HUMAN RIGHTS ASSESSMENT

EXECUTIVE SUMMARY

Based on the Human Rights Assessment (SocialX, August 2024)

Brazilian Nickel

HUMAN RIGHTS IN THE PIAUÍ NICKEL PROJECT

Brazilian Nickel (BRN) is committed to respecting internationally recognized human rights, in line with the UN Guiding Principles on Business and Human Rights (UNGPs). As part of its human rights due diligence for the Piauí Nickel Project (PPN), BRN commissioned an independent Human Rights Assessment in 2024 to understand how the Project may affect the rights of workers and communities within its area of influence, identify actual and potential risks and impacts, and identify groups that may be most vulnerable to them.

The assessment was conducted by the independent consulting firm SocialX and completed in August 2024. It followed the guidelines of the Equator Principles for human rights assessments and the ICMM Human Rights Due Diligence Guidance, and also took into account Brazilian legislation, IFC Performance Standards 1 and 4, and the Voluntary Principles on Security and Human Rights.

This summary presents the scope and approach of the assessment, its main findings, and how BRN is incorporating them into the Project's management.

THE PROJECT AND ITS CONTEXT

The PPN was designed to produce nickel and cobalt through the heap leaching of lateritic ore in Brejo Seco, located in the municipality of Capitão Gervásio Oliveira, in southeastern Piauí. The Project's direct area of influence comprises four municipalities: Campo Alegre do Fidalgo, Capitão Gervásio Oliveira, Dom Inocêncio, and São João do Piauí.

The region is located in the northeastern semiarid zone, where a large portion of the population lives in rural areas and depends on family farming, and where water scarcity and limited infrastructure are long-standing challenges. The assessment estimated that, at the peak of construction, the project's workforce could increase the local population by approximately 10%.

HOW THE ASSESSMENT WAS CONDUCTED

The assessment combined:

- **A review of relevant references:** UNGPs, guidelines from the Equator Principles and the ICMM, IFC Performance Standards, Voluntary Principles, and Brazilian human rights legislation;
- **Analysis of BRN's management system:** policies, procedures, socio-environmental management plans, training, staff capacity, and records of human rights-related complaints;
- **Socioeconomic analysis:** data from the four municipalities within the direct area of influence, extracted from the Project's updated socioeconomic baseline (May 2024), to identify vulnerable groups and areas;
- **Internal interviews:** working meetings with BRN managers and analysts from the Environment, Human Resources, and Sustainability departments.

Each issue was classified according to its severity (scale, scope, and potential for remediation) and likelihood, first without and then with BRN's management measures. The assessment also analyzed BRN's maturity in human rights management based on the ICMM guide and the UNGPs' operational principles.

> **Scope of this assessment.** This is an initial assessment, based primarily on a review of documents. In line with the UNGPs, the focus was on potential adverse impacts, without evaluating the project's positive contributions, such as job creation, local procurement, and social investment.

GROUPS THAT MAY BE MOST VULNERABLE

Within the Project's direct area of influence, the assessment identified five groups that may be more vulnerable to adverse impacts:

- Black population;
- Children;
- Women;
- Quilombola communities;
- Small-scale family farmers.

The main factors contributing to vulnerability were low income (all four municipalities have per capita incomes below the state and national averages), gender inequalities (reflected, for example, in rates of teenage pregnancy and access to employment), and racial and ethnic inequalities.

KEY FINDINGS

The assessment concluded that BRN's commitment to human rights is already reflected in its corporate policies, including the Code of Ethics and Conduct and policies on employment and working conditions, health, safety, and the environment; inclusion and diversity; social and community issues; security; and the supply chain, as well as in a set of socio-environmental management plans that address many of the Project's risks. It also identified opportunities for improvement, notably the need for a specific Human Rights Policy, more formal processes for ongoing assessment, monitoring, and remediation of impacts, and public reporting on human rights.

Of the 27 human rights issues analyzed, eight were identified as priorities for the PPN (Table 1). Key contextual factors include the expected influx of people seeking work, limited local health, water, and sanitation infrastructure, the presence of quilombola communities, land acquisition and potential resettlement, and the use of private and public security forces.

Table 1 – *Priority human rights issues of the PPN and key management measures*

Priority Issue	Why it is relevant to the PPN	Key management measures
Life and personal safety	Population growth and increased heavy vehicle traffic during construction may affect community safety.	Health, Safety, and Environment Policy; Security Policy; Community Health and Safety Plan; Traffic Management Plan; Influx Management Plan; dedicated access road located away from communities.
Health	Dust, effluents, and noise, combined with increased pressure on local health services, can affect the health of workers and communities.	Health, Safety, and Environment Policy; Community Health and Safety Plan; Occupational Health Medical Surveillance Program (PCMSO); on-site clinic for the workforce.
Water and Sanitation	Water scarcity in the semiarid region and population influx can affect access to water and sanitation.	Influx Management Plan; Worker Accommodation Plan; monitoring programs for surface water, groundwater, and effluents.
Rights of Traditional Communities	Quilombola communities in the region may experience indirect changes to their way of life.	Social and Community Policy; Inclusion and Diversity Policy; Code of Ethics and Conduct; monitoring of pressure on public services.

Priority Issue	Why it is relevant to the PPN	Key management measures
Security Forces	The activities of private and public security forces may, if not properly managed, affect the rights of workers and communities.	Security Policy; Security Management Plan aligned with the Voluntary Principles on Security and Human Rights.
Land Ownership and Use	Implementation of the Project requires land acquisition and involuntary resettlement.	Land Negotiation Program; Land Acquisition Plan; resettlement planning aligned with IFC Performance Standard 5.
Migrants' Rights	The arrival of people seeking work may exacerbate inequalities and put pressure on local services.	Employment Policy and Working Conditions; Influx Management Plan; Worker Accommodation Plan.
Harassment (psychological and sexual)	The growth of the workforce during construction increases the risk of harassment involving people associated with the Project.	Code of Ethics and Conduct; independent reporting channel; training on psychological and sexual harassment.

With the measures implemented or planned, the assessment concluded that none of the priority issues remained at a severe or high residual level. All eight continue to require ongoing management, monitoring, and oversight.

In addition, BRN voluntarily monitors three issues that were not classified as priorities: child labor; forced labor and human trafficking; and the rights of workers at contractors and suppliers.

WHAT WE ARE DOING

The assessment recommended eight actions to strengthen BRN's approach and achieve full alignment with the UNGPs. These actions address the adoption of a Human Rights Policy; strengthening how impacts are assessed, prevented, mitigated, monitored and remediated; establishing clear land management procedures; engaging with rights holders and reassessing impacts; and publicly reporting on human rights.

BRN has adopted a Human Rights Policy that formalizes its commitment to the UNGPs. It is available on our Documents page.

The remaining recommendations are being incorporated into the Project's existing management processes, including:

- **Stakeholder engagement:** ongoing dialogue with communities, workers, and other stakeholders throughout the Project's entire life cycle, with special attention to vulnerable groups identified in the assessment;

- **Access to land and resettlement:** development of Resettlement Policy Frameworks, where applicable, in line with IFC Performance Standard 5;
- **Risk management:** identification, assessment, and monitoring of human rights risks through the Project's Socio-Environmental Risk Register, which is maintained and updated over time;
- **Access to redress:** an independently operated grievance mechanism open to anyone who believes they have been affected by the Project (see Contact Us below);
- **Public reporting:** Annual Sustainability Reports with updates on relevant human rights issues.

BRN is also intending to update the Human Rights Assessment. The update will involve direct engagement with rights holders, such as community members, workers, contractors, and vulnerable groups, and will reassess the risks identified in 2024 in light of the Project's progress.

CONTACT US

If you believe you have been affected by the Piauí Nickel Project (PPN), or if you have any concerns, complaints, or questions related to the Project, please contact us through **the "Contact Us"** channel.

This channel is operated by an independent, specialized company that strives to provide accessible and welcoming service. All communications are recorded and tracked through a dedicated system, which allows for the management of deadlines and the monitoring of each case.

You can contact us through the following channels:

- **Toll-free phone:** 0800 942 2102
- **WhatsApp:** Use the same number for text messages, calls, or voice messages
- **Service in Brazilian Sign Language (Libras):** available via the 0800 number
- **In-person assistance:** provided by the Community Relations team during field activities and visits, or in situations involving other stakeholders, such as contractors, suppliers, and local leaders.

Support via phone and WhatsApp is available **Monday through Friday, from 8 a.m. to 6 p.m**. Outside these hours, you can leave a message and we will get back to you.

You can submit your feedback **anonymously**. Your personal information is protected, and each submission is assigned a reference number that allows you to track the status of your feedback.