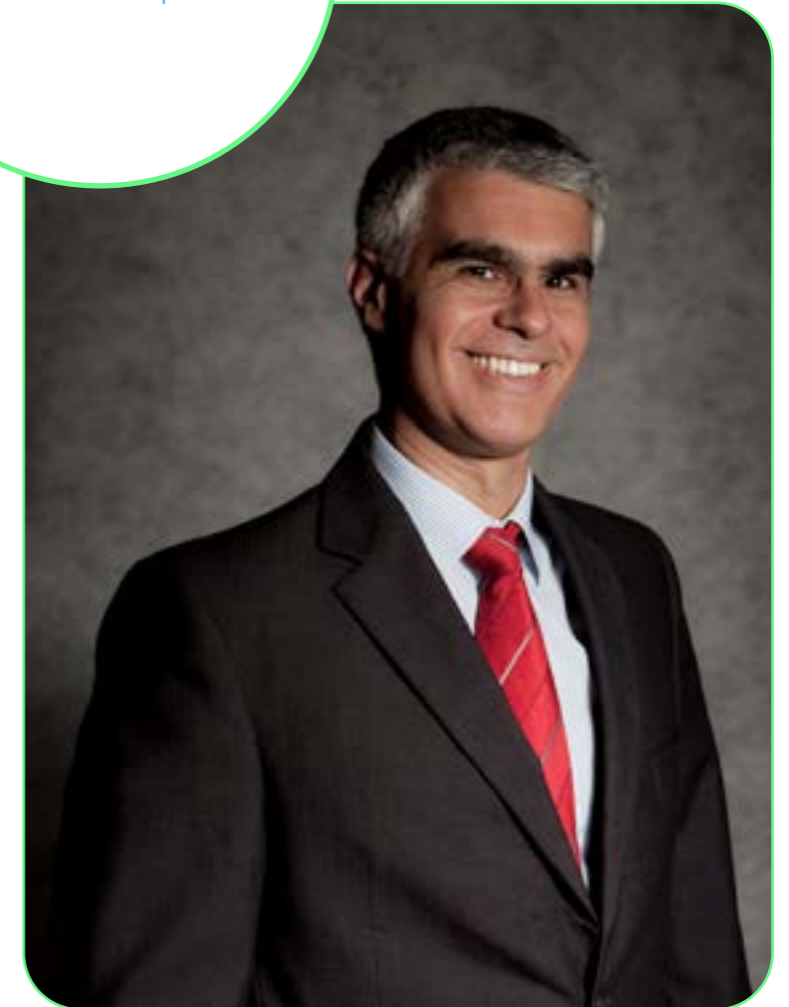
Since we represent an important link in the supplychains of our clients, this positioning places us in a strategic position to be able to contribute to global challenges and those specifically facing the logistics sector, such as decarbonization, meaning we stand out in the market, since we operate more competitively and sustainably than rail and road transport.

The results presented by Hidrovias, together with all of its strategic differentials, have led me to view the future with great optimism, with the company playing a leading role in river transport and coastal shipping in both Brazil and the rest of South America. We have an efficient team and take a responsible approach to the management of capital, as we continue with the desire - and commitment - to growing sustainably, both from a business perspective and in relation to our stakeholders.

## Felipe Andrade Pinto

Chairman of the Board of Directors of Hidrovias do Brasil

We operate more competitively and sustainably than rail and road transport





1

# Hidroviás do Brasil

## IN THIS CHAPTER

ABOUT THE COMPANY

OUR OPERATIONS





# About the company

## GRI 2-1, 2-6

Providing integrated logistics solutions, efficiently, innovatively and sustainably, whilst mitigating impacts and maximizing value for its publics is Hidroviás do Brasil's reason for being. Through its activities in the areas of waterway transportation, terminal operations, cabotage services, and the integration of logistics services, the company serves more than 38 domestic and international clients, moving commodities over long distances competitively and sustainably.

With innovative solutions and a low carbon approach, the company plays an important role in the contribution to decarbonization in its value chain. With origins in Brazil, it provides a connection between the North and South of the continent, operating on South America's strategic logistics routes: The Northern System, that includes an integrated logistics operation in Pará state and makes use of the Trombetas, Tapajós and Amazon rivers; and the Southern Operation, that includes the Paraná and Paraguay rivers. It also operates a solid grains storage and shipping terminal at the Port of Santos, the biggest in South America, and participates in storage and shipping terminals in Uruguay and Paraguay.

In 2022, it transported 16.5 million tons of different cargoes, such as iron ore, grains, fertilizers, bauxite and cellulose, involving 1,561 people, including employees, trainees and interns, operating in three countries - Brazil, Paraguay and Uruguay. The Company has a fleet of more than 30 tugboats, more than 450 barges and two ships specifically designed for cabotage operations. **GRI 2-6, 2-7**

In 2022, Hidroviás transported a record amount of **16.5 million** tons of iron ore, grains, fertilizers, bauxite and cellulose.

[Read more in Our operations.](#)



## Shareholding Structure



Shareholders	31-Dec-2022		31-Dec-2021	
	Ordinary Shares	% of the total	Ordinary Shares	% of the total
Pátria Infraestrutura – Multi-strategy Equity Investment Fund	153,484,062	20.2	153,484,062	20.2
Pátria Infraestrutura Brasil - Multi-strategy Equity Investment Fund	8,745,834	1.2	8,745,834	1.2
Pátria Infraestrutura Brasil - Multi-strategy Equity Investment Fund	78,500,846	10.3	78,500,846	10.3
Sommerville Investments B.V.	63,517,842	8.4	63,517,842	8.4
HBSA Coinvestimento - Multi-strategy Equity Investment Fund	32,621,750	4.3	32,621,750	4.3
Verde Asset Management S.A.	-	-	39,468,590	5.2
TPE Gestora de Recursos Ltda.	61,977,469	8.2	-	-
Others (*)	361,534,840	47.4	384,043,719	50.4
<b>TOTAL</b>	<b>760,382,643</b>	<b>100</b>	<b>760,382,643</b>	<b>100</b>

\* No other group of shareholders holds more than 5% of the Company's capital.

Date: December 6, 2022

Source: Company Reference Form



# Mission, Vision and Values



## Mission

To provide quality services using waterways, whilst always prioritizing sustainable development and ethics.



## Vision

To be the best integrated logistics operator in South America.



## Values

- Honesty, integrity and transparency.
- Value creation for shareholders and clients.
- Excellence in operational security.
- Environmental and community responsibility.
- Appreciation for the team and the internal environment





# Our operations

GRI 2-1, 2-6

## 1 Northern System

Composed of company-owned assets, the Northern System includes the Cargo Transshipment Station (*Estação de Transbordo de Cargas* – ETC), in Miritituba the State of Pará, and the Private Port Terminal (*Terminal de Uso Privado* – TUP) in Barcarena, also in Pará, with an estimated transportation volume of 7.2 million tons of cargo per year.

The ETC is responsible for receiving the trucks that travel the BR-163 highway, carrying soybean and corn from Mato Grosso, and for loading the grains onto barges, which take them to the private use terminal, from which they are then exported. The PUT, meanwhile, receives barges and trucks loaded with the goods, before storing and transferring them to the ships for export. The PUT also loads fertilizers onto barge convoys which travel down the Amazon and Tapajós rivers for unloading at the CDP, from where they are distributed for use in the Brazilian agribusiness sector.

## 2 Southern System

The Southern System connects four countries – Brazil, Paraguay, Uruguay and Argentina – and uses the Paraguay-Paraná Waterway, the largest of its kind in South America, for the transportation of different cargoes, including fertilizers, iron ore and cellulose. This logistics corridor also involves the participation of two port terminals that are operated as part of a joint venture (the Montevideo Bulk Carrier terminal and the Baden Port, located in the city of Concepción, in Paraguay).

The Paraná-Paraguay Waterway is one of the largest river systems in the world, involving the Paraná and Paraguay rivers and running through five countries (Brazil, Paraguay, Uruguay, Argentina and Bolivia).

With its own and leased assets and a fleet that is more flexible in terms of draught than the average offered by the local companies, Hidroviás do Brasil is the biggest logistics operator with volume contracted for the long-term in this region; indeed, in 2022, the company transported 5.1 million tons of products.





### 3 Santos

At the Santos operation, in São Paulo, Hidrovias receives, stores and ships solid mineral grains (fertilizers, sea salt and rock salt) in area STS20 in the Port of Santos, the biggest in South America. This project is the result of a public lease that began in 2020 and which will run for 25 years, with a renewal option for another 70 years.

The company has invested in state-of-the-art technology and acquired the first hydraulic quay cranes in the Port of Santos, with an estimated moving capacity of 14,000 tons/day (base kcl) and an unloading time of 90 seconds, as well as a computerized operating system offering an interface with clients and carriers that allows the operational flow of all those involved to be monitored whilst conferring greater operational efficiency.

Once fully functioning, the operation should be able to move around 2.5 million tons of cargo per year, involving three warehouses offering a total of 190,000 tons of static capacity (140,000 of fertilizers and

50,000 of salt), and shipping products by road and, as of 2024, also by rail.

2,500 tons of cargo/year

### 4 Coastal shipping

Hidrovias also operates in the field of coastal shipping (cabotage), with two company-owned, Brazilian-registered ships that have been customized to transport bauxite, with an average volume of 70,000 tons transported on each voyage. In 2022, the operation transported 3.3 million tons.

The raw-material transported is intended for the processing of the aluminum ore at the Rio do Norte Mine. It is taken from the Trombetas terminal, in Oriximiná (PA), and transported to the Vila do Conde Public Port in Barcarena (PA), where it is unloaded in an area operated solely by Norsk-Hydro – Alunorte and used to charge its alumina refinery.

3,300 tons in 2022



Information on the performance of the assets in 2022 is provided in the Operational Performance chapter.





# Our operations in 2022

## HIDROVIAS IN 2022

Operations in **five countries** and presence in **three ports**



### ECONOMIC AND FINANCIAL PERFORMANCE

**16.5 million** tons transported  
**R\$ 756.9 million** in Adjusted EBITDA (20%+ x 2021)

### HUMAN CAPITAL

**1,561** employees  
**1,266** men and **295** women  
**26.09%** of women in leadership positions;  
 An average of **46** hours of training per employee  
 Health and safety plan revised and implemented  
 An average score of **82** points in the GPTW study, which placed Hidroviás **8th** amongst the best companies to work for in Paraguay  
**100%** of direct employees received communication and/or were trained on ethics and compliance themes

### INNOVATION

**20 projects** developed with the Cubo Maritime & Port innovation hub



## GENERATION OF VALUE FOR NEIGHBORING COMMUNITIES

**More than 1,000** interactions with the communities neighboring our operations  
**16** social investment projects, benefiting **37,000** people in the communities of Itaituba and Barcarena, (PA), Santos, (SP), Assunção, (Paraguay) and Montevideo (Uruguay).  
**67.96** in the Stakeholder Perception Index (SPI), calculated by means of **1,200** in-person interviews with residents of the towns of Assunção, Barcarena and Itaituba in the regions neighboring the operations, and **94** interviews with community leaders, suppliers, opinion makers and investors



### CUSTOMER RELATIONS

Approximately **38** clients  
 NPS of **27** relating to customer satisfaction

### MANAGEMENT OF SUPPLIERS

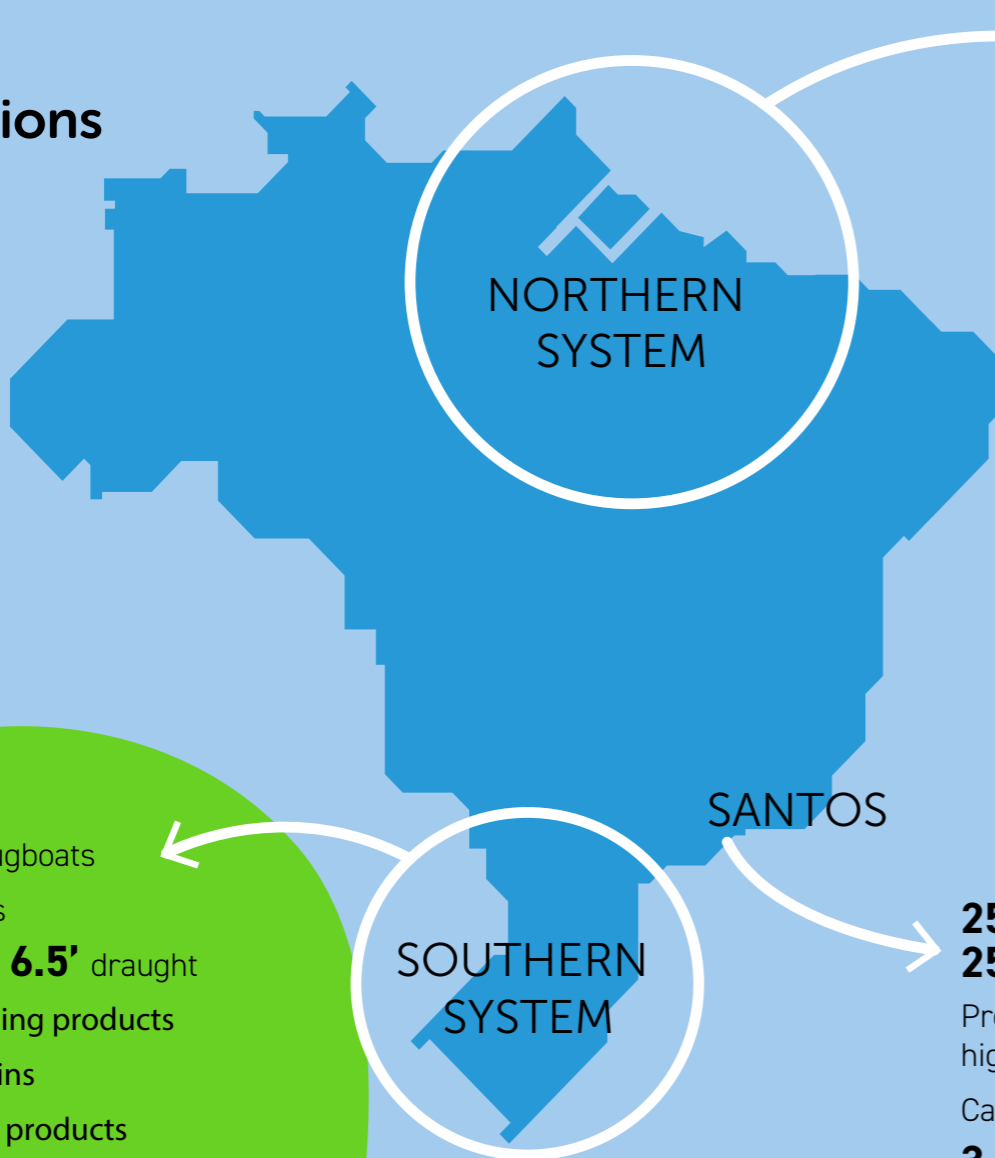
**1,000+** active suppliers  
**75%** of the company's purchases made in the regions where it operates

### ENVIRONMENTAL INDICATORS

**1,136,9 tCO<sub>2</sub>** reduction in Scope 2 emissions



# Operations



**NORTHERN SYSTEM**

- 13** tugboats
- 190+** barges
- Products: **55%** corn, **40%** soybean, and **5%** fertilizers
- Cargo Transshipment Station (ETC) in Itaituba
- Receipt of trucks carrying soybean and corn, and transshipment of cargo to barges
- Return freight capacity of **500,000** tons/year of fertilizers on the route between Barcarena and Itaituba
- 8** silos with a static capacity of **144,000** tons (the biggest in the region)
- 4** tumblers with a capacity of **~22,000** tons per day
- Floating Pier with a capacity of **~26,000 t** tons per day
- Private Use Terminal (PUT) in Barcarena (PA)
- Receipt of trucks carrying soybean and corn, as well as storage and transfer to clients' ships
- Static capacity of **240,000** tons (with potential to increase to 360,000)
- Barge unloading capacity of **30,000 t/day**
- 2** tumblers with a capacity of **22,000** tons per day
- 1** berth for receiving fertilizer

**SANTOS**

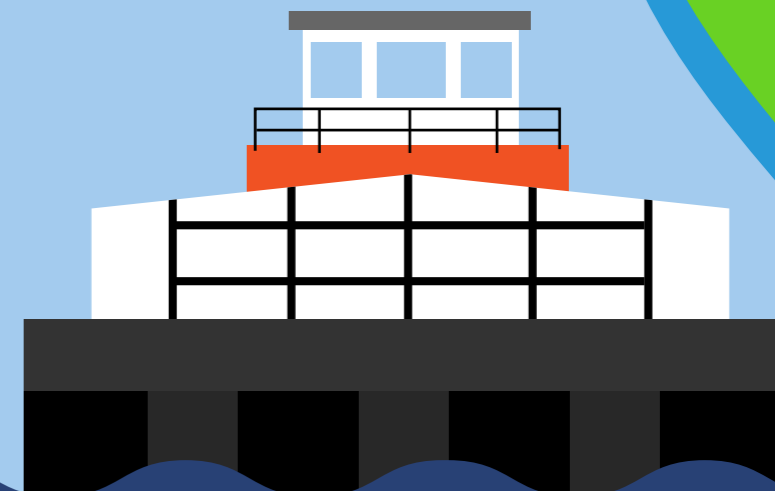
**SOUTHERN SYSTEM**

- 25**-year lease - renewable for another **25** years
- Product shipping capacity utilizing the highway and railway systems
- Capacity of **3.5 million**/year
- 3** fertilizer and salt storage facilities
- Static capacity of **190,000** tons (140,000 fertilizers and 50,000 salt)

- 7** high-tech tugboats
- 260+** barges
- Tugboats with **6.5'** draught
- 78.8%** - mining products
- 17.6%** - grains
- 3.6%** - other products

## COASTAL SHIPPING

- 2** customized ships
- Capacity to transport **74,000** tons of bauxite per voyage
- Total capacity of **6 million** tons/year



# 2

## Corporate governance

### IN THIS CHAPTER

GOVERNANCE STRUCTURE  
ETHICS AND TRANSPARENCY  
RISK MANAGEMENT





**MATERIAL TOPIC**

ETHICS AND TRANSPARENCY

**ASPECTS COVERED**

ETHICS AND TRANSPARENCY

**COMMITMENT TO SUSTAINABILITY**

ETHICS AND TRANSPARENCY



Read about the 2022 results and the short, medium and long-term targets on page 36

# Governance structure

GRI 2-9

Listed on the B3's 'Novo Mercado' segment since 2020 and trading under the code 'HBSA3', Hidroviás do Brasil adheres to the highest standards of corporate governance found in the Brazilian market and is committed to ethics and the transparency of the information that it presents. Its governing structure is composed of:

- 1 Board of Directors
- 2 Executive Board
- 3 Non-statutory Audit Committee
- 4 Supervisory Board implemented in 2023
- 5 Support committees



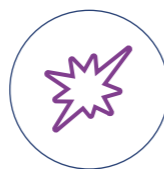


**The Board of Directors**

The Board of Directors is responsible for the general guidance of the Company's business, including establishment of the targets and business strategies that are to be pursued and achieved. It is made up of nine members, of which at least 20% should be independent, with the members holding two-year mandates, with re-election permitted. **GRI 2-12**

The board members are nominated in accordance with the Company's Member Referral Policy, which can be found at <https://ri.hbsa.com.br/governanca-corporativa/estatutos-politicas-e-regimentos/>. **GRI 2-10**

The roles of Chairperson of the Board of Directors and CEO or most senior executive of the Company may not be held by the same person, except in the hypothesis of a vacancy, but always in accordance with the terms of the Novo Mercado Regulations. **GRI 2-11**



**CONFLICT OF INTEREST GRI 2-15**

The Company has a Related-Party Transactions and Other Situations Involving Conflicts of Interest Policy, approved by the Board of Directors, which establishes that potential conflicts of interest are those in which the personal objectives of the decision makers, for whatever reason, may not be aligned with the objectives of the Company on specific matters.

According to the Policy, should a potential conflict of interest be identified, the person involved in the decision-making process should declare themselves to be impeded and remove themselves from participating in a specific matter of business, in order to guarantee the sole interests of the Company. Furthermore, should any person in a potential situation of conflict of interest not declare the issue, any other member of the body to which they belong who is aware of the situation may make the declaration.

Read more about the composition of the Board of Directors at <https://ri.hbsa.com.br/governanca-corporativa/conselho-e-diretoria/>.

More information is provided in the Bylaws and the Internal Regulations for the Board of Directors which can be found at: <https://ri.hbsa.com.br/governanca-corporativa/estatutos-politicas-e-regimentos/>



**PERFORMANCE REVIEWS GRI 2-18**

With the aim of continually improving the effectiveness of the Company's administrative bodies, as well as the corporate governance practices, the Company carries out performance reviews on the members of the Board of Directors. The process begins with the specific context of the Company and the creation of a matrix of critical skills which reflects the attributes that should be present in the activities performed by the Board.

The evaluation program is performed on two fronts: (i) in relation to the Board itself, with the aim of evaluating the fulfillment of its mandate, composition, dynamic, processes and contributions, as well as its level of maturity; and (ii) individually, through self-evaluation of the board members in the areas of contribution, engagement, participation, critical understandings, and skills, as a means of supporting the individual development of the members.

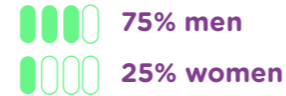
The process is conducted by a specialist company and aims to confer autonomy and independence on the evaluation, which takes place at least once during the mandate of the Board Members. The results are incorporated into the creation and/or revision of action plans related to the operations of the body and the individual development of the members.

In relation to the remuneration of the board members and the Company's Executive Officers, as set out in the Remuneration Policy (<https://ri.hbsa.com.br/governanca-corporativa/estatutos-politicas-e-regimentos/>), it is the responsibility of the Board to establish the monthly fees of its members, the Executive Officers and the members of the Committees. The total annual remuneration of the administrators is approved by the company's shareholders during the General Assembly.





**In 2022, it was composed of four directors:**



**Executive Board**

The Executive Board is responsible for both actively and passively representing the company and for administrating the business, in accordance with the plan approved by the Board of Directors. It should be composed of at least two members and a maximum of five, who may be shareholders or not, resident in Brazil, elected by the Board of Directors, one of whom is a CEO, one a Director of Investor Relations, and the others without specific titles. In 2022, it was made up of four directors, 75% of whom were men and 25% women. In relation to the non-statutory members, the board was made up of 12 members in 2022, 91.67%<sup>1</sup> hired from the local communities, with 50% being men and 50% women. **GRI 202-2**

<sup>1</sup> Considering the corporate directors and vice-presidents connected directly to the CEO and the operational or corporate directors who report to the vice-presidents.

Read more about the make up of the Statutory Executive Board at <https://ri.hbsa.com.br/governanca-corporativa/conselho-e-diretoria/>



**REMUNERATION PRACTICES**

Remuneration may be reviewed annually, respecting the amounts established by law, and should be in line with market practices, according to studies performed every two years by an external consultancy. The variable remuneration is established according to the achievement of the Company's strategic objectives, approved by the Board of Directors, which aim to ensure the sustainability of the business. **GRI 2-20**

Attraction bonuses are applied whenever it is recognized that there is a need to hire professionals considered key to the Company. The payments follow the regulations established by the legislation of the countries and unions, and possible reimbursements are only applicable in cases in which permanence agreements have been broken, according to the contractual terms established at the time of extraordinary payment. **GRI 2-19**

The ratio between the percentage increase on the total annual remuneration of the highest paid individual in the organization and the average percentage increase on the total annual remuneration of all the employees was 0.81% in 2022. The increase percentage of the highest remuneration paid was 34.31%, whilst the percentage increase of the average total remuneration was 42.16%. **GRI 2-21**



## Supervisory Board

As a non-permanent body, the Supervisory Board is only ever installed in financial years when it is convened upon request by the shareholders. When it is installed, it is made up of at least three members and a maximum of five, and by an equal number of substitutes, elected by the General Assembly, with reelection being permitted. In 2022, a Supervisory Board was not elected, but it was in 2023, with three board members being elected and an equal number of substitutes, all of whom were men.

**Elected by the General Assembly, the Supervisory Board is made up of three board members and three substitutes.**

## Support committees

Hidrovias do Brasil has a non-statutory Audit Committee, which reports directly to the Board of Directors, having operational autonomy and its own budget. The aim of this committee is to supervise the quality and integrity of the financial reports; adherence to all legal, statutory and regulatory norms; adjustment of the processes relating to risk management auditing, and the activities of the internal and independent auditors. In 2022, the Audit Committee was made up of three members, elected by the Board of Directors, all of whom were independent and male.

As part of the governance support structure, Hidrovias do Brasil also has a Legal, Compliance and Sustainability Commission, which is responsible for providing the Company's management with technical support on issues relating to sustainability, as well as on matters of ethics and compliance. The Commissions are non-statutory bodies providing support to the Board of Directors.



Read more about the Internal Regulations of the Non-Statutory Audit Committee at <https://ri.hbsa.com.br/governanca-corporativa/estatutos-politicas-e-regimentos/>

Read more about the composition of the Audit Committee at <https://ri.hbsa.com.br/governanca-corporativa/comites/>

# Integration and synergy

In 2022, Hidrovias do Brasil underwent an important review of its organizational structure, ultimately taking on the structure of a matrix. The aim has been to strengthen a single culture within the Company, whilst also contributing to improvements in the management processes and facilitating the establishment of synergies between the operations. It also aims to encourage optimization on different fronts, such as the corporate and fiscal fronts, in the countries where the company operates.

As an example of this change, the Company now has a vice-president of Operations, taking an integrated and strategic look at all the Company's operations, and reporting directly to the CEO. This format also contributes to strengthening the management on themes that cut right across the Company, such as strategic planning on sustainability, and issues related to compliance and health and safety.

For the coming years, the aim is to invest in technologies that contribute to the homogenization of the internal processes in order to strengthen the bases of this structure.



# Ethics and transparency

## GRI 3-3

Honesty, integrity and transparency are essential values for Hidrovias do Brasil. In order to guarantee that these premises are observed in the development of the activities and in its relationships, the Company has an Integrity Program that was instituted in 2013 and is in constant evolution.

As the main guide for the program, Hidrovias has a Code of Ethics, which, as well as guiding the conduct expected of the employees, third parties and other partners in the work environment, also provides directives on corruption and bribery, conflicts of interest, the environment, the use of information, and relationships with suppliers, clients, governmental organs, shareholders and the market, the press and the community, amongst others.

In addition to the Code of Ethics, Hidrovias has an Anti-corruption Policy, which was revised in 2022, with the aim of guiding all the employees on compliance with Law n° 12,846/2013 (the Brazilian Anti-corruption Law) and its regulations, as well as other domestic and international laws relating to fraud, bribery and corruption that are applicable to Hidrovias.

The document provides directives on relationships with public agents and government relations activities, participation in bidding rounds, donations, sponsorships, receipt of presents, the obtaining of licenses, authorizations and permissions, amongst other topics.

As part of the Company's risk management processes, 100% of its operations have been evaluated in relation to the risks of corruption. The risks mapped correspond to risks of irregularities in conduct and are connected to compliance over donations and sponsorships (regulatory risks) and risks relating to institutional and government relations (strategic risks). In 2022, there were no confirmed cases of corruption involving Hidrovias, nor any unfair competition, or trust or monopoly practices. **GRI 205-1, 205-3, 206-1**

Furthermore, the directives relating to ethics and anti-corruption practices are widely disseminated. In 2022, 100% of the senior management were trained and received communications on issues covered by the Anti-corruption Policy. Of the workforce, 100% received communications and 95.49% were trained on these issues (read the full data in the GRI content indexes). **GRI 205-2**

100%

of the senior management were trained on issues covered by the Anti-corruption Policy.

Special mention should be made of Compliance Month, held in May 2022, with initiatives designed to raise awareness on matters related to this agenda, and the dynamics developed throughout the operation, involving all groups, including the employees on the ships, conducted in-person by the Compliance team. The Company also started disseminating indicators drawn from the Ethics Hotline, information on compliance in practice, and issues contained in the Code of Ethics, through publication of the Compliance Magazine.



## Ethics Hotline GRI 2-16, 2-26

For the communication of conduct that violates the ethical principles or standards of behavior of Hidroviás do Brasil or existing laws, the company offers an Ethics Hotline, which is widely disseminated to employees, suppliers, clients and members of the community. For proven cases of irregularities, measures are applied that are compatible with the seriousness of the facts, and which could involve a warning, suspension or even more serious penalties, such as dismissal, rescission of the employment or service provision contract, or commercial partnership agreement, amongst others.

The Ethics Commission is responsible for both monitoring and evaluating the Integrity Program and monitoring the investigation of information received by the Ethics Hotline, as well as making recommendations to the Audit Committee. The members of the commission have a duty to keep the information received and all the complaints confidential, without exception, thus ensuring the accusers' anonymity.

In 2022, 104 reports were received through this channel, of which more than 75% were related to non-compliance with norms and procedures, irregularities in behavior, cases of harassment, fraud and favoritism or conflict of interest, violations of labor laws or undue payments or receipt. It should be stressed that, during the

reported period, there was no registration of significant cases of non-compliance with laws or regulations that led to fines and/or monetary penalties. **GRI 2-27**

### ACCESS THE ETHICS HOTLINE

Site: <https://www.canalconfidencial.com.br/hbsa/#>

E-mail: [etica@hbsa.com.br](mailto:etica@hbsa.com.br)

### Telephone numbers

Argentina: 0800 666-0653

Brazil: 0800 377 8047

Paraguay: 009 800-542-0163

Uruguay: 000 401-91168

All the complaints are duly assessed in line with the Company's behavioral standards evaluation criteria, which can lead to the application of the corresponding disciplinary measures.



## Tax compliance GRI 207-1

The Company performs periodic analyses aimed at ensuring that its fiscal strategy is in compliance with the relevant tax regulations in its respective operations. The tax practices are established by the Controllershship Board and, depending upon the tax impacts, the different issues may also be shared with the legal department. In relation to the regulatory approach, the Company from time to time submits its activities to the respective tax authorities. **GRI 207-2**

With operational and non-operational business conducted in six different countries - Brazil, Argentina, Uruguay, Paraguay, Luxembourg and The Netherlands - the Company is subject to the application of tax laws and treaties in each one of these jurisdictions. In Brazil, Uruguay and Paraguay, Hidroviás enjoys tax benefits applicable to maritime or waterway transportation activities.

There are tax advantages in Brazil, under the terms of the Special Incentive Regime for Development of Infrastructure (REIDI), the Additional Freight for the Renewal of the Merchant Navy (AFRMM) and the Superintendence for Development of the Amazon (SUDAM).

The rates applied to the Company depend on alterations in the assessment of the assets and liabilities by deferred taxes, the impact of different tax regulations and alterations to these regulations, as well as the tax laws and inspections applied by the tax authorities and entities.

The tax department works together with the legal department and maintains a close relationship with the tax authorities to comply with any possible inspections. Relations are also maintained with trade associations connected to the business activities concerning tax issues. The Fiscal department works to identify possible situations in the Company's activities that could lead to tax risks. In the event any kind of risk is perceived, it is duly reported to the Legal-Tax department in order for it to be monitored. Furthermore, there is a tax-planning specialist who provides assistance in the mapping of risks and opportunities, with support also being provided by an external consultancy to assist with reviews of the calculations and relevant supplementary obligations. **GRI 207-3**

Doubts concerning these aspects can be clarified by contacting the Company's Investor Relations department at: <https://ri.hbsa.com.br/>





# Risk management



Hidrovias do Brasil has a Corporate Risk Management Program that was created in 2020 with the support of an external consultancy, and which covers mechanisms, processes and a governance structure for the identification, analysis, evaluation and mitigation of risks.

The process is guided by the Risk Management Policy, approved at a meeting of the Board of Directors, which presents directives for the consolidated management process and for the strengthening of the risk culture, in order to prepare the Company to face uncertainties and achieve the strategic objectives of the business. The document establishes that the management includes the following fronts:

## PROCESSES FOR THE MANAGEMENT OF RISK

### Contextual analysis

Analysis is performed of both external contexts (social, political and regulatory factors, amongst others) and internal contexts (strategies, policies and objectives, amongst others), in order to understand the risks and the Company's exposure to these factors.

### Risk evaluation

This is designed to understand the stages of identification, discussion and evaluation of the business risks. The identification is performed collaboratively and systematically, through meetings involving the Company's leaders and managers. The analysis and evaluation stages, meanwhile, aim to qualify the risks and their extent, depending upon their likelihood and impact.

### Handling of the risks

This involves the planning and implementation of actions designed to avoid, mitigate, transfer, share or accept the risk. This stage involves action plans that should be integrated into the management plans and processes, focusing on risk mitigation and contingencies.

### Communication and consultation

This consists of consulting and informing the relevant stakeholders, thereby allowing a full understanding of the risk. This stage takes place over the entire course of the management process, so that different points of view can be considered, in order to guarantee the correct supervision of the risks and ensure that assertive decisions can be taken.

### Monitoring and critical analysis

This stage involves ongoing observation and verification activities that are designed to understand the evaluation of the effectiveness of the risk management process.



It is the responsibility of the Board of Directors to discuss the structure of the risk management area, approve the risk management policy and the working plan on this front, as well as define the Company's risk profile, amongst other responsibilities.

The Audit Committee is tasked with the responsibility of monitoring the level of appetite for risk, update it whenever necessary,





and report back to the Board of Directors with opinions on the management of risks. The directives are implemented by the Risk Management department, with different individuals assuming responsibility for the risks and for creating and updating the risk profiles whenever necessary, developing indicators, and executing the recommendations contained in the action plans.

The Internal Control area, on the other hand, analyzes and evaluates the internal flows of the Company's processes, in order to identify needs and opportunities for improvement, whilst aiming to mitigate the risks of which the Company is aware. The Internal Auditor, meanwhile, periodically checks that the risk management framework and internal controls are operating effectively, and reports its objective evaluations concerning the efficacy of the risk management to the Audit Committee.

The risks to which Hidroviás is exposed are divided into categories of strategic, operational, financial and regulatory risk, and are addressed within a framework that is revised annually. The framework and the action plans for each risk were revised in 2022, with 61 risks being mapped and departments being designated to assume responsibility for their mitigation and prevention.

## Socio-environmental risk management

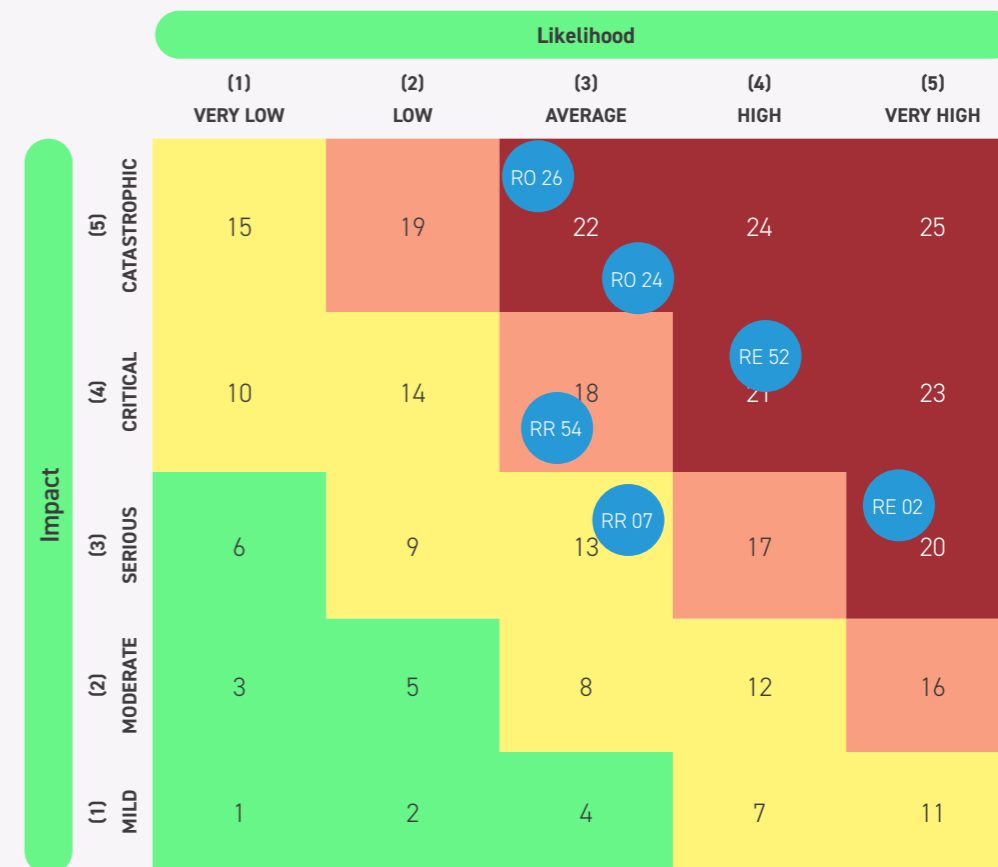
### socio GRI 3-3

In 2022, taking as a base the strategic planning in sustainability that was launched in 2021, Hidroviás sought to address the integration of the theme into the strategic planning of the business as well as into the corporate risk management.

Of the ten strategic risks classified as being "high risk" that have been established by the Company and assessed by the Audit Committee, six are related to socio-environmental issues, all of which are addressed by the commitments established by the sustainability planning and by the directives established by the International Finance Corporation (IFC), which is one of Hidroviás' shareholders.

Action plans have also been created for each risk, with the focus fixed on the long-term, involving everything from the management to investigation of accidents, mapping and engagement of the interested parties, and articulation for the so-called "social license to operate".

### SOCIO-ENVIRONMENTAL RISK MATRIX



Risk	Description	Term
RE 02	Community Relations	Short
RE 52	Adverse Climate Conditions	Short
RO 24	Damage to the Environment	Short
RO 26	Large-scale Accidents	Short
RR 07	Undue Working Conditions	Short
RR 54	Lack of or Lapse in the Environmental Licensing	Average



Access the Risk Management Policy at: <https://ri.hbsa.com.br/governanca-corporativa/estatutos-politicas-e-regimentos/>



Still looking at 2022, another innovation that is worth mentioning was the creation of the Insurance Department, responsible for management of all the Company's insurance, including cyber-security and data management, insurance of assets and that relating to environmental incidents, in order to provide coverage for the risks identified.

For 2023, the socio-environmental risk management and action plans will come to form part of the Company's Integrated Management System, which is audited and provides cross-sectional management, involving different areas - commercial, planning, maintenance, regulatory, innovation, engineering and new business, amongst others.



[Read more about this in the Sustainability Journey](#)

## INFORMATION SECURITY AND DATA PROTECTION

Guaranteeing information security and data protection is a priority for Hidrovias. In 2021, the Company finalized the adaptation of its processes to come into line with the General Personal Data Protection Law (Federal Law n° 13,709, dated August 14, 2018), and appointed a Data Protection Officer, responsible for implementation of the data protection actions and coordination of all cyber-security.

Furthermore, the Company also has a Data Privacy and Information Security Commission, which meets each month to monitor the actions that have been implemented. The management of this theme involves directives and regulations, amongst which are:

### Information Security Policy

This comprises directives for the implementation of a more secure informational environment.

### Information Security Incident Response Plan

This presents directives for responding to security events or incidents which actually do, or could come to, have an impact on the Company's information assets/ services or computer resources.

### Internal Data Privacy Policy

This brings together measures and directives that apply to privacy and the protection of the personal data of clients, employees, partners, suppliers and others whose data is handled by Hidrovias.

### External Data Privacy Policy

This regulates all the information possibly collected by Hidrovias do Brasil through its website.

In 2022, the Company continued investing in the resilience and redundancy of its systems, the structure of which underwent revision and standardization. The Company also shifted from a reactive approach to a proactive approach, and began working with a third party company named '24/7', which focuses on services designed to mitigate the risk of cyber-attack.

For 2023, there are plans to implement technologies focused on data management and the cloud protection of equipment and applications, as well as technical audits, training and the structuring of a Business Continuity Plan.

# 3

## Strategic Management

### IN THIS CHAPTER

OUR SUSTAINABILITY JOURNEY  
COMMITMENTS TO SUSTAINABILITY  
BUSINESS MODEL  
INNOVATION AND TECHNOLOGY



# Our sustainability journey

GRI 2-23, 2-24

Aware of its potential for impact and of the opportunities that exist as a company operating in the waterway transportation sector by offering integrated logistics solutions, Hidrovias do Brasil recognizes that sustainability is an important part of its business model and the role it can play in confronting the challenges being faced globally and by its own business sector. The Company's main competitive difference lies in the particularity of its business, or in other words, the network of waterways, which allies safe and efficient transport, and contributes to decarbonization.

In comparison to linear enterprises (highways and railways), the waterways network has a lower socio-environmental impact, especially from the perspective of three primary factors: mitigation of socio-environmental impacts, reduction of greenhouse gas emissions, and the efficient use of fuels.

By taking advantage of the existing navigable routes, the waterways mode of transport avoids

the fragmentation of habitats and the creation of barriers preventing the circulation of land fauna, both features of the implementation of linear businesses. The use of this system also means less interference in the socio-environmental dynamics, and in the routines, uses and mobility of the lands where the Company operates, in turn meaning there is no direct accumulation or addition in the existing spacial dynamics.

Furthermore, considering the level of greenhouse gas emissions, it offers greater efficiency in the use of fuel per ton of cargo transported, with a consequently lower level of emission of carbon dioxide equivalent. Each convoy, typically consisting of 25 grain-carrying barges, for example, corresponds to the removal of approximately 1,200 trucks from the highways, with the consumption of 100 L/100 NTK (net ton kilometer) of diesel against 130 L/100 NTK of IFO (Intermediate Fuel Oil) or MGO (Marine Gasoil).

This context positions Hidrovias as an important alternative that is able to contribute to the



Hidrovias is an important alternative that is able to contribute to the decarbonization of the value chains involving South American logistics



decarbonization of the value chains involving South American logistics, which includes its suppliers and clients. Aware of this potential and of its responsibility to maximize its contributions, the Company has made progress in its governance structure relating to sustainability and, in 2021, it developed its sustainability planning, with guidelines focused on a long-term vision and broken down into targets and indicators.

The result of this journey was for Hidrovias to establish six commitments aligned with the United Nations' (UN) Sustainable Development Goals and with the themes of most impact identified by means of the materiality process.

[Read more in the Presentation of the report.](#)





# A sustainable, integrated logistics chain

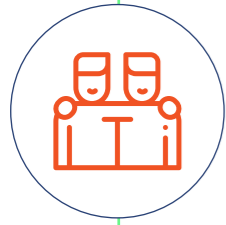


Read the 2022 results and find out about the targets designed to achieve these commitments on page 36.



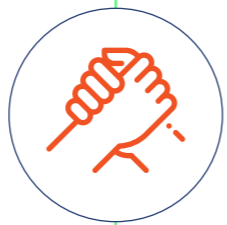
## CLIMATE CHANGE

To support the decarbonization of the Brazilian logistics system by offering innovative and reliable waterway and maritime logistics solutions and by neutralizing our GHG emissions.



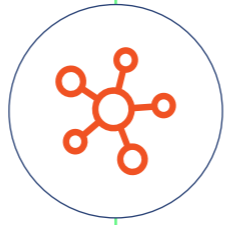
## ETHICS AND TRANSPARENCY

To untiringly and uncompromisingly cultivate ethics and transparency in our relationship with all our stakeholders.



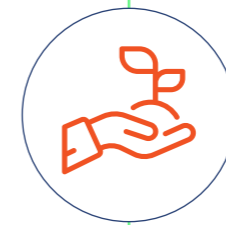
## LOCAL DEVELOPMENT

To actively contribute to the socioeconomic development of the communities neighboring our operations.



## VALUE CHAIN

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



## ENVIRONMENTAL IMPACT

To mitigate our environmental impacts and support the regeneration of the ecosystems that enable our operations.



## HUMAN DEVELOPMENT

To promote a safe environment and a diverse, inclusive and continually developing culture for our employees.





# Governance of sustainability

GRI 2-12, 2-13, 2-23, 2-24

Since 2015, one of Hidrovias' shareholders has been the International Finance Corporation (IFC), the private investment branch of the World Bank, which establishes performance standards and rigid socio-environmental control by its investees. Over the years, the Company has improved its processes, which form part of its integrated management system, and has made significant advances in relation to its governance in sustainability.

The structure of governance on this theme is made up of four non-statutory executive commissions which report directly to the CEO of Hidrovias do Brasil, deliberating upon projects and strategic initiatives and analyzing the progress made in relation to the targets. Directly related to the Administrative Council, there is one committee and two commissions that provide technical support on sustainability for the decisions to be made by Hidrovias' highest governing body.

## NON-STATUTORY EXECUTIVE COMMISSIONS

### Internal Sustainability Commission

#### Composition



CEO; executive and functional directors; superintendents. Headed by the Sustainability & Environment Board.

#### Responsibility

To deliberate on HBSA's sustainability strategy and monitor the fulfillment of the targets established for each commitment to sustainability. The commission meets once every two months and reports to the CEO.

The directors of HBSA act as protectors for the commitments, the fulfillment of which is tied to the Company's variable remuneration system.

### Occupational Health and Safety Commission

#### Composition



CEO; Personnel, Management and Communication Board; Vice-president of Operations; Northern, Southern and Santos Operations Boards.

#### Responsibility

To deliberate on the management strategy for HBSA's Occupational Health and Safety, which forms part of the commitment to sustainability. This commission meets once every two months.

### Risks Commission

#### Composition



CEO; executive and functional directors; superintendents. Led by the Legal Regulatory Executive Board, reporting directly to the CEO.

#### Responsibility

To deliberate on the management of HBSA's corporate strategic risks.

### Ethics Commission

#### Composition



CEO; Personnel, Management and Communication Board; Legal Board, with the possibility of other boards being invited.

#### Responsibility

To deliberate on matters involving the Compliance Program, principally those related to the complaints received by the HBSA Compliance Hotline. This commission meets once every three months.



**BOARD OF DIRECTORS SUPPORT COMMISSIONS**

**Audit Committee**

**Composition**


 One coordinator and two independent board members.

**Responsibility**

To monitor the management of the corporate strategic risks, one of which is the risk presented by adverse climate conditions. HBSA's body of directors and its technical body are responsible for mapping the risks and opportunities, and for presenting measures for mitigation and/or the offsetting of risks to the committee for monitoring, and for advising the Board of Directors. The committee meets once every quarter and reports directly to the Board of Directors.

**Operations Commission**

**Composition**


 CEO; Vice-president of Operations; members of the Board of Directors, including the Chairperson of the Board

**Responsibility**

To provide technical support to HBSA's Board of Directors on matters associated with operational management. Amongst the themes addressed are those relating to occupational health and safety. This commission meets once every two months, prior to meetings of the Board of Directors to which it reports directly.

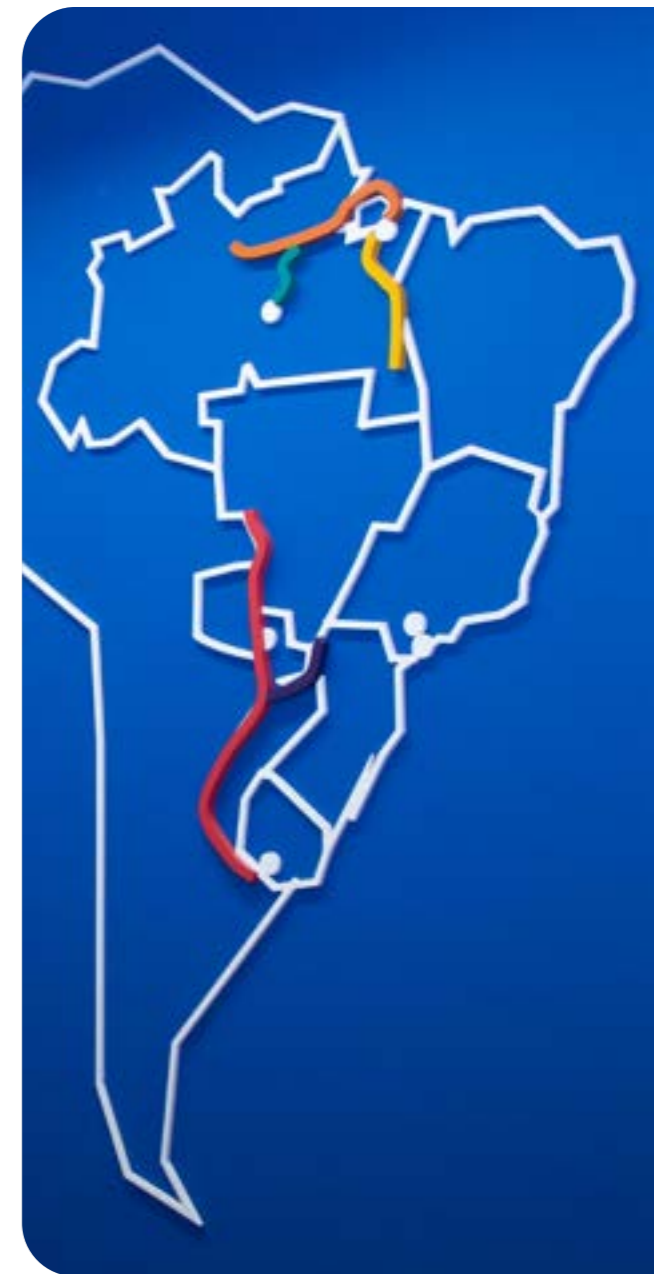
**“Legal”, “Compliance” and “Sustainability” Commission**

**Composition**

 CEO; Sustainability and Environment Board; Legal Executive Director; four members of the Board of Directors, including the Chairperson.

**Responsibility**

To provide technical support to the Board of Directors. In the area of sustainability, this informative and deliberative forum addresses issues related to the integration of the sustainability strategy with the business strategy and with the deliberation/recommendation of themes that should be approved by the Board (such as annual and five-year targets, the decarbonization strategy and analysis of the impact of climate change on HBSA's business. This commission meets once every two months, prior to meetings of the Board of Directors to which it reports.





Directly involved in Hidroviás' sustainability planning are the CEO, the Executive Board and the Company's senior management.

Directly involved in Hidroviás' sustainability planning are the CEO, the Executive Board and the Company's senior management, who contribute to the definition of targets in line with the defined priority dimensions and who act as "protectors" of the commitments, which are managed across the Company. The planning, targets and indicators were approved by the Board of Directors ([read more in Commitments to Sustainability](#)).

Ever since its sustainability journey began, Hidroviás has been spreading a culture of sustainability throughout the various levels of the Company using different tools, such as communication, training sessions and workshops, as well as through the adoption of remuneration for the senior management that is tied to the fulfillment of the sustainability targets and commitments. **GRI 2-17**

It should also be stressed that Hidroviás do Brasil complies with a set of domestic and international regulations, grouped under the Integrated Management System (IMS), and including the ISO 9001 (Quality), ISO 14001 (Environment), and OHSAS 18001 (Occupational Health and Safety), and meets the Performance Standards established by the International Finance Corporation (IFC).



The Company also participates in initiatives and projects involving local associations, such as the Private Terminals Association (ATP), and is a member of the Brazilian Business Council for Sustainable Development (CEBDS), a non-profit, civil association that promotes sustainable development through joint activities involving government organs and civil society. **GRI 2-28**

It is also a signatory of the UN's Global Compact and a member of the Association of Port Terminals and Cargo Transshipment Stations in the Amazon Basin (Amport), which is focused on supporting development of the logistics infrastructure in the Amazon Region.

In relation specifically to ensuring human rights, the Company has documents and practices aligned with the UN's Universal Declaration of Human Rights, including equality, non-discrimination, repudiation of slave and child labor, and guaranteeing labor rights, amongst others, such as the Code of Ethics, channels designed to receive complaints (the Ethics Hotline and "Alô Comunidade" the Grievance Mechanism), a climate study and stakeholder engagement plan.





# Commitments to sustainability

The sustainability targets and indicators for the years 2022 through 2025 were defined in 2021, by means of a participative process mediated with the involvement of more than 100 leaders from within the Company and all members of the senior management.

In 2022, the Company widely disseminated its commitments, both internally and to the market, as a means of ensuring transparency in its management. Within this context, Hidroviás, for the first time, presented the deployment of the commitments during the period, against the established targets, prioritizing the importance of the sustainable logistics chain to the organization, something which is demonstrated in each chapter and highlighted in the Business model, on page 37.



In 2022, the Company fully achieved the targets it had set itself for the first two years. As well as the increase in the level of governance to be able to monitor the commitments, a number of actions on different fronts were also addressed:



**Engagement of the value chain on ESG topics;**



**Strengthening of health and safety management;**



**Advances in the climate strategy and development of social action directive, with a robust territorial engagement plan.**





# Strategic Vision

Ever since it was founded, in 2010, one of Hidrovias do Brasil's operational directives has been a future vision based upon a business plan that unites short, medium and long-term targets. The Company's Business Plan objectively establishes the planning of the actions and the investments within a seven-year perspective. This means it is a strategic model which, together with the monitoring related to both internal and external factors that could result in likely impacts to the business, minimizes risks, thereby guaranteeing greater predictability for the secure realization of the company's plans.

After more than a decade, the Business Plan is now undergoing its third revision, focused on making adjustments to routes or performing new analyses of deadlines, resources and opportunities, all of which is being guided by the Board of Directors, and with the year 2030 being taken as the focus. This demonstrates that this is a solid document that maintains the company's essential principles even when facing external situational and structural alterations.

The objectives defined for the medium and long terms are based on observation, analysis and internal and external macroeconomic forecasts, in the sectoral and competitive environment, as well as in likely changes expected for Hidrovias. This allows the Company to position itself for growth and the creation of value shared with the stakeholders, ranging from financial value to the engagement of the communities neighboring the operations ([read about the actions on page 59](#)).

## Short-term management

The actions involving the allocation of resources that define the OPEX and CAPEX within the annual cycle for the short-term are set out using the Business Plan and approved by the Board of Directors. The operational productivity is monitored by weekly and fortnightly meetings, at which the results of the month in question are evaluated along with the targets for the forthcoming month. Quarterly reports and the annual performance cycle are tools that have been consolidated to evaluate the achievement of the short-term objectives and make them measurable and public in a manner that is fully structured.



The Business Plan unites the short, medium and long-term targets within a seven-year perspective

## Long-term objectives and risks

Within the Hidrovias business model ([which can be read on page 38](#)), the long-term objectives are fulfilled by means of the achievement of the forecast annual results, which, in turn, create the conditions for organic growth, or even the opening of new operations or increases in capacity.

The risk evaluation is tied to environmental, social, regulatory, political, economic, financial and intellectual property issues, the management of which covers present and future challenges and opportunities relating to each established target.

Through its Legal and Institutional Relations boards, the company monitors the legislative and regulatory alterations in the sector and interacts with public organs and representative entities, such as Abag (Brazilian Agribusiness Association) and Amport (Association of Port Terminals and Cargo Transshipment Stations in the Amazon Basin), amongst others.

The opportunities and risks, once they have been mapped out, are integrated into the strategic planning and influence corrections made to the Business Plan. The mapping and control of the risks and mitigation plans in real time are performed by a specific team, whose results guide the annual review of the risk matrix, with the participation of the Audit Committee, which reports to the Board of Directors ([read more about Risk Management on page 24](#)).



## Competitive difference and opportunities

Hidrovias do Brasil's Business Plan, in commercial and competitive terms, is based upon the Company's business model which is, in turn, based upon the combination and synergy of a sustainable integrated logistics chain and commitments to sustainability ([read about this in more detail on page 33](#)).

The objectives outlined in the business plan, especially the long-term ones, are permeated by the potentials for growth offered by the transport infrastructure of South America and the geographical characteristics of the region. Or in other words, whilst highway transportation accounts for more than 60% of the South American logistics network, the waterways are privileged by the number of potentially-navigable rivers, such as those in the Amazon basin, the largest in the world, and the Prata basin, the second biggest in Brazil and one of the most important in Latin America for cargo transportation.

The differential of the waterway form of transport lies in its capacity to move different raw materials and products, whilst complementing other forms of transport, such as the railways, but being more advantageous in both economic and environmental terms. As an example of the positive impacts, it is worth remembering that just one of Hidrovias do Brasil's convoys of 25 barges can replace 1,200 trucks carrying the same volume of cargo. This means a significant reduction in fuel consumption, which consequently reduces the amount of greenhouse gas emissions.

Coupled with this differential is the potential offered by Brazil's waterways. According to the CNT (National Transport Confederation), in hydrographic regions, the country makes commercial use (i.e. for cargo and passengers) of just 19,500 km (30.9%) of the 63,000 kilometers available, which demonstrates the wealth of opportunities for expansion of the operations of Hidrovias do Brasil.

[Read about this in more detail in the Socio-environmental and Territorial Management chapter.](#)





# Results and targets

In 2021, Hidroviás concluded the planning of its sustainability strategy, with definition of its strategic operating directives. In May 2022, it published its Commitment to Sustainability, informing the public of its six commitments to having a positive impact aligned with the business and based upon which it is able to establish short, medium and long-term deadlines (that is, by 2025).



Achievement of practically all the bi-annual, short-term targets proposed has demonstrated the commitment and engagement of the different departments in seeking concrete results for our commitments, and thus leveraging Hidroviás' sustainability journey.

## Short-term targets (by 2023) and respective advances made in 2022

CLIMATE CHANGE	Approval of a detailed plan and budget with alternatives for achieving NET Zero by 2030	80%
	Consolidation of a carbon inventory (3 scopes) audited by a qualified body	100%
	Construction of two hybrid tugboats	100%
	Conclusion of a super-convoy conceptual project	100%
ETHICS AND TRANSPARENCY	Study for use of HVO in the davit tugboats used in the Southern system	100%
	Employee training on the anti-corruption policy	100%
	Definition of the system for registering institutional interactions	100%
VALUE CHAIN	Creation of a government relations procedure	100%
	Suppliers: Development of strategic supplier ratification (pilot) based on ESG criteria	100%
ENVIRONMENTAL IMPACT	Clients: Inventory of 100% of Northern System grain clients and influencing them to become signatories of the soybean moratorium	100%
	Diagnosis of particles, considered critical or irregular, in all of the company's operations - Northern System	100%
	Conclusion of a waste inventory and creation of an action plan containing indicators for reduction and disposal depending upon the category.	100%
LOCAL AND HUMAN DEVELOPMENT	Performance of a socio-environmental diagnosis of the operations and routes, in the territories where HBSA operates	100%
	Performance of a reputation study with the priority publics, by an independent agent (based upon the mapping of the stakeholders)	100%
EMPLOYEE HEALTH, SAFETY AND DEVELOPMENT	Definition of our strategy for ISP (Information Search Process) and expansion of the Institute's actions to all regions where the company operates.	100%
	Implementation of 100% of the occupational health and safety plan for 2022	100%
	Publishing of the new Recruitment Policy with quantitative and qualitative indicators for all selection processes.	100%



## Medium-term targets (by 2024)

### CLIMATE CHANGE

Measurement of the Internal Carbon Pricing (ICP) of HBSA's operations and inclusion of this value in the modeling of the projects  
 Qualification of the NET Zero 30 targets (plan to achieve zero net GHG emissions by 2030), according to the SBTi (Science Based Targets Initiative)  
 Implementation of the terminal for recharging batteries in the Private Use Terminal (PUT)  
 Operation of at least one of the Southern Fleet tugboats using HVO (Hydrotreated Vegetable Oil) as the primary fuel

### ETHICS AND TRANSPARENCY

Training of 80% of the target public in the institutional interaction procedure;  
 Implementation of a systemic registration of institutional interactions

### VALUE CHAIN

Getting 50% of strategic suppliers approved in the ESG criteria  
 Ensuring that 100% of grain clients in the Northern System are signatories, and that at least 70% present a certificate of adherence to the Soybean Moratorium

### ENVIRONMENTAL IMPACT

Implementation of controls for fugitive particulate emissions  
 Implementation of action plans, containing indicators and targets for reducing the generation of waste, and seeking disposal in line with the category

### LOCAL AND HUMAN DEVELOPMENT

Integration of the diagnosis into the management system, in line with the Equator Principles  
 Implementation of action plans for 100% of critical socio-environmental risks  
 Performance of research demonstrating an evolution of 20% from T0  
 Starting of social projects in partnership with the Government  
 Ensure that 40% of employee movement and promotions are made internally (except for specially regulated professions).

## Long-term targets (by 2025)

### CLIMATE CHANGE

Achieve the reduction targets for 2025 projected in the NET ZERO 30  
 Reduce the consumption of fossil fuels/NTK (net ton-kilometer) by 20%, according to the GHG Inventory (baseline 2021)

### ETHICS AND TRANSPARENCY

Provide an external Beacon of Transparency, outlining institutional interactions

### VALUE CHAIN

Get 100% of strategic suppliers approved in the ESG criteria  
 Ensure that 100% of grain clients in the Northern System are signatories and present a certificate of adherence to the Soybean Moratorium.

### ENVIRONMENTAL IMPACT

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

### LOCAL AND HUMAN DEVELOPMENT

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  
 Obtain formal recognition for contributions to local development in the areas where HBSA operates  
 Pursue two projects per territory encouraging the capacity to organize civil society.

### EMPLOYEE HEALTH, SAFETY AND DEVELOPMENT

Be recognized externally as a company that promotes the health, safety and well-being of employees (survey conducted by an independent agent)  
 Ensure that 60% of employee movement and promotions are made internally (except for specially regulated professions).



These targets are also accessible in the 2021 GRI Report, that can be found on pages 21 to 25 of the Sustainability Journey.



# Business models GRI 2-6

## FINANCIAL CAPITAL

R\$ 321 million invested.

## INTELLECTUAL CAPITAL

Computerized Operating System;

20 projects with the Cubo Maritime & Port innovation hub.

## MANUFACTURED CAPITAL

30+ tugboats;

450+ barges;

2 tailor-made ships;

Berths for receiving ships;

Piers for ships;

Tumblers;

The world's first hybrid tugboats.

## HUMAN CAPITAL

1,561 employees

1,700+ fixed and temporary outsourced workers

## NATURAL CAPITAL

Kilometers of navigable rivers and Brazilian coastline

## SOCIAL AND RELATIONSHIP CAPITAL

38 domestic and international clients

14,000+ investors;

9 priority relationship communities

1,000+ active and ratified suppliers

Associations and external initiatives - ABAG; ATP; Amport; CEBDS; Global Compact.

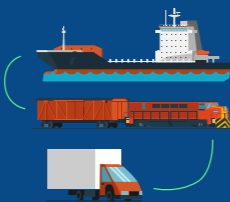
### Activities

Waterway transport



Operation of terminals

Cabotage services



Integration of logistics services

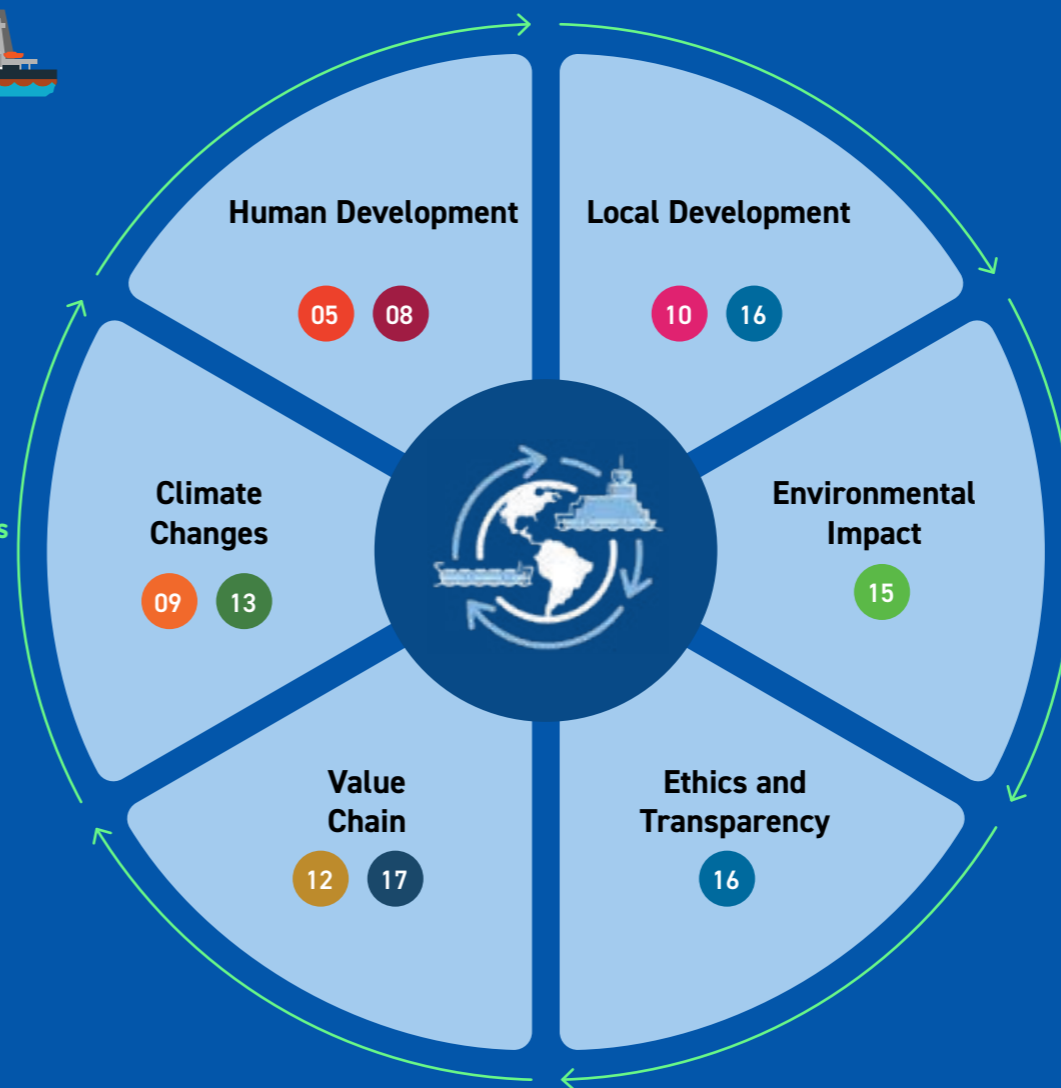
Transshipment activities

### Transported products

16.5 million

tons of iron ore, grains, fertilizers, bauxite and cellulose transported.

## Sustainable Integrated Logistics Chain + Commitments to Sustainability



- (+) 2,168 tons of carbon avoided through the hybrid operations;
- (+) Greater efficiency in the use of fuel;
- (+) Prevention of the fragmentation of habitats;
- (+) 1,136.9 tCO<sub>2</sub>e in Scope 2 emissions
- (+) Investment in solar energy;
- (+) Low consumption of natural resources;
- (-) Emission of particles, odor, noise and risk of accidents;
- (-) Accidents and serious injuries involving employees and outsourced workers;
- (+) 26.09% of women in leadership positions;
- (+) A score of 82 in the GPTW;
- (+) R\$ 1 million+ in social investment;
- (+) 1,561 jobs generated directly;
- (+) 1,000+ families positively impacted by socio-environmental projects
- (+) 74.71% of spending performed with local suppliers.



# Innovation and technology

In order to ensure the long-term sustainability of the business, the Company sees innovation and digital transformation applied to the activities, training, client services and other strategic fronts, as elements that are essential to maximizing its generation of value.

Founded with an innovative business model, with the intention of taking advantage of the shipping potential of South America as an efficient and sustainable mode of transport, Hidrovias was the first company in the world, together with Brazilian engineering and motorization partners, to create, hybrid tugboats, which are expected to begin operations in the waters of the Amazon region in 2023. This innovation will allow the operations to reduce CO<sub>2</sub> emissions by 1,168 tons per year, a sum equivalent to that consumed by 472 automobiles.

Furthermore, the company has addressed projects involving clean energy sources for its vessels, as well as projects involving solar

energy at its terminals. In relation to this, in 2022, of special note were viability studies for the use of Hydrotreated Vegetable Oil, instead of diesel, for the trunk tugboats operating in the Southern System, and the initiative involving the installation of photovoltaic panels at the Miritituba ETC (Cargo Transshipment Station) for the auto-generation of 15% of the total energy required.

**2,168**

tons of CO<sub>2</sub> avoided each year through the use of hybrid tugboats





# Innovation applied to integrated logistics

- Development of the world's first hybrid tugboats, which will begin operations in 2023.
- Use of more powerful and less expensive tugboats (azimutal technology) on the waterways of South America;
- Training sessions using virtual reality on the Northern corridor;
- Implementation of an independent, integrated system for the transportation of grains and fertilizers in the Northern Arc;
- More flexible assets, with the ability to maneuver in more restrictive draughts in the Paraná-Paraguay waterway.

In order to drive other projects that add value to the business, as well as strengthen the culture of innovation amongst the employees, Hidroviás has an Innovation and Technology Committee (ITC) composed of a multi-disciplinary team. The committee is focused on promoting initiatives that contribute to gains in productivity, with low investment, whilst at the same time boosting the commitments to sustainability. The body aims to propose and develop four projects each year, focused on these fronts and also on safety at work.

The Company also works with open innovation and, in 2022, joined the Cubo Maritime & Port, the first 'Cubo Itaú' innovation hub, focused on port operations and waterway and maritime cargo transportation. The aim is to jointly, openly and cooperatively facilitate the creation of solutions and technologies that allow for the evolution of the logistics sector and the Company's activities, responding to the challenges facing the transportation of large volumes of goods efficiently, safely and sustainably.

Furthermore, Hidroviás has a Research and Development (R&D) department that includes partnerships with large players in the market, and which is focused on innovative solutions. The department has established dialog with universities, setting challenges and handing out awards for proposals that contribute to innovations applicable to the business.



## A CULTURE OF INNOVATION

As well as the Innovation and Technology Committee (ITC), the Company encourages a culture of innovation through training and communication. In 2022, it hosted the 'G60', a meeting that involved the company's entire management team and which addressed digital transformation.

Furthermore, it invited professors from the University of California to speak about the leading innovations and technologies that have been developed around the world. The training sessions took place at the Hidroviás Academy's School of Innovation.



[Read more about this in Human Development.](#)





# 4

## Development of human capital

### IN THIS CHAPTER

GENERATION OF EMPLOYMENT

HUMAN DEVELOPMENT

DIVERSITY AND INCLUSION

HEALTH AND SAFETY AT WORK





**MATERIAL TOPIC**

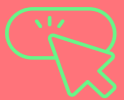
DEVELOPING PEOPLE  
OCCUPATIONAL HEALTH & SAFETY  
ECONOMIC PROSPERITY

**ASPECTS COVERED**

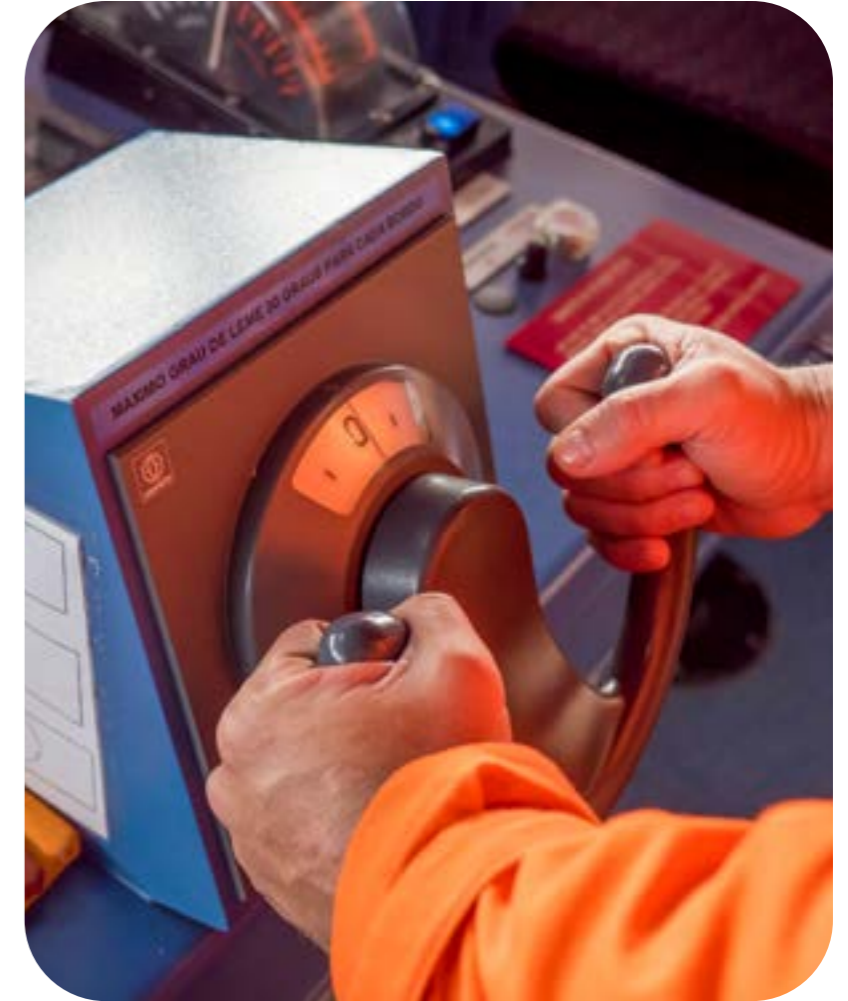
DIVERSITY AND HUMAN DEVELOPMENT  
HEALTH AND SAFETY  
GENERATION OF EMPLOYMENT AND THE ECONOMIC IMPACT

**COMMITMENT TO SUSTAINABILITY**

EMPLOYEE HEALTH, SAFETY AND DEVELOPMENT



Read about the 2022 results and the short, medium and long-term targets on page 36





# Generation of employment

GRI 3-3, 203-2

With operations in numerous regions in South America, Hidroviás prioritizes the local hiring of employees from the communities in which it is present, which has led the Company to count upon an ethnically and culturally diverse workforce.

In 2022, the Company had a total of 1,561 employees, an increase of around 17% in relation to 2021, with 100% being covered by collective bargaining agreements (the employees in Paraguay and Uruguay are protected by the labor legislation of their respective countries), for whom attraction, development and recognition actions were developed. Apprentices, trainees and maritime pilots made up another 40 employees.

The turnover rate for the period was 31.24 (29.49 in 2021), in line with the significant rise in the turnover rate across the market, which was 56% according to the General Registry of the Employed and Unemployed (CAGED) (read the full data in the GRI content indexes). However, special mention should be made of the growth of our workforce, since we closed 2022 with 16.8% more positions than in 2021, thus raising the total turnover rate. Taking into

account solely the dismissals, be they voluntary or involuntary, the rate was 24.1%. As well as investing in actions designed to improve the organizational, communication and development climate, thereby increasing the retention of employees, it is worth highlighting that the Company prioritizes the internal public in filling vacancies and, for 2023, it has set a target of ensuring that at least 40% of positions are filled internally, by means of the 'Evolve Program'. This means that whenever a new employee is needed, the aim is to move personnel around internally, thereby taking advantage of the profiles that already understand the company's culture, and increasingly encouraging greater pride in belonging. **GRI 2-7, 2-8, 2-30, 401-1**

The management of human capital is guided by directives that involve the promotion of an empathetic, integrative, diverse, inclusive and welcoming environment, in which people are encouraged to develop their own potential.

[Read the full data in the GRI content indexes.](#)

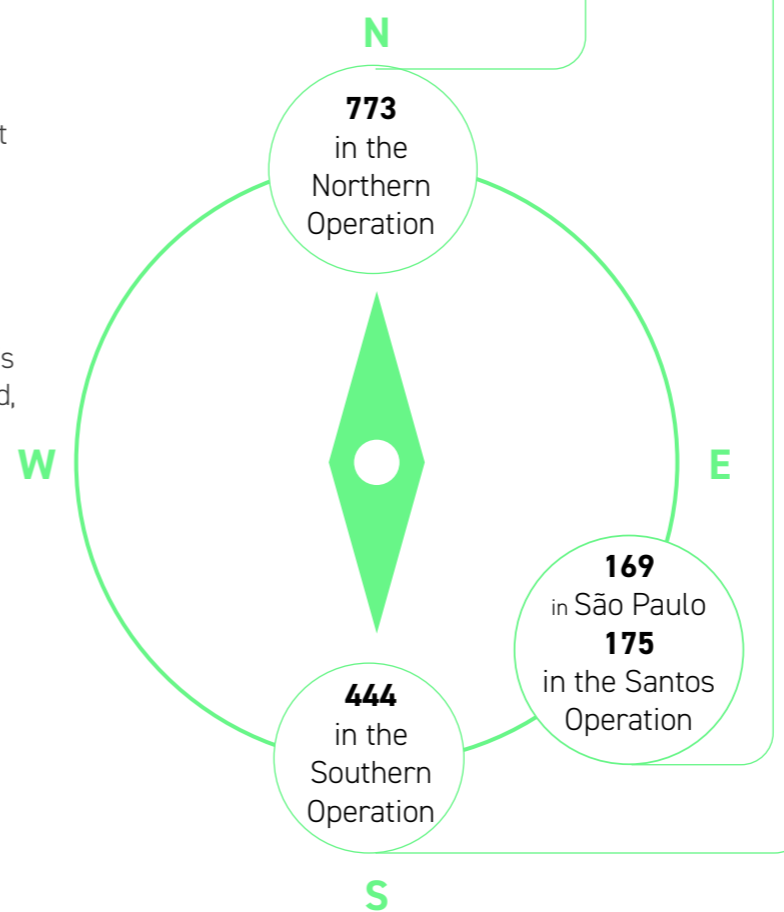


## WORKFORCE IN 2022

GRI 2-7



A TOTAL OF **1,561** EMPLOYEES





## Benefits GRI 401-2

With a focus on healthcare, physical and emotional wellbeing, safety, quality of life and the balance between the personal and professional life, the benefits offered by the company include: health and dental plans, life insurance, transportation or transport passes, an outpatients clinic at the operations, a canteen, luncheon vouchers/meals, encouragement of physical activity (subsidized access to gyms and sports centers through the 'Gympass Platform'), flu vaccinations, day-care, and maternity/paternity leave.

It should be stressed that Hidroviás complies with the Citizen Company Program (Law nº 11,270/2008). As such, maternity leave extends for six months and paternity leave for 20 days, with the leave being increased even further in cases of adoption. **GRI 401-3**

**In 2022, five women and 21 men enjoyed this benefit.**

[Read the full data in the GRI content indexes.](#)



### 'PAPO': EMPLOYEE SUPPORT PROGRAM

As a means of providing support for its employees and their families when facing periods of difficulty, such as emotional, financial or legal problems, alcohol or drug dependence, or interpersonal conflicts at work or at home, the Company has established the 'Papo' program.

This is an Employee Support Program, which involves support services in the form of a network of specialists including psychologists, psychiatrists, social workers and lawyers. The channel can be accessed free-of-charge, 24-hours a day, seven days a week, by calling a central '0800' number.





# Human development

SDG 3-3

Hidrovias' process concerning personnel management stretches from the attraction of talents aligned with the organizational culture, to the development of human capital by means of training sessions, evaluation cycles and recognition of the employees.



## Attraction and selection

For the selection of its employees, the company aims to recognize and appreciate the behavioral aspects and cultural alignment of the candidates. The selection process is performed online, providing opportunities for individuals who reside far from our offices or terminals, for those positions that do not demand the employee to be present physically.

The candidates are assessed by a Panel of Interviewers, with the participation of managers and HR professionals, who jointly decide on who should fill the vacancy. In order to provide the new employee with the best possible experience, the company has implemented the 'Bem-vind@ a Bordo' ('Welcome @board') program, which aims to provide them with support in the form of information on the Company's business and programs, thus ensuring that the employee is warmly welcomed and receives the best preparation to be able to begin their activities from day one. **GRI 404-2**

## Collective association

**GRI 407-1**

Hidrovias seeks to maintain a good relationship with the unions, with periodic meetings, even outside the annual salary readjustment negotiating period. The employees are encouraged to take part in the assemblies, and are allowed to take time off work without detriment to their salary. When the assemblies take place in distant locations, transportation is provided.

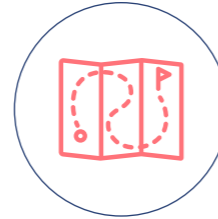
All requests from the union for the employees to be provided with company statements are fully complied with and union representatives have access to the company's premises. In relation to this, HBSA does not pursue operations in which the rights of workers to exercise freedom of association or collective bargaining may have been violated or may have run a risk of being violated. Furthermore, no suppliers were identified as being at risk of violating this right.



# Hidroviás Academy

GRI 404-2

To support the development of its employees, the Company has founded the Hidroviás Academy, an LMS platform upon which the company's in-person, distance and e-learning training is managed. The courses provided by the Hidroviás Academy are divided into learning environments, divided into paths with relevant content that meet the needs of all the different business areas.



## THE HIDROVIAS ACADEMY LEARNING PATHS

### Leadership and Business

This area focuses on training employees in process and personnel management, in order to prepare them for leadership positions and contribute to the business performance.

### Operational Excellence

This is oriented towards excellence in the development of processes and procedures, with a focus on results.

### Safety

This covers training on the regulations and practices of safety at work.

### Policies and Procedures

This involves the training of employees with a focus on our management system and compliance with the policies and procedures.

### Governance and Compliance

This area aims to guide the employees on issues that involve information security, the LGPD, risks and ethics, directing the behavior of each individual to preserve the integrity of our company.

### Technology and Innovation

This focuses on stimulating a culture of innovation, through training that encourages creativity and innovation in the business.

### Self-development

This space provides content designed to encourage behavioral development in different areas such as communication, collaboration and digital transformation.

### Welcome aboard

This program involves content for new employees to be able to better understand Hidroviás

### Sustainability

This area focuses on training in relation to the Commitment to Sustainability, as well as raising the awareness of the team on the importance of each individual's work in achieving the goals.

### Integrated healthcare

This aims to encourage the employees' healthcare and wellbeing.





The learning paths are made available on the digital platform, providing the employees with the autonomy to explore the learning tools. This tool provides required training sessions on themes such as ethics and integrity, health and safety, and operational excellence, as well as on strategic issues such as sustainability.

In 2022, 100% of the workforce participated in some form of training, representing an average of 46.36 hours of training per employee. For 2023, there are plans for a revision of the entire structure and content provided by the Hidrovias Academy, with a more strategic focus on training.  
**GRI 404-1**

Average number of employee training hours by employment category **GRI 404-1**

Employment category	2022
Senior Management	30.286
Superintendence Department	28.143
Management	34.250
Specialists   Coordination   Consultants	40.790
Analysts	24.409
Assistants   Technicians   Assistants	46.834
Operational staff	49.407
Ship crews	55.452
<b>Total average</b>	<b>46.368</b>

<sup>1</sup> The data management was updated in 2022. As such, there are no historical data for comparison.



**46.36**  
average hours of training



In partnership with the Academy, the Company offers a number of other programs for the improvement of skills, such as the 'Facilitators Program'. By means of this program, employees share their knowledge of the business and processes with others. They also support the training department to accelerate the development of employees and provide input for continued improvement.

For the management, there is the '360° Leadership Program', focused on providing training in the top level management of the company. Captains, commanding officers, coordinators and supervisors are trained to face the challenges of the business, with strategic thinking, quick decision making and respect for relations. Furthermore, those employees showing great potential can receive language education (English, Portuguese and Spanish).

**GRI 404-2**



[Complementary information can be found in the GRI content indexes.](#)



# Performance cycle

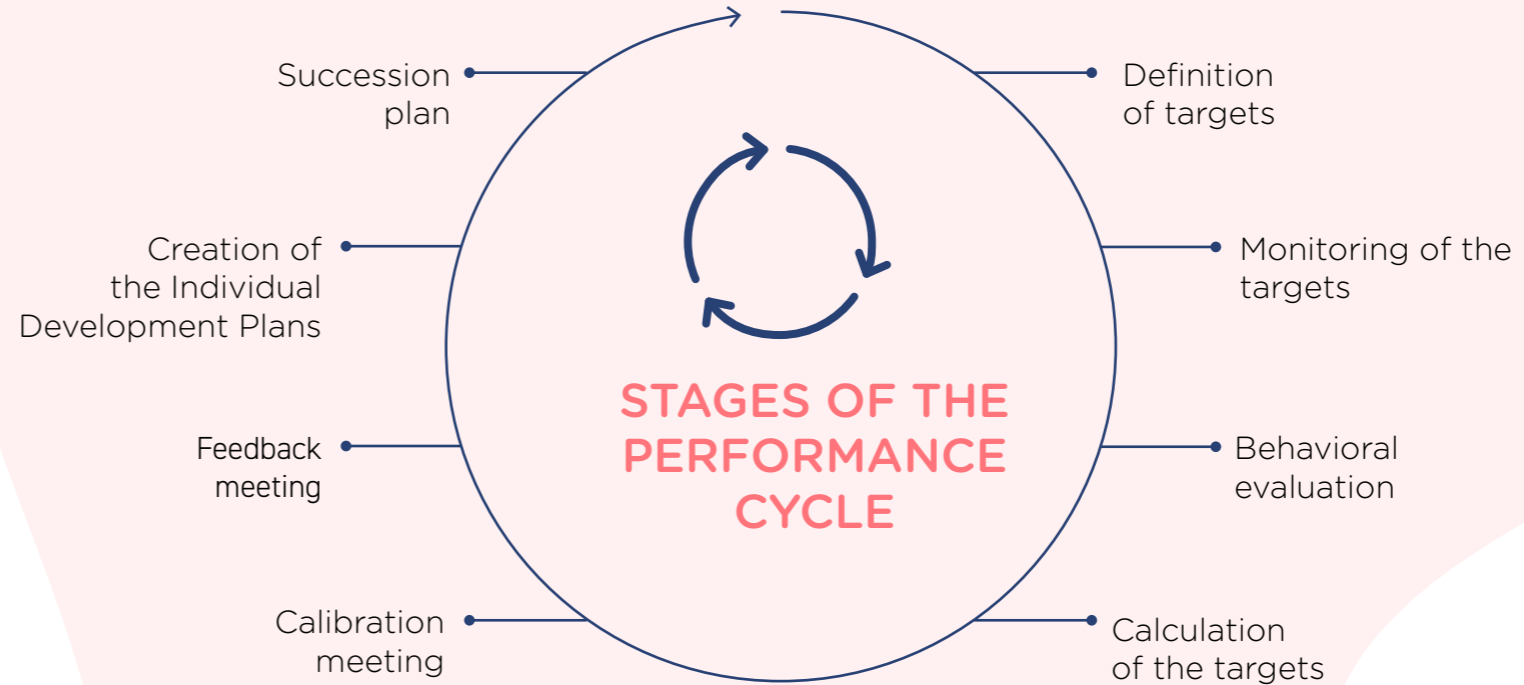
In order to evaluate its employees and ensure their development and alignment with the business values and strategies, Hidroviás has implemented a performance cycle. This involves a series of actions that support the management in monitoring the employees' annual performance, offering parameters for meritocracy.

The Company's global targets are defined each year, with the entire workforce being committed to achieving them. All the leaders also have specific targets relating to their direct challenges, depending upon their area of activity. These targets are shared with their respective teams and achievement is reflected in the payment of the annual bonus.

During the final period of each cycle, 100% of the employees are invited to take part in the 360° evaluation of the key practices expected. This tool allows the Company to identify the strengths and opportunities for development of each employee, with a vision that goes beyond simply direct management. The leaders are evaluated during calibration meetings with an approach based upon the '9-Box' methodology, conducted by a management committee that seeks to identify talents and guarantee recognition and development for the team, reducing subjectivity and supporting development feedback.

The results are used for the construction of an Individual Development Plan, agreed upon between the manager and the employee, with support provided by the Human Development team. The development cycle also contributes to the Company's succession plan. It should

also be stressed that besides the formal process, the employees are encouraged to request feedback whenever they feel it is necessary. The Company also has a critical positions plan designed to identify key roles to enable the subsequent development of action plans.



In 2022, 64.57% of the Company's workforce underwent a performance analysis. Of this total, 100% of the senior management, superintendents, and managers were evaluated; 98.20% of the specialists, coordinators and consultants; 97.67% of the analysts; 92.27% of the technical assistants and auxiliary workers; 96.38% of the operational employees; and 15.44% of the ship crews. **GRI 404-3**



[Read the full table in the GRI content indexes.](#)





# Recognition

As well as developing and evaluating its employees, Hidroviás prides itself on its acknowledgment of the team as a means of promoting an appreciative and encouraging professional environment. By means of the '**Valoriza Hidroviás**' ('Hidroviás Recognition') program, the employees recognize their peers, without any hierarchical distinction, for their attention to the established values: collaboration, continued growth, caring for the future, value creation, innovation, inspiration, integrity, and safety and excellence.

In 2022, Valoriza Hidroviás received 6,655 messages of recognition covering 44% of the workforce. As the seal of recognition, the winners in each principle received a financial sum for investment in training. It is worth remembering that, as well as this program, the Company has implemented other actions focused on recognition and the promotion of good actions performed by our employees. We ensure that professionals who are already part of the workforce are prioritized in the filling of opportunities, thus encouraging growth in the chain. The policy of participation in the results, meanwhile, offers financial recognition for the efforts that everyone makes for the company to achieve its goals. Furthermore, on our internal communication platform, all new employees are presented with a "**Bem-vind@ a bordo**" ("Welcome @board"). In the company's day-to-day activities, we announce the birthdays and hold parties for those celebrating birthdays that month. All those who complete one more year with the company, are mentioned in a special publication. In addition to this, there are always announcements of actions that highlight good practices, recognizing and thanking those involved for their work and celebrating records and achievements.



**6,655**  
messages of recognition for 44% of the workforce

## GPTW CLIMATE STUDY

Ensuring a motivational environment which is, at the same time, receptive and conducive to professional development is one of Hidroviás' premises. In order to assess the organizational environment, the Company takes part in the annual Great Place To Work (GPTW) study. The results are implemented into action plans designed to ensure continued improvement.

In addition to this, in order to consider the specific details of each location where the company operates, there are Climate Committees, made up of representatives of all the areas, which are present in all regions. The groups converse with the employees and exchange experiences, as a form of investing in initiatives and action plans in line with the local needs.

In 2022, the study presented an average GPTW score of 82 points, with special mention being made of the leadership's conduct (an average of 83), credibility (81), team (87), and

fairness (90), amongst other attributes. Pride in working for Hidroviás do Brasil received an average of 88 from the employees, which led to the Company occupying 8<sup>th</sup> place amongst the best companies to work for in Paraguay.

It should be noted that being an excellent place to work is one of the commitments assumed by the senior management. Hidroviás has been certified by the GPTW since 2018, and works with plans for improvement of the climate and the environment together with the management, in order to promote confidence in the relations, the creation of a positive environment, and appreciation of the team, thus raising the pride in belonging.

**Pride in working for Hidroviás do Brasil received an average of 88 from the employees, which led to the Company occupying 8<sup>th</sup> place amongst the best companies to work for in Paraguay.**



# Diversity and inclusion



With employees in different regions, Hidrovias sets itself apart by offering a diverse, inclusive and safe environment, which welcomes and encourages people's individual potential. Along these lines, the Company, besides not tolerating any form of discrimination, aims to develop actions that appreciate diversity and the inclusion of under-represented groups in its workforce.

In 2021, as a means of defining the focus of its activities, the Company undertook an internal census, based upon the Great Place to Work Climate Study, in order to understand the gender, racial and ethnic diversity of its workforce, and integrate this perspective into the commitment relating to the generation of local employment.

Amongst the actions undertaken in 2022, special mention should be made of affirmative hirings and the awareness raising of employees and managers with regard to unconscious bias. Efforts were also made to strengthen 'Evoluir', an internal recruitment program, and training activities were implemented for communities in the Northern Region, with the aim of bringing local people into the Company.

[Read more in 'Socioeconomic and environmental impact on the communities'](#)



At the end of the fiscal year, the company had 1,561 employees, with men making up 81.25% and women 18.75%, with women accounting for



**26%**  
women in  
governance bodies

26.09% of the governing bodies. In relation to race, 48% of the employees identify as Black or of mixed-race. The ratio between the basic salary and remuneration of women to men was 1.06 for senior management; 0.98 for superintendents; 1 for management; 0.98 for specialists, coordinators, consultants and analysts; 1,01 for operational employees; and 0.92 for ship crew members. **GRI 405-1, 405-2**



**1,561**  
employees at  
the end of 2022

In 2022, two cases of discrimination (one concerning sexual preference and another for racial discrimination) were identified through complaints made to the Ethics Hotline. Each were duly assessed and investigated, with one being deemed to have partial grounds and the other no grounds, respectively. Feedback was provided to those involved in the complaints, as was training on non-discrimination. **GRI 406-1**

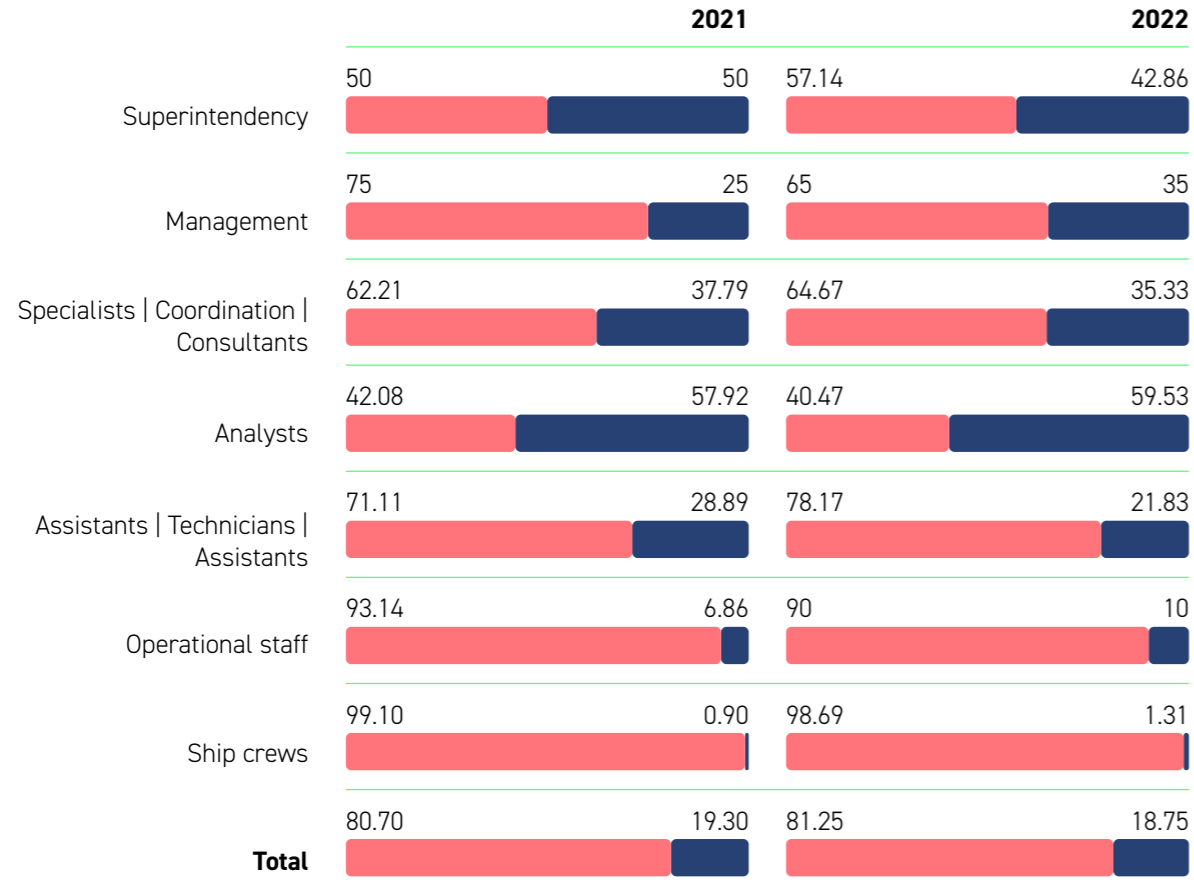
Individuals within the organization's governance organs, by gender (%)<sup>1</sup> **GRI 405-1**

		Members of governing bodies	
2021	Men	75	
	Women	25	
	<b>Total</b>	<b>100</b>	
2022	Men	73.91	
	Women	26.09	
	<b>Total</b>	<b>100</b>	

<sup>1</sup> Data from previous years unavailable in the form established for the 2022 report and those following it.



Employees, by employment category and gender (%) GRI 405-1



<sup>1</sup> Data from previous years unavailable in the form established for the 2022 report and those following it.



Percentage of employees from under-represented groups, by employment category (%)

	2021		2022	
	Black and Mixed Race	Other	Black and Mixed Race	Other
Superintendency	0	100%	0	100%
Management	13%	88%	18%	83%
Specialists   Coordination   Consultants	30%	70%	33%	67%
Analysts	62%	38%	40%	60%
Assistants   Technicians   Assistants	41%	59%	60%	40%
Operational Employees	18%	82%	76%	24%
Ship crews	61%	39%	40%	60%
<b>Total</b>	<b>45%</b>	<b>55%</b>	<b>48%</b>	<b>52%</b>

<sup>1</sup> The percentage of Disabled employees is zero, whilst data relating to the sexual orientation of the employees of Hidroviás do Brasil is unavailable.

Complementary information can be found in the GRI content indexes.





# Occupational health and safety

3 GRI-3

Promoting the health of the employees and ensuring a safe environment are fundamental and strategic elements in the exercising of Hidrovias' activities. These themes are included in the Integrated Management System (IMS), which covers 100% of the Company's units, and is structured to ensure full compliance with the ABNT NBR ISO 9001 and ABNT NBR ISO 14001 norms.

Only the Santos operation has an Occupational Health and Safety Management System certified by the ISO 45001, covering 100% of the unit's employees, who provide logistics services involving the receipt, storage and shipping of solid mineral grains, as well as other terminal activities. Considering all of Hidrovias do Brasil's occupational units, 6.4% of the employees are covered by a health and safety management system. **GRI 403-1, 403-8**

**The Integrated Management System (IMS) covers 100% of the Company's units, and has been structured to ensure full compliance with the ABNT NBR ISO 9001 and ABNT NBR ISO 14001 norms.**

## Integrated Management System

- Providing services of the highest standard in sustainability, quality, delivery time and logistical cost, aligned with the needs and satisfaction of the clients;
- Ensuring the partnership with suppliers and clients, in order to guarantee competitiveness in the areas involving its activities;
- Complying with the legislation and the applicable legal requirements;
- Protecting the environment and preventing environmental pollution;
- Providing safe and healthy working conditions for all the employees and outsourced workers, preventing injuries and health problems relating to work, and striving to eliminate hazards and mitigate risks in the operations;
- Ensuring consultation with the workers and their representatives and their full participation;
- Continually improving the efficacy and efficiency of the IMS;
- Ensuring the proper training and constant improvement of the employees;
- Promoting wellbeing at work and a good relationship with the community.



In relation to safety, specifically, the Company has an Occupational Health and Safety Management System. All the employees (and workers who are not employees, but whose work and/or location of work is controlled by the organization) are covered by the system, which is audited in locations that have certification, such as the Santos operation.

At those units that do not hold the ISO 45001 certification, norms and procedures are also followed in line with the best health and safety practices. The legal requirements and others related to health and safety are mapped whenever needed and integrated into the Company's risk management plans.

As part of the management of this issue, the Company has programs, such as the Risk Management Program (RMP) and the Occupational Health Medical Control Program (PCMSO), as well as an Internal Accident Prevention Commission (CIPA) - which is responsible for upholding the culture of safety and addressing actions designed to ensure the health, safety and well-being of the employees - and the Port Work Accident Prevention Commission (CPATP), at those operations where its presence is required.

The processes used to identify hazards and assess routine and non-routine risks, and to apply the hierarchy of controls as a means of eliminating danger and minimizing risks, are

currently under a process of review. Employees can report dangers and situations of risk by means of a tool named "*Ver e Agir*" ("See and Act"), which forms part of the Integrated Management System, and allows for risky conditions or behaviors, near-accidents and the right of refusal to be registered. **GRI 403-2**

Furthermore, the employees participate actively in the process involved in putting together the documents on conditions presenting a risk to health and safety and, by means of the '*Comunica*' channel, can send in suggestions for improvements to health and safety. The employees are also informed of any risks by means of the Work Permit and SSMA alerts, in Santos, and during the training sessions, all employees are informed of their protection against reprisals. **GRI 403-4**

Occasionally local actions are performed at the operations, with the participation of employees of companies and contracted workers, including Daily Safety Discussions and Weekly Safety Discussions. These are short meetings, lasting between five and ten minutes, when safety issues and matters specific to the operations are addressed, taking a preventative approach to deal with problems quickly and easily. The meetings are held for all the shifts of the operations, at different levels, under the coordination of the Safety Committee.

In addition to this, an Internal Occupational Accident Prevention Week (SIPAT) is held, along with forums and posts on the Company's internal social media network, with the aim of raising awareness on issues relating to health and safety at work. The employees' awareness of the golden rules and the most important points concerning safety are raised: use of Personal Protective Equipment (PPE) and Collective Protective Equipment (CPE), work permits, communication of incidents, training, the prohibited nature of alcohol and drugs, isolation and signposting of areas, organization and cleanliness, chemical products and energy blocking.

Periodically revised training is also provided for employees through the Hidroviás Academy, in accordance with the risks inherent to their activities. **GRI 403-5**

In 2022, Hidroviás recorded 12 accidents that required reporting, including one fatality of an employee with the Southern Operation, due to an accident with a vessel. As well as providing full support for the employee's family, the Company informed the other employees of what had occurred, investigated the accident and addressed plans for corrective actions, mitigation of risks and reinforcing safe behavior. The accidents were mainly related to trapped limbs, friction or abrasion, exposure to a power source, excessive force, impact from an object, falls and contact with high temperatures. **GRI 403-9**



The legal requirements and others related to health and safety are mapped whenever needed and integrated into the Company's risk management plans.



[Read the full table in the GRI content indexes.](#)



HBSA recognizes the potential risk of port and shipping operations and has begun a full revision of the way in which occupational safety is managed, in order to ensure that the issue is addressed from the perspective of a safety culture. In November 2022, with the support of a specialist consultancy, an assessment of the OHS management practices was performed, with the aim of evaluating the quality and efficacy of HBSA's occupational safety management, based upon the following guidelines: **GRI 403-7**

- **Managerial Commitment**
- **Management of the Safety System**
- **Labor Regulations and Procedures**
- **Planning of Safe Working**
- **Employee Training**
- **Protection Equipment**
- **Inspections and Maintenance**
- **Observations of Safe Working**

The first stage of the assessment involved a review and evaluation of the documentation related to health and safety management, including administrative, operating and safety procedures and the forms related to these procedures, as well as the minutes of the meetings of the safety committees.

The second stage included interviews with members of the senior corporate and operational management and their role and involvement in the management of the safety system. Finally, during the third stage, field visits were made to the Northern and Southern Systems and interviews were conducted with the local teams as a means of analyzing the quality and effectiveness of the application of the different health and safety procedures and programs.

As a result, strong points and opportunities for improvement were highlighted, totaling 34 recommendations that were transformed into an action plan, that is to be immediately implemented in 2023, with the aim of identifying and implementing barriers for the elimination of activities identified as being of high risk.

Furthermore, the Company has now established a procedure for the review of the organizational structure, with a vice-president responsible for all the operations, taking an holistic view to strengthening the integrated management of the transversal issues that are of most importance to the Company, such as occupational safety.



## PROCESSES FOR GAUGING THE EFFECTIVENESS OF THE MEASURES

- Senior management and specific local/operational committees for monitoring safety indicators and incidents;
- Continual evolution of the Integrated Management System, in line with international safe working management practices;
- Presentation and discussion of the action plans resulting from the investigations of high risk incidents within the Executive Committee;
- Analysis of targets and indicators, including incidents and accidents, divided into high, medium and low risk, rate of seriousness, absenteeism and work attendance;
- Investigations of accidents and monitoring of action plans;
- Perception of the safe working culture as a foundation for operational excellence.

By means of of the assessment, 34 recommendations were mapped and transformed into an action plan, which is to be immediately implemented in 2023.



## Promotion of health GRI 403-6

In relation to the promotion of the health and wellbeing of its employees, the Company offers access to an authorized network of doctors and healthcare professionals who attend to patients in clinics, hospitals and diagnosis centers. The Health Plan provided to the employees and their direct dependents offers nationwide coverage, always with private rooms if interned, regardless of their professional role.

Telemedicine services are also offered to the dependents of employees working in all the operations, as is a platform designed to encourage the practice of sports called the 'Gympass', involving partners that provide healthcare, and physical and mental wellbeing services to the participants. The Workers' Support Program also offers psychological, financial and legal support, 24-hours per day, seven days per week.

Also worthy of special mention is the "Correct Posture: health and ergonomics all the time" program, providing training and talks as well as content designed to ensure the employees' health and wellbeing during all their daily activities. The Company also has a calendar of health campaigns and the 'HB Health Program',

to help spread information on health and wellbeing issues.

The following activities are performed to identify possible risks to the employees' health: Risk Management Program, that includes the quantitative analysis of risks (noise, dust, heat, etc.); routine inspections of the work areas and an action plan for the mitigation of risks; and participation of the healthcare team in projects aimed at identifying opportunities for improvement and implementing actions focused on occupational hygiene and ergonomics. **GRI 403-3**

In 2022, there were no deaths resulting from work-related illnesses or cases of professional illnesses requiring communication. The main work-related illnesses identified were the loss of hearing caused by noise, injuries relating to the activities and work-related musculoskeletal problems. **GRI 403-10**



The Company offers access to a nationwide, authorized network of doctors and healthcare professionals who attend to patients in clinics, hospitals and diagnosis centers.



# Continuing improvement

To monitor, assess and promote the evolution of the Occupational Health and Safety (OHS) indicators, Hidrovias applies the following processes:



## GOVERNANCE

- **Internal governance:** Senior management (N1) and local/operational (N2) commissions, dedicated to monitoring safety indicators and incidents; Presentation and discussion of the action plans resulting from the investigations of high risk incidents within the Executive Committee.
- **External governance:** monitoring/awareness of the indicators by the Board of Directors, through the Operations Commission.



[Read more about this in Governance of Sustainability.](#)



## MANAGEMENT AND PROCESSES

- Continual evolution of the Integrated Management System, in line with international safe working management practices.
- Presentation and discussion of the action plans resulting from the investigations of high risk incidents within the Executive Committee.
- Analysis of targets and indicators, including incidents and accidents, divided into high, medium and low risk, rate of seriousness, absenteeism and work attendance.
- Investigations of accidents and monitoring of action plans.
- Surveying of all the high risk tasks, identification of the barriers necessary for the elimination of risk, or its reduction to low levels, and an action plan for the implementation of such by December, 2023.
- A public target for the training of 100% of employees in Occupational Health and Safety (8 hours of training per person).
- Training of the Company's senior management in the concepts of Occupational Health and Safety management in terms of the barriers to risk.



# 5

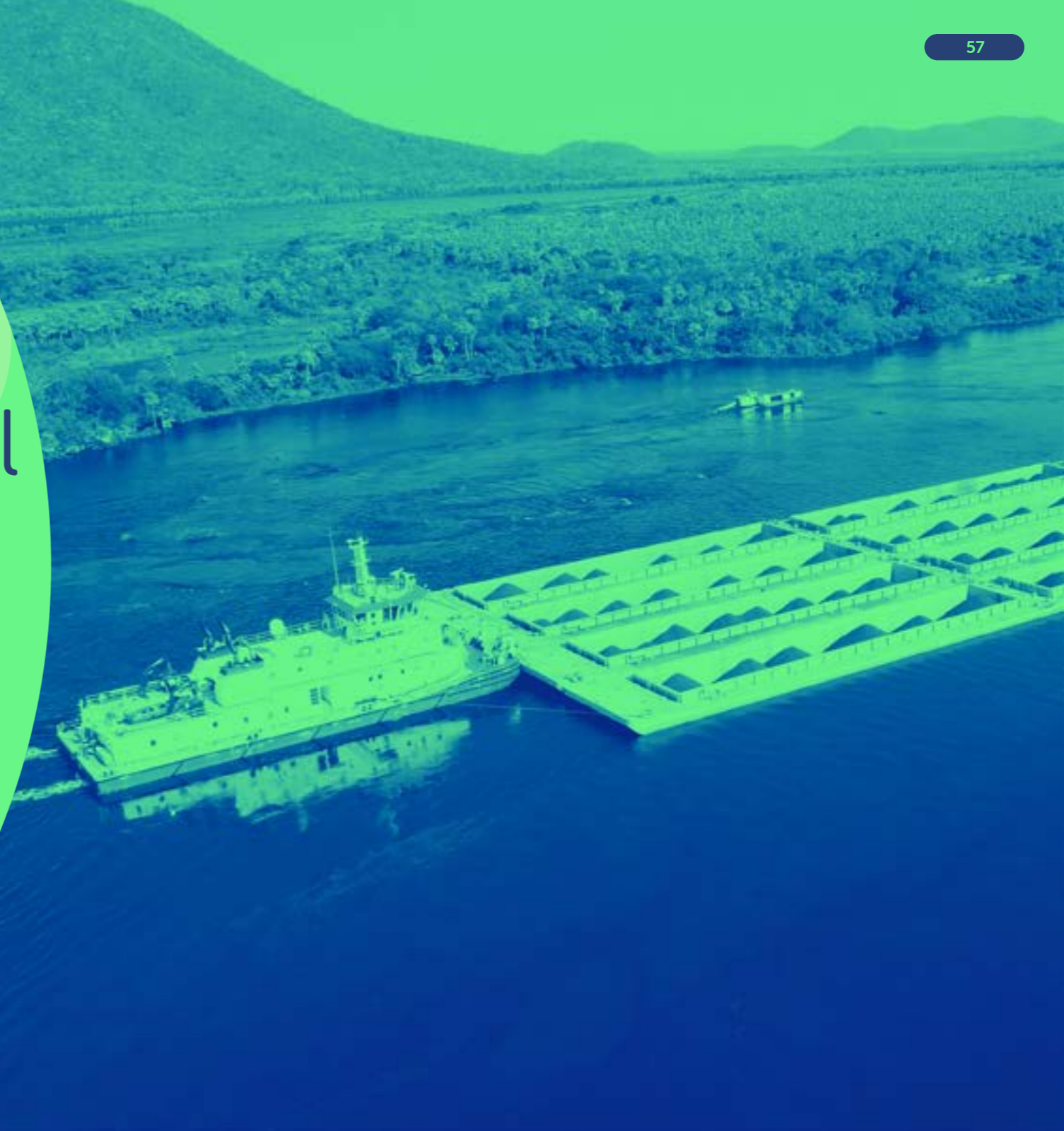
## Socio-environmental and territorial management

### IN THIS CHAPTER

SOCIOECONOMIC AND ENVIRONMENTAL  
IMPACT ON THE COMMUNITIES

BIODIVERSITY

WASTE





**MATERIAL TOPIC**

SOCIO-ENVIRONMENTAL AND TERRITORIAL MANAGEMENT

**ASPECTS COVERED**

SOCIOECONOMIC AND ENVIRONMENTAL IMPACT ON THE NEIGHBORING COMMUNITIES; BIODIVERSITY; TERRITORIAL AND WASTE PLANNING

**COMMITMENT TO SUSTAINABILITY**

LOCAL AND HUMAN DEVELOPMENT ENVIRONMENTAL IMPACT



Read about the 2022 results and the short, medium and long-term targets on page 36

# Socioeconomic and environmental impact on the communities

GRI 2-29, 3-3, 413-1

Eliminating or reducing negative impacts and maximizing the shared value creation for its stakeholders forms an essential part of Hidroviás do Brasil's values. In 2022, in order to optimize its contributions and promote even more strategic activities in the communities, the Company structured a social action directive which is aligned with the commitments assumed and best practices, and defined by socio-environmental standards such as the Performance Standards set forth by the International Finance Corporation (IFC).

Fundamental to the implementation of this new directive, the first Stakeholder Engagement Plan was developed by the company. The plan has served to establish a genuine and respectful dialog with the priority relationship communities neighboring the operations. As such, we have been able to systematize the identification and management of possible risks and impacts, as well as the anticipation and resolution of the communities' possible demands. Furthermore, the close dialog has enabled the co-creation, with each community, of real social transformation initiatives, by means of processes

of guided listening and the ongoing reporting of information to the stakeholders.





## Engagement plan GRI 2-29, 2-1

### Dialog

In order to strengthen the Company's relationship with its stakeholders, systematic and long-lasting relationship initiatives, based upon respect and confidence, are developed with the priority communities;

### Management of impacts

To establish a balanced and close relationship and maintain the "social license" to be able to operate, Hidroviás has an open dialog with its publics, thereby anticipating any possible risks and impacts caused by its operations that are addressed by projects, initiatives or programs designed to mitigate negative impacts and maximize positive ones;

### Social investment

Based upon the demands of the communities and the Company's focus areas of social activity - education, generation of employment and income, and local development - social transformation initiatives are developed and undertaken together with the communities.

The Company structured a social action directive in 2022 to maximize its contributions and promote even more strategic actions in the communities.

The dialog, impact management and social investment initiatives - priority conditions for our operations - engage with the Social Communication, Environmental Education, Social Responsibility and Monitoring of Fishing Activities Programs, as well as with the Combating Sexual Abuse and Exploitation of Children and Adolescents actions.

Furthermore, there are specific initiatives aligned with the Company's strategic directives that are developed in accordance with the demands highlighted through the engagement with stakeholders.



# Prioritization of territories GRI 2-29

The social action strategy is the result of a process that began in 2022 and involves the prioritization of territories, socio-environmental diagnoses, and the mapping of risks and stakeholders. The first stage consisted of marking out the area covered by the activities of the engagement plan, through the definition of priority areas.

Based upon this mapping of areas of interest, certain communities were prioritized, using different socio-environmental studies in the area of environmental licensing that the Company has already performed as a base, as well as the results of the analysis of socio-environmental risks, performed in 2021, and the readings of territorial dynamics undertaken by the Hidroviás do Brasil from 2022 onwards.

The communities located in these areas were identified, characterized and prioritized using a criticality matrix. A total of 65 priority communities were mapped, with 14 being classified as 'high-priority', 35 as 'medium', and 16 as 'low-priority'. For execution of the plan in 2022, six communities were defined as high-priority.

Also in 2021, the Company mapped and classified interested parties, these being those with a relationship with, and/or impacts related to, Hidroviás' activities. Once this process had been fine-tuned, the Company identified 391 stakeholders, including community leaders, municipal government representatives, the public prosecutor's office, partners, suppliers, port authorities and teaching institutions, amongst numerous others in Itaituba and Barcarena.

For the Santos and Southern operations, the detailed studies will be performed in 2023. In the preliminary stage of the study undertaken in Santos, 24 interested parties were identified, and in the South, considering that the Company has land operations in the region, but the activities are fundamentally water-based, Hidroviás opted to map and move forward with studies developed with the support of a strategic interested party, the Paraguaia Foundation, with which the Company undertook a social investment project in 2022 ([read about this in Social Investment](#)). There are plans for the engagement plan undertaken in the North to begin expansion in 2023, with new initiatives in other communities.



Image of Barcarena



Image of Itaituba



# Continual dialog

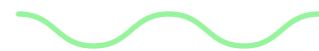
GRI 2-1, 413-1

Amongst the dialog actions outlined in the engagement plan are those aimed at mobilizing the community for meetings, presentation on different subjects, interactions, messages, participation in events, 'qualified listening', monitoring of different complaints and requests, communication of risks and the impacts of operations, and the offering of workshops for the implementation of new projects and actions, amongst others.

In the North, 2022 saw Hidroviás begin its engagement work which resulted in around 900 interactions with people in priority territories. A total of 48 meetings were held, focusing on the mobilization of leaders and presentation of the Company and its environmental management system. Workshops were also held with the aim of directing and monitoring social investment projects, based upon Hidroviás' activity axes.

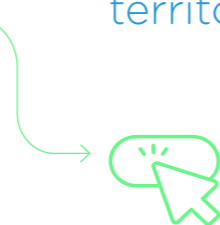
Also in 2022, Hidroviás made advances in its relationship with traditional communities, together with the National Foundation of Indigenous Peoples (Funai). In Itaituba, arrangements continued for the advancement of a study of the indigenous component. In 2022,

there were no records of violation of the rights of indigenous communities involving workers and/or communities impacted in the territories influenced by the operations. **GRI 411-1**



# 900

interactions with people in the priority territories



[read more in Social Investment.](#)





# Management of socioeconomic and environmental impacts GRI 2-25, 2-29, 413-1

The impact management involves both the management of the demands gathered through engagement with the interested parties, and a series of initiatives involving the availability of information on operating routines, environmental controls, personnel management and suppliers, amongst others.

The management of demands is performed through the "Alô Comunidade" (the company's Grievance Mechanism) external mechanism, which is managed by an independent, auditable company, seeking to establish an open and trusting relationship with the communities. This tool for communication allows the communities and other interested parties to register complaints, doubts or compliments by telephone, e-mail, messaging app, chat, mail or in-person.

Based upon the reports, the demand is registered and the person involved should receive an initial response within 48 hours. If the matter is not resolved during this period, the Company should explain the reason for the additional time necessary. There is a department specifically committed to defining and implementing the actions necessary

for resolving the matter, which will only be concluded once it has been brought to completion by the sustainability manager and communicated to the person who made the report.

## 'ALÔ COMUNIDADE' GRI 2-16

In 2022, 107 matters were raised through the 'Alô Comunidade' channel, an increase of more than 200% in relation to 2021, due to the actions of engagement designed to encourage the interested parties to use this tool. Of the matters raised in 2022, 36% were related to requests for support for events and/or donations.

### ACCESS

[www.canalconfidencial.com.br/ouvidoriahbsa](http://www.canalconfidencial.com.br/ouvidoriahbsa)

### Telephone numbers

**Brazil:** 0800-666-0653

**Barcarena and region (calls and WhatsApp):**

(091) 99169-9355 / (091) 99118-8046

**Itaituiba and region (calls and WhatsApp):**

(091) 99169-9355 / (091) 99311-2047

# Socio-environmental impacts

**GRI 2-29, 413-2**

In 2021, Hidroviás undertook a project to map its socio-environmental risks, which resulted in the identification of 117 risks, 42 of which were in the ETC operation, 36 in the PUT operation, 24 involving inland navigation, and 15 relating to shipping in coastal waters. In 2022, the risks were integrated into the corporate risk management processes, along with action plans. For 2023, there are plans for the socio-environmental risk management processes to be included in the Integrated Management System (IMS), which is audited.

As well as the socio-environmental risks that have already been mapped by the Company, the possible impacts mapped relate to the emission

[read more about Risk Management.](#)



[Read more details in the GRI content indexes.](#)





of dust particles, odor and noise, the increase in traffic, risk of accidents, a lack of dialog, and a lack of signposting on access routes.

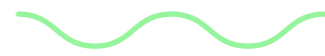
In order to mitigate these impacts, the Company has been implementing equipment, improving internal and external housekeeping and monitoring the environmental parameters to be able to meet legal requirements as well as the effectiveness of the control measures and performance of the environmental indicators. The Company also implements territorial planning initiatives, which include actions relating to operational and community safety, such as simulations.

Along these lines, of special mention is the Individual Emergency Plan (IEM) for operational activities developed at the Private Use Terminal and the Transshipment Station (ETC). This is a control and planning directive for emergencies related to incidents with oil pollution, involving prevention strategies and procedures and management of the environmental impacts caused in any possible emergency situations. In 2022, 450 people in Barcarena and 300 in Itaituba were advised of the IEM prior to enactment of the simulations in order to keep them informed of the activities.

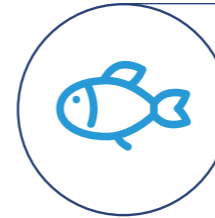
Other actions undertaken during the period, in line with the demands of the communities, involved the external cleaning of the wall and paths as part of the cleaning program developed

by the Private Use Terminal in Barcarena; monitoring of the provision of the transport route maintenance service at the Transshipment Station in Itaituba, involving installation of road safety devices, highway and drainage maintenance services, and vegetation pruning, amongst others; and the execution of a communication plan for management of operational impact, including dissemination of the Company's environmental management practices, reaching more than 800 people in Itaituba and Barcarena.

In 2022, air emissions assessments were deployed in order to diagnose and understand the emissions of the operational units, for the development of fugitive emissions inventories and the respective action plans for controlling and reducing these emissions. One of the projects currently being evaluated for implementation concerns the control of dust emissions at the PUT by means of the sprinkling of a product on the cargo at the time of its unloading from the trucks. This product — approved by the due control bodies — creates a type of "film" over the cargo and contributes to avoiding the spreading of dust when the cargo is moved from the moment it is unloaded from the trucks.



In 2022, diagnosis studies were begun in relation to the atmospheric emissions of the operational units, for the development of fugitive emissions inventories and action plans



### DESCRIPTION OF THE FISHING ACTIVITIES

In 2022, HBSA performed an assessment and diagnosis of the activities of the Barcarenas fishing communities, in Pará, as well as a preliminary diagnosis of the shipping, focusing on small and medium-sized vessels, in an attempt to identify its interactions with the shipping activities performed by the Company.

It was found that passenger transportation does not conflict with the shipping performed. The study contributed to the prior understanding of possible emerging conflicts between the economic activities and social groups related to traditional fishing and the shipping activities performed by Hidroviás.





# Social investment

GRI 2-29, 203-1, 413-1

More than mitigating its negative impacts, Hidroviás is committed to territorial development and social transformation in the communities in which it operates. As such, it implements voluntary social initiatives in communities in relation to the following areas: education, generation of employment and income, and local development.



The initiatives are developed following an engagement and understanding of the needs of the interested parties in the region. More than simply proposing ready-made solutions, Hidroviás is committed to the joint construction of projects involving the communities and local players.

In 2022, as part of the dialog actions and the communication plan, a workshop methodology was presented prioritizing the demands in accordance with Hidroviás' social action pillars. The workshops took place in the six priority territories and involved the participation of more than 200 people.

Based upon the workshops, the Company presented project proposals to residents' commissions located in each region to support and monitor the entire process of creation, approval and execution of the project proposed by Hidroviás. Over the course of the year, 16 updating meetings were held with the local commissions.

In 2022, as a fruit of these actions, Hidroviás began **15 projects**, five of which were concluded in 2022.

A total of **R\$ 4.7 million** was invested in social transformation initiatives.

Below are descriptions of the leading initiatives from 2022, aligned with the proposal of shared value creation, in line with the strategic investment pillars.



More than **1,000** people benefited



### PÉROLA D'ÁGUA

In relation to local development, special mention should be made of the 'Pérola D'Água' project, which grew out of the listening process used for mapping the demands of the Nova Miritituba community. Due to the problems related to the lack of water and complaints over its quality, this initiative, undertaken in 2022, aimed to increase the ability to supply water to 250 families, involving more than 1,000 people.

In partnership with a local business, a diagnosis was performed of the system engaged to supply the community and the necessary adjustments were mapped. As well as changing the equipment employed - pumps, plumbing, mains, etc. - and installation of new pipelines, a new well was installed to meet the community's supply needs. The project involved monitoring the indicators, as well as actions aimed at raising the awareness of the community in relation to water consumption. This project will continue to be developed over the course of 2023.



### EVERYWHERE HAS A STORY TO TELL

Undertaken in Itaituba, by means of a joint project with the local Education Department, this project aimed to contribute to the training of teachers from seven municipal schools, through the retrieval of the local culture and strengthening the ties with the inhabitants of the region, by means of interviews and the compilation of a storybook. Training was provided for 20 teachers, in the form of eight meetings, enabling them to support their students in conducting interviews and constructing narratives on their local histories.

The initiative, conducted by the '*Museu da Pessoa*' ('Museum of People') in 2022, is the fruit of a public notice published in 2021 and brings together the social investment initiatives in the area of education. A number of subjects were involved in this project, such as listening, empathy, creativity, writing and drawing. A total of 240 people, including teachers, students and interviewees in the community, were impacted, and more than 100 publications were distributed throughout the community as a way of appreciating the local culture.

**240** people impacted



## STRENGTHENING OF CIVIL SOCIETY ORGANIZATIONS

In the area of local development, in 2022, Hidrovias lent its support to Irapa (Reference and Support Institute for

Assistance Projects in Brazil), a non-profit institution which, amongst other activities, provides support for third sector organizations in the professionalization of their activities, thereby encouraging their autonomy and contributing to their long-term sustainability.

Spanning a period of 12 months, this project involved the identification of organizations and visits for selection of those Santos-based institutions that are to be impacted by the initiative. Four organizations were selected in line with the Company's pillars of social action, and assessments were performed to map the areas for improvement, resulting in the drafting of strategic, tactical and financial plans.

More than 200 meetings were held, during which themes were addressed such as organizational structure, and the construction of internal regulations and bylaws, amongst other topics able to provide the institutions with support. Another 22 meetings were held with the intention of providing training on different themes, including fund-raising, and legal and accounting aspects involving the third sector.



More than 200 meetings were held

### 'OLIMPIADAS DO SEMÁFORO'

Staged in Paraguay, in partnership with the Paraguaia Foundation, this initiative involved the training of high school students in the United Nations' (UN) 17 Sustainable Development Goals (SDGs) and the application of challenges designed to encourage them to propose practical actions that contribute to these objectives.

Workshops were also held focusing on preparation for insertion into the labor market, with themes covering the preparation of a curriculum, one's professional image and the use of digital networks, such as LinkedIn, to search for opportunities. A total of 17 workshops were held - one for each of the SDGs - and four labor market preparation sessions.

Held in 2022, following a public notice published in 2021, this action relating to the education pillar involved 690 participating groups, 13,000 students and 745 teachers. The three groups proposing the best actions relating to the SDG challenges were awarded trips to Brazil, with each group visiting a different region.



**67.96%**  
Stakeholder  
Perception  
Index

“

In 2022, Hidrovias performed a study amongst its stakeholders in the municipalities in which it is active, involving 1,200 in-person interviews and 94 with strategic publics.

”

## STAKEHOLDER OBSERVATORY

In order to establish one of its targets for 2022 ([read about this on page 36](#)), Hidrovias performed a reputation study amongst its priority publics, identified in the mapping of stakeholders, to gauge the effectiveness of its relationship with its target public of interest. The interviewees graded the importance of different attributes and evaluated Hidrovias' operations in relation to each of them.

The attributes considered to be of most importance by the interviewees were generally well evaluated, with special mention going to access to information, supplier relations, development of social and environmental projects, and generation of employment and income. The study, as well as contributing to the evaluation of the Company's activities, also provided input for the actions involved in the engagement plan.

<sup>1</sup> Recall is the complimentary procedure by which the supplier informs the public and/or possibly invites it to rectify any defects found in products sold or services provided.

### Sample and Target-public

1,200 interviews with residents of the towns of Assunção, Barcarena and Itaituba and the areas neighboring the Hidrovias installations

73% of those interviewed from the communities have a salary of up to two minimum wages

94 interviews with community leaders (9); suppliers (44); opinion makers (37); and investors (4)

### Attributes included

- Access to information
- Generation of employment and income
- Development of social and environmental projects
- Investment for improvements in the community and means of communication for the residents
- Relationship with suppliers, transparency and dialog with the community

### Recall<sup>1</sup> “Hidrovias Brasil”

Highlights for positive attributes: large company; good company; important company; development

Stakeholder Perception Index - SPI

67.96 - General SPI

67.89 - average of importance



# Biodiversity

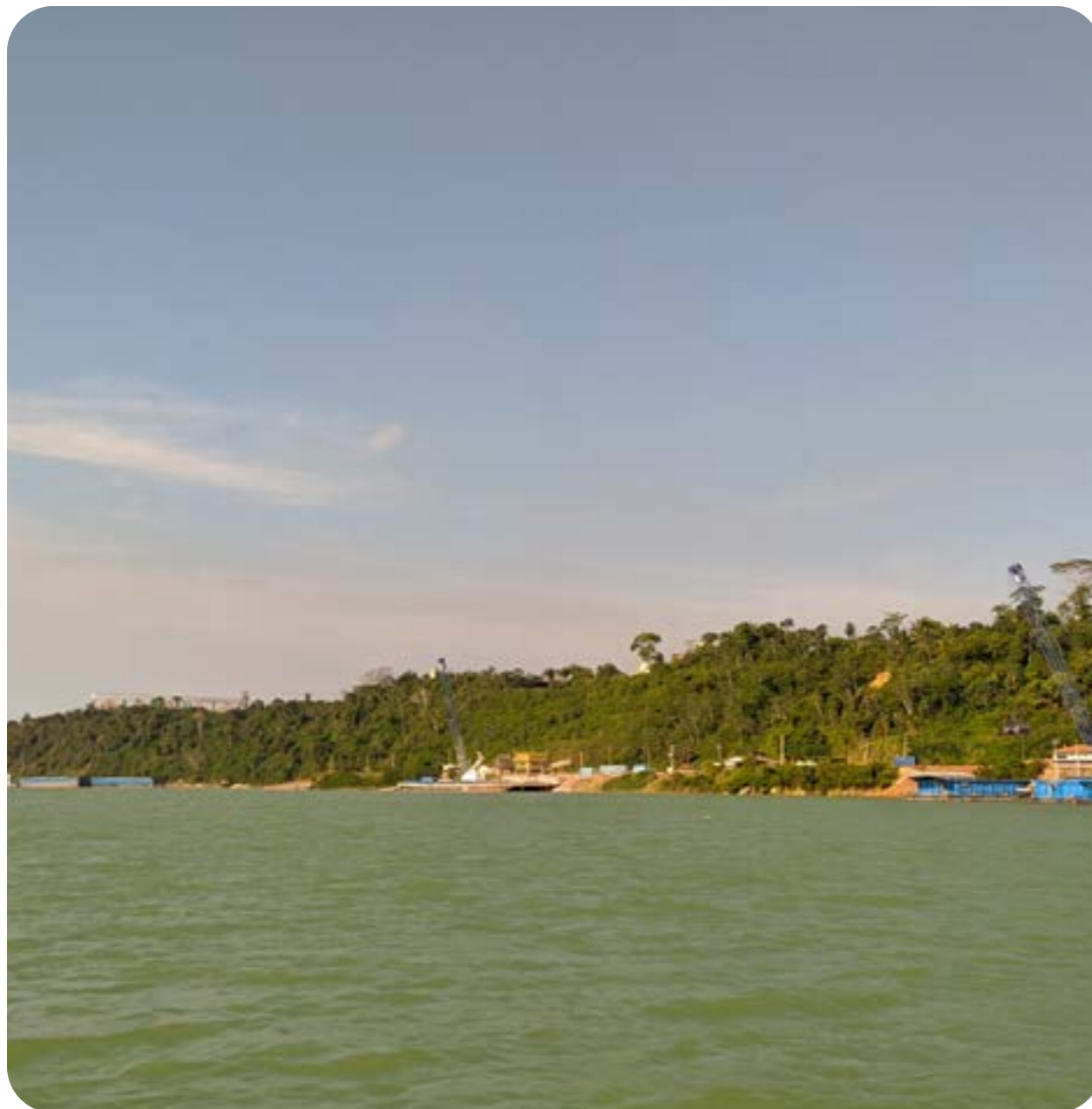
GRI 3-3, 304-2

With two assigned units in the Amazon Biome, Hidrovias, in the development of its activities, aims to understand and assess the local biodiversity and its ecological interactions, in order to mitigate negative impacts and work for the conservation of the local flora and fauna.

The socio-environmental programs that support the monitoring performed as part of the operations, as well as the assessment studies drawn up for new installations, aim to identify the duration of the possible impacts of the activities, including those that are cumulative. As HBSA has no deactivated or discontinued units, the Company believes that the impacts currently identified persist during the operational process.

The municipalities of Barcarena and Itaituba/ Miritituba, in Pará, are located within territories defined by the Environment Ministry as Priority Areas for the Conservation of Biodiversity. The ETC is located on the banks of the Tapajós River and has been classified as an area of "extremely high" priority. The PUT meanwhile, is located near the Pará River, a region classified as a "high and extremely high" priority, due to the access it provides to the Marajoara islands and since it represents an important route for the logistics system of Barcarena and the region.





During the phase devoted to the acquisition of the lands where the units were implemented, criteria was adopted which guarantees the lowest amount of intervention possible in conservation or protected areas, as well as the lowest environmental impact in relation to the physical, biotic and social attributes.

During the stage in which the vegetation was suppressed for the construction of the ETC, in Itaituba, species were selected and donated to local institutions for the creation of a germplasm bank. The wood that was removed was also donated. In Barcarena, there was no green area at the time of installation, which is safely distanced and interferes with neither the Alunorte or Marajá Archipelego Environmental Preservation Areas nor the Samaúma Private Natural Heritage Reserve.

Furthermore, in 2022, the Sustainability team developed a Procedure for the Summary Evaluation of Socio-environmental Risk and Impact for new projects. For new projects that require the suppression of vegetation, HBSA has included a specific compensation plan for each situation as early as the socio-environmental diagnosis studies phase as a minimum requirement.

In addition to the mitigation of impacts in the installation, the fauna is monitored in both the Pará-based operations, as established by the conditions of their environmental licenses. The

ETC has programs for the monitoring of land fauna, ichthyofauna and the hydro-biological communities associated with the Integrated Environmental Control Program (implemented jointly with the other Miritituba ETCs). At the PUT, meanwhile, the Company monitors the ichthyofauna and the hydro-biological communities associated with the Environmental Control Plan.

In all the operations, in order to avoid the accidental spillage of products being transferred from the vessels to the storage areas, different environmental and operational controls are planned and implemented right from the conception of the projects. These include the installation of burlap on the sides of the ships connected to the piers, enclosed conveyor belt structures, and exhaust and control systems on the belts, conveyors, entrances and exits of the storage facilities, amongst others.



**In 2022, the Sustainability team developed a Procedure for the Summary Evaluation of Socio-environmental Risk and Impact**



# Waste

Working to promote the reduction of waste generated and ensure its environmentally correct final disposal forms a part of Hidrovias do Brasil's sustainability strategy. As such, the focus of the management of solid waste is the reduction of environmental impacts, the continual improvement of processes for the non-generation of waste and the adoption of circular economy practices.

The significant impacts related to waste are outlined in the Matrices of Environmental Aspects and Impacts, which consider the specific characteristics of each operation, including aspects relating to the generation of waste and the operational controls for mitigating or eliminating them. In the value chain, although we do not work with the products that we transport, there is a generation of upstream waste with respect to these products (fertilizers and/or grains) when they have expired or lack specification. **GRI 306-1**

Within this context, Solid Waste Management Plans (SWMP) are developed which include actions focused on the non-generation, reduction, reuse, recovery and recycling of waste, as well as awareness-raising, actions and training for the operational teams. The operations in Brazil are in full compliance with the 'National System

of Information on the Management of Solid Waste' (SINIR) and are capable of meeting the requirements of the National Solid Waste Policy (Federal Decree n°.19,936, dated January 12, 2022).

All the waste arising from the operations are managed internally in accordance with the following phases: generation, separation, selective sorting and temporary storage. Whenever necessary, the waste is also characterized and classified. For the temporary storage, the operational units have paved, enclosed and identified areas to which the access of waste is tightly controlled but only once it has been identified and stored in the proper packaging. **GRI 306-2**

Furthermore, in accordance with the International Convention for the Prevention of Pollution by Ships, which aims to preserve the marine environment through the elimination of pollution by harmful substances, the Company's tugboats and ships have specially designed areas for the storage of solid waste. The waste generated is collected by specialist and duly licensed partners, which issue certificates on the transportation and final disposal.

In 2022, 1,379.5 tons of waste were generated, a reduction of 84% in relation to 2021. Of this total, due to the aim of ensuring sustainable disposal for 100% of waste generated in the operations, Hidrovias ended 2022 with its waste being disposed of in the following manner: 20% destined for recycling/reuse, 14% for energy recovery by means of blending and co-processing, 46% for composting, and 17% for incineration. **GRI 306-3, 306-4**

[Read the full tables in the GRI content indexes.](#)



# 6

## Responsibility in the value chain

### IN THIS CHAPTER

ORIGIN AND IMPACT OF THE TRANSPORTED PRODUCT  
MANAGEMENT OF THE SUPPLY CHAIN





# Origin and impact of the transported product

GRI 203-2, 3-3

Hidroviás believes that contributing to sustainable development means combining the forces of the different players. At the same time as it represents an important link in the value chain of its clients, being responsible for the transportation of their products, it seeks to encourage best practices in sustainability whilst assuming a commitment to influencing its clients to ensure that the origins of the transported products are deforestation-free.

Within this context, in order to ensure that 100% of its Northern System grain clients are signatories and hold certified adherence to the Soybean Moratorium by 2025, the company has established a short-term target to inventory its grain clients and address engagement actions relating to the Soybean Moratorium.

As of 2022, HBSA has contractually required all of its grain trader clients operating in the Northern Corridor to be signatories to the Soybean Moratorium.



## SOYBEAN MORATORIUM

The Soybean Moratorium involves an agreement entered into between non-governmental organizations, agribusiness and governments, establishing a commitment to the non-purchase of commodities originating from deforested areas.



### MATERIAL TOPIC

NURTURING THE VALUE CHAIN

### ASPECTS COVERED

ORIGIN AND IMPACT OF THE TRANSPORTED PRODUCT

### COMMITMENT TO SUSTAINABILITY

VALUE CHAIN



Read about the 2022 results and the short, medium and long-term targets on page 36







# Management of the supply chain

GRI 3-3, 203-2

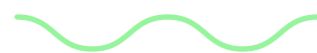
Hidroviás' commitment to sustainability goes far beyond its operations and extends throughout its supply chain. As well as engaging its clients, the Company aims to encourage its suppliers to adopt responsible socio-environmental practices.

The Hidroviás do Brasil operations involve more than 1,000 active and ratified suppliers, divided between a number of different categories, including services and products, foodstuffs, maintenance, information technology, communication, marketing, consultancies, facilities, grain classification and certification, corporate activities, equipment, engineering and construction, fuels and energy, transportation and leasing, amongst many others. The suppliers are classified according to their importance to the business, with the most strategic, whose activities directly impact the Company, being classified as "critical". **GRI 2-6**

Being committed to the generation of a positive impact and operating in regions located far from large centers of population, Hidroviás constantly seeks to develop the local market in

the communities where it operates, including the chain of suppliers. In 2022, 74.47% of purchases were made locally, in regions where Hidroviás has an operational base. **GRI 204-1**

In 2022, due to the challenges imposed by the Covid-19 pandemic, which had still not come to an end, the Company sought ways of working more closely with these challenges and opened a channel for the exchange of information on the Coronavirus, aiming to identify risks of transmission and mitigate failure to make deliveries, considering that its activities were classified as essential.



**1,000**  
active and ratified suppliers

**74.47%<sup>1</sup>**  
of purchases are made in the regions where HBSA operates



Proportion of spending budget on local suppliers (%)<sup>1,2</sup> **GRI 204-1**

Operational units	2022				All the regions in which HBSA operates <sup>2</sup>
	Pará region	São Paulo region	Paraguay region	Uruguay region	
% of budget spent with local suppliers <sup>2</sup>	59.94	57.17	73.34	42.74	59.10

<sup>1</sup> For calculation of the percentage of the total value (of all the operations) involved in local purchases, the total sum expended with suppliers in the regions in which HBSA is active was considered against the company's total expenditures.

<sup>2</sup> For calculation of the percentage of the value per region, HBSA's operations in each region were consolidated and the expenses with suppliers of the same region were calculated against the total expenses in the region.



## Ratification based upon ESG criteria

To ensure an alignment of values, Hidroviás' business partners sign an agreement by means of which they promise that their day-to-day business practices are consistent with the Code of Conduct and Ethics relating to health, safety, social responsibility, human rights (combating prostitution, any form of sexual exploitation, and child or forced labor), the environment, quality and ethics.

In addition to this agreement, in 2022, the Company made important advances in relation to the short-term target of developing and ratifying a supplier strategy, in pilot-form, based upon environmental, social and governance (ESG) criteria, and managed to ratify three strategic suppliers. Managing to go beyond the target was the result of a journey that has involved the stages outlined below.

1

### DEFINITION OF CRITERIA

By means of an analysis of the internal context, the literature, benchmark studies and exchanges of experiences, the criteria considered in the ESG 1.0 questionnaire (relating to the culture and strategy, the risk and sustainability management system, ethics and transparency, environmental management, legal requirements, social management, dialog and engagement, social capital and innovation) were defined for application to the strategy suppliers. The intention of this is to be able to continually improve the tool as new information is raised and understood.

2

### MOBILIZATION OF SUPPLIERS

Once the criteria had been defined, a plan was created for engagement of the strategic suppliers on the theme. A Commitment to Sustainability in the Value Chain workshop was held, at which the questionnaire was presented and the suppliers were invited to participate in the ESG Sustainable Partner Seal 1.0 journey, recognizing the best practices in the Hidroviás supply chain.

3

### SELECTION AND RATIFICATION

Fifty strategic suppliers were invited to attend the workshop, and of this total, 21 responded to the ESG questionnaire. Hidroviás provided feedback in the form of action plans designed to achieve compliance on the identified point requiring improvement. Of the 21 suppliers which completed the questionnaire, five were selected for analysis by the regulatory and sustainability departments, of which three were ratified and awarded the Sustainable Partner Seal, during a presentation that took place at the event.



21 responded to the ESG questionnaire



The relationship with the suppliers is conducted through the Registration and Ratification Portal. In 2022, improvements to the digital tool were made, meaning it now hosts the Privacy Policy, compliance training and the reputational analyses of suppliers, performed depending upon the supply category and the reply given by the supplier in the registration portal. This analysis, which was previously performed manually, is now performed by the Compliance department, using the tool.

By means of the portal, the suppliers are classified and ratified depending upon their supply category and the risk of the appointment. The supplier may undergo quality, safety and environment evaluations, as well as assessments of their financial aspects. Exceptions (such as banks and public organizations, for example) are outlined in internal procedures and registered less stringently by the department responsible for contracting the partner.

In 2022, of the total 376 new suppliers considered for contracting, 312 (82.98%) were selected using social criteria as a base, and 32 (8.15%) using environmental criteria. The suppliers selected using environmental criteria as a base are those which work on environmental activities mapped by HBSA. Due

to the measures adopted, it should be stressed that the company does not undertake operations with any significant risk of the internal occurrence of child, forced or compulsory labor, and similar demands are made of its supply chain **GRI 308-1, 408-1, 409-1, 414-1**

In addition to ratification, it should also be stressed that the critical suppliers are further checked in the form of an annual performance evaluation, which takes into account aspects such as delivery, quality and safety. Based upon this analysis, decisions are taken regarding whether the partner is to remain in the service of the Company, whether they are to be monitored as part of an action plan, or replaced, in the event of irregularities.

Hidrovias began its process with a critical study of the legal requirements, and adopted aspects of sustainability with a bias of influence and joint construction with its partners. For the coming years, the aim is to ensure continued improvement in the management of the suppliers, with evolution of the processes as and whenever necessary.

In 2023, it is expected that the ratification based upon ESG aspects will be expanded to include the Southern System, with the pilot ratification of a strategic supplier, followed by the definition of new suppliers which will be provided

with the questionnaire, with the subsequent application of action plans and awarding of the Sustainable Partner Seal in Brazil. A review of the questionnaire is also being planned for the coming years, with the inclusion of new ratification criteria, and the evaluation of suppliers' performance, with the added inclusion of specific environmental and social criteria. The target by 2025 is to ratify all new critical suppliers based on ESG criteria.



In 2022, of the total of 376 new suppliers considered for contracting, 312 (83%) were selected using social criteria as a base.

## 7

# Climate strategy

**IN THIS CHAPTER**

CLIMATE CHANGE AND OUR CONTRIBUTION

MANAGEMENT OF EMISSIONS

ENERGY EFFICIENCY





**MATERIAL TOPIC**

CLIMATE CHANGE AND OUR CONTRIBUTION

**ASPECTS COVERED**

ENERGY EFFICIENCY AND EMISSIONS

**COMMITMENT TO SUSTAINABILITY**

CLIMATE CHANGE

EMISSIONS OF GREENHOUSE GASES

ENERGY EFFICIENCY



Read about the 2022 results and the short, medium and long-term targets on page 36





# Climate change and our contribution

GRI 3-3

According to the World Economic Forum (WEF) climate change is one of the most pressing global risks and will more than likely severely impact a number of different countries and business models. Due to this situation, Hidrovias has taken an approach to climate that is guided by the recognition of the resilience of its business and with the aim of mitigating those aspects that contribute to climate change.

Specifically in relation to mitigation, the Company operates with the waterways system, which is considered to be carbon efficient, since its greenhouse gas emissions are lower than other forms of transportation, such as highways and railways. In addition to its business model, the Company has established targets regarding decarbonization, which involve projects for the reduction of emissions, as well as management and control of these indicators (read more in [Management of emissions](#) and [Energy efficiency](#)).

With regard to the resilience of the business in the face of climate change, Hidrovias conducted a study in 2022, with support from an external specialist, to gauge the exposure of its operations. The study aimed to evaluate the company's business plan and how the scenarios of global warming and climate change affect Hidrovias' operations in the long-term, as well as what measures would be necessary and strategic in terms of investments, operational adjustments and re-planning. **GRI 201-2**



As well as operating as part of a carbon efficient system, Hidrovias conducted a study in 2022 to gauge the exposure of its operations to climate change.

## The study's approach



Evaluation of the exposure of the operations to physical climate risks and transition



Analysis of the implication of the scenarios on the operation and on competitive standing



Quantification of the impact on profitability



Identification of business opportunities and a reevaluation of the strategic options



# Risks and opportunities relating to climate change

GRI 201-2

## EXPOSURE OF THE OPERATIONS TO PHYSICAL CLIMATE RISKS AND TRANSITION

### Risks



The most pressing climate risks (physical and transition) are related to drought, fluctuations in the price of carbon, and the increased cost of fossil fuels.

## ASSESSMENT OF THE IMPACT ON PROFITABILITY

### Risks



In those scenarios involving climate policies, the leading risks are associated with navigability and fluctuations in the price of carbon. However, the company's gross margin is not affected a great deal over the next 10 to 15 years. The long-term effects will depend upon the climate scenario and the company's capacity to pass on costs.

## IMPLICATION OF THE SCENARIOS ON THE OPERATION AND ON COMPETITIVE STANDING

### Risks



There is a consensus in relation to an increase in the number of consecutive days without rainfall, impacting the quality of the conversion of rainwater into water flow, and, consequently, the behavior of the rivers.

The Paraguay River, where the company operates, is showing a tendency towards a reduction in the level of the draught, a lower volume of rain and an increase in the number of consecutive days without rainfall.

The flow capacity in the Southern corridor could suffer variation, within a scenario whereby current policies are maintained.

The price of carbon will be a factor in scenarios involving the implementation of climate policies. Furthermore, the price of fuel varies in different scenarios, depending upon the demand, supply and application of climate policies.

### Opportunities



There is no evidence of any variation in the annual volume of rainfall in Brazil.

There is no suggestion that the terminals in the Northern region will be flooded.

If necessary, Hidrovias will seek to implement ventilation systems driven by electricity from renewable sources in its operations, as a means of guaranteeing the proper storage of grains, thus minimizing the impact caused by the increase in extreme temperatures.

The volume in the Northern corridor is positively affected by shifts in the international demand for grains.

As a low carbon logistics provider operating within the scenario of economic transition, HBSA has the opportunity to contribute to the global efforts to limit the rise in the temperature of the planet to 1.5°C, as established by the Paris Agreement.



# Management of emissions

The waterway transportation system is an important alternative for contributing to the global challenges and for meeting Brazil's targets relating to the actions designed to mitigate climate change. The system is a more efficient option in the use of fuel per ton of cargo transported, which contributes to a lower impact in relation to Greenhouse Gas (GHG) emissions compared to the other forms of transport.

As well as operating under this model, the management of GHG emissions and the mitigation of impacts form an integral part of the Company's strategic planning, which includes reduction targets and initiatives to make it Net Zero by 2030.

To support this strategy, Hidroviás has a Greenhouse Gas Emissions Management Program, that includes a series of initiatives, such as training sessions, engagement meetings, audits, target monitoring, implementation of mitigation and offsetting projects, and internal and external reporting, amongst others.

Hidroviás' greenhouse gases inventory is checked by a third party and published in the Gold category of the Brazilian GHG Protocol Program<sup>1</sup>. As well as this, the 2022 inventory is to be published in the CDP<sup>2</sup> in 2023, which backs up Hidroviás' commitment to the transparency of its information.



## A carbon-efficient operation

**Each convoy, typically consisting of 25 grain-carrying barges, for example, corresponds to the removal of approximately 1,000 trucks** from the highways, with the consumption of 100 L/100 NTK (net ton kilometer) of diesel against 130 L/100 NTK of IFO (Intermediate Fuel Oil) or MGO (Marine Gasoil).



## Hidroviás do Brasil

**0.05 grams of CO<sub>2</sub>** equivalent per net ton kilometer, considering Hidroviás' Scope 1 and Scope 2 emissions in 2022.

In 2022, the Company recorded total emissions of 403,480.45 tCO<sub>2</sub>e, 52.3% of which were direct emissions (Scope 1), 0.21% were emissions relating to the consumption of electricity (Scope 2), and 47.5% were indirect emissions (Scope 3). **GRI 305-1, 305-2, 305-3**

The emissions that showed a significant reduction were those relating to Scope 2, which dropped 1,134.33 tCO<sub>2</sub>e in 2022. By analyzing the annual benchmarking report presented on page 81, it is possible to note that the reduction of Scope 1 and 3 emissions was negative, due to the growth in the company's activities in 2022. **GRI 305-5**

<sup>1</sup> GHG Protocol: The Brazilian GHG Protocol Program is an initiative developed by 'GVces' (Getulio Vargas Foundation Center for Sustainability Studies) that aims to record and publish Greenhouse Gas Emissions Inventories on a Public Emissions Record platform.

<sup>2</sup> CDP: Carbon Disclosure Project - a platform allowing investors and companies to announce climate changes and environment-related information.





Hidrovias' emissions intensity indicator is calculated by dividing the greenhouse gas emissions by the total tons of products transported, multiplied by the number of kilometers traveled by our vessels (NTK). In 2022, taking into consideration Scopes 1 and 2: 0.05gCO<sub>2</sub>e/NTK and 0,09gCo<sub>2</sub>e/NTK combining Scopes 1, 2 and 3. **GRI 305-4**

For the coming year, in line with the company's sustainability commitments, a diagnosis is being developed of the emission of particles across all the Company's operations. Furthermore, HBSA undertakes periodic monitoring to identify the sources and levels of pollution and atmospheric emissions in different categories. Based upon these data, action plans are developed to eliminate, reduce or mitigate possible impacts. **GRI 305-7**



**In 2022, Hidrovias registered**  
**0.05gCO<sub>2</sub>e/NTK**  
**in relation to Scope 1 and Scope 2 emissions**

[More details can be found in the GRI content indexes.](#)



Greenhouse gas emissions (tCO<sub>2</sub> equivalent) **GRI 305-1, 305-2, 305-3**

	2022
Direct emissions of greenhouse gases (Scope 1)	211,045.79
Indirect emissions originating from the acquisition of energy (Scope 2)	874.16
Other emissions of greenhouse gases (Scope 3)	191,560.50
<b>Total GHG emissions (t CO<sub>2</sub> equivalent)</b>	<b>403,480.45</b>

Greenhouse gas emissions (tCO<sub>2</sub> equivalent) **GRI 305-1, 305-2, 305-3**

	Scope 1		Scope 2		Scope 3	
	2021	2022	2021	2022	2021	2022
<i> Holding company</i>	115	22	12	8	828	565
PUT	2,465	1,556	1,199	510	42,495	90,635
Shipping	40,913	48,211	0	0	2,543	2,592
ETC	731	587	729	335	68,300	96,647
Cabotage	30,439	34,926	0	0	694	677
South	83,233	119,044	18	3	108	140
Santos	152	6,699	52	18	40	303
<b>Total</b>	<b>158,049</b>	<b>211,046</b>	<b>2,011</b>	<b>874</b>	<b>115,009</b>	<b>191,561</b>



# Energy efficiency

Energy efficiency forms an integral part of the targets and actions established by Hidroviias to combat climate change. Given the nature of the Company's activities, the total energy consumption relates to the use of renewable energy originating from the acquisition of electricity and the consumption of fuels, with the highest levels of consumption arising from Scope 3 activities (indirect), followed by Scopes 1 and 2 (direct emissions and consumption of electricity).

The biggest factors in energy consumption are associated with the renewable consumption of fuels in the company's own tugboats, ships and mobile equipment used to transport Hidroviias goods (Scope 1), and with the consumption of

In order to reduce its impacts, the company has invested in electrifying the fleet, with the world's first hybrid tugboats.

diesel, used to receive and distribute goods in the Northern System (Scope 3).

Within this context and in order to reduce its impacts, the company has invested in enhancing the fleet, with development of the world's first hybrid tugboats.

During the reported period, the total electricity consumed was 2,468,599.72 GJ, with the energy intensity being 0.15 GJ/ton of product transported (including fuel and energy). There was an increase in consumption compared to the previous year, due to the increase in the capacity and volume of products transported, which achieved the record sum of 16.5 million tons in 2022, as well as the beginning of operations in Santos. **GRI 302-1, 302-3, 302-4, 302-5**



Total energy consumed (GJ)<sup>1</sup> **GRI 302-1**

	2022
Fuels from non-renewable sources	2,393,389.73
Energy consumed	75,209.99
<b>Total</b>	<b>2,468,599.72</b>

<sup>1</sup> There is no record of consumption of fuel from renewable sources in HBSA's operations, nor any record of energy sales.

# 8

## Business performance

### IN THIS CHAPTER

ECONOMIC AND FINANCIAL PERFORMANCE

OPERATIONAL PERFORMANCE





# Economic and Financial Performance

## GRI 3-3

Hidrovias do Brasil ended 2022 with record results in the most important corridors in which it operates, reflecting the solid competitive standing and strategic differentials of its operations. This result, in direct alignment with the company's sustainability journey, is directly related to the other capitals, such as Social and Relationship, where the actions impact clients, employees, investors and communities. Below, we present the main indicators related to the year's economic and financial performance.

### EBITDA



# 756.9

million in Adjusted EBITDA

Hidrovias ended 2022 with an Adjusted EBITDA of R\$ 756.9 million, an increase of 20.1% compared to 2021, and a strong adjusted EBITDA margin of 42%, being positively impacted by the good grains harvest in the North and the better shipping conditions in the South.

### FINANCIAL RESULTS

In 2022, the consolidated Financial Results totaled (R\$ 233.4) million, compared to the (R\$ 388.3) million registered in 2021. The results demonstrate the positive effects brought about by the process of repurchasing the bonds issued by the Company in the secondary market, since they were being traded with a discount of around 20%. Besides the immediate financial gain, the repurchase also contributed to the streamlining of the capital structure, thus allowing for a greater balance between the cashflows in the Company's different currencies.

### NET INCOME

The strong operational improvement and the gains obtained from the repurchase of the bonds contributed to a reduction in the Net Loss, which totaled (R\$ 8.1) million in 2022, compared to (R\$ 339.1) million in 2021. The 2022 result was negatively impacted by accounting effects related to hedge accounting. By adjusting this effect to better understand the results, the Company would present a Net Revenue of R\$ 79.5 million for the year.

### GENERATION OF OPERATING CASH

A total of R\$ 714.8 million was generated in operating cash in 2022, against R\$ 419.5 million in 2021, due to the continued evolution of the Company's operations, both in the North, which recorded record volumes for the period, and in the South, with the improved draught, as well as the beginning of operations in Santos, which had already presented positive results during the period.

### INDEBTEDNESS

Hidrovias ended 2022 with an ex-JV net debt/ Adjusted EBITDA higher than the current financial covenants, although the leverage presented is already lower than the immediately preceding periods, whilst this situation does not generate any form of early payment of the debts. In the final quarter of 2022, the leveraging was 4.88x against 6.51x at the end of 2021, reflecting the Company's commitment to the deleveraging process.

It is worth stressing that the Company does not have any material short-term maturity and, therefore, feels there is no need to raise new funds for the next 12 months, whilst it enjoys a comfortable situation in relation to the existing commitments.

[Read more in Operational performance](#)





## INVESTMENTS

In 2022, R\$ 321.3 million was invested in maintenance and expansion, a major reduction of 70.7% in relation to 2021, even considering the much greater asset base when compared to the same period the previous year, following the acquisition of Imperial Logistics, which culminated in a significant increase in the number of barges and tugboats available for the operations in the Southern Corridor.

The Company has approached the end of the initially planned expansion cycle, with the most recent investments contracted for the current operations to be concluded over the course of 2023, a period during which the Company will be able to count upon more developed operations now reaching maturity, with an increased potential for the generation of operating cash as of 2024.

The efforts to release cash, without compromising the projects, and the striving for greater operational efficiency, continue to be strategic directives for the coming years, considering that the healthy capital structure combined with the long-term contract model and the potential to take advantage of opportunities in its specific operating segments, provide the resilience necessary to continue along the path of long-term value generation.

### Statement of added value

#### GRI 201-1

In 2022, Hidroviás generated R\$ 1,767.9 billion in revenue, distributed between operating costs, salaries and benefits, payments to providers and the government, and investments in the community. Of this total, R\$ 171.30 million was withheld.

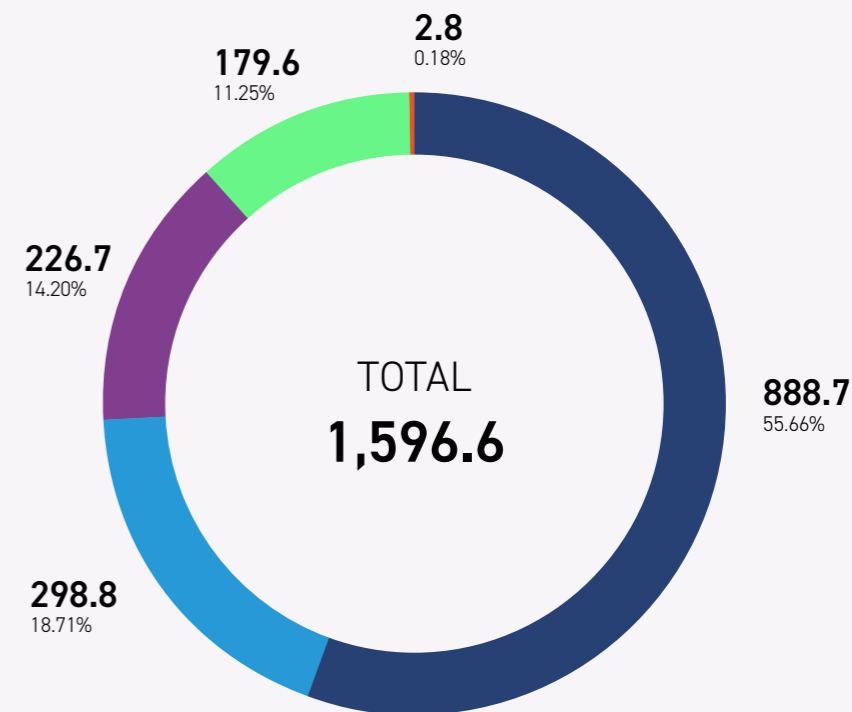
### Investors Relations

The Company maintained contact with its shareholders over the course of 2022, with approximately 200 meetings that covered themes related to the operational activities and financial conditions, as well as the Company's ability to overcome adverse conditions and mitigate possible risks.



Read the full Financial Statements: <https://ri.hbsa.com.br/informacoes-aos-acionistas/central-de-resultados/>

Economic value distributed in 2022 (millions of R\$)



- Operating costs
- Employee wages and benefits
- Payments to capital providers
- Payments to the government
- Investments in the community



# Operational performance

Over recent years, Hidrovias do Brasil has made sizable investments focused on operational improvements and increases in capacity, which guarantee a leading position of importance in all the logistical corridors in which it operates.

In 2022, the Company transported 16.5 million tons, an increase of 40% in relation to 2021, a record volume for the Company, with a significant increase in all the logistical corridors. Within this context, special mention should be made of the volume transported on the Northern Corridor, with the ports in the Northern Arc maintaining their leading position in the exportation of grains from Mato Grosso (50%

according to Comexat), surpassing the volume transported to the Port of Santos.

Barcarena, where our PUT is located, was the main pole in the region, accounting for 56% of the total volume shipped by the Northern Ports, whilst Hidrovias do Brasil once again maintained its leading position, transporting 44% of the total volume shipped in Barcarena.

The result was also prompted by the improvement of the iron ore mining operations in the South, anchored in the operational flexibility of the assets of the Company, which consolidated itself as the leading transporter of iron ore from the Corumbá region, with the product being forwarded to meet the needs of the Argentine market and for exportation.

The results recorded in the South are especially important, considering that they show a trend towards recovery following an atypical period, in which a lack of rainfall led to great restrictions on shipping in 2021. Hidrovias learned from the challenges it faced and invested in better understanding the navigability and opportunities

of this logistics corridor, thus becoming better prepared to benefit from the improved operating conditions, insofar as the draught of the rivers returned to depths that were closer to the historical averages.

In Santos, meanwhile, following months of paralysis for refurbishments and modernizations, operations resumed, achieving higher results than expected, reflecting the wisdom of the investments made in high-end assets and innovations in engineering. As well as its highway transport network, as of 2024,





Santos will be able to take advantage of a rail network, thus increasing the initially forecast potential for this operation.

The coastal shipping operations continued demonstrating positive results, contributing to the Company's strategy, through a diversification of the transported cargo and generation of cash in strong currency.

## Integrated planning

With operations located in different corridors and regions, with specific features and different sates of maturity, Hidroviás values its integrated planning, which has received an even greater boost since the organizational restructuring undertaken in 2022.

Within this context, the planning is performed jointly between the operational, maintenance, market intelligence and commercial fronts. The Market Intelligence department raises information on movements in the market, macro-economic factors and other data, in order to provide a basis for assertive decision-making.

The Commercial team reads through this information, which is discussed by a Commercial Committee, involving the President and Vice-President of Operations, Commercial Matters and Market Intelligence, enabling decisions to be taken jointly to optimize the business' gains. The decisions are cascaded to meetings on the operations, where the operational possibilities and challenges are discussed.

There are also the challenges faced by the Management Unit, which are addressed at meetings involving the CEO, superintendents and directors, as well as some managers. The topics discussed involve everything from pricing policies to river readings, product curves



[Read more in Governance structure.](#)

and other issues relating to the activities, providing the agility necessary to accompany the dynamism of the markets in which the Company operates, such as Commodities.

The Company also monitors the regulatory environment and, in 2022, restructured this area in order to promote a greater connection with the operational front and speed up the processes. Within this context, the Company has monitored the discussions concerning legislation on shipping and the concession of waterways, amongst other matters, as a means of supporting the organizational strategy.

It is also worth highlighting that technology forms an integral part of these processes. In 2022, the Company invested in improvements to the systems to provide support in fleet management and tracking. The Company's use of Power BI also evolved as did its automation of processes relating to the program of operational excellence. For the coming years, the intention is to promote the digitization of processes focused on client services.



## CLIENT SATISFACTION

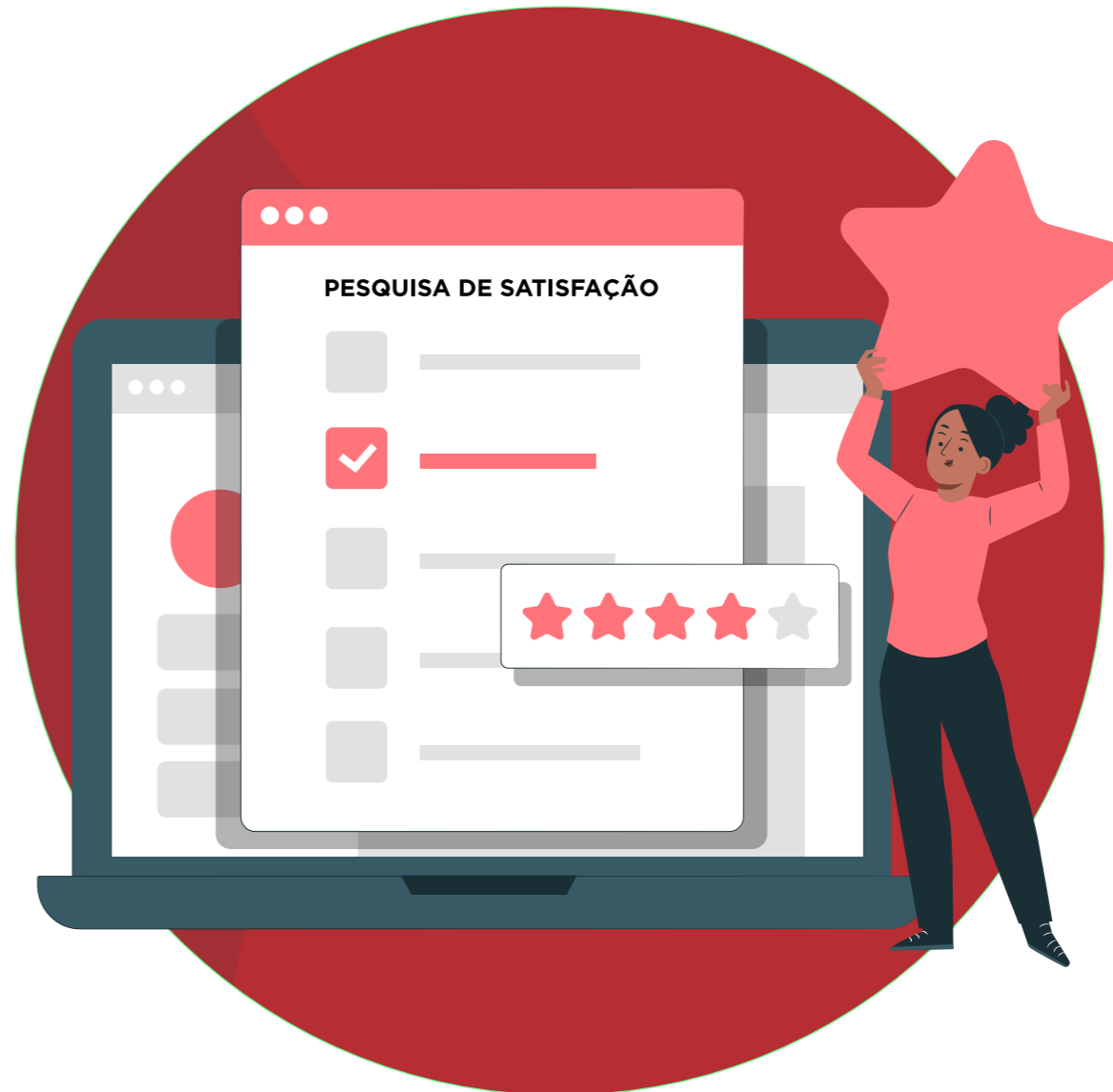
As well as an assertive reading of the market, a focus on operational excellence and the offering of integrated solutions, Hidroviás undertakes two annual studies with its clients to collect their assessments on the Company's activities and address areas which could be improved. To do so, the Net Promoter Score (NPS) is adopted, and in 2022 this was recorded at 27 points.

Based upon these evaluations, interviews are performed with some clients to obtain a more in-depth understanding of the positive aspects and those points that need improving. This mapping results in action plans focused on improvement of the processes and, consequently, our clients' perception of the company.

Relationship actions are also undertaken from time to time, two of which stand out - Hidroviás' participation in the Intermodel Trade Fair, the biggest of its kind in Latin America, and an annual event involving all the clients.

**Full information on the year's operational performance is available in the Financial Statements:**

<https://ri.hbsa.com.br/informacoes-aos-acionistas/central-de-resultados/>





9

# Annexes

**IN THIS CHAPTER**

GRI CONTENT INDEXES

GRI CONTENT SUMMARY





# GRI content indexes

## Employees by type of employment agreement and gender GRI 2-7

Type of contract	2021			2022		
	Men	Women	Total	Men	Women	Total
Permanent	1,063	258	1,321	1,251	292	1,543
Temporary	14	2	16	15	3	18
<b>Total</b>	<b>1,077</b>	<b>260</b>	<b>1,337</b>	<b>1,266</b>	<b>295</b>	<b>1,561</b>

## Employees by type of employment agreement and region GRI 2-7

Region	2021			2022		
	Determined period	Indeterminate period	Total	Determined period	Indeterminate period	Total
Corporate - SP	0	176	176	0	169	169
Northern Operation	2	716	718	2	771	773
Southern Operation	4	406	410	5	439	444
Santos Operation	2	31	33	1	174	175
<b>Total</b>	<b>8</b>	<b>1,329</b>	<b>1,337</b>	<b>8</b>	<b>1,553</b>	<b>1,561</b>

## Employees by gender and region GRI 2-7

Region	2021			2022		
	Men	Women	Total	Men	Women	Total
Corporate - SP	78	98	176	69	100	169
Northern Operation	617	101	718	666	107	773
Southern Operation	360	50	410	389	55	444
Santos Operation	22	11	33	142	33	175
<b>Total</b>	<b>1,077</b>	<b>260</b>	<b>1,337</b>	<b>1,266</b>	<b>295</b>	<b>1,561</b>

## Employees categorized by type of job<sup>1</sup> GRI 2-7

Type of employment	2021			2022		
	Men	Women	Total	Men	Women	Total
Full-time	1,077	260	1,337	1,266	295	1,561

<sup>1</sup> Hidrovias does not operate with a part-time system.

Employees categorized by type of job<sup>1</sup> and region GRI 2-7

Region	2021	2022
	Full-time	Full-time
Corporate - SP	176	169
Northern Operation	718	773
Southern Operation	410	444
Santos Operation	33	175
<b>Total</b>	<b>1,337</b>	<b>1,561</b>

<sup>1</sup> Hidroviás does not operate with a part-time system.

## Workers who are not employees GRI 2-8

## Workers by employee category and gender

	2021			2022		
	Men	Women	Total	Men	Women	Total
Apprentices	6	20	26	11	15	26
Interns	2	5	7	2	11	13
Maritime Pilots	3	0	3	1	0	1
<b>Total</b>	<b>11</b>	<b>25</b>	<b>36</b>	<b>14</b>	<b>26</b>	<b>40</b>

## Ratio between standard entry level wage, compared to local minimum wage, by gender GRI 202-1

## Variation between standard entry level wage and minimum wage, by gender

Operational unit <sup>12</sup>	2022	
	Men	Women
Lowest wage paid by the organization	1,229	1,454.11
Minimum wage as established by legislation or union	1,212	1,212
Percentage ratio	101.4	119.98

<sup>1</sup> The amount of the minimum-wage in Brazil relates to that registered in December 2022. The salary of the employees in Paraguay has been converted into Reais.

<sup>2</sup> Does not include trainees, apprentices or board members.



### Communication and training on anti-corruption policies and procedures GRI 205-2

#### Members of the governance body communicated with and who received instruction on anti-corruption policies and procedures, by region

Region	Members of the governance organ	2022	
		Communicated	Instructed
Corporate - SP	number	10	10
	%	100	100
Northern Operation	number	1	1
	%	100	100
Southern Operation	number	1	1
	%	100	100
Santos Operation	number	1	1
	%	100	100
<b>Total</b>	<b>number</b>	<b>13</b>	<b>13</b>
	<b>%</b>	<b>100</b>	<b>100</b>

### Employees communicated with and who received instruction on anti-corruption policies and procedures, by region GRI 205-2

Region	Employees	2022	
		Communicated	Instructed
Corporate - SP	number	175	165
	%	100	94.29
Northern Operation	number	824	798
	%	100	96.84
Southern Operation	number	439	414
	%	100	94.31
Santos Operation	number	180	168
	%	100	93.33
<b>Total</b>	<b>number</b>	<b>1,618.00</b>	<b>1,545</b>
	<b>%</b>	<b>100</b>	<b>95.49</b>

<sup>1</sup> The total number differs from the data on people reported, since the management system accounts for active and inactive employees on December 31, 2021.



Employees communicated with and who received instruction on anti-corruption policies and procedures, by employment category **GRI 205-2**

Categories	Employees	2022	
		Communicated <sup>1</sup>	Instructed
Superintendency	number	6	5
	%	100	83.33
Management	number	38	38
	%	100	100
Specialists/Coordination/Consultants	number	172	167
	%	100	97.09
Analysts	number	211	167
	%	100	97.16
Assistants/Technicians/Assistants	number	219	203
	%	100	92.69
Operational staff	number	314	302
	%	100	96.18

Categories	Employees	2022	
		Communicated <sup>1</sup>	Instructed
Ship crews	number	569	536
	%	100	94.20
Apprentices	number	26	26
	%	100	100
Interns	number	19	19
	%	100	100
Maritime Pilots	number	5	5
	%	100	100
Others	number	26	26
	%	100	100

<sup>1</sup> All HBSA's partners (100%) receive communications on the anti-corruption policies and procedures.

Direct emissions of greenhouse gases (tCO<sub>2</sub> equivalent)<sup>1,2,3</sup> GRI 305-1

	<b>2022</b>
Electricity generation (heat or vapor)	189.99
Physicochemical processing	142.56
Transportation of materials, products, waste, employees and passengers	202,246.33
Fugitive emissions	8,466.91
<b>Total gross emissions of CO<sub>2</sub></b>	<b>211,045.79</b>

<sup>1</sup> Gases included in the calculations above were: carbon dioxide, methane, nitrous oxide and hydrofluorocarbons.

<sup>2</sup> The CO<sub>2</sub> biogenic emissions - Scope 1 (tCO<sub>2</sub> equivalent) totaled 206.61 tCO<sub>2</sub> equivalent in 2022.

<sup>3</sup> Hidroviás' GHG inventory is published on the Brazilian GHG Protocol Program, and the checking and validation process uses the ABNT ISO 14064-3 norm as its methodology.

## Indirect (Scope 2) emissions of greenhouse gases (GHGs) arising from the acquisition of energy GRI 305-2

Indirect emissions originating from the acquisition of energy (tCO<sub>2</sub> equivalent)<sup>1,2</sup> GRI 305-2

	<b>2022</b>
Energy acquisition	874.16
<b>Total gross emissions of CO<sub>2</sub></b>	<b>874.16</b>

<sup>1</sup> The gas included in the calculations was carbon dioxide.

<sup>2</sup> Hidroviás' GHG inventory is published on the Brazilian GHG Protocol Program, and the checking and validation process uses the ABNT ISO 14064-3 norm as its methodology.

Other indirect (Scope 3) greenhouse gas (GHG) emissions<sup>1</sup> GRI 305-3

<b>Other greenhouse gas emissions (tCO<sub>2</sub> equivalent) GRI 305-3</b>	
	<b>2022</b>
<b>Total</b>	
Activities related to energy and fuels	398.7
Upstream transportation and distribution	52.9
Waste generated in operations	4,199.1
Business Travel	565.2
Employee transportation	266
Leased assets	209.3
<b>Subtotal</b>	<b>5,691.2</b>
<b>Downstream</b>	
Downstream transportation and distribution	185,869.3
<b>Subtotal</b>	<b>185,869.3</b>
<b>Total</b>	<b>191,560.50</b>

<sup>1</sup> The CO<sub>2</sub> biogenic emissions - Scope 1 (tCO<sub>2</sub> equivalent) totaled 206.61, tCO<sub>2</sub> equivalent in 2022.

Biogenic emissions of CO<sub>2</sub> (tCO<sub>2</sub> equivalent) GRI 305-1

	2022
	14,641.8

## Emissions of ozone depleting substances (ODS)

GRI 305-6

## Emissions of ozone-depleting substances (ODS) in tCFC-11 equivalent

	2022
ODS produced	359.04
Production of ODS	359.04

<sup>1</sup> The values of ODS destroyed by approved technologies are non-existent as are the ODS used entirely, as are raw-materials in the manufacture of other chemical products.

## Waste generated GRI 306-3

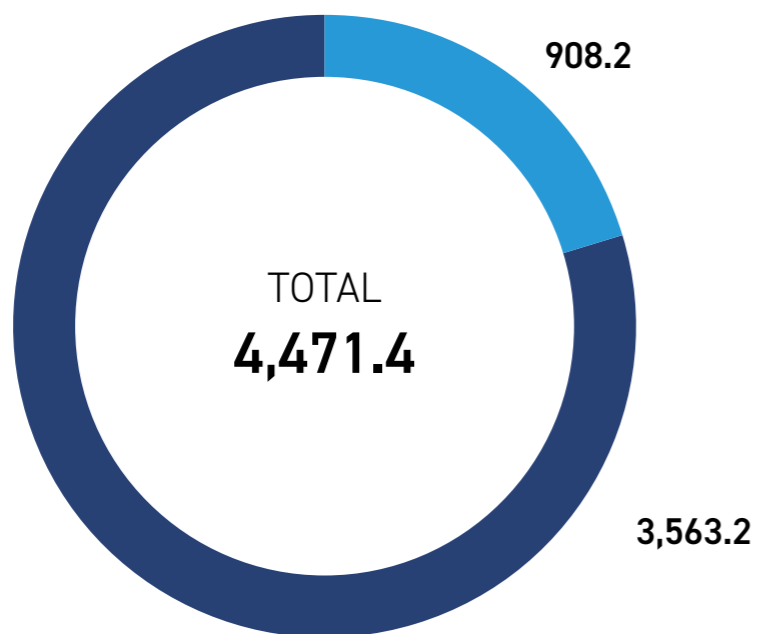
Total waste generated, by composition (t)	
	2022
	Amount generated (t)
<b>Hazardous waste</b>	
Absorbents, filtering materials, burlap, cleaning cloths and PPE	86
Metals drums and packaging containing/contaminated with hazardous waste	12
Electronic waste, light bulbs and batteries	2.7
Waste from healthcare and caused by disease	0.1
Other hazards (contaminated fertilizer, expired chemical products, aerosols, paints, <i>toner</i> , etc.)	16.5
Santos Terminal STS20 Project Hazardous Waste ( <i>Mix of contaminated fertilizers and sweepings</i> )	20.5
<b>Non-hazardous</b>	
Organic/common waste	873.8
Plastic, paper and cardboard	13.2
Scrap metal	92.6
Wood residue	63.9
Civil Construction Waste	169.8
Other non-hazardous waste (non-hazardous medication waste, non-hazardous electronics, non-hazardous industrial waste and fertilizer sweepings, amongst others).	48.9
Santos Terminal STS20 Project Waste - Non-hazardous (wood, PVC, rubber, scrap metal, common waste, rubble, etc.) <sup>1</sup>	3,608.4

<sup>1</sup> The waste generated at the worksite developed for adjustments and construction of the Terminal installed at the Port of Santos was not included with the other waste since it is considered to be waste generated exceptionally due to the activities undertaken over the course of 2022.



Waste diverted from final disposal GRI 306-4

Total waste diverted from final disposal, by composition, in metric tons (t)



Composition

- Hazardous and non-hazardous waste, diverted from final disposal
- Santos Terminal STS20 Project Waste

Total waste diverted from final disposal, by recovery operation, in metric tons (t) GRI 306-4

	2022
<b>Non-hazardous waste</b>	
	<b>Outside the organization/ Offsite</b>
Recycling	277
Others <sup>2</sup>	629.32
Santos Terminal STS20 Project Waste <sup>1</sup>	3,563.2
<b>Total</b>	<b>4,469.52</b>
<b>Hazardous waste</b>	
Recycling	1, 2
Others	0.7
<b>Total</b>	<b>1.9</b>
<b>Total waste diverted from final disposal</b>	<b>4,471.42</b>

<sup>1</sup> The waste generated at the worksite developed for adjustments and construction of the Terminal installed at the Port of Santos was not included with the other waste since it is considered to be waste generated exceptionally due to the activities undertaken over the course of 2022.

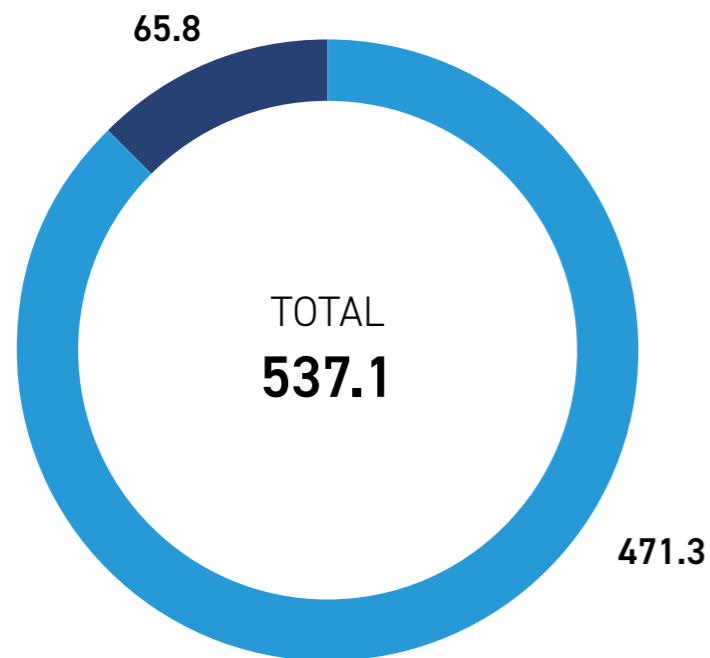
<sup>2</sup> Decontamination/Repurposing, recycling, reuse, composting.





Waste directed to final disposal GRI 306-5

Total waste directed to final disposal, by composition, in metric tons (t)



Composition

- Hazardous and non-hazardous waste, diverted from final disposal
- Santos Terminal STS20 Project Waste

Total waste directed to final disposal, by operation, in metric tons (t) GRI 306-5

	2022
<b>Non-hazardous waste</b>	
	<b>Outside the organization/ Offsite</b>
Incineration without energy recovery	5.9
Landfill	0.7
Other disposal operations	108.9
Santos Terminal STS20 Project Hazardous Waste	20.5
<b>Total</b>	<b>136.00</b>
<b>Hazardous waste</b>	
Incineration without energy recovery	222.1
Landfill	55.5
Other disposal operations <sup>2</sup>	78.2
Santos Terminal STS 20 Project Non-Hazardous Waste <sup>1</sup>	45.2
<b>Total</b>	<b>401.00</b>
<b>Total waste directed for final disposal</b>	<b>537.00</b>

<sup>1</sup> The waste generated at the worksite developed for adjustments and construction of the Terminal installed at the Port of Santos was not included with the other waste since it is considered to be waste generated exceptionally due to the activities undertaken over the course of 2022.

<sup>2</sup> The following destinations were included: landfills, co-processing and incineration for hazardous and non-hazardous waste.

New employee hires and employee turnover **GRI 401-1**

<b>Rate of turnover<sup>1</sup></b>		
	<b>2021</b>	<b>2022</b>
<b>Total n° of employees</b>	<b>1,321</b>	<b>1,543</b>
<b>By gender</b>		
Men	29.16	30.70
Women	29.16	30.70
<b>By age group</b>		
Under 30	51.56	37.25
30 to 50 years of age	24.67	29.35
Over 50	20.95	30
<b>By regional distribution</b>		
Corporate - SP	33.71	34.23
Northern Operation	25.53	25.43
Southern Operation	34.48	31.36
Santos Operation	31.03	53.78
<b>Total</b>	<b>29.49</b>	<b>31.24</b>

<sup>1</sup> Calculation methodology: [(hires + dismissals)/2]/total headcount

<sup>2</sup> Only employees under the permanent employment regime were included.

Maternal/paternal leave **GRI 401-3**

<b>Maternal/parental leave</b>		<b>2021</b>	<b>2022</b>
Employees who had the right to take leave	men	1,077	1,266
	women	240	295
Employees who took leave	men	17	21
	women	3	5
Employees who returned to work, during the period covered by the report, following the end of the leave	men	8	21
	women	3	4
Employees who returned to work following the leave and who continued to be employed 12 months after their return to work	men	8	15
	women	3	1
Rate of return	men	1	1
	women	1	1
Rate of retention	men	1	0.94
	women	1	0.33



Work-related injuries **GRI 403-9**

Work-related injuries<sup>1</sup>

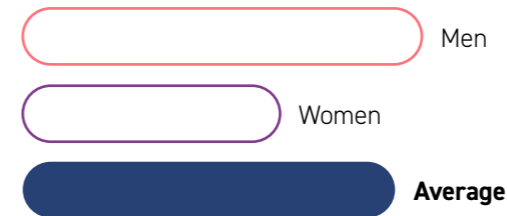
	2022 <sup>2</sup>	
	Employees	Workers who are not employees, but whose work and/or location of work is controlled by the organization
Number of hours worked	266,300	185,462
Number of fatalities as a result of work-related injury	1	0
Rate of fatalities as a result of work-related injury	0.75	0.0
Number of serious work-related injuries (excluding fatalities)	8	3
Rate of serious work-related injuries (excluding fatalities)	6.01	3.24
Number of recorded work-related injuries (including fatalities)	12	9
Rate of recorded work-related injuries (including fatalities)	9.01	9.71

<sup>1</sup> The base of the number of hours worked was 200,000.

<sup>2</sup> In 2022, only the Santos Operational Unit was included, since this is the only unit that has a health and safety management system.

Average number of training hours, by employee **GRI 404-1**

Average number of employee training hours by gender



Average number of employee training hours by employee category





### Percentage of employees receiving regular performance and career development reviews GRI 404-3

Employees receiving performance analyses by employment category (%) <sup>1</sup>			
	2022		
	Men	Women	Total
Senior Management	100	100	100
Superintendence Department	100	100	100
Management	100	100	100
Specialists   Coordination   Consultants	97.22	100	98.20
Analysts	98.85	96.87	97.67
Assistants   Technicians   Assistants	91.26	96.00	92.27
Operational Employees	97.58	85.71	96.38
Ship crews	15.64	0	15.44
<b>Total</b>	<b>57.82</b>	<b>93.56</b>	<b>64.57</b>

<sup>1</sup> Data from previous years is unavailable in the form established for the 2022 report and those following it.

Employees receiving performance analyses by employment category (%) <sup>1</sup>			
	2022		
	Men	Women	Total
Apprentices	100	93.33	96.15
Interns	100	100	100
Praticantes	0	0	0
<b>Total</b>	<b>92.86</b>	<b>96.15</b>	<b>95.00</b>

<sup>1</sup> Data from previous years is unavailable in the form established for the 2022 report and those following it.

### Diversity of governance bodies and employees GRI 405-1

Individuals within the organization's governing bodies, by age group (%) <sup>1</sup>		
Members of governing bodies		
2021	Under 30	0
	30 to 50 years of age	62.50
	Over 50	37.50
	<b>Total</b>	<b>100</b>
2022	Under 30	0
	30 to 50 years of age	60.87
	Over 50	39.13
	<b>Total</b>	<b>100</b>

<sup>1</sup> Data from previous years is unavailable in the form established for the 2022 report and those following it.

### Workers, by employee category and gender (%)<sup>1</sup>

	2021		2022	
	Men	Women	Men	Women
Apprentices	42.31	57.69	42.31	57.69
Interns	15.38	84.62	15.38	84.62
Praticantes	100	0	100	0
<b>Total</b>	<b>35</b>	<b>65</b>	<b>35</b>	<b>65</b>

<sup>1</sup> Data from previous years is unavailable in the form established for the 2022 report and those following it.



## Employees by employment category and age group (%)

	2021			2022		
	Under 30	30 to 50 years of age	Over 50	Under 30	30 to 50 years of age	Over 50
Superintendency	0	83.33	16.67	0	85.71	14.29
Management	0	85.42	14.58	0	90	10
Specialists   Coordination   Consultants	7.56	83.14	9.30	8.98	83.23	7.78
Analysts	26.73	71.78	1.49	29.30	69.77	0.93
Assistants   Technicians   Assistants	20	67.41	12.59	24.45	66.81	8.73
Operational Employees	35.29	61.27	3.43	33.21	60.36	6.43
Ship crews	16.97	66.06	16.97	21.84	64.04	14.12
<b>Total</b>	<b>19.68</b>	<b>69.34</b>	<b>10.98</b>	<b>23.27</b>	<b>67.42</b>	<b>9.31</b>

## Employees by employment category and age group (%)

	2021			2022		
	Under 30	30 to 50 years of age	Over 50	Under 30	30 to 50 years of age	Over 50
Apprentices	100	0	0	100	0	0
Interns	85.71	14.29	0	92.31	7.69	0
Maritime Pilots	100	0	0	100	0	0
<b>Total</b>	<b>97.22</b>	<b>2.78</b>	<b>0</b>	<b>97.50</b>	<b>2.50</b>	<b>0</b>

## Employees from under-represented groups, by employment category (%)

	2021		2022	
	Black and Mixed Race	Others**	Black and Mixed Race	Others**
Apprentices	0	76.92	7.69	92.31
Interns	0	15.38	7.69	30.77
Maritime Pilots	0	100	100	0
<b>Total</b>	<b>0</b>	<b>62.50</b>	<b>10</b>	<b>70</b>



Ratio of basic salary and remuneration received by women and that received by men **GRI 405-2**

Ratio of basic salary and remuneration of women to men grouped by category - by employment category	
	2022
Senior Management	1.06
Superintendency	0.98
Management	1
Specialists   Coordination   Consultants	0.98
Analysts	0.98
Assistants   Technicians   Assistants	1
Operational Employees	1.01
Ship crews	0.92
Apprentices	-
Maritime Pilots	-
Interns	1

Operations with significant – actual and potential negative impacts on local communities **GRI 413-2**

Location of the operations	Location of the impact	Description of the actual and potential negative impacts of the operations on this region
Private Use Terminal (PUT) Barcarena (PA)	Communities neighboring the operation, including local fishermen and the residents of Rua Padre Casemiro, Jardim Cabano and Vila Itupanema	Particle materials; sound pressure; requests for support; high flow of trucks; risk of accidents; problems with dialog; disposal of grains; bad odors; occurrence of flooding; lack of signposting and maintenance
Cargo Transshipment Station (ETC), Itaituba (PA)	Communities neighboring the operation, especially Nova Conquista, Nova Miritituba, União Transportuária and the fishing village.	Particle materials; increased traffic; sound pressure; high flow of trucks; risk of accidents; contamination of streams; problems with dialog; local transportation difficulties; waste of grains; criminality/vandalism; bad odors; drainage problems; local public discontent; occurrence of flooding; lack of signposting and maintenance
Port of Santos – Santos (SP)	Communities of Macuco, Ponta da Praia, Centro and the port area	Particle materials; increased traffic; sound pressure; high flow of trucks; risk of accidents; contamination of the estuary; problems with dialog; waste of grains; criminality/vandalism; bad odors; local public discontent; lack of maintenance
Paraguay	Convoy partitioning areas and around the shipyards HBSA Tosa Astillero and partitioning zones (Puente Remanso, Villa Hayes)	Interference with the landscape; risk of collision; small environmental accidents; interference with other public uses



# GRI Content Index

<b>Declaration of use</b>	Hidrovias do Brasil has reported in accordance with the directives of the GRI Standards for the period between January 1 and December 31, 2022.
<b>GRI 1 used</b>	GRI 1: 2021 Foundations

GRI STANDARD / OTHER SOURCE	CONTENTS	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>General Disclosures</b>					
GRI 2: General Disclosures 2021	2-1 Details of the organization	10	A gray field indicates something that is not applicable. This only relates to the columns entitled "Omission" and "Ref. nº of the GRI Sector Standard"		
	2-2 Entities included in the organization's sustainability reporting	03			
	2-3 Reported period, frequency and point of contact	05			
	2-4 Restatements of information	None.			
	2-5 External assurance	111			
	2-6 Activities, value chain and other commercial relationships	10, 38, 73			
	2-7 Employees	43, 90, 91			
	2-8 Workers who are not employees	91			
	2-9 Governance structure and composition	17			
	2-10 Nomination and selection of the highest governance body	18			
	2-11 Chair of highest governance body	18			



GRI STANDARD / OTHER SOURCE	CONTENTS	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	18			
	2-13 Delegation of responsibility for managing impacts	Performance by the Sustainability Board			
	2-14 Role of the highest governance body in sustainability reporting	10			
	2-15 Conflicts of interests	18			
	2-16 Communication of critical concerns	22, 62			
	2-17 Collective knowledge of highest governance body	32			
	2-18 Evaluation of the performance of highest governance body	18			
	2-19 Remuneration policies	19			
	2-20 Process to determine remuneration	19			
	2-21 Annual total compensation ratio	19			
	2-22 Statement on sustainable development strategy	06, 08			
	2-23 Policy commitments	28			
	2-24 Embedding policy commitments	28			
	2-25 Processes to remediate negative impacts	62			
	2-26 Mechanisms for seeking advice and raising concerns	22			
	2-27 Compliance with laws and regulations	22			
	2-28 Membership associations	32			
	2-29 Approach to stakeholder engagement	04, 58, 29, 60, 61, 62, 64			
	2-30 Collective bargaining agreements	43			
	<b>Material topics</b>				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	03			
	3-2 List of material topics	04, 05			





GRI STANDARD / OTHER SOURCE	CONTENTS	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>SOCIO-ENVIRONMENTAL AND TERRITORIAL MANAGEMENT</b>					
GRI 3: Material Topics 2021	3-3 Governance of material topics	58			
GRI 304 Biodiversity 2016	GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		This is not applicable, since HBSA does not operate, own or lease areas within or adjacent to environmental protection areas. The port terminals are located in industrial zones or in port zoning areas.		
GRI 304 Biodiversity 2016	GRI 304-2 Significant impacts of activities, products, and services on biodiversity	68			
GRI 304 Biodiversity 2016	GRI 304-3 Habitats protected or restored		HBSA does not operate, own or lease areas considered to be protected, remedied or restored habitats. The Company's port terminals are located in industrial zones or in port zoning areas.		
GRI 304 Biodiversity 2016	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by the organization's operations		The studies performed by AMPORT have not identified species included in the IUCN Red List in HBSA's areas of operation, or species included in the national conservation lists as having habitats in areas affected by the organization's areas of operation.		
GRI 306: Effluents and Waste 2020	GRI 306-1 Waste generation and significant waste-related impacts	70			
GRI 306: Effluents and Waste 2020	GRI 306-2 Management of significant waste-related impacts	70			
GRI 306: Effluents and Waste 2020	GRI 306-3 Waste generated	70, 95			
GRI 306: Effluents and Waste 2020	GRI 306-4 Waste diverted from final disposal	70, 96			
GRI 306: Effluents and Waste 2020	GRI 306-5 Waste directed to final disposal	97			
GRI 411: Rights of indigenous peoples 2016	GRI 411-1 Incidents of violations involving the rights of indigenous peoples	61			
GRI 413: Local Communities 2016	GRI 413-1 Operations with local community engagement, impact assessments, and development programs	58, 59, 61, 62, 64			
GRI 413: Local Communities 2016	GRI 413-2 Operations with significant — actual and potential — negative impacts on local communities	62, 102			



GRI STANDARD / OTHER SOURCE	CONTENTS	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>CLIMATE CHANGE AND OUR CONTRIBUTION</b>					
GRI 3: Material Topics 2021	3-3 Governance of material topics	78			
GRI 201: Economic Performance 2016	GRI 201-2 Financial implications and other risks and opportunities due to climate change	78, 79			
GRI 302: Energy 2016	GRI 302-1 Energy consumption within the organization	82			
GRI 302: Energy 2016	GRI 302-2 Energy consumption outside the organization	Not applicable, since the flow of the products is performed by clients and there is no fuel consumption by HBSA.			
GRI 302: Energy 2016	GRI 302-3 Energy intensity	82			
GRI 302: Energy 2016	GRI 302-4 Reduction of energy consumption	82			
GRI 302: Energy 2016	GRI 302-5 Reduction in the energy requirements of products and services	82			
GRI 305: Emissions 2016	GRI 305-1 Direct (Scope 1) greenhouse gas emissions (GHG)	80, 81, 94			
GRI 305: Emissions 2016	GRI 305-2 Indirect (Scope 2) emissions of greenhouse gases (GHGs) arising from the acquisition of energy	80, 81, 94			
GRI 305: Emissions 2016	Other indirect (Scope 3) greenhouse gas (GHG) emissions	80, 82, 94, 95			
GRI 305: Emissions 2016	GRI 305-4 Intensity of greenhouse gas emissions (GHG)	81			
GRI 305: Emissions 2016	GRI 305-5 Reduction of greenhouse gas emissions (GHG)	80			
GRI 305: Emissions 2016	GRI 305-6 Emissions of ozone depleting substances (ODS)	95			
GRI 305: Emissions 2016	GRI 305-7 Emissions of NO <sub>x</sub> , SO <sub>x</sub> and other significant air emissions	81			
<b>NURTURING THE VALUE CHAIN</b>					



GRI STANDARD / OTHER SOURCE	CONTENTS	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 3: Material Topics 2021	3-3 Governance of material topics	72			
GRI 204: Procurement Practices 2016	GRI 204-1 Proportion of spending on local suppliers	73			
GRI 308: Supplier Environmental Assessment 2016	GRI 308-1 New suppliers selected following consideration of environmental criteria	75			
GRI 308: Supplier Environmental Assessment 2016	GRI 308-2 Negative environmental impacts in the supply chain and actions taken		Information not available. HBSA did not perform any close monitoring or mapping of cases involving negative environmental impacts in its value chain in 2022.		
GRI 407: Freedom of Association and Collective Bargaining 2016	GRI 407-1 Operations and suppliers in which the right to freedom of association or collective bargaining may be at risk	45			
GRI 408: Child Labor 2016	GRI 408-1 Operations and suppliers considered to have significant risk for incidents of child labor	75			
GRI 409: Forced or compulsory labor 2016	GRI 409-1 Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor	75			
GRI 414: Social assessment of suppliers 2016	GRI 414-1 New suppliers selected following consideration of social criteria	75			
GRI 414: Social assessment of suppliers 2016	GRI 414-2 Negative social impacts in the supply chain and actions taken		Information not available. HBSA did not perform any close monitoring or mapping of cases involving negative environmental impacts in its value chain in 2022, including violations of human rights and significant negative environmental impacts.		
GRI 416: Customer Health and Safety 2016	GRI 416-1 Assessment of the health and safety impacts of product and service categories		N.A. Given the nature of the business, Hidroviás do Brasil does not trigger any health and safety impacts caused by products and services categories.		
GRI 416: Customer Health and Safety 2016	GRI 416-2 Cases of non-compliance concerning the health and safety impacts of products and services		There were no incidents of non-compliance concerning the health and safety impacts of products and services.		
<b>DEVELOPING PEOPLE</b>					
GRI 3: Material Topics 2021	3-3 Governance of material topics	43, 45			



GRI STANDARD / OTHER SOURCE	CONTENTS	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 401: Employment 2016	GRI 401-1 New hirings and employee turnover	43, 98			
GRI 401: Employment 2016	GRI 401-2 Benefits offered to full-time employees that are not provided to temporary or part-time employees	44			
GRI 401: Employment 2016	GRI 401-3 Maternal/Parental leave	44, 98			
GRI 404: Training and Education 2016	GRI 404-1 Average hours of training per year per employee	47			
GRI 404: Training and Education 2016	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	45, 46, 47			
GRI 404: Training and Education 2016	GRI 404-3 Percentage of employees receiving regular performance and career development reviews	48, 100			
GRI 405: Diversity and Equal Opportunity 2016	GRI 405-1 Diversity of governance bodies and employees	50, 51, 100			
GRI 405: Diversity and Equal Opportunity 2016	GRI 405-2 Ratio of basic salary and remuneration of women to men	50, 102			
GRI 406: Non-discrimination 2016	GRI 406-1 Incidents of discrimination and corrective actions taken	50			
<b>EMPLOYEE HEALTH AND SAFETY</b>					
GRI 3: Material Topics 2021	3-3 Governance of material topics	52			
GRI 403: Occupational health and safety 2018	GRI 403-1 Occupational health and safety management system	52			
GRI 403: Occupational health and safety 2018	GRI 403-2 Hazard identification, risk assessment and incident investigation	53			
GRI 403: Occupational health and safety 2018	GRI 403-3 Occupational health services	55			
GRI 403: Occupational health and safety 2018	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	53			
GRI 403: Occupational health and safety 2018	GRI 403-5 Training for workers in occupational health and safety	54, 55			
GRI 403: Occupational health and safety 2018	GRI 403-6 Promotion of worker health	55			
GRI 403: Occupational health and safety 2018	GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	55			



GRI STANDARD / OTHER SOURCE	CONTENTS	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 403: Occupational health and safety 2018	GRI 403-8 Workers covered by an occupational health and safety management system	52			
GRI 403: Occupational health and safety 2018	GRI 403-9 Work-related injuries	53, 99			
GRI 403: Occupational health and safety 2018	GRI 403-10 Work-related ill health	55			
<b>ECONOMIC PROSPERITY</b>					
GRI 3: Material Topics 2021	3-3 Governance of material topics	84			
GRI 201: Economic Performance 2016	GRI 201-1 Direct economic value generated and distributed	85			
GRI 202: Market presence 2016	GRI 202-1 Ratio between standard entry level salary, compared to local minimum wage, by gender	91			
GRI 202: Market presence 2016	GRI 202-2 Ratio of senior management hired from the local community	19			
GRI 203: Indirect economic impacts 2016	GRI 203-1 Infrastructure investments and services supported	64			
GRI 203: Indirect economic impacts 2016	GRI 203-2 Significant indirect economic impacts	43, 72, 73			
<b>ETHICS AND TRANSPARENCY</b>					
GRI 3: Material Topics 2021	3-3 Governance of material topics	21			
GRI 205: Anti-corruption 2016	GRI 205-1 Operations assessed in terms of the risks relating to corruption	21			



GRI STANDARD / OTHER SOURCE	CONTENTS	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 205: Anti-corruption 2016	GRI 205-2 Communication and training on anti-corruption policies and procedures	21, 92, 93			
GRI 205: Anti-corruption 2016	GRI 205-3 Confirmed incidents of corruption and actions taken	23			
GRI 206: Anti-competitive behavior 2016	GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	21			
GRI 207: Tax 2019	GRI 207-1 Approach to tax	23			
GRI 207: Tax 2019	GRI 207-2 Tax governance, control and risk management	23			
GRI 207: Tax 2019	GRI 207-3 Stakeholder engagement and management of concerns related to tax	23			
GRI 207: Tax 2019	GRI 207-4 Country-by-country reporting	The organization's primary activities vary depending upon the jurisdiction. Brazil: Logistics Operations, Cargo Transportation, Port Terminal and Holding; Uruguay: Logistics Operations, Cargo Transportation, Holding; Paraguay: Logistics Operations, Cargo Transportation, Holding. The difference between the nominal rate of income tax and the amount ascertained is justified due to additions and/or exclusions established by law, and due to the tax benefit from operating profit, or occurring as a result of legal provisions established in the country of jurisdiction which allow income exemption in certain activities, such as those arising from merchant operations.			



# Assurance Statement GRI 2-5

## Independent auditors' limited assurance report on the non-financial information contained in the Integrated Report

To the

**Shareholders, Board Members and Administrators of Hidroviás do Brasil S.A.**

São Paulo - SP

### Introduction

We were contracted by Hidroviás do Brasil S.A. ("Company") to present our limited assurance report on adherence to the reporting format of the Hidroviás do Brasil S.A. 2022 Integrated Report ("Integrated Report") relating to the financial year ending on December 31, 2022.

Our limited assurance does not extend to the information referring to prior periods nor to any information declared together with the Integrated Report, including any images, audio files or incorporated videos.

### Responsibilities of the administration of Hidroviás do Brasil S.A.

The administration of Hidroviás do Brasil S.A. is responsible for:

- selecting and establishing the proper criteria for the preparation of information contained in the Integrated Report;
- preparing the information in accordance with the criteria and directives of the Integrated Reporting Council ("IIRC") and the CPC 09 Integrated Reporting Technical Orientation;
- designing, implementing and maintaining internal control over the relevant information for the preparation of the

indicators contained in the Report, such which are free from any material misstatement, regardless of whether they were caused by fraud or error.

### Responsibility of the independent auditors

Our responsibility is to express a conclusion on the non-financial information contained in the 2022 Integrated Report, based upon the limited assurance engagements conducted in accordance with CTO 07 Technical Statement - Limited Assurance Engagement, relating to the non-financial information contained in the Integrated Report published by the CFC, and based upon the NBC TO 3000 - Assurance Engagements Other than Auditing and Reviewing, also issued by the CFC, which is equivalent to international regulation ISAE 3000 - Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). These standards require compliance with requirements relating to ethics and independence, as well as all other responsibilities that they address, including in relation to the application of the Brazilian Standard on Quality Control (NBC PA 01) and, therefore, the maintenance of a comprehensive system of quality control, including documented policies and procedures on compliance with the ethical requirements, professional regulations and applicable legal and regulatory requirements.

Furthermore, the norms in question require that the engagement is conducted in order to provide a limited assurance that the information disclosed in the 2022 Annual Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) primarily consists of making inquiries to the administration of Hidroviás do Brasil and other employees of the Company involved in preparing the information, as well as the application of analytical procedures to obtain evidence that permits us to make a limited assurance

conclusion about the information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor learns of issues which lead them to believe that the indicators stated in the 2022 Integrated Report, taken as a whole, could present material misstatement.

The selected procedures were based upon our understanding of aspects relative to the compilation, materiality and presentation of the information contained in the 2022 Integrated Report, as well as other engagement circumstances and our considerations of areas and processes related to the sustainability information disclosed in the 2022 Integrated Report in which material misstatement could exist. Amongst others, the procedures include:

- a) the planning of the engagement, considering the relevance, amount of quantitative and qualitative information, and the operational systems and internal controls that served as a basis for preparation of the indicators contained in the 2022 Integrated Report;
- b) the application of the analytical procedures to the quantitative information and inquiries about the qualitative information and its relationship to the indicators contained in the 2022 Integrated Report;
- c) analysis of adherence to the items contained in the Guiding Principle and Elements of the CPC 09 Integrated Reporting Guiding Content.

We believe that the evidence and findings of our engagement are sufficient to provide a basis for our limited conclusion.

### Extent and limitations

The procedures applied in a limited assurance engagement are substantially less in extent than those applied in a reasonable assurance engagement. Consequently, the level of security obtained in a limited assurance engagement is substantially lower than that which would be obtained if a reasonable assurance engagement had been applied. Had we conducted a reasonable assurance engagement, we might have identified other issues and possible misstatements that could exist in the indicators contained in the 2022 Integrated

Report. As such, we have not expressed an opinion on this information.

The non-financial data are subject to more inherent limitations than the financial data, given the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretations of materiality, relevance and precision of the data are subject to individual suppositions and judgments. Furthermore, we did not perform any procedures on any data provided for prior periods, nor on any future projections or targets.

The preparation and presentation of indicators followed the criteria of the IIRC, meaning they are not, therefore, designed to ensure compliance with social, economic, environmental or engineering laws or regulations. The standard employed, therefore, expects the presentation and statement of any possible non-compliance with such regulations when significant penalties or fines have been applied. Our assurance report should be read and understood within this context, intrinsic to the selected criteria (IIRC).

### Conclusion

Based upon the applied procedures, described in this report, and on the evidence obtained, nothing has come to our attention that leads us to believe that the information contained in the Annual Report for the financial year ending December 31, 2022 prepared by Hidroviás do Brasil, was not compiled, in all relevant aspects, in accordance with the criteria and directives of the International Integrated Reporting Council (IIRC) and the CPC 09 Integrated Reporting Guiding Content.

São Paulo (SP), July 13, 2023.

**Ernst & Young** Auditores Independentes S/S Ltda.  
CRC SP - 034519/0

  
Leonardo Masseti Dutra  
Sócio de Sustentabilidade

  
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