2024 Annual Report

Governance, Risks, Compliance & Internal Audit

Governance, Risks, Compliance & Internal Audit (GRC)

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

For this purpose, the GRC Department combines governance, risk 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 2024.

A Message from CEO

"An effective governance is not merely about rules and processes; it is a reflection of our organizational culture and the way we conduct our business on a daily basis. In recent years, we have continued to strengthen our governance mechanisms, compliance, and internal auditing, ensuring that every decision is aligned with the highest ethical standards and transparency.

Our commitment goes beyond compliance: we strive for excellence, anticipate challenges, and adapt to a constantly evolving world. We believe that Honesty, Humility, Humanity, Harmony, Humor, and Physical and Mental Health are not only fundamental principles but also the foundation for sustainable, responsible, and long-term growth.

We remain steadfast in this purpose, building together an increasingly solid and integral future."

Jayme Nicolato – CEO

A Message from GRC Manager

"The topic may not always be in the spotlight, but it is what ensures that transparency, ethics, and credibility are not merely part of the discourse, but guide our daily actions. By assessing risks, establishing processes and internal controls, reviewing and updating documents, and identifying more opportunities for improvement, we strengthen our processes, making them more effective and aligned with the highest standards of corporate governance.
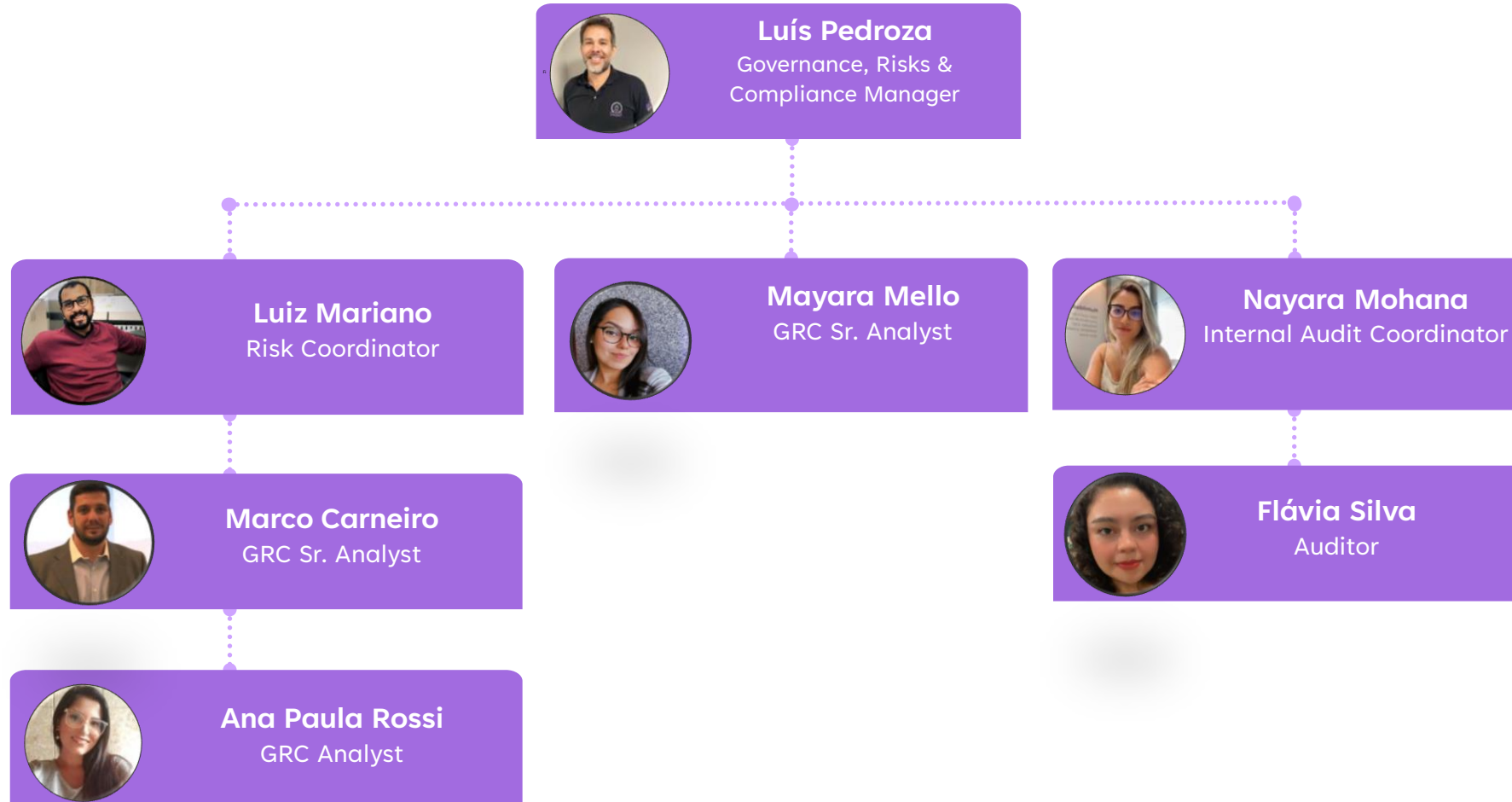
This is not only about complying with regulations but also raising standards by implementing the best market practices. We aim not only to achieve excellence but also to anticipate and respond to the demands of a constantly evolving world."

Luis Pedroza – Governance, Risks & Compliance Manager

GRC Structure

Luís Pedroza
Governance, Risks & Compliance Manager

Luiz Mariano
Risk Coordinator

Mayara Mello
GRC Sr. Analyst

Nayara Mohana
Internal Audit Coordinator

Marco Carneiro
GRC Sr. Analyst

Flávia Silva
Auditor

Ana Paula Rossi
GRC Analyst

Highlights

GOVERNANCE

- ✓ 217 normative documents published;
- ✓ 204 action plans concluded;
- ✓ ISO 37001 Certification – Anti-bribery Management System;
- ✓ Quarterly meetings Audit, Risk, and Compliance Committee.

RISK MANAGEMENT, PROCESSES & INTERNAL AUDIT

- ✓ Review of 136 Strategic Risks;
- ✓ Review of the Process Management and Internal Controls Policy;
- ✓ 149 flowcharts mapped;
- ✓ 203 internal controls documented.

COMPLIANCE

- ✓ 2° edition of the Compliance Week;
- ✓ 100% employees' adherence to Compliance Program declarations;
- ✓ More than 40 internal campaigns;
- ✓ More than 300 Due Diligences performed.

INTERNAL AUDIT

- ✓ 6 audit projects completed;
- ✓ Approval of the 2025 Internal Audit Plan;
- ✓ Approval of the 2025 Enterprise Risks Review Roadmap.

1. Governance

Normative Management

GRC

Normative Documents contribute to strengthen the organization's internal control environment as they assist employees to perform activities correctly and in a standardized manner, which ensures the achievement of operational and strategic objectives.
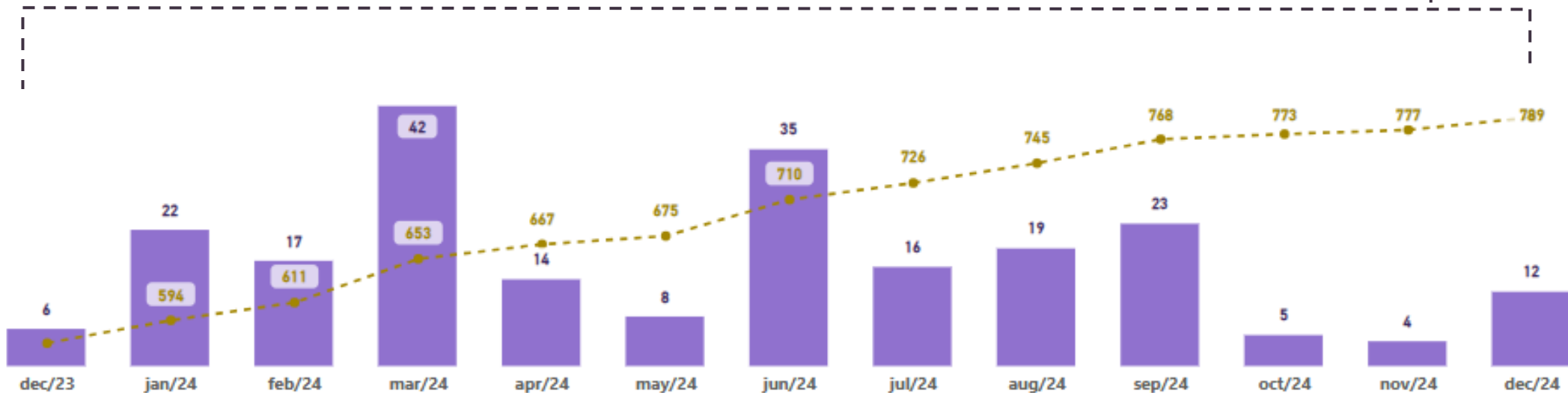
Results of the year:
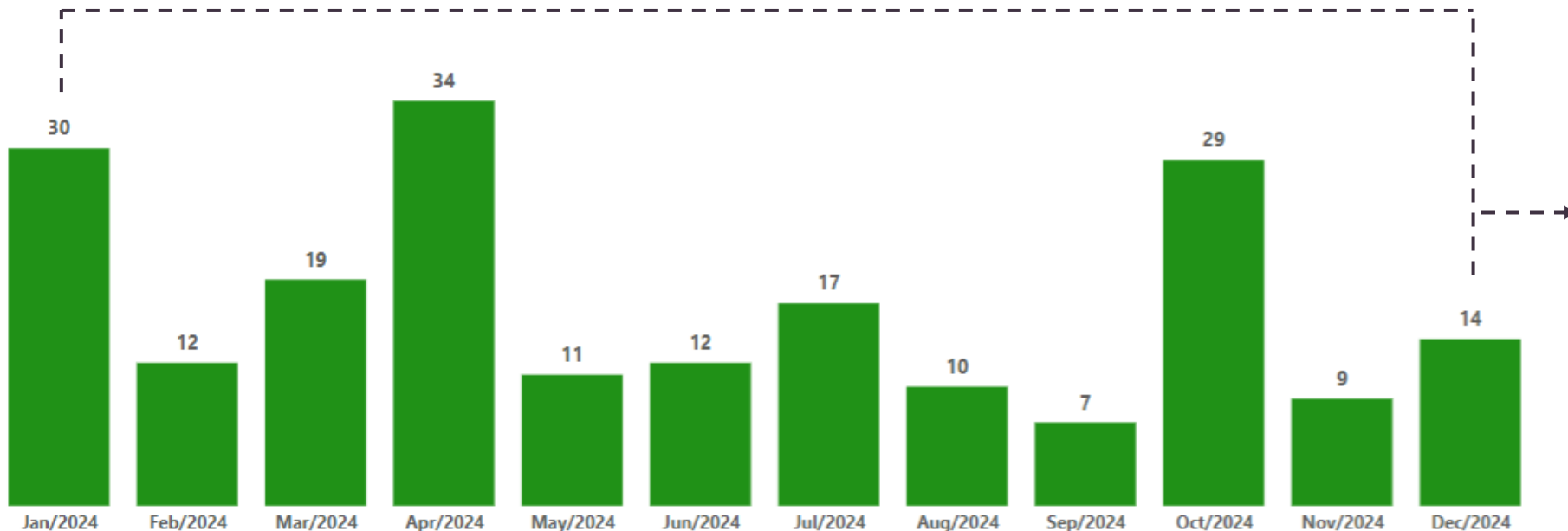
37% ↑ **+217** documents published

1. Governance
Compliance Management (Action Plans Follow-up)

GRC

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 the Company's productivity.

Jan/2024	30
Feb/2024	12
Mar/2024	19
Apr/2024	34
May/2024	11
Jun/2024	12
Jul/2024	17
Aug/2024	10
Sep/2024	7
Oct/2024	29
Nov/2024	9
Dec/2024	14

Results of the year:

204 action plans concluded

2. Risk Management, Business Process & Internal Control
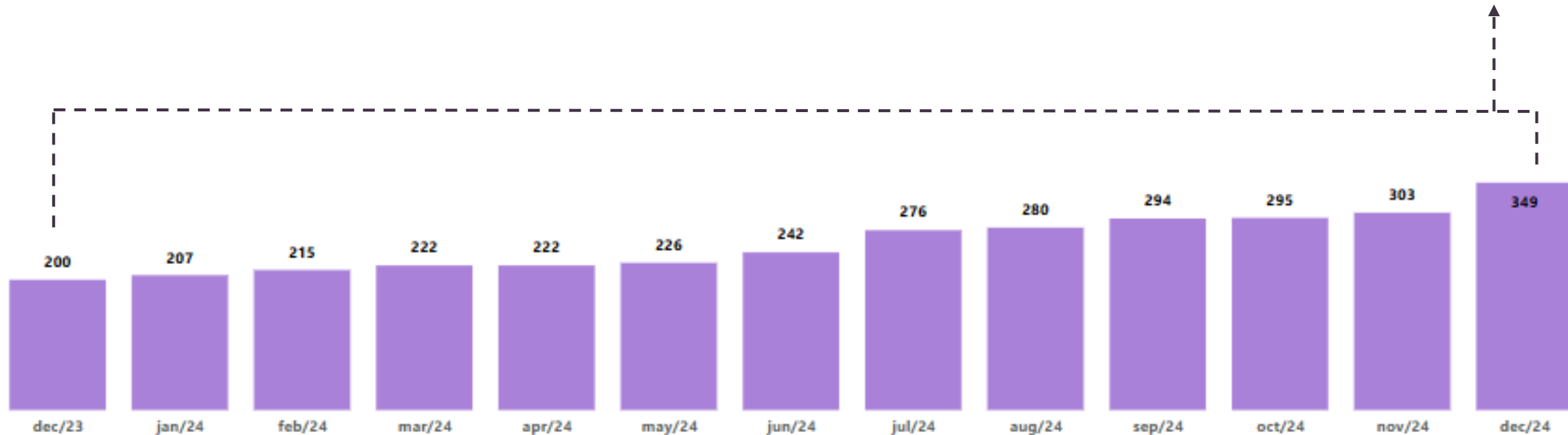
Business Process Management

GRC

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

Results of the year:

74% **+149** processes mapped

dec/23	jan/24	feb/24	mar/24	apr/24	may/24	jun/24	jul/24	aug/24	sep/24	oct/24	nov/24	dec/24
200	207	215	222	222	226	242	276	280	294	295	303	349

2. Risk Management, Business Process & Internal Control
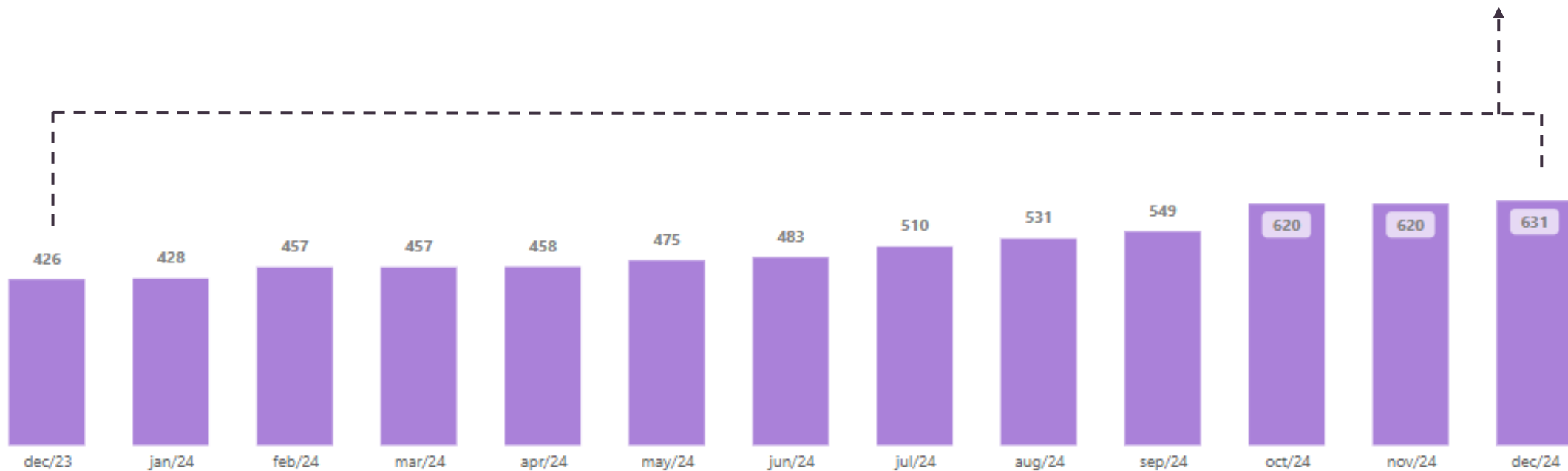
Internal Controls

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Risk management through internal controls mapping helps to prevent risks, errors and irregularities. In 2024, we identified significant improvement in the control environment. In order to achieve such a scenario, there was a wide range of processes and internal controls mapped with the support of other departments in partnership with GRC Team.

Results of the year:

48% **+205** internal controls

| dec/23	jan/24	feb/24	mar/24	apr/24	may/24	jun/24	jul/24	aug/24	sep/24	oct/24	nov/24	dec/24
426	428	457	457	458	475	483	510	531	549	620	620	631

2. Risk Management, Business Process & Internal Control

Annual Cycle of Enterprise Risks Review

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Once the strategies to mitigate the risks are implemented, it is essential to monitor and continuously review the progress and efficiency of such strategies. We perform an annual cycle of enterprise risk review, conducting meetings with process owners and their directors to analyze the risks under their scope and responsibility.
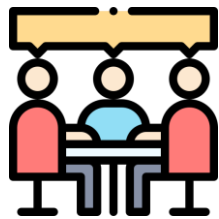
+40 meetings

conducted

136 enterprise risks

reviewed

14 action plans

concluded

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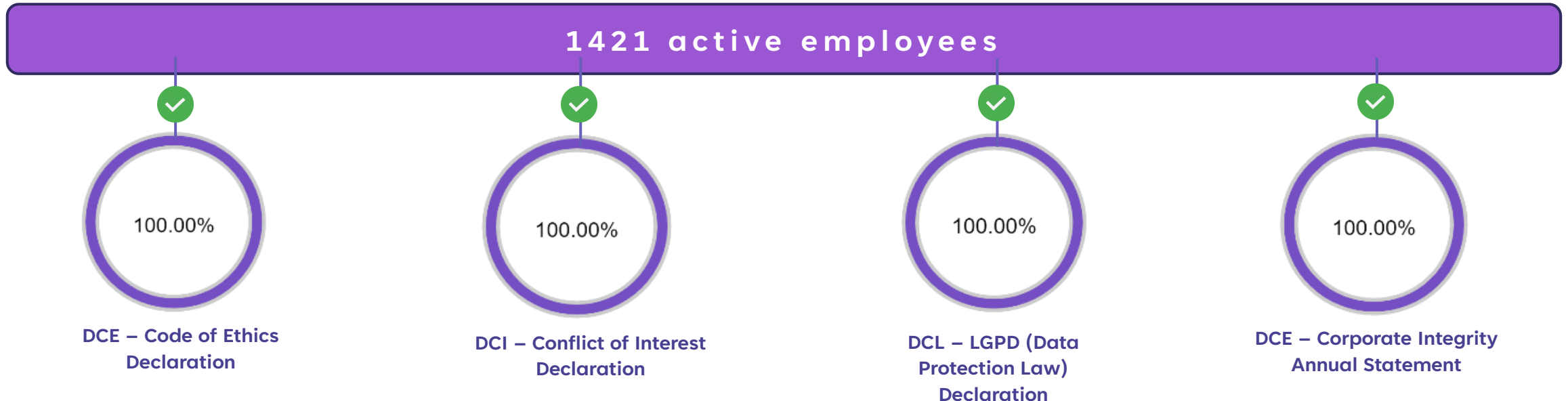5. Feedback Survey

3. Compliance

Adherence to Compliance Program

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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 obliges them to stay up to date regarding possible changes in policies and procedures.

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

1421 active employees

100.00%	100.00%	100.00%	100.00%
DCE – Code of Ethics Declaration	DCI – Conflict of Interest Declaration	DCL – LGPD (Data Protection Law) Declaration	DCE – Corporate Integrity Annual Statement

3. Compliance
Whistleblowing Channel

The whistleblowing channel is an instrument of communication to anonymously report possible ethical and 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.

Monthly Evolution

● Registered ● Concluded ● Backlog In Progress

Registered	178	**Concluded**	183
In Progress (backlog)	4		

3. Compliance

Campaigns

Online Trainings

Annual Statement

Internal Communications

3. Compliance
Third Parties Due Diligence

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

Results of the year:

+353
analysis performed
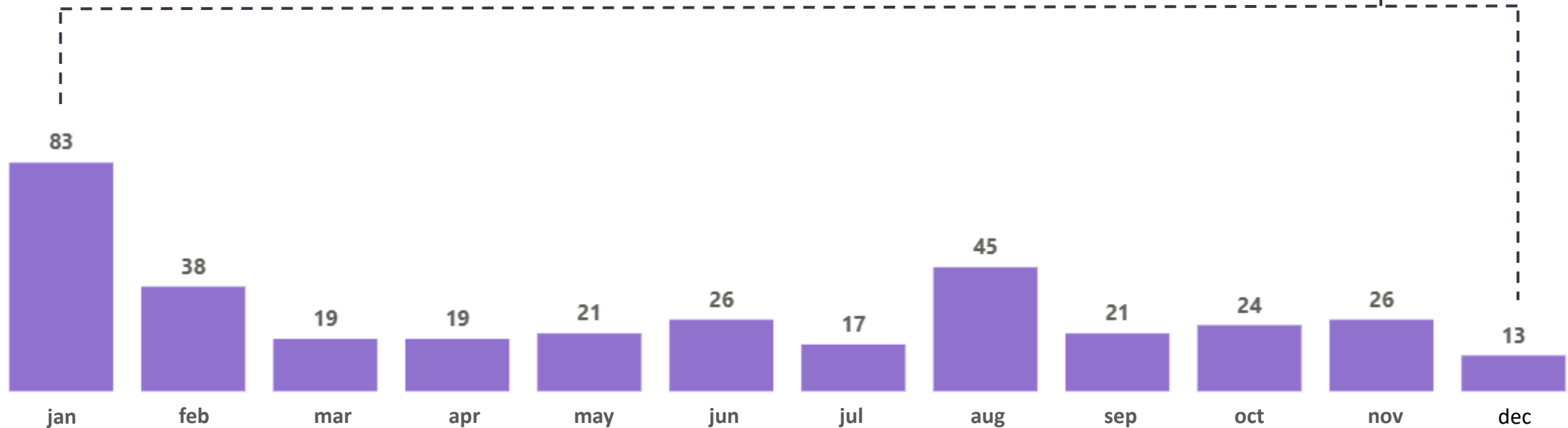
jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec
83	38	19	19	21	26	17	45	21	24	26	13

4. Internal Audit
Completion of the 2024 Integrated Internal Audit Plan

The completion of the 2024 Integrated Internal Audit Plan highlights the execution of five projects, two of which were conducted exclusively by the local Internal Audit and three in an integrated model, in collaboration with the shareholders' Internal Audit Department, through a process of methodology transfer and business knowledge contribution from the local Internal Audit. This model ensured the effective transition of responsibilities, aligning practices with shareholders' expectations and regulatory requirements. The audits not only met regulatory requirements but also identified opportunities to enhance operational efficiency and mitigate risks, thereby creating value for the organization.

Audit Engagements concluded in 2024:

- o PSB Industrial Control Systems (ICS) Audit
- o MMI Industrial Control Systems (ICS) Audit
- o PSB and MMI Human Capital Audit
- o PSB and MMi Treasury
- o PSB and MMI PN10 Goals Management
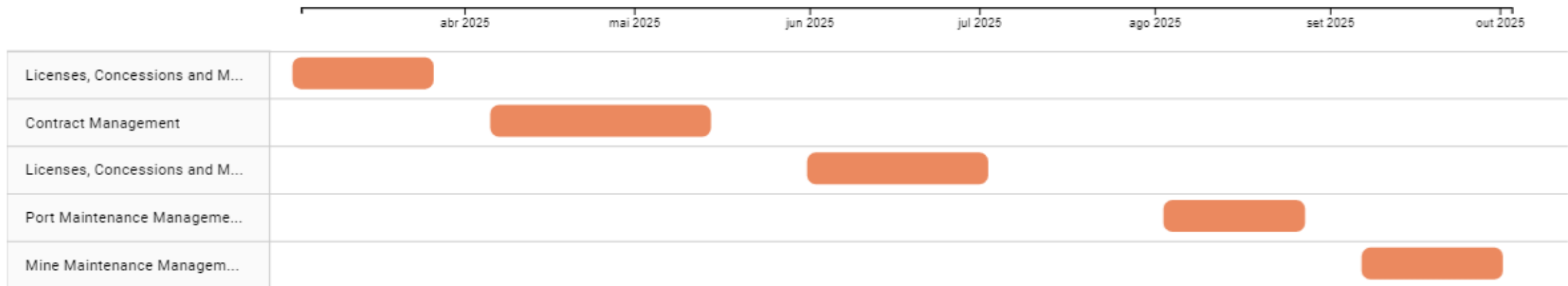- o PSB and MMI Contingencies Management

4. Internal Audit

Approval of the 2025 Internal Audit Plan

The 2025 Internal Audit Plan was approved at the last Audit Risk and Compliance Committee - ARCC meeting of 2024, with 5 (five) planned projects: 2 (two) related to operational processes of Porto Sudeste do Brasil, 2 (two) processes of Mineração Morro do Ipê, and 1 (one) of a corporate scope. These audits will cover a total of 17 risks identified in the Enterprise Risk Management (ERM) and other business transactional risks, aligning with the organization's risk mitigation strategy and reinforcing the commitment to governance and operational efficiency.

Audit Plan

	abr 2025	mai 2025	jun 2025	jul 2025	ago 2025	set 2025	out 2025
Licenses, Concessions and M...	▬						
Contract Management		▬					
Licenses, Concessions and M...			▬				
Port Maintenance Manageme...					▬		
Mine Maintenance Managem...							▬

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

5. 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 within our scope, enabling assertive feedback.

The results below demonstrate the positive impact of GRC Team's performance in 2024.

Management Survey

⭐⭐⭐⭐⯪

4,8 (96%)

Shareholder Survey (ARCC)

⭐⭐⭐⭐⯪

4,6 (92%)
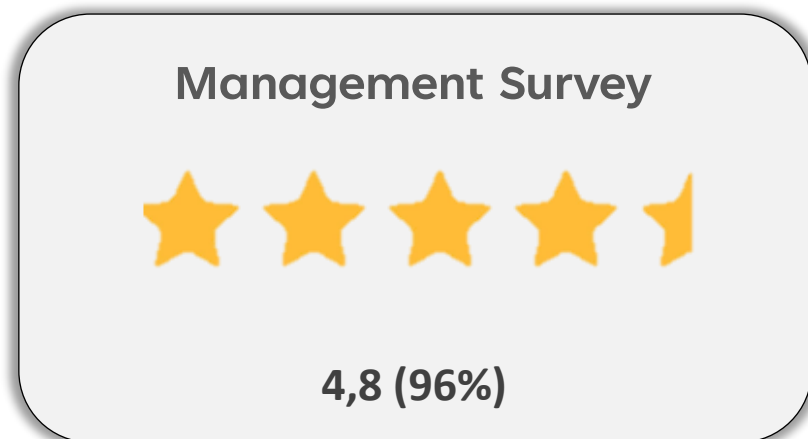
Final Considerations

GRC

We celebrate a year of progress in our internal control environment, reflected in the maturation of our corporate governance framework. This progress has been validated by the recognition and engagement of our stakeholders and crowned by the achievement of ISO 37001 certification - Anti-bribery Management System. We have actively supported business areas in mapping processes, creating the risk and control matrix, defining and reviewing internal norms, and ensuring compliance with internal and external requirements.

We concluded the year with the consolidation of the Internal Audit department, established in January 2024, and the completion of the integrated internal audit plan in partnership with our shareholders' internal audit team. Additionally, we approved the Annual Internal Audit Plan for 2025 with the Audit, Risk, and Compliance Committee (ARCC).

We strongly believe that one of the ways to stay aligned with the highest governance standards is through internal auditing. More than just a corporate check-up, this practice ensures that we operate effectively, ethically, and in full compliance with current regulations.

As we move forward, we remain confident that the Governance, Risk, Compliance, and Internal Audit functions will continue to be conducted with transparency, efficiency, and, most importantly, add value to the processes of Porto Sudeste do Brasil and Mineração Morro do Ipê.

We thank our entire team for their contributions to this collective effort and look forward to the lasting benefits that this strategic approach will bring to our future.

Luis Pedroza – Governance, Risks & Compliance Manager