



SERRAVERDE
group

SUSTAINABILITY REVIEW

NOVEMBER 2024

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About this review

This document is the first sustainability review by the Serra Verde Group ("Serra Verde", "We" or "the Group") and covers the Group and its principal operating subsidiary, Serra Verde Pesquisa e Mineração ("SVPM") which produces rare earth oxides from Phase I of the Pela Ema deposit located near Minaçu, in the State of Goiás, Brazil. The document aims to provide a summary of the significant work undertaken to date to embed sustainability across the organization, and to set out how this will be enhanced in the future.

The Group intends to publish a detailed Sustainability Report aligned with leading global reporting standards such as those of the Sustainability Accounting Standards Board ("SASB").



CEO's Letter



Thras Moraitis,
CEO Serra Verde Group

Climate change is one of the greatest challenges facing our society. Reducing carbon emissions demands fundamental changes to the way we produce and use energy, requiring a huge expansion of renewable electricity generation and the electrification of transport and other activities. Achieving a change of this magnitude will require the rapid establishment of new industries and supply chains with the support of governments around the world.

Two vital energy transition technologies, electric vehicles and wind turbines, rely upon permanent magnets that contain four Rare Earth Elements ("REEs"), and Serra Verde Group is the only scale producer of all four of these critical REEs outside of Asia.

Serra Verde aims to play a key role in

accelerating the transition to a clean energy future. As such, we have ambitious plans, while our team has a proven track record of building global businesses in the natural resources sector by investing in and developing world class assets such as Serra Verde Pesquisa e Mineração ("SVPM") – our operation in Goiás state, Brazil. During 2023, we completed construction of Phase I operations at SVPM and commercial production of REEs commenced at the start of 2024.

Bringing SVPM from an early-stage exploration opportunity to a commercial operation is a major achievement and the result of 15 years of work by our dedicated team, significant commitments from our investors as well as the long-term support of government and communities in Brazil.



We are excited by the opportunity of working with our host communities, the local and federal governments of Brazil and others around the world to pioneer the creation of a globally significant REEs sector in the country. Brazil is uniquely placed to deliver responsibly produced critical materials, that diversify global supply chains and enable the global transition to green energy.

Our aim is to become the most sustainable supplier of REEs in the world providing customers with a reliable, traceable and responsibly produced supply of REEs which also benefits from a comparatively very low carbon footprint. We can achieve this goal by utilising SVPM's significant advantages which flow from the attractive ionic clay geology of the Pela Ema deposit, with a higher proportion of critical heavy REEs, access to renewable energy, and SVPM's location in a jurisdiction with a strong mining history, established regulations, positive community relations as well as

a skilled workforce. SVPM also utilises simple mining and processing techniques compared to hard rock deposits, with no blasting, crushing or milling, relatively benign reagents and no wet tailings.

We plan to expand production and develop SVPM's operations by optimising and enhancing the existing Phase I operation and are examining the potential for a Phase II expansion that could double mine production by the end of the decade. We are also exploring multiple opportunities to participate in the creation of new permanent magnet value chains essential to the clean energy transition.

For Serra Verde to be successful over the long term it is imperative that we operate safely and responsibly, developing our people and assets to their fullest potential while mitigating environmental impacts and creating shared value for our host communities. Our Vision, Mission and Values clearly set out our commitments, and we have adopted best practice sustainability

policies that are applied across everything we do. At SVPM we have implemented and continue to improve a detailed and comprehensive sustainability framework to embed the Group's commitments in day-to-day activities, enabling us to minimise environmental impacts and maintain strong community relations developed over many years.

Our approach is delivering results, and I am proud that during 2024 Serra Verde was recognized for our significant sustainability achievements. The Minerals Security Partnership ("MSP"), a collaboration of 14 countries and the European Union, added Serra Verde to their list of critical projects. The MSP aims to accelerate the development of diverse and sustainable critical energy mineral supply chains by facilitating targeted financial and diplomatic support for only those projects that meet high, internationally recognized ESG standards, promote local value addition, and uplift communities. I believe that the

support of the MSP is emblematic of our commitment to create and share sustainable value and could be significant in the context of our ambitious plans.

In addition, SVPM was awarded the best performing company in Brazil for Social Governance in the Brazil Mineral awards and were also commended by the Industry Federation of Goiás.

We are committed to providing clear and accurate reporting of our sustainability performance and intend to publish a detailed sustainability report aligned with leading global reporting standards.

While the long-term prospects for Brazil's nascent REEs sector are very positive, there are significant short-term challenges, such as limited access to funding, high levels of competition from established international players and complex technical challenges. The industry will require long-term support from governments around the world if it is to make a positive contribution to the green energy transition.

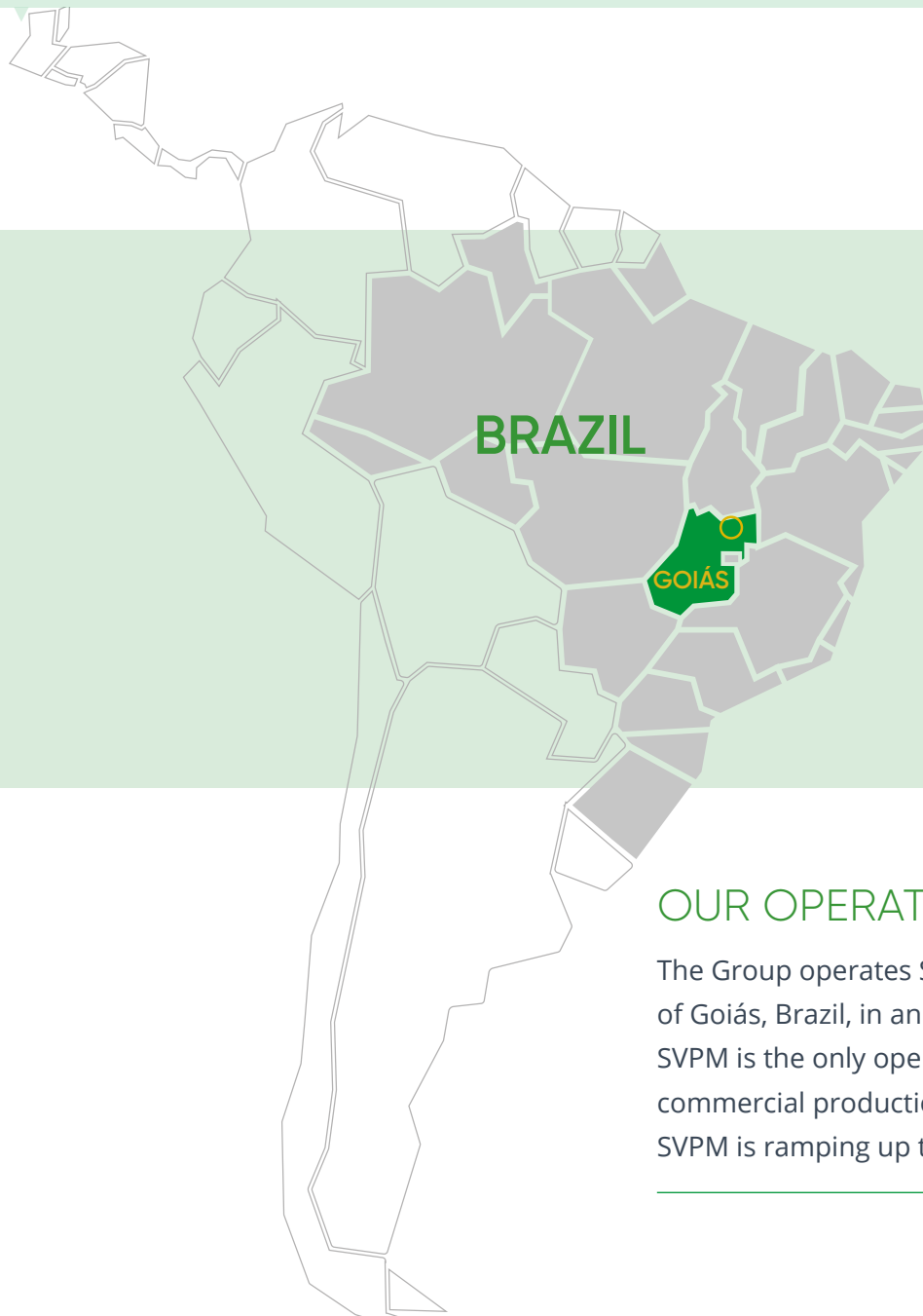
I am confident that, with the backing of our stakeholders, we can responsibly deliver on the promise inherent in SVPM and pioneer the development of a critical new industry for Brazil, that can enable change on a global scale.

Thras Moraitis,
CEO Serra Verde Group



About Serra Verde

Serra Verde Group aims to play a meaningful role in the acceleration of the clean energy transition by responsibly providing essential materials while facilitating the creation of required new value chains.



GOIÁS



OUR OPERATIONS

The Group operates Serra Verde Pesquisa e Mineração (“SVPM”). SVPM is located in the State of Goiás, Brazil, in an established mining jurisdiction with excellent access to infrastructure. SVPM is the only operating ionic clay mine and processing plant outside of Asia. With commercial production achieved at Phase I of the Pela Ema operation at the start of 2024, SVPM is ramping up to reach at least 5,000 tonnes per year of rare earth oxides.

OUR APPROACH

Sustainability is integral to our strategy for creating value. By ensuring Serra Verde works to high sustainability standards, we aim to differentiate ourselves from competitors, secure access to the widest possible market and generate a sustained competitive advantage.

30%
of employees are women - well above mining industry averages.

HIGHLIGHTS

- Workforce of over 1,300 comprises employees and contractors.
- More than 70% of the employees are from the Minaçu region.
- Almost 30% of the employees are women, well above mining industry average in Brazil.
- Invests in local workforce training and development.
- Strong local community relationships with 90% approval rating and social programs created to benefit local communities and supply chain partners.
- Works closely with a growing network of small and micro local suppliers to support their development.

KEY MILESTONES

- 2008
Serra Verde founded, pioneering REE exploration in Goiás state
- 2010
Initial exploration and feasibility studies commenced
- 2019
Completion of Definitive Feasibility Study
- 2020
Construction Commenced
- 2023
Construction completed and plant commissioning
- 2024
First production, ramp up and plant optimisation

OUR VALUES

WE CREATE AND SHARE SUSTAINABLE VALUE

We seek to create superior value for our shareholders. We also recognise that in the long run we cannot be successful without creating shared value for our wide range of stakeholders, including our employees, local communities, local and national governments, suppliers and customers.

WE ARE OPTIMISTIC AND PASSIONATE

We believe the transition towards clean energy is achievable through a concerted individual and collective effort by all of society and that we can have a meaningful impact through the provision of key raw materials for the clean energy transition. We are proud to have the opportunity to do so.

WE TAKE PERSONAL RESPONSIBILITY

We are empowered to seek value and are personally and collectively accountable for the consequences of pursuing it. We take personal responsibility for the safety of our colleagues and ourselves, aiming to achieve zero harm. We recognise our role in broader society and responsibility towards

the environment. We are responsible for the development of our people and the optimal investment in our resources.

WE ARE COURAGEOUS, ENTREPRENEURIAL AND AGILE

To achieve our aims, we must make courageous decisions, maintain an entrepreneurial focus on value and risk and build and sustain an agile organisation which values decision-making, momentum and action.

WE ACT WITH INTEGRITY, TRUST AND TRANSPARENCY

We act in compliance with the law and regulations to which we are subject. But we will go beyond this by applying the highest standards of ethics and integrity.

WE VALUE EXCELLENCE

It is only through the relentless pursuit of excellence that we can remain competitive, optimally productive and sustainable. We strive on a daily basis to be the best, continually improving and fostering a culture of excellence.

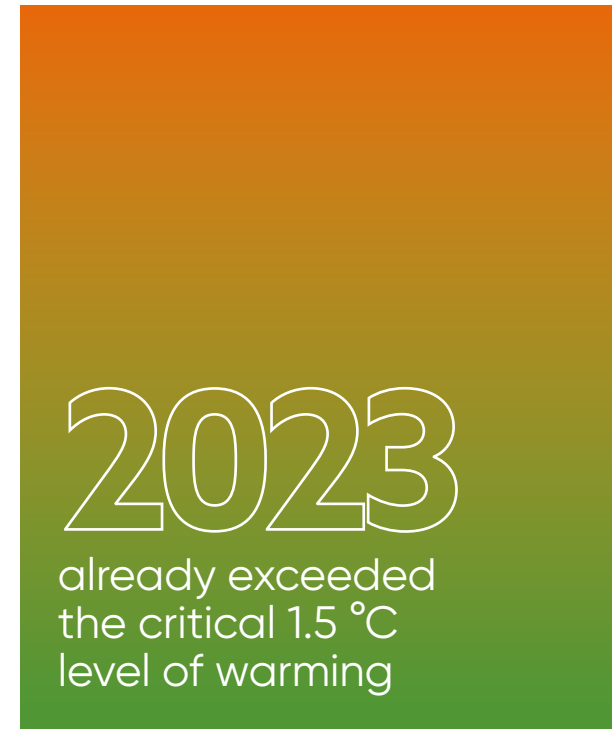
ENABLING THE ENERGY TRANSITION

Climate change is the greatest challenge facing our society

- The ten hottest years on record have all occurred this century¹ and 2023 already exceeded the critical 1.5 °C level of warming².
- Given the scale of the challenge, global cooperation is essential to drive meaningful climate action.

REEs are vital to addressing climate change

- Four REEs - Dysprosium (Dy), Terbium (Tb), Neodymium (Nd) and Praseodymium (Pr) are critical to the production of permanent magnets.
- Permanent magnets enable clean energy technologies including EVs and wind turbines as they make electric motors lighter, smaller and more efficient.
- Adamas Intelligence forecasts that between 2024 and 2040 global demand for permanent magnets could rise at a compound annual growth rate (CAGR) of 8.7%³.



¹NOAA (2024) – Global Monitoring Report 2023, NOAA, Asheville

²Berkely Earth (2024) - Global Temperature Report for 2023, Berkely Earth, Berkley

³Adamas Intelligence Inc. (2024) – Rare Earth Magnet Market Outlook to 2040, Adamas Intelligence Inc., Toronto

WHERE DO REEs COME FROM?

- Current supply of REEs is highly concentrated, with China accounting for approximately 70%⁴ of mined supply and approximately 90% of refined REEs⁵.
- More than 20 new rare-earth operations would need to be launched between now and 2030, with an additional 10 operations needed by 2035⁶ to meet future demand.

BRAZIL'S UNIQUE POSITION

- Brazil holds the world's third-largest reserves of REEs⁷.
- Brazil is a highly attractive jurisdiction for mining investment⁸ with a long history of successful mining.
- Around 90%⁹ of Brazil's power generation came from renewable sources in 2023.
- In 2024, Brazil created a 1 billion reais (US\$200M) Critical Minerals Investment Fund to support the development of strategic minerals projects.



90%

of Brazil's power generation came from renewable sources in 2023

⁴ USGS (2024) – Mineral Commodity Summaries 2024, USGS, Reston

⁵ IEA (2021) – The Role of Critical Minerals in Clean Energy Transitions 2021, IEA, Paris

⁶ BCG (2023) – Five Steps for Solving the Rare-Earth Metals Shortage, 2023, BCG, Boston

⁷ USGS (2024) – Mineral Commodity Summaries 2024, USGS, Reston

⁸ Fraser Institute (2024), 2023 Survey of Mining Companies, 2024, Fraser Institute, Vancouver

⁹ IEA (2024) - Brazil's opportunity to lead the global dialogue on energy and climate, 2024, IEA, Paris

AWARDS AND RECOGNITIONS



ETHOS INSTITUTE: BUSINESS PACT FOR INTEGRITY AND AGAINST CORRUPTION, 2024

SVPM became a signatory to the Ethos Institute Business Pact for Integrity and Against Corruption, which sets out guidelines for signatory companies to adopt, based on the UN Convention Against Corruption, the UN Global Compact and the OECD guidelines.



OFFICE OF THE COMPTROLLER GENERAL: BRAZIL PACT FOR INTEGRITY INITIATIVE, 2024

SVPM became a signatory of the Brazil Integrity Pact, which encourages companies operating in the country to make a voluntary commitment to corporate integrity.



BRASIL MINERAL MAGAZINE: COMPANY OF THE YEAR AWARDS, 2024

SVPM won best social governance by a medium sized company for the team's work in engaging with the population of Minaçu.

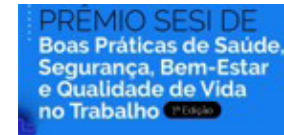
BRASIL MINERAL MAGAZINE: COMPANY OF THE YEAR AWARDS, 2021

SVPM was elected Company of the Year in the innovation and technology category, for its commitment to developing a low carbon and low cost operation.



FIEG: SUSTAINABILITY AWARDS, 2024

SVPM was awarded 2nd place in the sustainable technologies category at the FIEG Sustainability Awards for its atmospheric emissions master plan and 3rd place in the sustainable management practices and social and environmental responsibility category.



SESI GOIÁS: AWARD FOR GOOD PRACTICES IN HEALTH, SAFETY, WELL-BEING AND QUALITY OF LIFE AT WORK, 2022

Carried out by Sesi Goiás the social responsibility branch of FIEG, SVPM won the Good Practices in Health, Safety, Well-being and Quality of Life at Work award for medium-sized companies.



BUREAU VERITAS: SAFEGUARD COVID-19 SEAL, 2021

In 2021 SVPM became the first mining company in Brazil to be certified with the Safeguard Covid-19 seal by Bureau Veritas for its commitment to ensuring virus spreading prevention practices, through hygiene and cleaning protocols.



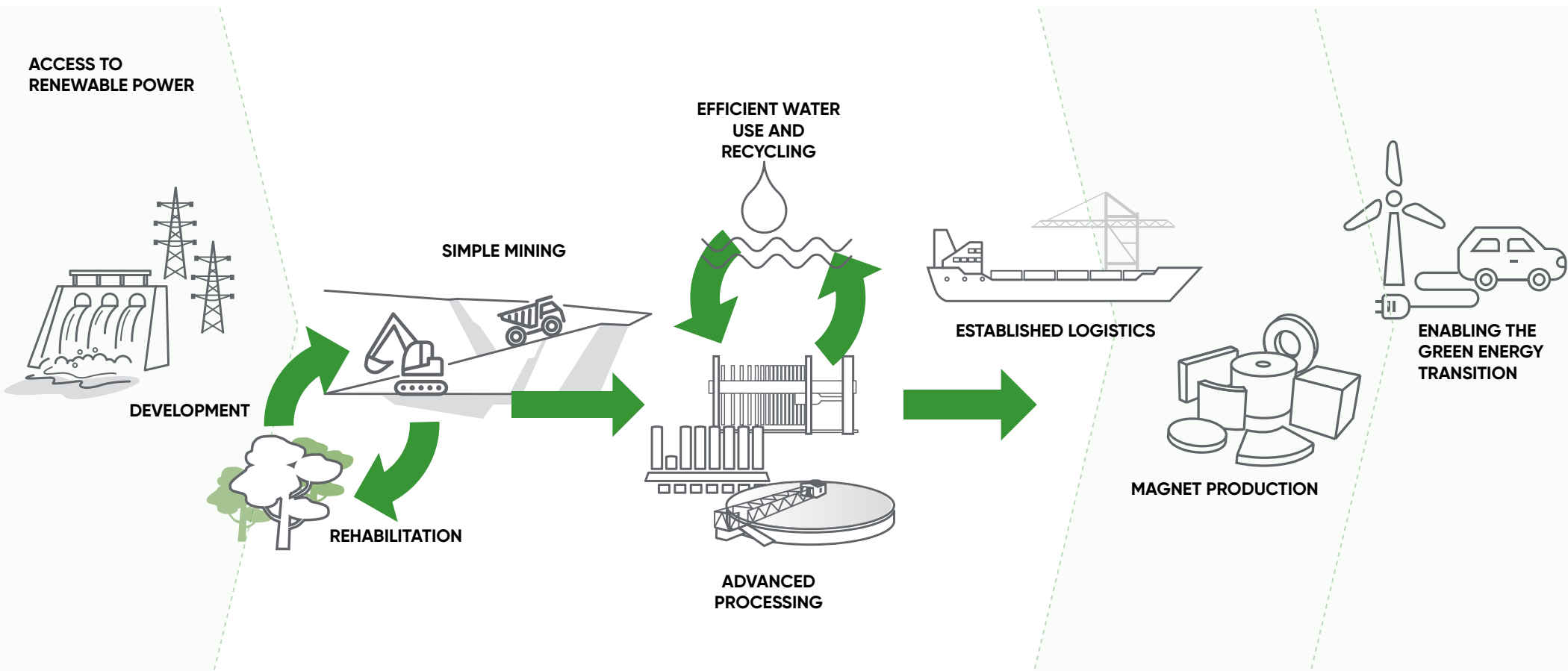
A global REEs pioneer

“We are at the forefront of Brazil’s REE industry, a testament to our pioneering spirit and relentless dedication. We have entered production and are now a strategically important asset for Brazil and the global market. Our focus remains on optimizing our processes, expanding our capacity, and setting high standards for sustainability” —

Ricardo Grossi, SVPM President and Serra Verde Group COO

Following the start of commercial production earlier this year, SVPM is the only scale producer of the four critical REEs used in permanent magnet production outside of Asia and is ramping up operations to produce at least 5,000 tonnes of rare earth oxide (“REO”) annually.

SERRA VERDE: A RESPONSIBLE PLAYER IN RARE EARTH SUPPLY CHAINS



LEVERAGING SVPM'S ADVANTAGES

- Ionic clay deposit, operated with less energy-intensive and less environmentally disruptive techniques compared to traditional hard rock mining.
- Advanced processing techniques that maximize recovery rates, produce no wet tailings, recirculate process water and minimize waste and environmental impacts.
- Very low carbon footprint from grid electricity compared to peers due to an energy mix with a high proportion of renewables.
- Skilled workforce and strong community relations in a traditional mining area.

AMBITIOUS GROWTH OBJECTIVES

- Plant and process optimisation expected to boost production capacity from the existing Phase I operation, which has a 25-year mine life.
- Large scale resource that could support a doubling of mine production by the end of the decade.

CONTINUOUS IMPROVEMENT

We are pioneering a new industry and always seek to improve our performance, processes to meet leading global standards.

SVPM is working to enhance efficiency and productivity through improvements in the mining and recovery processes, with a focus on integrated planning that incorporates Environmental, Social and Governance (“ESG”) considerations directly into the operations.

At the Group level, Serra Verde has established a strong ESG framework that translates our strategy and ambition into clear principles and policies. A set of 16 dedicated ESG Management Standards guide our operations.



Our approach to managing sustainability

The Group is committed to operating in a responsible and sustainable manner, applying best-in-class management practices and leading industry standards.

SVPM has aligned its systems and processes with internationally recognized ISO standards for environment and health & safety. Additionally, SVPM aligns with the IFC Performance Standards, Equator Principles and ICMM principles, Mining Association of Canada Towards Sustainable Mining (“TSM”) Framework, and the UN Sustainable Development Goals (“UN SDGs”). The Global Industry Standard on Tailings Management (“GISTM”) is used as guidance for the dry stack facilities (“DSF”). SVPM is also aligning its human rights management framework with the United Nations Guiding Principles for Business and Human Rights (“UNGPs”).

During 2024 SVPM appointed external consultants to undertake an analysis of compliance with the Equator Principles, IFC Performance Standards and other international standards. The resulting analysis found that SVPM generally meets the requirements of relevant performance standards and, where necessary, measures to address any gaps have been added to existing management plans and programs.

CREATING A SAFE AND HEALTHY WORKPLACE

STRATEGY, POLICY AND COMMITMENTS

Serra Verde is committed to ensuring the safety of its people and achieving zero harm. We seek to achieve this by providing clear safety leadership across our operations, creating an organizational environment and culture that upholds high safety standards and is committed to practicing safe behavior at all times and in all that we do.

SVPM seeks to create a controlled work environment by systematically identifying and managing risks and hazards to reduce and eliminate the possibilities for injuries and adverse health effects. SVPM also communicates openly and transparently with all stakeholders regarding safety performance and necessary protective measures.

MAIN PROGRAMS IN PLACE

SVPM's workplace safety protocols, procedures and training plans adhere

to internationally recognized industry standards, such as ISO 45001, and utilize best practice performance measurement systems to ensure ongoing evaluation and improvement.

Health and safety is discussed in every regular leadership and executive meeting, and measures for continuous improvement are decided and implemented.

IN ACTION

SVPM is already delivering industry leading safety performance, recently passing 10 million hours without a lost time injury covering the construction, commissioning and now operation of the project. Despite this huge achievement, SVPM continues to work to further enhance and improve its safety performance.

Road safety on access and public roads around the operation has been identified as a key risk. SVPM has implemented a

range of measures to mitigate road safety risks and prevent incidents from occurring, including improved signage, speed controls, dust management, increased training and an agreement with local police to educate landowners and communities. SVPM has also completed an integrated traffic management study to further improve road safety, equipment safety and behaviour. These initiatives already include contractors and will gradually expand to include the local community.

OUTLOOK

Road safety remains a challenge and SVPM is committed to addressing this through enhanced safety training, the implementation of a critical risk protocol and improvements in traffic management. SVPM will also continue to expand health & safety initiatives into the communities to ensure a safer environment for all stakeholders.

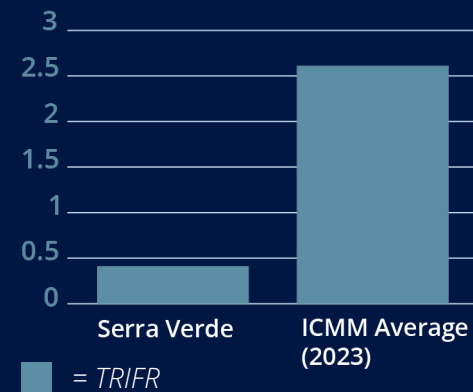
Creating a safe and healthy workplace



10 million
hours without a
lost time injury

INDUSTRY LEADING SAFETY PERFORMANCE¹⁰

Total Recordable Incident Frequency Rate (TRIFR)



¹⁰ ICMC, (2024)-Safety Performance Report 2023, ICMC, London

Health & Safety Week:

SVPM marked the Week for Preventing Accidents at Work and the Environment in July 2024. Employees and partner companies participated in lectures by external experts, as well as first aid training and awards for employees and others. Road safety training was also delivered in partnership with the Federal Highway Police, Military Police and others.

Diabetes:

SVPM runs an occupational health program “Diabetes- Prevention and Care” based on online lectures, advice on mental health, as well as the provision of rapid blood testing.

Living Well:

SVPM has implemented the Living Well program, which focuses on topics like fatigue management, smoking prevention and mental health to improve the overall wellbeing of the workforce.

PROTECTING OUR ENVIRONMENT

STRATEGY, POLICY AND COMMITMENTS

All mining operations impact the environment. As a responsible steward of valuable resources, the Group is committed to preserving the long-term health, function, and viability of the natural environments in which we operate, ensuring there is no net loss of critical habitat as a result of the work that we do. Through progressive rehabilitation we aim to leave a positive legacy beyond the life of the operation.

SVPM's primary environmental risks relate to the management of the land, water and biodiversity in and around the Pela Ema mine site, including its DSFs, making sure that the operation meets the highest industrial standards for safety and waste management.

MAIN PROGRAMS IN PLACE

SVPM aims to continually improve its environmental performance through a

comprehensive Environmental Management System ("EMS") and to minimize the lifecycle impacts of our products by reducing water and energy usage.

The EMS is based on internationally recognized standards including ISO 14001 and complies with legal requirements. It is designed to ensure that stakeholder concerns and environmental risks and impacts are identified, evaluated and managed appropriately.

Out of a total of 29 sustainability programs, SVPM has 16 management programs specifically dedicated to monitoring and protecting the local environment. These include monitoring noise and vibration, surface and groundwater quality, fauna and flora, as well as recovery programs for areas where vegetation has been suppressed, and environmental education programs for

SVPM has
16 sustainability
programs dedicated
to monitoring and
protecting the local
environment

Protecting our environment

employees and contractors. The success of each of these programs is measured against defined objectives and KPIs that comply with or exceed legislative requirements.

In addition, SVPM aligns with the requirements of the GISTM and does not produce any wet tailings.

IN ACTION

SVPM has a comprehensive program for identifying endemic and endangered species impacted by operations and protecting them from harm.

The SVPM team is trained to identify potential environmental risks, such as spills, leaks, or habitat destruction and implement measures to mitigate them.

SVPM also ensures continuous reforestation and protection of biodiversity in areas cleared during the mine construction process.

OUTLOOK

SVPM aims to develop and enhance its EMS through the entire life cycle of the operation, from initial studies to planning and permitting, design and construction, operation and finally progressive closure and restoration post-mining.

An important goal for SVPM is to manage the run-off of sediments generated by its operations. Throughout 2024, SVPM has been addressing this by making major investments into new sediment control initiatives and technologies.

Protecting our environment



70,000
plants grown for
land restoration

Fauna:

SVPM has established the CETRAS Environmental Center to rescue and rehabilitate endangered animals that are found on the mine site or brought to us by communities or the local authorities.

Flora:

SVPM's plant nursery currently houses 70,000 plants grown from the topsoil from areas cleared during our operations. These

will later be replanted as part of our efforts to implement a full restoration of the land after the mine is closed.

Water management:

SVPM implements rigorous water quality monitoring, such as daily measurement of salinity and turbidity at 12 sampling points.

ADDRESSING CLIMATE CHANGE

STRATEGY, POLICY AND COMMITMENTS

Serra Verde has developed a strategic approach to address climate change in accordance with the International Financing Reporting Standards (IFRS) S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures) standards, that is also integrated into our ESG framework.

We are committed to ensuring resilience to climate change, promoting sustainability, and creating long-term shared value for our stakeholders. We continually assess climate-related risks and opportunities, implement appropriate actions to mitigate them and capitalize on business opportunities, ensuring that we can deliver low-carbon and sustainable products.

We expect climate change to impact Serra

Verde in a variety of ways. Downstream, we believe it will lead to increased demand for our products as they are critical to decarbonizing energy, infrastructure and transportation systems. To make sure that our products provide the maximum sustainable benefit to society we will consider the environmental and social impacts of the entire value chain. As a result, we will deliver our products to international markets with environmental conservation and decarbonization in mind.

Serra Verde may also be impacted by climate change regulation or taxation. Locally operations can be impacted physically by disruptive weather events induced by climate change. We are monitoring and evaluating these risks within our integrated risk management approach and preparing appropriate management responses.

We have launched an independent third-party assessment to identify, analyze and evaluate potential climate event scenarios for the region around our operations. Based upon this assessment, we will develop a Climate Change Management Plan, implement necessary actions and monitor progress.

In the future Serra Verde will set targets related to energy use and greenhouse gas (“GHG”) emissions, with the aim of achieving the lowest feasible GHG footprint.

MAIN PROGRAMS IN PLACE

SVPM has initiatives in place for measuring, managing, monitoring and reducing GHG emissions in line with the internationally acknowledged GHG Protocol. In the future, SVPM will commission external experts to conduct a GHG emissions study.

SVPM already enjoys a comparably very low

Addressing climate change

carbon footprint from grid electricity because of Brazil's preferable energy mix with a high proportion of renewables. Additionally, SVPM has installed solar generation capabilities and improved operational efficiency, further reducing our GHG emissions.

SVPM's largest current source of emissions is derived from the use of diesel-powered mining equipment and increasing the adoption of B10 Biofuels will help to reduce this footprint.

IN ACTION

Due to vegetation suppression required in the construction of SVPM's Pela Ema facilities, SVPM will initially generate higher CO₂ emissions than when the mine enters steady state production. However, these emissions will be partially recovered at a later stage by rehabilitation of the impacted land.

At SVPM, a pre-operation baseline study and emission inventory for Scope 1 and 2, and partly also Scope 3 was completed and is being updated with operational and planning data. SVPM measures Scope 1 and Scope 2 emissions in line with internationally recognized reporting frameworks and protocols. Measurement of Scope 3 emissions will be introduced gradually from 2025 onwards. External verification of Scope 1 and 2 emissions is planned to take place at a later stage.

OUTLOOK

Once in steady operation and with a reliable baseline established, SVPM will start to set tangible objectives for the management of GHG emissions with the goal of continually reducing CO₂ emissions intensity per ton of product. We expect that we will have a demonstrably lower carbon footprint than our industry peers.

BUILDING RESILIENT COMMUNITIES

STRATEGY, POLICY AND COMMITMENTS

In the long run, Serra Verde cannot be successful without generating shared value for employees, host communities, local and national governments, suppliers and customers. Our approach is not simply about redistributing existing resources, it is about expanding the total pool of economic, social and natural value to ensure that people benefit from our presence.

Serra Verde values diversity and is committed to treating all employees fairly and providing inclusive working conditions. We have adopted a Group Human Rights Policy with a formal grievance mechanism and a risk assessment process. We are integrating human rights risks into due diligence processes for business and value chain partners.

Serra Verde has also developed a Corporate Social Investment (“CSI”) Policy which aims

to build and enhance the socio-economic capacity and well-being of the communities located near our operations.

MAIN PROGRAMS IN PLACE

SVPM is one of the largest employers and taxpayers in the Minaçu region, and relies on local infrastructure, community support and multiple partnerships with business and other organizations in the area. The success of SVPM and its partners are inextricably linked, so SVPM undertakes a range of initiatives to promote cooperation, support economic development and enhance infrastructure.

SVPM maintains transparent communication and consultation with external stakeholders, including those communities associated with its operations to identify and understand the economic, environmental and social impacts of its activities as well as their requirements, interests and concerns.

As part of its operating license, SVPM monitors its impacts on socioeconomic development, engages with and educates communities on social and environmental matters while also providing support and capacity building for local government and rural communities.

SVPM has also established management systems to measure, analyze, report and respond effectively to a wide range of social indicators such as social engagement, requests for donations and sponsorships, grievances and complaints and community events.

IN ACTION

SVPM is committed to improving the health of its employees and local communities, holding annual events to encourage the prevention of diseases, carrying out regular medical screenings and encouraging physical activity.

SVPM's annual research into community attitudes found a high level of awareness of the project and its benefits, with 90% of interviewees seeing the company's presence as positive for the region of Minaçu.

SVPM held 7 formal meetings with the local community throughout project construction to provide regular updates on progress and on local initiatives.

At the 2024 Brasil Mineral Awards, SVPM won best social governance by a medium sized company for the team's work in engaging with the population of Minaçu. This is testament to the hard work that has been undertaken in the 15 years since SVPM was founded and the priority we put on community relations.

With the end of commissioning and the beginning of ramp-up, SVPM has developed two new channels to update the community,

involving regular themed meetings for groups in Minaçu, in the surrounding area, as well as in rural communities.

SVPM maintains a community liaison office in Minaçu, which is open to everyone and evaluates and supports social requests and initiatives from the community.

OUTLOOK

SVPM is now focused on environmental education initiatives in the local community through the Being Nature Program, a public initiative by the Public Prosecutor's Office of Goiás, to find solutions for environmental issues by involving the community in practical activities. We will also continue to engage with employees, communities and schools.

Given the high incidence of fires in the region, SVPM will be working with partners, carrying out a series of campaigns to prevent

and raise awareness for fires in the rural and urban areas of Minaçu.

since 2022 Serra Verde
has trained **70**
women in roles
traditionally performed
by men



Increasing female participation:

As a member of Women in Mining Brazil, SVPM is committed to increasing gender inclusion at its operations and already has achieved significant success with women representing almost 30% of employees. One of the initiatives conducted as a member of Women in Mining Brazil was the Dump Truck Operator Course. Since 2022 SVPM trained 70 women in roles traditionally performed by men.

ELAS Project:

Created in 2023 to promote essential dialogues to enhance gender diversity, the project promotes regular meetings to discuss initiatives where female employees and women members of the community are leaders and protagonists.

Young Apprentices Program:

SVPM runs, along with SENAI, a local educational institution, a program to prepare young people to enter the job market, reinforcing the company's commitment to the professional and personal development of the community.



Supporting local suppliers:

The Advance Program provides local suppliers with training and mentoring on strategic planning, project management, financial management and on compliance and quality of service. The program promotes economic development in Minaçu, through a technical partnership with FIEG - Federation of Industries of Goiás, aimed at enhancing local businesses' capabilities.

Capacity building:

SVPM engages local institutions and public services to discuss ways at mitigating operational impacts and strengthening municipal infrastructure, fostering collaboration and community resilience.

Road safety:

SVPM organises campaigns in schools to promote safe driving practices. These campaigns, conducted in partnership with a local vehicle company, teach children the importance of road safety, including wearing seatbelts and avoiding driving under the influence.

WORKING TO THE HIGHEST STANDARDS

STRATEGY, POLICY AND COMMITMENTS

The way we work is critical to building strong, long-term relationships with our communities, employees, customers, host governments and others.

Serra Verde is committed to applying the highest standards of ethics and integrity and we seek to create and sustain a culture that respects and promotes diversity, inclusivity, equality, fair labour conditions and human rights.

Serra Verde acts in compliance with relevant laws and regulations and seeks to continually improve processes and comply with recognized standards and conventions. The Group aims to be transparent in its dealings with all stakeholders and requires supply chain partners to meet sustainability standards commensurate with Serra Verde's own as part of our procurement and value chain processes.

Serra Verde is committed to maintaining an effective control environment and risk management is integrated into all core business activities.

A comprehensive risk management policy has been implemented at both the Serra Verde Group and SVPM levels based upon timely risk assessments being integrated into operational procedures. All significant contracts and operational changes are thoroughly evaluated for risks, including those related to ESG or business ethics factors.

MAIN PROGRAMS IN PLACE

SVPM has implemented a range of measures as part of its compliance program to ensure it complies with all applicable laws, as well as Serra Verde's internal policies. These include its Code of Conduct, Anti-Corruption Policy, compliance register and a dedicated

whistleblower channel.

SVPM recently became a signatory of the Brazil Integrity Pact, linked to the Office of the Comptroller General. This pact encourages companies operating in the country to make a voluntary commitment to corporate integrity.

At SVPM, all material risk registers are recorded and monitored by the Risk Management Team to ensure ongoing oversight and management of identified risks. SVPM are also integrating risk assessments into the budgeting process. Key risks and their potential financial impacts have been identified, allowing for more informed decision-making and strategic planning.

IN ACTION

SVPM's Compliance department has implemented and continually improves its Integrity Program through regular training and its communication plan. This plan addresses practical and highly relevant topics on ethics and integrity for all the mining company's employees.

SVPM runs an internal campaign to educate employees on a variety of important compliance and ethics topics, such as workplace harassment, confidentiality, the Whistleblowing Channel, the Code of Ethics and relevant updates in the area.

Risk training for SVPM employees and leaders has also been undertaken, significantly enhancing their ability to identify and manage risks effectively. Additionally, SVPM's active participation in Safety Week further reinforces its commitment to fostering a culture of safety and risk

awareness, ensuring that risk and hazard identification is adequately reflected in decision making processes.

Workshops on risk management have been held, and risk reporting has been significantly improved to provide more detailed and actionable insights.

OUTLOOK

It is critical to continue to strengthen our culture of integrity based on effective communication, training and support for all employees and involved stakeholders. Looking ahead, we aim to continue refining risk management practices to ensure they remain robust and effective. We will maintain our focus on ESG-related risks and strive to enhance risk identification and management processes further. Regular training and development for employees will remain a priority, as will the ongoing monitoring and

updating of the risk registers.

By adhering to these high standards and continually improving risk management practices, Serra Verde is committed to ensuring the sustainability and resilience of our operations.

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Disclaimer

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Cautionary statement regarding climate strategy

Serra Verde operates in a dynamic and uncertain market and external environment. Plans and strategies can and must adapt in response to dynamic market conditions, changing preference of our stakeholders, joint venture decisions, changing weather and climate patterns, new opportunities that might arise or other changing circumstances. Investors should assume that our climate strategy will evolve and be updated as time passes. Additionally, a number of aspects of our strategy involve developments or workstreams that are complex and may be delayed, more costly than anticipated or unsuccessful for many reasons, including, without limitation, reasons that are outside of Serra Verde control. Our strategy will also necessarily be impacted by changes in our business. There are inherent limitations to scenario analysis, and it is difficult to predict which, if any, of the scenarios might eventuate. Scenario analysis relies on assumptions that may or may not be, or prove to be, correct and that may or may not eventuate and scenarios may also be impacted by additional factors to the assumptions disclosed. Given these limitations we treat these scenarios as one of several inputs that we consider in our climate strategy. There may also be differences in the manner that third parties calculate or report such data compared to Serra Verde, which means that third-party data may not be comparable to Serra Verde's data.