



SUSTAINABILITY[🌱] REPORT 2021^{🕊️🕊️🕊️🕊️}

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ABOUT THIS REPORT

It is with great satisfaction that FERBASA is presenting this third edition of its Sustainability Report, containing data relating to the financial year starting on January 1 and ending on December 31, 2021, the year in which the Company celebrated its 60th anniversary.

GRI 102-46



This Report has been developed in accordance with the methodology of the “GRI Standards: Core Option”, the international standard defined by the Global Reporting Initiative (GRI), without external checking. This policy has allowed for the clear and transparent reporting of the operational-financial performance disclosures and the management of environmental, social and governance (ESG) aspects.

Those points receiving greater emphasis over the course of the report were established using the results of the second Materiality

Cycle performed during the year, with the aim of updating the material topics considered to be of most importance to the Company's different stakeholders.

Any doubts concerning the information published here can be communicated to the FERBASA Communications team, at:

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A MESSAGE FROM THE MANAGEMENT

*Thinking of the future sustainably,
continuing with a policy of austerity
and valuing people is the path towards
longevity for our business.*

The longevity of the business spearheads the most important strategic objectives outlined by FERBASA, a vision that unfolds in the understanding that our role in relation to society involves the creation of jobs and income, and expands into the honorable role of providing people with the possibility of a worthwhile and successful future.

On our 60th anniversary, this commitment is being reaffirmed by all our employees (“*Ferbaseiros*”), who, in 2021, saw their efforts produce excellent results, demonstrated in earnings of R\$ 642.9 million, in the successful continuation of the initiatives focused on the prevention of Covid-19, and in the preservation of around 4,000 direct and indirect jobs. At times such as these, when the dedication of each employee becomes even more essential to the general performance, one can experience the strength of our culture and the humane teachings provided by our Founder,

which can be found in the strategic choices and day-to-day attitudes that also reflect the importance of a humble attitude and the prioritizing of sustainability.

It was within a context of enormous economic, political and market uncertainty that we were challenged to go beyond our manufacturing and administrative activities to guarantee the Company’s competitive standing, drive the economy, press on and resist. The required initiatives were implemented as a response to the resumption of activities in the Brazilian steel industry. To do so, we made adjustments to the production mix, taking into account the ever increasing demand from the domestic market, and maintained our permanent actions designed to reduce costs, which contributed significantly to our ability to handle the scenario of global inflation. Likewise, the austerity measures adopted in terms of management of the cash reserve provided support for

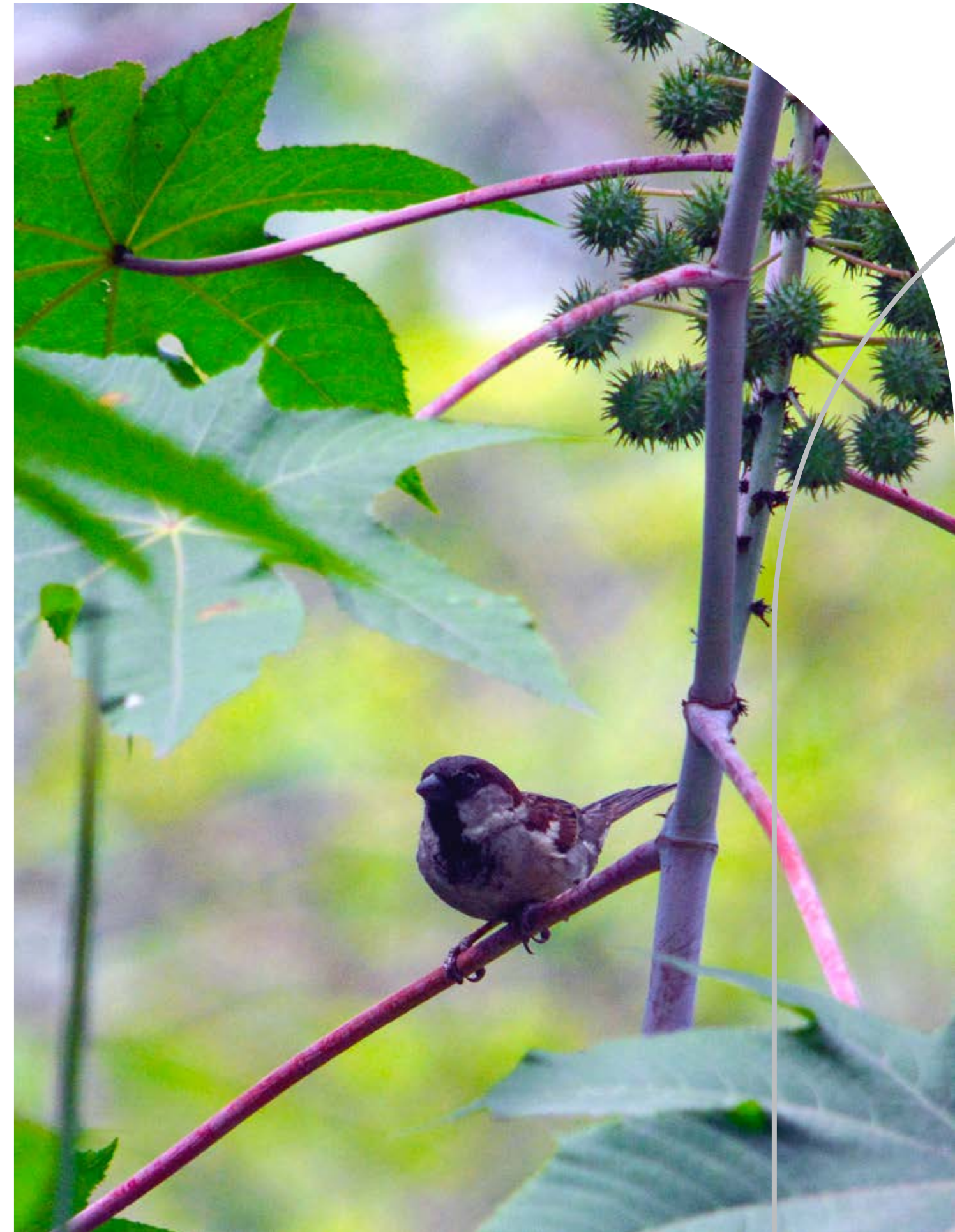


the working capital dynamic, guaranteeing the continuity of our investments and a regular distribution of revenues over the course of the year, as well as allowing the possibility of future strategic investments.

During 2021 we also expanded our ESG (environmental, social and governance) practices and made advances in our processes focused on innovation. In the socio-environmental sphere, we continued with our efforts to strengthen our contribution to society through actions with a positive impact on the protection of the environment and in support of the communities neighboring our operations.

Finally, considering the advances made in 2021, the limitations posed by the pandemic, and the good forecasts for 2022, we began a new cycle with special attention being paid to the inauguration of the José Carvalho Memorial. The house where our Founder, the businessman and educator José Carvalho, lived for more than 30 years has been renovated to host a rich and varied collection dedicated to keeping his memory alive and honoring his work. José Carvalho always be remembered for his dedication to social causes, and especially for recognizing the importance of education as the sole path towards a better future for coming generations.

We hope you enjoy the report.



FERBASA

GRI 102-1, 102-5, 102-7

Founded on February 23, 1961, by the engineer José Corgosinho de Carvalho Filho, 'Cia de Ferro Ligas da Bahia' ('FERBASA') is a national, publicly-traded organization, figuring amongst the country's 500 biggest companies and the 15 biggest business groups in Bahia state, according to the most recently published rankings from 'Valor 1000'.



A leader in ferroalloy production in Brazil and the only integrated manufacturer of ferrochrome in the Americas, FERBASA operates in the Metallurgical, Mining, Forest Resources and Renewable Energy segments. The biggest portion of its portfolio involves the steel industry and the manufacture of stainless and special steels, serving the internal and external markets (principally Japan, the United States and the European Union). The company's head offices are located at Estrada de Santiago, s/n, Pojuca (BA), telephone (+55 71) 3645-8700, whilst the administrative work is concentra-

ted at its corporate offices at Rua Ewerton Visco, 290, Ed. Boulevard Side Empresarial, 25º andar, Caminho das Árvores, Salvador (BA). FERBASA relies upon a team of around 4,000 people, including direct employees and outsourced workers, for the development of its activities.

FERBASA is focused on the occupational health and safety of its employees, as well as conservation of the environment. The actions focused on the communities neighboring the manufacturing units are structured by means

of the Social Responsibility Program '**Aqui Tem Ferbasa**' ('**Ferbasa is Here**'), the mission of which is to encourage the social and economic development of specific regions of Bahia state through the promotion of local vocations, for the generation of jobs and income. This commitment, still unshakable today, was the foundation for the creation, in 1975, of the José Carvalho Foundation (FJC), an entity that has spent almost five decades

dedicating itself entirely to Education. It was José Carvalho himself who imbued the two institutions with their humanistic culture and their unique perspectives on Education as the most solid and genuine means of ensuring the definitive social transformation of the country. **Click here** to read more about the Foundation - <https://www.fjc.org.br/index.php>.

In parallel, FERBASA maintains an auste-



re, responsible and ethical form of corporate management, which prioritizes the longevity of the business, the generation of earnings, and the supply of top-quality products. This positioning, allied with a favorable economic scenario, meant that the Company closed the financial year with a net income of R\$ 2.4 bil-

lion, a sum that surpassed the previous year's result by 47.3%.

The payment of dividends, low indebtedness and high liquidity also go to make up the profile of FERBASA, which has contributed to its recognition as a solid and reliable company.





THE JOSÉ CARVALHO MEMORIAL: 60 YEARS OF HISTORY

In 2021, Ferbasa celebrated its 60th anniversary, notable for a great deal of hard work, the united approach of its teams, and a high level of social awareness, all characteristics of generations of professionals - the so-called “*Ferbaseiros*”. Due to the restrictions imposed by the pandemic, the celebrations took place by paying special thanks to the employees, through the staging of a campaign that carried the slogan “**Ferbaseiro: you got us here**”, as an invitation to reflect upon the values that can be found in the day-to-day life of the Company: respect, ethics, modesty and the valuing of life.

Having overcome the most critical phase of the pandemic, the Company resumed its celebrations of this 60 year landmark with the inauguration of the José Carvalho Memorial, an event that brought together around 3,500 employees, family members, clients and suppliers from numerous different countries. Erected in the house where the engineer lived for more than 30 years, located between the head offices of FERBASA and the José Carvalho Foundation, the Memorial displays the achievements of this great businessman and

educator, who was born in Minas Gerais, in 1931, and developed his life’s work in Bahia, the state where he founded FERBASA and lived until his death in 2015.

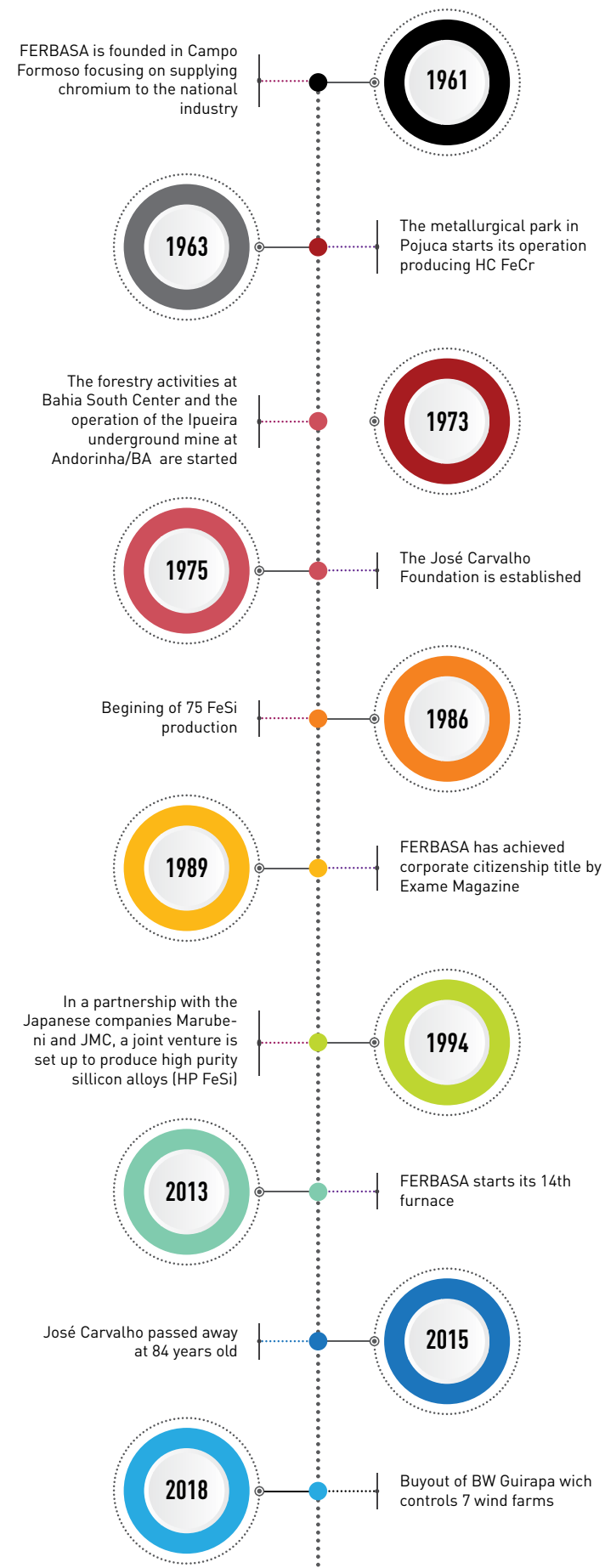
At the Memorial, the public have the opportunity to discover the history of José Carvalho: his humble origins, his excellent academic performance, the start of his professional life (especially his participation in the building of the federal capital, Brasília), the founding of FERBASA, and what he himself believed to be his most important project, the José Carvalho Foundation, created in 1975. These steps, as well as the importance of friends, the commu-

nity which welcomed him, his partnerships and clients, will be told in a modern style, with the exhibition of a vast collection.

The project summarizes the most important moments of the legacy left by the entrepreneur over the last six decades: his concepts, challenges, culture and, most importantly, the positive impact his achievements have had on thousands of lives. This is the successful outcome of a long-term vision, which brings together the pursuit of financial results, social justice and sustainability.



FERBASA TIMELINE



MISSION, VISION AND VALUES

GRI 102-16



MISSION

To serve the ferroalloy, chromium ore and renewable energy markets, ensuring customers, shareholders and employees are satisfied, and developing and operating an integrated Mining, Forestry Production, Energy and Metallurgy business model that is sustainable and competitive.

VISION



To be a globally competitive company in ferroalloys and chromium ore, and a generator of renewable energy, consolidating its position as a benchmark in sustainability.

VALUES



- Ethics and respect for our commitments
- Opportunities for personal and professional growth
- Quality, safety and robustness
- Simplicity and humility
- Sustainability and valuing of life

INTEGRATED PRODUCTION CYCLE

FERBASA operates with an integrated and vertical production cycle, which ensures the essential raw materials for the main products marketed by the Company:

Metallurgy

At the metallurgical unit, located in Pojuca (a municipality situated 76 km from the state capital of Bahia), metal alloys are manufactured in 14 electrical furnaces (eight for ferrochrome and six for ferrosilicon), all of which are equipped with filter bags, devices designed to neutralize the release of particle matter into the atmosphere. This production is aimed principally at the steel industry and the manufacture of stainless and special steels, serving both the internal and external markets.

Mining

The metallurgical unit is supplied by the mining operations located in the Center-North and Northeast of Bahia, with any possible excess iron ore being set aside for exportation. The complex includes an underground mine in the Jacurici Valley (Andorinha/BA) and another open mine (Campo Formoso/BA), both of which mine chromium ore and contain around 95% of the proven national reserves; two quartz mines, located in the municipalities of Tucano/BA and Rafael Jambeiro/BA; and a plant focused on the mining of high-quality limestone and its transformation into quicklime, located in the town of Euclides da Cunha/BA.



Forestry

Completing the cycle is the forest segment, which is made up of 64,000 hectares and extends across nine Bahian municipalities: Aracás, Aramari, Cardeal da Silva, Conde, Entre Rios, Esplanada, Maracás, Mata de São João and Planaltino. Of this total, 25,000 hectares contain planted and renewable eucalyptus forests that are used in the production of a bio-reducer, in 100% mechanized furnaces, thus providing safe and ergonomically correct working conditions. This raw material is essential to the manufacture of ferrosilicon, providing an important differential in relation to those ferroalloy manufacturers that use coke or mineral coal in the production of this alloy. Furthermore, the use of the bio-reducer provides FERBASA with the conditions to use a renewable reducer, and to thus also be able to contribute to the reduction of greenhouse gas (GHG) emissions,

CHARCOAL VS. MINERAL COAL - COMPARISON OF EMISSIONS

Input	Volume (t)	Emission (tCO ₂ e)
Bio-reducer	108,844,981	19,606.38
Mineral Coal Coke	91,601.602	285,120.30

1. Volume of bio-reducer consumed by FERBASA in 2021, in the production of ferrosilicon.
2. Volume of bio-reducer coke that would be necessary to replace the charcoal used by FERBASA in 2021.

Of the forest assets, the Company conserves as native forest reserve more than the amount required by law (20%) - of which 1,243 hectares of the areas have been approved as a Private Reserve of Natural Heritage (RPPN) - which includes the legal reserve and permanent conservation areas.

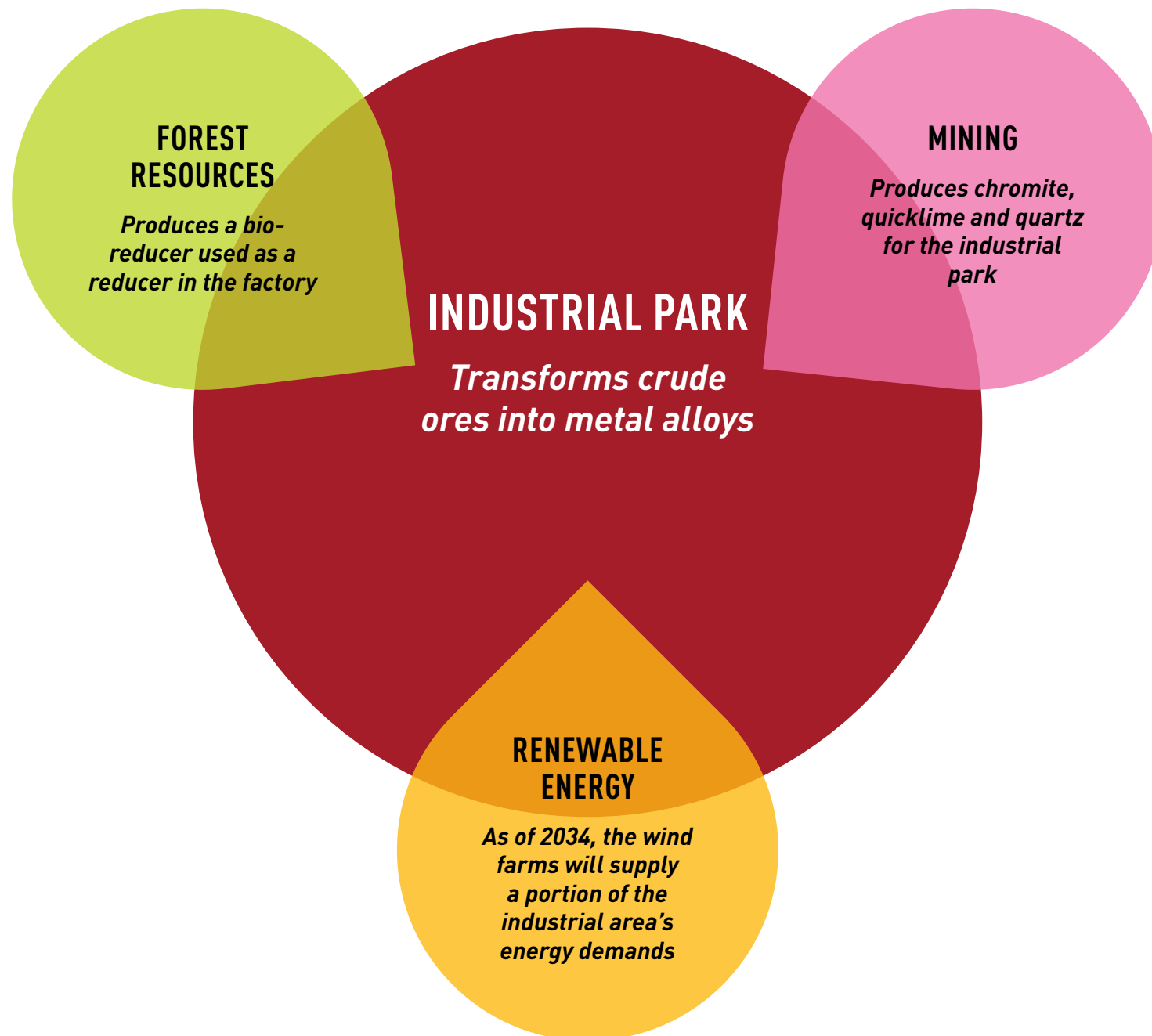
supplying FERBASA, reducing the risks related to the volatility of the electrical energy market, whilst also providing the Company with the option of choosing between using the energy generated in its own units or selling it on the energy market.

Renewable Energy

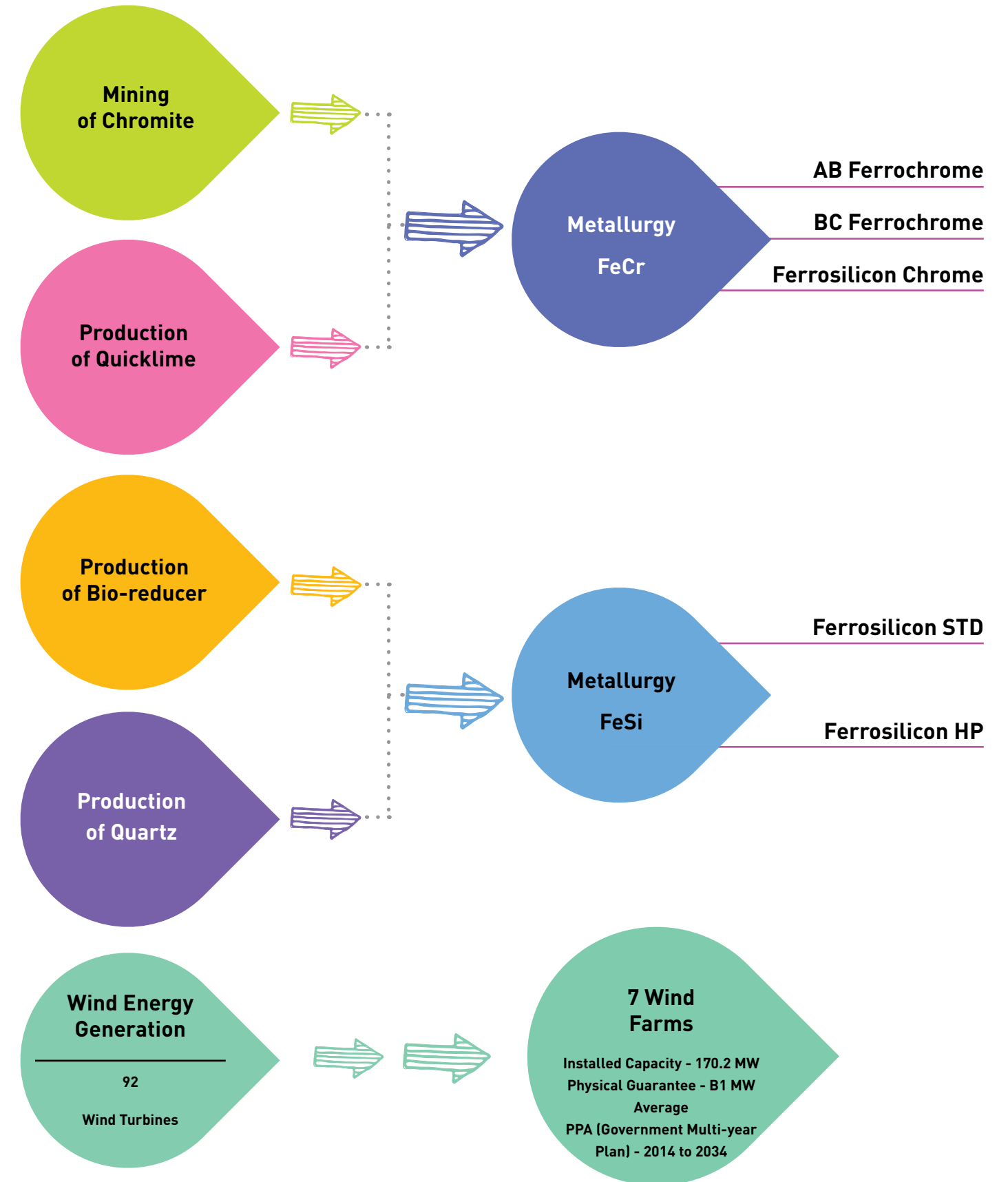
Acquired in 2018, BW Guirapá, a wind-power generation company (a clean and renewable energy source), also forms part of the Company's vertical chain, with an installed capacity of 170 MW distributed across seven wind farms installed in the Southwest region of Bahia, in the municipalities of Caetité and Pindaí. The total amount currently being produced by the wind complex meets the sum established in the contract signed with the federal government for the Energy Reserve Tender, which expires in 2034. As of this date, the wind-power farms will be added to the sources



PRODUCTION UNITS

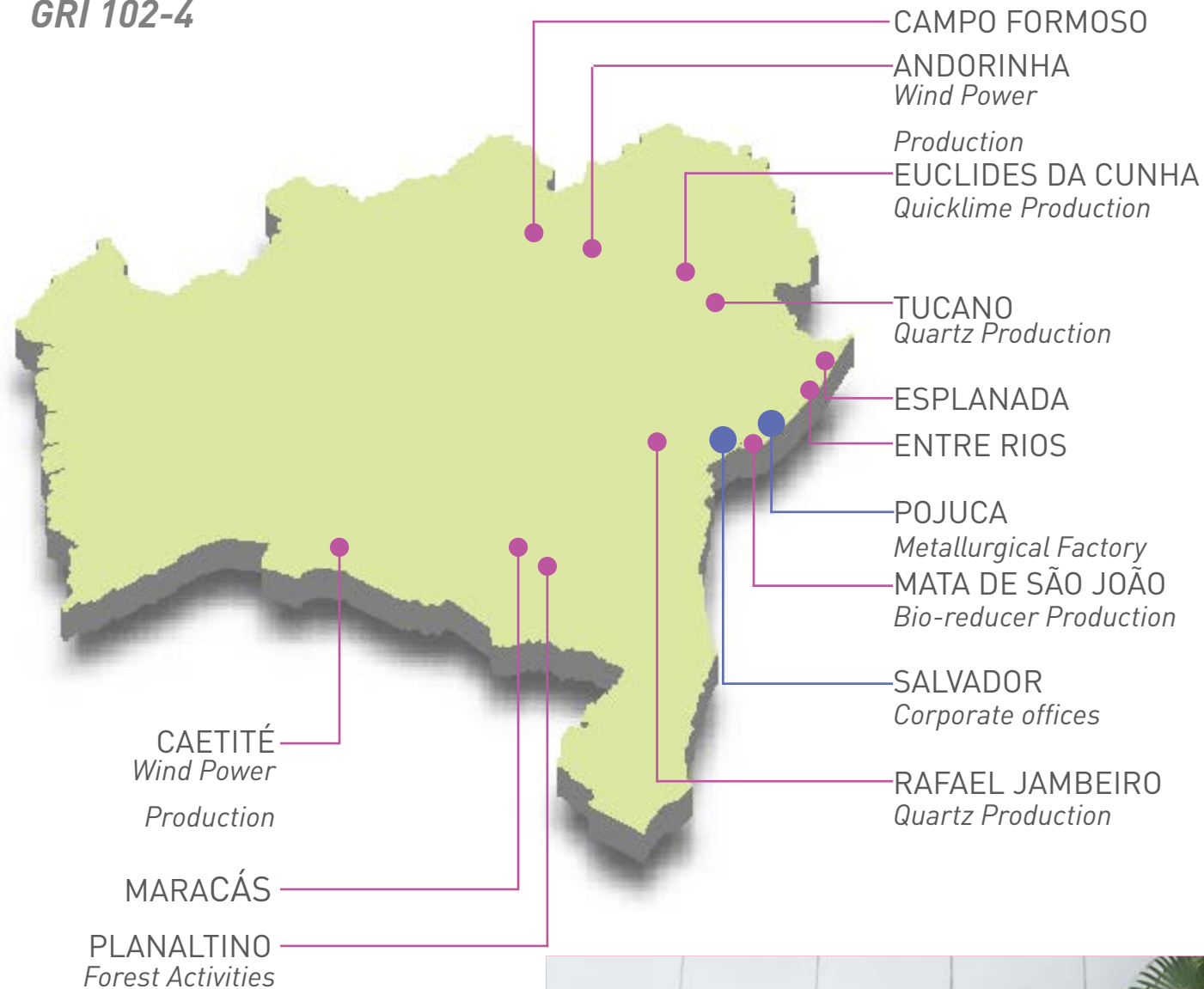


PORTFOLIO



GEOGRAPHICAL LOCATION OF THE OPERATIONS

GRI 102-4



CORPORATE GOVERNANCE

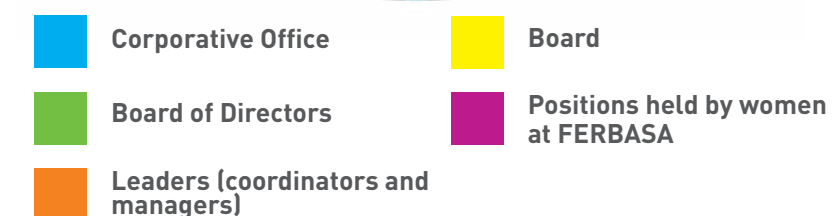
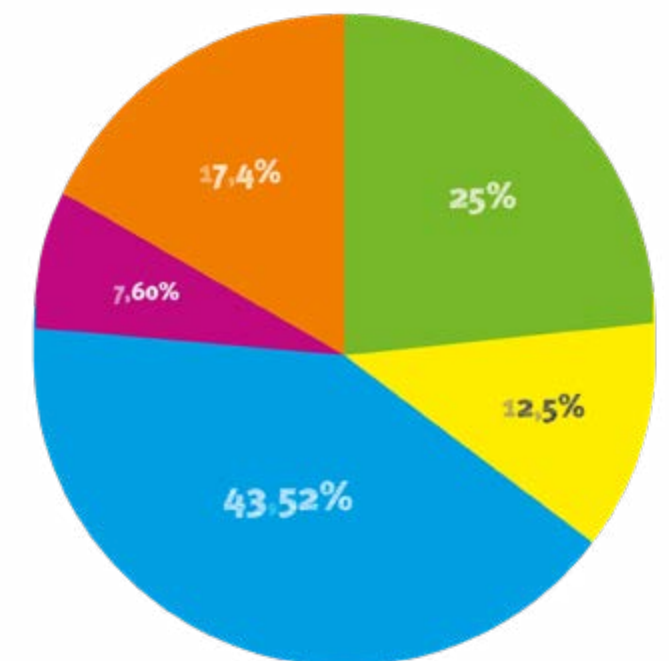
A publicly held company, listed on the B3 Corporate Governance Level 1 since 2011, the company is constantly improving its management, in line with international best practices. The company's organizational culture is guided by the highest degree of transparency and the most rigid principles of ethics, equality, corporate responsibility and sustainability in the conducting of the social, environmental and governance aspects (ESG).

With the same intentions, the internal processes of control and the compliance and integrity tools are continually being reinforced, whilst, in parallel to this, we are constantly improving the mechanisms of governance, including the creation of new organs to provide support for the Board of Directors and the Executive Board, in order to strengthen the degree of assertiveness in the corporate decisions.

There is a strong female presence at Senior Management level. At the close of the year, women occupied 25% of the seats on the Board of Directors. On the Executive Board, women held 12.5% of the executive functions.



Female presence at FERBASA



Normative review

In line with the initiative to continually improve the management mechanisms, in 2021 FERBASA created and realigned its norms and policies concerning corporate governance. The work included documents relating to information security and the Integrated Management System (IMS).

The Bylaws were reviewed and, amongst other matters, the possibility was raised for the Board of Directors, in order to better perform its functions, to create committees or working

groups with defined objectives and the participation of board members and/or individuals who they can designate.

Also established was the role of co-chairpersons on the Board of Directors, with up to four such positions holding specific and defined responsibilities. The aim is to make the Board's decisions more streamlined and increase the understanding and synergy between the different organs making up the Management.

SHAREHOLDING STRUCTURE

Share composition on 31-Dec-2021

Shareholders	Number of Ordinary Shares	%	Number of Preferred Shares	%	Total	%
The José Carvalho Foundation	29,086,696	98.80	15,162,000	25.75	44,248,696	50.10
Trígono Capital	464	0.002	8,051,000	13.67	8,051,464	9.12
Vanguard Group	-	-	1,405,572	2.39	1,405,572	1.59
Dimensional Funds	-	-	1,057,882	1.80	1,057,882	1.20
Kadima Asset Management	-	-	878,000	1.49	878,000	0.99
Cachaça Trading	-	-	542,100	0.92	542,100	0.61
Black Rock	-	-	408,630	0.69	408,630	0.46
Santander	-	-	406,300	0.69	406,300	0.46
JP Morgan	-	-	382,812	0.65	382,812	0.43
Viroflay - FIM - Previdenciária	-	-	300,000	0.51	300,000	0.34
Other shareholders	312,840	1.06	27,102,404	46.03	27,415,244	31.04
Treasury shares	40,000	0.14	3,183,300	5.41	3,223,300	3.65
F E R B A S A Capital Stock	29,440,000	100.00	58,880,000	100.00	88,320,000	100.00



GOVERNANCE STRUCTURE

GRI 102-18

The governance structure of FERBASA includes three management bodies: The Board of Directors, the Executive Board and the Supervisory Board. In 2021, the Corporate Governance Department was established, with functions that, amongst other responsibilities, include monitoring the execution of the decisions taken by the Board of Directors and providing support on issues of a corporate and governance nature.

As well as the committees created to provide support for the Board of Directors, the Company also has committees connected to the Executive Board, on which the employees play a role, with activities directly tied to the Company's strategic objectives. During this fiscal year, three new committees were created - Data Privacy, Innovation and ESG - each of which are presented below, within the topic relating to the specific issue.



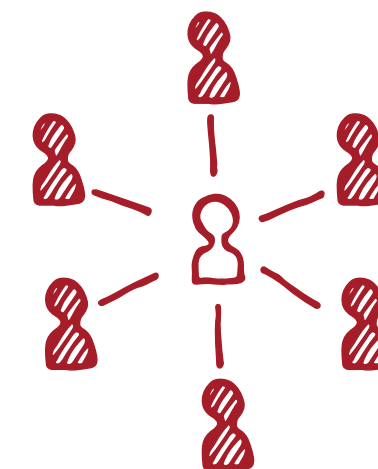
The Board of Directors

Elected annually by the General Assembly, the main responsibility of the Board of Directors is to act diligently on behalf of the longevity of the Company. With this intention, it falls to the Board of Directors to define the business objectives and orient the Executive Board in the formation of the strategic planning. The

Board, made up of at least five and at most eight members, is responsible for approval of the plans for investment of the annual budgets, for supervision of the actions of the management body, and for authorization of acts that exceed the powers of the management.

Members	Position
Geraldo de Oliveira Lopes	Chairperson
José Ronaldo Sobrinho	Co-Chairperson
Sérgio Curvelo Dória	Co-Chairperson
Bárbara Klein de Araújo Carvalho	Board Member
Guilherme de Alencar Amado	Board Member
Marcos Sampaio de Souza	Board Member
Marta Teixeira Barroso Fernandes	Board Member
Paulo Roberto Magalhães Bastos	Board Member

* On 18-Apr-2022, the following alterations were made to the composition of the Board of Directors: José Ronaldo Sobrinho withdrew from his position as co-chairperson, Paulo Roberto Magalhães Bastos left the Board, and Antônio Weiss joined.

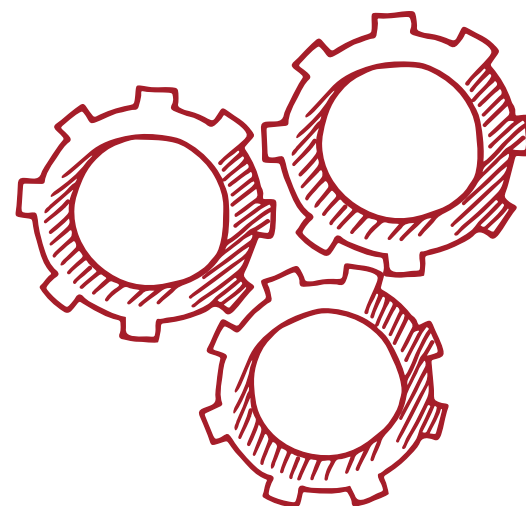


Executive Board

With eight members elected annually by the Board of Directors, the Executive Board is responsible for supervision of the different control organs, guaranteeing compliance with internal policies, drafting the budget, the investment plan, the financial statements and all other directives and reports for approval by the Board of Directors.

Directors	Position
Marcio Lopes Fernandes de Barros	CEO
Ana Paula Fontes Mesquita de Oliveira	Administrative Director
Claudiney Marcio de Araújo Pedrosa	Commercial Director
Eriberto do Nascimento Leite	Director of New Business
Heron Albergaria de Melo	CFO and Investor Relations Director
Oséias da Rocha Fiau	Industrial Director
Sebastião da Cruz Andrade	Forest Resources Director
Wanderley Lins de Oliveira	Mining Operations Director

* On 18-Apr-2022, the following alterations were made: José Ronaldo Sobrinho provisionally assumed the role of CEO, Álvaro Fernandes took over as Director of Innovation and New Business, Marcio Barros became Director of Investor Relations as well as Director of Legal and Compliance Affairs, Eriberto Nascimento was nominated Mining Operations Director, and Wanderley Oliveira took over as Director of Geology and Mining. On 19-Sept-2022, Silvano de Souza Andrade was named CEO of FERBASA.



Supervisory Board

Made up of three members, the Supervisory Board operates as an independent supervisory body. Its responsibilities include examining and approving the financial statements, balance sheets and other statements concerning economic-financial performance. With an annual mandate, it is implemented and its members elected at the Annual General Meeting.

Members	Position
Cristiano Lima da Mota	Effective Member
Emanuel Paixão de Oliveira	Effective Member
Massao Fabio Oya	Effective Member
José Augusto da Silva de Almeida	Alternate Member
José Santos Souza	Alternate Member
Maria Elvira Lopes Gimenez	Alternate Member



COMMITTEES PROVIDING SUPPORT TO THE BOARD

AUDIT COMMITTEE

The Audit Committee supports the Board of Directors in supervising the actions of the executives relating to the drafting and quality of the financial statements, internal and external audits, risk management and internal controls, interaction with the Supervisory Board and monitoring of the Compliance Hotline.

ETHICAL CONDUCT COMMITTEE

Made up of five members nominated by the Board and ratified by the Audit Committee, the body to which it reports, the main function of the Ethical Conduct Committee is to ascertain, evaluate and investigate any accusations of violation of the terms of the Code of Conduct, as well as guide, advise and receive representations.

HR Committee

The HR Committee supports the Board of Directors in its responsibilities concerning strategies and policies relating to succession, personnel development and retention of talents, the organizational structure, remuneration program and analysis of candidates to be nominated for the Board of Directors and other strategic positions.

STRATEGY COMMITTEE

The Strategy Committee supports the Board of Directors on matters relating to the critical perspective of the business, objectives and strategies; innovation of products and services; strategic projects and monitoring of the process of development of the Company's Strategic Planning, with a focus on new market opportunities that can lead the Company to new levels of growth and profitability.

COMMITTEES PROVIDING SUPPORT TO THE EXECUTIVE BOARD

INNOVATION COMMITTEE

The aim of the Innovation Committee is to promote the process of innovation to increase the Company's competitive standing and align the projects under development with the directives of the Strategic Planning. During 2021, a workshop was conducted with the aim of raising the awareness of the company's management and lead employees and providing them with tools relating to the concepts of innovation. A diagnosis was also undertaken with the aim of identifying the level of maturity of the management model, which has guided the development of new strategies focused on innovation practices.

FERBASA INSIGHT

'Ferbasa Insight' is the first open call for innovation performed by the Company, with studies starting in 2021 and execution of the activities directed towards startups and researchers in 2022. Developed in partnership with the Federal University of Viçosa (UFV), the project is challenged with reducing the generation of bio-reducer fines, whilst also operating as a strategy for encouraging more collaborative and diverse processes, that allow the involvement of clients, research institutes, public bodies and other companies.

ESG COMMITTEE

Created with the aim of controlling, disclosing and empowering environmental, social and governance practices, the central activity of the ESG Committee during the period in question was the diagnosis of FERBASA'S current level of maturity in all aspects of ESG. The study, developed by a specialist consultancy, also provides a summary of the actions and improvement potential of the ESG score. Based upon this document, an Action Plan was developed, which the Company analyzed and has taken a dedicated position on in 2022.

DATA PRIVACY COMMITTEE

The essential role of the Data Privacy Committee is to provide the Board of Directors with support, thereby allowing it to make decisions concerning the procedures to be adopted in each concrete situation involving the handling of personal data, as well as supporting compliance with legislation and presenting benchmarking of good information security practices and data handling. The group can also request and/or suggest initiatives to ensure that employees and third parties adhere more closely to the General Data Protection Law (LGPD).

LGPD JOURNEY

Over the course of the year, FERBASA developed and updated specific regulations to ensure its adherence to the LGPD, such as the Information Security Policy, the Personal Data Protection and Privacy Policy, and the Cookies Policy. This initiative led on from actions that had been started in 2019, including management of the collection, processing, sharing and storage of private information. The activities will continue into the forthcoming year, with internal training and implementation of a specialist arrangement for the governance of data privacy.



MATERIALITY

GRI 102-44, 102-47

As part of the cycle of work involved for this Report, and in line with the guidelines of the Global Reporting Initiative (GRI), FERBASA put together a new materiality matrix in 2021.

The aim was to update the most important topics to be considered in the company's strategy and management, in accordance with the social, environmental and economic impacts

arising from its activities. All the topics listed have repercussions both within and outside the Company.

As part of this process, eighteen interviews were conducted with some of the principal stakeholders - senior management, board members, specialists, and representatives of the community and the employees - who also took part in the on-line consultation stage, which further involved shareholders, clients and suppliers. In total, 261 respondents participated in this stage. The list provides added support to seven material topics, that were later reviewed and approved by the senior management, and

these are presented below in hierarchical order of importance:

1. Waste management
2. Local communities
3. Attraction, retention and development of human capital
4. Governance, transparency, ethics and compliance
5. Energy resources
6. Hydro-resources
7. Fair hiring practices, health and safety



ETHICS, INTEGRITY AND COMPLIANCE

GRI 103-2, 103-3

Consistent with the commitment to ethics and integrity in its business, the Company has set out a Code of Conduct, that brings together the Company's ethical principles, guides its relationship with its stakeholders, strengthens its institutional image with society, and clearly demonstrates its expectations concerning behavior and respect for the routine procedures that are to be adopted by everyone. Available for consultation on the official website, the document also sets forth the pursuit of excellence in all the company's activities.

To ensure adherence to the Code, the Company has established a hotline for accusations of violations, that can be made by e-mail to comiteconduta@ferbasa.com.br or by telephone to (+ 55 71) 3404-3199. Open for absolutely everyone to use, the channel recognizes the accuser's right to anonymity, and promises confidential and impartial evaluations of the accusations. During the fiscal year in question, three investigative procedures were implemented, which were still under way at the end of the period.

Investigative procedures implemented

2019	2020	2021
03	04	03*

*Under way

All matters of compliance are rigorously addressed through the Code of Conduct, the Conduct Committee, the active Compliance Hotline and the Company's Internal Auditor.

The Investor Relations website (https://www.ferbasa.com.br/default_pt.asp?idioma=0&con-

[ta=28](#)) makes a number of publications available for public consultation, including the Bylaws, the Disclosure Policy and the Risk Management Policy, as well as information of importance to the shareholders and others.

RISK MANAGEMENT

GRI 103-3/ 102-11

The area of Risk Management and Compliance assesses the adaptation, efficiency and effectiveness of the control systems, based upon the monitoring of the most pressing risks to which the Company is exposed. Under the coordination of the Internal Controls department and the supervision of the Audit Committee, the evaluations and classifications are performed according to the probability of occurrence and their importance. The leaders take part in the analysis of the indicators, which gauge the risks, as well as their impacts and vulnerability.

The Risk Management Policy is aligned with the premises of the Committee of Sponsoring Organizations (Coso) and outlines the procedures necessary for development and monitoring of remediation plans and the applicable contingencies and legislation. For the coming year, the company has planned a reevaluation of the matrix of the relevant operational risks, with reclassification of the levels of impact and the vulnerabilities, considering the mitigation actions and controls adopted by each business area.



CHANNELS OF COMMUNICATION

GRI 102-12, 102-13, 102-40, 102-42, 102-43, 102-44

Strengthening dialog with all interested parties and building ethical, healthy and long-lasting relations are the focal points of FERBASA'S relationship policy with its stakeholders. The Company provides numerous channels of communication to meet external needs and to guide its activities with transparency, integrity and respect.



CLIENTS

Product and services satisfaction study | Positive evaluations

2019	2020	2021
100%	93%	97%

Being committed to the quality of its product and the satisfaction of its clients, FERBASA monitors the points raised in the study, which have historically been related to prices and flexibility in negotiations. The continual supervision of these aspects aims to maintain the high standard of service.

Another mechanism designed to monitor the events involving stakeholders is the systematic control of complaints, which are monitored by the Integrated Management System working group. The following were recorded over the course of the year:

Complaint mechanisms

Complaints	2019	2020	2021
Number of complaints identified by means of the mechanism ²	4	6	1
Number of complaints addressed	2	0	0
Number of complaints resolved	1	2	1
Number of complaints registered prior to the period covered by this report and resolved over the course of this period	N/A	N/A	N/A

PARTICIPATION IN ENTITIES AND ASSOCIATIONS

With the objective of strengthening the corporate structures and generating value for society, FERBASA also participates in sector associations, multi-disciplinary councils, federations and other institutional representation forums that aim to achieve sustainable socioeconomic development. These channels create opportunities for dialog with the Company's peers and with society as a whole, intensify its engagement with its different groups of stakeholders, and keep it constantly in line with the trends and institutional agendas of the sectors in which it operates. In total, FERBASA participates in 22 entities and associations:

- . American Chamber of Commerce for Brazil - AMCHAM;
- . Bahia Association for Planted Forests - ABAF;
- . Brazilian Association for Wind Energy - ABEEÓLICA;
- . Association of Large Energy Consumers and Free Consumers - ABRACE;
- . Brazilian Association of Ferroalloys and Metallic Silicon Producers - ABRAFE;
- . State Environmental Board - CEPRAM;
- . Brazilian Mining Institute - IBRAM;
- . Association of Bahia Port Users - USUPORT;
- . The Bahia Forum on Global Climate Change and Biodiversity - FBMC-Bio;
- . Pojuca City Environmental Defense Council - COMDEMA;
- . State Water Resources Board - CONERH;
- . Entre Rios Environmental Board;
- . Esplanada Environmental Board;
- . Maracás Environmental Board;
- . Mata de São João Environmental Board;
- . Northern Coast Management Board;
- . Bahia Federation of Industries Sustainability Board - FIEB;
- . State of Bahia Union of Metallic Ores, Noble and Precious Metals, Precious and Semi-Precious Stones and Magnesite Producers - SINDIMIBA;
- . Northern Bay and Inhambupe River Basin Committee - CBHRI;
- . Itapicuru River Basin Committee - CBHI;
- . Bahia Federation of Industries Mining Working Group - FIEB;
- . Andorinha II Dam Water Allocation Monitoring Commission



DIALOG WITH COMMUNITIES

In 2021, online services were still being provided to the communities covered by the 'Aqui Tem Ferbasa' social responsibility program, through the use of messaging tools. As the pandemic eased up, the possibility arose of performing a number of in-person initiatives, involving technical visits and meetings. For the second year running, the Community Leaders Forum was the most important communication tool with this public. Based upon discussions, it was possible to increase our understanding of the demands and expectations of this group. Read more in Social Responsibility - page 101.

SUPPLIERS

GRI 102-9

FERBASA's chain of suppliers includes equipment, materials and service providers, and is divided into three principal segments:

- Raw materials, inputs and support materials: electricity, coking coal, various different ores, bio-reducer, diesel oil, electrode paste;
- Maintenance, repairs and operation (MRO): correction, improvement, monitoring and/or inspection items, be they for mobile or fixed

equipment;

- Equipment: various assets.

A large part of the materials, such as ores and bio-reducer, is supplied by FERBASA itself. For service suppliers, the principal demands relate to forest, transportation, leasing and maintenance activities.

The Company has an annual turnover

of **R\$ 930 million**, in relation to contracts signed with a group of around **1,600** active suppliers. By the characteristics of the activities performed, **48%** of the volume of resources are traded in Bahia, 31% in other states, and **21%** in other countries.



MANAGEMENT OF HUMAN CAPITAL

GRI 103-2, 103-3, 102-8, 401-1

*FERBASA'S teams are inspired
by a corporate
culture that is founded on
the valuing of human capital*



Through its activities, the Personnel Department seeks to promote a healthy working environment, that is open to innovations, respectful of individual rights and differences, appreciates equality of treatment, and encourages ethical and open dialog. Aiming to maintain an environment that motivates personal and professional achievement, the Company encourages learning processes and offers opportunities for growth and the evolution of behavioral aspects and technical skills.

In relation to hiring, the promotion of internal professionals is prioritized along with the embracing of local labor, whenever possible, at all hierarchical levels. At the end of the fiscal year, the Company was composed

of a team of 3,103 direct and 1,278 indirect employees, with the new hiring of 154 direct employees, corresponding to a rate of 4.95% of the workforce being new professionals. During the year, there was a turnover rate of 4.69%.

In the hiring indicators, dismissals and turnover include apprentices, interns, trainees and document control assistants, all of whom form part of specific programs. This group represents 5.08% of the jobs, of which 39.33% are occupied by women.



Collaborators per type of employment contract and gender¹

Type of agreement	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	2,725	209	2,934	2,725	217	2,942	2,740	211	2,957
Temporary	84	69	153	91	69	160	88	58	146
Total	2,809	278	3,087	2,816	286	3,102	2,828	269	3,103

¹ Around 30% of the workforce is made up of workers who are not direct employees. The data has been drawn from the Company's payroll system, and relates to the period of December, 2021.

Employees by type of employment¹

Type of job	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	2,713	208	2,921	2,719	217	2,936	2,736	215	2,947
Part-time	96	70	166	97	69	166	92	60	1526
Total	2,809	278	3,087	2,816	286	3,102	2,828	275	3,103

Employees by age group

	2019	2020	2021
Under 30	648	531	542
30 to 50 years of age	2,042	2,100	2,093
Over 50	397	471	468
Total	3,087	3,102	3,103

Employees by employment category

	2019	2020	2021
Middle Management	31	25	33
Team Leaders/Coordination	57	54	52
Technicians/Supervisors	230	227	236
Administrative Staff	417	409	399
Operational staff	2,352	2,387	2,383
Total	3,087	3,102	3,103

Employees by employment category and gender

	2021		
	Men	Women	Total
Apprentices	230	227	236
<i>Trainees</i>	417	409	399
Total	647	636	635

Executives on the governing bodies

	2019	2020	2021
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The Board of Directors	8	8	8
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Senior management

	2019	2020	2021
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Management	8	7	8
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TOTAL NUMBER OF EMPLOYEES HIRED,
BY AGE GROUP, GENDER AND REGION

Employees by age group

Years	2019	2020	2021
Age group	Hirings	Hirings	Hirings
Under 30	207	68	244
30 to 50 years of age	51	71	55
Over 50	2	1	-
Total	260	140	299

Employees by gender

Years	2019	2020	2021
Gender	Hirings	Hirings	Hirings
Men	175	121	222
Women	85	19	77
Total	260	140	299

Employees by region

Years	2019	2020	2021
Region	Hirings	Hirings	Hirings
Northeast	260	140	299
Total	260	140	299

Employees by gender

Years	2019	2020	2021
Gender	Terminations	Terminations	Terminations
Men	287	118	211
Women	67	11	87
Total	354	129	298

TOTAL NUMBER OF EMPLOYEES WHO LEFT THE COMPANY,
BY AGE GROUP, GENDER AND REGION

Employees by age group

Years	2019	2020	2021
Age group	Terminations	Terminations	Terminations
Under 30	177	37	128
30 to 50 years of age	135	64	73
Over 50	42	28	97
Total	354	129	298

Employees by region

Years	2019	2020	2021
Region	Terminations	Terminations	Terminations
Northeast	354	129	298
Total	354	129	298

TURNOVER BY AGE GROUP, GENDER AND REGION

Employees by age group			
Years	2019	2020	2021
Age group	Rate	Rate	Rate
Under 30	0.06	0.02	0.34
30 to 50 years of age	0.03	0.02	0.03
Over 50	0.01	0.00	0.10
Total	0.10	0.04	0.10

Employees by gender			
Years	2019	2020	2021
Gender	Rate	Rate	Rate
Men	0.07	0.04	0.08
Women	0.02	0.00	0.30
Total	0.09	0.04	0.38

Employees by region			
Years	2019	2020	2021
Region	Rate	Rate	Rate
Northeast	0.10	0.04	0.10
Total	0.10	0.04	0.10





TRAINING AND QUALIFICATION

GRI 103-2, 103-3

As a means of boosting employee development, the investment in training initiatives increased by 149% in 2021, compared to the previous fiscal year. As a result of this investment, 47,666.84 training hours were provided, with a positive impact on the quality and efficiency of the processes, whilst also effectively contributing to the safety of all the teams.

With the aim of increasing the critical analysis of the risks and control measures, as well as

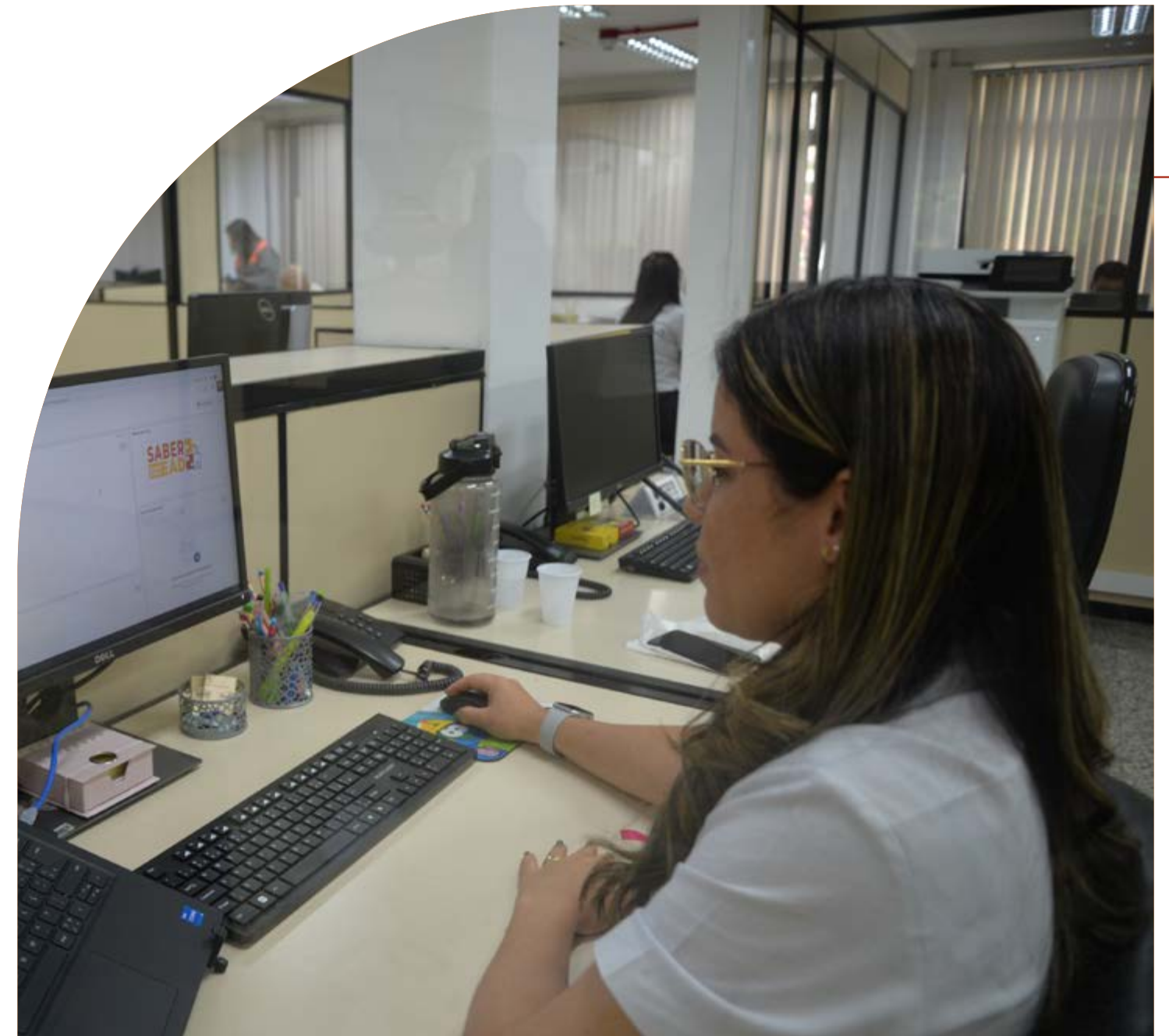
behavioral triggers for the perception of environmental risks and those involved in the labor processes, the Company continued with the implementation of its Behavioral Safety Program that highlights Management and Risk Perception Training. First started at the Metallurgical unit, 924 employees have participated in the action - 92% of the target-public. In 2022, the training was provided at the Forestry and Mining units.

SaberEAD platform

Aiming to provide yet another space focused on learning employee growth, 2021 saw the development of an online training platform called 'SaberEAD'. Within this system, the users enjoy a flexible space-time environment, with access to topics at the time that is most suitable to their individual daily routines.

It is expected that, in 2022, this collaborative

space will offer content that provides support ranging from the introduction of new employees, thereby facilitating the assimilation process, and the understanding of policies, procedures and conduct, through to the evolution of themes focused on technical training and learning paths.





DEVELOPMENT PROFESSIONAL

GRI 404-2

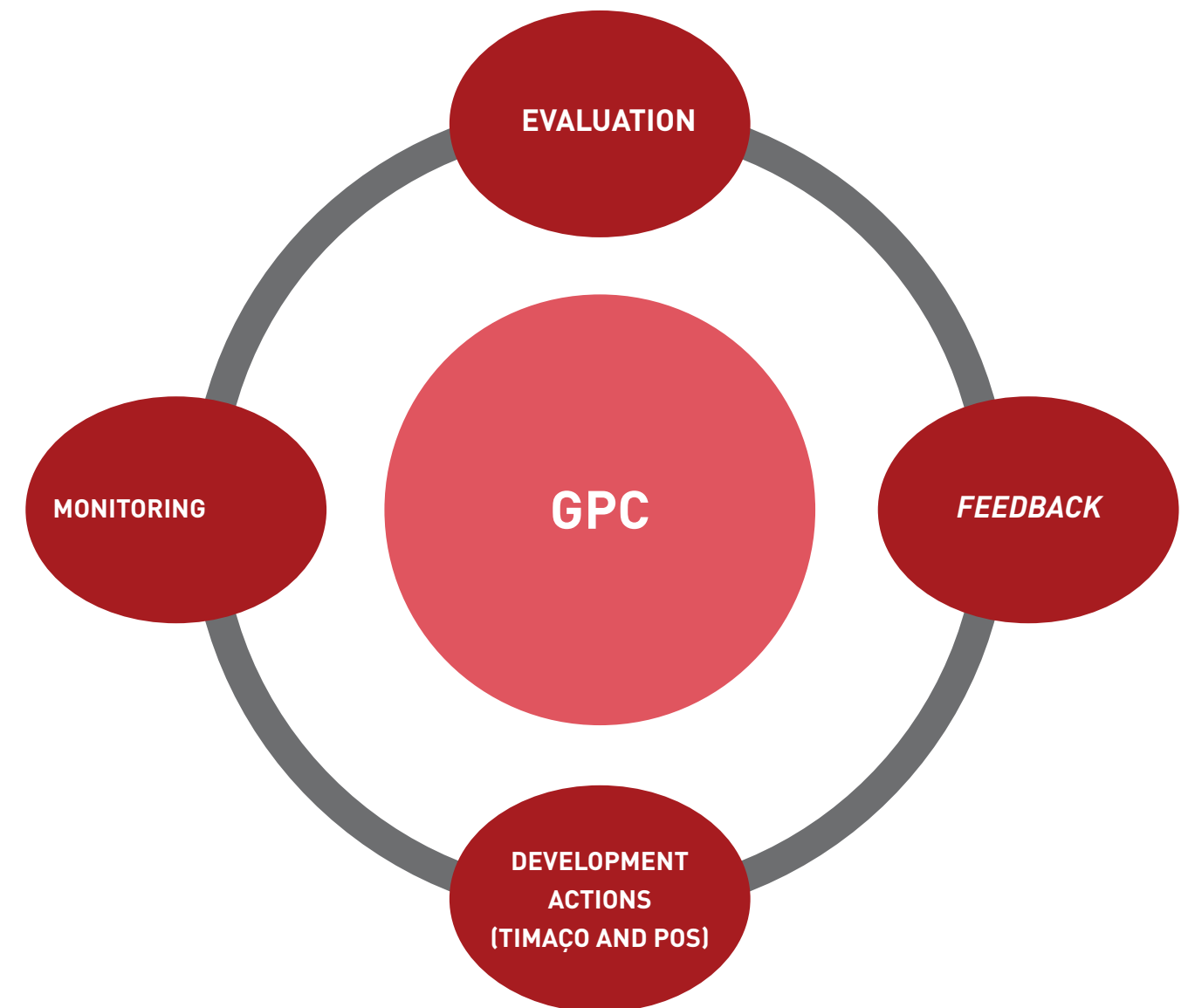
The FERBASA management is trained to maximize the knowledge, skills and initiatives of those making up their teams. As such, ongoing feedback tools are used and individual development plans are constructed to

direct the expectations of these professionals and encourage the achievement of corporate goals. Of these initiatives, the following is worthy of special mention:

Management for Skills

The main program developed by the Personnel Management Department, the 'Management for Skills' program involves the initiatives focused on strengthening individual skills, as well as providing annual guidance on the activities of the employees. Created as a development initiative, the program complements the employee's performance management process and supports their professional gro-

wth, focusing on FERBASA'S eight identified skills: to strengthen and disseminate values and culture; be market oriented; be committed to results; promote and disseminate the Integrated Management System; work with other areas; develop efficiency-focused solutions; be an agent for change; and inspire, engage and develop people.





‘Jovem Aprendiz’ Program

This program provides young people between the ages of 18 and 22 with their first work experience opportunity. Performed in partnership with the National Industrial Learning Service (Senai), places are primarily awarded

to the children of employees and young people from the communities neighboring the operating units. In 2021, the program’s selection stage received 3,231 applications and 70 young people were hired in the Mining sector and 75 in the Metallurgical sector.

Trainee Program

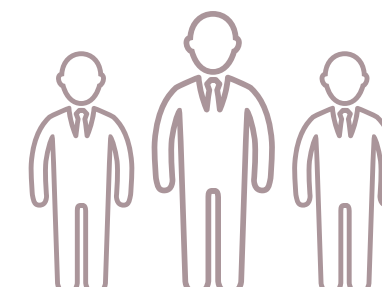
This program trains professionals for various different careers, through practical experience designed to improve their technical and analytical skills.



Team Development Program

The aim of this program is to mobilize the management to act together as agents of change in line with the culture of the Company, encouraging self-development for their teams to be able to grow and achieve the planned expectations and

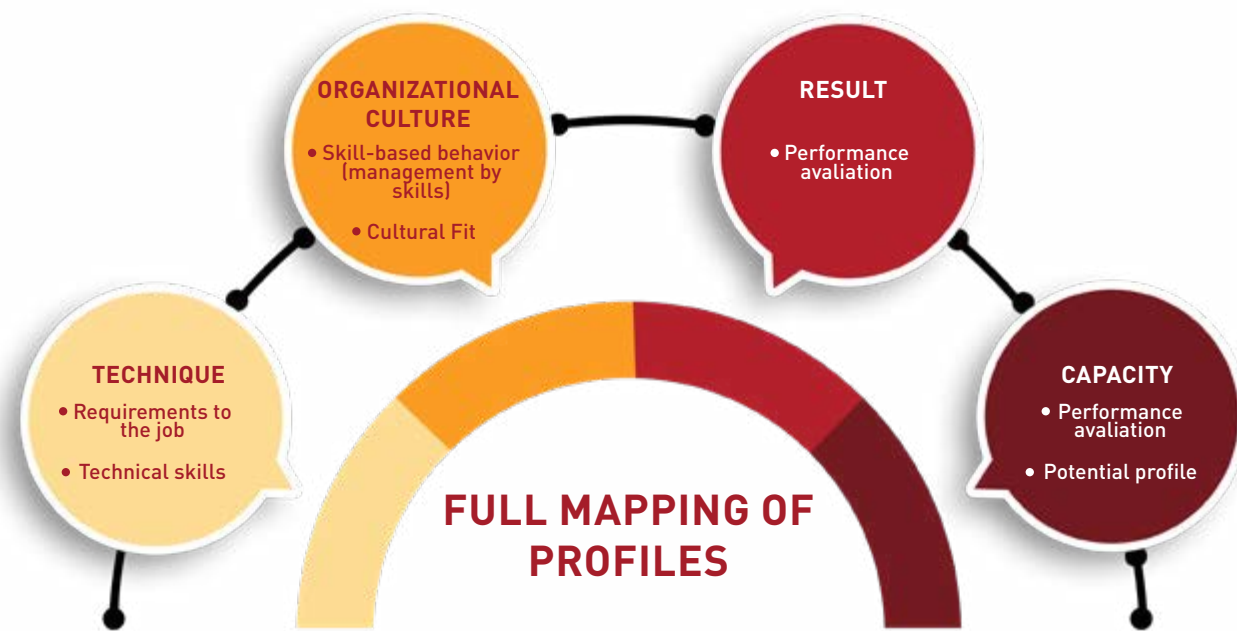
strategies. During the year in question, the actions were designed to provide training for 100% of the Mining management team, with 36 meetings at which almost 75 leaders received information on personnel management.



'Talentos em Dia' ('Today's Talents')

With the intention of maximizing talents through the systematic monitoring of their technical and behavioral skills, the 'Talentos em Dia' program provides leaders with a managerial panorama of their team, in terms of their professional growth, ongoing training and strengthening of the culture. The executive schedule of the actions was created in 2021

and, for 2022, the target is to make advances with the stages involved in criteria definition and requirements for positions, evaluation of those involved, and construction of the map of talents, whilst also defining the initiatives designed for individual and collective development.



Internal Talents Bank

Devised and structured in 2021, the intention of this initiative is to update and expand the information on internal talents. As of 2022, the bank will be bringing together systematized data, thereby allowing access to employees'

curricula. The idea is to maximize the potential talents that exist internally in the hiring processes, recognizing the value and skills of the "family silver".

REMUNERATION AND BENEFITS

GRI 404-2

The policy concerning salary and benefits aims to ensure FERBASA'S ability to attract and retain talents, as well as boost recognition of its professionals. To remain in line with best practices, whenever necessary, the Company contracts consultancies to perform salary studies and evaluate their competitive standing in the labor market. It is important to mention that there is no difference between the salary-bases of men and women performing the same job.





Participation in the Profits and Results Program (PLR)

This program involves all the employees and encourages participation in striving to achieve the best results for the Company. The annual targets are negotiated with the Employees' Representatives Commission and representatives of the unions.



Variable Remuneration Program

Implemented as a form of engaging the core in the fulfillment of the strategic planning objectives, this program involves those holding executive roles and is triggered by the net revenue and adjusted EBITDA. Annual targets are established in relation to sustainability, strategic projects, operational and economic efficiency, health and safety performance, and the results of the Management for Skills Program.

In accordance with its remuneration practices, the Company also provides the workfor-

ce with a competitive benefits package, which includes: medical and dental care, a study scholarship, group life insurance, a private pension plan, nursery facilities, restaurants at the operating units, transport and meal vouchers, personal accident insurance, vacation bonuses and, for those employees who have been with the Company for more than two years, an incentive to pursue professional and educational training, with support in the form of up to 50% of the cost of post-graduate or language courses.



OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

GRI 103-2, 103-3 | 403-1, 403-7, 403-8

FERBASA'S industrial, forestry and mining operations are characterized by a primary commitment to the safety of the workers, to the quality of the delivered products and to the care for the environment and natural resources. These directives are guarantees by the Integrated Management System (IMS), the processes of which are consolidated and constantly being improved.

In 2021, in addition to the traditional ISO 14001 and ISO 45001 seals, the Company's Mining unit was awarded the ISO 9001 seal - one

more step forward in proving the importance of operational excellence to the organization, which obtained its first ISO 9001 seal at the metallurgical plant in 1995. Awarded by ABS Quality Evaluations, and covering, respectively, the aspects of Quality, Environment and Health and Safety, these certifications are renewed annually following the internal and external auditing procedures. The IMS involves all of the Company's direct and outsourced employees.

RISK MANAGEMENT POLICY

GRI 403-2

FERBASA'S Integrated Management Policy is designed to ensure that the health and safety of all the direct and indirect employees is ensured. Its regulations are focused on:

- environmental compliance actions;
- safeguarding measures implemented at the units;
- operational improvements;
- investments in up-to-date protection equipment for the teams;
- safety training;
- plans for tackling contingencies.

In order to increase the safety levels, the risks involved in the operations are analyzed, as are the procedures necessary for the performance of the tasks, using tools that evaluate aspects, impacts, hazards and dangers (AIHD). The results contribute to the planning of actions designed to prevent accidents and serious illnesses. The AIHD system is regularly reviewed following each incident, to identify each new risk, or at least every six months. The updates are monitored and audited internally and externally.

Special attention has been paid to issues surrounding legal requirements, with investments being made in the projects and in making adjustments to ensure that Regulatory Norms 10, 12 and 35 are complied with. This diligence is exemplified by the study undertaken to check the compliance of all the equipment used in the safety of our installations; the services involving electricity and the performance of activities that involve machines and equipment, principally in the production areas; the analysis of the posts used for working at altitude; and the scaling of risks for the prioritization of investments.

FERBASA'S health and safety structure covers Internal Accident Prevention Commissions (CIPAS), Specialized Services in Safety Engineering and Occupational Medicine (SES-MTs) and Emergency Brigades at all the units. These organs operate independently, due to the individual activities and characteristics of each region.

The control and registration of the occurrences is handled in a corporate manner, by means of the operations of 18 multi-sector committees, which meet periodically to discuss the incidents and discuss prevention practices. A total of 154 interdisciplinary mee-

tings were held in 2021, with various different levels of management involved, thus allowing the managers to present their indicators, targets, objectives and the status of the actions of their respective areas, as well as their plans to achieve these goals.

The corporate indicator for behavioral approach deserves special mention, since it involves all the managers of the operational areas and demonstrates the importance of caring for each other.





Health and Safety Indicators

GRI 403-9

FERBASA has historically kept the frequency of its global accident rates within international guidelines. The Board of Directors monitors the indicators relating to the occurrence

of accidents and their severity on a monthly basis, with such indicators extending to all the operating units.

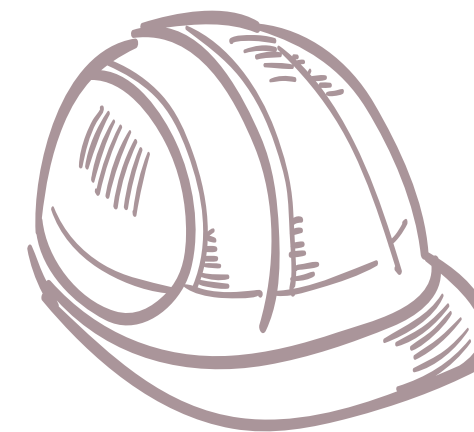
	2020		2021	
Region	Target	Results	Target	Results
CAF	0.36	0.43	0.20	0.60
SAF	3.27	4.46	2.12	3.97

In 2021, the Company registered 46 incidents which could be considered as having a high severity potential, and 84 work-related near accidents. There were more occurrences involving medical leave registered than in 2020. On the other hand, there was a drop in the number of accidents without medical leave. The frequency rate indicators remained close to the established indexes.

The rate of seriousness, of 134.9, demonstrates that the annual target of keeping the figures below 500 was achieved. However, the worsening of the results compared to 2020 (51.0) led the Company to implement educational and informative actions designed to

reinforce the culture of safety. The intention is to keep the team engaged in the pursuit of zero accidents. This directive became that much more noticeable in 2021, with the application of tools such as the Behavioral Approach to Safety.

In parallel, FERBASA continued with its project focused on adapting the work posts, with interventions in the layouts of the factories, especially the metallurgical overhead cranes, in the maintenance areas and the furnaces at the Forestry unit, and at the Mining workshops in Ipueira/BA.



	2020		2021	
	Employees	Workers who are not employees, but whose work and/or location of work is controlled by the organization	Employees	Workers who are not employees, but whose work and/or location of work is controlled by the organization
Number of hours worked	7,136,728.07	2,274,845.6	3,267,412.00	2,923,840.78
Number of fatalities as a result of work-related injury	0.00	0.00	0.00	0.00
Rate of fatalities as a result of work-related injury	0.00	0.00	3.00	3.00
Number of serious work-related injuries (excluding deaths)	2.00	2.00	3.00	3.97
Rate of high-consequence work-related injuries (excluding fatalities)	3.37	9.76	0.92	0.00
Number of recorded work-related injuries (including fatalities)	38.00	11.00	20.00	3.00
Rate of recorded work-related injuries (including fatalities)	64.14	53.70	6.12	2.84

The projects designed to tackle Fire and Panic at the Metallurgical and Mining units, are in their implementation stages. The construction and installation of equipment to cover and meet the established requirements, at all the plants, is expected to be completed by the end of 2022. The training and qualification of the leaders in behavioral safety and the awareness-raising and risk perception workshops, which cover 100% of the target-public, represent the Company's biggest tangible investment in the area of Health and Safety.



Anti-collision System

With the goal of reducing accidents involving vehicles, principally heavy machinery, FERBASA began a corporate, multi-annual project for implementation of an 'Anti-collision Sys-

tem'. This tool allows risks to be monitored by means of a detection field created by machines.

Right of refusal

GRI 403-9

The Company's care for people extends, principally, into awareness-raising and motivation actions, such as the spreading of the practice of the Right of Refusal, an initiative that aims to awaken in the employees the understanding that safety at work is non-negotiable.



By adding value to these attitudes, FERBASA hopes to maintain the care taken by all and increase awareness of the importance of safety in the employees' daily routines, from the perspective that all accidents - however serious they are, within or outside the units - are avoidable.

'Atitude Segura Contagia' ('Infectious Safety Attitude')

As one more way of increasing the employees' engagement in defense of safety as a maximum priority, the Company has put the 'Atitude Segura Contagia' campaign into practice, involving 100% of the direct and outsourced workers. The employees are encouraged to participate in safety inspections, and suggestion boxes have been distributed around operational areas, whilst Safety Discussions are held, as well as weekly get-togethers and periodic meetings, which involve the participation of the operational and support teams.

Jointly, the actions have aimed to listen to the employees and understand their difficulties and obstacles in performing their operations in a way that is entirely safe, so that, based upon this, the procedures can be improved and innovations focused on safety can be found, be

they in the technical or behavioral aspects.

The theme of the campaign also served as a driver for the activities undertaken in the Internal Accident Prevention Week (SIPAT), with one highlight being a video competition, in which each participant explained what sort of safe attitudes were being adopted in their daily lives and the benefits achieved through this behavior, be it at work, home, or in the community.

Security Alert

Developed and implemented in 2021, the Security Alert intends to streamline the transmission of information on the occurrences to all the units. The intention is to allow possibly similar scenarios to be checked at the different sites and prevent accidents of a similar nature.

THE QUALITY CONTROL CIRCLE

GRI 403-1

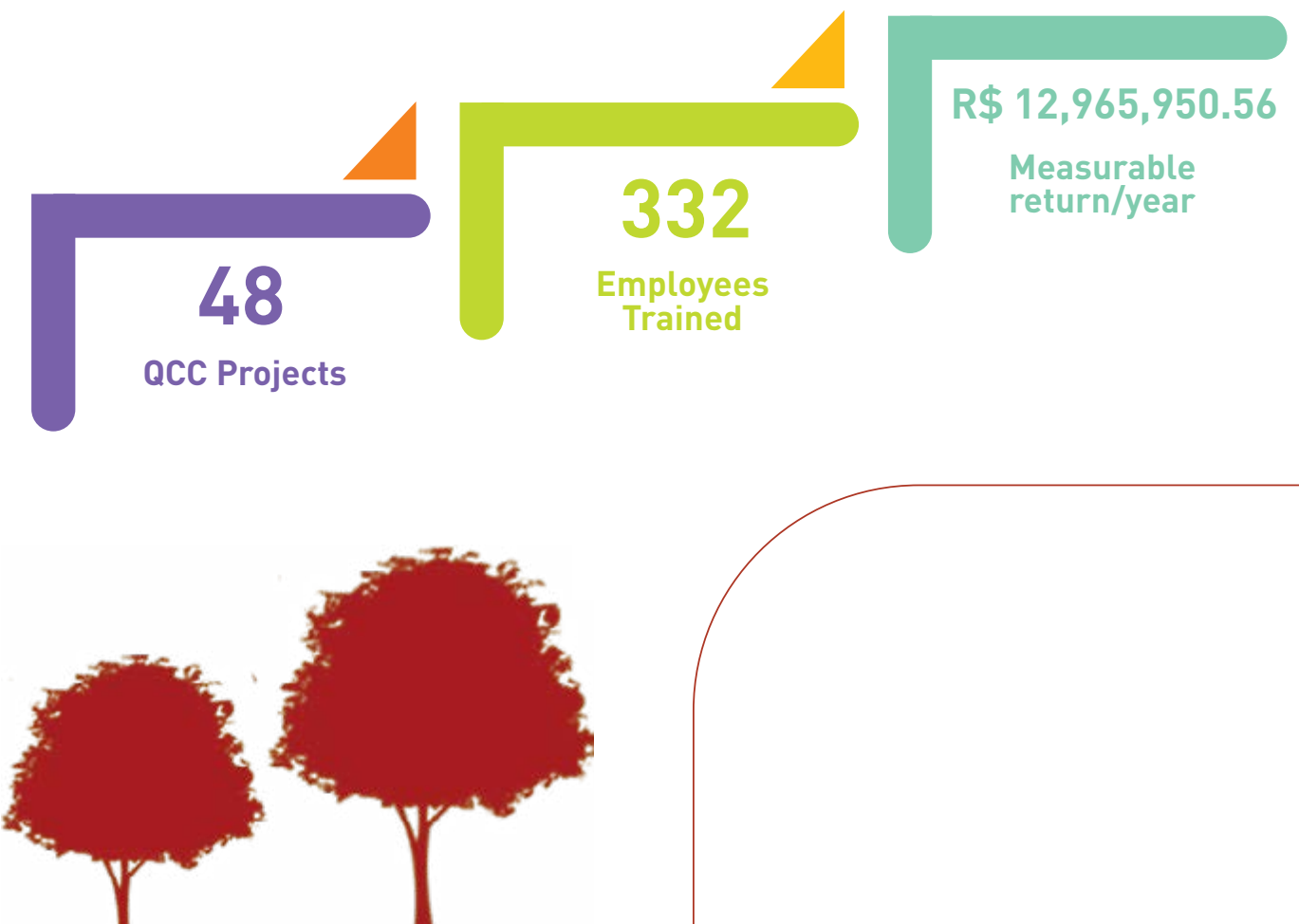
The Quality Control Circle (QCC) consists of a program designed to encourage the development of innovative solutions for the improvement of the internal processes, orienting the Health, Safety and Environmental areas.

The participating employees receive training in advanced quality tools and processes, and, later on, having been organized into teams, they develop creative, operational improvement projects designed to be implemented at

low cost.

The final cycle, relating to the period 2021-2022, was notable for the participation of 65 employees, divided into nine teams. Together, the projects from this period involved investments of R\$ 105,000, a cost of R\$ 1.8 million for reproduction, and return of more than R\$ 4 million.

A summary of the cycles performed by FERBASA



	Number of employees trained	Project investment (R\$)	Reproduction investment (R\$)	Updated measurable return (R\$)
1 st cycle (2016/2017) 7 teams	49	41,293.00	65,120.00	331,864.00
2 nd cycle (2017/2018) 12 teams	80	294,592.00	584,981.00	3,025,085.00
3 rd cycle (2018/2019) 10 teams	70	205,726.00	490,000.00	799,254.00
4 nd cycle (2019/2020) 10 teams	68	125,022.02	1,287,747.78	4,591,642.53
5 nd cycle (2021/2022) 9 teams	65	105,044.83	1,174,783.23	4,218,105.03
Total	332	771,677.85	3,602,632.01	12,965,950.56

Principal unmeasurable results of the QCC

- Improvement in safety conditions;
- Improvement in ergonomic conditions;
- Internal client satisfaction;
- Optimization of time;
- Employee training;
- Reduction of risk of accidents;
- Increase in useful life of equipment;
- Reduction in production losses;
- Reduction in repeated work;
- Standardization; and
- Reduction in impact on the environment.

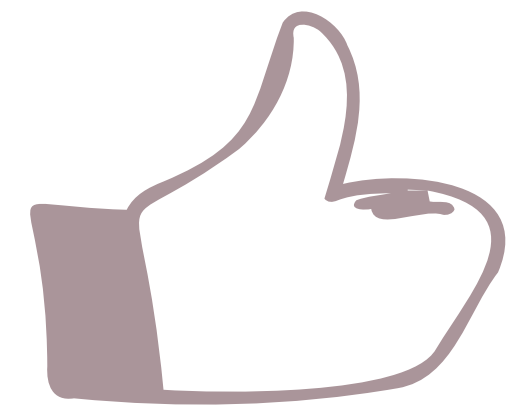
QUALITY OF LIFE

GRI 403-1

The 'Viva+' program is designed to implement actions in support of the physical and mental health and wellbeing of the employees. Ongoing monitoring is focused on humane treatment and preventative initiatives. The areas of activity include educational campaigns, which extend both to the employees and their families, and individualized medical care, provided by specialists in various areas of health care. During the pandemic, special attention was paid to monitoring those individuals in high-risk groups who

were exempted from in-person activities as a preventative measure.

The Viva+ program involves the monitoring of 100% of those patients with serious illnesses, monitoring of nutrition, provision of psychological support and psychosocial orientation (all of which were also extended to family members), vaccination (with 1,280 doses applied in the anti-flu drive), and workplace exercise sessions (in-person and remote), as well as initiatives such as:



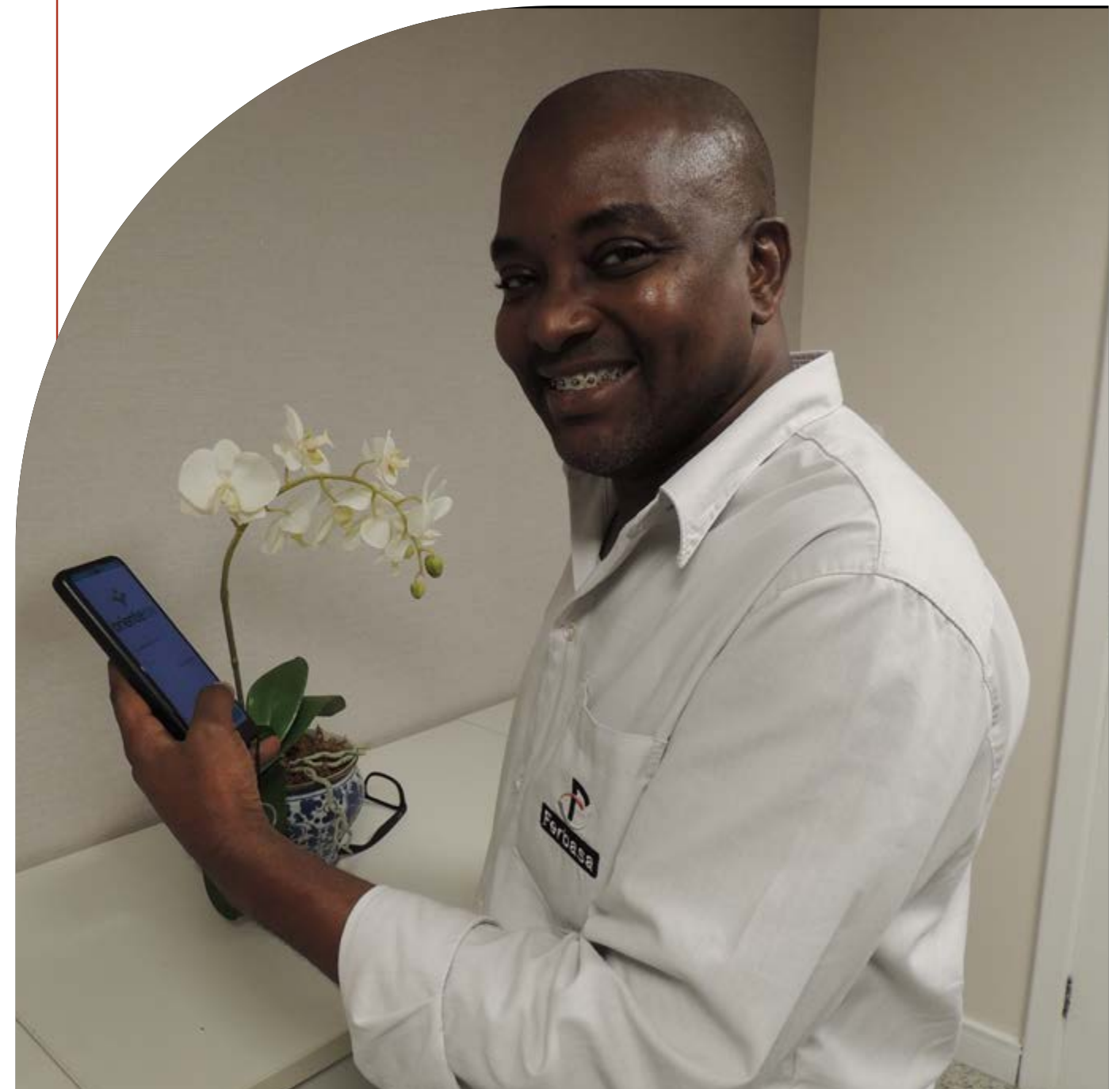
“Connected” online event

Every month, an invited specialist connected with around 600 employees, clarifying doubts and providing information on the prevention of illnesses. These live, online events were broadcast on the FERBASA YouTube channel and in the canteens of the operational units.



“Guide-me” app

This is a cellular phone app providing free, online psychological counseling for employees and their dependents. Over the course of the year, 68 people received regular sessions, of whom 59% were holders of the company's health plan. Since the beginning of the use of the app, more than 505 videocalls and 11,011 messages have been exchanged between the users and the psychologists available.



‘Mother’s Love’ program

Aimed at pregnant women (employees and their dependents), this program provides multi-professional monitoring, supporting the future mother with guidance and tips for their own health and that of their baby. In 2021, a total of 46 new mothers voluntarily registered, also enjoying exemption from coinsurance payments on all the exams and consultations relating to their pregnancy.





ENVIRONMENTAL MANAGEMENT

FERBASA'S environmental management prioritizes the prevention and mitigation of the impacts related to its manufacturing processes.



This directive envisages a responsible and attentive attitude in the use of natural resources (especially those that are non-renewable), the employment of sustainable practices, and compliance with legal and regulatory requirements.

The initiatives listed in this chapter fall within the scope of the Integrated Management System, and the terms of the commitment assumed by FERBASA include the management of all the determinants contained in the environmental licenses issued for the industrial, mining, forestry and energy generation activities.

One of the highlights of the year was the conclusion of the first stage of the project designed to optimize the dust removal from drilling in order to reduce fugitive emissions in the Metallurgy furnaces. The project achieved the results expected and has improved the quality of the air within the unit. The project is expected to be fully concluded by 2024.

In 2021, the Company included the management of waste, energy resources and hydro-resources in its material topics, a strategic prioritization that is reflected, for example, in the reuse of byproducts:

Type of byproduct	Destination	Quantity (t)
High carbon ferrochrome slag	Material added for civil construction	251,044
Silica fume	Material added for civil construction	12,842
Quartz fines	Restoration of neighboring highways and industrial use	30,077
Bio-reducer fines	Industrial production chain	35,460

FOREST RESOURCES

The Forest Resources unit, that contributes substantially to the environmental performance of FERBASA, covers the Bahian municipalities of Araçás, Aramarí, Cardeal da Silva, Conde, Entre Rios, Esplanada, Maracás, Mata de São João and Planaltino. As part of the integrated production cycle, the unit supplies the bio-reducer used as a reducer at the ferrosilicon factory. The planted eucalyptus forests capture large volumes of carbon, an important factor in the environmental balance of the Company's activities.



Biodiversity

- Regenerative forests cultivated in mosaic form, allowing for the formation of native forest corridors in which numerous species of wild fauna can be found.
- Annual campaigns for the release of animals into the wild, performed together with public environmental organs, promote the reintegration of species into their original habitat.
- Conservation of more than that established by legislation in an extension of forest assets made up of protected native forests, including areas of legal reserve and permanent conservation.
- Actions designed to recover ciliary forests are performed continually.
- 1,243 hectares of Private Natural Heritage Reserve (Integral Protection Conservation Unit), permanently under the protection of FERBASA.



ENVIRONMENTAL PROGRAMS

FERBASA'S Area Cleaning and Organization Program (PLOA) encourages voluntary actions focused on the cleaning, organization and conservation of the installations and equipment made available, as well as proper signposting in the work environments. With positive impacts on the conservation of the natural heritage and operational efficiency, the PLOA contributes to environmental management through a reduction in the generation of waste, and the consumption of water and electricity.

The Environmental Education Program (PEA), meanwhile, designed to involve the FERBASA employees and the communities neighboring the units, seeks to raise awareness with respect to the importance of environmental conservation, through the sharing of information on solid waste management, fighting wildfires, and the economization of natural resources in general. The initiatives of the PEA are undertaken by employees from various different areas, who work as multipliers in the awareness-raising work. Over the course of the year, as well as hosting two live online



events for the internal public, 1,525 tree saplings were donated to communities, municipal governments and employees. The tree species donated included: Barriguda, Caraiqueira, Ipê, Jurema Preta, Quaresmeira, Sibipiruna, Umburana and Umbuzeiro.

Furthermore, under the *#DesperdícioZero* ('#ZeroWaste') approach, employees are encouraged to avoid generating waste at home and in their communities. The dialogs concerning this matter demonstrate the importance of recycling and reuse both within and outside the company through the related personal experiences of the employees.



WASTE MANAGEMENT

GRI 103-2, 103-3 | 306-1, 306-2, 306-4, 306-5

The actions in this area fall into line with the Waste Management Policy, which fully addresses the management of the generated waste (from origin to final disposal), and are supervised by the Management of Byproducts and Waste Committee, which is responsible for employing the best practices related to the issue and studying new alternatives for reducing waste generation and/or transforming it into coproducts. Cases of possible environmental accidents involving the generation of waste are handled by the Integrated Management Commission, which is prepared to immediately evaluate the occurrence and propose corrective and preventative measures.

res.

Management of this topic is undertaken by the company's own technical team, and is based upon the Solid Waste Management Program (SWMP) and system norms. The data are monitored on a daily basis, using a process that involves collection and storage equipment, as well as other practices designed to control the quantity, generating source and classification of the generated waste. All of the measures implemented are focused on the non-generation, reduction, reuse, recycling and final treatment of the waste, prioritizing the alternatives of reuse, recycling and reverse logistics, based upon the National Solid Waste Policy (PNRS).





Inventory of Emissions of Greenhouse Gases

In 2021, FERBASA'S second inventory of Greenhouse Gas Emissions was completed, based upon 2020 data. The results of the study, which involves all the units, will be used to develop an action plan on decarbonization, with a special focus on the management of carbon emissions.

The work reveals that more than 80% of the

Company's emissions arise from metallurgical activities, 13,7% from the mining units, and 5.8% from the forestry unit. The emissions resulting from industrial processes are responsible for 60% of the emissions and principally involve the production of the bio-reducer and use of coke coal, charcoal and electrode pastes. The consumption of electricity accounts for 19% and the product logistics for 12%.

Numerous actions that have been implemented contribute to combating climate change, amongst which are: electricity from a renewable source generated by BW-Guirapá, which avoided the emission of 264,700 tCO₂e; and the use of charcoal rather than other fossil fuels. Furthermore, the forests that the Company has planted, together with the Atlantic Rainforest and Caatinga conservation areas,

contain more than 11 million tCO₂e in accumulated carbon stock.

The classification of the related emissions follows the GHG Protocol methodology and has undergone a number of alterations since it was first developed in 2019 using 2018 as a base. The final data show the following:

FERBASA 2020 GHG Inventory

Scope 1 - Direct emissions from proprietary or controlled sources	356,184.63 tCO ₂
Scope 2 - Indirect emissions from acquired energy	105,790.55 tCO ₂
Scope 3 - Other indirect emissions	93,256.73 tCO ₂
Total	555,231.91 tCO₂

N.B.: upon recommendation from the Brazilian GHG Protocol Program, it was necessary to update the GWP (Global Warming Potential) of the GHGs, taking as a base the reference values of the IPCC's Fifth Assessment Report (AR5). Furthermore, the calculation of emissions was updated using the electricity consumption from the base year. As such, the total updated value of the 2018 emissions is 491,167.71 tCO₂e.

METALLURGY

GRI 306-1, 306-3

Low carbon slag is one of the residues generated by the metallurgical plant and is the target of numerous studies focused on its reuse and consequent classification as a coproduct. The studies prioritize a reduction in its generation and its environmentally-correct disposal, as well as how to make economic gains from the material. Other coproducts of industrial origin, such as ferrosilicon slag and ferrosilicon chrome are already being reused in internal processes, or are marketed for use as a raw-material in metallurgical processes.

Simultaneously, improvements made to the warehouse structures for the storage of waste have led to a reduction in accumulated humidity, principally favoring overseas commercial reuse.



MINING

GRI 306-1, 306-2

The tailings from the mineral extraction process constitute one of the principal residues generated by the segment. Its treatment follows the stipulations established under the Recovery of Damaged Areas Plan (PRAD), developed individually for each site and approved by the relevant environmental organs, whenever required.

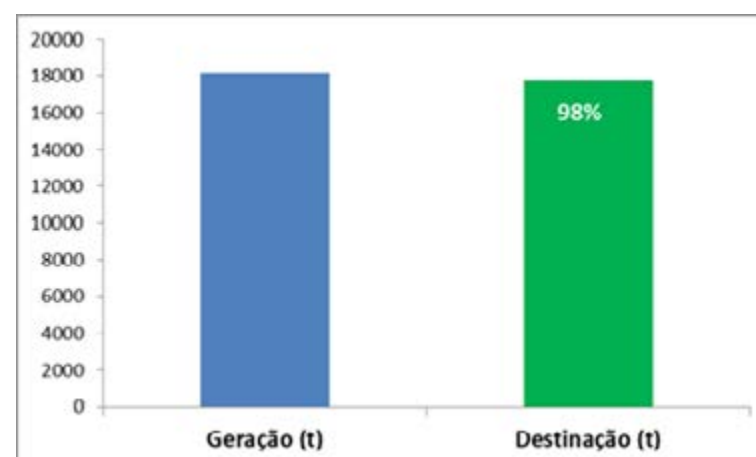
At the chrome mines, following the mining and recovery of the water in the processing procedure, the tailings are stored in Tailings Storage Facilities (TSFs) or in other areas for future use. A 'scarvenger' stage is currently underway, being designed to separate tailings of less than 1mm, and contributing to a reduction in the de-

posited mass whilst providing gains of approximately 10% in the metallurgical recovery within the humidity-based gravimetric concentration process. The quartz fines, meanwhile, can be marketed as a coproduct for the upkeep of the neighboring highways or employed in reshaping the surrounding topography.

The other wastes generated by the unit, be they from the process itself or from the acquisition of inputs, such as batteries, tires or metal drums, are preferentially returned to the suppliers in the form of reverse logistics or are disposed of in the environmentally-correct manner.

R&D

FERBASA is continually investing in research to enable the reuse of slag as a means of making this material a marketable coproduct. Amongst the possibilities are its use in agribusiness, as a fertilizer or soil treatment product, and potentially in the civil construction industry, as a component in concrete.



ADVANCES IN REUSE

Disposal of the reusable waste achieved a corporate indicator of 90% (the minimum target was 70%). Amongst other initiatives, this advance reflects the conclusion of the first stage in the processing of the tumbled quartz. This mineral, that was previously washed at an industrial park, has started to be washed at the mine itself, thus reducing waste and water consumption. This meant that 29,478t less waste was transported in 2021, corresponding to 15.5% of the site's annual production. Due to this reduction, FERBASA reduced its fuel consumption by 157,263 liters, and emitted 482.954 tCO₂ for proper environmental disposal.



WASTE MANAGEMENT DISCLOSURES

Total waste generated, by composition (t)		
	2020	2021 ¹
Category	Amount generated (t)	Amount generated (t)
Hazardous	2,780.91	5,268.24
Non-hazardous	90,935.62	129,271.21
Total	93,716.53	134,539.45

¹There was an overall increase in the waste generated in relation to the previous year due to the increase in production and the inclusion of eucalyptus bark in the classification criteria.

Total waste diverted from final disposal, by composition, in metric tons (t)	
	2021 ¹
Composition	Quantity diverted from final disposal (t)
Hazardous waste	5,014.00
Non-hazardous waste	128,414.77
Total	133,428.77

13th FIEB AWARDS: DISTINCTION IN WASTE MANAGEMENT

FERBASA presented a number of successful environmental management cases at the 13th edition of the FIEB Sustainable Bahian Industry Awards, held in 2021. Hosted by the Bahia State Federation of Industry (FIEB), the event honored sustainability actions implemented in the industrial sector in Bahia.

Of the three projects receiving special mention, two focused on waste management and grew out of ideas presented as part of the Quality Control Circle (QCC): the reduction in the waste of tires in the Metallurgical area, with a focus on operational improvements and maintenance. The other initiative involved a reduction in the generation of non-reusable contaminated waste (hydraulic oil) and was developed in partnership with the 'Jogue Limpo' NGO.

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

2021¹

Non-hazardous waste	Within the organization/ <i>Onsite</i>	Outside the organization/ <i>Offsite</i>	Total
Preparation for reuse	61,068.51	50.70	61,119.21
Recycling	10,552.50	2,350.48	12,902.98
Reuse in areas of environmental regularization	53,110.2	0	53,110.2
Energy recovery	46.10	334.70	380.8
Treatment by EMBASA	0	327.5	327.5
Total	124,777.31	3,063.38	127,513.19
Hazardous waste			
Preparation for reuse	361.88	0	361.88
Recycling	4,965.40	40.61	5,006.01
Different treatments	0	6.50	6.50
Total	5,327.28	47.11	5,374.39
Total waste diverted from final disposal	130,104.59	3,063.38	127,513.19

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

2020

2021¹

Composition	Amount directed to final disposal (t)	Amount directed to final disposal (t)
Hazardous waste	166.11	7.37
Non-hazardous waste	598.67	488.73
Total	764.78	496.10



Total waste directed for final disposal, by operation, in metric tons (t)

2020				2021 ¹		
Non-hazardous waste	Within the organization/ <i>Onsite</i>	Outside the organization/ <i>Offsite</i>	Total	Within the organization/ <i>Onsite</i>	Outside the organization/ <i>Offsite</i>	Total
Incineration (with energy recovery)	0	0	0	0	210.35	439.20
Landfill	0	306.67	306.67	0	439.20	49.53
Other disposal operations	17.90	274.10	292.00	1.03	48.50	699.08
Total	17.90	580.77	598.67	1.03	698.05	127,513.19
Hazardous waste						
Incineration (with energy recovery)	0	106.59	106.59	0	61.90	61.90
Incineration (without energy recovery)	ND	ND	ND	0	0.13	0.13
Landfill	0	59.52	59.52	0	52.10	52.10
Other disposal operations	0	0	0	0	7.05	7.05
Total	0	166.11	166.11	0	121.18	121.18
Total waste directed for final disposal	17.90	746.88	764.78	1.03	819.23	820.26

ENERGY RESOURCE MANAGEMENT

GRI 103-2, 103-1, 103-3 /302-1, 302-4

With highly electro-intensive operations, FERBASA is constantly looking to ensure its energy supply. The input is acquired externally, through long-term contracts with independent power-generation companies. Analysis of the demands of the operating units, as well as the monitoring of the indicators, is performed in corporate form, through the monitoring of market and regulatory issues, especially Metallurgy.

Guided by two central principals (maintaining competitive standing and preserving sustainability), FERBASA seeks to reduce the risks relating to the volatility of the domestic electrical energy market and to increase the efficiency of its industrial processes, thereby reducing costs and environmental impacts. Along these lines, in 2021, the Company signed a supply agreement with AES Tietê Energia S/A, which arranges for the acquisition of an average of 80 MW of energy for a period

of 20 years, starting in 2024. Another amendment, signed with the Companhia Hidrelétrica do São Francisco (Chesf), moved into effect in July 2022. These documents represent important steps forward in the establishment of energy security and ensuring production stability.

In relation to consumed energy, there was a slight decrease from 6,610,966.00 GJ in 2020, to 6,589,953.85 GJ in 2021 (see the energy consumption table (GJ)). Even considering this good result, a set of actions was implemented designed to take better advantage of the input employed at the Metallurgical factories, such as seen in the more efficient production of alloys, which resulted in a 5.3% reduction in the rate of consumption. Slight gains were also achieved with advances in subsidiary consumption, involving the changeover of motors and compressors, installation of LED bulbs, and modernization of the fleet of trucks used within the plant.

Rate of energy consumption by alloy produced

	2019	2020	2021
Ferroalloy production (t)	233,366	296,394	309,770
Energy consumption (GJ)	6,551,962	6,802,489	6,736,094
Rate of consumption (t/GJ)	28.1	23.0	21.7

N.B.: general consumption of energy for the general production of alloys at the Metallurgical unit.

ENERGY RESOURCE MANAGEMENT

Projects are being developed at the Mining operations that focus on increasing energy efficiency and reducing costs, including:

- Generation of photovoltaic energy and replacement of motors with more efficient, higher yield equipment, the results of which are still in the measurement phase;
- Control and automation of the ventilation, drainage and compressed air processes in the underground mines, which, jointly, currently represent 79% of the underground electricity consumption, or the equivalent of 6.96 kWh/t ROM, meaning a reduction of 61%. Without the use of automation, the consumption reached 17.90 kWh/t ROM;
- Replacement of wood, in the iron ore processing area, with coal fines drawn from the Metallurgical unit; This initiative enabled a

reduction in the consumption of approximately 80,000 kg of wood as a source of fuel, with this raw material being substituted by a reused co-product. The project reduced the cost of drying of chromite sand by 52%.

- Substitution of low-yield electric motors for high-yield equipment at the Coitezeiro mine, which led to a reduction in costs and an improvement in energy efficiency. Prior to the initiative, the motors offered a total output of 240 cv, with an average yield of 68.8% and 256.74 kWh of energy consumption. After the substitution, with the same output, the yield reached 91.8%, offering consumption of 192.42 kWh, meaning a reduction of 25%.



ENERGY CONSUMPTION

GRI 302-1

The data below relate to the energy consumption of the Ipueira Metallurgical and Mining operational units.

Consumption of fuels from non-renewable sources (GJ)			
	2019	2020	2021
Diesel	172,763.53	188,251.95	180,845.27
Gasoline	4,256.33	3,273.37	3,258.58
Total	177,019.86	191,523.32	184,103.85

Energy consumed (GJ)			
	2019	2020	2021
Electricity	6,374,922.00	6,610,966.00	6,589,953.85

Energy sold (GJ)			
	2019	2020	2021
Electricity	860,688	128,145	37,964.16

Total energy consumed (GJ)			
	2019	2020	2021
Fuels from non-renewable sources	177,020	191,523.32	184,104
Energy consumed	5,514,254	6,482,821	6,551,989.69
Energy sold	860,688	128,145	37,964
Total	6,551,962	6,802,489	6,698,130



BW GUIRAPÁ

BW Guirapá operates a complex of seven wind farms in the south-west region of Bahia state, totaling 92 wind turbines. The total sum of the energy currently generated by the wind farms (with an installed capacity of 170.2 MW) is sent to meet the requirements of the contract entered into with the government, that is effective until 2034. As of this date, the Company will be entitled to employ the power generated at the BW Guirapá unit at its metallurgical park.



MANAGEMENT OF HYDRO-RESOURCES

GRI 103-1, 103-2, 103-3 / 303-1, 303-3, 303-5

Due to the historical context of a lack of water in the Northeastern region of Brazil, the Company adopts sustainable practices in its management of this resource, to ensure that its use in the activities performed is ever more conscientious and efficient.

The targeting of gains through recycling guides the use, reuse and recirculation of water at the units and was the focus of analyses performed during the year, which resulted in the updating of the Metallurgical Water Balance. Through the studies it was also possible to observe opportunities for improvement, such as the installation of new hydrometers designed to increase the generation of internal information. A total of eight devices have been installed and another five are planned for 2022.

Initiatives such as the draining of the reuse tank and starting up of the operation of a system designed to recover effluents and rainwater have led to results such as a 4.5% reduction in the collection of untreated water at the metallurgical plant. The Company also aims to diversify its water collection and, having requested authorization from the relevant authorities, is awaiting approval for the opening of four new wells.

The water consumed in the industrial operations of the factories in Pojuca (BA) is drawn from the Rio Catu, a tributary of the Rio Po-

juca (which forms part of the Northern Recôncavo drainage basin) and is treated at Waste Treatment Plants (WTPs) and Sewage Treatment Plant (STPs) The metallurgical plant operates below the authorized limit and maintains an internal balance between collection and consumption.

In parallel, new furnace cooling processes, improvements to the treatment and rendering inert of the tailings, and installation of devices to gauge leaks, increased the ability to take advantage of the collected water, from 1,451.13 ml in 2020, to 1,447.83 ml in 2021. In the Pedrinhas mine in Bahia, investments were made to increase the use of rainwater and in projects designed to monitor the operating levels of the dams.

At the mine located in Andorinha (BA), the rate of recirculation of the water in the closed-circuit processes was maintained at 96%. It should be stressed that the unit's new water is collected from the Andorinha II reservoir, which has been granted a license by the National Water Agency (ANA), respecting the limits of the New Regulatory Benchmark established by the organ. The site also has 13 licenses for wells and has obtained permission to drill three new wells in 2022, which should counteract the long periods of drought that are typical of the region.

The water used at the forestry units is drawn from wells or surface collection. As well as providing for human use, the resource is directed to meet bio-reducer production, building maintenance, highway construction and repair, civil construction and firefighting demands.

HYDRO-RESOURCE MANAGEMENT DISCLOSURES

Total volume of water collected in all areas and areas with water stress, by source (ML)

	2019	2020	2021
Source	All areas	All areas	All areas
Surface waters Metallurgy (Total)	1,113.11	1,451.13	1,447.83
Surface and underground waters Forestry (Total)	65.51	58.58	67.26
Surface waters Mining (Total)	326.43	319.28	517.39
Surface and underground waters FERBASA (Total)	1,505.05	1,828.99	2,032.48

Total volume of water consumed in all areas, by source (ML)

	2019	2020	2021
Source	All areas	All areas	All areas
Surface waters Metallurgy (Total)	1,113.11	1,451.13	1,404.69
Surface and underground waters Forestry (Total)	65.51	58.58	67.25
Surface waters Mining (Total)	326.43	319.28	517.30
Surface and underground waters FERBASA (Total)	1,505.05	1,828.99	1,989.24

WATER DISPOSAL

GRI 303-2, 303-4

At the Metallurgical unit, the monitoring of waste water follows the guidelines defined by the Institute of Environment and Water Resources (Inema). The minimum requirements for the quality of the disposal of effluents has been defined by the organ in the processes for authorization of the discharge of effluents and collection of waters.

The largest volume of water discharged is to be found in the Metallurgical area, where the possible return of the resource to its original body of water takes place outside the proper limits (coliforms and BOD) due to the quality of the water noted from the moment it is collected, without any significant alterations during the internal process.

In 2021, the Mining area saw the implementation of an Oil Waste Treatment Station (OWTS), with a treatment/reuse target of 100m³/month. In the forest activities, meanwhile, the volumes disposed of underground, by means of sinkholes, are lower, and undergo treatment involving a physical, biological and chemical process to meet the standards required by legislation and in accordance with the Effluents Treatment and Monitoring Plan. The risks of contamination of the water tables are mitigated by the application of preventative evaluations and other provisions set out in the environmental control planning.

Total disposal of water in all areas and in hydro-stress areas itemized by the following sources (µL), if applicable.

		2020	2021
Business unit ¹	Type of source	All areas	All areas
Metallurgy	Surface water	10.68	48.11
Business unit ¹	Fresh water (total dissolved solids ≤1,000 mg/L). Treated Sanitary and Industrial Effluents	0.27	0.02

¹There is no significant disposal of water in the Mining activities.

MANAGEMENT OF MATERIALS

GRI 301-1

The management of inputs and raw materials acquired for use in the manufacturing process is based upon the standards defined by the ISO 14001. The regulation provides guidance on the evaluation of documents that prove the origin and environmental compliance of the extraction, processing and transportation of the materials, whenever applicable.

In terms of the legal standards, the activities relating to the materials of mineral origin obey the legal requirements monitored by the National Mining Agency (ANM). The resources of forest origin, meanwhile, such as the bio-reducer, are monitored by federal and state organs, at the product's point of origin.

In relation to the acquisition of raw materials arising from recycled materials, the percentage acquired can vary depending upon the market conditions and availability. One example

is the mill scale from steel plants, that is purchased from third parties and used as a source of iron in the manufacturing process of alloys, contributing to a reduction in the use of natural resources.

Complementing this, in order to guarantee better operational and environmental performance of the processes, as well as the reuse of industrial waste as a replacement for hematite (iron ore), new suppliers are always being scouted within the domestic market. Over the course of the year, the Company managed to substitute 87.2% of its hematite. The percentage was not higher still due to supply difficulties and the demand for production of special alloys, which does not permit substitute materials. The metallurgical area also reused around 10,000 tons of its process residues as ferrochrome and ferrosilicon dust removal fines in the sintering stage of ferrochrome production.

Materials used in production and packaging in tons

Name of the material	Used in the final product or packaging	Renewable/non-renewable source	2019	2020	2021 ¹
Reducers (metallurgical coke, others)	Final	Non-renewable source	62,428.73	75,367.579	155,531.1
Reducers (bio-reducer)	Final	Renewable source	115,407.78	164,827.864	284,964.3
Waste from other processes (mill scale)	Final	Renewable source	27,151.52	32,679.759	55,634.13
Dust from external dust removal	Final	Renewable source	-	-	6,165.01
Dust from dust removal generated during the process	Final	Renewable source	-	-	7.05

¹ In 2021, the calculation criteria was adjusted to bring it into line with the company's standards. This led to an increase in the total amount of materials used in the production, against previous years.





MINE CLOSURE

There are plans for termination of the activities of the Mining units, in accordance with DNPM Ordinance 237, dated 18-Oct-2001, (NRM 20, Suspension, Mine Closure and Resumption of Mining Operations) which establishes the description of the preliminary data on the situation of the areas, the planning of the full deactivation of the structures, and the orientation for the environmental and socio-cultural actions to be performed until they have been fully decommissioned, considering the impact on the interested parties. From this perspective, R\$ 15.95 million has been

provided, which will be directed to the mine decommissioning plans.

During 2021, the enactment of the new Resolution 68/2021, which has updated the guidance for the mine closure activities, provided the leverage for the undertaking of a study designed to adjust the current plans to bring them into line with the new legislation. A consultancy was hired and completion of the work, which involves 100% of the mines, is forecast for 2022.



MANAGEMENT OF DAMS

GRI 306-4, 306-5

The Mining operations include the management of five tailings dams, located at the Ipueira and Coitezeiro mines. Structured and maintained in accordance with best engineering practices, the dams observe safety, environmental conservation and legal compliance criteria.

The structures are built using compacted earth and no upstream elevations, with heights, volumes and other characteristics all falling within the limits established by the National Policy for Dam Safety – PNSB (Law 12.334/2010). Inspections are periodically and regularly carried out by FERBASA'S internal team, and possibly by government agencies and external consultants.

With the employment of new technologies in all the phases of the manufacturing process, the Company has been systematically reducing the need for waste disposal. The actions along these lines, amongst other aims, seek to increase the lifespan of the dams, control the direction of solids and increase the percentage of water reused.

FERBASA also operates nine water dams at the Mining and Forestry units. The classification criteria for these barriers is currently being discussed with Inema, for standardization in accordance with CNRH Resolution 143 and Inema Ordinance 16,481, dated 2018.



SOCIAL RESPONSIBILITY

GRI 102-12, 103-1

The FERBASA business model prioritizes the creation of social value, which is why the Company aims to perform an important role in the development of the communities in the municipalities where it operates. The Company's regular investment in initiatives that promote social inclusion, most notably in Education, strengthen its commitment to the full exercising of citizenship, which is such an important vector for the urgent and necessary transformation of society.



Year after year the Organization pursues joint and shared sustainable development, that takes material form in the actions of awareness-raising and learning, that include respect for the environment and for the different socioeconomic realities of each individual region.



As such, being attentive to the different contexts experienced by its neighboring communities, FERBASA seeks to continually identify the local vulnerabilities that can, each year,

provide grounds for the actions of the '*Aqui Tem Ferbasa*' Social Responsibility program, which takes as its premises:

Appreciation of different points of view

Collective participation

Shared decisions

Ongoing dialog

Accessible communication

Active listening

A long-term vision

In 2021, FERBASA included in the list of groups impacted by its operations, five *quilombola* communities, two traditional fishing associations and five traditional farming associations. For 2022, the Company is continuing its work in mapping and recognizing these peoples, with the aim of increasing the Company's contribution to the preservation of their culture and the definition of actions designed to support their development.

The humanist vision and entrepreneurial spirit of FERBASA'S founder, José Carvalho, provide the base for the '*Aqui Tem Ferbasa*' program, in the following areas of activity: Education,

Art and Culture, Rural and Community Development, Environment, Sport and Health Care. In the belief that every organization should go beyond its individual objectives and collaborate with society, the Company seeks to contribute to long-lasting local development by means of structured actions focused on:

- Contributing to the sustainable development of society;
- Boosting employability and the generation of income;
- Promoting actions that recognize and appreciate local socio-cultural customs

and vocations, including traditional peoples and communities;

- Encouraging sport as a vector of social in-

clusion;

- Preserving biomes.

INDIRECT ECONOMIC IMPACTS

GRI 103-2, 103-3 | 203-1

Over its 14 years in existence, the '*Aqui Tem Ferbasa*' program has implemented ten projects and developed 21 sub-projects, which, in 2021, affected 34 municipalities and benefited 99,200 people in 13 communities in the state of Bahia.

Execution of the actions developed by the program, which received investments in the region of R\$ 10.5 million in 2021, obeyed the basic principles of respect for the law, observance of the Code of Conduct, transparency,

and ongoing, open and constructive dialog with all the groups. The work is guided by the concepts of the international ISO 26000 regulatory norm (Directives on Social Responsibility) and uses as a driving tool, intended to integrate its community assets, the four pillars of Education established by the United Nations Educational, Scientific and Cultural Organization (UNESCO) - available at <https://unesdoc.unesco.org/ark:/48223/pf0000109590>



The projects involve reports developed following technical visits, observation of the development of the actions, analysis of the results and the number of beneficiaries. In 2022, as well as the 'Sertão Forte' ('Strong Wilderness') project, that benefited 300 families, the encouragement of projects involving housing and the generation of income will take priority. The in-person activities in the areas of Art and Culture, Education and Sport started up again, whilst the projects focused on Health Care principally involve support drawn from tax incentives.

In 2022, the outlook is to expand activities in the area of Health Care, with an increase in dialog with local institutions and municipal council fund managers, employing a tripartite network that brings together government organs, philanthropic institutions providing health support, and the private sector, with the aim of optimizing the investment of the funds.

A LONG-TERM VISION

GRI 103-2, 103-3

Taking as its starting point the premise that the objectives of FERBASA'S socio-environmental work involve the implementation and maintenance of a long-term territorial development model, the structuring actions and permanent open dialog on the communities' requirements are central to the work.

This condition provides a propitious environment for the planning of satisfactory arrangements for all the stakeholders involved and allows the listening mechanisms established to provide feedback, both on the actions administered and on the diagnosis of the most pressing needs in each of the different locations.



As well as the rounds of dialog, the process involved in the planning of the actions of the 'Aqui Tem Ferbasa' program include technical visits, monitoring, and critical analysis of the results of the initiatives. The Community Leaders Forums have proven to be an important moment to be able to meet and exchange ideas with the local communities over the

course of the year. A total of 109 representatives of the leaders of the Andorinha, Araçás, Caetité, Campo Formoso, Cardeal da Silva, Catu, Conde, Entre Rios, Esplanada, Itanagra, Mata de São João, Pindaí and Pojuca communities participated in the initiative.

of equipment will be followed, in 2022, with the encouragement to produce goat's milk cheese, the implementation of small palm crops and improvement of the goat herds, through the acquisition of sires, which will serve the breeders operating in different municipalities located in the semiarid region of Bahia state.

Based upon the initial results achieved, it will be possible to expand the model into other regions. There also exists the possibility for inclusion of other activities such as handicrafts, small palm crops for fodder, and poultry farming.



CAPITAL STOCK - THE YEAR'S ACHIEVEMENTS

GRI 413-1

The targets of our projects in the Social area involve the creation of shared and lasting value, through structuring and transformative initiatives, the promotion of inclusion and equality, and the equal offering of opportunities that drive social progress throughout the affected geographical area. Amongst the main achievements of the program in 2021, the following are worthy of special mention:

Sertão Forte

The 'Sertão Forte' action is focused on the training, promotion and development of structures in the activities of the family economy essentially connected with the breeding of goat herds. Following a diagnosis phase performed in the areas neighboring the Mining operations, 256 families and five residents' associations in the municipalities of Monte Santo and

Andorinha received training from a specialist team of technical consultants. In parallel, the production activities were monitored in the form of technical visits, veterinary services, rounds of talks and discussions, as well as practical training.

It is expected that the training and deliveries





Um Campeão na Escola

The 'Um Campeão na Escola' (or 'A Champion at School') project aims to bring formal education together with the practice of sports. It currently involves 115 participants, including children and young people, all of whom are enrolled in the municipal school system of Pojuca, and have started studying at the José Carvalho Foundation. After their regular classes, the students receive extra tutoring in Portuguese, mathematics, English and information technology, as well as soccer training

provided under the guidance of the *Esporte Clube Bahia*.

In 2021, this initiative reached an important point: the first student to graduate from the project was accepted into the under-14 group of the youth division of the Esporte Clube Bahia. Other participants have also been scouted by different clubs. In the educational area, we have seen notable advances in the indicators relating to the participants remaining in school and their academic development.

'Ferbasa Educa' and other educational actions

Based upon the teachings of José Carvalho, a born believer in the transformative power of education, the Company pursues projects such as 'Ferbasa Educa' (or 'Ferbasa Educatives'), which offers employees the possibility of completing their studies. In 2021, the project, which has already benefited a number of employees' families, was extended to outsourced workers, who are now able to enroll in classes at Primary and Secondary School level. At the end of the year, 89 people concluded their Se-

condary School education and 154 enrolled for the next cycle.

14 employees started new jobs after having completed their courses;

790 people enrolled since 2014;

527 graduates - 321 concluding Secondary School and 206 concluding Primary School levels I and II.



Sacola Literária

The '*Sacola Literária*' ('Bag of Literature') project undertook the training of 514 teachers and encouraged the reading habits of 3,814 children, young people and adults, through the donation of 2,000 books and online story-telling.



Appreciation of Local Culture

The actions involving Art and Culture are designed to recognize and appreciate regional culture. The third edition of the Canta Luiz Accordion Orchestra is the stand-out project in this segment, with performances during the annual June parties dedicated to keeping alive the life and work of the Northeastern composer and musician Luiz Gonzaga. The tribute to the 'King of the Baião' toured 14 towns and involved the participation of local artists, thus generating income for these professionals. Due to the pandemic, the presentations were broadcast online, attracting 87,000 views on YouTube.



Profissão Talento

Also in the area of Education, a principal axis of the actions involved in the '*Aqui Tem Ferbasa*' program, o '*Profissão Talento*' ('Talent Profession') initiative offers professional training courses for Company employees and young people from the communities. The aim is to train the workforce, providing specific knowledge in the areas of Metallurgy and Mining, thus allowing the participants the opportunity to be hired by FERBASA in the regions where they live, whilst also providing the employees with the possibility of obtaining promotions to better positions within the Company. In 2021, 86 people from the municipalities of Andorinha and Pojuca participated in courses on industrial lubrication, boiler work and welding, involving a total of 1,200 hours of training.



African Roots

With the aim of recognizing and appreciating Brazilian cultural diversity and its African roots, FERBASA contributed to the African Beauty Parade in the community of Sítio do Meio, in the municipality of Entre Rios. A total of 11 communities took part in the event, which commemorated Black Awareness Day, four of which were made up of *quilombola* peoples from the region. A total of 52 children and young people displayed paintings on their clothing and accessories, highlighting the essence, beauty and strength of our culture, to an audience of around 300 people.

Support for hospitals

The Health Care sector has participated in the activities of the social responsibility program since 2020, its inclusion being driven initially by the work developed together with the communities as a means of tackling Covid-19. As part of this, FERBASA provided financial support, through the administration of tax incentives, for two hospital units, which attend solely to patients receiving treatment under the Brazilian National Health System (SUS), in the capital and interior of the State: Hospital Martagão Gesteira, located in Salvador, the largest pediatrics center in the Northeast, and Hospital do Amor, an institution located in Juazeiro in the state of São Paulo, working with diagnosis and treatment in the area of oncology.



Completion of the 'Praça do Corujão'

In 2021, as its biggest investment in infrastructure projects for the benefit of the community, the people of Pojuca received the 'Praça do Corujão' town square. The project involved basic sanitation facilities, the construction of a fully-equipped leisure area, a soccer field, a children's playground and the donation of sports materials for the town's residents. The facilities now directly benefit around 400 families.



Sustainable forests

The positive relationship between FERBASA and the cooperatives located in Alagoinhas, Araçás, Entre Rios, Maracás and Tucano is good for the generation of income amongst these associations, through the assignment of lands used for beekeeping and pastureland, as well as the donation of eucalyptus cuttings as a means of increasing the family incomes within these groups. These activities generate significant economic, social and environmental effects that are essential for the development of agribusiness, entrepreneurship and social inclusion.



Beekeeping

- 6 cooperatives benefited;
- 700 families;
- Municipalities of Alagoinhas, Araçás, Entre Rios, Maracás and Tucano.

Donation of cuttings and branches

- 1,500 m³ of wood donated;
- 74 families supported;
- 6 residents' associations;
- Municipalities of Araçás, Conde, Entre Rios, Esplanada and Itanagra.

Authorization for grazing in the forest areas

- 40 families supported;
- 1,800,000 liters of milk produced annually;
- Municipality of Planaltino.

Authorization for installation of beehives on rural properties

- 500 families supported;
- 6 cooperatives;
- 114 tons of honey produced per year;
- Municipalities of Alagoinhas, Campo Formoso, Entre Rios, Maracás, Ribeira do Pombal and Tucano.



PERFORMANCE IN 2021

GRI 201-1, 201-4

Following the instabilities and negative effects connected with the pandemic in 2020, the economy both in Brazil and around the world experienced a year of recovery, a period during which FERBASA maximized its productive, commercial and financial capacity as a means of taking advantage of the opportunities that appeared - in particular, those arising from the fluctuations in the price of ferroalloys and the valuation of the dollar against the Brazilian Real.



Operational and strategic measures, such as an adjustment in the product mix to meet the increase in domestic demand, the reduction of costs and a tight approach to cash management, allowed FERBASA to achieve

good results in this fiscal year, this also being the fruit of the performance and dedication of the teams of employees who, once again, overcame the challenges of a year still feeling the effects of Covid-19.

OPERATIONAL RESULTS

Metallurgy

The metallurgical plant operated to the maximum of its installed capacity, with production only being interrupted at peak periods and during the period of maintenance on reduction furnaces, which lasted 30 days, and on two refining furnaces, which lasted 15 days each. The production of refined FeSi75 also saw good results, reaching 99.18% of installed capacity. The manufacturing potential will be raised in 2022, with the installation of a second spindle in the casting machine, which will increase production by 70,000 tons of special silicon alloys per year.

The production of ferroalloys reached 309,800 tons in 2021, equivalent to an increase of 4.5% compared to 2020, when the Company had already achieved higher than forecast rates. In relation to specific products, there was an increase of 6.2% in the production of chrome alloys, and a slight increase of 0.8% in silicon alloys, as well as an increase of 18.1% in the production of FeSi HP. Metal alloys recorded sales of 272.1 tons. There was an alteration in the distribution mix, with a growth of 42.3% in the internal market and a reduction of 28.1% in overseas exports.



Mining

Advanced technology is increasingly used in the underground mining operations, including automation resources, remotely-operated, low-lying loader machines, and digitally-controlled ventilation and air-quality systems. These improvements allow for an increase in the iron ore collection rate, a reduction in the phosphorous content, and

economization of hydro-resources, with the use of equipment such as an electromagnetic separator and a thickener. The use of technology has contributed to an increase in the production of chromium ore, with a result that was 7.4% higher than the sum recorded the previous year, totaling 600,000 tons.



Forestry

In the forestry area, the year was notable for the implementation of a planting program that was above the historical average, covering 4,700 hectares of reforma and 164 hectares of condução. The indicators of tons

produced per man/hour and of the relative cost of the bio-reducer remained in line with those expected. The production of bio-reducer reached 139,000 tons in 2021, a drop of 3.4% in relation to the previous year.

Production

Numerous investments were made in the physical structure of BW Guirapá over the course of the year, amongst which were the installation of harmonic filters designed to improve the quality of the energy, installation of off-line filters to ensure the quality of the lubricant oil used in the gearboxes, and adoption of boroscopy for the early identification of problems. These advances have contributed to the control and reduction of

the impact that damage to large components can have on the availability of the wind turbines, thus ensuring greater stability in the operations.

Despite the investments made, the results of BW in 2021 were substantially impacted by restrictions on generation imposed by the National Electric System Operator.



FINANCIAL RESULT

The favorable operational performance meant that FERBASA recorded a 130% increase in its adjusted EBTIDA, which reached R\$ 953.7 million. The cash generation totaled R\$ 402.2 million in 2021 and the conso-

lidated Net Income reached R\$ 642.9 million, meaning an increase of 818.4% compared to the previous year. This result is partially due to the average rise of 44.7% in the dollar price of ferroalloys.

PRINCIPAL INDICATORS - 2021

FERROALLOY SALES (THOUSANDS OF TONS)

Year	Volume traded	Variation (%)
2019	222.7	-1.5
2020	268.1	+20.4
2021	272.1	+1.5

ADJUSTED EBITDA (R\$ MILLIONS)

Year	Adjusted EBITDA	Variation (%)
2019	241.7	-
2020	406.8	+68.3
2021	935.7	+130.0

NET INCOME (R\$ MILLIONS)

Year	Net income	Variation (%)
2019	225.5	-28.4
2020	70.0	-68.4
2021	642.9	+818.4

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (R\$ MILLIONS)

Year	2019	2020	2021
Direct economic value generated: revenue	1,279.5	1,622.0	2,389.5
Net revenue	1,279.5	1,622.0	2,389.5
Economic value distributed	1,149.2	1,611.4	1,864.1
Operating costs	540.0	906.4	947.4
Employees' wages and benefits	284.9	277.7	358.8
Payments to capital providers	159.5	328.6	297.8
Payments to the government	152.9	87.2	249.4
Investments in the community	11.9	11.5	10.7
Economic value retained	686.2	928.4	1,483.6

TOTAL MONETARY VALUE OF THE FINANCIAL ASSISTANCE RECEIVED

BY THE ORGANIZATION FROM ANY GOVERNMENT BODY (R\$ THOUSANDS)^{1 2}

Year	2017	2018	2019	2020	2021
Type of assistance	6.013	2.640	1,279.5	1,622.0	2,389.5
Tax/credit incentives	57.924	69.651	33.337	6.833	156.637
Subsidies for investments, research and development, and other relevant types of concession	63.937	72.291	34.670	7.901	158.207
Total	127.874	144.582	1,347.508	1,633.734	2,704.344

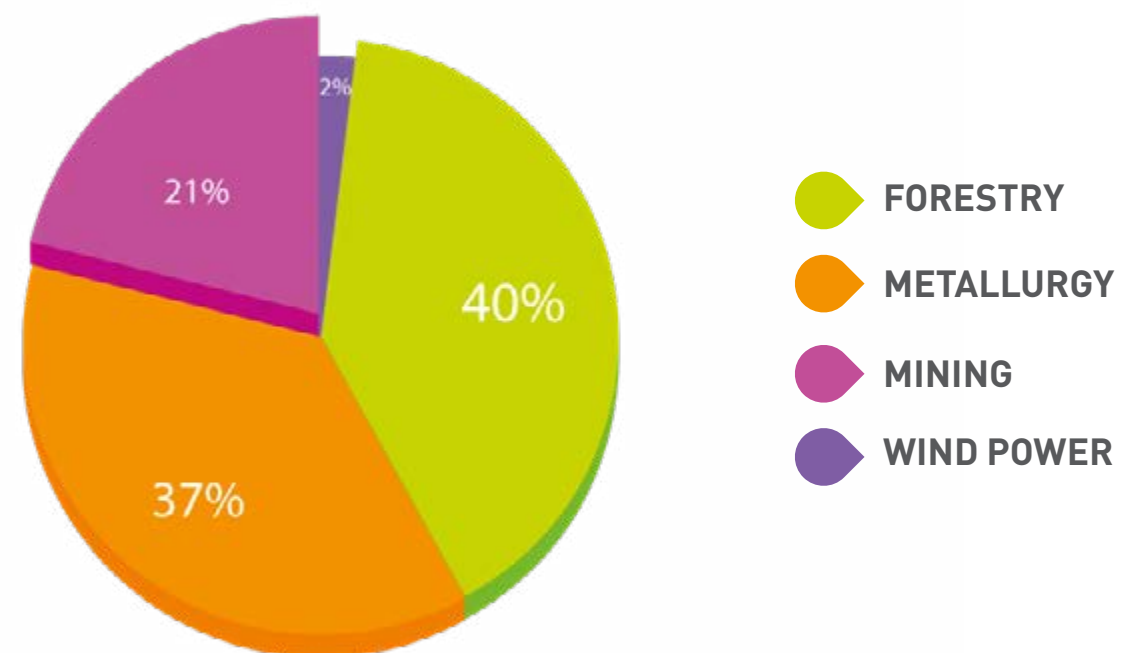
¹The tax incentives/benefits are restricted to Brazil, the country in which the Company is located.

²The government does not form part of the organization's shareholding structure.

INVESTMENTS

Resuming the momentum of investments, postponed due to the uncertainties brought about by the global health crisis, FERBASA

invested the sum of R\$ 127.1 million in 2021, exceeding the total invested in 2020 by 140.3%, with such sum being distributed thus:



PRINCIPAL PROJECTS

R\$ 46.4 million | Metallurgy

The investments have allowed manufacturing volumes to be maintained at levels higher than those of previous years. The funds were invested in the renovation of furnaces, acquisition of different machinery and equipment, and general works, such as paving.

R\$ 27.1 million | Mining

The funds were invested mainly in the development of mines, construction of buildings and acquisition of equipment (underground and iron ore processing).

R\$ 50.7 million | Forest Resources

Of all the areas of investment, the forestry operations received the largest volume of funds in 2021, these being invested in training and forest maintenance, and the construction of highways and buildings.

R\$ 2.9 million | Renewable Energy

The resources were invested in new machinery and equipment.





GRI CONTENT INDEX



GENERAL DISCLOSURES				
	Contents	Page/URL	Observations	Sustainable Development Goals
GRI Standard	GRI 101 - no contents			

ORGANIZATIONAL PROFILE				
	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 102: General disclosures 2016	102-1 Name of the organization	xx		
	102-2 Activities, brands, products and services	xx		
	102-3 Location of headquarters	Salvador (BA)		
	102-4 Location of operations	xx		
	102-5 Ownership and legal form	Publicly-traded company		
	102-6 Markets served	xx		
	102-7 Scale of the organization	xx		
	102-8 Information on employees and other workers	xx		
	102-9 Supply chain	xx		
	102-10 Significant changes to the organization and its supply chain	xx	There was no significant change in the chain of suppliers in relation to that reported in the 2020 report	
	102-11 Precautionary principle or approach	xx		
	102-12 External initiatives	xx		
	102-13 Membership of associations	xx		

STRATEGY				
	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 102: General disclosures 2016	102-14 Statement from senior executive	xx		

ETHICS AND INTEGRITY				
	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 102: General disclosures 2016	102-16 Values, principles, standards and norms of behavior	xx		

GOVERNANCE				
	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 102: General disclosures 2016	102-18 Governance structure	xx		



ENGAGEMENT OF *STAKEHOLDERS*

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 102: General disclosures 2016	102-40 List of groups of <i>stakeholders</i>	xx		
	102-41 Collective bargaining agreements	xx	100% of collaborators are covered by collective bargaining agreements	
	102-42 Identifying and selecting <i>stakeholders</i>	xx		
	102-43 Approach to <i>stakeholder engagement</i>	xx		
	102-44 Key topics and concerns raised	xx		

REPORTING PRACTICES

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 102: General content 2016	102-45 Entities included in the consolidated financial statements	The financial statements are available at https://www.ferbasa.com.br/default_pt.asp?idioma=0&conta=28		
	102-46 Definition of report content and topic boundaries	xx		
	102-47 List of material topics	xx		
	102-48 Restatements of information	N/A		
	102-49 Changes in reporting	N/A		
	102-50 Reporting period	01-Jan-2021 to 31-Dec-2021		
	102-51 Date of most recent report	30 November, 2021		
	102-52 Reporting cycle	Annual		
	102-53 Contact point for questions regarding the report	comunicacao@ferbasa.com.br		



MATERIAL TOPICS

Local communities	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		Contributing to the development of the communities neighboring the operations has formed a central part of the DNA of FERBASA since its founding, principally through Education. Dialog and transparency are also commitments made to establishing an environment that is fertile for collaboration through partnerships for structuring projects and actions.	
	103-2 The management approach and its components			
	103-3 Evaluation of the management approach		The impacts related to this topic are felt both within and outside the organization.	
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported			
GRI 301: Materials 2016	GRI 301-1 Materials used, itemized by weight or volume			

MATERIAL TOPICS

Local communities	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs		Within FERBASA'S Policy are items related to values, two of which are sustainability and the valuing of life.	
	413-2 Operations with significant (actual and potential) negative impacts on local communities		The Company currently has a program designed to monitor the rivers that run through the forest units, thus recognizing the importance between the operation and the environment. The monitoring is performed every six months on all the farms containing bodies of water. The Company also runs annual campaigns to monitor the quality of the air on all the farms where there is a (charcoal) bio-reducer.	12
GRI G4: Foods - Local Communities Sector Supplement	MM6 - Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples			

GOVERNANCE, TRANSPARENCY, ETHICS AND *COMPLIANCE*

Local communities	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		People are FERBASA'S greatest asset. As such, the Company's Governance practices aim to value a culture of personal and professional development through training and qualification actions.	
	103-2 The management approach and its components		The impacts related to this topic are felt both within and outside the organization.	
	103-3 Evaluation of the management approach			
GRI 205: Anti-corruption 2016	205-1 Operations assessed in terms of the risks relating to corruption		There is no specific evaluation of risks relating to corruption. The Company has a Conduct Committee, which evaluates situations of corruption should they arise.	
	205-2 Communication and training on anti-corruption policies and procedures		All employees, upon hiring, undergo training during which they are introduced to the Code and receive a copy of it for future consultation.	

GOVERNANCE, TRANSPARENCY, ETHICS AND *COMPLIANCE*

Local communities	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 307: Environmental Compliance	GRI 307-1 Non-compliance with environmental laws and regulations		Legal compliance is monitored by means of an electronic system (SOGI-VERDE GAIA), with the unit being monitored annually, under the ISO assessment system, with a focus on ISO 14001. In the Mining area, the auditing is performed on a weekly basis. The Company also has an Integrated Management System (IMS), which, amongst other fundamental principles, verifies compliance with legislation. Total amount of significant fines of R\$ 100,000.00. Total amount of significant fines of R\$ 5,000.00. In the Mining area, there were no monetary sums arising from significant fines.	
GRI 419: Socioeconomic compliance	GRI 419-1 Non-compliance with laws and regulations in the social and economic area		In 2021, FERBASA was not issued with any significant fines (over R\$ 5,000,000.00) and/or non-monetary sanctions due to non-compliance with laws or normative acts relating to socioeconomic matters, be they on the part of agencies, regulatory or supervisory agencies, or the Public Prosecutor's Office. It was noted that new administrative and judicial procedures were initiated, under the allegation of non-compliance with regulations of a socioeconomic nature, such being liable to the imposition of penalties. However, as part of these procedures, FERBASA filed the proper defenses and is awaiting the respective decisions.	



HYDRO RESOURCES

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		An essential natural asset for life, water is also essential in the Company's operations. Due to its location in a region where there is limited access to this resource, great attention is paid to the optimum use of this resource. As such, the Company constantly seeks to employ sustainable practices throughout its production chain, with continuous improvements designed to ensure its conscientious and efficient use, in accordance with the collection licenses.	
	103-2 The management approach and its components		The impacts related to this topic are felt both within and outside the organization.	
	103-3 Evaluation of the management approach			
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource			6, 12
	303-2 Management of water discharge related impacts			6
	303-3 Water withdrawal			6, 8 and 12
	303-4 Water disposal			6
	303-5 Water consumption			6

WASTE MANAGEMENT

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		Being a large industry that generates waste, FERBASA seeks to adopt practices related to the topic and to integrate the different manufacturing units, principally Mining, Metallurgy and Forestry, to optimize resources. The objective is to go beyond simply complying with the legislation.	
	103-2 The management approach and its components		The impacts related to the topic take place principally within the organization, despite there existing others that lie outside.	
	103-3 Evaluation of the management approach			
GRI 301: Materials 2016	GRI 301-1 Materials used, itemized by weight or volume			
GRI 306: Waste 2020	GRI 306-1 Waste generation and significant waste-related impacts			3, 6, 11 and 12
	GRI 306-2 Management of significant waste-related impacts			3, 6, 11 and 12
	GRI 306-3 Waste generated			3, 3, 6, 14 and 15
	GRI 306-4 Waste diverted from final disposal			3, 11 and 12
	GRI 306-5 Waste directed to final disposal			3, 6, 11, 12, 14 and 15

ATTRACTION, RETENTION AND DEVELOPMENT OF HUMAN CAPITAL

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		People are FERBASA'S greatest asset. As such, the Company's governance practices aim to value a culture of personal and professional development through training and qualification actions.	
	103-2 The management approach and its components		The impacts related to this topic are felt both within and outside the organization.	
	103-3 Evaluation of the management approach			
GRI 401: Employment 2016	401-1 New hirings and employee turnover		The number of admissions reflects the renewal of hirings in 2021, due to the commitments assumed in relation to sales, production, reinstitution of jobs and projects to be executed, as well as the hiring of young trainees to replace the group that was finishing the 2019 cycle. The increase in dismissals in 2021, especially at the Mining unit, occurred due to the increase in the investments in research and mineral production in Bahia and Brazil as a whole, as well as other isolated dismissals at other business units, and dismissals of young trainees due to the 2019 group finishing its cycle.	6, 8 and 10

ATTRACTION, RETENTION AND DEVELOPMENT OF HUMAN CAPITAL

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee			4, 5, 8 and 10
	404-2 Programs for upgrading employee skills and transition assistance programs			8

ENERGY RESOURCES

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		FERBASA aims for energy efficiency in all its operations, since, after all, this is what underpins companies that engage in environmental conservation.	
	103-2 The management approach and its components		The impacts related to this topic are felt both within and outside the organization.	
	103-3 Evaluation of the management approach			
GRI 302: Energy 2016	302-1 Energy consumption within the organization			7, 8, 12 and 13
	302-4 Energy consumption within the organization			7, 8, 12 and 13

FAIR HIRING PRACTICES, HEALTH AND SAFETY

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		Safeguarding the health and safety of its direct and indirect employees is one of FERBASA'S, management priorities, with a focus on zero accidents and on a work environment that enables continued development.	
	103-2 The management approach and its components		The impacts related to this topic are felt both within and outside the organization.	
	103-3 Evaluation of the management approach			
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system			8
	403-2 Hazard identification, risk assessment and incident investigation			3 and 8
	403-3 Occupational health services		Through the Ergonomics Program, biannual evaluations are performed aiming to minimize or eliminate risks, developing action plans providing training for the employees. The ergonomics evaluation is always revised as soon as the action plans are concluded, or if there is a significant shift in the risks. The data are filed in physical and electronic patient records with access restricted to health care professionals, who are responsible for complying with the code of ethics applicable to their profession, as well as the FERBASA Code of Ethics.	8 and 16

FAIR HIRING PRACTICES, HEALTH AND SAFETY

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 403: Occupational health and safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety		All the employees and third parties are invited to participate in the monthly meetings of the Internal Accident Prevention Commission (CIPA). The Company has suggestions boxes distributed throughout the physical spaces for development/review of procedures. Monthly safety inspection groups are formed at the industrial areas. The SGI is made up of formal committees and holds monthly meetings, which the managers take part in, whilst the operational employees are also invited to contribute with their opinions.	8 and 16
	403-5 Training for workers in occupational health and safety		At the time they are hired, all workers are provided with the NR-22 introductory training and learn of the legal requirements applicable to their specific activities. Training is also provided in line with their specific function.	8
	403-6 Promotion of worker health		All of FERBASA'S direct employees are monitored internally by a multidisciplinary team and everyone is covered by Company health care. Read more about the programs focused on workers' health in the section on Management of occupational health and safety.	3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			8

FAIR HIRING PRACTICES, HEALTH AND SAFETY

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 403: Occupational health and safety 2018	403-8 Workers covered by an occupational health and safety management system			8
	403-9 Work-related injuries			3, 8 e 16
	403-10 Work-related ill health		The industrial operations at all the sites generate dust, noise and heat, and qualitative identification procedures are performed both in advance and afterwards to determine the amount of occupational exposure, to thus implement mitigation mechanisms. In the Mining and Metallurgy activities, specifically, there is a risk of ionizing radiation, which is controlled by means of lead screening, as well as monitoring of all the employees exposed to the risk using dosimeters.	3, 8 and 16

EXTRA GRI DISCLOSURES - DISCLOSURES THAT ARE NOT INCLUDED IN THE MATERIALITY, BUT WHICH FERBASA HAS DECIDED TO REPORT IN ACCORDANCE WITH PREVIOUS REPORTING AND FOR COMPARISON PURPOSES, OR DUE TO THE IMPORTANCE OF THE TOPIC.

Economic performance	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed			8 and 9
	201-4 - Financial assistance received from government			

INDIRECT ECONOMIC IMPACTS

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported			5, 9 and 11
	203-2 Significant indirect economic impacts		- Creation of a program involving social investment and local development; - Hiring of local labor; - Encouragement to formalize the economy; - Contracting of suppliers and purchase of local products and services, generating a rise in tax collection and, consequently, an increase in the investment capabilities of the government; - Strengthening of the community organization through participation of associations in the Company's initiatives; - Increase of pressure on the public infrastructure (maintenance of highways, health and safety).	1, 3 and 8

ANTI-CORRUPTION

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken			

MATERIALS

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 301: Materials 2016	301-2 Recycled input materials used			

LABOR RELATIONS

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI G4 Mining and Metals Sector Disclosures - Labor relations	MM4 Number of strikes and lock-outs exceeding one week's duration, by country.			

LABOR RELATIONS

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI G4 Mining and Metals Sector Disclosures - Labor relations	MM4 Number of strikes and lock-outs exceeding one week's duration, by country.		There were no strikes or lock-outs in 2021.	8

PUBLIC POLICY

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 415: Public policy 2016	415-1 Political contributions		No donations have been made or support for political organizations provided in the last three years.	16

CLOSURE PLANNING

	Contents	Page/URL	Observations	Sustainable Development Goals
GRI 415: Public policy 2016	GRI G4 Mining and Metals Sector Disclosures - Closure planning		The closure of a mine is regulated by ANM Resolution 68/2022 and DNPM Ordinance 237/2001. Mines in operation: 9. Mines with 'PFM' (closure plans): 8. Percentage of operations with plans for closure: 88%	



Ferbasa