



2023 Annual Report

Governance, Risks and Compliance
Department (GRC)

Governance, Risks & Compliance Department (GRC)

Our Company is built by people, their relations and interactions with the communities.

For this purpose, the GRC Department combines governance, risks management and compliance processes in an integrated framework, with the objective of securing the Company and its employees, increasing efficiency and transparency.

Through this report, the GRC Department aims to present the important activities carried out during 2023.



A Message from CEO

“Honesty in one of our four pillars and is a part of our commitment, unconditionally supported by the Board of Officers, Shareholders, and the Committees.

We are proud of the achievements and progress we have accomplished so far. We are confident our mechanisms of governance, control and compliance are fully working and evolving.

Honesty is an attitude and there is no shortcut.”

Jayme Nicolato
CEO

Harmonia (s.f.)

O resultado do trabalho é o mais importante
que o resultado financeiro. A harmonia
traz equilíbrio e torna a vida a dia mais
agradável.



A Message from GRC Director

“We celebrate the progress we accomplished that resulted in a mature GRC structure, and consequently, the positive effects on other departments.

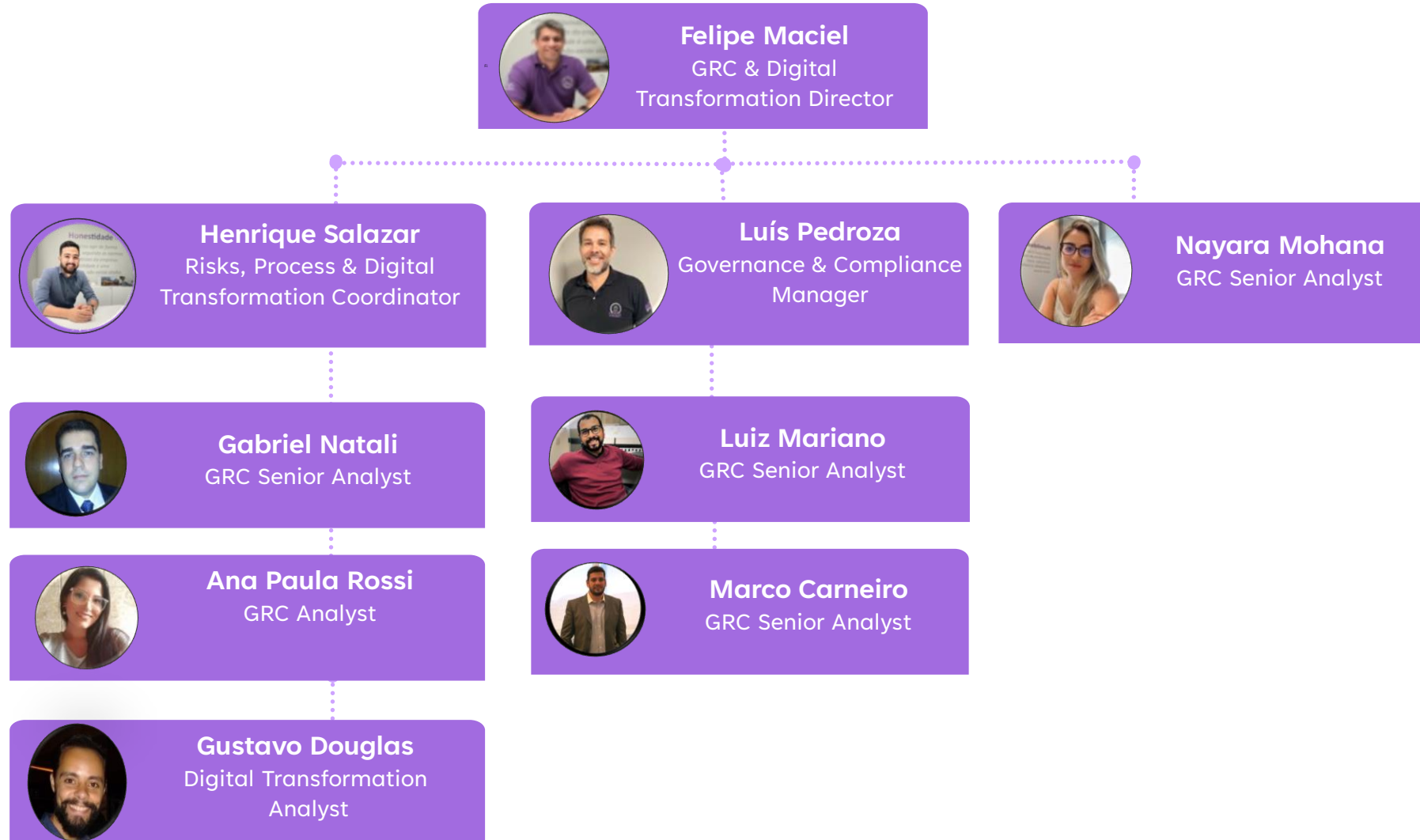
We finish 2023 satisfied with the achieved results, and we will maintain our commitment before our stakeholders for the next cycle.”

Felipe Maciel
Governance, Risks & Compliance Director



GRC Structure

Fiscal Year 2023



Highlights

GOVERNANCE & AUDIT SUPPORT

- Approval of the 2024 Integrated Internal Audit Plan.
- 685 normative documents published.
- 300 action plans completed.

RISK MANAGEMENT, BUSINESS PROCESSES & INTERNAL CONTROLS

- Review of 107 of Strategic Risks.
- Approval of Global Risk Management Policy.
- 209 flowcharts mapped.
- 426 internal controls formalized.



COMPLIANCE

- Creation of the Compliance Week.
- 100% employees' adherence to Compliance Program declarations.
- More than 100 internal campaigns.
- More than 600 Due Diligence performed.

ADVISORY

- More than 3 million Brazilian reais saved in digital transformation projects.
- More than 60 advisory projects delivered.
- 450 automations developed.
- More than 30 dashboards published on Intranet.

- 1. Governance**
2. Risk Management, Business Process & Internal Control
3. Compliance
4. Advisory
5. Audit Support
6. Feedback Survey

1. Governance

Normative Management

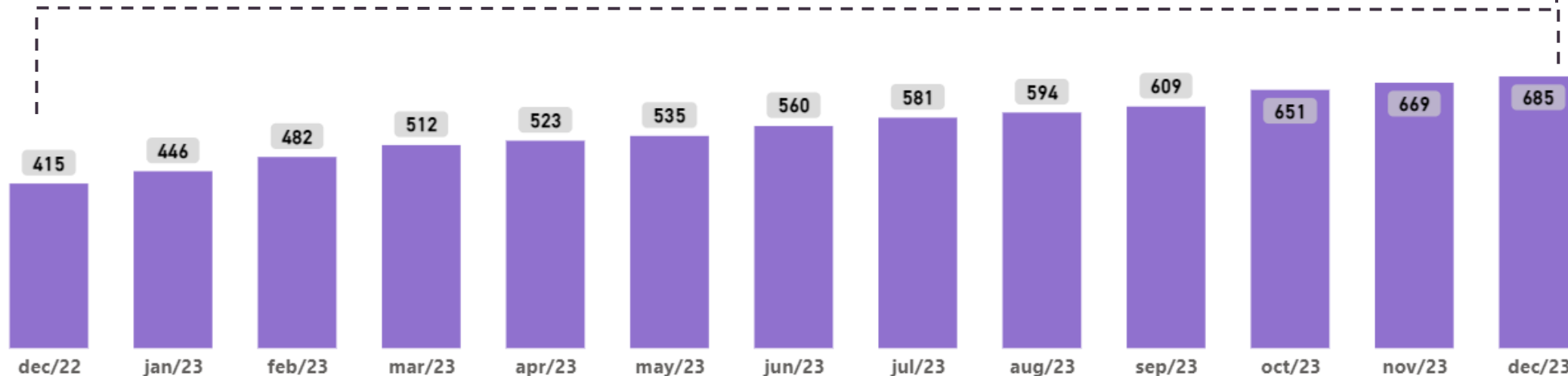
Normative Documents contribute to strengthen organization's internal control environment as they assist employees to perform activities correctly and in a standardized manner, which ensure the achievement of operational and strategic objectives.

Results of the year:



65%

+270
documents
published

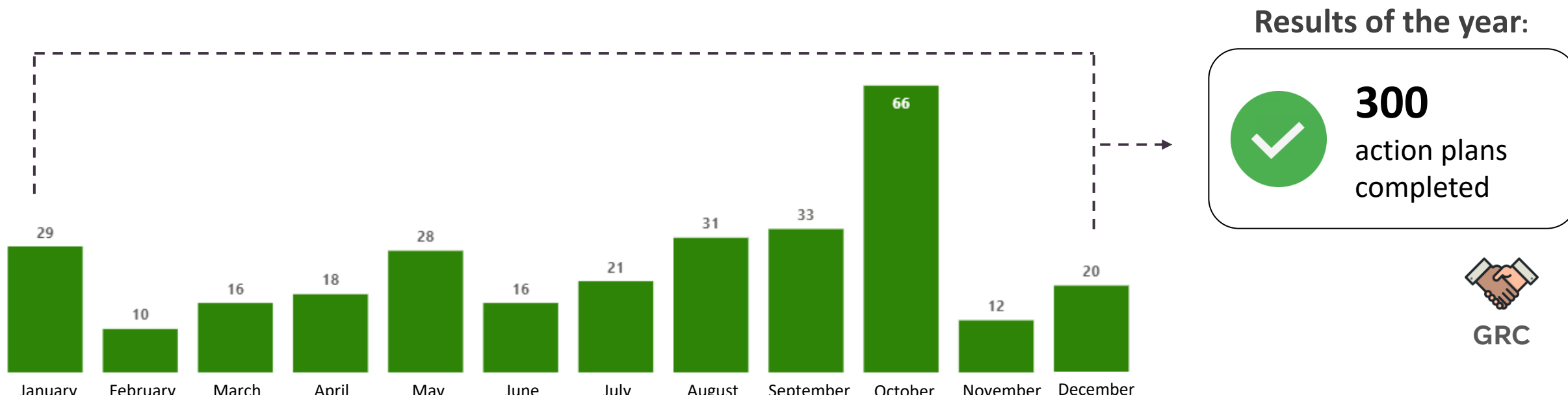


GRC

1. Governance

Compliance Management (Action Plans Follow-up)

The GRC Department is responsible for leading the interface between process owners and auditors from the development of the internal audit plan to the delivery of the audit report. The follow-up process aims to ensure the implementation of action plans within the due dates approved by process owners. The completion of the action plans provides improvements in governance, processes and internal controls to mitigate risks and increase Company's productivity. In 2023, we delivered the action plans despite the weaknesses of our ERP, not waiting the change of ERP to mitigate current risks and improve business processes.



1. Governance
- 2. Risk Management, Business Process & Internal Control**
3. Compliance
4. Advisory
5. Audit Support
6. Feedback Survey

2. Risk Management, Business Process & Internal Control

Business Process Management

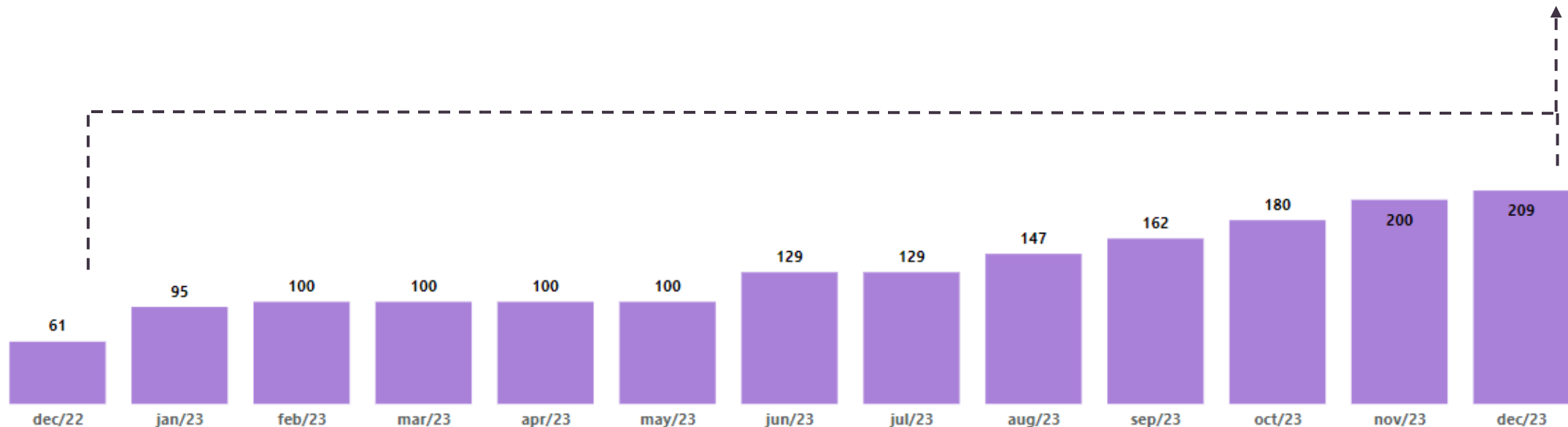
Business processes' mapping and modeling aims to guarantee the effectiveness of internal controls performed by process owners. Flowcharting is a standard to model the activities' execution to ensure the correct usage of resources and optimize the results.

Results of the year:



242%

+148
processes
mapped



GRC

2. Risk Management, Business Process & Internal Control

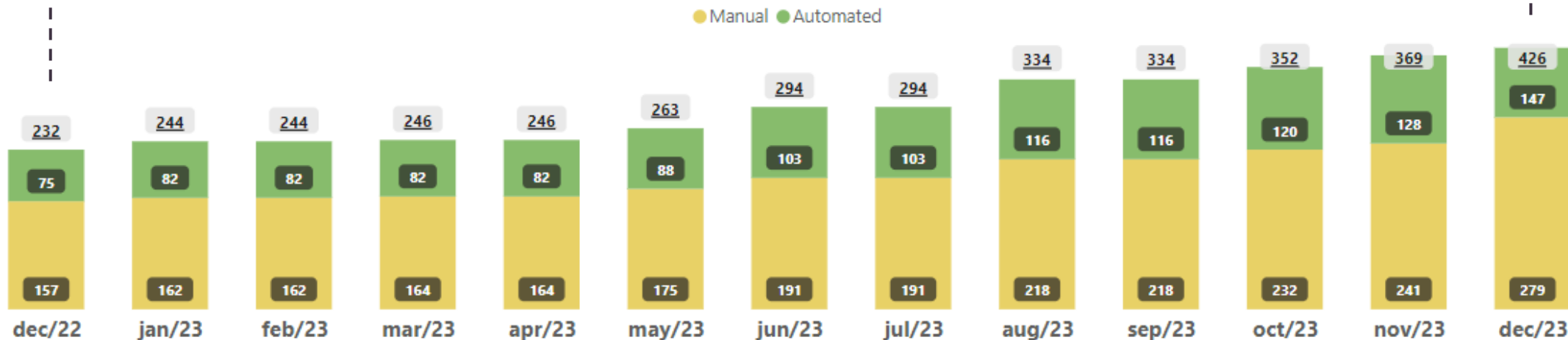
Internal Controls

Risk management through internal controls mapping helps to prevent risks, errors and irregularities. In 2023, we identified significant improvement in control environment. In order to achieve such scenario, there was a wide range of process and internal controls mapped with the support of other departments in partnership with GRC Team.

Results of the year:



+194
internal
controls



GRC

2. Risk Management, Business Process & Internal Control

Disclosure of the Global Policy of Corporate Risk Management



Approval of the Global Policy of Strategic Risk Management (POL.GLO.GRC.003) by the Board of Officers and Shareholders.



Our Policy is based on the market's best practices of strategic risk management.



The Policy provides a better governance in risk management and defines the responsibilities of each department.

Tolerance Matrix

NÍVEL DE EXPOSIÇÃO AO RISCO: ■ MUITO ALTA ■ ALTA ■ MÉDIA ■ BAIXA

| MATRIZ DE TOLERÂNCIA A RISCOS ESTRATÉGICOS | | | | | | |
|--|--------------|-----------------------|-----------------------|-----------------------|---------------------|-----------------------|
| IDADE | CATASTRÓFICO | MITIGAR OU TRANSFERIR | MITIGAR OU TRANSFERIR | MITIGAR OU ELIMINAR | MITIGAR OU ELIMINAR | MITIGAR OU ELIMINAR |
| | CRÍTICO | MITIGAR OU TRANSFERIR | MITIGAR OU TRANSFERIR | MITIGAR OU TRANSFERIR | MITIGAR OU ELIMINAR | MITIGAR OU ELIMINAR |
| | | | | | | MITIGAR OU ELIMINAR |
| | | | | | | MITIGAR OU TRANSFERIR |
| | | | | | | MITIGAR OU TRANSFERIR |
| | | | | | | MUITO ALTO |



Three Lines Model

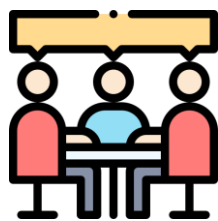


GRC

2. Risk Management, Business Process & Internal Control

Annual Cycle of Corporate Risks revision

Once the strategies to mitigate the risks are implemented, it is essential to monitor and review continuously the progress and efficiency of such strategies. We perform an annual cycle of strategic risks review, conducting meetings with processes owners and their directors to analyze the risks under their scope and responsibility.



**+40 meetings
conducted**



**107 strategic risks
reviewed**



**25 new action plans
defined**



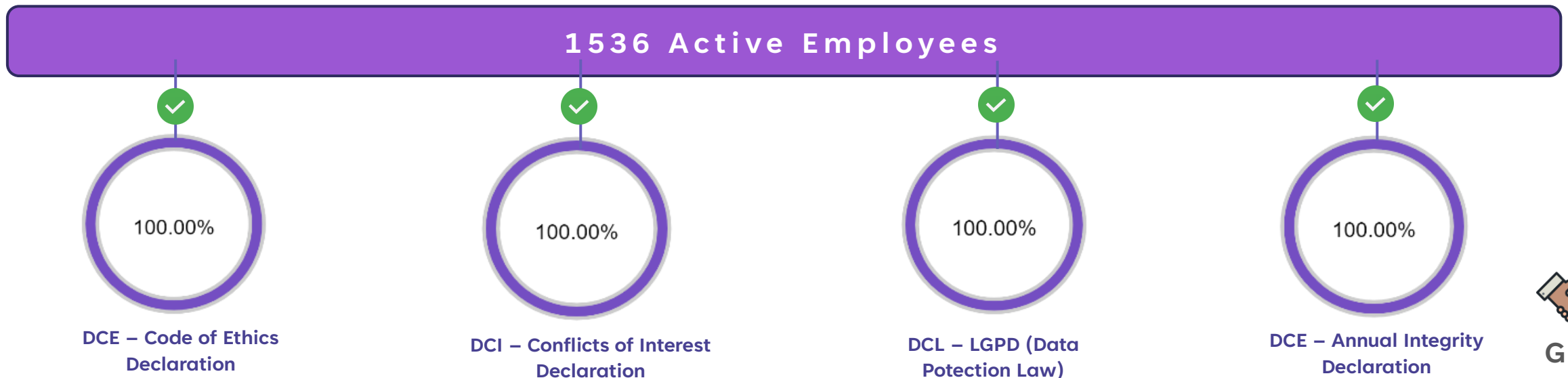
1. Governance
2. Risk Management, Business Process & Internal Control
- 3. Compliance**
4. Advisory
5. Audit Support
6. Feedback Survey

3. Compliance

Adherence to Compliance Program

Each employee is responsible for active monitoring and commitment to the Internal Policies. To that end, every employee, at all levels, must comply with internal policies and agree to our Code of Conduct and Ethics, and Anti-Corruption Policy, which obligates them to be up to date regarding possible changes in policies and procedures.

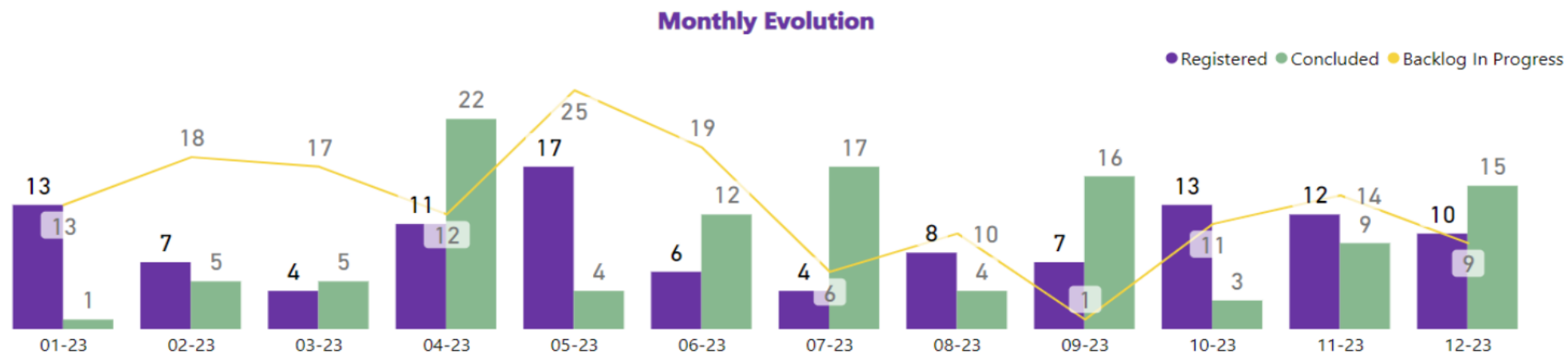
The graphics below show the adherence of employees for the year:



3. Compliance

Whistleblowing Channel

The whistleblowing channel is an instrument of communication to report anonymously possible ethical & moral issues. This tool is extremely useful, as it enables a quick and secure channel among employees, outsourced employees, suppliers, community and the Board. Based on this information, the Compliance team can investigate 100% of complaints, supported by the Human Resources department, with integrity and transparency.



| |
|-----------------------------------|
| Registered 112 |
| Concluded 113 |
| In Progress (backlog) 9 |

3. Compliance

Campaigns

Online Trainings



conversa online

VAMOS CONVERSAR SOBRE: ASSÉDIO

11/05 (Quinta-feira)

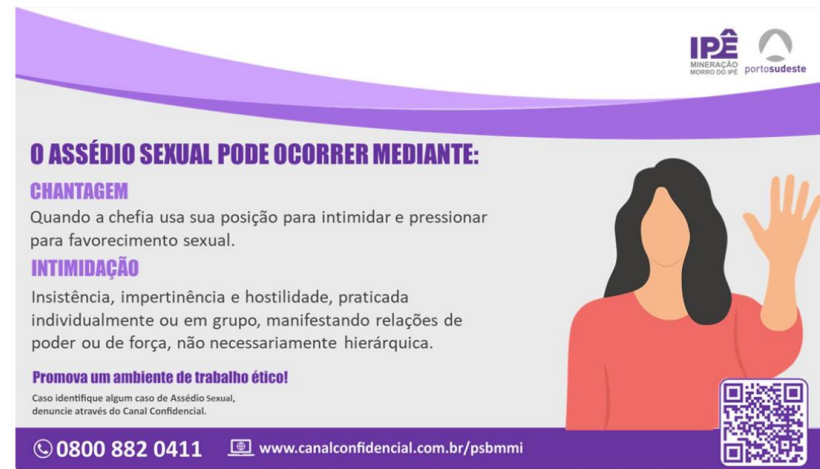
10h

ZOOM

Aline Rabelo
Gerente de Compliance FIEMG

IPÊ MINERAÇÃO MORRO DO IPÊ portosudeste

Internal Communications



O ASSÉDIO SEXUAL PODE OCORRER MEDIANTE:

CHANTAGEM
Quando a chefia usa sua posição para intimidar e pressionar para favorecimento sexual.

INTIMIDAÇÃO
Insistência, impertinência e hostilidade, praticada individualmente ou em grupo, manifestando relações de poder ou de força, não necessariamente hierárquica.

Promova um ambiente de trabalho ético!
Caso identifique algum caso de Assédio Sexual, denuncie através do Canal Confidencial.

0800 882 0411 www.canalconfidencial.com.br/psbmmi



Assédio Moral: o que a lei fala a respeito?

Constituição da República
A República Federativa do Brasil tem como fundamentos: a dignidade da pessoa humana e o valor social do trabalho (art. 1º, III e IV). É assegurado o direito à saúde, ao trabalho e à honra (art. 5º, X, e 6º).

Código Civil
Aquele que, por ação ou omissão voluntária, negligência ou imprudência, violar direito e causar dano a outrem, ainda que exclusivamente moral, comete ato ilícito (art.186).

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Annual Statement



Declaração Anual de Integridade Empresarial

Preenchimento obrigatório*

O preenchimento dessa Declaração indica que **você cumpriu todas as regras e orientações previstas em nossas políticas e normas.** Também declara, em caso de ocorrência, que **você comunicou através do Canal Confidencial, qualquer violação ou suspeita de violação às nossas políticas e normas.**

Acesse a Declaração através do link ou QR Code.

Você já sabe, mas não custa lembrar...

IPÊ MINERAÇÃO MORRO DO IPÊ portosudeste



O que fazer em casos de Assédio Moral?

A vítima:


- Reunir provas do assédio. Anotar, com detalhes, todas as situações de assédio sofridas com data, hora, local e listar os nomes dos que testemunharam os fatos;
- Buscar ajuda dos colegas, principalmente daqueles que testemunharam o fato ou que já passaram pela mesma situação;
- Buscar orientação psicológica sobre como se comportar para enfrentar tais situações;
- Denunciar o caso por meio do Canal Confidencial.

Os colegas:

- Oferecer apoio à vítima;
- Disponibilize-se como testemunha;
- Denunciar o caso por meio do Canal Confidencial.

Promova um ambiente de trabalho ético!
Caso identifique algum caso de Assédio Moral, denuncie através do Canal Confidencial.

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Como prevenir o Assédio Moral?

- Incentive as boas relações no ambiente de trabalho, reforçando o respeito à diversidade;
- Observe o aumento repentino e injustificado de absenteísmo (faltas ao trabalho);
- Garanta que práticas administrativas e gerenciais da organização sejam aplicadas a todos os colaboradores de forma igual, com tratamento justo e respeitoso;
- Dê exemplo de comportamento e condutas adequadas, evitando se omitir diante de situações de assédio moral.

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Tipos de Assédio Moral

Assédio moral vertical
Ocorre entre pessoas de níveis hierárquicos diferentes:

- **Descendente:** Caracterizado pela pressão dos chefes em relação aos subordinados.
- **Ascendente:** Praticado por subordinado ou grupo de subordinados contra o líder.

Assédio moral horizontal
Ocorre entre pessoas que pertencem ao mesmo nível de hierarquia. É um comportamento instigado pelo clima de competição exagerado entre colegas de trabalho.

Assédio moral misto
Consiste na acumulação de assédios (vertical e horizontal). A pessoa é assediada por superiores e colegas de trabalho. Em geral, a agressão começa com um autor fazendo com que os demais acabem seguindo o mesmo comportamento.

Promova um ambiente de trabalho ético!
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3. Compliance

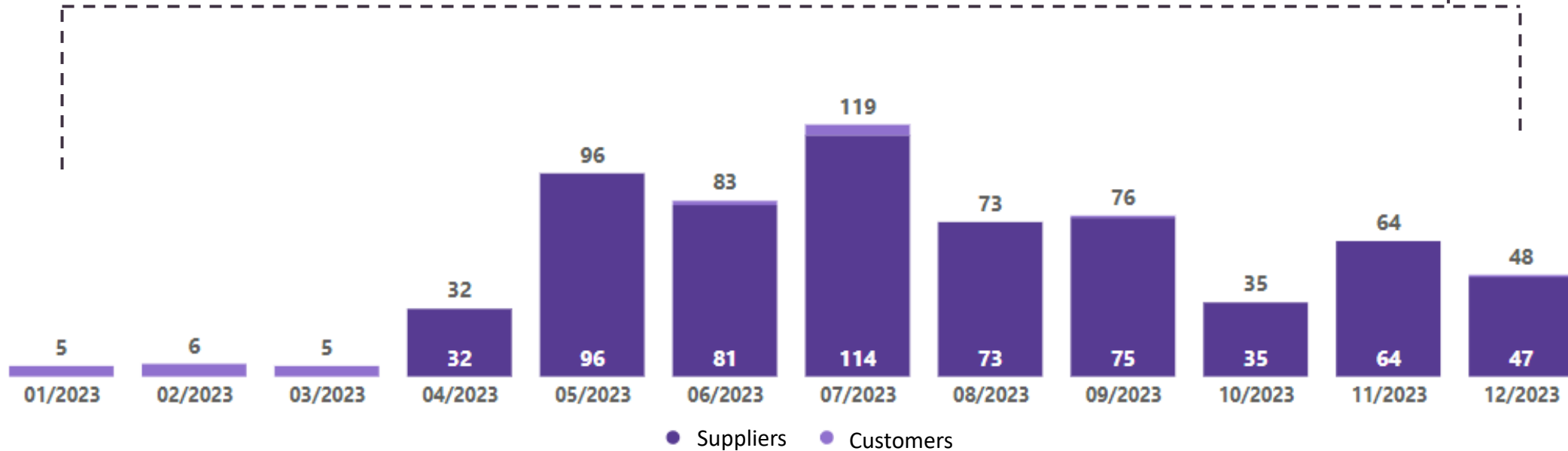
Third Parties Due Diligence

Customers and Suppliers Due Diligence is essential to understand our counterparties and guarantee their respect to the ethical and moral standards required by the Companies.

Results of the year:



+642
analysis
performed





1. Governance
2. Risk Management, Business Process & Internal Control
3. Compliance
- 4. Advisory**
5. Audit Support
6. Feedback Survey

4. Advisory

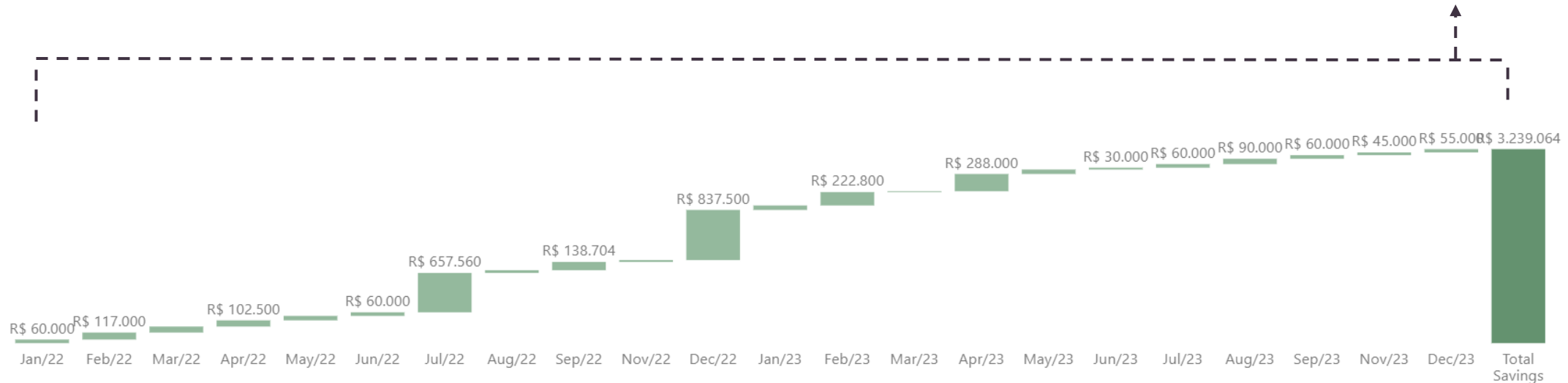
Digital Transformation Projects

Solutions such as intranet websites (portals), automations, and dashboards were developed to facilitate activities. To that end, GRC team led the digital transformation projects with other departments throughout the year.

 **≈ R\$ 3 millions**
Estimated annual savings in Brazilian reais
(63 delivered projects)

 **≈ R\$ 11 millions**
Will be saved in the next 5 years in Brazilian reais
(63 delivered projects)

The graphic below details the monthly evolution of all delivered projects and our savings (R\$) for the Company from the last two years.



4. Advisory

Digital Transformation Projects



The Integranet (corporate intranet) main objective is to integrate processes from Port & Mine and accelerate digital transformation, bringing more efficiency, productivity, innovation and employees' satisfaction.

Since its implementation, the Intranet has recorded an impressive growth:

- 28 portals (internal websites) and more than 450 automations implemented.
- We surpassed more than 1,7 million accesses.
- More than 140 thousand transactions.
- More than 20 thousand documents managed in more than 200 databases.

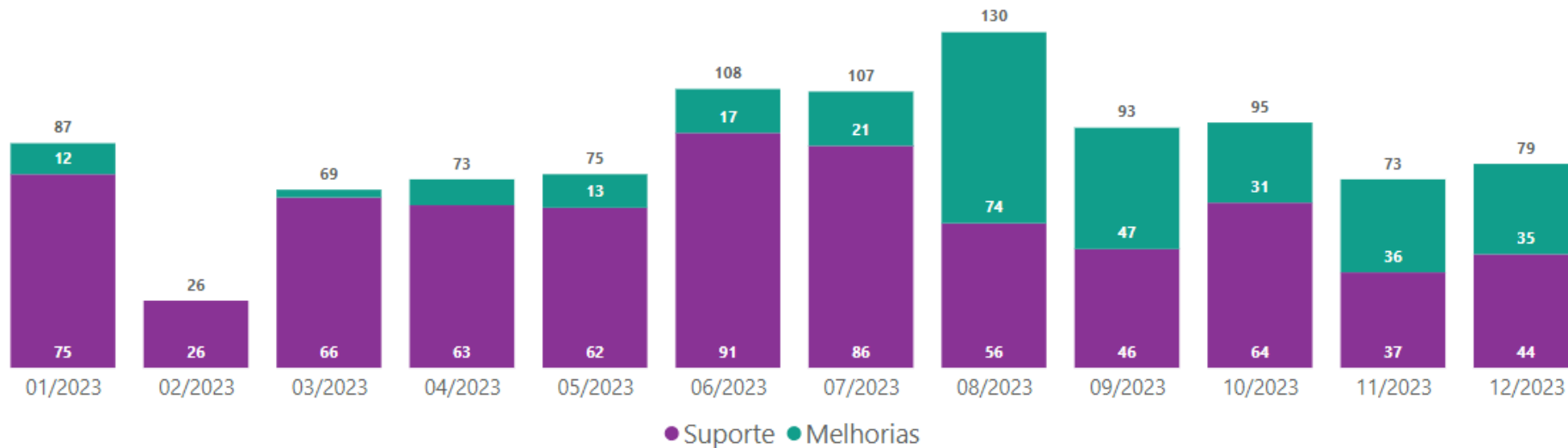


4. Advisory


Center of Excellence

Establish the Center of Excellence (CoE) from the Microsoft ecosystem means investing in organic growth, while maintaining its governance and control.

Our CoE runs daily to **a)** solve problems reported by end users; **b)** continuously improve processes, and **c)** preserve the governance and control environment.



Results of the year:



+716
problems
corrected



+299 ()**
Kaizens
delivered

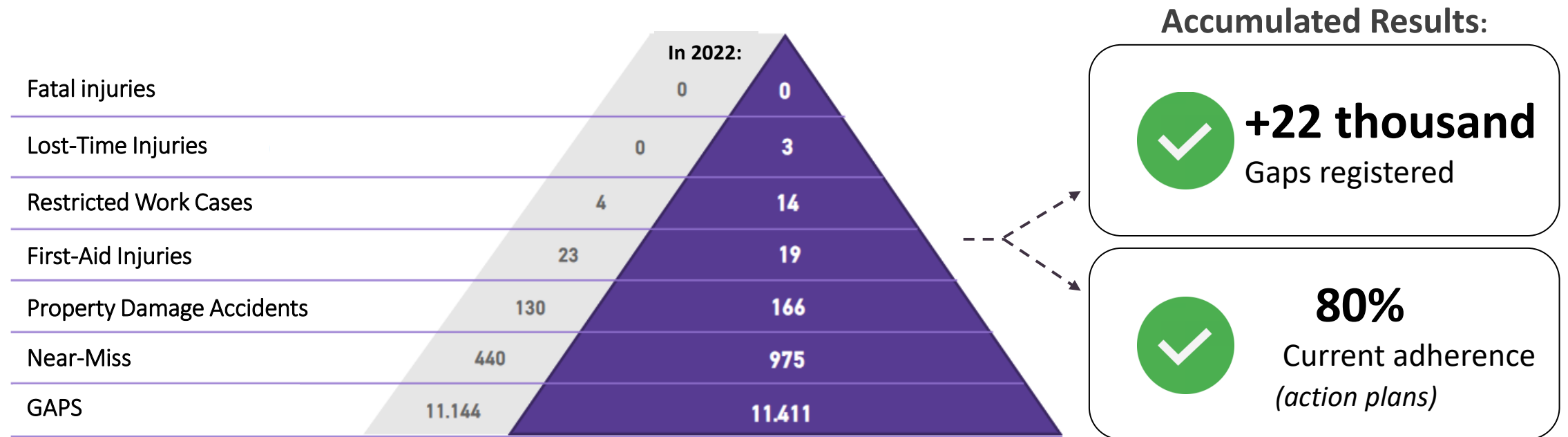
(**) The 2023 kaizens will be registered in 2024, in the recent Continuous Improvement portal, under the new "GRC - Governance, Risk and Compliance" pillar.

4. Advisory

Success Case: PAZ Portal (Zero Accident Program)

Among many success cases from 2023 digital transformation projects, we highlight the development of “PAZ Portal” (Zero Accident Program Website), with significant gains in process automations, eliminating errors and strengthening governance and internal controls environment.

More than 22 thousand gaps are managed though the portal, which brings transparency and visibility of the entire gaps management process.



1. Governance
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4. Advisory
- 5. Audit Support**
6. Feedback Survey

5. Audit Support

Integrated Internal Audit Plan Approval

With great enthusiasm, we announce the approval of the Integrated Internal Audit Plan for 2024 with the start up of the Internal Audit Department in PSB/MMI.

The Internal Audit Plan integrates Mubadala, Trafigura, PSB and MMI audit engagements, strengthening even more our commitment to Governance, Compliance and transparency.

The Internal Audit goes beyond the basic regulatory requirements and the expectations from our shareholders. It's fundamental to promote operational excellence, improve internal processes, identify opportunities, and mitigate potential risks.

By adopting a proactive approach regarding the internal audit department, our Company reinforces its commitment to transparency, integrity and efficiency.



1. Governance
2. Risk Management, Business Process & Internal Control
3. Compliance
4. Advisory
5. Audit Support
6. **Feedback Survey**

6. GRC Department Feedback Surveys

At the end of each project, the GRC team conducts a formal feedback survey with the internal customers to assess the work performed. Moreover, annually, the team runs a feedback survey along with the shareholders about the activities performed during the year.

In our survey, it is possible to evaluate in detail the services of our scope, enabling assertive feedback.

The results below demonstrates the positive impact of GRC Team's performance in 2023.



Final Considerations

Throughout 2023, we covered various areas of the organization, closely collaborating with each department to identify risks, understand the value chain, map processes, and develop efficient flowcharts. This effort not only strengthened the organizational structure, but also provided a holistic perspective of our operations.

During the process mapping, we meticulously identified risks associated with each phase of the value chain, contributing to the proactive mitigation of potential risks through the adoption of internal controls. Additionally, we actively participated in the definition and review of internal normative documents, ensuring compliance with current regulations, and adopting market best practices.

The work conducted by GRC in the past years resulted in a significant milestone for 2024: the start up of internal audit department. Due to the improvement of the maturity of internal governance processes, we are confident that the internal audit will be conducted with transparency, efficiency, and accuracy.

We express our gratitude to our entire team that contributed to achieve this collective effort, and we look forward to the lasting benefits that such strategic approach will bring to our future.

Felipe Maciel
GRC Director



