

# INTEGRATED REPORT 2023



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# Introduction

# About this report

## GRI 2-2 and 2-3

Welcome to the 2023 Integrated Report of Hidrovias Brasil S.A. The publication follows the guidelines of the International Integrated Reporting Council (IIRC) and the standards of the Global Reporting Initiative (GRI), 2021 version.

The report transparently details Hidrovias do Brasil's performance in 2023, during its journey towards expanding sustainable logistics alternatives for cargo transportation in South America. It also details the Company's advances as a provider of logistics solutions focused on the use of waterways, through customized, more efficient and competitive services.

The content addresses the Company's activities in cargo transportation along the Tapajós and Amazon rivers and the Paraguai-Paraná Waterway, two of the largest waterways in South America, and short-sea shipping between ports in Pará and port operations in Santos. The information has been framed to demonstrate the continuous growth the Company has been enjoying since its development. Its cargo volume in 2023 was almost 10% higher than in 2022, strategically contributing to logistics with a lower socio-environmental impact and greater competitiveness for South American producers.

The publication also presents Hidrovias do Brasil's actions directly linked to sustainability goals in the environmental, social and governance

areas. Hidrovias do Brasil has accordingly undertaken specific commitments related to the United Nations Sustainable Development Goals, updating its materiality from the perspective of stakeholders and aligned with society's aspirations.

This Integrated Report also portrays the Company's financial and operational performance in 2023. It depicts the factors that shaped waterway cargo transportation during the year and the measures taken to mitigate the climate volatility impacts, especially in the last quarter, when low water levels were observed in certain navigation sections.

Hidrovias do Brasil has made the report to showcase to its stakeholders its efforts to help form more innovative, efficient and competitive logistics matrix for the entire South American continent.

Please submit any queries, suggestions or other feedback on this report to [ri@hbsa.com.br](mailto:ri@hbsa.com.br).


I hope you enjoy the report!

## **TOPICS ADDRESSED**

### ABOUT THIS REPORT

### 2023 AT A GLANCE

### MESSAGE FROM THE CEO



In 2023, Hidrovias do Brasil progressed in managing social and environmental impacts and in its relationships with communities and other stakeholders.

Sustainability initiatives include an **in-depth study** of the waterways used and their immediate surroundings, identifying improvement opportunities, mapping stakeholder relationships, and strategically connecting with the Company's business.

# How to read this report

The contents have been arranged to initially show the activities carried out between January 01 and December 31, 2023, coherently with the challenges faced during that period. Environmental, social, and governance advancements are then subsequently, in an approach that demonstrates the importance of these issues both internally and for society.

The report was structured around Hidrovias do Brasil's materiality assessment, public sustainability commitments, and other relevant business topics (see more on page 46).

Latterly, part of the GRI indicators is organized by chapters. The key data is spread around the document. A final section of appendices was created to help readers see more detailed data on how our activities connect with sustainability criteria.

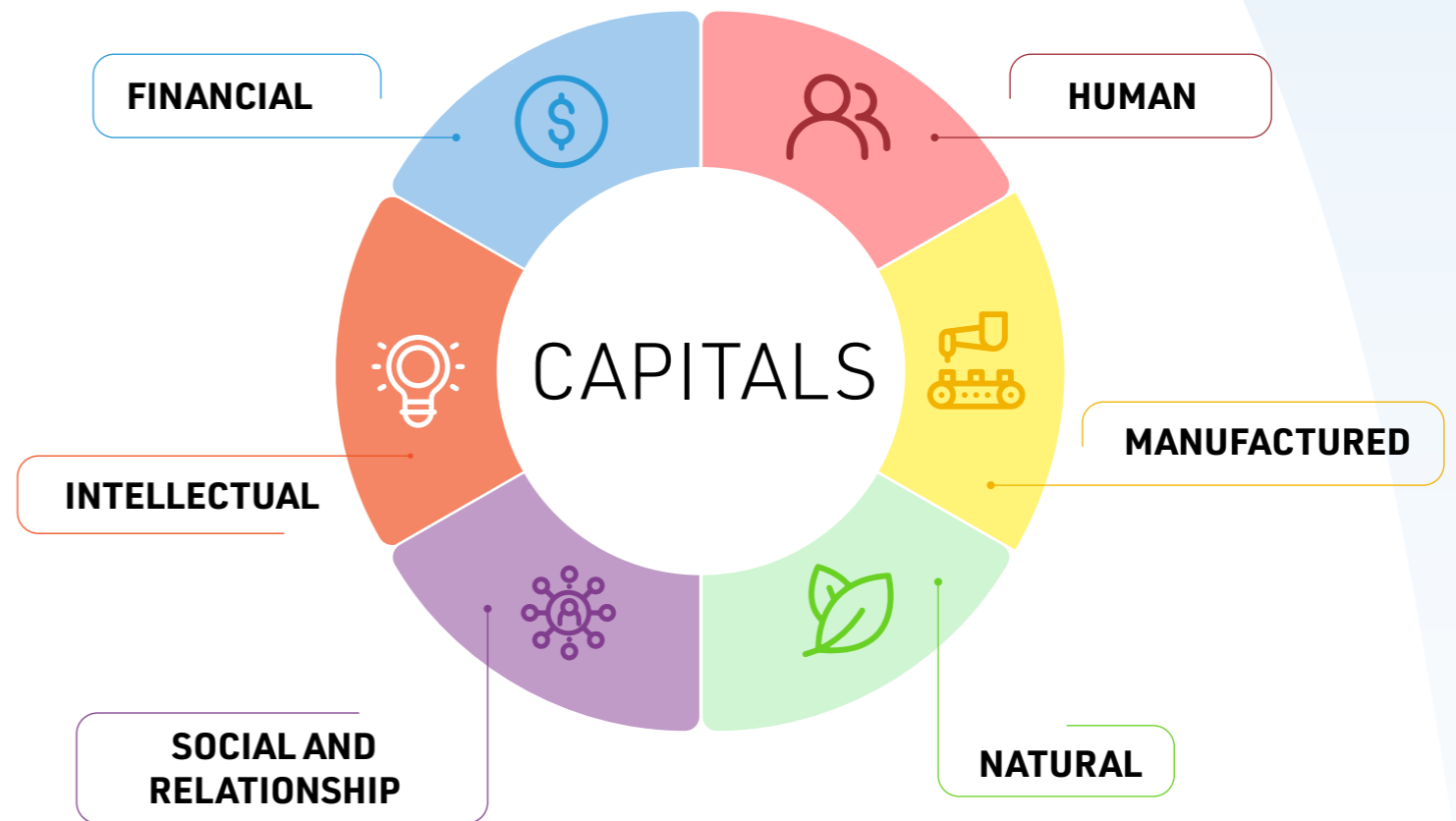
Background information on the macroeconomic situation and sector performance was gleaned on sources such as the Brazilian maritime transportation agency (Antaq), the Ministry of Infrastructure, the Ministry of Transportation, Companhia Nacional de Abastecimento (Conab), the International Energy Agency (IEA), and the United States Department of Agriculture (USDA).

This document provides an understanding of Hidrovias do Brasil's journey for those interested in learning about the business and for stakeholders seeking specific data. The publication fulfills the objective of transparently documenting our actions for the global community.

## Capitals map

Hidrovias do Brasil creates value from its capitals, representing different resources and fundamental relationships for the Company's success and sustainability.

Learn more on page 26.



# 2023 at a glance



## OPERATIONS

A footprint in **5 countries** and operations in ports and terminals in Barcarena (PA), Oriximiná (PA), Itaituba/Miritituba (PA), Santos (SP), Corumbá (MS) and Asunción (PY).

18.1 million tons shipped, almost 10% more than in 2022 (16.5 million t), thanks to favorable navigation conditions in the Southern Corridor for most of the year, full-capacity operations in the Northern Corridor during the first nine months of the year, a consistent bauxite operation in Pará, serving a dedicated contract, and development of the fertilizer operation in Santos.

23 push boats, 8 manoeuver pushboats, and 464 company barges in operation in the Northern and Southern corridors, in addition to 2 dedicated ships in the short-sea operation.



## HUMAN CAPITAL

1,720 employees, including 1,404 men and 316 women, alongside 696 permanent contractors.

56.63 hours of training per employee on average.

Health plan for all employees.

100% of direct employees informed and/or trained on ethics and compliance topics.



## CREATING VALUE FOR LOCAL COMMUNITIES

Over 5,133 interactions with communities and social groups neighboring our operations.

10 social investment projects, totaling almost R\$ 3.0 million in investments and benefiting 15,252 people from the communities of Itaituba and Barcarena (PA), Santos (SP) and Asunción (Paraguay).



## SUPPLIER MANAGEMENT

**1,600** active suppliers.

Hidrovias do Brasil made **55.97%** of its purchases locally.



## CUSTOMER RELATIONSHIP

**34** customers.

**43** NPS for customer satisfaction.



## INNOVATION

**7** projects developed in collaboration within the Cubo Maritime & Port innovation hub.



## ENVIRONMENTAL DISCLOSURES

**10,171.31** tCO<sub>2</sub>e removed from Scope 1.

**78.37** tCO<sub>2</sub>e removed from Scope 2 emissions.

**+70%** of waste generated was directed to sustainable treatment and disposal.



# Message from our **CEO**

GRI 2-22

Hidrovias do Brasil is a leading contributor to the development of Brazil and South America's transportation sector. In 2023, we transported a record volume of cargo, 18.1 million tons, almost 10% more than in 2022. We are resilient and have delivered consistent results despite the climate challenges that are impacting our operations.

Our efforts to articulate a low-carbon logistics system in South America can be seen in an objective comparison between our convoys and trucks. For example, each convoy of 25 grain barges replaces approximately 1,200 trucks from the roads, reducing resource consumption and greenhouse gas emissions in cargo transportation.

Our contribution becomes more significant as our transport capacity grows. We are approaching the enviable mark of 20 million tons per year and have much to contribute as leaders in grain exports in the North, leaders in the flow of iron ore produced in Corumbá, and one of the main players in taking delivery of fertilizers in Santos.

We operate in a region with immense logistical potential. Both Brazil and South America have lengthy waterways, which are still underused in the transportation matrix.

These waterways can play a paramount role in reducing carbon emissions by enabling large-scale transportation. Hidrovias do Brasil is working to ensure that this evolution occurs sustainably.

In the fourth quarter of 2023, lower water volumes had a significant impact on the volume of cargo transported. We have invested in studies on the influences of climatic variations on waterways, to support our long-term strategic planning. Waterways have proven to be viable long-term solutions for substantially expanding our operations, but it is crucial to understand how to best operate in each scenario.

In recent years, we have seen how waterways are directly affected by climatic variations and changing water volumes. For this reason and because of our sustainability commitment, careful consideration of environmental impacts is crucial for our operations.

Our Integrated Report presents our performance and operations combined with sustainable business management, including initiatives focused on energy and operational efficiency, ranging from the installation of solar panels in terminals to the operation of super convoys that transport up to 70,000 tons of grain, with minimal increase in fuel consumption compared to regular convoys.

We have taken great strides in our Governance, adopting effective measures to ensure ethics and integrity while preventing fraud and corruption in our dealings. This effort has earned us the Pro-Ethics Label, a prestigious recognition in the market, showing that we are on the right path.

Throughout the year, we have also sought to better understand the communities in our geographies, fueling local economic development and minimizing the socio-environmental impacts of our operations. We have moved our stakeholder engagement plan onwards and upwards, taking a proactive approach in community engagement, allowing us to deepen our relationship with this sector across our four operational fronts.

In 2023, we invested heavily to keep up with the relentless demand for waterway transportation in our operating region. In Brazil, the second largest grain harvest in history requires substantial transportation of soybeans and corn through the Northern Arc. Meanwhile, the export chain demands transportation of iron ore, bauxite, fertilizers, and salt, in an ever-shifting sector.

All of our achievements and overcoming of obstacles throughout the year were only possible because of the dedication of our people, who never settle for second best. This is evidenced by the significant results obtained in recent years in the GPTW survey in areas such as credibility and respect for the company.

After a year of daunting challenges and remarkable progress, we are ready to push the bar even higher in 2024.

## Fabio Schettino

CEO of Hidrovias do Brasil

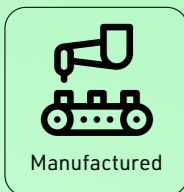


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# Hidroviás do Brasil



## CAPITALS



## TOPICS ADDRESSED

### [COMPANY OVERVIEW](#)

### [OPERATIONS AND ACTIVITY MAP](#)

### [BUSINESS MODEL](#)

# Company overview

GRI 2-6

Hidrovias do Brasil was founded in 2010 to create customized logistics solutions, with a view to growing waterway transportation in Brazil and South America. The vast potential of the region's waterways offers an opportunity to transform the logistics matrix, with sustainability gains, more competitive exports and greater efficiency for long-distance haulage.

In just over a decade, the Company has established itself as a leader in grain transportation along the Tapajós and Amazonas rivers, through an integrated and independent system, offering transshipment in Miritituba (Pará), river transportation and port handling in Barcarena (Pará). It has also secured a prominent position in the transportation of iron ore out of Corumbá and grain from Paraguay along the Paraguai and Paraná rivers to the Atlantic ports in the southern part of the continent (Argentina and Uruguay). It has developed and structured logistics solutions that link exporting regions to seaports along routes of up to 1,500 km on different waterways.

Leveraging waterway transportation has been a strategy for developing cargo logistics in Brazil since the 1990s. More recently, due to the exponential expansion of soybean and corn production in Mato Grosso for export, including waterways in the logistics system has helped achieve the efficient and cost-effective transportation of goods. Thanks to public and private investment, waterways are being increasingly used to transport commodities produced in central South America.

Hidrovias do Brasil therefore has numerous opportunities to continue expanding its operations and to lay the foundations for more sustainable cargo transportation.

Read more about the increase in agribusiness exports on page 29.

**18.1 million tons** were transported by Hidrovias do Brasil in 2023.

The volume transported **rose by nearly 10%** on 2022.



# 1720

**direct** employees

The Company currently has 1,720 direct employees and approximately 700 permanent contractors. It is engaged in waterway transportation, terminal operation, short-sea shipping and the integration of logistics services, serving four strategic logistics routes: the Northern Corridor in Pará state, the Southern Corridor with use of the Paraguai-Paraná Waterway, which spans Brazil, Paraguay, Argentina and Uruguay, the short-sea route between Porto Trombetas and the Vila do Conde Public Port in Pará, fertilizers, and, from 2024, salt, from leased land at Port of Santos, the largest in Latin America.

The company boasts customized and own assets, including transshipment terminals, ports, barges, push boats, manoeuver pushboats and warehouses. In 2023, it operated 23 push boats, eight manoeuver pushboats and 464 company barges, with convoys of dozens of barges covering about 1,200 km in the Northern Corridor between Itaituba (PA) and Barcarena (PA) and up to 2,600 km in the Southern Corridor on the Paraguai-Paraná Waterway, departing from Corumbá (MS).

## Share ownership

Shareholders	Shares on 12/31/2023	%	Shares on 12/31/2022	%
<b>Pátria Infraestrutura - FIP Multiestratégia</b>	76,257,729	10.1	153,484,062	20.2
<b>Patria Infraestrutura Brasil FIP Multiestratégia</b>	4,345,320	0.6	8,745,834	1.2
<b>Pátria Infraestrutura IV FIP Multiestratégia</b>	78,500,846	10.3	78,500,846	10.3
<b>Sommerville Investments B.V.</b>	-	-	63,517,842	8.4
<b>HBSA Coinvestimento - FIP Multiestratégia</b>	16,207,941	2.1	32,621,750	4.3
<b>TPE Gestora de Recursos LTDA</b>	79,932,500	10.5	61,977,469	8.2
<b>Alaska Investimentos</b>	39,585,600	5.2	-	-
<b>Other (*)</b>	465,552,707	61.2	361,534,840	47.4
<b>Total</b>	760,382,643	100	760,382,643	100

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

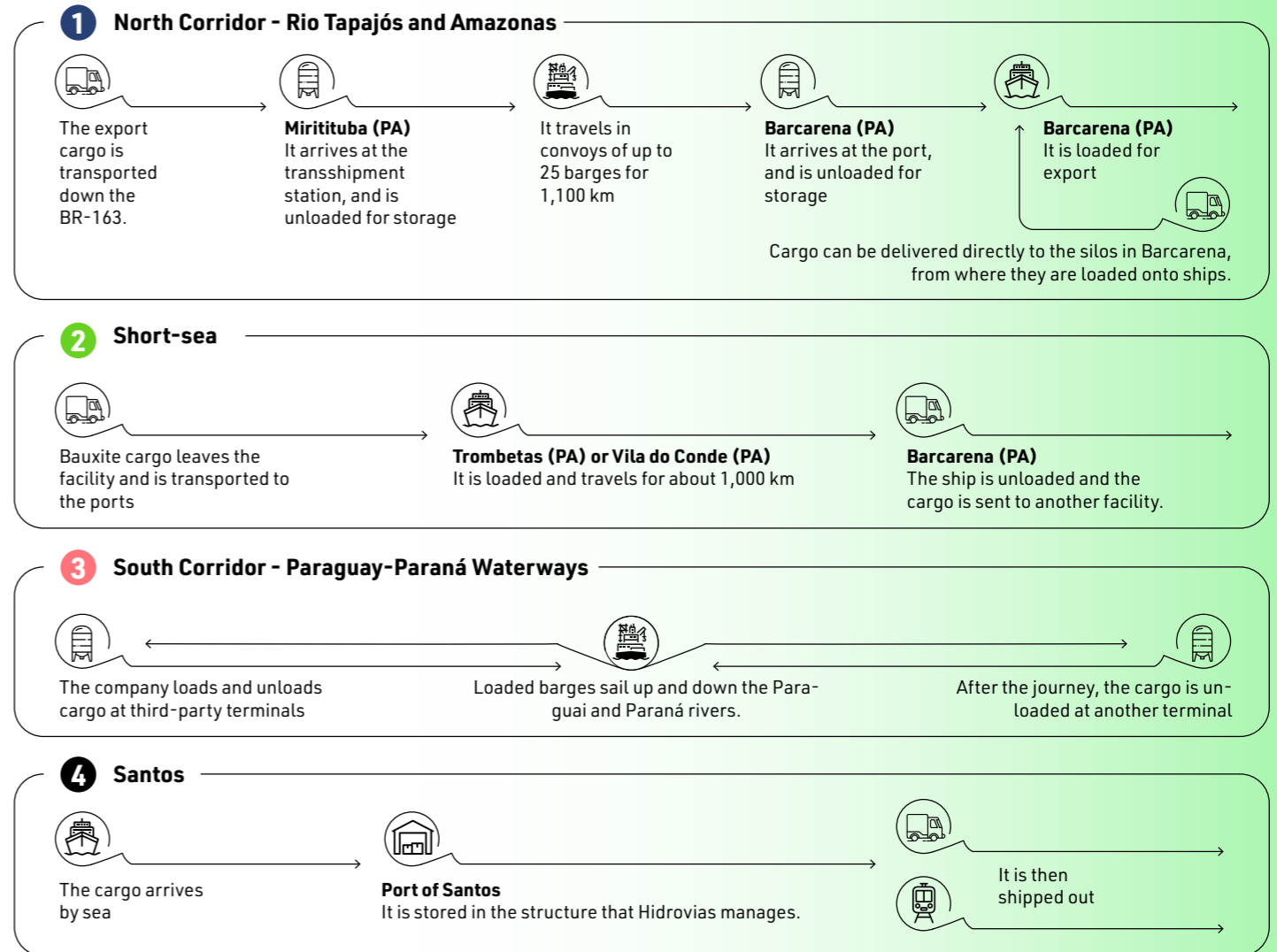


# Operations and geographies

GRI 2-6

- Transportation**
  - Trucks
  - Ships
  - Barges
  - Trains
- Inventory**
  - Silos
  - Warehouses

Hidrovias do Brasil operates in four strategic corridors, each playing a crucial role in logistics and cargo transport:

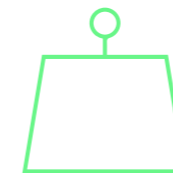


# North Corridor

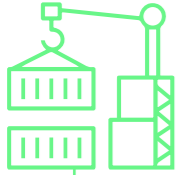
The North Corridor accounted for **40.8% of the cargo volume moved** by Hidrovias do Brasil in 2023.

This connects the Cargo Transshipment Station (ETC) in Miritituba (PA) on the banks of the Tapajós River, to the Private Use Terminal (TUP) in Barcarena (PA), at the mouth of the Amazonas River. This logistics corridor is about 1,200 km in length, and grains and fertilizers are transported along it.

The cargo moved in the North Corridor totaled 7.4 million tons in 2023 (-4% compared to the 7.7 million t in 2022), a level higher than the average capacity the Company estimated for the period. The corridor serves the consolidated grain production hub north of Mato Grosso, which consequently eases the need to use road and rail for long-haul grain transportation and fertilizer importation routes.



**7.4 million**  
metric tons



## Structure

**13** push boats

**200** barges

144,000 tons of static storage capacity at the Miritituba ETC (PA), in 8 silos.

240,000 tons of static storage capacity at the TUP in Barcarena (PA), expandable to 360,000 tons.

4 tumblers at ETC (22,000 tons per day) and 2 tumblers at TUP (11,000 t/d).

26,000 tons can be loaded onto barges daily at the ETC's floating pier.

30,000 tons can be unloaded from barges at the TUP's cargo reception.

## Cargo Transshipment Station (ETC)

Located in the Miritituba district of Itaituba (western Pará), the ETC receives trucks traveling down the BR-163 highway laden with soybeans and corn harvested in northern Mato Grosso. The largest grain production hub in Brazil, this bread basket is located 2,000 km from Brazilian seaports. Upon arrival at the Cargo Transshipment Station, the grains are stored in silos and loaded onto barge convoys that cruise down the Tapajós and the Amazonas rivers towards the Private Use Terminal in Barcarena (eastern Pará) for storage and subsequent shipment.

These barges travel up the Amazonas and the Tapajós rivers brimming with imported fertilizers, until they reach a public terminal of Cia. Docas do Pará in Miritituba. Here, the product is unloaded from the barges directly onto customers' trucks, which predominantly head to Pará and Mato Grosso.

## Private Use Terminal (TUP)

The TUP in Barcarena (PA) receives barges loaded with grains originating from Mato Grosso, which travel about 1,200 km from Western Pará, as well as trucks carrying soybeans and corn originating in Pará intended for export.

The cargoes are stored and loaded onto ships bound for destinations such as China, North America, the Middle East and Europe. The Northern Corridor also has a berth for ships carrying fertilizers, which are unloaded directly onto the barges that then make their way back to Miritituba.

The barge convoys travel 1,200 km between the ETC and the TUP.



# Southern Corridor

In 2023, 5.9 million tons of produce was carried down the Southern Corridor, including the volume proportional to the Company's interest in certain joint ventures (JVs), 15.7% more than in 2022. This operation involves traveling some 2,600 km along the waterway formed by the Paraguai and Paraná rivers, from Corumbá (MS) to the Rio de la Plata Basin (that straddles Argentina and Uruguay).

Its Southern Operation allows Hidrovias do Brasil to link five countries: Brazil, Paraguay, Bolivia, Argentina and Uruguay, making it a leading logistics operator with long-term contracts in the region.

It is the largest waterway in South America, playing a crucial role in the flow of grains for export originating in Paraguay, the only land-locked country in South America. This waterway makes Argentina and Uruguay's logistics more competitive, by crossing grain and pulp producing regions for export, allowing the commodities to move at reduced cost.

Three of the five largest soybean exporting countries in the world are found in the region served by the Southern Operation:



**Brazil (1<sup>st</sup>)**

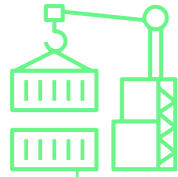


**Argentina (3<sup>rd</sup>)**



**Paraguay (4<sup>th</sup> largest exporter)**

The use of waterways has become a strategic pathway for reducing the environmental impacts of grain movement, the most produced and exported commodity in South America.



## Structure

**18** high-tech push boats.

**264** company and **40** rented barges.

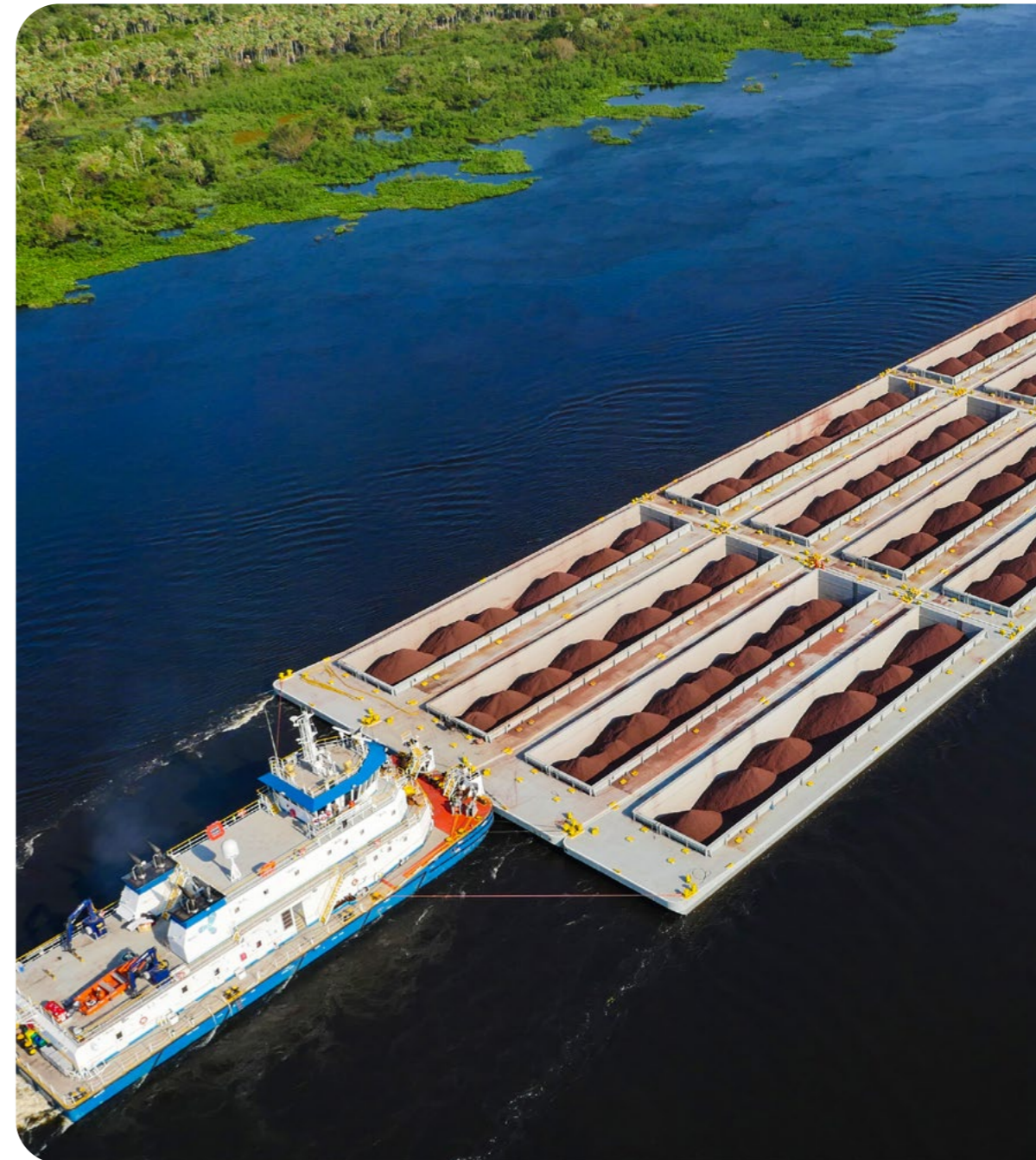
**2 port terminals** operated as joint ventures: **Montevideo Bulk Terminal** and **Porto Baden**, located in Concepción, Paraguay.

## TRANSPORT BETWEEN PORT

### TERMINALS

An administrative base set up at Terminal Occidental S.A. (TOSA), in the municipality of Villa Heyes, in the Asunción region, manages the transportation of solid bulk such as iron and manganese ore, pulp, soybeans and fertilizers.

The cargoes are transported along 2,600 km of waterways between third-party terminals or between the terminals operated in joint ventures (TGM in Uruguay and Porto Baden in Paraguay). The cargoes travel in barges and are loaded or unloaded at such terminals, from where the produce is sent to its final destination.



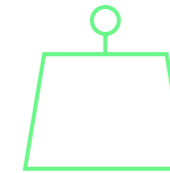
# Santos Port

After a period of investments in modernizations and reforms in the STS20 terminals, Hidrovias do Brasil tripled the cargo movement in its area at the Port of Santos in 2023. There was a jump from 0.4 million to 1.5 million tons of fertilizers moved, compared to 2022 (which only operated from August). This new volume level accounted for 8.0% of the Company's total cargo movement during the period.

Hidrovias do Brasil currently estimates an annual movement capacity close to 2.5 million tons. For this reason, there is still a considerable space for expanding our operation in the coming years, especially by developing an alternative for shipping fertilizers via railway and the start-up of the salt operation, both scheduled for 2024.

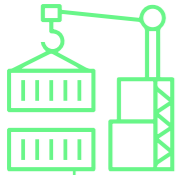
The lease signed in 2019 has a 25-year term, renewable for another 70 years, and included investments in two hydraulic cranes with an estimated handling capacity of 14,000 tons per day (based on KCI)<sup>1</sup> and a discharge time of 90 seconds—the first hydraulic cranes at the Port. In addition, a computerized operational system with an interface that provides updated information to customers and carriers was implemented, which can monitor the operational flow.

<sup>1</sup> Standard measure of load capacity for potassium chloride (KCI), a common type of fertilizer.



With the capacity to handle 2.5 million tons per year at Port of Santos, Hidrovias do Brasil connected its facilities to the railroad, optimizing its operations and increasing its sphere of influence.

The connection with the railroad implemented in 2023 will allow it to ship out products directly in train wagons from 2024. Directing cargoes to the railroad mitigates the impacts of road transport, such as high greenhouse gas emissions and fossil fuel consumption.



## Structure

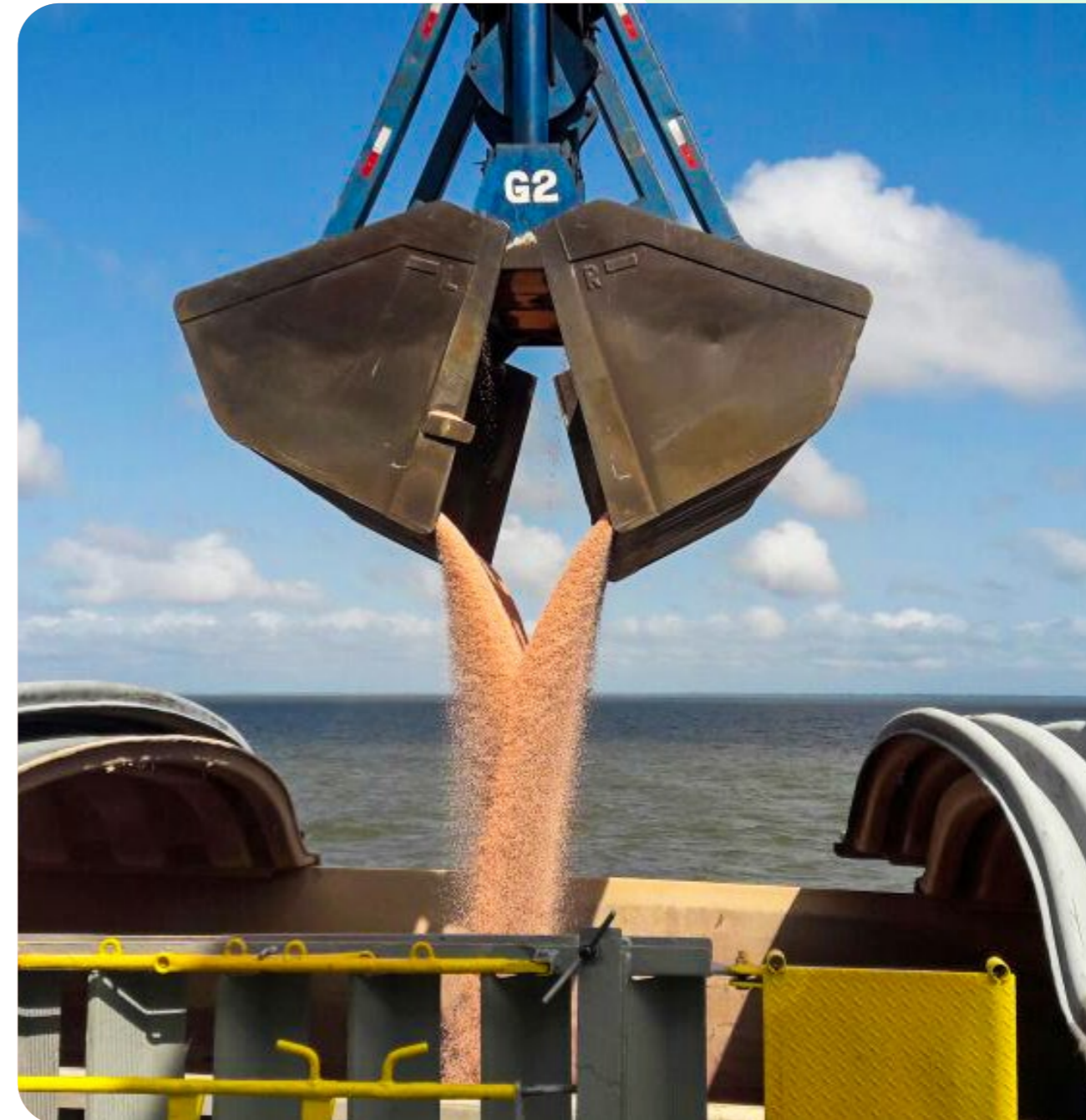
3 warehouses for receiving and shipping cargo.

190,000 tons of static capacity (140,000 tons for fertilizers and 50,000 tons for salt).

2.5 million tons per year of cargo handling capacity.

## Bulk solids operation

Hidroviás do Brasil operates from leased land at Port of Santos, the largest in Latin America. It operates from the STS20 area, where it can receive, store and dispatch bulk solids, such as fertilizers, sea salt, and rock salt. The operations are linked to the road and rail systems, facilitating the routing of cargo to destinations such as Mato Grosso.

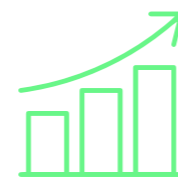




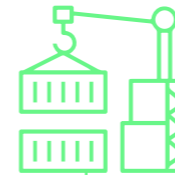
# Cabotage shipping

Through cabotage navigation, Hidrovias do Brasil transports bauxite on a route that crosses Pará through the Amazonas River – from Porto Trombetas in Oriximiná (PA) to the Vila do Conde Public Port in Barcarena (PA). The volume transported down this route increased by 2.7% from 2022 to 2023, totaling 3.4 million tons of the mineral. This route is dedicated to serving a specific customer, with a long-term contract and in a take-or-pay format<sup>1</sup>.

Two Brazilian-flagged ships specially adapted for bauxite transport are used. Each ship can carry 74,000 tons with a range of over 1,000 km when loaded.



This route accounted for 18.7% of the cargo carried by Hidrovias do Brasil in 2023.



## Structure

2 customized ships for bauxite transportation.

74,000 tons per trip of 1,000 km on the Amazonas River.

6 million metric tons per year of total capacity.

## Bauxite transportation

Bauxite is transported between Porto Trombetas and Vila do Conde Port for the mining industry in Pará.

The raw material sourced from Mineração Rio do Norte is transported to the Norsk-Hydro – Alunorte alumina refinery for processing.

<sup>1</sup> In the take or pay contract, transportation of a specific amount of cargo is agreed upon in advance, with guaranteed payments even in cases where the service is not used.

# Business model

GRI 2-6

Sustainability underpins Hidrovias do Brasil's business model. Its goal is to present seamless low-carbon logistics solutions to logistical challenges in South America, by leveraging economically viable waterways. Its core activities include:



**Water transportation**



**Operation of terminals**



**Short-sea services**



**Integration of logistics services**

The company's operations offer more sustainable solutions for major logistical challenges:



Brazil's dependence on highway transport



The high cost of long-distance haulage by road and rail



The burgeoning production in regions far from ports

Hidroviás do Brasil's Sustainable Commitments encompass initiatives that drive the business' development across six essential pillars:

### Human Development



### Environmental Impact



### Local Development



### Value Chain



### Climate Change



### Ethics and Transparency



## More sustainable development

With relentless investment, the company is helping develop inland waterway transportation in South America. An efficient structure of terminals, barges, push boats and ships is consistently increasing the waterway transportation of commodities such as soybeans, corn, iron ore, bauxite, fertilizers and salt, essential for the region's economy.

Using waterways is less environmentally and socially impactful than rail and road. According to a comparison made by Antaq, waterway transport consumes just 66% of the fuel required for rail transport and just 26% of that required for road transport, for the same volume of cargo and distance traveled.

Using natural waterways reduces the need for opening or widening highways and the risk of congestion. Waterways do not generally directly affect densely populated urban areas, nor do they contribute to encroachment. There are therefore no impacts on communities and local biota equivalent to those generated by land cargo transportation.



## Seamless solutions

Facilitates the integration of different links in the logistics chain and increases the competitiveness of commodities transported for export and import.

Efficient management of port terminals, storage units of river and coastal navigation systems cuts operation costs, while favoring the use of waterways, a low-carbon solution experiencing swift growth.

## Technology and innovation

New technologies and innovative practices optimize Hidrovias do Brasil's operations, improve safety, cut costs and minimize environmental impacts.

Smart logistics management systems, GPS monitoring and process automation are used, among other tools.

## Partnerships and commitments

Strategic partnerships forged with suppliers and sector partners prioritize the best governance practices and responsible management of socio-environmental impacts.

The Company has transparently undertaken sustainability commitments and is proactively instilling governance in relationships with its stakeholders.

## Sustainability initiatives

Sustainability initiatives enhance the positive impacts produced in our operations and mitigate the negative ones.

Each action aims to prevent, monitor and responsibly manage possible impacts while fostering the socio-economic development of its geographies and the surrounding communities.





## 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.
- > Accountability for the environmental and community.
- > Appreciation for the team and the internal environment.



# Business model GRI 2-6

## FINANCIAL CAPITAL

**R\$ 320.2 million** in expansion investments directed towards low structural maintenance of assets, the Santos concession and expansion.

## INTELLECTUAL CAPITAL

Digital operating system

**7 projects** with the Cubo Maritime & Port innovation hub.

## MANUFACTURED CAPITAL

**+31 push boats**  
**464+ barges**

The world's first hybrid push boats.

## HUMAN CAPITAL

**1,720 employees**  
**696+ permanent contractors.**

## NATURAL CAPITAL

Over 3,500 km of navigable rivers and Brazilian coastline.

## SOCIAL AND RELATIONSHIP CAPITAL

**34** domestic and international **clients**  
**11** priority relationship **communities**  
**1,600+** active and accredited **suppliers**

External associations and initiatives - Brazilian Agribusiness Association (ABAG); Association of Private Terminals (ATP); Brazilian Association for the Development of Inland Navigation (ABANI); Association of Port Terminals and Cargo Transshipment Stations in the Amazon Basin (Amport); Brazilian Business Council for Sustainable Development (CEBDS); Brazilian Association for Business Communications (Aberje); Abrasca; Moveinfra; Instituto Ethos; Companies with refugees; and Global Compact, both UN initiatives. It also funds Cubo M&P. GRI 2-28.

## ACTIVITIES



Water transportation



Operation of terminals



Short-sea services



Integration of logistics services  
Transshipment activity

## TRANSPORTED PRODUCTS

**18.1 million**

tons of iron ore, grains, fertilizers, bauxite and pulp.

## SUSTAINABLE INTEGRATED LOGISTICS CHAIN

+  
**COMMITMENTS TO SUSTAINABILITY**

### VALUE CHAIN

**SDG 12 | 17**

### HUMAN DEVELOPMENT

**SDG 05 | 08**

### LOCAL DEVELOPMENT

**SDG 10 | 16**

### ETHICS & TRANSPARENCY

**SDG 16**

### ENVIRONMENTAL IMPACT

**SDG 15**

### CLIMATE CHANGE

**SDG 09 | 13**

- + More efficient fuel use
- + Preventing fragmentation of habitats
- + **10,171.31 tCO<sub>2</sub>e** removed from Scope 1
- + **78,37 tCO<sub>2</sub>e** removed from Scope 2 emissions
- + Investing in solar energy
- + Low consumption of natural resources
- Emission of particles, odor, noise and risk of accidents
- Accidents and serious injuries involving employees and contractors
- + **23.41% women** in leadership positions
- + **83 approval** rating in the Workplace climate and engagement survey (GPTW)
- + **R\$ 2.95 million** in social investment
- + **2,416 jobs** created directly
- + **15,252 people** from the local community positively impacted by our socio-environmental initiatives
- + **R\$ 135.2 million** paid to local suppliers.
- + positive impact
- negative impact

3

A sustainable,  
integrated  
logistics **chain**

9  
INDÚSTRIA, INOVAÇÃO  
E INFRAESTRUTURA

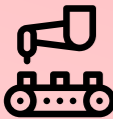
## CAPITALS



Intellectual



Financial



Manufactured

## MATERIAL TOPICS

ECONOMIC IMPACT GENERATEDTECHNOLOGY AND INNOVATION

## TOPICS ADDRESSED

THE MACROECONOMYOPERATING IN THE LOGISTICS SECTORINNOVATION & TECHNOLOGYBUSINESS-FINANCIAL AND OPERATING PERFORMANCE

# The macroeconomy

The pursuit of more sustainable logistics solutions for cargo transportation is growing significantly worldwide in the face of evidence of human impacts on nature, such as climate change. Environmental stewardship, combined with the need for efficiency gains in the movement of commodities, is making the issue a hot topic in South America. The region has been continuously increasing its exports and is overburdening its highways and railways. Less impactful and with great potential for expansion, waterway transportation is a feasible low-carbon and cost-effective alternative.

Hidroviás do Brasil therefore contributes to the sustainable development of the logistics matrix by expanding its services and making waterway transportation viable, consolidating itself as a leader in seamless logistics operations. The Company operates on two of the largest navigable routes in South America: the Paraguai-Paraná Waterway and navigation between the Tapajós and Amazonas rivers. These routes have played a key role in expanding the production and export of commodities in the central region of the continent with a smaller environmental impact.

It serves sectors such as agribusiness and mining, whose commodities production and export are trending upwards. It creates transportation solutions that are more environmentally friendly and specifically designed for the movement of grains, ore and fertilizers, powerhouses of South American socioeconomic development.





## Rising agribusiness exports

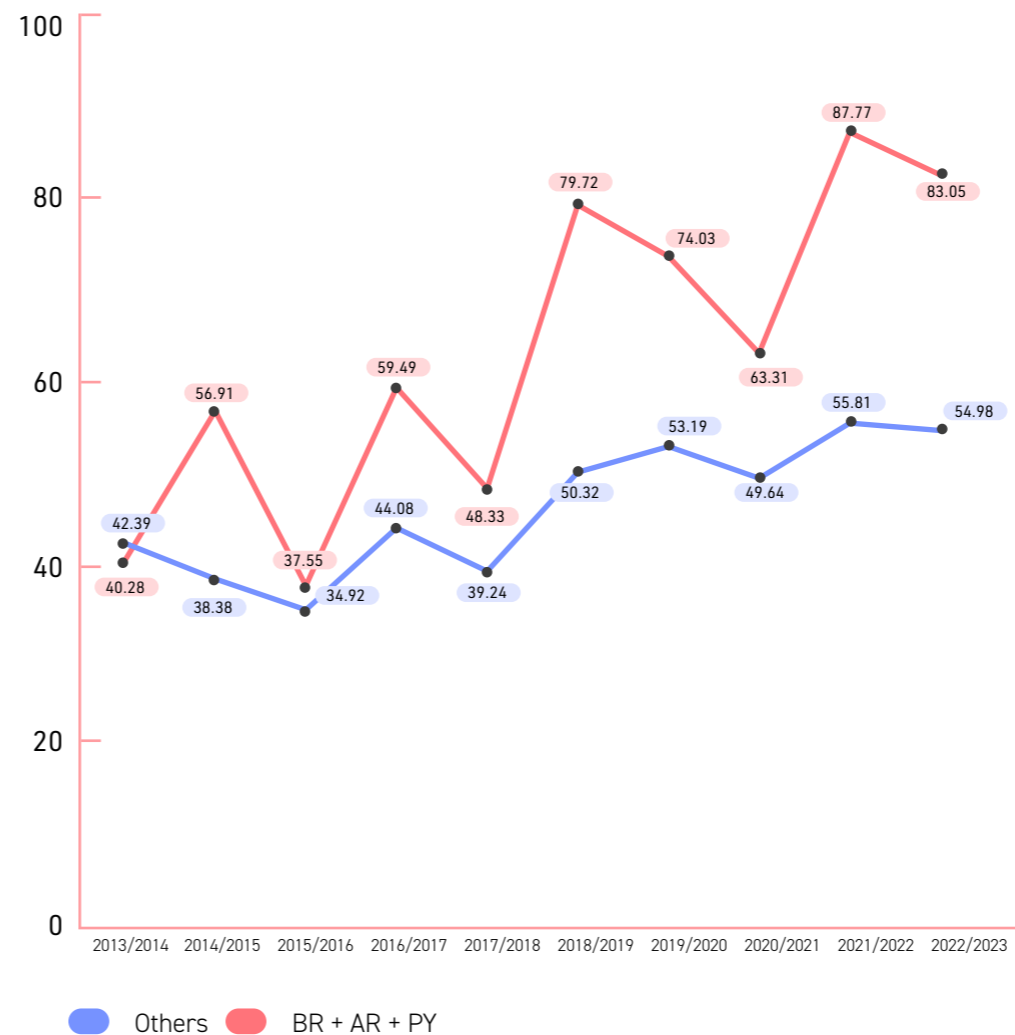
South America has nearly doubled its exports of soybeans and corn in the last decade, increasing its global market share and making the need for more effective logistics solutions more pressing. The three South American countries that are among the largest exporters of these two commodities - Brazil, Argentina and Paraguay - are all served by Hidrovias do Brasil.

According to the United States Department of Agriculture (USDA), these countries grew corn exports by 106.20% and soybean exports by 78.42% between the 2013/2014 and 2022/2023 crop years. The exported volume rose from 40.28 million to 83.05 million tons of corn and from 59.52 million to 106.19 million tons of soybeans. In 2023, the region accounted for 46.08% of global corn exports and 61.70% of soybean exports.



Brazil is now the world's largest exporter of these two commodities, surpassing the United States.

### Corn exports (million metric tons)



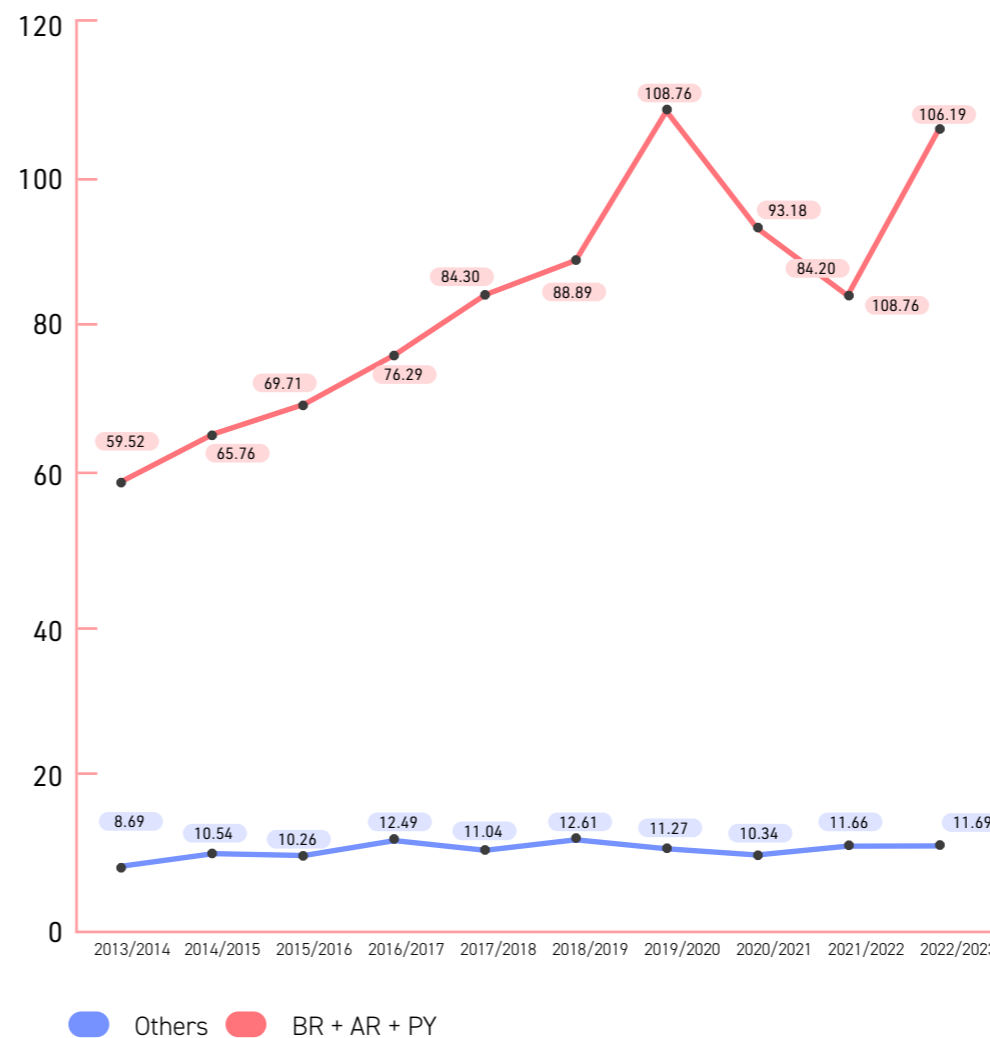
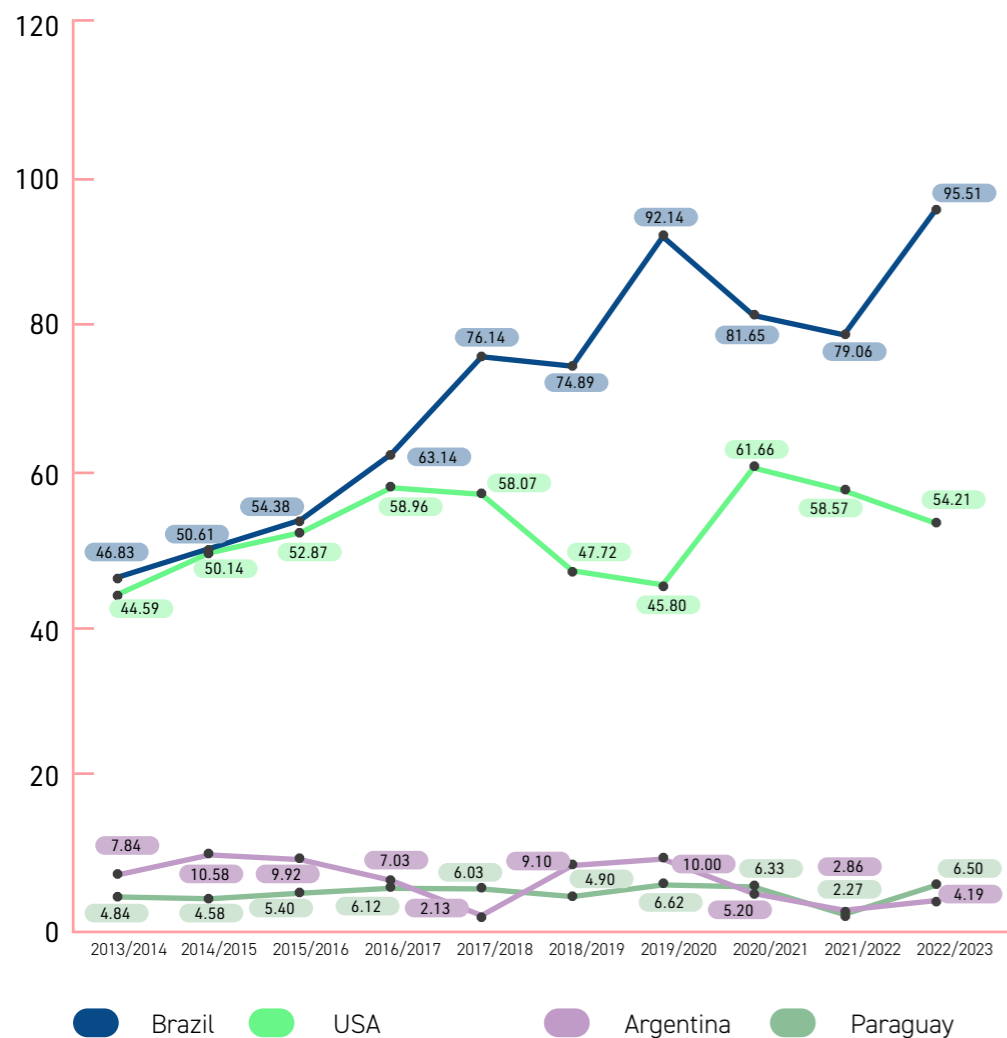
#### Global Total

2013/2014	<b>131.46</b>
2014/2015	<b>142.72</b>
2015/2016	<b>120.70</b>
2016/2017	<b>161.88</b>
2017/2018	<b>149.48</b>
2018/2019	<b>182.58</b>
2019/2020	<b>172.39</b>
2020/2021	<b>182.73</b>
2021/2022	<b>206.39</b>
2022/2023	<b>180.23</b>

#### Change % over a 10-year period

Global Total	<b>37.10%</b>
USA	<b>-13.52%</b>
Brazil	<b>158.80%</b>
Argentina	<b>47.59%</b>
Paraguay	<b>60.71%</b>
Others	<b>29.71%</b>
BR + AR + PY	<b>106.20%</b>

### Soybean Exports (million metric tons)



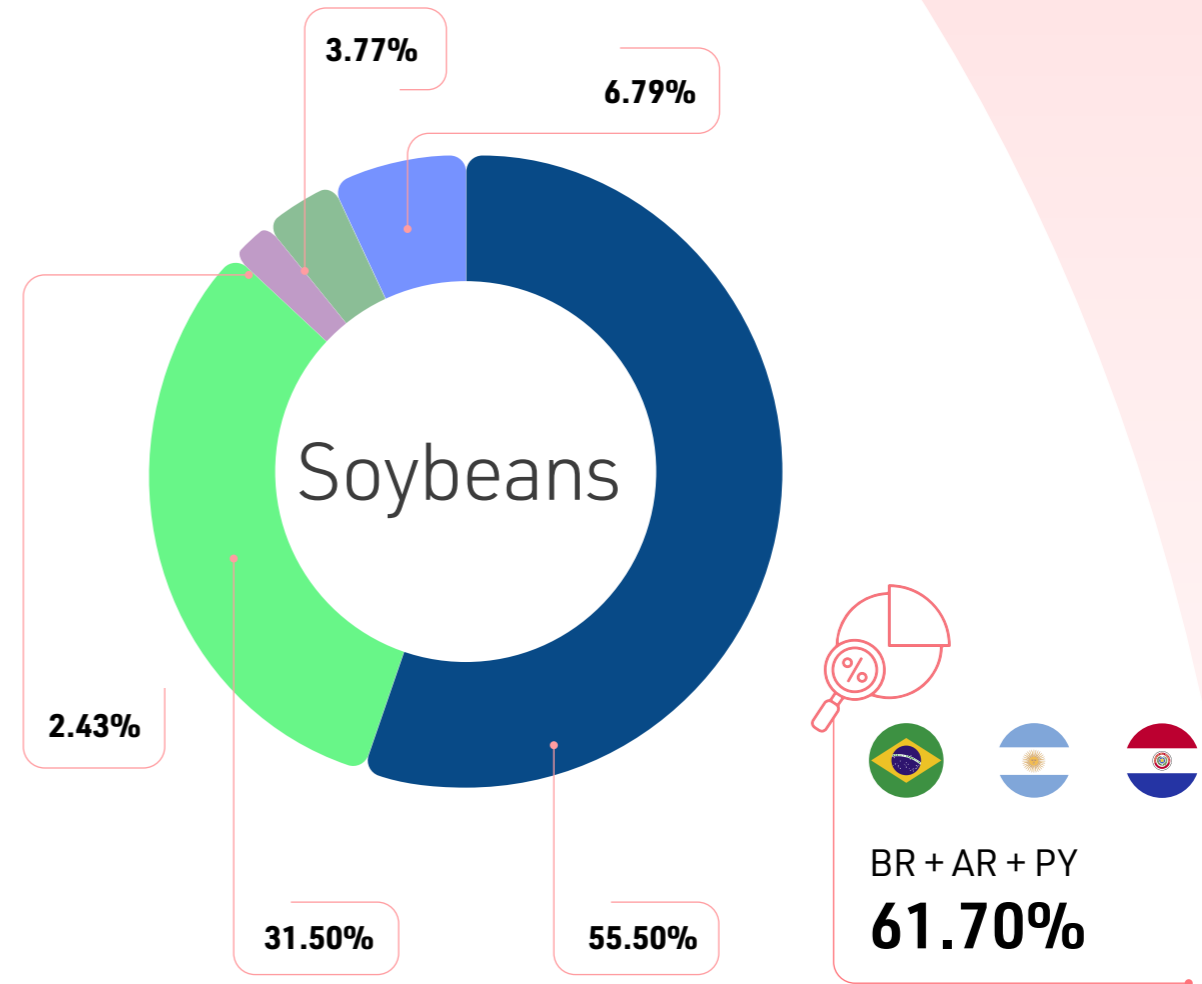
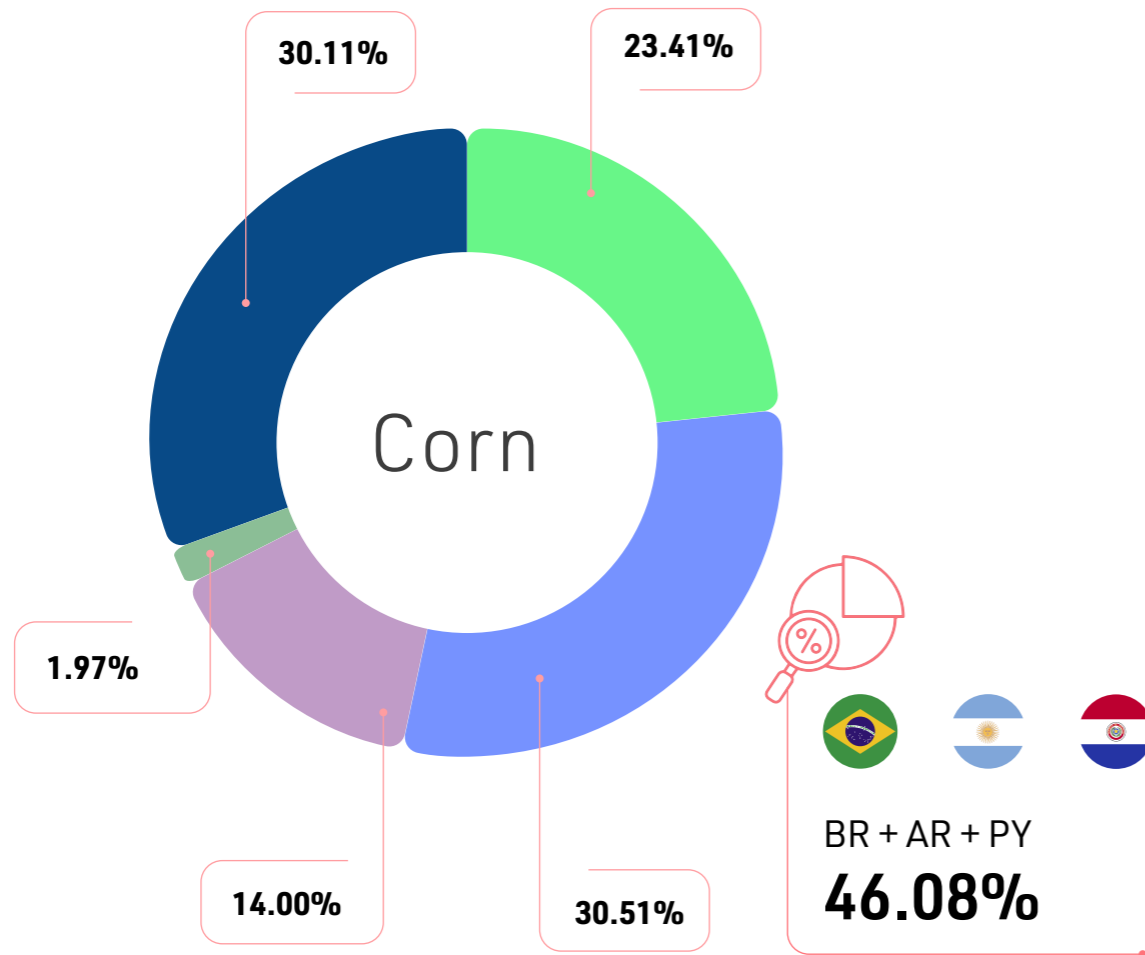
#### Global Total

2013/2014	<b>112.80</b>
2014/2015	<b>126.44</b>
2015/2016	<b>132.84</b>
2016/2017	<b>147.74</b>
2017/2018	<b>153.40</b>
2018/2019	<b>149.22</b>
2019/2020	<b>165.82</b>
2020/2021	<b>165.18</b>
2021/2022	<b>154.43</b>
2022/2023	<b>172.09</b>

#### Change % over a 10-year period

Global Total	<b>52.56%</b>
USA	<b>21.56%</b>
Brazil	<b>103.94%</b>
Argentina	<b>-46.63%</b>
Paraguay	<b>34.08%</b>
Others	<b>34.56%</b>
BR + AR + PY	<b>78.42%</b>

### Share of global exports (%) in 2022/2023



● Brazil 
 ● USA 
 ● Argentina 
 ● Paraguay 
 ● Others





## Brazil's cargo transportation grid

According to the **2035 National Logistics Plan** issued by the Ministry of Infrastructure, 66% of cargo in Brazil is transported on Brazil's highways with railways accounting for 18%. In turn, waterway and short-sea shipping account for about 15%.

The 2035 National Logistics Plan calculates the share of each type in the cargo transportation matrix by converting the movement into ton-kilometers (NTKs) – one ton per kilometer.

The plan presents different scenarios for expanding cargo transportation through 2035, assuming continuous growth in demand and operations in all transportation forms. It points out that the dependence on highway transportation can be reduced by more investments in railways and waterways.

## Potential of waterways in Brazil

According to the study **Economically Navigated Routes** conducted every two years by Antaq, Brazil used 20,100 km of waterways in 2022, approximately 5% more than in 2020.

This amounts to an increase of 958 km, and 763 km of this total was in the Amazon region. Soybeans and corn represent 73% of the cargo in this region, according to Antaq. The waterways total 41,600 km, according to the **2025 National Logistics Plan**. In other words, we could potentially double the length of the waterways and ramp up the cargo volume already being carried in these channels.

A 2019 assessment by the National Transportation Confederation (CNT) estimates that Brazil **has 63,000 km of navigable rivers**, of which two-thirds are still not being used.

## Tapajós and Amazonas rivers

One of Brazil's oldest and most extensive, the corridor formed by the Tapajós and Amazonas rivers connects key inland agricultural and mineral production areas to the Northern ports. Every year increasing amounts of commodities traded on the global market are loaded and unloaded in this logistical network.

Shipping is a more cost-effective alternative than highway transportation for exporting grains from northern Mato Grosso state, for example, benefiting the country's largest soybean and corn production hub. The state recorded a 120% increase in grain production in ten years, between the 2012/13 and 2022/23 crop years, reaching the mark of 100 million tons, according to Companhia Nacional de Abastecimento (Conab) statistics. The 2023/24 harvest is expected to be the second largest in history. With the increase in agricultural production, especially in northern Mato Grosso state, the demand for waterway transportation in the Tapajós-Amazonas corridor has been continuously growing.

### **Navigable distance:**

1,200 km, from Itaituba (PA) to Barcarena (PA).

## Paraguai-Paraná Waterway

The largest waterway in South America plays a crucial role in the transportation of goods in the navigable waterway corridor that spans Brazil, Bolivia, Paraguay, Argentina and Uruguay. It connects the central region of Brazil to the Rio de la Plata basin, the gateway to the Atlantic Ocean. Due to growing international trade and the need to cut logistics costs, demand for this waterway is also on the rise.

In addition, the development of infrastructure projects, such as the expansion and modernization of river ports and the improvement of navigation along the route, has further boosted demand for this route. Landlocked Paraguay, the fourth largest soybean exporter in the world and an leading corn supplier, harnesses the waterway as the main artery for grain exports. The waters flow west of important pulp and grain-producing regions of Uruguay and cross the agricultural belt of Argentina, meaning this region boasts some of the most privileged logistics in the world.

### **Navigable distance:**

3,400 km, from Cáceres (MT) to Nueva Palmira (UY). Hidrovias do Brasil operates routes amassing some 2,600 km.

# Progress on the Northern Arc

Waterways have increased the movement of soybeans and corn through the ports of the Northern Arc, located above the 16°S parallel.

According to Antaq [Waterway Statistics](#), the Northern Arc ports are now handling a larger grain volume than the country's other ports.

In 2023, it reached 100.8 million tons, a 14% increase on the 88.5 million tons in 2022. The ports in Southeast and South Brazil handled 100.2 million tons last year.

The Northern Arc outperformed them by 600,000 tons, equivalent to the cargo of ten ships. Antaq counts internal movements and exports.



# Our work in the logistics sector

To play its role in developing logistics solutions and meeting the demand for cargo transportation, Hidrovias do Brasil has been investing in structuring shipments, navigability solutions and innovations in the sector.

Investments in 2023 totaled R\$ 320.2 million (slightly down by -0.4% compared to 2022), with R\$ 123.1 million in maintenance, R\$ 175.9 million in expansion and R\$ 21.2 million in the concession at Port of Santos.

The Company concluded its first cycle of major investments in 2023 to structure its four operating systems: North, South, Coastal Navigation, and Port of Santos.

From 2024, maintenance and expansion projects will follow market trends and the Company's strategic positioning.



**R\$ 320.2 million**  
invested in **2023**

# Targeted **investment**

## Port infrastructure and logistics

Major investments have been made in recent years in the construction and modernization of port terminals along the waterways. These initiatives include the Cargo Transshipment Station in Miritituba (PA), which began operating in 2016 and became an important facility for shipping agricultural produce out of the Midwest, and the structuring the Port of Santos operational unit, which handled 3.6 times more fertilizer in 2023 compared to 2022. In Santos, the infrastructure is ready for a significant expansion of operations in the coming years, from 1.45 million to 2.5 million tons per year.

**2.5 million**  
t/year in the coming years

## Waterway corridors

Hidrovias do Brasil helps improve navigation conditions in waterway corridors with investments in dredging, signaling and maintenance, for example. These initiatives have helped improve the efficiency of river transportation in the North axis (Tapajós and Amazonas rivers) and in the South axis (Paraguai-Paraná Waterway).

**Private investments** have been crucial for developing the potential of water routes in South America.

## Technologies applied to navigation

The development and adoption of innovative technologies optimize river transportation operations. The Company has invested heavily in the construction of hybrid manoeuvre pushboats, in simulating trips in the North and South corridors, in remote monitoring of vessels and in operational systems that include controls to mitigate the emission of particulates and other substances – in addition to the Maneuver Simulator for Crew training.

Notable **investments** in the construction of hybrid push boats

## Transportation capacity

Investments in navigation infrastructure help to increase the waterway transportation capacity. In the third quarter of 2023 alone, R\$ 118.6 million was invested in the acquisition of buoys and barges for the North Corridor and in the development of the railway dispatch system at Port of Santos.

**R\$ 118.6**  
million  
**invested** in buoys and barges

# Innovation and technology

Hidrovias do Brasil's investments in innovative initiatives target long-term results, especially in areas such as climate resilience, energy efficiency promotion and socio-environmental management.

The Company has prioritized innovations that bring combined benefits, such as higher operational capacity, cost cutting, lower particulate emissions and better employee safety.

The Innovation and Technology Committee (CIT) has a multidisciplinary team that seeks to drive projects that add value to the business and strengthen a culture of innovation among employees. The CIT focuses on fostering initiatives that improve productivity effectively, while delivering on sustainability commitments.

## Continuous Improvement

Hidrovias do Brasil's Continuous Improvement program had its fourth edition in 2023. The initiative encourages employees to develop innovative solutions that help continuously improve the company's operations, including risk mitigation, management advancements, gains in employee quality of life, and customer experience improvements.

The development of solutions encompasses stages such as defining challenges, conducting ideation workshops and selecting and accelerating projects. The process culminates in the implementation phase, which includes technical and financial evaluations of the projects and progress checks.

More than 100 ideas were submitted to the program in 2023, with the participation of over 200 people from all regions where the Company operates. Among the 20 projects selected for the acceleration phase, five were chosen as finalists, reaching the implementation phase.

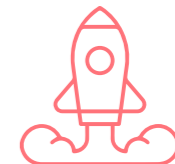
Throughout the first three editions of the program, a total of 32 projects were implemented, covering areas such as safety and the environment, operational efficiency, customer experience, financial management, process management and employee well-being.

The five finalist projects presented solutions such as the automation of the trailer positioning process during fertilizer transshipment operations, using LED panels and audible alerts. Another proposal presented innovations that can prevent accidents and keep employees safe in low-oxygen and high-temperature environments.

One project detailed how remote operation of mini wheel loaders can reduce the risk of accidents. Another selected initiative entailed the installation of an advanced alarm and fire detection system, which can prevent failures and improve facility safety. Another group of employees reached the final by proposing the use of automation in stages such as driver recognition and gate release, to optimize processes and increase operational efficiency.



**100+**  
ideas  
submitted



**32+**  
projects  
implemented

# Transformation in Santos

Port of Santos was a priority for the engineering and innovation departments in 2023. Efforts focused on completing works that engendered a veritable transformation of the terminal, which can now handle 2.5 million tons per day.

The installed equipment boosts operational efficiency, increasing cargo handling capacity while easing environmental impacts. Designed to emit fewer particulates, they provide greater comfort to employees working in operations and to people circulating nearby.

The structure also includes the first two hydraulic quay cranes installed at Port of Santos. Boasting cutting-edge technology, they can handle up to 14,000 tons per day (KCI base) and with an unloading time of 90 seconds, providing exceptional operational performance.

## Modernizing Brazilian waterway transportation

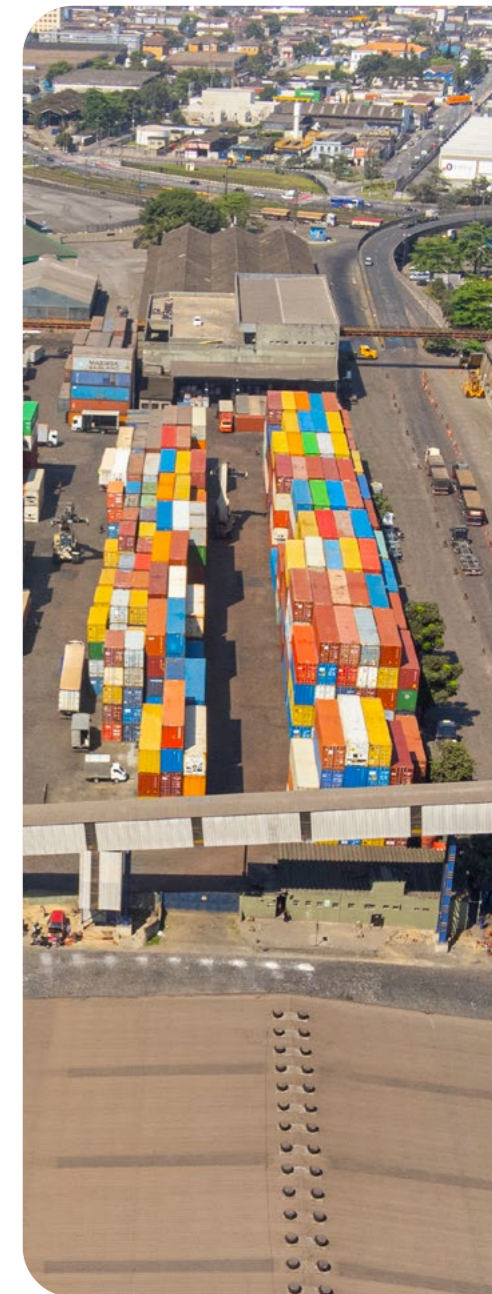
Hidrovias do Brasil relentlessly invests in innovation strategies to modernize waterway transportation in Brazil. Its work to this end is informed by four main fronts: emerging technologies, with the adoption of sensors and real-time monitoring for optimization and increased efficiency; smart fleet management, for vessel tracking, ensuring navigation safety; advanced planning and routing, with software that defines routes to optimize the journey; and process digitalization, with leaner processes and shorter waiting times.

Two initiatives complement each other for vessel monitoring: waterway data recording and the vessel location system via high-speed internet. Cross-referencing information allows us to determine the most suitable thrust for each type of maneuver in a given stretch. A convoy can therefore safely complete its route faster and with lower energy consumption.

Advanced route planning becomes even more crucial in a scenario of water level reductions, such as those recorded in the fourth quarter of 2023, which can temporarily interrupt waterway transportation. With more data on waterways and the use of artificial intelligence, the Company can predict and manage these interruptions in 2023. For example, it is now possible

to estimate up to two weeks in advance the water level of a shallower stretch when the vessel will be there. Depending on the depth data, lighter barges or those with a smaller draft can come into the equation. This planning prevents a convoy from running aground and blocking other vessels. It optimizes the use of resources, reduces fuel consumption, and allows for advanced operation planning, reducing impacts for the customer.

In addition, images from cameras installed at strategic points of Hidrovias do Brasil's operations are now used too. Through deep learning, computers visually understand and interpret the operations, indicating areas for improvement. The initiative yields efficiency gains and allows for more assistance to be dedicated to pilot safety in remote locations, for example.





## Cubo Maritime & Port

Hidroviás do Brasil is part of Cubo Maritime & Port<sup>2</sup>, an innovation hub of Cubo Itaú, focusing on port operations and maritime and waterway cargo transportation. Joining this hub in 2022 is part of the company's strategy to foment open innovation, aiming to create solutions and technologies to develop waterway transportation and the Company's activities.

Cubo Maritime & Port is one of the newest hubs at Cubo, which includes sectors such as agro, education, logistics, smart mobility, construction and living, healthtechs, maritime & port, fintechs, legaltechs, and ESG, dedicated to fostering technological entrepreneurship. The hub was created due to the importance of maritime trade for Brazil, aiming to drive innovation in this crucial sector.

The projects developed through Maritime & Port have the challenge of optimizing waterway cargo transportation in Latin America, reducing costs, fuel consumption, and navigation time, as well as improving energy efficiency and optimizing processes. The goal is to promote the sustainable development of the low-carbon transportation mode, harnessing its potential responsibly.

**7 projects** were developed in 2023 with the Maritime & Port Hub, a hub that connects startups with large companies for innovative projects.

The target is to increase the number in 2024 **by 15%**.

<sup>2</sup> Itaú Cubo is a non-profit organization that since 2015 has been curating startups in the traction phase and with high potential for scalability to boost businesses and the economy.



The projects are developed through partnerships, broadening the Company's integrations with startups, corporations, regulatory and governmental bodies, universities, research centers, and international hubs. These include our:

## Regulatory Manifesto

Developed by the companies that fund the Hub, the Manifesto strives to overcome historical challenges in the Brazilian maritime, port, and waterway industry through innovation. Ongoing dialog with various stakeholders is essential to achieve this aspiration.

## International Challenge

Promoted by the three companies that fund the Hub, in partnership with Cubo and Beta-I Collaborative Innovation, it aims to select international startups in the maritime and port sector through a scouting program (headhunting emerging companies with growth and innovation potential). Launched in the last quarter of 2023, it focused on sustainability and digital transformation topics, with 2,600 participating startups from 57 countries.

## Intermodal 2024

For the second consecutive year, the M&P Hub participated in Intermodal South America, with its own booth to promote the hub's startups and the funding companies' interests and objectives in the maritime and port market.

## Demodays

Developed in partnership with the M&P hub and the funders, Demodays give startups a platform to showcase their solutions and operations to leading market players. With various themes, recent examples include the Global Compact (in partnership with the ESG hub), ANTAQ Demoday, and ACS Demoday (Santos Commercial Association), among others.

## Innovation Day

This is another engagement action organized by the hub and led by the funding companies in conjunction with Cubo. The event holds meetings on specific topics, in which each company explains its needs to the startups in the hub. This produces an exchange of knowledge between the funders and the startups.

## ESG Hub Integration

An internal Cubo initiative, through joint action of the hubs. Developed in partnership with the ESG hub to integrate the hubs' actions and address sustainability in Hidrovias do Brasil's sector. The partnership hosts specific events and provides startups with acculturation and training on a fundamental subject for businesses.

## Proficient Innovation Development (DIP)

This is an exclusive initiative of Hidrovias do Brasil, created to articulate the company's internal areas and Cubo's other hubs. It also aims to approximate daily operational issues with the innovative solutions offered by Cubo's various startups.

The first step in this direction was the partnership with the ESG hub, resulting in an exclusive event focused on the pillars of the Company's sustainability commitment.

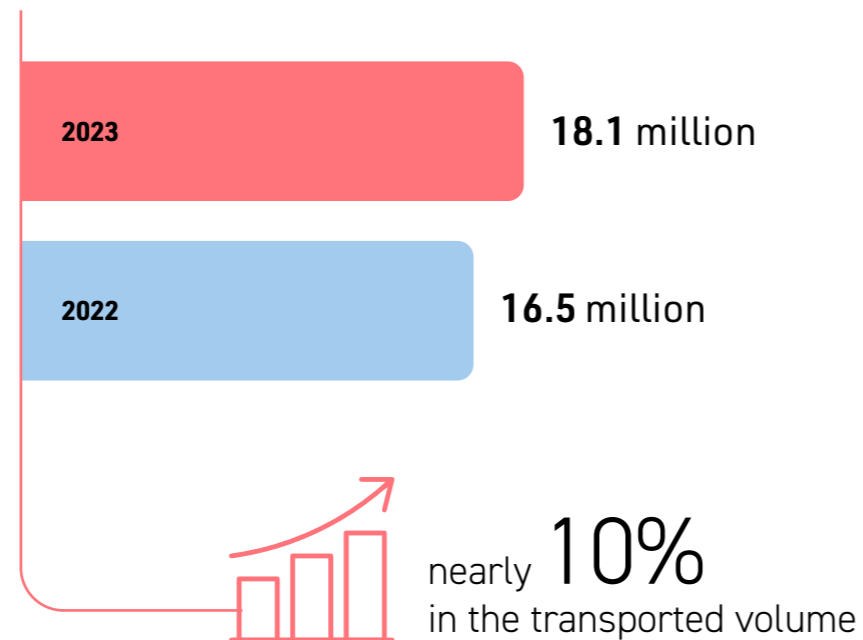
# Business-financial and operating performance

In 2023 Hidrovias do Brasil beat its 2022 performance, despite the impact of lower water volumes in certain waterways in the fourth quarter.

The figures below reflect a nearly 10% increase in the transported volume (from 16.5 million to 18.1 million tons), rate increases in the main logistics corridors, and operational management excellence.

The positive performance spurs the company's other capitals such as Social and Relationship, whose actions impact customers, employees, investors and communities.

## Volume transported (tons)



## Adjusted EBITDA

In 2023, the highest Adjusted EBITDA, including JVs, was recorded in the Company's history: R\$ 780.3 million, with a margin of 40.5%. This remarkable result was fueled by the substantial movement of grains, iron ore, fertilizers and bauxite, especially in the first nine months of the year, when we had regular navigation conditions in all logistics corridors.

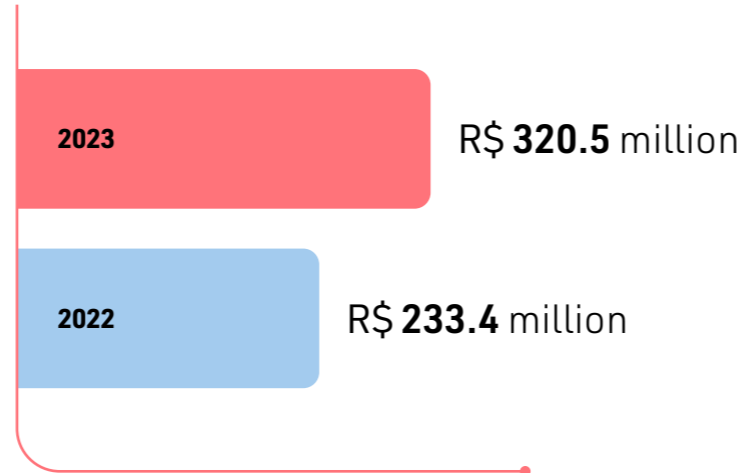


R\$ 780.3 million of Adjusted EBITDA (including proportional EBITDA of JVs).

# Finance Income (Loss)

The Company closed the year with a consolidated finance income of (R\$ 320.5) million, compared with (R\$ 233.4) million the previous year.

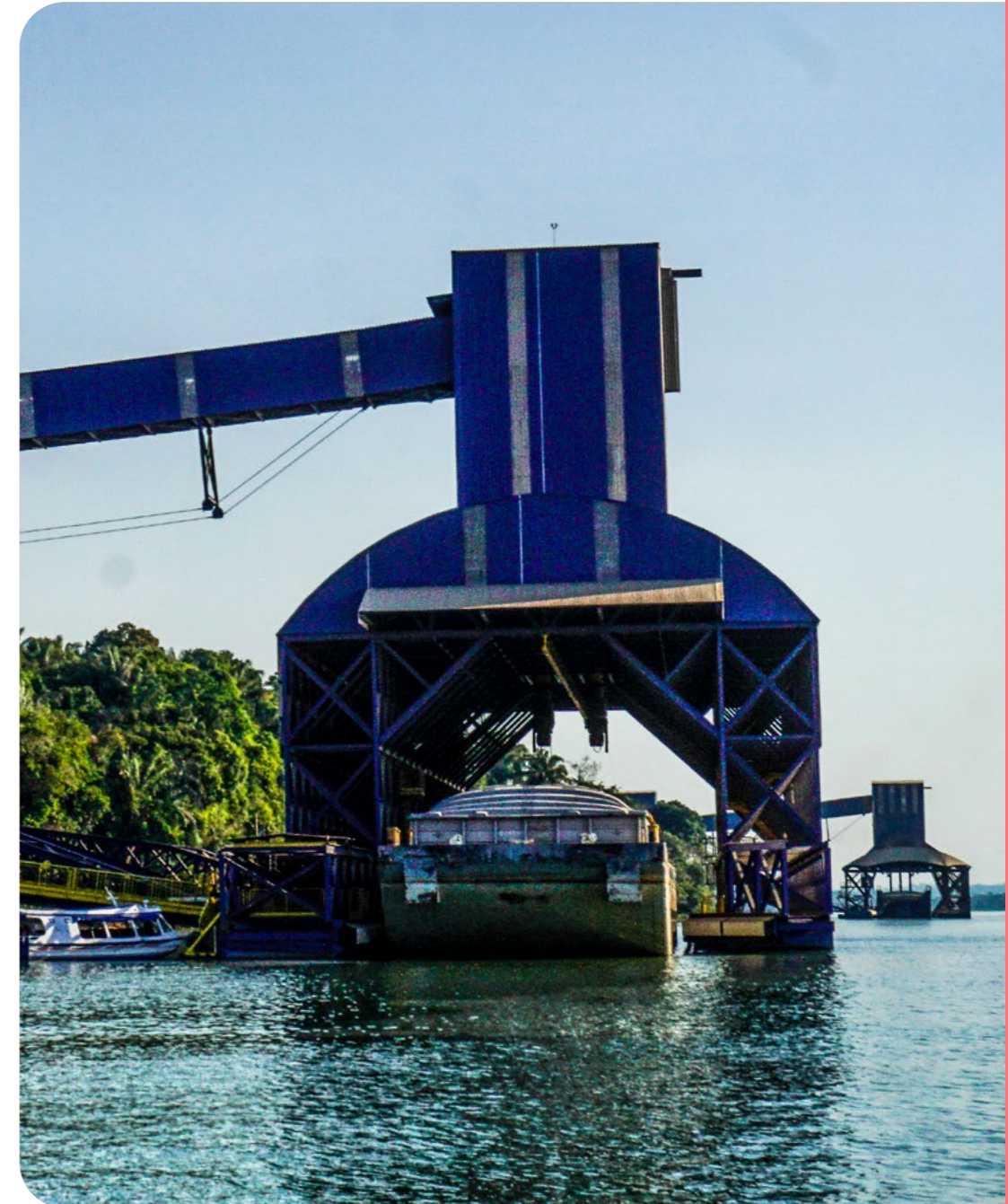
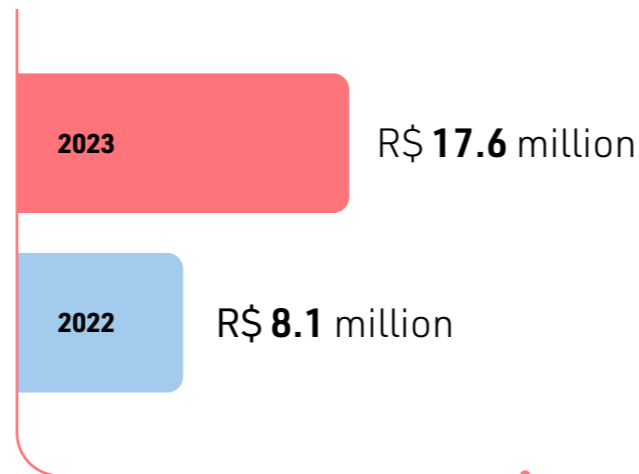
The figure is not comparable to that of 2022, as there was a non-recurring positive impact from the capital structure optimization process the Company carried out in 2022. Without this positive effect, the Adjusted Finance Income for 2022 would be (R\$ 376.7) million, which vindicates the optimization process which triggered an improvement in the Finance Income over the two years.



# Net Income

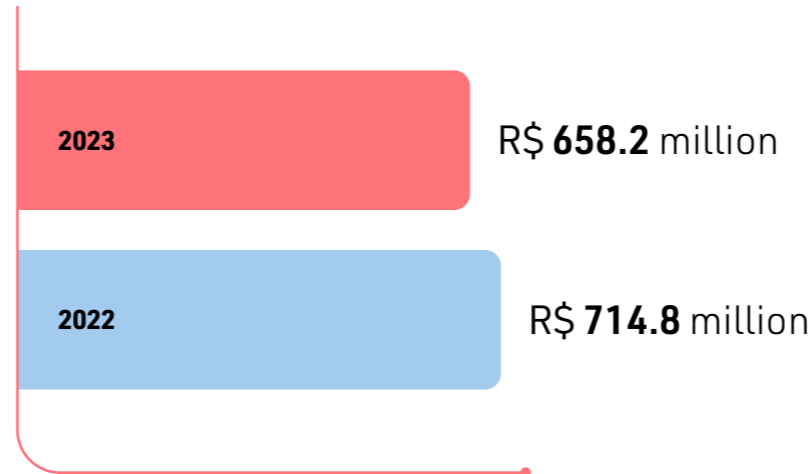
After posting a net loss of (R\$ 8.1) million in 2022, Hidrovias do Brasil made net income of R\$ 17.6 million in 2023.

The performance is due to the record movement of cargo in the first nine months, which compensated for the company's weaker performance in the fourth quarter.



# Operating cash Generation

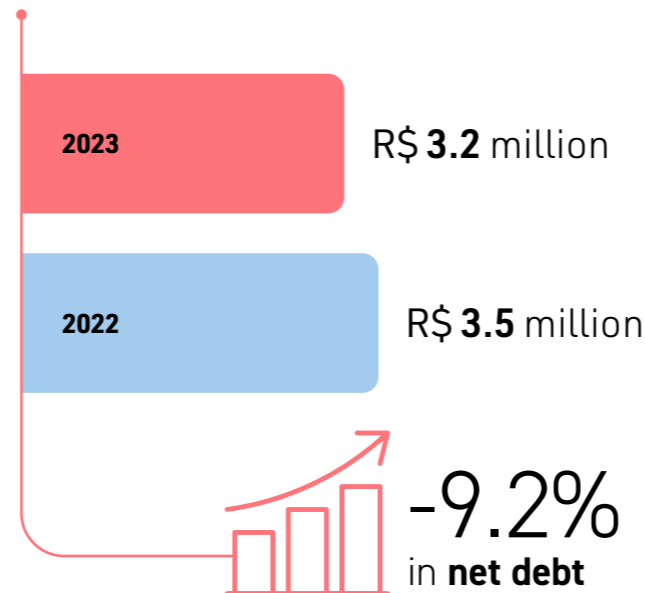
R\$ 658.2 million of operating cash was generated in 2023, 7.9% lower than the R\$ 714.8 million the previous year. This figure was boosted on the one hand by the improved EBITDA in the period, but was undermined by a one-time worsening in the Company's working capital, which tends to be neutral during times of operational regularity.



# Debt

There was a 9.2% reduction in net debt, which closed 2023 at R\$ 3,205.8 million, compared to R\$ 3,531.2 million at the end of 2022, with gross debt down by 5.8%, influenced by the exchange rate devaluation witnessed during the period, as about 75% of the Company's debt is indexed to US dollars. Cash and short-term investments also grew by 10.8%.

Leverage, based on Adjusted EBITDA ex-JV's for the last 12 months, stood at 4.24x, lower than at the end of 2022, which was 4.88x, demonstrating the Company's continuous deleveraging trend.



# Investments

In 2023, R\$ 320.2 million was allocated to investments in recurring asset maintenance, which is structurally low as it does not require route maintenance, in addition to investments related to the Santos concession, which ends in 2025, and in expansion.

The investments in expansion followed the Company's schedule and entailed the acquisition of buoys, push boats and barges, which will help increase the modular capacity in the North Corridor from 2024 onwards and to the development of the rail shipment of fertilizers at Port of Santos.

This meant the Company concluded the first cycle of major planned investments in 2023, for the installation and consolidation of the four independent logistic corridors, which hold a leading position in their respective domains of operation.

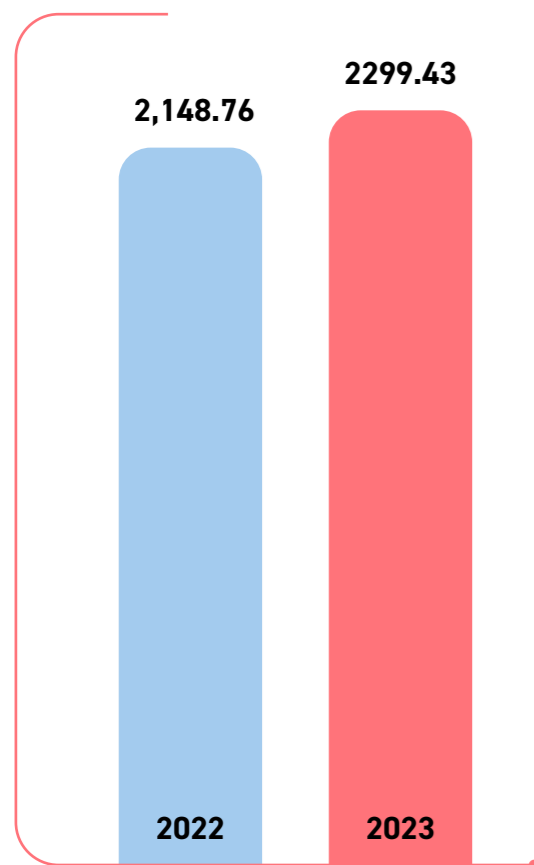


**R\$ 320.2 MILLION**  
INVESTED IN  
MAINTENANCE

# Statement of added value

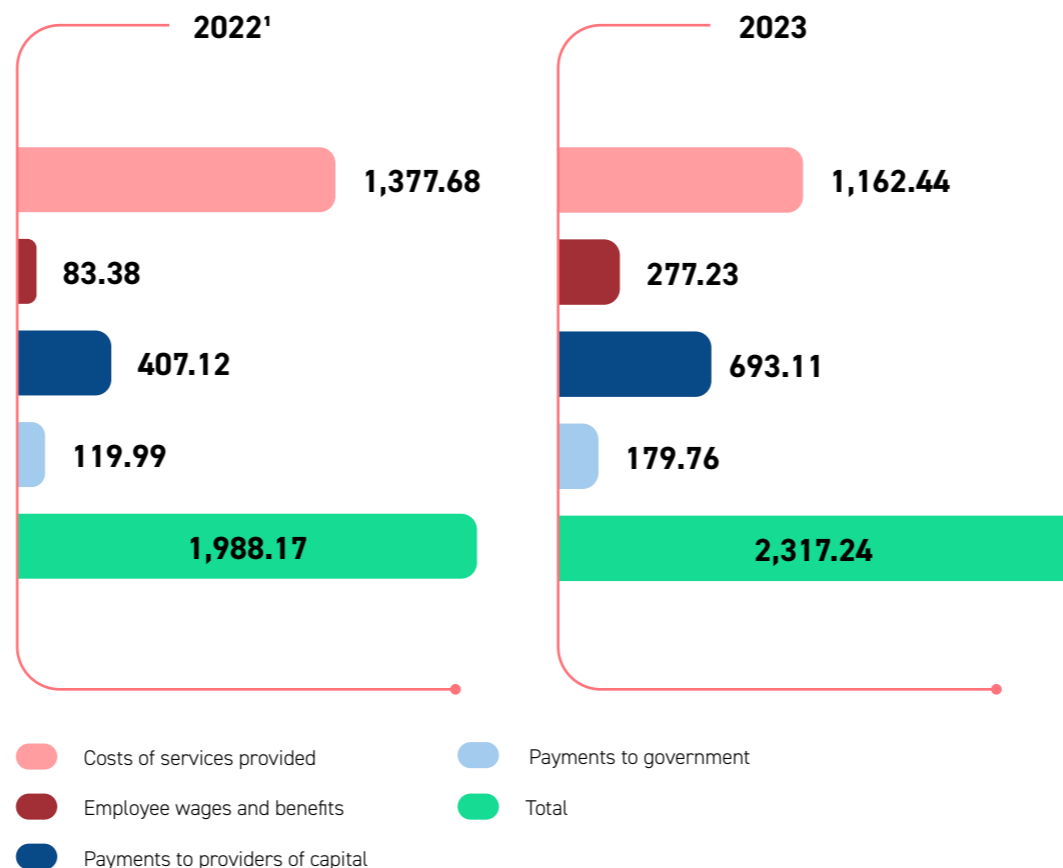
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## Direct economic value generated (R\$ millions)<sup>1</sup>



<sup>1</sup> Values for 2022 adjusted according to value added statement presentations.

## Economic value distributed (R\$ millions)<sup>2,3</sup>

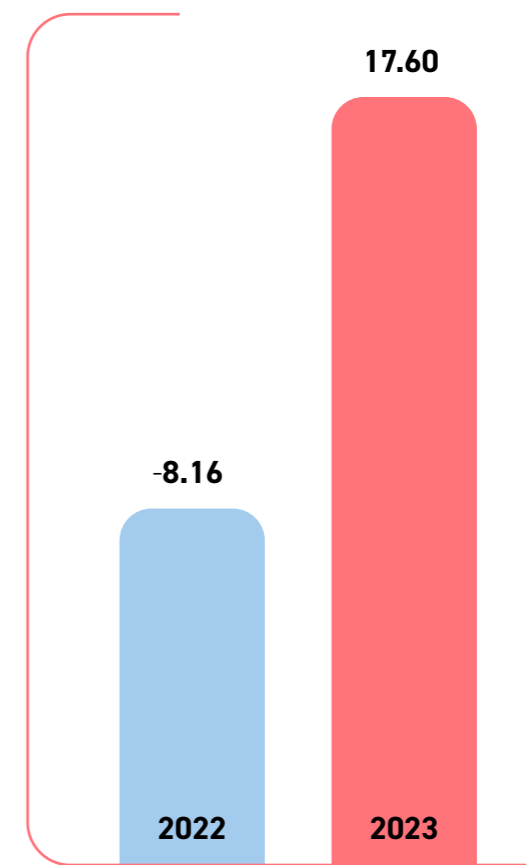


<sup>1</sup> Values for 2022 adjusted according to value added statement presentations.

<sup>2</sup> The Economic Value Generated and Distributed by the organization covers national and international markets, due to operations in Brazil and South America. This scope is defined by operations segmented in strategic corridors, such as the external South Corridor and the North, Short-sea, and Santos corridors in Brazil, which are crucial for generating earnings.

<sup>3</sup> R\$ 4.7 million was invested in 2023.

## Economic value retained<sup>1</sup> (in millions of R\$)



<sup>1</sup> "Direct economic value generated" less "Economic value distributed"

## 4

# Positioning in sustainability

# Commitment to **sustainability**

Sustainability has been guiding Hidrovias do Brasil's strategy and operations since its foundation in 2010, establishing itself as a high-efficiency, low-carbon logistics solution for clients in South America.

The Company has continuously sought to evolve its governance and socio-environmental management.

Since 2021, sustainability initiatives have been planned and executed around Six Commitments correlated to its Double Materiality Matrix (2021) and the United Nations Sustainable Development Goals (SDGs) applicable to the business:

**CAPITAL**



**TOPICS ADDRESSED**

COMMITMENTS TO SUSTAINABILITY

MATERIALITY PROCESS

SUPPORTING THE SDGs



**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 tirelessly and doggedly cultivate ethics and transparency in our relationship with all our stakeholders.



**Value Chain**

Urge our clients to produce in areas that are regularized and compliant with current environmental legislation, and to embed ESG criteria in the selection, qualification and development of suppliers.





### Environmental impacts

Mitigate the negative impacts and support the regeneration of the ecosystems where the Company operates.



### Local Development

To actively drive the human and socioeconomic development of the communities neighboring our operations.



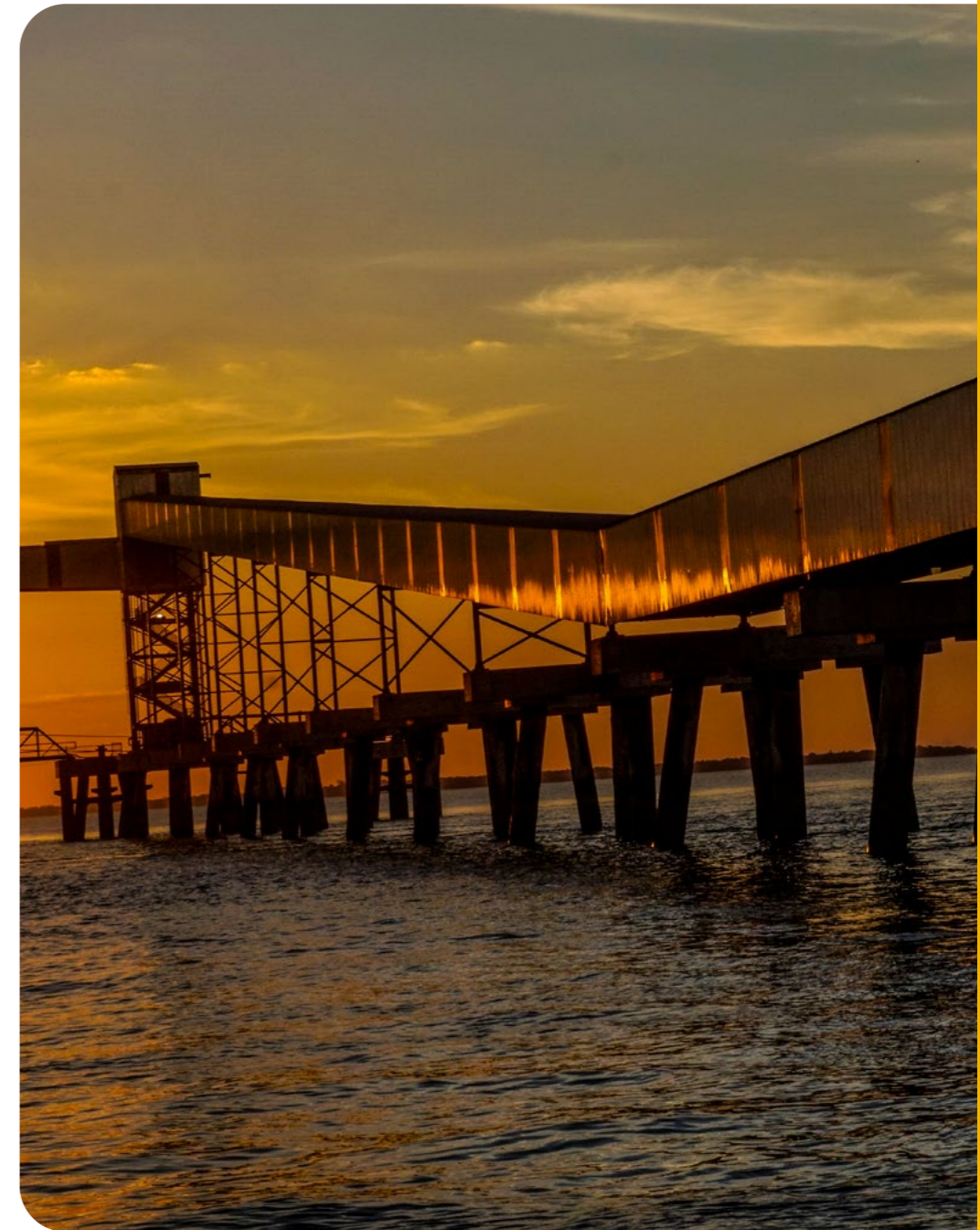
### Human Development

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



These six Commitments are part of a jointly co-created action plan within the Company, with the participation of all leaders and senior management, who engaged in defining these priorities and aspirations, and on short-, medium- and long-term indicators.

The action plan for 2021 set out the main initiatives to be developed until 2025 and beyond. In 2022, the company widely disclosed its commitments to provide transparency in its management, both internally and externally.





## Sustainability indicators

established for the period 2022-2025 are being achieved ahead of schedule by Hidrovias do Brasil.

In 2023, efforts were directed towards short- and medium-term actions. The year 2025 does not mark the end of the company's public commitment, but rather the beginning of more challenging indicators for each goal.



## Check the tables of indicators related to Hidrovias do Brasil's sustainability initiatives:

### 2022/2023 Disclosures



#### CLIMATE CHANGE

80%<sup>1</sup>

Approving a detailed plan and budget with alternatives for achieving Net Zero by 2030

100%

Consolidating a carbon inventory (3 scopes) audited by a qualified agency

100%

Building two hybrid push boats

100%

Completing the conceptual design of the 35-barge convoy

100%

Studying the use of HVO<sup>2</sup> in the davit manoeuver pushboats used in the Southern system

<sup>1</sup>New strategic guidelines were designed for this goal, aiming to achieve 100% compliance. See more in Climate Strategy.

<sup>2</sup>Hydrotreated Vegetable Oil (HVO), a biofuel produced from vegetable oils or animal fats through hydrotreating, which reduces emissions and can be used in conventional diesel engines.



## ETHICS & TRANSPARENCY

# 100%

Employee training on the **anti-corruption policy**

# 100%

Defining the system for registering institutional interactions

# 100%

Creating a government relations procedure



## VALUE CHAIN

# 100%

**Suppliers:** Developing/ accrediting a strategic supplier based on ESG criteria

# 100%

**Customers:** Adding 100% of Northern System grain clients to our inventory and urging them to sign up to the soybean moratorium



## ENVIRONMENTAL IMPACT

# 100%

Analyzing the emissions of critical or irregular particles across all the company's operations - Northern System

# 100%

Completing a waste inventory and creating an action plan containing indicators for reduction and disposal depending upon the category





## LOCAL DEVELOPMENT

# 100%

Socio-environmental diagnosis of the operations and routes in HBSA's geographies

# 100%

Reputation search conducted by an independent agent on priority stakeholders (based on stakeholder mapping)

# 100%

Devising our strategy for ISP (Information Search Process) and expanding the Institute's actions to all the company's geographies



## HUMAN DEVELOPMENT

# 100%

Implementing 100% of the occupational health and safety plan for 2022

# 100%

**Publishing the new recruitment** policy with quantitative and qualitative indicators for all selection processes

Hidrovias do Brasil has anticipated compliance with indicators defined for 2022 and 2023, except for one.

The Company **has reconsidered medium- and long-term indicators (2024 and 2025 and from 2026 onwards)** to make them more auditable, quantifiable, and consequently measurable, facilitating reporting of results for all its stakeholders.



See our **medium-term indicators (2024 and 2025)** and their new indicators below:

### 2024/2025 Indicators



#### CLIMATE CHANGE

Publicly disclose the 2030 Carbon Neutrality Plan.

From 2025, offset and reduce the percentage of greenhouse gas emissions (scopes 1 and 2) per ton transported, according to the Carbon Neutrality Plan presented and approved in 2024.



## ETHICS & TRANSPARENCY

Resolve 100% of the grievances received in the period.

Publicly disclose the status of 100% of the commitments made and any delays and challenges.

Annually publish an Integrated Report audited based on CVM Resolution 193.



## VALUE CHAIN

Develop and execute a development plan for 25% of critical suppliers not approved in the 1<sup>st</sup> two years.

Publicize our core ESG guidelines for 100% of customers and suppliers.



## ENVIRONMENTAL IMPACT

Achieve a minimum efficiency of 80% for all operational environmental controls. (2022 baseline)

Sustainably allocate at least 70% of the generated waste. (2022 baseline)



## LOCAL DEVELOPMENT

Address at least 70% of high-criticality socio-environmental risks.

Address 100% of the demands made by the Ombudsman Channel (Alô Comunidade).

Co-create at least one social initiative in 100% of the priority communities.



## HUMAN DEVELOPMENT

Maintain a 91% satisfaction rate in the Justice Pillar (GPTW). (baseline 2023 - 91%)

Increase the representation rate of women in leadership by 2 points. (baseline 2023 - 35.5%)

Increase the representation rate of women in operations by 2 points (baseline 2023 - 5%)

Increase the racial diversity rate by 2 points. (baseline 2022 - 33.8%)



## CORE STRUCTURE OF THE COMMITMENTS TO SUSTAINABILITY

### 6 dimensions

DEFINED BASED ON THE  
**DOUBLE MATERIALITY** AND  
ALIGNED WITH THE GLOBAL  
CHALLENGES OF THE **SDGs**

### 6 targets

PRESENT THE AMBITIONS  
FOR EACH OF THE DEFINED  
DIMENSIONS

### 17 indicators

THIS IS HOW WE OBJECTIVELY  
MEASURE HOW WE WILL ACHIEVE  
THE AMBITIONS ESTABLISHED IN  
THE GOALS



### TIME FRAMES

COMMITMENTS CREATED FOR:

**2021**

SHORT-TERM:

**2022 to 2023**

MEDIUM TERM:

**2024 to 2025**

LONG TERM:

**2026 onwards**

At the end of the medium-term indicator cycle (2024 and 2025), new, sequential, and more ambitious challenges will be established as long-term goals (from 2026 onwards).



# Materiality process

GRI 3-1 and 3-2

Between 2020 and 2021, Hidroviás do Brasil conducted internal and external consultations that resulted in the formation of its materiality matrix.

This process is indebted to the participation of employees, suppliers, contractors, shareholders, investors, customers, consumers, local communities, government, third sector and the media.

The consultations involved individual and group interviews, workshops, co-creation sessions, surveys, online consultations, social media analysis and studying internal and external documents. Thirteen essential topics were identified, which were later grouped into seven macro-topics.

The 13 topics identified include issues such as job creation, energy efficiency, waste management, geographical setting, and socioeconomic and environmental impacts on neighboring communities, among other things.

These topics were then organized into broader macro-topics, such as socio-environmental and land-use management, climate change, human development and ethics.



## Macrotopics, material topics and impacts



Macrotopic

### Social and environmental and land management

#### Material topics

- > Socioeconomic and environmental impact on surrounding communities
- > Biodiversity
- > Geographical setting
- > Waste

#### Impacts

Hidrovias do Brasil's activities have the potential to positively and negatively impact the surrounding communities. Factors such as atmospheric emissions; hazardous waste; sanitary and industrial wastewater; dust, noise and vibrations are caused by our port and shipping operations and if not properly managed can negatively affect the immediate surrounding regions.

Similarly, the creation of jobs and income and the socioeconomic development brought about by Hidrovias do Brasil's activities in its geographies can exert positive impacts that should be addressed by programs in order to expand and optimize them. Hidrovias has accordingly implemented a strategy involving sustainability and social performance guidelines with a broad-based approach that

involves the identification of risks and impacts, the demarcation of communities and identification of stakeholders. It also includes the co-creation of social initiatives conducive with the pillars of income generation, local development and education.

Furthermore, the company has implemented mechanisms designed to ensure that the historical use of the lands continues, thereby helping regenerate the ecosystems and properly manage the waste generated, which includes efforts to reduce and reuse the materials involved.



Macrotopic

### Climate change and our contribution

#### Material topics

- > Energy efficiency
- > Emissions

#### Impacts

Hidrovias do Brasil makes use of waterways which are considered a lower-impact alternative in terms of greenhouse gas (GHG) emissions compared to rail and road transportation systems. In addition to its business model, the company has implemented a strategy of decarbonizing and developing its energy matrix, both in terms of shipping and the terminals. One example involves the adoption of the first push boats using hybrid technology in South America.



Macrotopic  
**Minding the value chain**

- Material topics**
- > Source
  - > Impact of the transported product

**Impacts**  
Hidrovias transports solid bulk and commodities originating from mining, agriculture and pulp production. As part of these chains, the company is aware of its obligation to positively influence operations in its value chain (clients and suppliers) in the pursuit of processes with a small socio-environmental footprint.



Macrotopic  
**People development**

- Material topics**
- > Diversity
  - > Human development

**Impacts**  
Attracting and retaining human capital while cultivating a safe and welcoming environment is a priority for the company. Amongst its targets, Hidrovias do Brasil envisages a diverse and inclusive culture, conducive with the continued development of its workforce, plus an emotionally safe environment, that enables employees to fully express their potential. The company also works to engage and support the learning and growth of its employees within the company, guaranteeing benefits that improve health, wellbeing and a sense of belonging and participation.



Macrotopic  
**Occupational health and safety.**

- Material topics**
- > Health
  - > Emissions security

**Impacts**  
The port and shipping operations have identified the occupational risks related to occupational health and safety and the quality of life of our employees. With the aim of eliminating or mitigating the exposure to these risks, wherever possible the company establishes strategic measures to foster a safe working environment propitious to employee wellbeing and development.



Macrotopic  
**Economic prosperity**

**Material topics**

- > Job creation
- > Economic impact generated

**Impacts**

Hidroviás do Brasil wants to positively impact its geographies by creating regional and local jobs and by supporting the qualification and employability of those living in these locations. Its presence in the regions also fuels a range of indirect economic impacts related to the strengthening of local suppliers and the generation of tax revenue for local governments.



Macrotopic  
**Ethics and transparency**

**Material topics**

- > Ethics and transparency

**Impacts**

Ethics and transparency are core values for Hidroviás do Brasil, which extends its principles to its employees and to the value chain, whilst establishing mechanisms designed to ensure business compliance.



The materiality matrix and related information was approved by the company's technical staff and senior leadership. **The matrix was developed over three distinct stages:**



### Stakeholder Engagement and Mapping

Identifying the main stakeholder groups, how they relate with the company and existing communication channels. This allowed us to identify priority engagement areas.



### Internal Analysis and Impact Identification

Mapping the main positive and negative impacts, as instructed by GRI (Global Reporting Initiative) standards. This was done through an internal analysis carried out by a focus group composed of 21 reporting team members, which took into account the nature of our organization, the value chain, and the company's sustainability commitments.



### Topic Prioritization

Defining material topics by cross-referencing internal analyses and stakeholder opinions, gleaned through interviews, multiple-choice questionnaires and open-ended questions, involving 280 people, including employees, suppliers, investors, customers, third parties and representatives of local communities.

Identifying material topics played a fundamental role in defining Hidrovias do Brasil's sustainable commitments.

It allowed us to focus efforts and resources in areas with significant potential for positive impacts.

Additionally, it favored the effective allocation of resources and the development of goals and performance indicators for continuous improvement.

# Adherence to **SDGs**

Compiling a materiality matrix and defining goals and indicators allow the Company to directly work towards the United Nations Sustainable Development Goals (SDGs). The company's priorities cater to nine of the 17 SDGs:



5

Climate strategy



# Climate resilience and Hidrovias do Brasil's contribution

## GRI 3-3 CLIMATE CHANGE AND OUR CONTRIBUTION, 3-3 ECONOMIC PROSPERITY

The year 2023 clearly demonstrated how initiatives aimed at mitigating the impact of human activities on the environment are important for the development of waterway transportation. A drought reduced the water volume of the rivers that flow into the Amazon, including the Tapajós, to unprecedented levels. This phenomenon was attributed to climate change and demonstrated the importance of environmental sustainability initiatives.

The waterways in the Amazon region experienced unusually low water levels, as reported by the Brazilian Geological Survey (SGB). Although water levels rise and fall every year, there were lows, such as those on August 26, 2023, when the Amazonas river dropped to a depth of 12.9 meters at Port of Manaus, 92 cm lower than the previous record low in 2010.

This was not the first time that Hidrovias do Brasil has operated during a drought. In 2021, there was a historic low in the Paraguai and Paraná rivers, impacting the waterway corridor that extends from Midwest Brazil to the Rio de la Plata Basin, between Argentina and Uruguay. In comparison with that period, better navigation conditions have been observed in the last two years. However, the situation materialized a risk already mapped by the company and expedited operational improvements, which are now more predictable and resilient.

Hidrovias do Brasil understands the importance of expanding sustainability initiatives and is ramping up its efforts to help mitigate climate change on two main fronts: climate adaptation and carbon neutrality. It accordingly fosters sustainability through both investments in comprehensive studies on drainage basins and through initiatives that reduce CO<sub>2</sub> emissions.



### CAPITALS



### MATERIAL TOPICS

ENERGY EFFICIENCY

EMISSIONS

TECHNOLOGY AND INNOVATION

### COMMITMENTS TO SUSTAINABILITY

CLIMATE CHANGE

### TOPICS ADDRESSED

CLIMATE RESILIENCE AND HIDROVIAS DO BRASIL'S CONTRIBUTION

CLIMATE ADAPTATION STRATEGY

PURSUIT OF CARBON NEUTRALITY

# Climate adaptation strategy

The waterway transportation of goods has demonstrated its resilience by adopting a proactive stance to ensure the continuity of operations. The loads were adjusted to reduce weight so that the vessels could navigate through the shallower draft points. Based on monitoring river levels and forecast navigation conditions, the schedule of departures and arrivals was made more flexible to avoid interruptions during the journey, leading to efficiency and safety gains.

Hidrovias do Brasil's climate resilience strategy is based on an approach to identify and measure physical and transition risks for each corridor separately, allowing the proactive and risk-oriented mitigation of climate change risks. In line with global perceptions of climate challenges, the Company recognizes and is preparing for the need to adapt its operations to face these changes.

Resilience measures to address the challenges presented by climate change and variations in hydrological conditions affect the operations. Vessels with shallower drafts or that make cargo adjustments for navigation at different depths can continue to navigate in adverse conditions. This structure facilitates the continuity of operations during dry periods.

The Company also constantly monitors water levels along navigation routes. This regular monitoring enables a swift response to changes in hydrological conditions, determining operational adjustments as necessary to ensure the safety and efficiency of operations. The flexible scheduling of departures and arrivals, in turn, allows vessels to take advantage of high tides or higher water levels to navigate more safely.

Hidrovias do Brasil invests in improving port infrastructure, regularly dredging waterways and building structures to protect against silting. These improvements help maintain adequate drafts for navigation, benefiting efficiency and safety.





## Paraguai-Paraná Waterway Study

Hidrovias do Brasil has been commissioning studies on the waterways where it operates to obtain a better understanding of the rivers, thereby sustainably improving the viability of its operations. This action resulted in a waterway mapping using sustainability-related actions.

In 2023, the IMDC (International Marine and Dredging Consultants) began collecting data on the Paraguai-Paraná Waterway. Details were initially gathered for the stretch between Corumbá, in the Mato Grosso do Sul state, and Asunción, in Paraguay. In 2024, the study is expected to move southward to map the rest of the waterway.

The data collected are useful outside resilience and impact mitigation actions related to climate change. They help, for example, guide dredging operations, identifying critical points, and strategies to prevent silting and environmental impacts.

Preliminary assessments in 2023 confirm the waterways will be viable in the coming decades and indicate measures that could be implemented to ensure greater sustainability.

# Pursuit of carbon neutrality

Waterway transportation is emerging as a solution to address global challenges and national goals for mitigating the impacts of climate change. It is renowned for its efficient fuel consumption per ton of cargo transported, resulting in lower greenhouse gas (GHG) emissions compared to other forms of transportation.

In addition to operating under this sustainable model, managing GHG emissions and mitigating impacts are integral parts of Hidrovias do Brasil's strategic planning, which has set ambitious reduction commitments and initiatives to achieve carbon neutrality by 2030.

To support this goal, it manages its greenhouse gas emissions comprehensively and regularly, covering all operations and considering the three scopes of emissions classification (assurance and publication of scopes 1 and 2 only), through its GHG emissions inventory. Assured by an independent organization and published in the Brazilian GHG Protocol Program, it earned Gold Status in October 2023 for the second consecutive year. Learn more about our emissions inventory on page 67.



In 2023, data on Hidrovias do Brasil's greenhouse gas emissions and its strategy to manage associated risks became public on CDP (Disclosure Insight Action) – a platform where investors and companies disclose information about their efforts to combat climate change. [GRI 2-28](#)

In 2023, the company reported a total of 1,398,587.81 tons of carbon dioxide equivalent (tCO<sub>2</sub>e) emissions, distributed as 14.37% direct emissions (Scope 1), 0.06% emissions from the consumption of electricity (Scope 2), and 85.57% indirect emissions (Scope 3).

In 2023, Scope 1 emissions dropped by 10,171.31t<sub>2</sub>e and Scope 2 by 78.37 tCO<sub>2</sub>e. There was a significant increase in Scope 3 emissions due to multiple factors, including the new calculation categories and the refinement of the methodologies used, which now reflect the Company's activities more accurately. Detailed information is available in the Disclosures Appendix on page 155. The emissions intensity indicator, calculated as the ratio between GHG emissions and the total tons of produce transported multiplied by the distance in kilometers traveled by its vessels (TKU), was 0.04 gCO<sub>2</sub>e/TKU for Scopes 1 and 2.

For 2024, Hidrovias do Brasil intends to advance its resilience strategy, based on operational excellence, via a variety of initiatives such as training, stakeholder engagement, audits, goal monitoring, implementation of mitigation and compensation initiatives and internal and external reporting.

As one of its Sustainable Commitment goals, it is therefore putting together its Carbon Neutrality Plan 2030, which will consist of strategic actions aimed at offsetting emissions and gradually decarbonizing its fleet.

The offsetting Plan will focus on high-integrity projects, demonstrating the Company's effort to support the prevention and control of deforestation and forest degradation, and the promotion of forest recovery and sustainable development, especially in the biomes where it operates.

Decarbonization projects are being developed internally, with the support of the Sustainability team, by the Innovation and Operational Excellence teams, which have been seeking partnerships with market experts.

The goal is to collectively consider alternatives such as changing the type of fuel in vessels, electrifying push boats and equipment, optimizing fuel consumption, increasing product volumes per trip, reducing break bulk and movements, among other things.

Hidrovias do Brasil is committed to the carbon neutrality of its operations as part of its efforts to mitigate the impacts of climate change and foster environmental sustainability.

The strategy involves guidelines to reduce greenhouse gas emissions associated with the company's operations.

It accordingly seeks to steer its work and investments to reduce its carbon footprint and facilitate the transition to a low-carbon economy.

<b>Direct greenhouse gas emissions (tCO<sub>2</sub> equivalent)</b> <sup>1, 2, 3, 4, 5</sup> <a href="#">GRI 305-1</a>	<b>2022</b>	<b>2023</b>
<b>Production of electricity, heat or steam</b>	189.99	171.32
<b>Physical-chemical processing</b>	142.56	448.76
<b>Transportation of materials, products, waste, workers and passengers</b>	202,455.67	198,663.52
<b>Fugitive emissions</b>	8,466.91	1,590.96
<b>Total gross CO<sub>2</sub> emissions</b>	<b>211,255.13</b>	<b>200,874.56</b>

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

<sup>2</sup>Hidrovias do Brasil follows the guidelines of the GHG Protocol and ISO 14064 to calculate its greenhouse gas emissions.

<sup>3</sup>It uses emission factors and global warming potential published by the Intergovernmental Panel on Climate Change (IPCC) and the National Interconnected Grid (SIN) for energy consumption.

<sup>4</sup>The company adopts operational control as the consolidation method for emission calculations.

<sup>5</sup>The GHG inventory is published on the Brazilian GHG Protocol platform, and emissions are assured and validated according to the ABNT ISO 14064-3 standard.

<b>Biogenic CO<sub>2</sub> emissions (tCO<sub>2</sub> equivalent)</b> <a href="#">GRI 305-1</a>	<b>2022</b>	<b>2023</b>
	206.61	186.43

<b>Energy indirect GHG emissions (tCO<sub>2</sub> equivalent)</b> <sup>1, 2, 3, 4, 5</sup> <a href="#">GRI 305-2</a>	<b>2022</b>	<b>2023</b>
	874.16	795.79

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

<sup>2</sup>Hidrovias do Brasil follows the guidelines of the GHG Protocol and ISO 14064 to calculate its greenhouse gas emissions.

<sup>3</sup>It uses emission factors and global warming potential published by the Intergovernmental Panel on Climate Change (IPCC) and the National Interconnected Grid (SIN) for energy consumption.

<sup>4</sup>The company adopts operational control as the consolidation method for emission calculations.

<sup>5</sup>The GHG inventory is published on the Brazilian GHG Protocol platform, and emissions are assured and validated according to the ABNT ISO 14064-3 standard.

<b>Other indirect GHG emissions (t CO<sub>2</sub> equivalent)</b> <sup>1, 2, 3, 4, 5</sup> <a href="#">GRI 305-3</a>	<b>2022</b>	<b>2023</b>
<b>Fuel- and energy-related activities</b>	398.70	30,553.70
<b>Upstream transportation and distribution</b>	52.90	155.49
<b>Waste generated in operations</b>	4,199.10	1,594.56
<b>Business travel</b>	565.20	998.02
<b>Employee transportation</b>	266.00	0
<b>Leased assets</b>	209.30	928.36
<b>Downstream transportation and distribution</b>	185,869.30	0
<b>Unclassifiable emissions</b>	-	1,162,687.33
<b>Total</b>	<b>191,560.50</b>	<b>1,196,917.46</b>

<sup>1</sup>The gases included in the calculations above were carbon dioxide, methane and nitrous oxide.

<sup>2</sup>Hidrovias do Brasil follows the guidelines of the GHG Protocol and ISO 14064 to calculate its greenhouse gas emissions.

<sup>3</sup>It uses emission factors and global warming potential published by the Intergovernmental Panel on Climate Change (IPCC) and the National Interconnected Grid (SIN) for energy consumption.

<sup>4</sup>The company adopts operational control as the consolidation method for emission calculations.

<sup>5</sup>The GHG inventory is published on the Brazilian GHG Protocol platform, and emissions are assured and validated according to the ABNT ISO 14064-3 standard.



Biogenic CO <sub>2</sub> emissions (t CO <sub>2</sub> equivalent) <a href="#">GRI 305-3</a>	2022	2023
	14,641.80	124,120.85
Greenhouse gas emissions (t CO <sub>2</sub> equivalent) <a href="#">GRI 305-1, 305-2, 305-3</a>	2022	2023
<b>Direct greenhouse gas emissions (Scope 1)</b>	211,045.79	200,874.56
<b>Indirect emissions from purchased electricity (Scope 2)</b>	874.16	795.79
<b>Other (Scope 3) GHG emissions</b>	191,560.50	1,196,917.46
<b>Total GHG emissions (t CO<sub>2</sub> equivalent)</b>	<b>403,480.45</b>	<b>1,398,587.81</b>

## Greenhouse gas emissions (t CO<sub>2</sub> equivalent)

GRI 305-1, 305-2, 305-3

	Scope 1			Scope 2			Scope 3		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
<b> Holding company </b>	115	22	0	12	8	4	828	565	998
<b> TUP </b>	2,465	1,556	827	1,199	510	447	42,495	90,635	249,537
<b> Shipping </b>	40,913	48,211	47,369	0	0	0	2,543	2,592	7,878
<b> ETC </b>	731	587	1,048	729	335	239	68,300	96,647	760,309
<b> Short-sea </b>	30,439	34,926	45,692	0	0	0	694	677	6,242
<b> South </b>	83,233	119,044	105,935	18	3	0.1	108	140	17,531
<b> Santos </b>	152	6,699	4	52	18	105	40	303	154,423
<b> Total </b>	<b>158,049</b>	<b>211,046</b>	<b>200,874</b>	<b>2,011</b>	<b>874</b>	<b>796</b>	<b>115,009</b>	<b>191,561</b>	<b>1,196,917</b>

Greenhouse gas emissions intensity (gCO <sub>2</sub> equivalent/TKU) <u>GRI 305-4</u>	2022	2023
<b>Greenhouse gas emissions intensity (Scopes 1 and 2)</b>	0.05	0.04

Hidrovias do Brasil's operations help mitigate environmental impacts.

Waterway transportation is more sustainable in terms of greenhouse gas emissions per ton of product moved compared to other methods, such as road and rail. The Company is creating specific initiatives to reduce its emissions and implement energy efficiency practices.

## Intermodal connection

To gain efficiency and drive down greenhouse gas (GHG) emissions, Hidrovias do Brasil linked its terminal to the railway that connects Port of Santos to Rondonópolis, in Southeastern Mato Grosso state. The project completed in 2023 favors the use of the railway, which can handle 500,000 tons of fertilizers per year, about 20 train wagons per day. Before this investment, the loads were carried by truck only.

Railway transportation emits less CO<sub>2</sub> by consuming less than half of the diesel needed for trucks to carry the same volume of cargo over equivalent distances. The National Transportation Confederation (CNT) considers that the difference in CO<sub>2</sub> emissions is 104 grams (railway) to 219 grams (highway) in the transportation of one ton per 1,000 km, in the study 'Bottlenecks in the Cargo Transportation System in Brazil'.

The investment in linking the terminal to the railway becomes even more important when considering the distance between Santos and Rondonópolis. The cargo would have to travel a distance of 1,400 km to complete the journey by truck. Transporting fertilizer by rail along this route cuts costs for agribusiness.

## Waterway transportation versus CO<sub>2</sub> emissions

Global carbon dioxide emissions increased by 1.1% last year, according to the 'CO<sub>2</sub> Emissions in 2023' report issued by the International Energy Agency. The document demonstrates the need to ramp up low-carbon initiatives such as harnessing the potential of waterways for cargo transportation.

CO<sub>2</sub> emissions can be reduced through the sustainable development and use of waterway potential, since shipping diverts cargo from other transportation methods with higher emissions.

The advantages of waterways vary greatly in the comparison between types, as they are associated with the fuel used, transport equipment, traffic conditions, and the route used by each type.

Hidrovias do Brasil drives the development of waterway transportation in the Northern regions of Brazil and the South American corridor formed by

the Paraguai and Paraná rivers. The navigation of barges on the Tapajós and Amazonas rivers helps divert cargo from routes of up to 2,000 kilometers of highways and railways connecting states such as Mato Grosso to ports in South and Southeast Brazil. If it were not transported by barges, the cargo traveling along the Paraguai and Paraná rivers would have to be carried by trucks and trains, on routes of up to 1,500 kilometers.

## Energy efficiency initiatives GRI 302-4

As part of Hidrovias do Brasil's carbon neutrality strategy, it is running initiatives to address challenges related to scope 1, 2, and 3 activities, helping achieve related goals and objectives early. In the case of Scope 1 (direct emissions), the Company ran an innovative initiative that made possible the formation of the largest river convoy in Brazil, composed of 35 barges, which made its first trip in 2023, between Itaituba (PA) and Barcarena (PA), along the waters of the Tapajós and Amazon rivers.

The breakthrough allows us to carry a larger volume of cargo in the same convoy without a proportional increase in fuel consumption. Traditionally, the limit was 25 barges loaded with grains. With 10 more barges, the convoy has 40% greater capacity and transports 70,000 tons per trip, enough to fill a ship, resulting in a reduction from 2.6 l/ton to 2.1 l/ton in fuel consumption. The super convoy is 346 meters long and 75 meters wide.

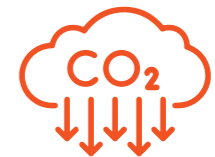
In addition to the efficiency gain, the fuel consumption per ton can be up to 10% lower. The initiative proportionally reduces CO<sub>2</sub> emissions compared to moving the same volume of cargo in convoys of 25 barges. Transportation by 35 grouped barges was licensed by the Brazilian Navy.

Hidrovias do Brasil also implemented a project to increase the height of the barges' arms. The measure provides more vertical space to accommodate

the cargo inside the barges. By raising the arms, the cargo capacity per barge can be increased by about 200 tons, resulting in the optimization of logistical planning by reducing the number of trips.

For Scope 2 activities (consumption of electric and solar energy), two hybrid push boats that use electricity stored in their battery packs and fossil fuels came into operation in 2023. The innovation puts the company in the international limelight for pioneering the development and application of this technology.

The engines of hybrid push boats alternate between electricity and diesel, so that the most efficient energy source is used depending on operational needs. This made a fossil fuel consumption decrease possible. The two push boats can avoid the emission of up to 2,168 tons of CO<sub>2</sub> per year.



**2,168**  
**tons of CO<sub>2</sub>**  
**emissions can**  
**be avoided**  
**every year**  
**by the hybrid**  
**push boats**



# 35

**barges** sail together  
in the **largest**  
**convoy in Brazil**



# 70,000

**tons** can be  
transported per voyage

The new equipment is being used to maneuver barges at the Private Use Terminal (TUP) in Barcarena (PA). The densely populated region benefits from the reduction of CO<sub>2</sub> emissions, noise and vibration, as does the crew. The lower carbon dioxide emissions also benefit the environment.

With the aim of harnessing solar light as a clean and renewable source of energy, photovoltaic panels were installed at the Cargo Transshipment Station in the Miritituba district, in Itaituba (PA), a pioneering initiative for the sector in the region. Conceived by employees participating in the Continuous Improvement Challenge program of Hidrovias do Brasil (learn more on page 38), the proposal was developed and implemented in 2023 as a pilot project, in partnership with the Engineering and Innovation team.

The energy generated by the solar panels helps power the terminal's administrative offices, reducing the dependence on conventional sources, such as thermoelectric plants. The photovoltaic panels have a lifespan of 25 years and can reduce annual CO<sub>2</sub> emissions deriving from electricity consumption by about 10% for the operation. In addition to the environmental benefits, the initiative also brings economic advantages by driving down electricity bills.

For the pilot project, Hidrovias do Brasil came 3<sup>rd</sup> in the 1<sup>st</sup> ATP Award, in the Port Energy Sustainability category, an important milestone for the company in adopting sustainable energy practices and port technological innovation.

Regarding indirect emissions (Scope 3), in 2023, Hidrovias do Brasil also began accounting for the tons of CO<sub>2</sub> emitted in the manufacturing processes of the fuels used in vessels. This inclusion resulted in a significant increase in Scope 3 emissions. However, the Company is striving for transparency and accuracy, increasingly embedded in the life cycle of the products used in the operations.

Scope 3 is no less significant in Hidrovias do Brasil's emissions balance and is related to the consumption of fossil fuels by trucks transporting grain and fertilizer from customers by road.

The Company understands that the debate on reducing greenhouse gas emissions resulting from

customer access to terminals is much more related to the type of transport used than to an effective change in the energy matrix in road logistics. It recognizes the importance of ongoing studies on renewable fuels and actively advocates for seamless multimodal logistics that translates into greater efficiency in bulk transportation, with lower socio-environmental impacts and lower CO<sub>2</sub> equivalent emission rates per TKU.

Given Brazil's continental proportions, occupying approximately 8 million km<sup>2</sup>, we have to rethink the cargo transportation and flow model, especially for bulk cargo. The current predominance of highway transportation no longer satisfactorily meets the country's logistical demands. The growing use of waterway transport and the pursuit of multimodal logistics are not only a necessity but also a strategic opportunity to overhaul the country's transportation matrix, and is a clear solution for decarbonizing the entire logistics chain and increasing the competitiveness of goods haulage in Brazil.



## Key results

In 2023, Hidrovias do Brasil's facilities consumed total energy of 2,553,724.68 gigajoules (GJ), composed of non-renewable fuel sources, renewable fuel sources, and grid electricity, from a renewable source (hydroelectric). This consumption resulted in an energy intensity of 0.14 GJ per ton of transported produce. Consumption rose compared to the previous period, due to a 10% increase in the volume transported compared to 2022 and having to deal with lower water levels due to droughts. **GRI 302-1, 302-3**

Also in the year, Hidrovias do Brasil implemented energy efficiency initiatives in waterway shipping, achieving a reduction of 0.01 gigajoules per ton moved. The year was chosen as the baseline for marking the beginning of these efficiency measures. **GRI 302-5**

## Energy consumption within the organization **GRI 302-1**

Total energy consumed separated by scope <sup>2</sup> (GJ) <b>GRI 302-1</b>	2022	2023
<b>Gasoline</b>	1,051.46	5,414.45
<b>Diesel</b>	1,674,717.10	1,181,154.29 <sup>1</sup>
<b>Fuel Oil</b>	717,621.17	1,147,053.01 <sup>1</sup>
<b>Non-renewable fuels</b>	<b>2,393,389.73</b>	<b>2,333,621.75</b>
<b>Ethanol</b>	-	1,396.22
<b>Biodiesel</b>	-	143,280.05
<b>Renewable fuels</b>	-	<b>144,676.27</b>
<b>Total</b>	<b>2,393,389.73</b>	<b>2,478,298.02</b>

<sup>1</sup> Diesel oil includes commercial diesel used in supporting equipment and marine diesel oil (MDO) for push boats. Heavy fuel oil (HFO) is also counted when calculating in fuel oil, as it is used in push boats.

<sup>2</sup> For calculations, the fuel quantity was multiplied by its 'Lower Heating Value', based on the National Energy Balance report published by the Ministry of Mines and Energy in 2023. The grid energy supplied to Hidrovias do Brasil facilities comes from renewable sources (hydroelectric power plants).

Total energy consumed separated by scope <sup>1,3</sup> (GJ) <b>GRI 302-1</b>	2022 <sup>2</sup>	2023
<b>Non-renewable fuels</b>	2,393,389.73	2,333,621.75
<b>Renewable fuels</b>	-	144,676.27
<b>Power consumed</b>	75,209.99	75,426.66
<b>Total</b>	<b>2,468,599.72</b>	<b>2,553,724.68</b>

<sup>1</sup> For calculations, a spreadsheet was used to multiply the fuel quantity by its 'Lower Heating Value', based on the National Energy Balance report published by the Ministry of Mines and Energy in 2023.

<sup>2</sup> There is no record of renewable fuel consumption in HBSA operations in 2022.

<sup>3</sup> No energy is sold in the organization.

6

# Human Development

# Organizational culture

GRI 3-3 DEVELOPING PEOPLE, 3-3 ECONOMIC PROSPERITY

Hidroviás do Brasil's push for human development within the organization was ramped up and diversified in 2023, with development progressing of a unified organizational culture in a company with continental operations. The following are therefore core values that guide the actions and behaviors conduct of its employees:

## Excellence

The advances in the company's performance are related to the culture of pursuing operational excellence. Each employee or group of employees is encouraged to improve their performance, quality and efficiency.

The company adopts innovative practices and optimizes its processes to deliver consistent and quality results. This mindset results in competitive strength and a high standard of services. Highlights include:



**2,084**  
people trained

through the Hidroviás Academy



**56.63**

hours of training

on average per employee



**83%**

was our satisfaction rate

in the GPTW survey

Learn more in Career management, talent attraction and retention, page 82.



## CAPITAL



## MATERIAL TOPICS

HUMAN DEVELOPMENT

JOB AND INCOME CREATION

DIVERSITY

HEALTH AND SAFETY

## COMMITMENTS TO SUSTAINABILITY

HUMAN DEVELOPMENT

## TOPICS ADDRESSED

ORGANIZATIONAL CULTURE

CAREER MANAGEMENT AND ATTRACTING AND RETAINING TALENT

DIVERSITY, EQUITY AND INCLUSIVE CULTURE

EMPLOYEE HEALTH AND WELL-BEING

## Safety

The company proactively promotes internal and external security. In addition to ongoing training and monitoring, the People and Management department has made physical adaptations to better protect employees exposed to occupational risks at Port of Santos.

Measures include training, risk identification, planned execution of high-risk tasks, and erection of barriers. The Company also endeavored to better protect port visitors, aiming for a safer and healthier external environment as well.



**25,000+**  
hours of training in Safety topics.



**100%**  
of professionals and their families have **access to the employee support program.**



**100%**  
of employees and dependents had access to the **medical assistance benefit** (health plan).



**No**  
**serious accident** was recorded.

Read more in Employee health and well-being, page 88.

See more in Occupational Safety on page 90.



## Sustainability

The concept of sustainability is adopted comprehensively and is part of our organizational culture, influencing behaviors and decisions at all hierarchical levels.

The company acknowledges its responsibility regarding the issue, and therefore it adopts sustainable commitments that are monitored in the short, medium, and long terms.

All sustainable commitments were fulfilled ahead of schedule, with strong leadership engagement



**9 SDGs**  
priority  
of 17 existing



**13 topics**  
essential materials grouped  
into 7 macrotopics

Learn more in Sustainability positioning, page 46.

## Integrity

Solid ethical principles and unrestricted integrity permeate the policies and procedures adopted by Hidrovias do Brasil. Transparency, honesty and integrity are core values that inform all of the Company's internal and external interactions. The company strives to instill a culture of integrity among suppliers, customers and partners.



**210**  
submissions to the **Ethics Channel**,  
duly processed



**85.21%**  
of **professionals trained** on the  
subject



**13 compliance**  
indicators



Acquisition of,  
**Pró-Ética Mark**

Read more in Corporate Governance, page 131.



A climate committee in each operation is responsible for strengthening the relationship among all employees and the identity of Hidrovias do Brasil. The committee must implement activities based on an annual calendar to improve the workplace.

It is formed by voluntary employees from various departments, totaling more than 20 members, who work voluntarily to make the day-to-day pleasant, planning events, promoting communication and volunteering, and seeking benefits for the employees.



20

employees work  
**voluntarily**  
on the climate committee

## Great place to work GRI 2-28

In 2023, Hidrovias do Brasil was once again bestowed with the Great Place to Work (GPTW) award in Brazil and Paraguay. Its adherence to GPTW parameters seeks to enhance the workplace based on employees' perceptions.

This initiative attests to the company's development in terms of organizational culture, but also provides valuable insights for continuous improvements.

GPTW is a global research, consulting and training organization that evaluates and recognizes the best people management practices and organizational culture in companies. Its core objective is to help organizations cultivate excellent and inspiring workplaces.

We have had the Great Place to Work certificate since 2018 in Brazil and since 2019 in Paraguay. It is based on a detailed organizational climate survey, in which employees respond to anonymous questionnaires about their workplace experiences. This survey assesses multiple factors such as trust, credibility, respect, fairness, pride and camaraderie within the company.

In 2023, Hidrovias do Brasil achieved a GPTW Index of 83%, a one-point increase in its approval rating compared to the previous year. In total, 1,526 out of 1,718 professionals invited responded to the survey, representing an 89% participation rate. The main highlights include:



### Fair and inclusive treatment:

Rate above 90%

### Happiness at work:

Average of 84%

### Personal effort:

Average of 90%

### Bias-free recognition:

Average of 71%

### Equity:

Rate of 74%

### Collaboration:

Average of 74%

For the coming years, the Company aims to achieve a 91% approval rating in the Justice Pillar in the GPTW survey. The company also leverages the Great Place to Work parameters to understand the diversity of gender, race, ethnicity and sexual orientation in its team.

The results have served as a benchmark for actions aimed at increasing the representation of underrepresented groups in our internal stakeholders.



# Employee profile GRI 2-7, 2-8

Hidrovias do Brasil closed 2023 with 1,720 employees, all working on a full-time basis, a number higher than the 1,561 recorded in the previous year, representing an increase of approximately 10.2%.

The largest growth in the workforce occurred in the South, with a 13.5% increase (from 444 to 504), followed by Santos, with a 9.8% increase in the headcount (from 174 to 191). Both the North and the corporate headquarters recorded identical increases of 8.7%, from 173 to 188 and 770 to 837 employees, respectively.

The Company also had 696 permanent contractors, 30 apprentices, eight interns and one trainee.

## Workforce by gender and region<sup>1</sup> GRI 2-7

Region	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Corporate - SP	78	98	176	69	100	169	81	107	188
Northern Operation	617	101	718	666	107	773	720	117	837
Southern Operation	360	50	410	389	55	444	442	62	504
Santos Operation	22	11	33	142	33	175	161	30	191
<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>	<b>1,404</b>	<b>316</b>	<b>1,720</b>

<sup>1</sup> The employee data was obtained from the SAP System - SuccessFactors, where employee information is centralized. This data is extracted through standardized reports and repeatedly checked against the E-Social system and the Payroll Control Systems, in accordance with the law. The total number of employees is counted directly and includes all registered employees, both full-time and part-time, based on the data at the end of the reporting period.

Workforce by employee category and gender (%)	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
<b>Senior Management</b>	50.00	50.00	57.14	42.86	60.00	40.00
<b>Managers</b>	75.00	25.00	65.00	35.00	66.67	33.33
<b>Specialists   Coordination   Consultants</b>	62.21	37.79	64.67	35.33	63.74	36.26
<b>Analysts</b>	42.08	57.92	40.47	59.53	46.31	53.69
<b>Assistants   Technicians   Assistants</b>	71.11	28.89	78.17	21.83	67.20	32.80
<b>Operation</b>	93.14	6.86	90.00	10.00	91.69	8.31
<b>Crew</b>	99.10	0.90	98.69	1.31	98.68	1.32
<b>Total</b>	<b>80.70</b>	<b>19.30</b>	<b>81.25</b>	<b>18.75</b>	<b>81.78</b>	<b>18.22</b>







Employees by employee category and age group (%) <small>GRI 405-1</small>	2021			2022			2023		
	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50
<b>Senior Management</b>	0	83.33	16.67	0	85.71	14.29	0	100.00	0
<b>Managers</b>	0	85.42	14.58	0	90.00	10.00	0	91.11	8.89
<b>Specialists   Coordination   Consultants</b>	7.56	83.14	9.30	8.98	83.23	7.78	14.04	78.36	7.60
<b>Analysts</b>	26.73	71.78	1.49	29.30	69.77	0.93	31.97	67.21	0.82
<b>Assistants   Technicians   Assistants</b>	20.00	67.41	12.59	24.45	66.81	8.73	33.33	59.14	7.53
<b>Operation</b>	35.29	61.27	3.43	33.21	60.36	6.43	33.51	61.13	5.36
<b>Crew</b>	16.97	66.06	16.97	21.84	64.04	14.12	25.33	61.64	13.03
<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>	<b>27.07</b>	<b>64.62</b>	<b>8.32</b>

Workforce by employee category <sup>1,2</sup> <a href="#">GRI 2-8</a>	2021	2022	2023 <sup>3</sup>
Apprentices <sup>4</sup>	26	26	30
Interns <sup>4</sup>	7	13	8
Trainees	3	1	1
Contractors	-	-	696
<b>Total</b>	<b>36</b>	<b>40</b>	<b>735</b>

<sup>1</sup>The methodology used to count the number of workers was direct counting, including all workers, both full-time and part-time, who are not formally employed by the company.

<sup>2</sup>The total number of workers is based on data at the end of the reporting period.

<sup>3</sup>There were no significant changes in the number of workers during the reporting period.

<sup>4</sup>Aspects such as diversity and inclusion are prioritized in the hiring of apprentices and interns. Female representation generally reaches or exceeds 50%, while the representation of Black and Brown individuals is approximately 64%. These data reflect the organization's commitment to Diversity, Equity and Inclusion (DE&I) practices.

Complementary information regarding the profile of employees and information about the number of hirings and terminations at Hidrovias Brasil in 2023, is available in the Disclosures Appendix on page 152.

# Career management and attracting and retaining **talent** [GRI 404-2](#)

With practices that enshrine a commitment to building a diverse, engaged and skilled workforce, Hidrovias do Brasil seeks to value its employees and ensure the organization's sustainability. It fosters career management and talent attraction through initiatives that identify, recruit and retain qualified professionals.

The company values both the technical skills and behavioral abilities of applicants during the selection process. The candidates are assessed by a panel of interviewers, with the participation of managers and HR professionals, who jointly pick the best applicant.

The company also runs the 'Welcome @board Program, which assists in onboarding by providing information about the company's business and programs, ensuring a smooth and effective transition to the new work environment.

It also aims to retain more and more employees already working in the company for new positions that are made available internally. Through the Evolve Program, it allows employees to participate in internal selection processes, as a way to encourage them to take advantage of professional development opportunities. As a result, it filled 40% of the positions internally in 2023, demonstrating its clear commitment to internal recruitment among its employees.

Under the internal recruitment program, Hidrovias do Brasil invests in the professional growth of its employees through an open and transparent process. Professionals can apply for new job opportunities internally in the company, and learn about the requirements for their area of interest and the responsibilities required.

It also invests in the continuous development of its employees through training, review cycles and recognition programs. These initiatives aim to hone the technical skills of employees and instill a learning and professional growth environment (learn more in Hidrovias Academy).

Especially for Leadership, Hidrovias do Brasil runs the 360° Leader Program, aimed at professionals in positions such as captains, commanders, coordinators and supervisors. Topics such as facing business challenges, developing strategic thinking, decision-making, and respect for relationships are addressed.

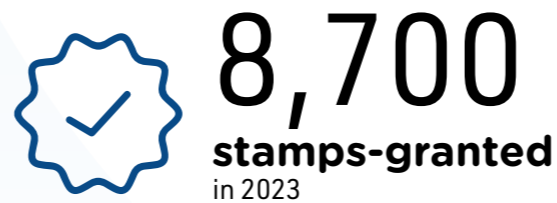
For career transition, the company offers continued benefits to departing employees for a specified period, and professional relocation initiatives, aiming to facilitate the transition to new job opportunities.

Employee appreciation and integration programs addressed topics such as **safety, leadership, equity, and inclusion.**

### Valoriza Program

To foster a motivating environment, the company carries out the annual Valoriza Hidrovias program, with the aim of professionally recognizing its employees. Without hierarchical distinction, professionals are expected to value their peers by sending stamps, for their performance in fundamental principles such as: collaboration, continuous growth, caring for tomorrow, value creation, innovation, inspiration, integrity and safety, and excellence.

In September 2023, more than 8,700 stamps were sent, 30% more than in 2022. As the seal of recognition, the winners in each principle received a financial sum for investment in training.



# Performance reviews

Hidrovias do Brasil conducts an annual performance review on its employees, in the 180° model (operational staff) and 360° (administrative team and leaders), with the objective of analyzing professionals in terms of their performance, interpersonal relationships and conflict resolution. Leadership is also assessed by a committee of managers in calibration meetings, based on the 9-Box<sup>3</sup> methodology, which seeks to identify talents and thus ensure the recognition and development of the team. The findings inform the Individual Development Plan (IDP).

The review is based on performance indicators, allowing for a clear identification of strengths and areas for improvement that help in making strategic decisions. It also assists in improving the work model, with the adaptation of guidelines considering the team's needs.

In 2023, 1,589 professionals participated in performance reviews, or 92% of the workforce.



**1,589**  
professionals participated  
performance review

<sup>3</sup>The 9-Box methodology is a talent management tool that assesses the performance and potential of employees in a 3x3 matrix (i.e., 9 boxes). It combines current performance criteria and development potential to place employees in one of the 9 boxes. This approach helps identify high-performing talents and areas that require additional development, and is widely used in organizational succession planning and calibration processes.

# Hidrovias Academy

## GRI 404-2

Hidrovias do Brasil is committed to continuously honing the skills of its employees, implementing a variety of skills enhancement and training programs. These initiatives include internal training in areas such as technical, operational, compliance and ethics, health, safety at work, project management, technology and internal tools, leadership skills, data security, communication skills, data security, innovation, sustainability, operational excellence and business topics. The Company also provides financial support for external training courses, including languages, postgraduate courses and partnerships with educational institutions, thereby strengthening the knowledge of its professionals.

Hidrovias Academy is Hidrovias do Brasil's training and development platform for new employees and those already part of the team, used according to the integration stage and the employee's interest. It offers approximately 200 courses (versions in Spanish and Portuguese) organized into knowledge pathways, in areas such as self-development; governance and compliance; Policies and procedures; comprehensive health; welcoming; leadership and business; sustainability; operational excellence; safety; and technology and innovation.

Specifically in the Occupational Health and Safety topic, employees are also trained in 9 points, considering Hidrovias do Brasil's preventive culture, including: Personal Protective

Equipment (PPE) and Collaborative Protection Equipment (CPE); work permits; incident reporting; training; prohibition of alcohol and/or drug consumption; isolation areas and signage; organization and cleanliness; handling of chemicals; and electricity lockouts.

In 2023, 2,084 professionals trained at the Hidrovias Academy, averaging 56.63 hours of training per employee.



**2,084**  
professionals  
trained em 2023



## Knowledge pathways

### Leadership and Business Management

Trains professionals in process and people management, preparing them to take on leadership positions and contribute to business success.

### Operational Excellence

Develops processes and procedures focused on exceptional results.

### Safety at Work

Offers training on occupational safety standards and practices.

### Policies and procedures

Trains employees on the internal management system and compliance with company policies.

### Governance and Compliance

Guides employees through topics such as information security, LGPD, risk management and business ethics, promoting behaviors aligned with corporate integrity.

### Technology & Innovation

Nurtures a culture of innovation through training that fosters creativity and the application of new technologies in the business.

### Self-development

Provides content for personal and behavioral development in areas such as communication, collaboration and digital transformation.

### “Welcome @board” Onboarding Program

Provides essential information for new employees to get to know Hidrovias and ease into the company.

### Corporate Sustainability

Trains employees on the company's sustainability commitment and the importance of their role in achieving sustainability goals.

### Integrative Health

Fosters the health and well-being of employees, encouraging habits that lead to a healthy and balanced life.

Average hours of employee training <sup>1</sup> <a href="#">GRI 404-1</a>	2022	2023
Men	49.70	60.62
Women	32.05	39.37
<b>Total</b>	<b>46.37</b>	<b>56.63</b>

<sup>1</sup>Data is extracted from the e-learning platform and covers the total training hours of active and inactive employees during the current year.

Average hours of training per employee by employee category <sup>1</sup> <a href="#">GRI 404-1</a>	2022	2023
Senior Governance	30.29	88.85
Senior Management	28.14	73.00
Managers	34.25	57.16
Specialists   Coordination   Consultants	40.79	66.34
Analysts	24.41	27.91
Assistants   Technicians   Assistants	46.83	62.22
Operation	49.41	64.27
Crew	55.45	59.07
<b>Total</b>	<b>46.37</b>	<b>56.63</b>

<sup>1</sup>The data is extracted from the e-learning platform and covers the total training hours of active and inactive employees during the current year.

# Diversity, equity and inclusive culture

Hidrovias do Brasil's personnel management initiatives cultivate a diverse, inclusive and safe workplace, valuing and urging the development of employees' individual skills, regardless of their background. The Company condemns all forms of discrimination and has worked to promote diversity and inclusion of underrepresented groups in its team.

It seeks to ensure fair and impartial treatment for all employees, regardless of personal traits such as gender, race, ethnicity, sexual orientation, age, physical abilities or any other characteristic. This approach is considered essential for people development in the organization.

Among other actions, Hidrovias do Brasil constantly publishes affirmative job openings and

drives internal recruitment through the Evoluir program (learn more on page 82). Regarding salary equity, measures have been implemented in recent years to ensure gender pay equity at different hierarchical levels. Additionally, specific initiatives have been developed to encourage the participation of women and to map diversity within the organization. These practices aim to create an inclusive workplace where all employees feel valued and respected.

For next year, it is aiming to increase the representation of gender, race, and ethnicity in its team of employees.



**74 women** in leadership positions



**824 black and brown individuals** in the team, with **57** in leadership positions



**14 people** with disabilities (PwDs)



**142 people** over 50

Employees from underrepresented groups, by employee category <sup>2</sup> <sup>3</sup> (%) <a href="#">GRI 405-1</a>	2021		2022		2023	
	Black and Brown	Other <sup>1</sup>	Black and Brown	Other <sup>1</sup>	Black and Brown	PwDs
<b>Senior Management</b>	0	100	0	100	0	0
<b>Managers</b>	13.00	88.00	18.00	83.00	29.00	2.22
<b>Specialists   Coordination   Consultants</b>	30.00	70.00	33.00	67.00	30.41	1.17
<b>Analysts</b>	62.00	38.00	40.00	60.00	38.93	0.41
<b>Assistants   Technicians   Assistants</b>	41.00	59.00	60.00	40.00	59.14	3.23
<b>Operation</b>	18.00	82.00	76.00	24.00	72.92	1.07
<b>Crew</b>	61.00	39.00	40.00	60.00	41.29	0
<b>Total</b>	<b>45.00</b>	<b>55.00</b>	<b>48.00</b>	<b>52.00</b>	<b>48.27</b>	<b>1.37</b>

<sup>1</sup>In 2021 and 2022, the 'other' category covers indigenous, white and Asian individuals.

<sup>2</sup>In 2021 and 2022, the data related to PwDs was not reported due to the lack of CID classification at the organization. The situation was emended in 2023, allowing the validation and reporting of this data.

<sup>3</sup>The organization includes members of the LGBTQIA+ community, but does not currently have quantitative data on this group, as there is no implemented self-declaration system for reporting this information.

# Employee health and well-being

## GRI 3-3 EMPLOYEE HEALTH AND SAFETY, 403-6

Hidrovias do Brasil offers all employees health and dental plans, life insurance, extended maternity/paternity leave, wellness programs, psychological assistance, access to online health resources, health education, and medical expense reimbursement. The network of accredited health care professionals in the health plan covers treatment in clinics, hospitals and diagnostic centers, regardless of the position held. Telemedicine services are also provided, enabling remote care. [GRI 401-2](#)

The Workers' Support Program also offers psychological, financial and legal support, on a 24/7 basis. In 2023, the main topics presented by the employees were of a psychological nature. In total, 4.8% of professionals accessed the tool. The "Correct Posture: health and ergonomics at all times" program, provides training and talks alongside content designed to ensure the employees' health and wellbeing during all their daily activities.

The company maintains a schedule of health campaigns, addressing topics such as weight control and nutrition, vaccination campaigns, disease screening, including

chronic conditions, sexual health awareness, alcohol and drug consumption control, and prevention and control of smoking, stress prevention, mental health, self-care, and breast and prostate cancer prevention. Furthermore, through the HB Saúde Program it disseminates germane information about health and well-being and encourages its employees to practice sports by offering an incentive platform-gym. The platform's partners also offer health and physical and mental well-being services. In 2023, 473 employees used this benefit.

Hidrovias do Brasil ensures the privacy and protection of workers' health-related personal information, complying with existing legislation and internal privacy and data security policies.

In April 2023, the company's Health Month, **preventive actions** were carried out, with events and discussions about mental and physical health.

Through internal communications, workshops, training, awareness campaigns, printed materials, corporate emails, and intranet channels, the Company disseminates information about the **health services it offers.**





Parental leave <u>GRI 401-3</u>		2021	2022	2023 <sup>1</sup>
<b>Employees entitled to parental leave</b>	men	1,077	1,266	962
	women	240	295	254
<b>Employees who took parental leave</b>	men	17	21	26
	women	3	5	16
<b>Employees who returned to work during the reporting period after parental leave ended</b>	men	8	21	25
	women	3	4	8
<b>Employees that returned to work after parental leave ended that were still employed 12 months after their return to work</b>	men	8	15	19
	women	3	1	5
<b>Rate of return</b>	men	1	1	1
	women	1	1	1
<b>Retention rate</b>	men	1	0.94	0.76
	women	1	0.33	0.62

<sup>1</sup> The numbers do not include employees in Paraguay.

<sup>2</sup> In 2023, a pregnant female employee was promoted.

## Work-related ill health

### GRI 403-10

The Company monitors the occurrence of occupational diseases among all workers, regardless of their employment contract. This analysis includes ailments such as repetitive strain injuries, pneumonia, hearing loss, intoxication, skin diseases, occupational stress, infectious diseases, cancers, cardiovascular diseases, neuropsychological disorders, mental health problems and radiation-related diseases.

The main hazards identified in 2023 were exposure to chemical, biological and physical agents, ergonomics, dust and smoke, psychosocial, vibration, temperature and humidity, radiation, biomechanical, falls and exposure to vapors and toxic gases. To minimize them, the company adopts a proactive approach that includes risk mapping and control, employee education and awareness raising and epidemiological surveillance.

Compliance with the regulatory standards of the Ministry of Labor and Employment (MTE) and the motto that 'prevention is better than cure' are fundamental to ensure a safe and healthy workplace, avoiding the occurrence of occupational diseases and protecting worker health.

# Occupational safety

## **GRI 3-3 EMPLOYEE HEALTH AND SAFETY, 403-1, 403-2, 403-8**

Within its Integrated Management System (learn more about Business Integrity, page 143), adopts a Safe Work Management methodology that covers 100% of its units, including all employees and contractors, regardless of the type of contract.

This business model is aligned with the ABNT NBR ISO 9001 and ABNT NBR ISO 45001 standards, and is used to ensure safe and healthy working conditions, eliminating hazards and reducing risks by implementing effective protective measures and multiple barriers to prevent serious injuries and fatalities.

At the Santos terminal, in particular, Occupational Health and Safety Management is certified to the ISO 45001 standard, covering all activities related to solid mineral bulk logistics. For this operation, 10.81% of employees and 25.43% of contractors were audited or certified by external entities.

Health and safety management is audited internally and includes 100% of professionals. The effectiveness of the tools deployed to ensure a safe environment is guaranteed through regular inspections and assessments, accident and incident reports and the collection of occupational health data.

## Minimizing the risk of accidents

### GRI 403-8

Routine inspections and analyses of ergonomic, chemical, and physical risks are carried out to identify and assess hazards to employee safety. There are also regular analyses in cases of non-compliance and emergency drills. The engagement of all parties is essential to minimize impacts and manage risks. Workers can resort to channels to report hazards without fear of reprisals, supported by the See & Act Procedure. Corporate policies enshrine the company's commitment to ensure that workers can refuse to carry out dangerous tasks without punishment.

Hidrovias do Brasil ensures the quality of hazard identification and mapping processes and high-risk operational activities through clear policies, designated responsibilities, transparent internal communications, formal documentation, incident response, and active involvement of senior management, which fosters a safety culture and participates in strategic risk reviews.

This mapping covers the activities of both employees and contractors, including those working off site, such as at supplier facilities. Work-related incidents are investigated from registration, classification, data analysis and out-of-control energies, to determining the root cause and identifying control measures to eliminate or mitigate exposure to mapped powerful energies. [GRI 403-7](#)

The main identified risks separated by families include: working near water; moving and lifting loads; working in confined spaces; working at heights; proximity to lifting of loads; energy insulation (cables/kinetic energy, electricity, pneumatics and hydraulics); use of or proximity to rotating and mobile equipment; fire and explosions; circulation on or near roads with movement and circulation. For each of these risks, the company assigns protective and mitigation measures. [GRI 403-7](#)

The mitigation strategy is to erect multiple barriers that prevent, protect or mitigate the contact between out-of-control powerful energy and the worker, classified as: Control, Protection, and Support, including the use of physical barriers, collective (CPEs) and individual (PPEs) protection equipment, continuous training and qualification, appropriate safety signage, recurrent maintenance programs, implementing occupational health programs, detailed risk analysis, strict control of hazardous substances, preventive equipment maintenance, emergency procedures and evacuations, and continuous monitoring of compliance with occupational health standards. [GRI 403-7](#)

This process ensures efficient incident management and promotes continuous safety in the workplace. In 2023 we recorded no fatalities or recordable cases of work-related ill health. [GRI 403-9](#)

	2022		2023	
	Employees	Workers who are not employees, but whose work and/or workplace is controlled by the organization	Employees	Workers who are not employees, but whose work and/or workplace is controlled by the organization
<b>Work-related injuries<sup>1, 2, 3, 4</sup> <a href="#">GRI 403-9</a></b>				
<b>Number of hours worked</b>	266,300	185,462	319,077	119,929
<b>Number of fatalities as a result of work-related injury</b>	1	0	0	0
<b>Rate of fatalities as a result of work-related injury</b>	0.75	0	0	0
<b>Number of serious work-related injuries (excluding fatalities)<sup>3</sup></b>	8	3	1	0
<b>Rate of high consequence work-related injuries (excluding fatalities)</b>	6.01	3.24	0.63	0
<b>Number of recorded work-related injuries (including fatalities)</b>	12	9	16	3
<b>Rate of recorded work-related injuries (including fatalities)</b>	9.01	9.71	10.03	5.00

<sup>1</sup>Based on 200,000 hours worked.

<sup>2</sup> Only the Santos Operating Unit was counted in 2022, but all operating units were counted in this cycle.

<sup>3</sup> Serious work accidents (except fatalities) means incidents involving leave in excess of 15 days.

<sup>4</sup> The company experienced various types of work-related accidents, including falls, musculoskeletal injuries and traumas, and specific incidents such as collisions with objects and abrasions. These incidents had not been adequately predicted or mapped as risks, often due to inappropriate behavior or the use of improper equipment.

## Participations in committees GRI 403-4

Hidrovias do Brasil workers actively participate in the Internal Accident Prevention Committee (CIPA). Its activities include hazard identification, risk assessment, incident investigation and audits.

The members of the Management Center – formed by the Executive Committee, Executive Officers, Operations and Managing Directors – are charged with rolling out and disseminating the safety policy and with safety interactions in the company's operations and facilities. Everyone needs to maintain active and visible participation.

They participate in discussions on strategies and goals, procedures, processes and systems aimed at managing the business's health and operational safety, to ensure full compliance and monitoring of the safe work management system's performance. These committees' monthly meetings have a major say in related decisions.

## Occupational safety at the Company

GRI 403-5



### Safe Work Management

This covers all employees, including workers whose workplace is controlled by the organization. Audited in certified locations, such as the Santos operation.



### Programs and commissions

- > Risk Management Program (PGR)
- > Occupational Health Surveillance Program (PCMSO)
- > Internal Accident Prevention Committee (Cipa)
- > Committee for Accident Prevention in Port Work (CPATP)



### Evaluating processes

- > Reviewed in 2022, safety management identifies warnings signs, assesses risks and applies predefined controls.
- > The 'See and Act' tool serves as an open channel for reporting hazards and risky situations.
- > The Comunica Channel gathers employees' observations about health and safety risks, used in defining practices and creating documents.



### Awareness and training for all professionals, regardless of contract type, work regime and assumed workload

- > Risk communication through Work Permit and Health, Safety, and Environment (HSE) alerts.
- > Induction training for new employees.
- > Local actions and awareness raising events, such as Daily or Weekly Safety Huddles (brief meetings, five to ten minutes long, on specific issues).
- > Internal Occupational Accident Prevention Week (Sipat).
- > Awareness forums on Personal Protective Equipment (PPE), Collective Protective Equipment (CPE), work permits, incident reporting, alcohol and drug prohibition, area isolation and signage, organization and cleanliness, chemicals, fall prevention, fire fighting, first aid, ergonomics, working at heights, load handling, emergency response and energy lockouts.
- > Specific training and periodic renewals are provided by the Hidrovias Academy, according to the inherent risks of the activities.
- > Risk Management Principles Training in Occupational Safety Management Programs for operational leaders, including Officers, Managers and HSE Specialists.
- > Training on Investigation of Serious and High-Risk Incidents for Directors, Managers, and HSE Specialists.



### Analysis and improvement actions

In addition to Safe Work Management, in 2023 an international consultancy firm was hired to diagnose ongoing management, which yielded a list of over 30 recommendations or improvement suggestions. Based on a high-risk management prioritization methodology and mitigation with protective measures by effectiveness level, items such as safety management practices and leadership participation in the topic were also evaluated. There was a documentary review, field visits and engagement of senior management members.

The recommendations were made to catalyze a safe work culture by applying risk management principles focused on preventing high-risk accidents (with potential for death or permanent disability). Effective protective measures and the principle of barrier effectiveness are also applied.

It also mobilized the operational management line and the organization's leadership, for their active and visible participation in the implementation, planning and monitoring of actions in health and safety management. This leads to a culture of planning at all levels of the organization through the implementation of key processes. During 2023, approximately one-third of the recommendations were implemented.

## Safe Routes Program

As part of the recommended actions, in 2023, the Company relaunched the 'Safe Routes' program: "Protection is the best solution". The initiative was restructured in order to enhance its objectives and impacts and to align with the effective risk management and protection vision.

Among the implemented changes, the focus on developing a safety culture aimed at safe work that prioritizes the prevention of serious accidents and fatalities stands out. This includes erecting effective barriers and protective measures, the active involvement of leadership in health and safety issues to foster a culture of planning at all levels of the company, from operations to senior management.

11 high-risk scenarios were validated for critical issues and operation leaders were designated with support from safety experts, responsible for ensuring the implementation of effective protection measures.

Specific initiatives include the implementation of simulators for training the navigation of critical points, the use of drones for inspections in confined spaces, and the installation of physical barriers and protections on equipment to minimize exposure to moving parts.

Furthermore, specific training for crews, improvements in port infrastructure, and the implementation of prevention measures in loading and unloading operations were carried out.

A prominent partnership between Business Technology and Operations was the introduction of the Maneuver Simulator, a valuable tool for training navigation in critical points, such as bridges and hard-to-reach areas (learn more in the box). In addition, boats equipped with virtual reality were used, providing more immersive and effective training, addressing best practices and the consequences of certain actions in the operation.

Another important initiative was stepping up bathymetry studies, aimed at improving the mapping of restriction points and navigability of routes and ensuring an accurate analysis of data for safe and efficient navigation. This study was essential for the development of electronic bathymetry, a process that involves data processing and dynamic modeling programs for creating electronic charts, improving navigation safety and efficiency.

These studies are made available and discussed with control and government agencies and sector associations to improve the application of infrastruc-

ture measures that enhance intervention strategies in rivers to ensure safer navigation channels. This approach aligns with the Company's aspiration to instill a safety culture in external environments too, especially in its surroundings.

Human Resources (HR) actions were implemented to ensure employee well-being and training. This included hiring additional crew members to improve crew change management and compliance with familiarity and vacation plans. Furthermore, efforts were made to shorten boarding time, giving employees on the 2x1 schedule more time to rest, and offering theoretical and practical training on the proper use of boats.

In operations, pre-boarding training was important, ensuring that employees are properly trained for mooring, and cable and winch use.

Additionally, operational safety measures were adopted, such as replacing steel cables with more resistant materials.

A Confined Space Simulator was also installed, an essential tool for training teams to work in these environments and for rescue in case of accidents.



In Santos, several measures were adopted to minimize risks and ensure employee safety, such as installing equipment protections, using of fall limiters, and installing lifelines on vertical stairs. Specific training was also provided on lifting, critical equipment devices, and continuous improvement methodologies, such as Kaizen.

Healthy living was also promoted by the HBSaúde program, which provides nutrition actions, encourages sports and maps physical and emotional health. The company's benefits and partnerships related to these topics were widely publicized in 2023.

Hidrovias do Brasil's goal is for **safety to be understood as a collective responsibility**, going beyond the simple mere use of Personal Protective Equipment (PPE) and the role of the Safety, Health, and Environment (SHE) department.

## Maneuver simulator

A maneuvers simulator increases safety in shipping and benefits Hidrovias do Brasil's employees in the Northern Corridor. Built with a partner company, the simulator was installed at the specialized training center of the Private Use Terminal (TUP) in Barcarena, Pará.

Employees began to be trained on how to use the maneuver simulator in 2023. The practice aims to improve navigation in efficiency and safety. The training extends to captains, first officers, masters and the deck team.

Equipped with a complete navigation system, the simulator uses state-of-the-art technology, including radar and electronic charts, providing a 180-degree view from the push boat's cabin. The simulations replicate adverse conditions that impair navigability, including weather conditions.

In addition to the crew, local communities also benefit from safer navigation. Another advantage is reduced risk of environmental damage. Efficiency gains are obtained by avoiding disruptions in cargo transportation. The experience is expected to be extended to the Southern Corridor from 2024.



7

Value Chain



# Origin and impact of the products transported

## GRI 3-3 TAKING CARE OF THE VALUE CHAIN, 3-3 ECONOMIC PROSPERITY

To foment sustainable practices, Hidrovias do Brasil insists that the origin of the transported products considers essential concerns: environmental sustainability, social responsibility, regulatory compliance and company reputation. The Company communicates these concerns to its customers and suppliers, emphasizing the importance of complying with current environmental legislation and factoring in social, environmental and governance criteria, meeting the best market practices.

It urges customers to sign the Soy Moratorium, an agreement between non-governmental organizations, agribusiness, and governments that generates the voluntary commitment to plant grains in the Legal Amazon, only in areas where forest clearance is legally permitted (excluding Legal Reserves and Permanent Preservation Areas).

In 2023, 11 of its customers were party to the commitment, holding sustainability dialogs with six of them, to ascertain the challenges and demands of these customers and measure their sensitivity to sustainable management practices of their businesses.

Hidrovias do Brasil also maintains 1,600 approved suppliers who sign commitment agreements with health, safety, social responsibility, human rights, environment, quality and ethics practices.

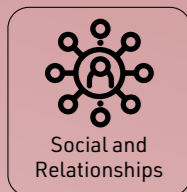
See more results about actions with suppliers and customers below.

Hidrovias do Brasil urges its customers to sign up to the **Soy Moratorium**, an agreement between non-governmental organizations, agribusiness and governments.

This initiative entails the voluntary commitment to plant grains in the Legal Amazon only in areas where forest clearance is legally permitted.



### CAPITAL



### MATERIAL TOPICS

MINDING THE VALUE CHAIN

### COMMITMENTS TO SUSTAINABILITY

VALUE CHAIN

### TOPICS ADDRESSED

ORIGIN AND IMPACT OF THE PRODUCTS TRANSPORTED

SUPPLIER MANAGEMENT

ENGAGING WITH CUSTOMERS AND PARTNERS

# Supplier management

## GRI 3-3 MINDING THE VALUE CHAIN

Hidrovias do Brasil's commitments to sustainability gain ground as the company extends its practices to the supply chain of products and services. It also seeks to encourage and influence its suppliers, regardless of their area of operation, strengthening regional business ecosystems and mitigating risks for its operations.

The supplier procurement system is requiring ever-stronger sustainability criteria, which are added to technical capacity requirements, regulatory compliance, integrity and financial health, and other items associated with potential risks. Each registered organization is analyzed by compliance on the digital portal.

The process was operationally enhanced in 2023, introducing new environmental, social and governance criteria, which cover environmental management, social management, occupational health and safety, regulatory compliance, culture and strategy, risk management and sustainability, ethics and transparency, among others.

Suppliers are classified according to their supply category and the associated contracting risk. Exceptions are made for banks, government agencies and other catego-

ries, which are registered in a simplified manner by the area in charge of the procurement.

The performance of critical suppliers is reviewed annually, considering items 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.

In 2023, Hidrovias do Brasil had 1,600 active and approved suppliers, from categories such as shipyards, lubricant and fuel supply, electromechanical assembly, equipment sales and rental, security, chartering, grain classification and nautical services, among others. A total of R\$ 135,188,224.37 was paid to these suppliers in the year. [GRI 2-6](#)



By 2025, the goal is to **develop and implement the development plan** for 25% (two) of the critical ESG suppliers, out of the eight mapped in the 2024 cycle.

To encourage its business partners to adopt social, environmental and governance practices, Hidrovias do Brasil maintains the "Sustainable Partner" Program, which recognizes the most engaged suppliers aligned with the company's ESG practices every year. To obtain the program's mark, more strategic suppliers were selected to participate in workshops. In the review process, they responded to a questionnaire about their practices and policies around topics such as Human Rights, ethics and environmental impact mitigation.

Strategic suppliers are mobilized through online interactions and events. Out of 50 suppliers mobilized to participate in the Program, 26 suppliers engaged and 19 of them responded to the questionnaire detailing their practices.

In 2023, seven Brazilian companies and one from Paraguay received this distinction. The initiative not only rewards the efforts of partners but also allows Hidrovias do Brasil to identify opportunities for progress and collaboration with its suppliers seeking to advance in these areas. The Company expects to continue encouraging its suppliers to increasingly incorporate sustainability practices into their operations in the coming years.

Eight strategic suppliers received the **Sustainable ESG 2.0 Partner** Mark in 2023 - seven from Brazil and one from Paraguay.



# Screening new suppliers

**GRI 308-1, 414-1**

In 2023, Hidrovias do Brasil screened 563 new suppliers, of which 435 (77.26%) were selected based on social criteria and 76 (13%) based on environmental criteria, demonstrating a commitment to sustainable practices and social responsibility.

For environmental-based selection, the process involves an annual assessment of the socio-environmental performance of critical suppliers, and checking legal documentation by Health, Safety and Environment (HSE). This analysis aims to ensure that suppliers comply with current environmental regulations, manage the Occupational Health and Safety of their workforce (inside and outside Hidrovias do Brasil premises), adopt practices that minimize environmental impacts, possess all necessary licenses, commit to reducing pollution, and incorporate continuous improvements in environmental protection.

Social-based selection includes a detailed registration and approval process, where suppliers must complete questionnaires and accept terms covering issues such as Privacy Policy, compliance with the General Data Protection Law (LGPD), adherence to the Code of Ethics, participation in Compliance training, and acceptance of the General Contracting Conditions. The process ensures that only suppliers aligned with the Company's ethical and social values can enter its supply chain.

<b>Percentage of new suppliers that were screened using socio-environmental criteria GRI 308-1, 414-1</b>	<b>2022</b>	<b>2023</b>
<b>New partners contracted</b>	376	563
<b>Hires based on environmental criteria</b>	32	76
<b>Percentage of new suppliers screened using environmental criteria (%)</b>	8.15	13.00
<b>New suppliers screened using social criteria</b>	312	435
<b>Percentage of new suppliers screened using social criteria (%)</b>	82.98	77.26





## Environmental and social **impacts** of suppliers

### GRI 308-2 and 414-2

Meanwhile, Hidrovias do Brasil conducts systematic assessments to identify and mitigate adverse impacts from its suppliers. In 2023, a total of 233 suppliers underwent this on-site evaluation during service provision, resulting in the identification of three environmental incidents: two cases of oil spills in water and soil, and one mistake in documentation submitted to the environmental authority.

To address these issues, the Company implemented improvement measures in cooperation with suppliers, achieving a 100% resolution rate through corrective actions, without the need to terminate commercial contracts.

In social terms, no deviations or negative social impacts were identified among the evaluated suppliers, eliminating the need for corrective measures or contractual terminations on account of social issues.

Hidrovias do Brasil's business partners sign a pledge to adopt practices consistent with the company's Code of Conduct and Ethics.

This code addresses areas such as health, safety, social responsibility, human rights (including combating prostitution and any form of sexual exploitation, child labor or practices analogous with slavery), environment, quality and ethics.

# Customer engagement

Hidrovias do Brasil's efforts to engage clients and business partners in ESG criteria take into account the particularities of their operations and location. The goal is to foster sustainability practices within the customer chain, understanding and considering the specificities of each location.

The unique characteristics of each client and region shape the operational and logistical landscape, requiring an adapted and personalized approach. This flexibility allows the company to seek engagement consistent with specific challenges for promoting sustainability.

## Customer satisfaction

In addition to improving operations and services in pursuit of excellence, Hidrovias do Brasil conducts research, interviews and events to enhance customer satisfaction. External evaluations inform actions and enable the company to continuously improve.

Two annual customer surveys follow Net Promoter Score (NPS) metrics, which in 2023 was 43. NPS is a metric that evaluates the degree of satisfaction and loyalty of customers, allowing us to ascertain how many of them approve or disapprove of us or have no opinion either way. A score of 43 means more customers approve of us than disapprove.

Based on the surveys, in-depth interviews are conducted with certain customers to better understand what we are doing right and how we can improve. These interviews provide qualitative insights associated with the quantitative data from NPS surveys.

Based on evaluations and interviews, the Company devises action plans to address identified deficiencies and improve the services provided. It also carries out timely relationship actions such as exclusive meetings for customers and participation in important industry events, such as the Intermodal Fair.

For the first time, in 2023, Hidrovias do Brasil held the Navegando Juntos, a workshop for its customers. Intended for grain and fertilizer customers, it entailed three meetings, two in Brazil and one in Paraguay. The events addressed topics such as the peculiarities and capacity of grain and fertilizer operations, technology and innovation projects, and flows focused on the customer experience, while also unveiling Hidrovias Brasil's Sustainable Commitment.



**NPS 43**  
in **2023**



**3**  
**meetings**  
with grains  
and fertilizer  
customers

8

Local  
Development

# Social action framework

GRI 3-3 SOCIAL AND ENVIRONMENTAL AND LAND MANAGEMENT, 3-3 ECONOMIC PROSPERITY, 413-1, 413-2



**CAPITAL**



**MATERIAL TOPICS**

JOB AND INCOME CREATION

SOCIOECONOMIC AND ENVIRONMENTAL IMPACT ON SURROUNDING COMMUNITIES

GEOGRAPHICAL SETTING

**COMMITMENTS TO SUSTAINABILITY**

LOCAL DEVELOPMENT

ENVIRONMENTAL IMPACT

**TOPICS ADDRESSED**

SOCIAL ACTION FRAMEWORK

STAKEHOLDER ENGAGEMENT PLAN

SOURCING LOCAL LABOR AND SUPPLIERS

Hidroviás do Brasil's social work follows a model that systematizes its actions to ensure effective attention is paid to the needs and demands of communities. Programs and investments are planned and executed based on the identification of stakeholders and recognition of proactive contribution opportunities. The socio-environmental and territorial management seeks to directly impact people, their human rights and the economy.

Continuous dialog with local communities is a key pillar of this model, establishing a transparent, trusting and respectful relationship through systematic and enduring relationship initiatives. In addition to addressing risks and impacts immediately, this openness allows the Company to actively participate in promoting social development and sustainability. Investments are planned based on these opportunities, in line with its sustainable guidelines and commitments.

In 2022, the Company established a guideline for its social work, aiming to enhance its contributions and engender an even more strategic presence in communities.

A Stakeholder Engagement Plan was developed as part of this commitment, systematizing actions through direct dialog with communities. This plan provides enhanced management and evaluation of social impacts and investments made.



# Stakeholder Engagement Plan

Structured in 2022 and updated annually, Hidrovias do Brasil's Stakeholder Engagement Plan adopts a proactive approach to engaging with communities, transparent communication around initiatives and intentions, respect for human rights, inclusive posture, and ensures openness for complaints and improvement opportunities. This guidance is in line with the International Finance Corporation (IFC) guidelines<sup>4</sup>.

The document aligns with Hidrovias do Brasil's priorities in its sustainable business model approach. The company unleashes the potential of inland and short-sea navigation, which have a lower socio-environmental impact, and continuously seeks to understand and consider the viewpoints of the communities in its geographies to contribute to their social and economic growth.

The actions planned and delivered under the Stakeholder Engagement Plan directly address two of the six sustainable commitments established in 2022: Human Development and Local Development.

They cover all operating regions and especially benefit priority communities, defined through dialog with their members and representatives of civil society organizations, public and private institutions, and government representatives.

<sup>4</sup>The International Finance Corporation (IFC) is a global financial institution that is part of the World Bank Group, providing financing and consulting for private sector projects in developing countries. Its guidelines include stakeholder engagement principles, transparency and respect for human rights.



## Stakeholder Engagement Pillars

Hidrovias do Brasil's actions focusing on community priorities follow the pillars of 'dialog', 'impact management', and 'social investment' established in the Stakeholder Engagement Plan.

### Dialog



Systematized and continuous relationship initiatives with priority communities. These actions are underpinned by respect and trust, aiming to establish a lasting partnership.



### Managing impacts

A central plank of the Stakeholder Engagement Plan, Impact management involves the strategy, system and routine adopted to address the needs of stakeholders. These efforts aim for balanced relationships, continuous social acceptance, anticipation of conflicts and crises and fulfillment of obligations and commitments.



### Social investment

In response to community demands, social transformation initiatives are structured and implemented in line with the Company's principles. These initiatives cover areas such as education, job creation and local development.

The Stakeholder Engagement Plan is essential for Hidrovias do Brasil due to its sustainable business model approach. Stakeholder engagement is fundamental for understanding and considering the viewpoints of communities. Adapted for each territory, the plan aims to forge genuine relationships and constantly improve socio-environmental performance, recognizing the importance of solid and constructive relationships.

# Mapping and interaction base GRI 2-25, 413-1, 413-2

Hidrovias do Brasil endeavors to systematically identify and map stakeholders and priority communities to make its sustainability initiatives more effective. These processes comprise the Stakeholder Engagement Plan and allow for continuous updates to meet 100% of the demands.

The stakeholder map is a comprehensive document that opens up opportunities for dialog with communities and government agencies, non-governmental organizations, interest groups, customers, suppliers and other relevant players. This helps the Company to better understand the expectations and needs of each stakeholder, facilitating the forging of transparent relationships and the implementation of effective actions.

The mapping of priority communities, in turn, identifies and prioritizes the communities most

affected by the company's operations. This process involves a detailed analysis of the areas where the company operates, taking into account factors such as geographic location, population density and socio-economic vulnerabilities, among others. The goal is to deploy resources and efforts to meet the specific needs of these communities, aiding their development and well-being.

The mapping and classification process resulted in the recognition of 65 priority communities, with 14 considered high priority, 35 medium priority, and 16 low priority. In this exercise, six high-priority communities were initially selected to start the work. The six priority communities selected in 2022 continued to receive special attention in 2023.

## Priority Communities

Operation	Year included in the Engagement Plan	Community
North – ETC	2022	Nova Miritituba
North – ETC	2022	DNER/Federal Government
North – ETC	2022	Z-56 Fishermen's Colony
North – ETC	<b>2023</b>	Permanent Fair Traders and the Orla de Itaituba Boatmen and Speedboat Associations
North – ETC	<b>2023</b>	Praia do Índio and Praia do Mangue Indigenous Reserves – Mundurucus tribe
North – TUP	2022	Jardim Cabano
North – TUP	2022	Vila Itupanema
North – TUP	2022	Z-13/ATASF Fishermen's Colony (1)
North – TUP	<b>2023</b>	Praia de Vila Itupanema
North – TUP	<b>2023</b>	Quilombola communities located near the road network of Rua Padre Casemiro
North – TUP and Short-sea shipping	<b>2023</b>	Furo do Arrozal and Ilha de Trambioca
North – TUP and Short-sea shipping	<b>2023</b>	Estreito de Breves
Santos	<b>2023</b>	Ferryboat staff
Santos	<b>2023</b>	Insular Communities and Social Groups
Santos	<b>2023</b>	Instituto EcoFaxina
South	<b>2023</b>	Surroundings of the La Barca del Pescador shipyard
South	<b>2023</b>	Remanso

**11 communities** were added by Hidrovias do Brasil to its list of priority communities for sustainability actions. The six communities selected in 2022 continued to receive special attention.

47 new stakeholders were registered last year in the Barcarena region (PA), increasing the total from 77 (2022) to 124 (2023).

14 new stakeholders joined the Company's records in 2023 in the Miritituba and Itaituba regions, in Pará. **The total stands at 131, with a 12% increase on 2022 (117).**

**Percentage of stakeholders by subgroup in the Barcarena region (PA).**

Entities/Religious/Representatives	<b>35%</b>
Municipal Executive Branch	<b>14%</b>
Public Education Institution	<b>12%</b>
Associations/Cooperatives	<b>10%</b>
Port Companies	<b>6%</b>
Federal Legislative Branch - Chamber	<b>4%</b>
Public Health Establishment	<b>4%</b>
Prosecutor's Department	<b>2%</b>
Municipal Legislative Branch	<b>2%</b>
State Legislative Branch	<b>2%</b>
Private Education Institution	<b>2%</b>
Federal Government	<b>1%</b>
Others	<b>1%</b>
Federal Legislative Branch - Senate	<b>1%</b>

**Percentage of stakeholders by subgroup in the Itaituba-Miritituba region (PA)**

Representative Institution (community associations)	<b>56%</b>
Public Education Institution	<b>12%</b>
Religious and Representative Entities (business associations)	<b>7%</b>
Municipal Executive Branch	<b>5%</b>
Port Companies	<b>5%</b>
State Executive Branch	<b>5%</b>
Private Education Institution	<b>2%</b>
Press/Blogs/Media	<b>2%</b>
Municipal Legislative Branch	<b>2%</b>
Prosecutor's Department	<b>2%</b>
Others	<b>2%</b>
Public Health Establishment	<b>1%</b>
Federal Government	<b>1%</b>

**5,123 interactions** were recorded in the locations related to the North Operation, with **2,566 received** in Barcarena (PA) and 2,557 in Itaituba (PA), involving phone calls, text messages, and invitations to attend meetings and events.

GRI 2-25



## PEI drill

Hidrovias do Brasil conducts an annual drill of the Individual Emergency Plan (PEI) at its units. The Sustainability team informs the communities through posters, brochures and app messages about the activities to be carried out, schedules and other topics, to avoid disruption during the drills.

## Managing impacts

### GRI 3-3 SOCIAL AND ENVIRONMENTAL AND LAND MANAGEMENT,

#### 2-25, 203-2

Hidrovias do Brasil defines impact as any alteration resulting from its activities that directly or indirectly influences the health, safety, and well-being of the population. The possible inconveniences of our operations informed by the communities include the emission of particulate matter (dust), odor and noise, increased traffic, risk of accidents, and maintenance on terminal access roads.

A central plank of the Engagement Plan, impact management is related to the strategy, system and routine for managing stakeholder demands, with the aim of establishing a healthy neighborly relationship, maintaining social license to operate, anticipating potential conflicts and crises, and fulfilling established obligations and commitments.

The company focuses its efforts on impact management in the communities surrounding operations, dedicating 70% of the community relations team's time to dialog and impact management and 30% to social investment initiatives (learn more below). Activities include continuous evaluation of operations, development of a communication plan for impact management, ensuring compliance with socio-environmental conditions, conducting specific studies, managing received demands, and reparation for damages.

Operations in the Northern region are linked to four programs focused on the Direct Area of Influence (DIA), encompassing actions in the fields of Social Communication, Environmental Education, Mitigation of Impacts on the Fishing Community, Social and Environmental Responsibility, and Institutional Coordination. Elsewhere, initiatives combat the abuse and sexual exploitation of children and adolescents.

Dialog, impact management and social investment activities embrace various priority stakeholders, such as fishermen, community members, truck drivers, students, representatives of institutions, and direct employees and contractors. Embedded in our Engagement Plan, this approach reflects alignment with the conditions established for operations, based on initiatives developed in close collaboration with the involved stakeholders.

In 2024, a study will be conducted in important regions to ascertain the risks and impacts, with the aim of improving socio-environmental management. Entitled 'Synthesis Analysis of Risks and Socio-environmental Impacts of North Operations', this study will address three of the company's stakeholder groups: quilombola communities near the operations in Barcarena, fishermen and riverside dwellers of the Buiuçu stream in Breves, and fishermen in Itaituba.

To avoid **adverse impacts** on local communities, Hidrovias do Brasil adopts a proactive approach.

Monitored items include environmental and noise pollution, increased prostitution and sexual exploitation, accident risks, traffic overload, dust and odor emissions.



### Information and impact management

15 communication agendas, in the regions of Barcarena (PA) and Itaituba/Miritituba (PA), involved students, leaders and fishermen, totaling 1,000 people, in face-to-face activities and distribution of 3,600 informational and digital brochures about important aspects of the company's socio-environmental management.

1,200 informational materials were distributed to disseminate safety information. In addition, there were 9 integrated agendas in the Communication Plan for Impact Management, involving about 820 people.

Weekly inspections around the operations in Barcarena and 36 inspections in Itaituba/Miritituba (PA) were carried out to plan cleaning actions that minimize inconvenience for the communities. In addition to cleaning, we installed and maintained signage, maintained drainage systems, sprayed roads and installed and maintained speed bumps.

12 cleaning actions around the operations in Barcarena (PA), such as weeding and removal of low-lying vegetation, collecting and proper disposing of household waste and debris discarded irregularly, and inspecting and unblocking storm drains.

## Alô Comunidade GRI 2-25

The communities have an open channel of communication with Hidrovias do Brasil for complaints, queries, suggestions, support requests, or any other type of notification. This is Alô Comunidade, a tool created so that any stakeholder can submit their demands and receive the necessary attention and follow-up. The service and management of demands follow IFC guidelines for External Communications and Complaints Mechanisms, ensuring requests are handled transparently and effectively.

The Alô Comunidade is promoted in face-to-face meetings and events and through posters, banners, informative materials, instant messaging applications, email messages and websites. In 2023, 360 refrigerator magnets were distributed in the regions of Barcarena (PA) and Itaituba (PA) containing the contact details for Alô Comunidade, to help people access the company's communication channels.

All demands submitted are registered in the tool to ensure tracking, suitable response time and the development of performance metrics. The departments required to resolve the issues, which may include sustainability, environment, operations, navigation, supplies and HR teams, depending on the subject at hand, are responsible for handling demands appropriately.

In 2023, 121 demands were registered in the Northern region, an increase of 13% compared to 2022, an increase attributed to the greater dissemination of dialog channels. Hidrovias manages these demands to ensure swift and effective responses, with a total of 75 demands categorized as complaints in 2023, of which 72 were resolved without the need for reparations and three with reparations.



Total demands and the respective treatment

**75 demands**  
classified  
as complaints

**72**  
**resolved**  
without the need  
for reparations

**3**  
**reparation**  
actions

## VISIT

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



Telephone nos. in Brazil: 0800-666-0653

Barcarena and region (calls and WhatsApp):  
(091) 99169-9355 / (091) 99118-8046

Itaituba and region (calls and WhatsApp):  
(091) 99169-9355 / (091) 99311-2047

## Demands by topic in 2023

### Barcarena (PA)

Complaint	71%
Queries and Suggestions	15%
Requests for support	10%
Compliments	4%

### Itaituba (PA)

Complaint	57%
Queries and Suggestions	30%
Requests for support	13%

## Initiatives carried out in 2023

### GRI 3-3 SOCIAL AND ENVIRONMENTAL AND LAND MANAGEMENT, 203-1, 203-2

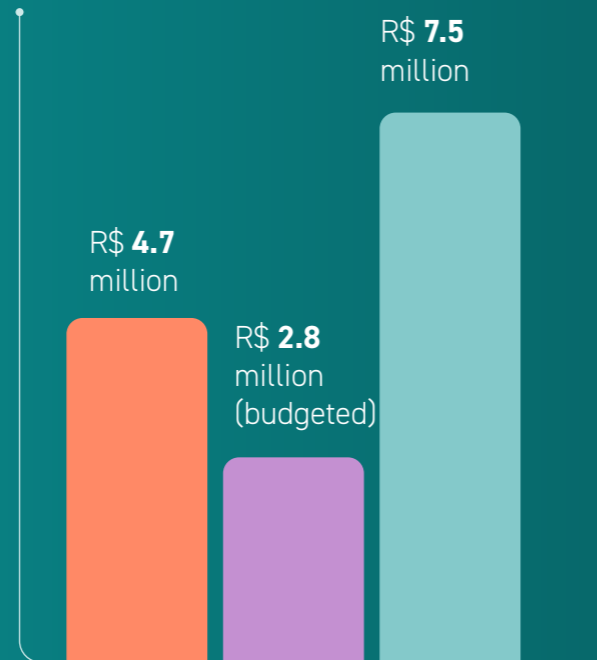
Hidrovias do Brasil's leading social initiatives in 2023 yielded positive impacts in areas such as education, job creation, income generation and local development in all regions within its scope.

In 2023, R\$ 4.7 million was invested out of the total of R\$ 7.5 million earmarked for 2023 and 2024.

The initiatives include the construction, renovation and revitalization of community centers and associations, the cultivation of family gardens and fish farming, and training courses for socially vulnerable young people and women. Most of it was completed in December 2023, with some activities and construction running over into 2024.

### Investments in Hidrovias do Brasil's first social cycle, from 2023 to 2024:

- 2023
- 2024
- Total





## NORTH CORRIDOR

### Pérola D'Água

The Pérola D'água initiative has been providing water access to the community of Nova Miritituba (PA) since 2022, ensuring a better quality of life for the residents. It also offers better safety around physical supply structures and electrical installations.

An in-depth diagnosis of the community's water supply system was initially carried out for actions such as the replacement of supply pumps, piping and wiring. To ensure the supply of drinking water to the population, a new well was constructed.

The system began to benefit around 1,000 people in 2023.

In addition to physical improvements to the infrastructure, the project also involved carrying out awareness and community education activities on responsible water consumption and the importance of preserving water resources. Over time, indicators are monitored to assess the impact of the interventions carried out and ensure that the established goals are achieved.



### Productive backyards

The program benefits the community of Nova Miritituba (PA) by implementing allotments, improving food security and providing additional income. In 2023, 26 modules were implemented from February to December.

Participants are given theoretical training and practical demonstrations, as well as kits containing the materials needed to grow vegetables. They started producing cilantro, lettuce and kale.

The initiative includes visits to all participants, in order to monitor each unit's progress.

Productive Backyards boost family income and drive the local economy, while providing produce for local commerce.



### Aceleraê Program

With the aim of preparing young people and high school graduates for the job market, the Aceleraê program administered training to 170 people from the DNER locality in Itaituba (PA) in its first two editions, between December 2022 and February 2024.

The initiative takes place through a partnership between Hidrovias do Brasil and the organization Talent Negócios. The students have the opportunity to hone the skills and capabilities necessary to compete for entry-level positions.

In-person training sessions were held during each edition, covering topics fundamental for the job market.

These topics included financial education, entrepreneurship, job interviews, social and emotional skills, computer skills, public speaking, vocational guidance and career planning.

These meetings provided participants with a practical and interactive learning environment, allowing them to develop essential skills for their future careers. They also attended a career fair, where they could come into contact companies in the Itaituba region.

Participants were able to take advantage of the training to gain a clearer understanding of how to achieve their professional goals. In addition, the initiative promoted local labor. The young people were urged to develop professionally to take on important roles in the region's economic and social development.

**170 young people** attended the first two editions of Aceleraê (85 in the December 2022 to July 2023 edition and 85 between October 2023 and February 2024).

**8 topics** comprised the program: financial education, entrepreneurship, job interviews, social and emotional skills, computer skills, public speaking, vocational guidance, and career planning.

### Sonho Cabano

With the aim of spurring local development, the Sonho Cabano project renovated and revitalized the social headquarters of the Jardim Cabano Community Center in Barcarena (PA). Developed in partnership with the organization Inclusive Lab, the initiative fuels local development by offering better conditions for the community to use this space.

Rooms were adapted for various activities including offices and a kitchen, external bathrooms were expanded and a disabled bathroom was built. The renovation included the installation of flooring, tiles, rendering, lowered ceilings and painting. The project also involved creating a collaborative use plan for the revitalized center, to ensure its effective use by the community in an inclusive and sustainable manner.



### Itupanema Mais Forte

Developed for the benefit of Vila Itupanema, in Barcarena (PA), the project consisted of building the headquarters of the Itupanema Association, to propel local development and bolster the community. It took place from February to October 2023, in partnership with Inclusive Lab.

In addition to the building renovation, planning was made to use the structure to ensure its collaborative and sustainable management and use by the local community.

The new headquarters features an auditorium, a support room and two bathrooms. These structures were designed to meet the needs of the community and provide a suitable space for various activities such as meetings and community events.

The initiative encourages community engagement and the appreciation of the center as a tool for the development and strengthening of Vila Itupanema.



### Sustainable Fish Farming

The Sustainable Fish Farming project was developed to benefit the Z-13 Fishermen's Colony in Barcarena (PA). Its primary goal was to train 30 families in a sustainable income generation program for the economic and social development of the community.

During roll-out, 30 fish farming modules were installed in the homes of local fishermen. Each participating family received training on how to properly manage and maintain the modules. In addition, visits were made to each module to monitor progress and provide the necessary support.

Benefits include higher income for the participating families, supply of produce for local commerce, bolstering the region's economy, and fostering sustainable development. The Sustainable Fish Farming project had a positive impact not only on the participating families but also on the community as a whole.



### Fishermen's Association

The headquarters of the Z-56 Fishermen's Association, located in Itaituba (PA), was revamped with funds from Hidrovias do Brasil, in a project developed in partnership with Inclusive Lab. With approximately 300 member fishermen, the entity uses the center for meetings and other activities related to fishing. The members operate in five municipalities in Tapajós and use the facilities as a meeting point.

The headquarters was revamped from February to October 2023, with the aim of promoting community development and the well-being of the fishermen members. The renovation and revitalization of the headquarters included the construction of a kitchen annexed to the existing building, and the construction of new bathrooms to ensure comfort and functionality. In addition to physical improvements, the project included the development of a center use plan, which is now better tailored to the needs and activities of the fishermen's community.

### Cine Reading

Access to cinematographic art and reading is now better in the communities benefited by Cine Reading, a partnership between Hidrovias do Brasil and Komedi aimed at fomenting local development through culture. In 2023, this initiative delivered two film library structures equipped with a projector and home theater to organizations in Miritituba (PA) and Itaituba (PA), in the proximity of the Cargo Transshipment Station (ETC), and two others to institutions in Barcarena (PA), in the vicinity of the Private Use Terminal (TUP).

Cine Reading also provided cultural materials, including a collection of 720 children's and young adult books and 320 children's DVDs. These resources aim to encourage reading and facilitate access to the cinematic universe for the community, engendering cultural and educational enrichment.

The initiative benefits around 800 children and young people, providing entertainment and stimulating cognitive, creative and critical development.



### Tecer

Developed in partnership with the Lixoxiki organization, the **Tecer** (Weaving) project provides an economic alternative for work and income for impoverished women in three locations in the municipality of Itaituba (PA): DNER, Miritituba, and Itaituba. It trains these women in artisanal skills and business management using recyclable materials.

The project first took place between 2022 and 2023, benefiting 38 women who completed the program. Two exhibitions of the products made were held, one at the Social Assistance Referral Centers (CRAS) and another at ETC.

In total, 1,013 products were produced in 11 different workshops, with 25 in-person meetings, including six exclusively focused on artisanal and business management training. The project also promoted the reuse of six different types of materials.

The training of 40 women is planned for the second edition, between 2023 and 2024. In addition, there will be a fair to display the products, 28 modeling and sewing workshops, and seven lectures on business and entrepreneurship. These activities aim to strengthen female entrepreneurship and boost the local economy of the benefiting communities.



## SOUTHERN OPERATION

### Entrepreneurs Club

The Entrepreneurs Club project aims to foster the economic inclusion of women heads of households, promoting the generation, maintenance and development of small businesses.

The activities were carried out from May 2022 to May 2023 in partnership with CEPRODIH, a non-governmental organization located in Uruguay that advocates for human dignity and fundamental rights of people, especially those in situations of social vulnerability.

During the implementation period, fairs were held to showcase products from local businesses, providing more visibility to the participants' enterprises. Simultaneously, the participants were trained in economic activities and portfolio diversification with the inclusion of sustainable products. With this qualification, they seek new income opportunities and foment local economic development.

## PORT OF SANTOS

### Musicalidade na Gota

In partnership with the Gota de Leite Association between February and December 2023, Musicality at Gota promoted education through music for children from 11 months old to teenagers up to 17 years old.

Theoretical and practical teaching in guitar and percussion were provided to a total of 300 participants in Santos (SP), for artistic and cultural expression. The program helps develop musical skills while promoting school learning, socialization and well-being of the participants.



### Strengthening of Civil Society Organizations

With the aim of strengthening civil society organizations, the project 'Strengthening Civil Society Organizations' helped four non-governmental organizations in Santos (SP) improve their strategic, tactical and financial planning. It took place between March 2022 and March 2023, through a partnership with Instituto de Referência e Apoio a Projetos Assistenciais do Brasil (Irapa).

The objective was to train these organizations so that they could work more effectively in their respective fields, thus maximizing their impact and reach in the community.

Members of the selected organizations were trained to develop initiatives and enduring actions, achieving financial independence and strengthening their networking. Plans for the next five years were also defined, boosting the sustainable development of the organizations and the communities they serve.

To structure and carry out the project, over 200 meetings were held on topics such as organizational structure and the development of rules of procedure and bylaws. These meetings also provided training on relevant topics for the third sector, including fundraising and legal and accounting issues.

# Sourcing local labor and suppliers

## GRI 3-3 SOCIAL AND ENVIRONMENTAL AND LAND MANAGEMENT, 203-2

As part of its sustainable development strategy, Hidrovias do Brasil give preference to local labor and procures services from local companies. These measures embolden its commitment to the communities. They involve a series of steps to meet the company's operational needs and boost the economic and social development of each location.

As a strategy, it starts with identifying operational needs and services and mapping available providers, including professionals and companies in transportation, maintenance and construction. Workers and suppliers are identified and evaluated. In the case of suppliers, this stage may include technical, operational and quality screening (Learn more in Supplier Management).

The company prioritizes local suppliers and services whenever possible. Efforts are funneled to foment economic development. This can also cut transportation and logistics

costs, strengthen bonds with the community and minimize the environmental impact associated with the transportation of materials and equipment.

Expected benefits include job creation, the growth of contracted companies and the strengthening of the regional economy. Valuing workers and suppliers has helped build a positive reputation and strengthened ties with stakeholders.

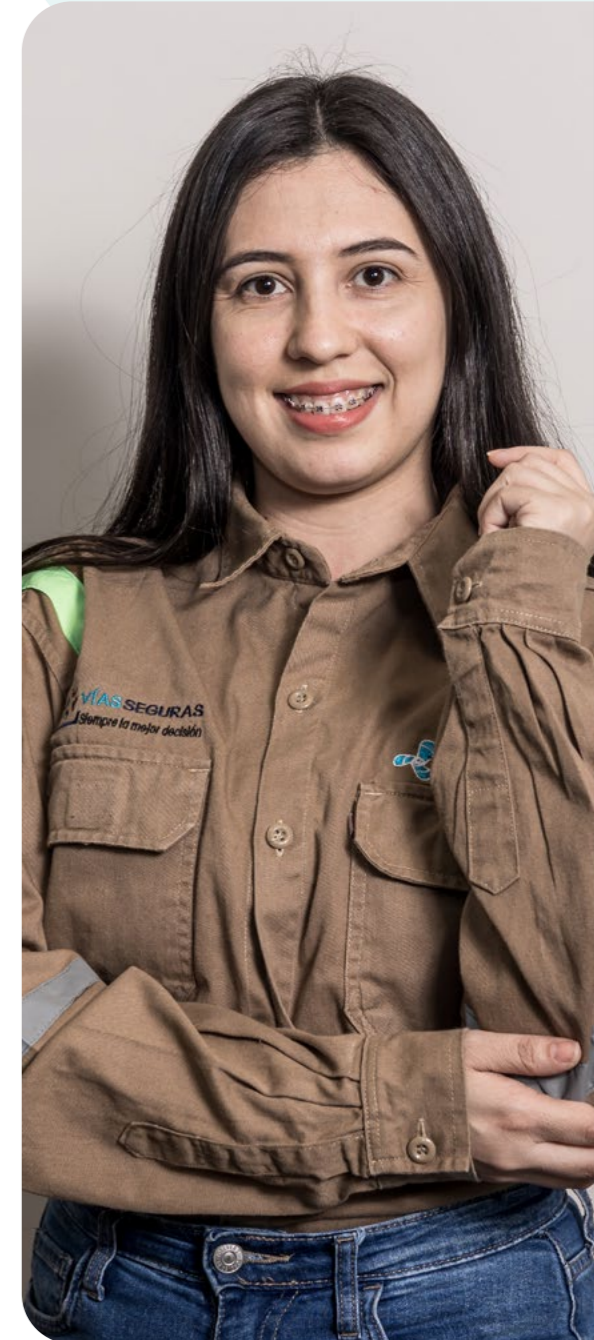
Proportion of spending on locally-based suppliers <sup>1, 2, 3, 4</sup> (%) GRI 204-1	2022	2023
Pará region	59.94	59.16
São Paulo region	57.17	81.41
Paraguay region	73.34	60.01
Uruguay region	42.74	25.54
<b>All operating regions</b>	<b>59.10</b>	<b>55.97</b>

<sup>1</sup> In the company, the term 'local' refers to the areas where we maintain operations, specifically in the states of São Paulo and Pará in Brazil, as well as Paraguay and Uruguay.

<sup>2</sup> For calculation purposes, all operational units are counted.

<sup>3</sup> To calculate the percentage of the total value (of all the operations) involved in local purchases, the total sum spent on suppliers in the regions where Hidrovias do Brasil is active was compared to the company's total expenditure.

<sup>4</sup> To calculate the percentage of the value per region, Hidrovias do Brasil's operations in each region were consolidated and the spend on suppliers in the same region was compared against the total expenses in the region.





9

Environmental  
Performance



**CAPITAL****MATERIAL TOPICS**WASTESOCIOECONOMIC AND ENVIRONMENTAL IMPACTS ON SURROUNDING COMMUNITIES**COMMITMENTS TO SUSTAINABILITY**ENVIRONMENTAL IMPACTS**TOPICS ADDRESSED**BIODIVERSITYOPERATIONAL ENVIRONMENTAL MANAGEMENT

# Biodiversity

GRI 304-1, 304-2

With responsible environmental stewardship, Hidrovias do Brasil establishes criteria, standards and goals for optimizing operational processes and deploys technologies that ease environmental impacts, help protect natural habitats and preserve biodiversity, and regenerate ecosystems.

The company accordingly conducts assessments that allow it to understand the local biodiversity and the impacts of its activities, with the aim of preventing and mitigating risks related to the conservation of fauna and flora along its transportation routes.

The Company does not operate, own or lease areas within or near environmental protection areas. Its port terminals are strategically located in industrial zones or port zoning areas.

The impacts mapped by the company are mostly indirect, such as loss of habitat, physical barriers, sedimentation in nearby water bodies, roadkill,

climate change, and erosion (direct impact factor), which can have various consequences for maintaining the environmental balance.

Hidrovias do Brasil also rolls out a raft of measures to mitigate the impacts generated by operations, such as the careful selection of areas to minimize encroachment in protected zones, operational expansions on company-owned land, and the inclusion of specific offsetting plans in environmental studies for new projects that require vegetation clearance.

These actions are based on the Risk Synthesis Assessment, an essential analytical tool used to identify, assess and manage environmental risks and impacts associated with projects, ensuring that all potential threats to the environment are considered and mitigated from planning to execution.

Moreover, the company deploys technologies on vessels that reduce pollutant emissions and the use of natural resources.

While Hidrovias do Brasil's impacts on biodiversity may be temporary, the company includes the duration and possible cumulative effects of the impacts generated during the operation of its units in monitoring processes. Issues that could cause ecosystem transformations, such as deforestation, urbanization, and infrastructure expansion, are also continuously monitored and mitigated.

# Operational environmental management

## GRI 3-3 ECONOMIC PROSPERITY

Hidroviás do Brasil operates on three main fronts to ensure a sustainable operation: energy efficiency (learn more in Climate Strategy), reduction and proper disposal of waste, and implementing suitable environmental operational controls. For this, it adopts cleaner and more efficient technologies and circular economy practices.

To evaluate the most significant environmental impacts mapped through the Procedure for Identification and Analysis of Environmental Aspects and Impacts, the company develops Environmental Aspect and Impact Matrices (EAIMs), which detail the operational controls necessary to mitigate or eliminate such impacts, specifically for each operation and activity carried out.

# Waste

## GRI 306-1, 306-2

Waste management in Hidrovias do Brasil's operations aims to reduce the volumes generated and achieve sustainable final disposal. Waste management targets are part of the Sustainable Commitment, and controls on the generation and disposal for each unit are defined for each operation, meeting applicable legal and regulatory requirements and seeking the best available partnerships in each location where the company operates. The indicators are monitored monthly through the company's Operational Excellence Dashboard, with the results submitted to senior management.

All waste management processes are carried out in accordance with Solid Waste Management Plans (PGRS) specifically tailored to each company operation. They respect specific legislation, using platforms such as the State Online Solid Waste Management System (Sigor) in São Paulo and the National Information System on Solid Waste Management (Sinir) in Pará. In Paraguay, waste management and records of storage, transportation and final disposal are carried out in partnership with specialized and approved companies, also meeting applicable legal requirements.

Regulatory assessments, including license analysis and environmental audits carried out by Hidrovias do Brasil, also extend to critical environmental service partners

and providers, including waste processors. In relation to grain operation, for example, solutions for recycling or composting organic waste are sought. The company also runs internal education campaigns to reduce waste in canteens.

Waste generation in the company's operations is also related to the receipt of products such as grains and fertilizers by road and sea, which generate grain and fertilizer sweepings in the terminals and in the cleaning of barges and trucks.

In 2023, the company generated a total of 1,117.5 tons of solid waste, with 108 tons classified as hazardous and approximately 1,000 tons as non-hazardous. This volume represents a reduction on the 5,008.4 tons of waste produced in 2022, mainly due to the completion of the works on Santos Terminal STS20. [GRI 306-3](#)

By 2025, the goal is to sustainably dispose of at least 75% of the waste generated, based on the 2022 data. With this in mind, the company compiled the waste inventory for the entire company in 2023, from which specific action plans were made for each operation, with metrics for waste reduction and disposal according to the material classes. As early as 2023, approx-

imately 70% of the waste generated by the Company was disposed of sustainably.

At the Santos Terminal, 100% of the waste was disposed of sustainably, avoiding landfilling and incineration, with this achievement recognized by the Port Authority. The operational units have specially constructed areas for temporary waste storage, with bays for sorting by type, covering, impermeable flooring and drainage system.

Through **Solid Waste Management Plans** developed for each unit, the Company manages its waste in order to have it sorted at source and to control and ease storage and disposal risks, prioritizing reuse and recycling.

Total solid waste generated by composition <sup>1,3</sup> (t) <a href="#">GRI 306-3</a>	2022	2023
<b>Hazardous Waste</b>		
Absorbents, filtering materials, leaf litter, cleaning cloths, and PPEs	86.00	69.40
Drums and containers containing/contaminated with hazardous waste	12.00	17.30
Electronic waste, light bulbs, batteries and powerpacks	2.70	1.70
Health care and infectious waste	0.10	0.40
Construction Waste Santos Terminal STS20 - Hazardous (Contaminated mix and fertilizer sweepings) <sup>2</sup>	20.50	-
Waste contaminated with oil and the like	-	15.60
Other dangerous items (contaminated fertilizer, expired chemicals, aerosols, paints, toner, etc.)	16.50	3.60
<b>Total</b>	<b>137.80</b>	<b>108.00</b>
<b>Non-hazardous</b>		
Organic, common and sweeping waste	873.80	666.10
Plastic, paper and cardboard	13.20	34.60
Scrap metal	92.60	64.10
Wood waste	63.90	26.30
Construction waste	169.80	10.00
Construction Waste Santos Terminal STS20 - Non-hazardous (Wood, PVC, rubber, scrap metal, common waste, debris, etc.) <sup>2</sup>	3,608.40	-

<b>Non-hazardous</b>		
<b>Non-hazardous other (non-hazardous medication waste, non-hazardous electronics, non-hazardous industrial waste, and non-hazardous fertilizer sweepings, among others)</b>	48.90	-
<b>Other non-hazardous (non-metallic cables, non-hazardous electronics, cleaning waste, etc.)</b>	-	51.80
<b>Waste and equivalent urban solids</b>	-	146.50
<b>Biological sludge from wastewater treatment</b>	-	10.10
<b>Total</b>	<b>4,870.60</b>	<b>1,009.50</b>
<b>Total solid hazardous and non-hazardous waste</b>	<b>5,008.40</b>	<b>1,117.50</b>

<sup>1</sup> From 2022 to 2023, the volume of waste generated dropped sharply, mainly due to the completed construction of Santos Terminal STS20.

<sup>2</sup> The waste generated in the works carried out to adjust and build the Terminal at Port of Santos was counted separately from the other waste because it was an exceptional generation due to the ongoing works in 2022. In 2023, approximately 460 kg of light bulbs were generated in the Southern operation and 2,890 units in the Northern region.

Total waste diverted from disposal, by recovery operation, in metric tons <sup>1, 2, 3</sup> (t) <a href="#">GRI 306-4</a>	2022	2023
<b>Nonhazardous waste</b>	<b>Offsite</b>	
Recycling	277.00	95.40
Composting	-	480.40
Blending for co-processing	-	74.90
Waste from Santos Terminal Construction <sup>4</sup>	3,563.20	-
Others	629.32	0.90
<b>Total</b>	<b>4,469.52</b>	<b>651.60</b>
<b>Hazardous waste</b>		
Recycling	1.20	1.00
Blending for co-processing	-	86.90
Others	0.70	0
<b>Total</b>	<b>1.90</b>	<b>87.90</b>
<b>Total solid waste diverted from disposal</b>	<b>4,471.42</b>	<b>739.50</b>

<sup>1</sup> In 2022, the category other non-hazardous waste included decontamination/decharacterization, recycling, reuse and composting. In 2023, specific sorting for composting and blending for co-processing were added to this category. In addition, blending for co-processing was also incorporated into the hazardous waste category. GRI 2-4

<sup>2</sup> From 2022 to 2023, there was a significant reduction in the volume not directed to disposal, mainly due to the completion of work on the Santos STS20 Terminal.

<sup>3</sup> In 2023, the company managed to avoid the generation of a total of 740.4 tons of waste.

<sup>4</sup> The waste generated during the construction work to adjust and build the Terminal at Port of Santos was counted separately from the other waste because it was an exceptional generation due to the ongoing works in 2022.

Total solid waste directed to disposal, by operation, in metric tons (t) <a href="#">GRI 306-5</a>	2022	2023
<b>Nonhazardous waste</b>	<b>Offsite</b>	
Incineration without energy recovery	5.90	323.80
Landfilling	0.70	24.00
Hazardous Waste from Works on the Santos Terminal STS 20 <sup>1</sup>	20.50	-
Other disposal operations	108.90	10.10
<b>Total</b>	<b>136.00</b>	<b>357.90</b>
<b>Hazardous waste</b>		
Incineration without energy recovery	222.10	15.20
Landfilling	55.50	4.90
Non-hazardous Waste from Works on the Santos Terminal STS 20 <sup>1</sup>	45.20	-
Other disposal operations <sup>1</sup>	78.20	-
<b>Total</b>	<b>401.00</b>	<b>20.10</b>
<b>Total solid waste directed to disposal</b>	<b>537.00</b>	<b>378.00</b>

<sup>1</sup> The waste generated in the works carried out to adjust and build the Terminal at Port of Santos was not counted with the other waste because it was an exceptional generation due to the ongoing works in 2022.

# Water resources

Through Water Resources Management Programs, the operational units put into practice a series of actions and controls:



## Wastewater management and treatment

At the Private Use Terminal in Barcarena (PA), five company ETEs (ADM Building, Workshop, Implementation, Ship Pier and Barge Pier) are operated, with daily inspections carried out by the Environment and Maintenance teams. This includes regular cleaning of grease traps, solid waste boxes, and the storm water drainage system.

The Cargo Transshipment Station in Miritituba (PA) also has an ETE, where raw and treated wastewater are monitored quarterly. Daily inspections are carried out to check the operation, addition of chlorine tablets, verification of sludge levels in the reactors and settlers, using an Imhoff cone.

At the terminals in Santos and at the Workshop in TOSA, Paraguay, these services are provided by public or private companies.

## Separation of oil and water

In workshop and vehicle maintenance areas, systems are installed to separate oil from water resulting from these activities, ensuring compliance with CONAMA Resolution 430/2021. Regular analyses are carried out to check the system's efficiency and the need for maintenance.

## Groundwater monitoring

At the TUP operation, surface water is monitored through water sampled collected from the Pará river at four sampling points. This aims to protect water quality in terms of physical, chemical, and hydrobiological properties, in accordance with Conama Resolution 357/2005.

## Water potability

The potability of water supplied by utilities or obtained from licensed wells and stored in reservoirs is monitored. These reservoirs undergo regular cleaning, ensuring water is fit for human consumption, in accordance with Ordinance 888/2021, Appendix IX.







## Particulates, odors and noise

Among the impacts of the operations mapped by Hidrovias do Brasil are particulate (dust), odor and noise emissions. Aware of the importance of minimizing these environmental impacts, the company adopts a series of actions and practical measures to control and mitigate these emissions.

In 2023, Hidrovias do Brasil analyzed emissions from mobile and fugitive sources in the North operations (ETC and TUP) and in Santos. Specialized consultancy firms inventoried emissions associated with the company's activities.

Among air emissions, those originating from the burning of fuels by vessels and trucks, and fugitive emissions, such as those from dust resuspension by truck movement and internal handling/transport of products, stand out. The trucks and ships received in these operations are not directly the responsibility of Hidrovias do Brasil, since these services are procured by the customer.

For all inventoried operations, issues related to improvements in the monitoring and control of emissions, which are already carried out

periodically, were jointly evaluated.

The company's goal under the Environmental Impacts pillar of its Sustainable Commitment is to create specific action plans in 2024, to be implemented by 2025, directly related to the development and implementation of devices for controlling and mitigating impacts, aiming for a minimum efficiency of 80% for environmental operational controls.

Hidrovias do Brasil's operations include cargo transshipment (grains and fertilizers) and the transfer of these products from vessels to warehouses (and vice versa) through conveyor belts and other loading and unloading equipment. To control and mitigate the impacts from emissions in these operations, environmental operational controls are planned and implemented from the project's conception, such as:



- > 100% enclosure of structures, conveyor belts, and transition points, with compact filters placed at the ends of the conveyors and bag filters installed on top of the tipper. In the operation in Santos, all external conveyor belts are doubly enclosed.
- > Truck tippers (North operations) have bag filters and automatic doors with folding curtains and quick closure, along with a particulate suppression system installed, consisting of pipes that spray a solution (SNAP) during grain unloading.
- > At the terminal in Santos, the tunnels where customers' trucks are loaded with handled products also have automatic quick-closing doors and a forced ventilation system that blows the dust into the warehouses.
- > Regular monitoring of black smoke using the Ringelmann scale on all Hidrovias do Brasil equipment and occasionally on third-party vehicles (trucks), in order to protect the air quality around the operations.



- > Preventive maintenance of machinery and equipment.
- > Inspections on conveyor belts.
- > Enclosure of machinery and equipment.

Actions are also taken to mitigate the impacts of noise (sound pressure level) and odors occasionally generated by the operations. The objective is to assess and contain noise and odor levels around the operations, aiming for acoustic and environmental comfort for the community and compliance with applicable legal requirements, such as:

Awareness campaigns are also carried out at the TUP and ETC with truck drivers entering the terminal, to ask them to refrain from using horns, especially at night.



# 10

## Corporate governance



Hidroviás do Brasil

# Governance Structure

GRI 2-9, 2-10

Hidrovias do Brasil has been listed on the Novo Mercado segment of the B3 stock exchange since 2020 under the code HBSA3. It has a robust corporate governance, with departments and instruments built to ensure integrity and to factor interests into decision-making.

The structure includes the Board of Directors, Audit Committee, Oversight Board, Executive Board, and all internal governance bodies, composed of five Advisory Committees to the Board of Directors. Members are appointed to the Board of Directors, Committees, and Statutory Executive Board pursuant to the guidelines established in the Member Nominating Policy. The Advisory Committees to the Board of Directors hold meetings on demand to support decision-making.

Board of Directors – Responsible for establishing guidelines for the overall conduct of the Company's business, defining corporate strategy and goals to be achieved and overseeing the implementation of its instructions.

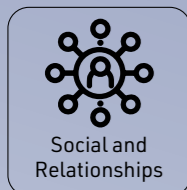
Among its duties is to assess the effectiveness of the organization's processes in relation to economic, social and environmental impacts. To enhance directors' knowledge about the sustainable management of the business, the Board of Directors is assisted by a Legal, Compliance and Sustainability Committee, whose objective is to engage, inform and clarify the Company's sustainability performance.

The Board of Directors also analyses matters related to compliance and legal, and discusses best practices, receives suggestions and proposes improvements in these areas of operation. The results are used to build action plans to improve the board's performance and individual development for members, when necessary.

GRI 2-11, 2-12, 2-17, 2-18



## CAPITAL



## MATERIAL TOPIC

ETHICS & TRANSPARENCY

## COMMITMENTS TO SUSTAINABILITY

ETHICS & TRANSPARENCY

## TOPICS ADDRESSED

GOVERNANCE FRAMEWORK

BUSINESS SYSTEMS INTEGRITY

RISK MANAGEMENT

RELATIONS WITH INVESTORS AND OTHERS  
STAKEHOLDERS

The Board of Directors is composed of nine members, four of whom are independent. Members serve a renewable term of two years. The Chair of the Board does not serve in an executive position within the organization.

## Composition of the Board of Directors

<b>Felipe Andrade Pinto</b> Chairman	Partner and officer of the infrastructure department at Pátria Investimentos
<b>Roberto Lucio Cerdeira Filho</b>	Associate Partner in the infrastructure department and investments officer at Pátria Investimentos
<b>Michel Fontes Souza</b>	Plays a directive role in the infrastructure department at Pátria Investimentos
<b>Antonio Fernando Checchia</b>	Partner responsible for mergers and acquisitions at Pátria Investimentos
<b>Ricardo Eugênio Jorge Saad</b>	Does not hold other positions
<b>Marcus Vinicius Monteiro Nogueira</b>	Independent member, and CEO at Raiar Organics
<b>Luis Rheingantz Barbieri</b>	Independent member, and Officer at Raiar Orgânicos
<b>Antonio Mary Ulrich</b>	Independent member, and does not hold any other positions
<b>Julio Cesar de Toledo Piza Neto</b>	Independent member, a board director and founder of several agribusiness companies





**Audit Committee** - The Company's non-statutory Audit Committee is an advisory body linked to and created by the Board of Directors, which has operational autonomy and its own budget. Its objective is to oversee the integrity and quality of financial reporting, the adequacy of risk management processes, compliance with standards and legislation, and the activities of internal and independent auditors, in accordance with the Novo Mercado Regulations of B3 S.A. - Brasil, Bolsa, Balcão. In 2023 it was composed of three members.

**Advisory Committees** - To support decision-making, the Board of Directors has five non-statutory Advisory Committees, each composed of certain members of the Executive and Non-Executive Board and the Board of Directors.

The Legal, Compliance and Sustainability Committee debates topics related to sustainability, ethics, compliance and legal issues. In 2023, it was composed of five members, three of whom were members of the Board of Directors.

The Finance and Capital Markets Committee aims to deepen the debate and suggestions on economic and financial matters, including the analysis of operations related to the capital market, and in 2023, it was composed of 5 members.

The Operations Committee seeks to detail and debate the recommendations for the Board of Directors regarding topics related to the Company's operational activities, be they in the North Corridor, South Corridor, or in Santos. In 2023, this Committee was composed of five members, three of whom were members of the Board of Directors.

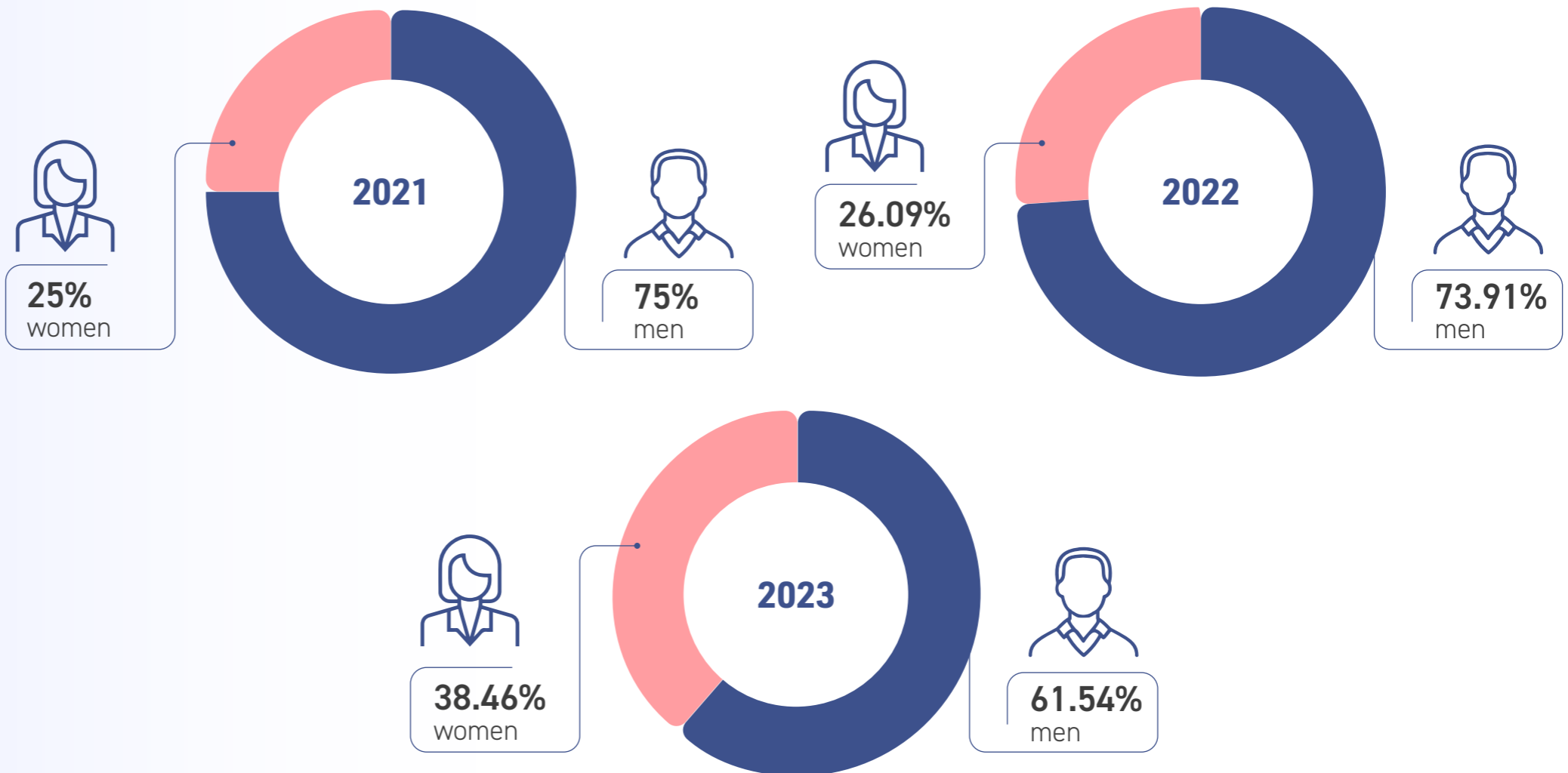
The Projects and Business Development Committee discusses structural projects and new business opportunities for the Company, so that they can be presented to the Board of Directors. In 2023, this Committee was composed of seven members, four of whom were members of the Board of Directors.

Lastly, the People and Management Committee deals with issues related to human resources and Company management, including corporate goals and compensation, among others, so that they can be discussed and, as the case may be, submitted to the Board of Directors. In 2023, this Committee was composed of five members, two of whom were members of the Board of Directors.

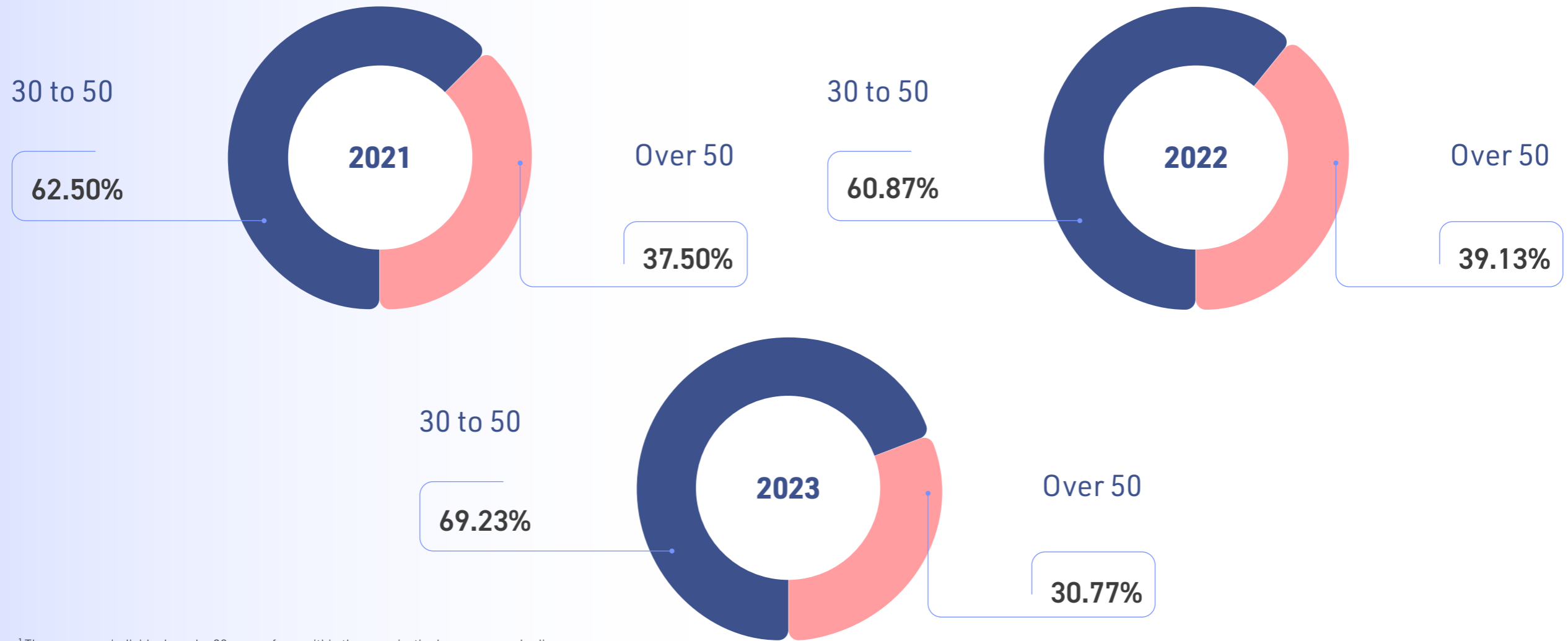
**Oversight Board** - An independent and non-permanent body, convened at the request of the shareholders. Its duties include overseeing the company's management acts and analyzing and opining on the Company's quarterly accounting information and financial statements, among other topics. Formed at the 2023 **Annual General Meeting**, it has six members, three serving and three alternate, with a one-year term that expires at the next Annual General Meeting.

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

**Executive Board** - Responsible for implementing the strategic plan defined by the Board of Directors and managing the business, overseeing the development of initiatives to achieve the defined objectives. In 2023, it was composed of four statutory members and two non-statutory members, with three men (50%) and three women (50%). Considering statutory members only, the executive board had four members in 2023 (75% men and 25% women), with 66.67% hired from the local community. GRI 202-2



Individuals within the organization's governance bodies, by age group (%) GRI 405-1



<sup>1</sup> There were no individuals under 30 years of age within the organization's governance bodies.



# Compensation practices

GRI 2-19, 2-20, 2-21

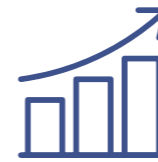
At Hidrovias, compensation is determined in accordance with the guidelines set out in the company's Compensation Policy. The Company offers fixed and variable compensation. In the knowledge that attracting and retaining talent is essential for the company's success, it seeks to instill values compatible with market practices, based on surveys conducted every two years. Annual review and attraction bonuses may be offered to entice key professionals to join us, subject to minimum lengths of service.

Severance payments follow the legal and union regulations applicable in each country where the company operates. Any variable compensation must be signed off by the Board of Directors and is related to the achievement of the Company's strategic goals, including compliance with the annual Sustainable Commitment goals.

The total compensation of members of the Company's Board of Directors, the Oversight Board and the Statutory Board is approved by the General Meeting.

In 2023 the ratio of the annual total compensation for the organization's highest-paid individual to the average annual total compensation for all employees, except the best paid one, was 29.19%.

Regarding pay rises, the highest-paid individual had a percentage increase of 4.77%, and the total average compensation increased by 20.24%. This indicates that the percentage increase in the total average compensation of employees was approximately 0.24 times the increase afforded to the highest-paid individual.



## 29.19%

was the **annual total compensation** for the organization's highest-paid individual to the average annual total compensation for all employees.



## 4.77%

was the **increase in compensation** of the highest-paid individual.



# Business systems **integrity**

## GRI 3-3 ETHICS AND TRANSPARENCY

Ethics and Transparency are part of Hidrovias do Brasil's Sustainable Commitment, and are considered non-negotiable values by the Company. The company's actions follow an Integrity Program, developed to ensure that activities carried out and relationships established with its various stakeholders are conducted in an integral and responsible manner.

Based on the prevention, detection, and response triad, Hidrovias do Brasil's Integrity Program includes the monitoring of a set of 13 indicators (see the table for more), which enable close and detailed monitoring, with the identification of trends and/or deviations, allowing for rapid course correction.

Aiming for continuous improvement and to increase the engagement of internal stakeholders with the Program, an annual survey is conducted to identify the level of employee knowledge and satisfaction, whose results are used to define awareness actions, reinforcing information and improvements. An example of an idea implemented as a result of the the

survey was the inclusion of WhatsApp as one of the means for accessing the Ethics Channel (learn more on page 147), a request made by the shipping team.

The company's Code of Ethics informs expected conduct and specifies unacceptable practices, applicable to members of the Board of Directors and their advisory Committees, members of the Oversight Board, members of the Executive Board, employees, interns, apprentices, consultants, suppliers, subcontractors, representatives, and any others acting on behalf of the Company.

The document provides guidelines on various topics, such as prejudice, harassment and discrimination, conflicts of interest, fraud prevention, corruption, bribery, and money laundering and use of information. It also specifies how relations with suppliers, customers, governmental bodies, shareholders, competitors, the press and the community should be conducted. In 2023, our Code of Ethics was updated and remodeled, receiving a more friendly and inclusive wording, with the aim of

expanding the understanding of its concepts by the various stakeholders that access the material.

The Company makes every effort to disseminate compliance concepts and instruments to its employees, in order to consolidate the understanding that everyone should act as compliance ambassadors in the organization. These initiatives include Compliance Month, during which the Compliance team, including the officer, spends a week at each of the company's four operations, conducting training, campaigns and recreational activities such as scavenger hunts. The May 2023 initiative had the slogan #youarewhatyoudo, which was used to frame the mirrors in all operations and the central office, sparking interest and engagement.

Another means of dissemination is the Compliance Magazine, a monthly publication that addresses practical topics for everyday application. Specific training sessions are also conducted. In 2023, fresh training on the Code of Ethics, Moral Harassment, and Sexual Harassment was introduced in the



Hidrovias Academy, with content presented in an attractive and interactive way. The training is also part of the new employee onboarding process.

The company also works to prevent cases of corruption. In 2023, a comprehensive analysis of its operations was conducted to identify corruption-related risks, covering all seven operations and achieving a 100% assessment coverage. This process identified risks considered high-level, which were classified as: regulatory, involving misconduct; non-compliance, involving donations and sponsorships; and strategic, associated with institutional and government relations. Throughout the year, no confirmed cases of corruption were reported in the Company's operations. [GRI 205-1, 205-3](#)

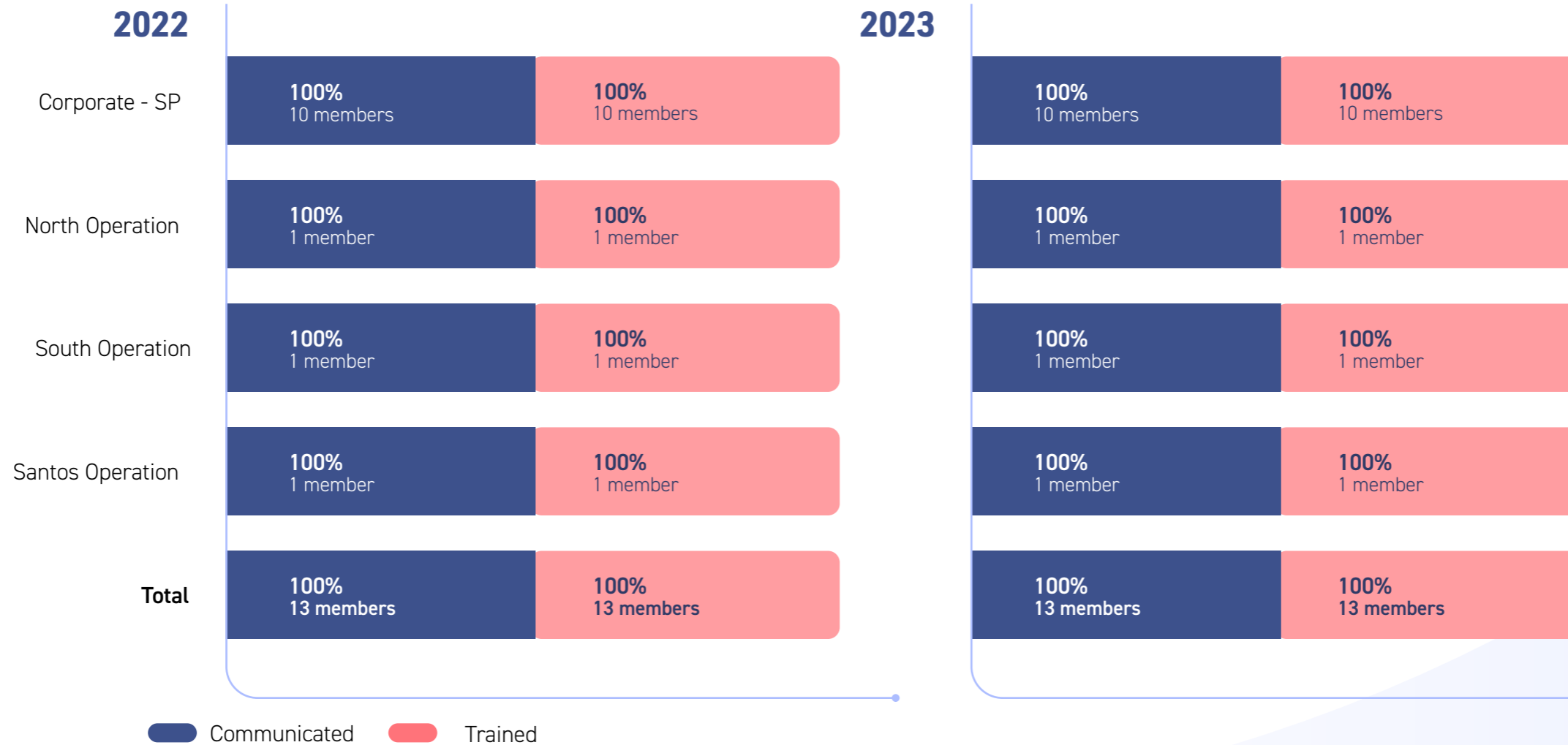
Another area of focus, monitored by indicators, is incidents involving conflicts of interest. The topic is also addressed in the Related-party Transactions and Other Situations Involving Conflicts of Interest Policy, approved by the Board of Directors. The document defines conflicts of interest, establishes rules and procedures to ensure that decision-making occurs impartially, and determines that, when a conflict of interest is identified, the person involved must recuse themselves and refrain from participating in the decision-making process. [GRI 2-15](#)



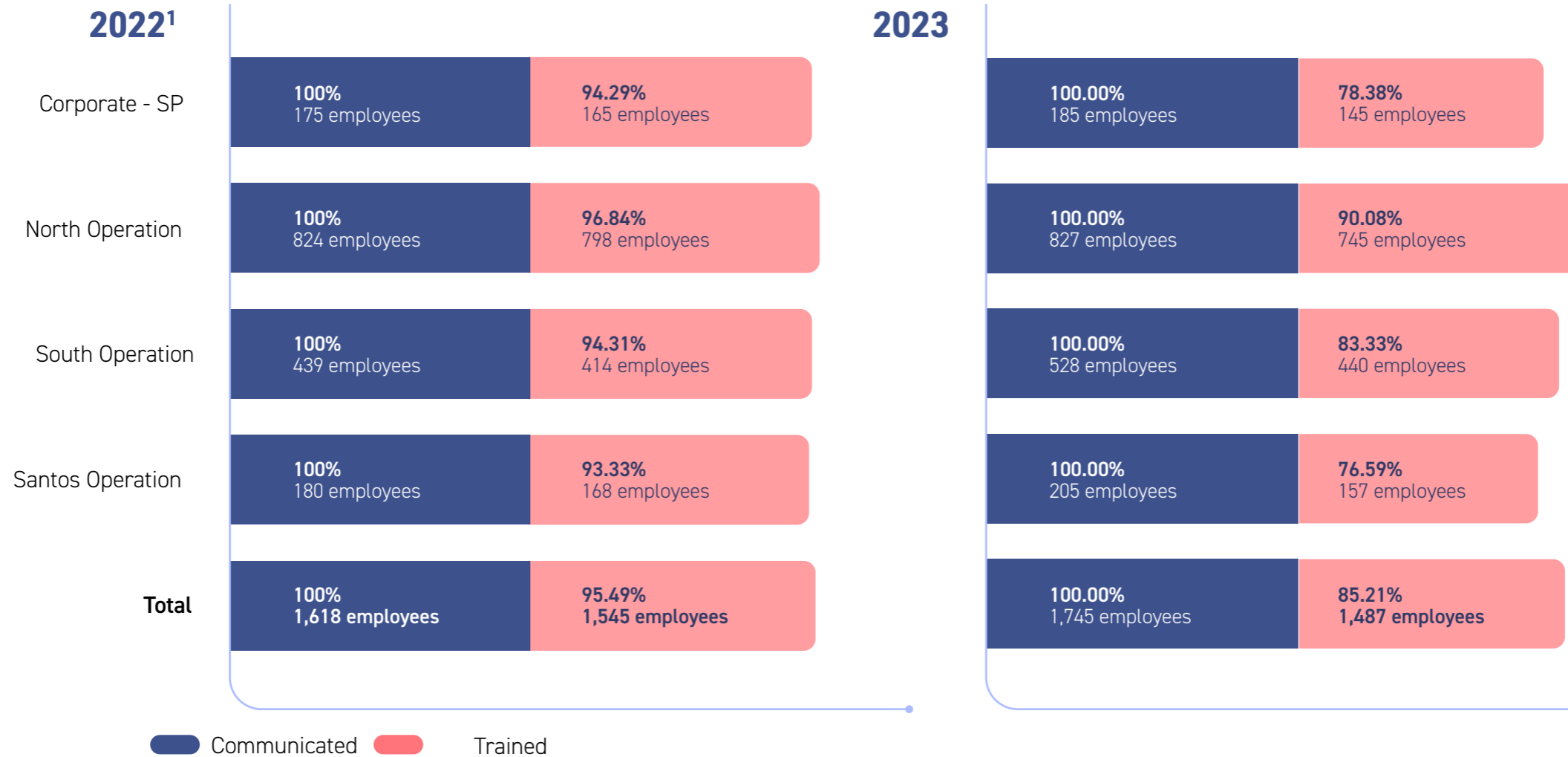
## Compliance Disclosures

- > Dealing with Government Officials
- > Donations
- > Sponsorships
- > Gifts and Presents
- > Ethics Hotline
- > Due Diligence on Suppliers
- > Compliance Checks
- > Code of Ethics Training
- > Anti-bribery Training
- > Conflicts of Interests Brazil
- > Conflicts of Interests South
- > Sexual Harassment Training
- > Moral Harassment Training

**Governance body members that have received communications and training on anti-corruption, broken down by region** GRI 205-2



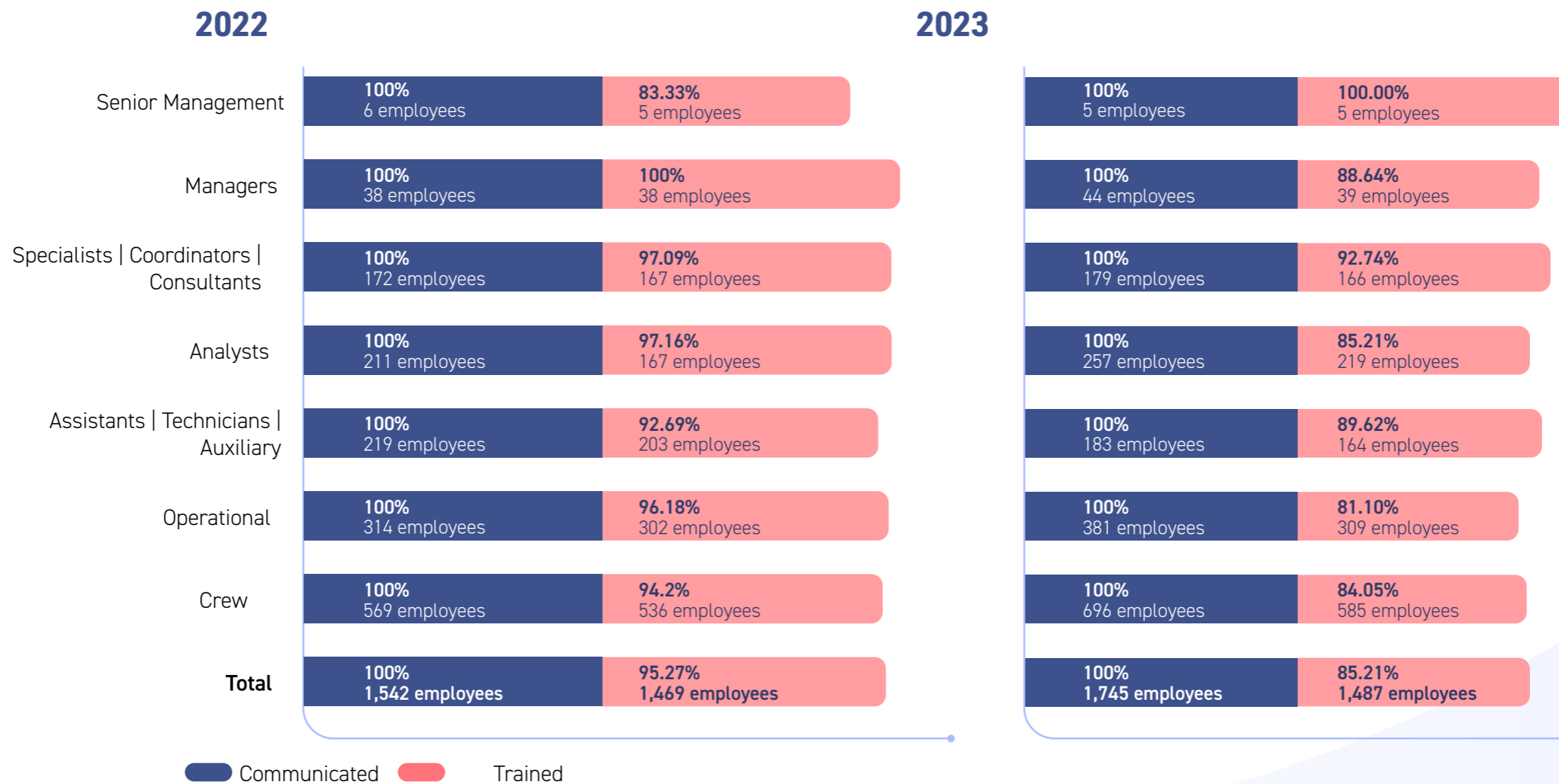
### Employees who have received communications and training on anti-corruption, broken down by region<sup>1,2</sup> GRI 205-2



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

<sup>2</sup>In addition to employees, the organization's anti-corruption procedures and policies have been informed to investors, shareholders, government organizations and regulatory entities.

Employees who have received communications and training on anti-corruption, broken down by employee category<sup>1,2</sup> GRI 205-2



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

<sup>2</sup> In addition to employees, the organization's anti-corruption procedures and policies have been informed to investors, shareholders, government organizations and regulatory entities.



## IMS to ensure business integrity

Implemented in 2019 and constantly evolving, the Integrated Management System (IMS) encompasses all Hidrovias do Brasil processes. It also ensures standardized work and internal and external governance, while ensuring operational efficiency and excellence, reducing duplication and rework, minimizing risks, and ultimately improving the overall performance of Hidrovias do Brasil. Its main objectives include:

**Planning:** Defining the objectives and goals of the integrated management system, identifying critical processes and establishing performance indicators.

**Implementation:** Developing and implementing procedures and policies to meet the requirements of each area covered by the IMS.

**Operation:** Operating processes in accordance with established procedures, continuously monitoring and measuring performance against defined goals.

**Assessment and continuous improvement:** Conducting internal audits and periodic reviews to ensure compliance with IMS requirements and identify improvement opportunities.

### In addition, it also acts to:

- > Provide services of the highest standard in sustainability, quality, delivery time and logistical cost, always aligned with customer requirements to ensure their satisfaction.
- > Maintain strong partnerships with suppliers and customers to ensure the company's activities are competitive.
- > Strictly comply with legislation and applicable legal requirements in all areas of operation.
- > Protect the environment and prevent environmental pollution through sustainable operational practices.
- > Provide safe and healthy working conditions for all employees and contractors, preventing occupational injuries and health issues, and striving to eradicate hazards and mitigate risks from operations.
- > Ensure workers and their representatives are consulted about and actively participate in matters related to health, safety and the environment.
- > Continuously improve effectiveness and efficiency through periodic assessments and implementation of improvements.

- > Provide adequate training and continuous improvement opportunities for employees, aiming at personal and professional development.
- > Foster well-being at work and maintain good relations with the community, seeking to contribute positively to local development and quality of life.

One of the IMS' main contributions has been to lay a solid foundation for accountability transparency, ensuring that all stakeholders are aware of its responsibilities and that processes are transparent and responsible. This is achieved through detailed documentation of procedures and policies, which are reviewed and approved to ensure compliance with internal and external requirements.

In terms of compliance, it plays a fundamental role in ensuring that the company complies with government regulations and industry standards. By keeping documentation updated and integrated, it makes it easier to identify areas of non-compliance and to take suitable corrective measures.

Covering all areas of the Company, it organizes processes, facilitates standardization and optimizes operations. It defines procedures for teams that map communities, connect with stakeholders and manage socio-environmental demands and risks, resulting in greater efficiency, productivity and quality of products and services.

Hidroviás do Brasil's IMS is internally audited and encompasses 100% of professionals. Regular inspections and assessments, accident and incident reports and occupational health data collection all ensure its effectiveness.





# Policies and procedures

## GRI 2-23 and 2-24

Hidrovias do Brasil has guidelines to inform its daily operations and reflect its values regarding society, the environment and sustainable development. These commitments are aligned with internationally recognized intergovernmental instruments, such as the United Nations Guiding Principles on Business and Human Rights, ILO Labor Standards, International Finance Corporation/World Bank Performance Standards, the Global Compact, and the Sustainable Development Goals (SDGs), embracing all articles of the Universal Declaration of Human Rights. The company also adopts due diligence, the precautionary principle, and respect for human rights in its policies.

The policies and procedures established were designed to encompass all Hidrovias stakeholders, be they employees, customers, communities or suppliers, including at-risk or vulnerable groups, such as indigenous peoples, people with disabilities, women and the LGBTQIAP+ population.

The documents were approved by the highest governance body and apply to all company activities and its business relationships.

These guidelines are also widely disseminated to workers, business partners, and other relevant parties

through internal communications, social media posts, our website, institutional videos, participation in events, annual reports and the press, to name but a few.

The Board of Directors also oversees the implementation of these procedures. These commitments are implemented through the setting of clear goals, identifying those involved, assigning responsibilities and accountability. Each individual is clearly informed of their responsibilities, establishing a monitoring system that relies on collaboration and teamwork.

In business relationships, the organization honors its commitments by carefully selecting business partners, including specific contractual clauses, conducting audits and monitoring, maintaining open and transparent communication, offering incentives and rewards, embedding sustainable practices into the supply chain, and periodically evaluating business partners.

In addition to the Code of Ethics, Hidrovias do Brasil has various policies and procedures, including:



- > **Anti-Corruption Policy** – guides and enforces compliance with national and international legislation and regulations related to anti-corruption, fraud and bribery.
- > Policy for Disclosing Material Events or Facts and Securities Trading – regulate the use and disclosure of information within the Company, establishing rules around disclosure and confidentiality while prohibiting and punishing the use of insider information for personal gain or that of third parties in trading securities issued by the Company.
- > **Risk Management Policy** – provides guidelines for a unified risk management process and informs the processes of identification, treatment and monitoring.
- > Policy for Nominating Members to the Board of Directors, Committees and Statutory Executive Board – determines criteria for populating such bodies, emphasizing the best corporate governance practices.
- > **Policy for Related-party Transactions and Other Situations involving Conflicts of Interest** – aims to ensure that such transactions or situations are decided in the best interest of



### the Company and on an arm's-length basis.

- > Change management policy – aims to establish guidelines for planning, disclosure, implementation and closure of changes in the IMS.
- > Physical security policy – provides guidance on the rules for the use and control of the Company's physical facilities.
- > Operational security policy – aims to guide the company on information security.
- > **Institutional Communication Policy** - informing and integrating communication initiatives, for both internal and external stakeholders.
- > **Guidance for innovative processes** - establishes guidelines for innovation actions.
- > **Institutional Relations Procedure** - provides guidance on the activities of the division responsible for managing the topic.
- > **Purchasing policy** - defines the main guidelines to be adopted in the relationship with suppliers.
- > **Integrated Management System Policy** - establishes the

main commitments related to the IMS.

- > **Sustainability policy** - defines the guidelines for choosing sustainable practices, which must be in line with the commitments made.
- > **Stakeholder engagement plan** – detailing the strategy for engaging with local communities (learn more in Local Development).
- > **Annual reports** - addressing various topics of interest to stakeholders.

## Pró-Ética Mark and Integrity Mark: recognized processes

Hidroviás do Brasil has achieved two accolades that confirm the strength of its Integrity Program. In Brazil, the company was bestowed with the Pró-Ética Mark (2022-2023), an Instituto Ethos initiative in conjunction with the Office of the Comptroller General of Brazil (CGU), and in Paraguay, with the Integrity Mark (2024-2026), from the National Anti-Corruption Office (Senac).

Both initiatives aim to cultivate a more honest and transparent corporate environment in organizations. They reward companies committed to implementing measures focused on preventing, detecting and remedying acts of corruption and fraud.

EMPRESA  
**PRÓ  
ÉTICA**  
2022-2023



# Ethics Hotline

**GRI 2-16, 2-25, 2-26**

Hidrovias do Brasil urges employees, suppliers, customers, consumers and business partners to report any misconduct related to the Company's processes or people.

The company maintains an Ethics Hotline and an Ombudsman's Office to which reports can be submitted, with a guarantee of confidentiality, anonymity and non-reprisal.

The reports submitted are analyzed, investigated and monitored by the Ethics Committee. In the event of proven misconduct, measures such as warnings, suspensions, dismissal, termination of employment or service contracts, or termination of commercial partnership agreements are applied, according to the severity of the facts.

In 2023, 210 grievances were reported, covering various areas such as environmental, economic, social and human rights. Specifically regarding discrimination, five occurrences were recorded and all were deemed resolved, responding with actions that were supervised and monitored by Human Resources. **GRI 406-1**



## Tipoff received

Environmental impacts	63
Urban impact	3
Social and economic impact	3
Moral harassment or physical assault	27
Sexual harassment	3
Noncompliance with internal policies and standards	21
Misconduct	43
Discrimination	5
Favoritism or conflicts of interest	12
Fraud	6
Improper payments or receipts	4
Theft, robbery or misappropriation of materials	11
Use or trafficking of prohibited substances	5
Violation of labor laws	4



## ETHICS CHANNEL

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

Email: [etica@hbsa.com.br](mailto:etica@hbsa.com.br)

Argentina: 0800-666-0653

Brazil: 0800 377 8047

Paraguay: 009-800-542-0163

Uruguay: 000-401-91168

In 2023, Hidrovias do Brasil started to provide access to the Ethics Channel also through WhatsApp (11) 9 9490 0091

# Risk management

The Risk Management Program structured by Hidrovias do Brasil in 2020 with the support of a consultancy firm, was systematically used last year to identify, analyze, assess and mitigate potential risks to strategic and operational objectives. Here is the Risk Management Policy, which establishes guidelines and instructions for managers and responsible agents.

The company maintains a governance structure that makes the risk management process sharper. It has a clear definition of roles and responsibilities for orchestrated action from the identification of potential cases to be managed, with the participation of special committees.

The risks faced by Hidrovias are classified into categories such as strategic, operational, financial and regulatory, and are addressed in a matrix reviewed annually.

## Roles and responsibilities

This structure is defined by the Board of Directors, also responsible for approving the Risk Management Policy and evaluating work plans. The Audit Committee, in turn, is responsible for monitoring each case and keeping the Board of Directors updated.

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. In turn, Internal Controls analyzes and evaluates the internal flows of the company's processes to identify needs and opportunities for improvement, aiming to mitigate known risks.

In a supporting role, Internal Audit conducts periodic checks to ensure the effectiveness of the risk management and internal control structure. It reports objective assessments to the Audit Committee on the effectiveness of risk management.

## Risk management process

### > Contextual Analysis

Examination of the company's internal and external environment to understand the social, political, regulatory and strategic factors that may impact the business. It helps to identify risks and assess the company's exposure to each factor.

### > Assessment

Identifies, discusses and evaluates business risks. It is a collaborative and systematic process, involving meetings with leaders and managers to identify and qualify risks based on their probability and impact.

### > Treatment

Involves planning and implementing actions to deal with identified risks. Include measures to avoid, mitigate, transfer, share or accept risks. Action plans are developed and embedded in management processes, focusing on risk mitigation and contingency.

### > Communication and query

A stage that entails engaging and informing relevant stakeholders throughout the risk management process. This helps ensure that different perspectives are considered and that decisions made are informed and appropriate. Communication occurs continuously to ensure proper risk oversight.

### > Monitoring and critical analysis

Continually assess the effectiveness of the risk management process. This covers monitoring and critical analysis activities to check whether risk treatment measures are working as planned and if new risks are being identified and managed properly.

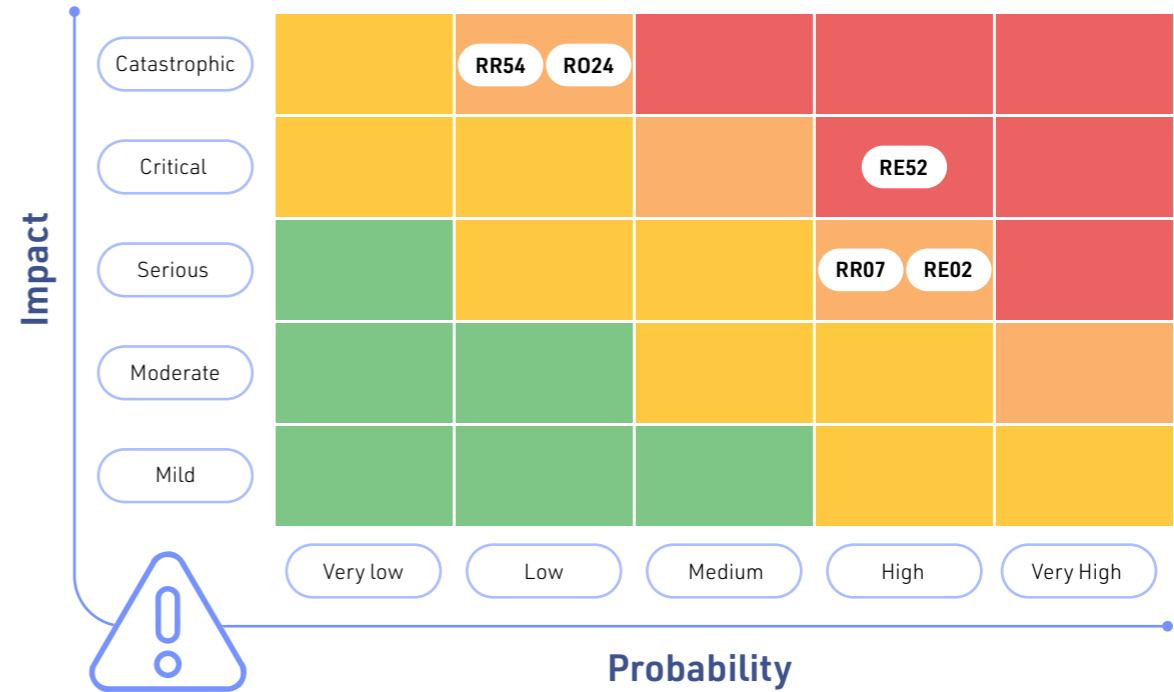


**Social and environmental risks**

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

In 2023, Hidrovias do Brasil developed a tool for social and environmental risk management and mapping. Structured from a variety of sources, such as internal and external audits, mapping studies, environmental licensing, and the ombudsman channel, it allows us to evaluate the criticality of each risk based on a risk versus impact matrix, considering the probability and severity of each event. After identifying the risks, action plans were developed to mitigate them.

The management of social and environmental risks and their respective action plans were incorporated into the Company's Integrated Management System (IMS) as a way to hold the departments involved accountable for implementing the action plans and ensuring effective resolution of identified risks. The system is audited and employs a cross-cutting approach, involving various company departments, including sales, planning, maintenance, regulatory, innovation, engineering and new business, among others.



Risk	Description	Term
RE02	Relations with local communities	Short
RE52	Adverse climate conditions	Short
RR54	Lack of or failure to renew environmental licenses (Sustainability)	Medium
RR07	Workplace conditions of contractors and third parties	Short
R024	Environmental damage	Short

## Data protection

Information security and data protection procedures follow the adjustments made in 2021 based on the General Data Protection Law (Federal Law No. 13.709/2018). A Data Protection Officer was tasked with implementing data protection actions and coordinating cybersecurity. The Company also has a Data Privacy and Information Security Committee, responsible for monitoring the actions implemented in monthly meetings.

For 2023, there are plans to deploy 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. Important tools:

### > Information Security Policy

This sets directives for improve information systems security.

### > Information Security Incident Response Plan

This sets directives for responding to security events or incidents which actually do, or could come to, 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.





# Relations with investors and other stakeholders

Hidrovias do Brasil strives to nurture a transparent and close relationship with its investors.

In addition to maintaining a specific website for investors, the company actively and reactively engages, is open to receiving inquiries, and holds regular meetings and disclosures, in line with the best market practices. In 2023, there were over 500 meetings to address financial management and operational activities.

## ***Stakeholder*** engagement

GRI 2-29

Hidrovias do Brasil engages with a wide variety of stakeholder groups, including business partners, civil society organizations, customers, employees, governments, local communities, NGOs, shareholders, investors, suppliers, unions and vulnerable groups. Engagement is promoted through transparent communication, diverse communication channels, active feedback, involvement in decision-making, social responsibility, annual reports, training and continuous evaluation.

The purposes of this engagement are multifaceted and aim to identify potential risks and real impacts, define prevention and mitigation responses, build genuine and enduring relationships, understand needs and expectations, improve decision-making, manage risks and opportunities, foster innovation, comply with regulatory requirements, build reputation and brand image, establish good neighborly relations, meet investor demands and resolve conflicts.

Furthermore, structuring the internal institutional and regulatory relationship department has yielded a clear perspective of the business and its stakeholders.

## 11

## Appendices



# GRI Supplement

## Sustainable Logistics Solutions

### GRI 207-4 Country-by-country reporting

**Detailed information for each of the tax jurisdictions in which the entities included in the audited consolidated financial statements of the organization, or in the financial information filed in the public registry, are considered residents for tax purposes.**

Tax Jurisdiction	Entities	Primary Activities	Number of Employees	Sales Revenue (R\$)	Intragroup Revenue (R\$)	Net income before tax (R\$)	Tangible Assets (R\$)	IRPJ Paid on Cash Basis (R\$)	IRPJ on Profits/Losses (R\$)
<b>Brazil<sup>1</sup></b>	Hidroviias do Brasil, Hidroviias do Brasil - Vila do Conde, Hidroviias do Brasil - Marabá, Hidroviias do Brasil - Holding Norte, Hidroviias do Brasil Intermediação e Agenciamento de Serviços, Hidroviias do Brasil Cabotagem and Hidroviias do Brasil Adm. Portuária Santos Via Grãos	Provision of services, management of operations and logistics	1,216	1,099,832,722.28	-	175,509,039.16	8,465,550,816.00	75,270,286.59	39,703,148.55
<b>Uruguay<sup>2</sup></b>	Hidroviias Del Sur S., ACikelsol S.A., Girocantex S.A., Baloto S.A and Resflir S.A.	Fee income	4	682,607,975.91	32,295,655.30	61,721,130.07	3,037,282,238.00	130,829.57	130,829.57
<b>Paraguay</b>	Hidroviias del Paraguay S.A, Pricolpar S.A, Girocantex S.A and Hidroviias Navegação Fluvial S.A	Fee income	500	949,830.00	595,844,203.00	131,488,512.86	630,034,455.00	2,406,424.62	2,406,424.62
<b>Netherlands</b>	Imperial South America BV	Fee income	-	142,276,921.03	-	37,346,809.67	90,530,634.00	-	-
<b>Luxembourg</b>	Hidroviias Int Fin S.à.r.l	Financial management and accounting	-	-	-	-	3,015,785,853.00	-	9,911,597.26

<sup>1</sup> Brazilian entities' operations are impacted by additions and exclusions provided for by law, tax benefits (AFRMM and Exploration Profit), unrecorded deferred tax assets, and tax calculation rate differences.

<sup>2</sup> Uruguayan legislation exempts shipping companies from income tax on such operations.

# Climate Strategy

## GRI 201-2 Financial implications and other risks and opportunities due to climate change

The organization has identified and mapped risks and opportunities arising from climate change, classifying and assessing their financial impacts and implications. Identified risks include extreme weather events, loss of biodiversity, water scarcity, impacts on agriculture, economic impacts and political instability and conflicts. Extreme weather events, for example, can cause operational impacts and economic losses due to poor navigability conditions, especially in southern and northern regions. Loss of biodiversity can affect ecosystem services and alter riverbeds, impacting operations. Water stress can push up operational costs and worsen vulnerabilities, while impacts on agriculture can disrupt supply chains and generate regulatory uncertainty, directly affecting the transportation operations of agricultural commodities.

Opportunities have arisen in areas such as renewable energies, energy efficiency, sustainable transportation and carbon markets. Investing in renewable energies can drive down energy costs and carbon emissions, while energy efficiency can directly reduce costs and increase productivity. Sustainable transportation offers advantages such as attracting customers and reducing reputation risks.

Participation in carbon markets may, in the future, generate additional revenue through the sale of carbon credits.

To manage these risks and opportunities, the organization adopted strategies such as carbon capture and storage, fuel substitution, use of low-carbon renewable energy, improvement of energy efficiency, and use of carbon offsets. Measures include training and development, external consulting, data collection and analysis, audits and independent reviews, investment in resilience, regulatory compliance, and technological innovation.

Hidrovias is currently in the budget discussion phase with senior leadership for decarbonization activities.

### **GRI 305-3 Other indirect (Scope 3) GHG emissions**

There was a significant increase in Scope 3 emissions due to the inclusion of new calculation categories and the refinement of the methodologies used, which now reflect the organization's activities more accurately. The main items that drove up emissions were the inclusion of factors related to the production of fuels used by the company - such as HFO, MDO, gasoline, ethanol and diesel - in Category 3 (Fuel and energy-related activities not included in Scopes 1 and 2), and the refinement of the methodology to calculate emissions from Category 16 (Scope 3 emissions not classifiable in categories 1 to 15).

Furthermore, Category 7 emissions (Commuting emissions) we reallocated to Category 8 (Leased goods) due to the use of rented transportation by the company, allowing for a more accurate measurement of emissions from the fuel consumption of the leasing company. Another relevant change was the reclassification of Category 9 (Downstream transportation and distribution) to Category 16, which encompasses Scope 3 emissions not classifiable in categories 1 to 15. This update resulted in the inclusion of new data, such as those from the Santos unit, which had not been previously counted, providing a more comprehensive view of emissions.

Such improvements in the methodology have contributed to an increase in the total volume of reported emissions, although they provide a more accurate view of the company's inventory.

### **GRI 305-5 Reduction of GHG emissions**

In 2023, the organization focused on operational efficiency and optimizing fuel consumption to reduce greenhouse gas emissions per ton of product moved. Key actions included replacing conventional push boats with hybrid ones in the North region, reducing fuel consumption by optimizing speed in the South region, increasing barges (with ten being implemented in 2023) in the North region, and beginning to use a 35-barge convoy in Pará, transporting approximately 70,000 tons of grains per trip, equivalent to 1,400 trucks.

In 2023, Scope 1 emissions dropped by 10,171.31tCO<sub>2</sub>e and Scope 2 by 78.37 tCO<sub>2</sub>e. Scope 3 emissions did not drop.

The gases included in the calculation were CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and HFCs. The baseline chosen for the company's emission reduction target was 2022, given that it has been compiling its greenhouse gas inventory since 2021, with the 2021 and 2022 inventories being assured and certified by an independent body, receiving Gold Status from the Brazilian GHG Protocol Program.

The standards, methodologies and calculation tools adopted were the GHG Protocol and ISO 14064.



### GRI 305-6 Emissions of ozone-depleting substances (ODS)

In previous reports, Hidrovias do Brasil recorded data under the category of ODS produced, but it is important to clarify that the company does not produce, use, import or export ozone-depleting substances (ODS). The organization's use of ODS is restricted exclusively to the consumption of substances acquired in the domestic market, intended for refrigeration equipment, such as air conditioning systems that comply with current Brazilian legislation.

Although these values were reported in previous years, they do not fit into the categories provided by GRI, so the indicator was adjusted this year. During the period in question, the company emitted a total of 1,587.81 tCO<sub>2</sub> equivalent of HCFC-22. [GRI 2-4](#)

### 305-7 NO<sub>x</sub>, SO<sub>x</sub> and other significant air emissions

With the support of specialized consultancy firms, Hidrovias do Brasil analyzed the atmospheric emissions deriving from its activities in 2023, according to the specificities of each operational unit in Brazil.

At TUP-Barcarena and in Santos, emissions from mobile and fugitive sources were mapped. At ETC-Itaituba, emissions from mobile sources within the scope of AMPORT, the association of the four main transshipment and terminal stations in the locality (HBSA, CIANPORT, CARGILL and UNITAPAJÓS), were inventoried. In this case, the inventory area exceeded the influence area of Hidrovias do Brasil.

We stress that the emissions were not quantified by direct measurement; emission factors were used (according to USEPA (2009), an emission factor is an estimate that relates the amount of pollutants emitted to the associated activity).

Among the atmospheric pollutants, those resulting from the burning of fuels by vessels and trucks stand out, although road and maritime transportation is not the direct responsibility of Hidrovias do Brasil, as the hiring of these modes is done by the clients.

Regarding the estimated fugitive emissions at TUP and in Santos, those originating from the resuspension of dust due to the movement of vehicles, unloading, handling and internal transportation of products were counted.

Based on the analysis results, the consultancy firms formed plans to monitor these emissions and air quality, proposing monitoring locations, parameters, the methodology and frequency. Each operation is therefore developing and refining its specific action plans to reduce emissions and mitigate impacts.



# Human Development

## GRI 2-7 Employees

### Total workforce by employment contract and region<sup>1</sup>

Region	2021			2022			2023		
	Definite Term	Indefinite Term	Total	Definite Term	Indefinite Term	Total	Definite Term	Indefinite Term	Total
Corporate - SP	0	176	176	0	169	169	0	188	188
Northern Operation	2	716	718	2	771	773	17	820	837
Southern Operation	4	406	410	5	439	444	24	480	504
Santos Operation	2	31	33	1	174	175	1	190	191
<b>Total</b>	<b>8</b>	<b>1,329</b>	<b>1,337</b>	<b>18</b>	<b>1,553</b>	<b>1,561</b>	<b>42</b>	<b>1,678</b>	<b>1,720</b>

<sup>1</sup>The employee data was obtained from the SAP System - SuccessFactors, where employee information is centralized. This data is extracted through standardized reports and repeatedly checked against the E-Social system and the Payroll Control Systems, in accordance with the law. The total number of employees is counted directly and includes all registered employees, both full-time and part-time, based on the data at the end of the reporting period.

## Employees by gender and region<sup>1</sup>

Region	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Corporate - SP	78	98	176	69	100	169	81	107	188
Northern Operation	617	101	718	666	107	773	720	117	837
Southern Operation	360	50	410	389	55	444	442	62	504
Santos Operation	22	11	33	142	33	175	161	30	191
<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>	<b>1,404</b>	<b>316</b>	<b>1,720</b>

<sup>1</sup>The employee data was obtained from the SAP System - SuccessFactors, where employee information is centralized. This data is extracted through standardized reports and repeatedly checked against the eSocial system and the Payroll Control Systems, in accordance with the law. The total number of employees is counted directly and includes all registered employees, both full-time and part-time, based on the data at the end of the reporting period.

## Workforce by employment type<sup>1,2</sup>

Type of employment	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	1,077	260	1,337	1,266	295	1,561	1,404	316	1,720

<sup>1</sup>Hidroviás has no part-time staff.

<sup>2</sup>The employee data was obtained from the SAP System - SuccessFactors, where employee information is centralized. This data is extracted through standardized reports and repeatedly checked against the eSocial system and the Payroll Control Systems, in accordance with the law. The total number of employees is counted directly and includes all registered employees, both full-time and part-time, based on the data at the end of the reporting period.

## Workforce by employment type and region<sup>1,2</sup>

Region	2021	2022	2023
	Full time	Full time	Full time
Corporate - SP	176	169	188
Northern Operation	718	773	837
Southern Operation	410	444	504
Santos Operation	33	175	191
<b>Total</b>	<b>1,337</b>	<b>1,561</b>	<b>1,720</b>

<sup>1</sup>Hidroviás has no part-time staff.

<sup>2</sup>The employee data was obtained from the SAP System - SuccessFactors, where employee information is centralized. This data is extracted through standardized reports and repeatedly checked against the eSocial system and the Payroll Control Systems, in accordance with the law. The total number of employees is counted directly and includes all registered employees, both full-time and part-time, based on the data at the end of the reporting period.

## Non-guaranteed hours employees, broken down by gender<sup>1</sup>

	2023
Men	158
Women	86
<b>Total</b>	<b>244</b>

<sup>1</sup>The employee data was obtained from the SAP System - SuccessFactors, where employee information is centralized. This data is extracted through standardized reports and repeatedly checked against the eSocial system and the Payroll Control Systems, in accordance with the law. The total number of employees is counted directly and includes all registered employees, both full-time and part-time, based on the data at the end of the reporting period.

## Non-guaranteed hours employees, broken down by region<sup>1</sup>

Region	2023
Corporate - SP	100
Northern Operation	74
Southern Operation	55
Santos Operation	15
<b>Total</b>	<b>244</b>

<sup>1</sup>The employee data was obtained from the SAP System - SuccessFactors, where employee information is centralized. This data is extracted through standardized reports and repeatedly checked against the eSocial system and the Payroll Control Systems, in accordance with the law. The total number of employees is counted directly and includes all registered employees, both full-time and part-time, based on the data at the end of the reporting period.

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

The company uses the local minimum wage as a benchmark for employee compensation. The ratio between the lowest salary paid and the local minimum wage is 285.69% for men and 156.72% for women in the Short-sea unit. In the North, the ratio is 113.64% for men and 123.67% for women.

In Santos, the proportion is equal for both genders, at 156.59%. São Paulo presents a ratio of 112.59% for men and 130.49% for women.

The Paraguay unit maintains a ratio of 100% for both genders, and in Uruguay, it is 359.46% for men and 242.46% for women, with the caveat that salaries were converted to Brazilian Reais using the relevant exchange rates.

As for non-employees, the company ensures salaries above the minimum through transparent contracts, financial incentives, supplier assessments, and minimum requirement definitions.

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

Total number and rate <sup>1</sup>	Total number of new hires			Hiring rate		
	2021	2022	2023	2021	2022	2023
<b>By age group</b>						
<b>Under 30</b>	N.D	183	156	N.D	51.26	35.14
<b>30 to 50</b>	N.D	368	216	N.D	35.35	19.80
<b>Over 50</b>	N.D	42	23	N.D	28.97	16.08
<b>By gender</b>						
<b>Men</b>	N.D	478	316	N.D	38.21	23.18
<b>Women</b>	N.D	115	79	N.D	39.38	25.08
<b>By region</b>						
<b>Corporate - SP</b>	N.D	54	47	N.D	32.14	25.00
<b>Northern Operation</b>	N.D	220	171	N.D	28.83	20.85
<b>Southern Operation</b>	N.D	155	132	N.D	35.23	27.50
<b>Santos Operation</b>	N.D	164	45	N.D	95.35	23.68
<b>Total</b>	<b>N.D</b>	<b>593</b>	<b>395</b>	<b>N.D</b>	<b>38.43</b>	<b>23.54</b>

<sup>1</sup> Only employees with permanent work contracts were counted.

Total number and rate <sup>1,2</sup>	Total terminations			Turnover rate		
	2021	2022	2023	2021	2022	2023
<b>By age group</b>						
<b>Under 30</b>	N.D	83	70	51.56	37.25	25.45
<b>30 to 50</b>	N.D	243	174	24.67	29.35	17.87
<b>Over 50</b>	N.D	45	27	20.95	30.00	17.48
<b>By gender</b>						
<b>Men</b>	N.D	290	213	29.16	30.70	19.41
<b>Women</b>	N.D	81	58	29.16	30.70	21.75
<b>By region</b>						
<b>Corporate - SP</b>	N.D	61	32	33.71	34.23	21.01
<b>Northern Operation</b>	N.D	168	120	25.53	25.43	17.74
<b>Southern Operation</b>	N.D	121	91	34.48	31.36	23.23
<b>Santos Operation</b>	N.D	21	28	31.03	53.78	19.21
<b>Total</b>	<b>N.D</b>	<b>371</b>	<b>271</b>	<b>29.49</b>	<b>31.24</b>	<b>19.85</b>

<sup>1</sup> Calculation method: [(hired + terminated)/2]/total headcount

<sup>2</sup> Only employees with permanent employment contracts were counted.



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

Employees whose performance was evaluated by employee category <sup>1</sup> (%)	2022			2023		
	Men	Women	Total	Men	Women	Total
Senior Governance	100.00	100.00	100.00	100.00	100.00	100.00
Senior Management	100.00	100.00	100.00	100.00	100.00	100.00
Managers	100.00	100.00	100.00	96.67	100.00	97.78
Specialists   Coordinators   Consultants	97.22	100.00	98.20	98.17	93.55	96.49
Analysts	98.85	96.87	97.67	93.86	96.92	95.49
Assistants   Technicians   Assistants	91.26	96.00	92.27	94.40	95.08	94.62
Operation	97.58	85.71	96.38	93.29	90.32	93.05
Crew	15.64	0.00	15.44	88.71	88.89	88.71
<b>Total</b>	<b>57.82</b>	<b>93.56</b>	<b>64.57</b>	<b>91.74</b>	<b>95.24</b>	<b>92.38</b>

<sup>1</sup> Performance reviews are annual and mandatory for the administrative team at the levels of analysts, assistants, aides, technicians, specialists, consultants, supervisors, coordinators, managers, managing directors and senior management. However, they are available to all employees provided they have worked for more than 90 days in the period.

### GRI 405-2 Ratio of basic salary and remuneration of women to men

	2022		2023	
	Basic salary	Remuneration	Basic salary	Remuneration
<b>Ratio of basic salary and remuneration of women to men, by employee category<sup>1, 2, 3</sup></b>				
<b>Senior Governance</b>	0.85	0.80	0.90	0.86
<b>Senior Management</b>	0.95	0.96	0.93	0.93
<b>Managers</b>	0.95	0.95	0.92	0.91
<b>Specialists   Coordination   Consultants</b>	1.10	1.12	1.09	1.09
<b>Analysts</b>	0.97	0.98	1.01	1.04
<b>Assistants   Technicians   Assistants</b>	0.90	0.90	0.80	0.82
<b>Operation</b>	0.85	0.84	0.87	0.88
<b>Crew</b>	0.85	0.92	0.62	0.68

<sup>1</sup> The company counts all its operational units to calculate the indicator.

<sup>2</sup> The values are based on the average salary and compensation by level and gender.

<sup>3</sup> The salaries of employees in Paraguay and Uruguay were converted to Reais, using exchange rates of 0.00068 (PY) and 0.13 (UY).

# Local Development

## GRI 2-25 Processes to remediate negative impacts

The organization is committed to remediating negative impacts caused by its activities. In 2023, specific commitments were established for each of the mapped impacts:

- Fossil fuel emissions: Contribute to climate change. The related commitment is to support the decarbonization of the Brazilian logistics system, offering innovative and reliable hydro and maritime logistics solutions and aiming to zero the balance of greenhouse gas (GHG) emissions from the company.
- Noise, effluent, odor emissions and increased vehicle traffic: Disturb the local population. The Company is committed to mitigating these negative environmental impacts and supporting the regeneration of the ecosystems in which it operates.
- Lack or insufficient relationship with local communities: Negatively impacts the communities surrounding the operations. The company is committed to actively driving the local development of neighboring communities.

# Environmental Performance

## 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by the organization's operations

Number of species on the IUCN red list and national lists of conservation broken down by risk of extinction<sup>1, 2, 3</sup>

Level of extinction risk	Total number of species
Critically endangered	1
Endangered	3
Vulnerable	8
Near threatened	3
Least concern	230

<sup>1</sup>The total numbers of species presented in the table combine information from the Private Use Terminal (TUP) and the Cargo Transshipment Station (ETC). The TUP relied on the 2023 Environmental Impact Assessment Report (RIAA), covering the monitoring of fish fauna and hydrobiological communities, while the ETC relied on data from the Wildlife and Fish Fauna Monitoring Program Report.

<sup>2</sup>The information presented is part of a set of accumulated data that covers several monitoring campaigns since the beginning of operations, with fish fauna monitoring data for both units and a sampling period from 2020 to 2024. For the next reporting cycles, the proposal is to conduct annual monitoring.

<sup>3</sup>During the monitored period, several species were classified in different conservation levels. Endangered species include *Alouatta discolor*, *Saimiri ustus* and *Tapirus terrestris*. *Megalops atlanticus*, *Chelonoidis denticulatus*, *Penelope pileata*, *Phaethornis aethopygus* and *Hypocnemis striata* are all in the vulnerable category. The near-threatened species are *Capito dayi*, *Pteroglossus bitorquatus* and *Pyrrhura amazonum*. However, the majority are classified as least concern, with a focus on herpetofauna and avifauna species.

# Corporate Governance

## GRI 207-2 Tax governance, control and risk management

The Board of Directors is the main body responsible for ensuring the company's fiscal compliance. This integrated strategy strives to minimize the tax burden within legal requirements, aiming to avoid value loss for shareholders.

Fiscal risks are detected and managed by the tax team, which conducts detailed analyses of operations and plans tax compliance. These risks are managed in collaboration with management, and are discussed in weekly meetings and monitored by specific action plans for mitigation.

In addition, the company verifies the alignment between its governance framework and fiscal control practices, ensuring that all actions comply with Brazilian legislation, ESG practices and the company's Code of Ethics. Any deviation from corporate conduct standards is promptly reported to the competent authorities within the organization for correction, using available reporting channels to report non-compliant practices.

Stand-alone fiscal reports are not mandatory in Brazil. However, all relevant information about tax balances is transparently disclosed in the Company's Financial Statements.

# GRI content index

**Statement of use** Hidrovias do Brasil has developed its report in accordance with the GRI Standards for the period from January 01, 2023 to December 31, 2023.

**GRI 1 used** GRI 1: Foundation 2021

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>General Disclosures</b>					
<b>The organization and its reporting practices</b>					
	2-1 Organization's details	Hidrovias do Brasil S.A, known as Hidrovias do Brasil for short, is a profit-seeking publicly traded company and is headquartered in São Paulo (SP). The company currently operates in Brazil, Paraguay, Uruguay, Argentina and Bolivia, specifically in the shipping sector. Detailed information can be seen in the <i>link</i> :  <a href="https://hbsa.com.br/">https://hbsa.com.br/</a> .			
<b>GRI 2: General Disclosures 2021</b>	2-2 Companies included in the organization's sustainability reporting	All subsidiaries are included in the financial and sustainability reports. These include Hidrovias do Brasil - Holding Norte S.A, Hidrovias do Brasil - Vila do Conde S.A, Hidrovias do Brasil - Intermediação e Agenciamento de Serviços Ltda, Hidrovias do Brasil - Cabotagem Ltda, Hidrovias do Brasil - Administração Portuária de Santos S.A, Hidrovias del Sur, Baloto S.A, Girocantex S.A, Hidrovias del Paraguay S.A, Pricolpar S.A, Cikesol S.A, Hidrovias International Finance S.à.r.l, Hidrovias Navegação Fluvial S.A, Hidrovias South America BV, and Via Grãos S.A. The joint ventures include Obrinel S.A, Limday and Baden S.A.			

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>General Disclosures</b>					
<b>The organization and its reporting practices</b>					
<b>GRI 2: General Disclosures 2021</b>	2-3 Reporting period, frequency and contact point	Hidrovias do Brasil's sustainability report covers the period 01/01/2023 to 12/31/2023. It is published annually in line with our financial statements. This report was released on 06/05/2024. For more information about the report or about the organization's sustainability management and ESG data, please reach out to:  Fabiana Gomes: fabiana.gomes@hbsa.com.br Daniel Ramos: daniel.ramos@hbsa.com.br			
	2-4 Restatements of information	127, 156			
	2-5 External assurance	184			
<b>Activities and workers</b>					
<b>GRI 2: General disclosures 2021</b>	2-6 Activities, value chain and other business relationships	12, 14, 22, 26, 98			
	2-7 Employees	79, 157			
	2-8 Workers who are not employees	79, 82			
<b>Governance</b>					
<b>GRI 2: General disclosures 2021</b>	2-9 Governance structure and composition	132			

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>General Disclosures</b>					
<b>Governance</b>					
	2-10 Nominating and selecting the highest governance body	132			
	2-11 Chair of the highest governance body	132			
	2-12 Role of the highest governance body in overseeing the management of impacts	132			
<b>GRI 2: General disclosures 2021</b>	2-13 Delegation of responsibility for managing impacts	The organization's highest governance body delegates responsibility for impact management to an Executive Committee composed of the Company's Executive Officers. The responsibilities assigned to this committee include developing and implementing sustainability strategies, assessing and monitoring sustainable performance, ensuring compliance with regulations and standards, embedding sustainability into the company's processes and operations, engaging with stakeholders, developing sustainable initiatives, publishing sustainability reports, educating and raising awareness about sustainability practices, promoting innovation and research, and conducting risk and opportunity assessments. Information about impact management is reported to the highest governance body through executive presentations, sustainability and ESG committees, governance meetings, performance reports, specific reports, and performance monitoring systems. This reporting occurs on an annual basis, ensuring that the governance body is updated on impact management.			

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>General Disclosures</b>					
<b>Governance</b>					
<b>GRI 2: General disclosures 2021</b>	2-14 Highest governance body's role in sustainability reporting		The highest governance body assumes responsibility for reviewing and approving the information reported in the organization's reports and the material topics. The process begins with the analysis by an internal sustainability coordination team, followed by the Sustainability Management, managers and coordinators of germane departments, executive board, presidents and vice-presidents, and ultimately, the Board of Directors. Lastly, the report is submitted to an external audit for final validation. In addition, a Sustainability Reporting Committee also participates in the review and approval process.		
	2-15 Conflicts of interest		The organization has robust processes to prevent and mitigate conflicts of interest, including clear policies and procedures, ongoing training, and an ethics committee responsible for reviewing these practices. In addition, conflicts of interest are transparently disclosed to stakeholders, detailing related parties and their transactions and outstanding balances, cross-shareholdings of board members in other organizations, cross-shareholdings with suppliers and other stakeholders, and the existence of controlling shareholders. See page 138 for further information.		
	2-16 Communicating critical concerns	147			
	2-17 Collective knowledge of the highest governance body	132			

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>General Disclosures</b>					
<b>Governance</b>					
<b>GRI 2: General disclosures 2021</b>	2-18 Evaluation of the performance of the highest governance body	132			
	2-19 Remuneration policies	137			
	2-20 Process for determining remuneration	137			
	2-21 Annual total compensation ratio	137			
<b>Strategy, policies and practices</b>					
<b>GRI 2: General disclosures 2021</b>	2-22 Statement on sustainable development strategy	9, 10			
	2-23 Policy commitments	145			
	2-24 Embedding policy commitments	145			
	2-25 Processes to remediate negative impacts	106, 108, 109, 111, 147, 162			



GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>General Disclosures</b>					
<b>Strategy, policies and practices</b>					
	2-26 Mechanisms for seeking advice and raising concerns	147			
<b>GRI 2: General disclosures 2021</b>	2-27 Compliance with laws and regulations	In 2023, Hidrovias received two such fines, totaling R\$ 4,750,000. One was in Santos (SP), where an Assessment Notice (AN) was issued for the alleged delay in delivering works provided for in the lease contract; and another on the Pau da Letra beach, in the Tapajós-Arapiuns Extractive Reserve (PA), in which the AN was issued due to the alleged violation of having no permit or license for vessel mooring. Cases of non-compliance that may affect the company's operations, reputation or monetary value are considered significant. No non-monetary sanctions were imposed for non-compliance with laws and regulations in the period.			
	2-28 Membership of associations	26, 66, 78			
<b>Stakeholder engagement</b>					
<b>GRI 2: General disclosures 2021</b>	2-29 Approach to stakeholder engagement	149, 151			
	2-30 Collective bargaining agreements	In Brazil, all employees are covered by collective bargaining agreements. Professionals working in Paraguay and Uruguay follow local labor laws.			

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>Material Topics</b>					
<b>GRI 3: Material topics 2021</b>	3-1 Process to determine material topics	56			
	3-2 List of material topics	56			
<b>Social and environmental and land management</b>					
	3-3 Management of material topics	104, 109, 112, 120			
<b>GRI 3: Material topics 2021</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Hidrovias do Brasil does not have operational units located within or adjacent to areas of environmental protection or biodiversity hotspots. The company's port terminals are located in industrial zones or port zoning areas, which are not classified as areas designated for conservation or recognized for their biodiversity richness.			
	304-2 Significant impacts of activities, products and services on biodiversity	122			
	304-3 Habitats protected or restored	Hidrovias do Brasil does not have operational units located within or adjacent to areas of environmental protection or biodiversity hotspots. The company's port terminals are located in industrial zones or port zoning areas, which are not classified as areas designated for conservation or recognized for their biodiversity richness.			

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>Social and environmental and land management</b>					
<b>GRI 3: Material topics 2021</b>	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by the organization's operations	163			
<b>GRI 306: Effluents and Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	124			
	306-2 Management of significant waste-related impacts	124			
<b>GRI 3: Material topics 2021</b>	306-3 Waste generated	124, 125			
	306-4 Waste diverted from disposal	127			
	306-5 Waste directed to disposal	127			
<b>GRI 411: Rights of indigenous peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	There were no incidents of violation of the rights of indigenous peoples. The company takes a proactive stance in analyzing these issues, ensuring that no violations occur and that the rights of these peoples are respected, while monitoring and ensuring the integrity of the rights of indigenous peoples in all its operations.			

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>Social and environmental and land management</b>					
<b>GRI 413: Local communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	104, 106			
	413-2 Operations with significant actual or potential negative impacts on local communities	104, 106, 149			
<b>Climate change and our contribution</b>					
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	63			
<b>GRI 201: Financial performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change	154			
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	73			
	302-2 Energy consumption outside of the organization		All	Not applicable	The product flow is carried out by clients, where Hidrovias do Brasil does not consume any fuel.

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>Climate change and our contribution</b>					
	302-3 Energy intensity	73			
<b>GRI 302: Energy 2016</b>	302-4 Reduction of energy consumption	71			
<b>GRI 302: Energy 2016</b>	GRI 302-5 Reductions in energy requirements of products and services	73			
	305-1 Direct (Scope 1) GHG emissions	67, 68, 69			
	305-2 Energy indirect (Scope 2) GHG emissions	67, 68, 69			
<b>GRI 305: Emissions 2016</b>	305-3 Other indirect (Scope 3) GHG emissions	67, 68, 69			
	305-4 GHG emissions intensity	69			
	305-5 Reduction of GHG emissions	155			

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>Climate change and our contribution</b>					
<b>GRI 305: Emissions 2016</b>	305-6 Emissions of ozone-depleting substances (ODS)	156			
	305-7 NO <sub>x</sub> , SO <sub>x</sub> and other significant air emissions	156	All	Information not available.	Air emissions from Hidrovias do Brasil's operations were analyzed by various consultancy firms, in different scopes and conditions, which explains the divergences in the units' estimates in terms of methodology, sources and factors. Moreover, there is currently no direct measurement of emissions, but occasional monitoring is carried out to comply with applicable legal requirements and operating license conditions. We therefore believe it is not appropriate to account for emissions in a generic manner to complete the 305-7 disclosure table.
<b>Minding the value chain</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	97			
<b>GRI 204: Procurement practices 2016</b>	204-1 Proportion of spending on locally-based suppliers	120			
<b>GRI 308: Supplier environmental assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	100			

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>Minding the value chain</b>					
<b>GRI 308: Supplier environmental assessment 2016</b>	308-2 Negative environmental impacts in the supply chain and actions taken	101			
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Hidrovias does not have operations and suppliers that pose risks of violating workers' rights to exercise freedom of association or to participate in collective bargaining.			
<b>GRI 408: Child labor 2016</b>	GRI 408-1 Operations and suppliers at significant risk for incidents of child labor	Hidrovias does not have operations that pose risks of child labor or young workers exposed to hazardous work, or risks of forced or slave-like labor. Neither does not have or has had suppliers that poses such risks. To mitigate these risks in its operations, the company adopts several measures, including the declaration of zero tolerance for such practices in official documents, rigorous verification of documentation, provision of reporting channels for irregularities, collaboration with unions to promote safe working environments, and continuous monitoring and audits to ensure compliance with established policies.			
<b>GRI 409: Forced or compulsory labor 2016</b>	GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor				

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>Minding the value chain</b>					
<b>GRI 414: Supplier social assessment 2016</b>	414-1 New suppliers that were screened using social criteria	100			
	414-2 Negative social impacts in the supply chain and actions taken	101			
<b>GRI 416: Consumer Health and Safety 2016</b>	GRI 416-1 Assessment of the health and safety impacts of product and service categories	The Company assesses the impact on the health and safety of all its significant product and service categories, representing 100% of its activities. The evaluations cover navigation and port activities.			
<b>GRI 416: Consumer Health and Safety 2016</b>	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<p>In 2023, Hidrovias do Brasil did not record any cases of non-compliance (fines, penalties, or warnings) with laws or voluntary codes related to the health and safety impacts caused by its products and services.</p> <p>The monitoring of legal requirements is rigorously carried out through the IUS Natura system, ensuring that all operations fully comply with current regulations and with the voluntary codes adopted by the Company.</p>			
<b>People development</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	75			
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	160			



GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>People development</b>					
<b>GRI 401: Employment 2016</b>	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	88			
	401-3 - Parental leave	89			
<b>GRI 404: Training and education 2016</b>	404-1 Average hours of training per year per employee	86			
	404-2 Programs for upgrading employee skills and transition assistance programs	82, 84			
<b>GRI 404: Training and education 2016</b>	404-3 Percentage of employees receiving regular performance and career development reviews	161			
<b>GRI 405: Diversity and equal opportunity 2016</b>	405-1 Diversity of governance bodies and employees	80, 81, 87, 135, 136			

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>People development</b>					
<b>GRI 405: Diversity and equal opportunity 2016</b>	405-2 Ratio of basic salary and remuneration of women to men	162			
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	147			
<b>Team member health &amp; safety</b>					
<b>GRI 3: Topics Materials 2021</b>	3-3 Management of material topics	88, 90			
<b>GRI 403: Occupational health and safety 2018</b>	403-1 Occupational health and safety management system	90			
	403-2 Hazard identification, risk assessment, and incident investigation	90			

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>Team member health &amp; safety</b>					
<b>GRI 403: Occupational health and safety 2018</b>	403-3 Occupational health services		Health service providers meet quality requirements such as registration at the Ministry of Labor, registration at the regional medical council, specialization in occupational medicine and occupational engineering, and technical training recognized by reputable entities. The services offered include occupational medical exams, occupational risk assessment, occupational safety training, accident prevention programs, worker health monitoring, management of medical certificates and leave, accident and incident investigation, health and wellness campaigns, and support for rehabilitation programs. These services are announced through internal communication, awareness campaigns, intranet channels and health and safety committees.		
	403-4 Worker participation, consultation, and communication on occupational health and safety	92			
	403-5 Worker training on occupational health and safety	92			
<b>GRI 403: Occupational health and safety 2018</b>	403-6 Promotion of worker health	88			

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>Team member health &amp; safety</b>					
<b>GRI 403: Occupational health and safety 2018</b>	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	90, 91			
	403-8 Workers covered by an occupational health and safety management system	90			
	403-9 Work-related injuries				
	403-10 Work-related ill health	89			
<b>Economic prosperity</b>					
<b>GRI 3: Topics Materials 2021</b>	3-3 Management of material topics	63, 75, 97, 104, 123			
<b>GRI 201: Financial performance 2016</b>	201-1 Direct economic value generated and distributed	45			
<b>GRI 202: Market presence 2016</b>	202-1 Ratio of standard entry level wage by gender compared to local minimum wage	159			

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>Economic prosperity</b>					
<b>GRI 202: Market presence 2016</b>	202-2 Proportion of senior management hired from the local community	135			
<b>GRI 203: Indirect economic impacts 2016</b>	203-1 Infrastructure investments and services supported	112			
	203-2 Significant indirect economic impacts	109, 112, 120			
<b>Ethics and transparency</b>					
<b>GRI 3: Topics Materials 2021</b>	3-3 Management of material topics	138			
<b>GRI 205: Fighting corruption 2016</b>	205-1 Operations assessed for risks related to corruption				In 2023, a comprehensive analysis of its operations was conducted to detect corruption-related risks, covering all seven operations and achieving a 100% assessment coverage. This process revealed high-risk areas, mainly related to suspected political donations and conflicts of interest. The identified risks were classified as regulatory, such as misconduct (RR 15) and non-compliances in donations and sponsorships (RR 48), as well as a strategic risk associated with institutional and governmental relations (RE 57). Throughout the year, no confirmed cases of corruption were reported at Hidrovias.

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>Ethics and transparency</b>					
<b>GRI 205: Fighting corruption 2016</b>	205-2 Communication and training on anti-corruption policies and procedures	140, 141, 142	c	Information not available.	The training data for external business partners is not currently being monitored. Compliance analyzes the supplier as part of the procurement process.
	205-3 Confirmed incidents of corruption and actions taken	Answered in disclosure 205-1			
<b>GRI 206: Anti-competitive behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	During the reporting period, the Company did not record any pending or concluded lawsuits related to unfair competition, antitrust or monopoly practices.			
<b>GRI 207: Taxes 2019</b>	207-1 Approach to tax	The company has a tax strategy managed and reviewed annually by the Board of Directors. It is not publicly disclosed, but it does include internal guidelines such as tax policy, statutes and legal documentation, transfer pricing policy, tax compliance documents, tax planning, financial transaction records, and internal reports and communications. Our tax strategy includes a clear commitment to regulatory compliance, reinforced by a code of ethics and conduct. The tax approach is also linked to business and sustainable development strategies. This alignment is achieved through financial impact analysis, assessment of opportunities and risks and maintenance of transparent financial reports.			
	207-2 Tax governance, control and risk management	163			

GRI Standards	Disclosure	Location	Omission		
			Requirements Omitted	Reason	Explanation
<b>Ethics and transparency</b>					
<b>GRI 207: Taxes 2019</b>	207-3 Stakeholder engagement and management concerns related to tax		The company engages with tax authorities by participating in constructive dialogs, strict compliance with regulations and continuous monitoring of legislative changes. The company advocates for changes in tax legislation, participates in interest groups and trade associations, and seeks tax benefits for sustainable investments. To assess stakeholders' concerns regarding tax issues, the company uses specific surveys, audits and independent evaluations. The feedback and concerns of stakeholders have had a significant impact on the company's tax approach, leading to adjustments in the tax strategy and a commitment to adopting responsible tax practices.		
	207-4 Country-by-country reporting	153			

# Assurance report GRI 2-5

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

To the

Shareholders, Directors and Officers of Hidrovias do Brasil S.A.  
São Paulo - SP

### Introduction

We have been engaged by Hidrovias do Brasil S.A. ("Company") to present our limited assurance report on the non-financial information contained in the 2023 Integrated Report of Hidrovias do Brasil S.A. for the financial year ended December 31, 2023.

Our limited assurance does not extend to prior-year information or any other information disclosed in conjunction with the Integrated Report, including any embedded images or audio or video files.

### Responsibilities of Hidrovias do Brasil S.A. management

Hidrovias do Brasil S.A. management is responsible for:

- > selecting or establishing adequate criteria for the preparation of the information contained in the Integrated Report.
- > preparing the information according to the criteria and guidelines of the Global Reporting Initiative (GRI - Standards) and CPC 09 Guidance - Integrated Reporting, correlated with the Basic Conceptual Framework of Integrated Reporting, issued by the International Integrated Reporting Council (IIRC).
- > designing, implementing and maintaining internal control relevant

to the preparation and presentation of information in the Integrated Report that is free from material misstatement, whether due to fraud or error.

### Independent auditor's responsibility

Our responsibility is to express a conclusion on the non-financial information contained in the 2023 Integrated Report based on our limited assurance engagement carried out in accordance with Technical Communication CTO 07 - Issuance of a Limited Assurance Report on the non-financial information contained in the Integrated Report issued by the Federal Accounting Board (CFC), based on the Brazilian standard NBC TO 3000 - Assurance Engagements Other than Audit and Review, also issued by the CFC, which is equivalent to the international standard ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information, issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that we comply with ethical and independence requirements and other responsibilities, including in relation to the application of the Brazilian Standard on Quality Control (NBC PA 01) and the maintenance of a comprehensive quality control system, including documented policies and procedures regarding compliance with applicable ethical requirements, professional standards and legal and regulatory requirements.

Moreover, the aforementioned standards require that our work be planned and performed to obtain limited assurance that the non-financial information included in the 2023 Integrated 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 Hidrovias do Brasil S.A. management and other employees involved in preparing the

information in the Report and applying 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 information in the 2023 Integrated Report taken as a whole could present material misstatement.

The selected procedures were based on our understanding of aspects relative to the compilation, materiality and presentation of the information in the 2023 Integrated Report, as well as other engagement circumstances and our considerations about areas and processes related to the sustainability information disclosed in the 2023 Integrated Report in which material misstatement could exist. These procedures included:

- a. planning the engagement, considering materiality, the volume of quantitative and qualitative information and the operating and internal control systems relied on to prepare the information disclosed in the 2023 Integrated Report.
- b. understanding the calculation method and procedures used to compile disclosures through inquiries from the managers in charge of preparing the information.
- c. applying analytical procedures to the quantitative information and inquiries about the qualitative information and how it relates to the disclosures contained in the 2023 Integrated Report.
- d. for those cases where the non-financial information correlates with



financial disclosures, comparing those disclosures to the financial statements and/or accounting records.

Our limited assurance engagement also included an assessment of compliance with GRI Standards requirements and guidelines for preparing the information disclosed in the 2023 Integrated Report.

We believe that the evidence obtained in our engagement is sufficient and appropriate to provide a basis for our limited assurance conclusion.

#### Scope and limitations

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Had we conducted a reasonable assurance engagement, we might have identified other issues and possible misstatements in the 2023 Integrated Report. Therefore, we do not express an opinion on this information.

Non-financial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate this data. Qualitative interpretations of the data's materiality and accuracy are subject to individual assumptions and judgments. Furthermore, we did not perform any procedures on any data provided for prior periods, or on any future projections.

Sustainability indicators were prepared and are presented in accordance with GRI Standards and are not for the purpose of assuring compliance with any social, economic, environmental or engineering laws or regulations. Those standards require, however, that any violations of such regulations be disclosed where any significant fines or sanctions

have been imposed. Our assurance report should be read and understood in this context, which is inherent to the criteria selected (GRI Standards).

#### Conclusion

Based on the procedures described herein and the evidence we have obtained, no matter has come to our attention that causes us to believe that the non-financial information in Hidrovias do Brasil S.A.'s Integrated Report for the financial year ended December 31, 2023 has not been prepared, in all material respects, in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI - Standards) and CPC 09 Guidance - Integrated Reporting.

São Paulo, June 04 2024.

#### Ernst & Young

Auditores Independentes S/S Ltda.  
CRC SP- 034519/0

Carlos Augusto Amado Junior  
Accountant CRC SP-292320/0



# Credits

## Project team

Fabiana Gomes  
Chief Sustainability Officer

Daniel Ramos  
Technical Sustainability Manager

Monique Serafim  
Corporate Specialist in Socio-environmental Risk

## Collaboration:

Grupo Report - [gruporeport.com.br](http://gruporeport.com.br)

José Rocher and Paula Andreggheto  
Writing and editing

Anna Julia Souza Nagao and Luana Monteiro  
Disclosure consultancy

Leandro Lopes  
Graphic design

Gabriela Luque  
Layout

Henrique Assale  
Infographics

Ana Souza and Isabela Ribeiro  
Project and relationship management

LatAm Translations  
Translation



Hidroviás do Brasil