

# Sustainability Annual Report

2011  
2012





“ From everything three things remained:  
The certainty that we are beginning  
The certainty that it is necessary to continue  
The certainty that we can be interrupted  
before we finish.  
Let's turn the interruption into a new path  
the fall into a dance step  
the fear into a stair  
the dream into a bridge  
the search into an encounter ”  
*Fernando Sabino*



Morro do Pilar - Minas Gerais - Brasil



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## HOW TO READ THIS REPORT

Manabi believes that the transparency of our activities and of information is a basic assumption for sustainable development. Here, we introduce what we have developed in the period from March 2011 to September 2012.

**About Manabi** - In the first part, you will find Manabi's essence. Our messages, the Mission, the Vision, the Values, the concepts of social and environmental responsibility, and the adherence to the Global Pact show how committed we are with the fulfillment of our goals and the development of productive and market good practices.

**Our work** – In this session you will know a little more about the projects, productive processes and technologies, designed and developed from our efforts and studies, always aiming to achieving the best results, even before the beginning of the operational stage.

**Responsible planning** - Here you will have access to important data about the corporate profile and the company's financial performance, strategically planned and developed to reach our goals and achieve financial return with safety and liability.

**Transparency and dialog** – A frank and open dialog is one of the most important characteristics in the way Manabi acts together with the stakeholders. The way we relate with the communities and governments involved in our projects, and also the responsible form as we work with the press and the society are shared in this topic.

**Preserving the future** - Another important factor in Manabi's activities is the attention and care demanded in the environmental process. Our environment policy, the procedures related to the environmental licenses for the enterprises, and our environmental performance are explained in this section.

In case you need further information, our e-mail for contact is: [comunicacao@manabi.com](mailto:comunicacao@manabi.com)

We hope that all the information contained in this report is well organized and can be easily accessed.



# Message from the CEO

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Starting from zero is always a challenge, but for Manabi the beginning can mean great opportunities. We have the opportunity of becoming one of the most sustainable mining and logistics companies and we will, certainly, walk towards accomplishing our daring goal.

The first step was to structure a project backed by consistent and financially safe mineral assets together with partners experienced and committed to the project in long term.

Our goal is ambitious: to produce one of the best iron ore concentrated in the world, the Premium quality pellet feed, with iron content of about 68,5%, complying with the most demanding social/environmental and market standards. Soon, that will become reality, thanks to Manabi's enormous effort and capacity of innovating, seeking technological options and breaking barriers

We understand that sustainable development is mining greatest added value. The activities not only can walk together, as well as should talk to each other, becoming complementary.

The commitment to the Global Pact, in December 2011, ratifies the company's seriousness and commitment to sustainability, which assumptions became a guide for every strategy and initiative of the company. We know that, both in strong and increasing demand and in times of crisis, even with oscillating market, socially fair and environmental responsible companies are conquering a greater share of the mining market.

In order to reach this goal, we choose carefully each participant in our team. All of them were selected not just because of their high professional level, but also because they have characteristics irreplaceable for the culture that we want to create and perpetuate. They are professionals who are ready to think different, find solutions and overcome challenges.

In 2011, we took important steps and conquered our first victories: the financial plan together with

the strategic partners that believed in our projects, the purchase of the assets – Morro do Pilar and Morro Escuro -, as well as the definition of the Master Plan and the advanced technologies that we will employ in our mining and logistics projects.

In 2012, the work kept advancing and we expect to maintain the same rhythm in 2013 and in the following years, taking the company to an operational phase. The dialog activities with the stakeholders, the process of study for the environmental licenses obtainment and the projects structuring and implantation keep going in a strong pace.



We rely on stockholders' increasing support. With the advances already accomplished, the investors keep confident about our commitment and the achievement of the intended results, and they thus enabled the increase of the company's social capital in more than 300 million dollars, through a successful process of private funding accomplished in September 2012.

And, thus, always acting together with the stakeholders and having the assumptions of sustainable development as essential guidelines, we continue making an effort to overcome the challenges that would come and to harvest the fruits of our work and determination. Right from the start of this long and promising journey, I state here my enormous gratitude for everybody who contributed with our first conquests and, because of that, became part of Manabi's history. Without the support from the investors and stockholders, the communities involved in the projects, the members of the public authority of the municipal districts and states in which we perform, and also of each member of our team, nothing would have been possible. We have the certainty that we will continue stronger in this purpose of building a sustainable mining project together.

**Ricardo Antunes**  
Chief Executive Officer



About Manabi



Manabi is a mining and logistics company, which arrives to the global market aligned with the main commitments and assumptions for sustainable development. Produce high quality iron ore, provide a new logistics option for Brazil and add value to the stockholders and assuming, at the same time, the commitment of contributing to the social/economic development and environmental preservation in the regions in which the company performs is a motivating challenge. Not only due to the size of the liabilities, but mostly to the greatness of the conquests.



## Mission, Vision and Values

The seriousness, the commitment and the respect practiced in all processes and activities developed are, for Manabi, indispensable ingredients in the conquest of determination and success, and because of this, these predicates are contained in our fundamental assumptions. The mission, vision, values and corporate social liability are the company's goals and guiding parameters which, at the same time, impel individually each professional who is part of it, contributing for building a better company and society

Corporate Social Liability, Sustainability and Ethic are in Manabi's DNA. These guidelines are incorporated since the project conception and were referenced in the company's mission, vision and values.

### MISSION

Develop, implant and operate assets in the mining industry, in order to generate wealth, contribute for the social/economic and environmental development of the territories in which it performs and to ensure return to the stockholders.

### VISION

Be an innovative and sustainable mining and logistics company, recognized in the global market as one of the greatest companies in the sector.

### VALUES

**Innovation and Entrepreneurship** – perform to create value shared with the stakeholders.

**Sustainability** – contribute for the company's sustainable growth and the social/economic and environmental development of the territories where we perform.

**Assertiveness** – develop and manage business with agility and liability, focused on excellence and results.

**Health and Safety** – prioritize safety and life quality in the working environment.

**Ethic and Transparency** – principles that govern our behavior and address our relationship with the stakeholders.

**People** – promote a healthy, fair and diverse environment.

# Sustainability for Manabi

Manabi starts being already committed to sustainability in our activities, and because of this, always seeks to optimize the positive impacts of our business without measuring efforts in order to minimize inherent negative effects of any business implantation. The sustainability policy developed aims to reach the balance among economic, social and environmental levels of all the company's operations. The company's adherence to the Global Pact and the elaboration of the Sustainability Annual Report aligned with the Global Report Initiative (GRI) assumptions, established since the first year of the company's performance are the main dialog and transparency channels with the society.



## SUSTAINABILITY POLICY

Manabi is born aligned with the best practices and having sustainable development as a business assumption, through a responsible performance and transparent dialog with all the interested parties.

The company is committed to develop our business in a responsible, planned and structured way, considering the economic, social/environmental and cultural issues related to the business and the performance area.

In an effective and practical form, the principles of corporate liability and sustainability have been present since the conception of the projects, in order to ensure that those projects are economically viable, socially fair, environmentally correct and culturally diverse. The company's practices and speech are based on true and ethical values and commitments.

One of Manabi's assumptions is to add value to the stockholders, as well as to the interested parties, contributing for the development of the territories in accordance to the parties, by means of a clear dialog and shared liabilities.





## ALIGNMENT TO THE GLOBAL PACT

The Company takes over the liability of preparing and improving itself to meet the most rigorous concepts and agreements related to best managerial practices related to sustainable development. Still performing in pre-operational phase, the company searches to build the structures and develop our activities based on the assumptions of the Global Pact, which Manabi has undersigned in December 2011.

## GLOBAL PACT

The adhesion to the Global Pact was a company's natural step of alignment to the guidelines implemented by the United Nations (UN) with the goal of encouraging the principles related to human rights, working relations, the environment preservation, and the combat to the corruption practices all over the world. Besides supporting the initiative, Manabi's fundamental guidelines are in accordance with the conduct established by the Global Pact.

## THE TEN PRINCIPLES OF THE GLOBAL PACT

- 1 Respect** and support the human rights recognized internationally in its influence area
- 2 Assure** the non-participation of the company in any human rights violation
- 3 Support** freedom of association and recognize the right to collective
- 4 Eliminate** all forms of forced or compulsory work
- 5 Effectively eradicate** all forms of infantile work of our production chain
- 6 Stimulate** practices that eliminate any type of discrimination in the work environment
- 7 Take over** a preventive, responsible, and proactive approach for the environmental challenges
- 8 Develop** initiatives and practices aiming to promote and disseminate social/ environmental responsibility
- 9 Fight** all forms of corruption, including extortion and bribe
- 10 Encourage** the development and diffusion of environmental responsible technologies





Santa Maria de Itabira - MG



# Corporate Profile

Manabi is result of effort and planning of Brazilian entrepreneurs with wide experience in the mining and logistics market, which became a significantly attractive investment option for the world finance market.

Founded in March 10th, 2011, in September of the same year the company was granted the certification as an open capital company by the "Comissão de Valores Mobiliários (Securities Commission).

## ORGANIZACIONAL STRUCTURE

20% Ontário Teachers Pension Plan	19,125% Fábrica Holdings	12,5% Korea Investment Corporation	11,375% Longleaf Partners International	By September 2012
7,625% Michael Stephen Viton	7% Mathew Todd Goldsmith		21,65% Others	



## BOARD OF DIRECTORS AND ADMINISTRATIVE BOARD

Formed by entrepreneurs that identified potentialities and sought strategic partners, Manabi's Board of Directors and Administrative Board work to develop and run projects that have as goal to add value to the stockholders and promote the economic development of the country, always respecting environment needs and the interests of the locals communities and other publics the company relates to.

ADMINISTRATIVE BOARD	By September 2012
Ricardo Antunes <i>Chairman</i>	
John Sheedy	
Inês Souza	
Marcos de Campos Ludwig	
Michael S. Vitton	
Mathew Goldsmith	
Charles Putz	

BOARD OF DIRECTORS	By September 2012
Ricardo Antunes <i>Chief Executive Officer</i>	
Joaquim Martino <i>Chief Technical Officer</i>	
José Tadeu de Moraes <i>Chief Operating Officer</i>	
Antônio Castello Branco <i>Chief Financial Officer</i>	
Ricardo Abramof <i>Chief Commercial Officer</i>	
Augusto Tannure <i>Manabi Logística Business Development Officer</i>	

## OPERATIONAL STRUCTURE

In June 2010, the Company acquired Morro do Pilar Minerais and Morro Escuro Minerais assets for R\$ 491,4 million and R\$ 55,4 million, respectively. The iron ore reserves are located in the Morro do Pilar and Santa Maria de Itabira municipal districts, in a region contiguous to the "Quadrilátero Ferrífero".

In pre-operational phase, already in 2012, the activities developed were linked to the projects structuring, mineral prospecting, and formation of the basic team and structuring of the environmental studies for the obtainment of the demanded environmental licenses.

In the following years, besides the development of mineral extraction projects in the state of Minas Gerais, the implantation of a Pipeline (for carrying minerals) and a harbor is foreseen, which will be built by means of the Manabi Logistics subsidiary in the Linhares municipal district, in the Northern region of the state of Espírito Santo.

The integrated enterprise should generate about 2.500 direct and 4.000 indirect jobs. The vacancies will be fulfilled, preferentially, by local work force in all areas where the company will perform. In order to do so, all the necessary infrastructure will be implanted for offering specific courses and training.

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Morro do Pilar  
Minerais S.A.

Morro Escuro  
Minerais S.A.

Manabi  
Logística S.A.



Morro do Pilar - MG



Santa Maria de Itabira - MG



Linhares - ES



## CORPORATE GOVERNANCE

Manabi has already prepared the construction of policies that will guide the projects, strategies and the company behavior, as the Code of Conduct and assumptions of the management of business conduct, ethics and transparency in business, risk and image and reputation management.

Manabi's ombudsman, a direct communication channel with stakeholders, was one of the first tools developed and has now been released to our audiences (internal and external), which may have access to the company through the email address [ouvidoria@manabi.com](mailto:ouvidoria@manabi.com).

## CODE OF CONDUCT

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Manabi's Code of Conduct aims to validate the adoption of good corporate practices and ethical conduct in business and professional relationships, listing rights and duties and guiding actions to society, employees, suppliers and institutions. It aims to elucidate rules and ethical principles, as well as to identify behaviors that are considered non-appropriate and suppress attitudes classified as abusive.

It is also a purpose of the document to encourage the practice of actions that contribute to the creation and maintenance of the company's reputation and organizational culture. All employees and contractors were given the Code of Conduct and have been properly trained; the content covers all the principles of the Global Pact. In the end of this document, you will have access to the full content.



# Our Sector

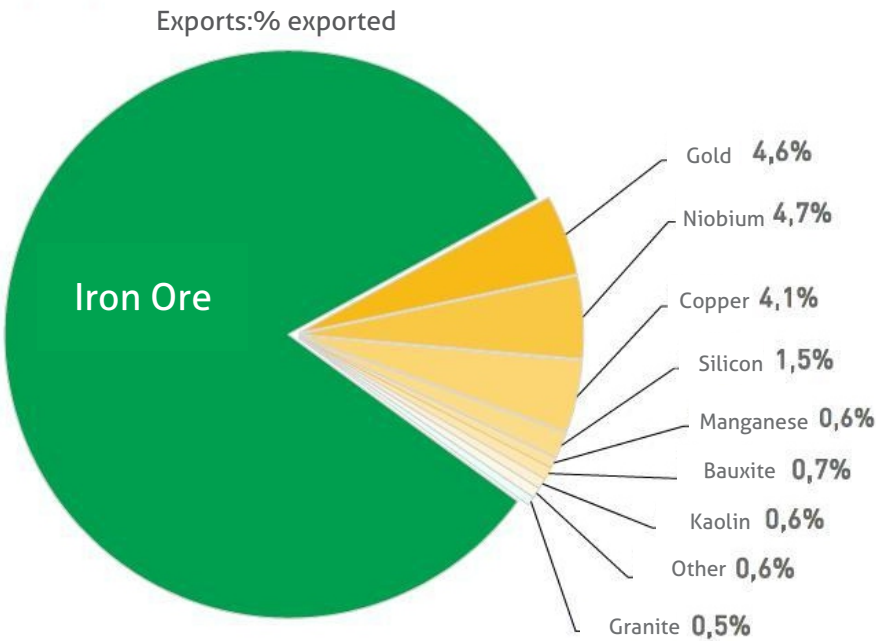


Create an integrated mining and logistics complex to produce premium quality iron ore and export the production to the commodities world market is Manabi´s goal. Born in a period when the use of technology in production processes and management has become an important competitive advantage, the company invests in research development and application of innovation to achieve our goals.

CURRENT SCENARIO AND PROSPECTS FOR THE FUTURE OF MINING

Iron ore mining in Brazil was consolidated through the ages as one of the most successful activities of the mining industry and also the country´s economy.

MAJOR MINERALS EXPORTED IN RECENT YEARS



SOURCE: Brazilian Mining Institute  
<http://www.ibram.org.br/sites/1300/1382/00001667.pdf>



## THE IRON ORE AND ITS APPLICATIONS

The activity of mining iron ore composes one of the most significant axes of the basic industry worldwide. The basic industry, as its name implies, fundamentals the pillars to the other productive chains through the supply of raw materials and inputs essential to humanity.

Because it is a material of great flexibility, the iron ore can be worked in several ways, giving rise to an infinite range of products. Mankind's daily use of iron ore is historical and there is evidence of its application dating back to the XII century BC in the East and VIII century in Central Europe, periods known as "Iron Age." The evolution of the use of iron ore became even more significant after the Industrial Revolution, which began in Britain in the late eighteenth century. The material has been used on a large scale in the steel industry as a feedstock in the production of steel. Currently, iron ore is present in people's lives in such a way that it is impossible to separate it from day to day.

From iron ore, which later turns into steel, are manufactured all kinds of machinery, vehicles, buildings, structures for heavy and civil construction, furniture, housewares, tools, appliances, electronics and other miscellaneous goods



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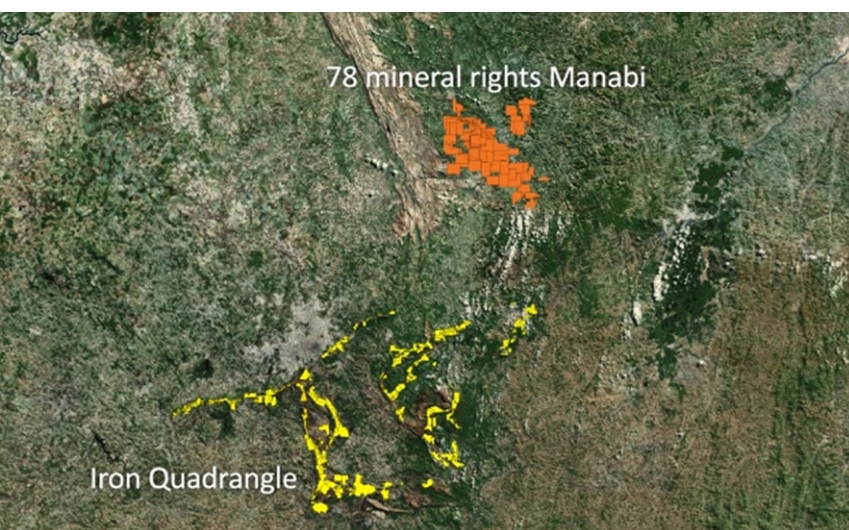
# Our Project



## PROJECTS, PRODUCTION PROCESS, TECHNOLOGY AND PRODUCTS

All projects, from their production processes to the arrival of the final product, were designed by Manabi to be developed in an integrated manner. Through the extensive use of technology and innovation designed for every stage of our operations, the company seeks to maximize results while minimizing impacts and optimizing productivity and resources in pursuit of growth and performance improvements, always aligned with the most severe parameters of sustainable development.

The Company has approximately 78 mining rights, of which 65 rights for exploitation of iron ore, destined to implement the Morro do Pilar project, located in the region adjacent to the "Quadrilatero Ferrífero". From a resource potential of 1.621 million tons, 1.216 have been certified according to the Joint Ore Reserves Committee (JORC) system.



78 contiguous mineral rights in the "Quadrilatero Ferrífero" region belong to Manabi

1.216 million tons of ore already certified by the international JORC system.

### INTEGRATED PROJECTS

Manabi aims the implementation of three distinct projects, designed in an integrated way, including two iron ore mines and a logistics modal. The mining assets, called Morro do Pilar and Morro Escuro are located in the cities of Morro do Pilar and Santa Maria de Itabira, Minas Gerais. As Porto Norte Capixaba, which will be used for the distribution of production and also for the export of other products (multiple loads port), will be built in the city of Linhares, north shore of the state of Espírito Santo. Initial investments total approximately \$ 4.1 billion.







Nossa Senhora do Pilar Church - Morro do Pilar



## MORRO DO PILAR

Manabi will build, in Morro do Pilar, a plant for iron ore extraction with annual production capacity of 25 million tons. The goal is to ensure the maximum utilization of the ore with the minimum environmental impact. In order to reach this goal, the designed structures will rely on the best technologies already developed for the activity.

An example is the processing unit, which will work with biodegradable reagents and the waste disposal will be run by means of the drained stacking advanced technology. The technique has proven to be safer than the use of waste embankments, minimizing risks. Moreover, it allows the optimization of water use, with recirculation up to 80% of the water.

The first step for the concession of the necessary environmental licenses has already been taken. Consistent studies were developed for the formalization of the Environmental Impact Studies. Another important point is the granting of water grant for the project development, conceded by the "Instituto Mineiro de Gestão de Água – IGAM (Water Management Institute), after studies and assessments.

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Ore with iron content between 30 and 40% "in situ" will enable Manabi to produce a Pellet Feed Premium, with about 68.5% of iron content, due to its characteristic of low level of impurity, placing the product among the best in the world

### WORLD CLASS PELET FEED

Crude ore with iron content of about 30% in situ with little contamination (sand and silica)



Advanced techniques and processing equipment



Final product with iron content of 68,5%

25 million tons is the total production capacity of Morro do Pilar Project







## MORRO ESCURO



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The Morro Escuro operation is located approximately 40 Km from Morro do Pilar, in the municipal district of Santa Maria de Itabira, MG, and its iron ore is similar to the one found in Morro do Pilar. This project in the beginning will be destined to the domestic market, with estimate annual production of 6 million tons.

Manabi is already working on the studies needed for the environmental and engineering licensing, for the definition of the best technological, environmental and social options to be applied in the project's development.







## MANABI LOGISTICS

Created to meet the transportation demands of the iron ore produced in Morro do Pilar, Manabi S.A. Logistics understands that the environmental social impacts resulting from the implantation of the structures necessary for the production distribution are as fundamental as the economic viability of the chosen logistics solutions. Therefore, all the currently existing options in Brazil for iron ore transportation– highways, railroads and pipelines – were assessed according to these concepts.



### Pipeline

After several studies and analyses, it was verified that the pipeline, which has technology successfully used in the country for more than 35 years, is one of the best logistics options, both from an economic, environmental and social point of view.

The pipeline will have 530 kilometers of extension and will connect Morro do Pilar (MG) to Linhares (ES), where the Porto Norte Capixaba (Port) will be built, passing through 23 municipal districts.

The structure is designed to support the production during all the plant's useful life; the piping will have a diameter of 26 inches and will rely on two pumping stations. In the state of Espírito Santo, two valve stations will be installed for controlling the speed of the pulp transportation.

Besides a pipeline of 530 km, a mixed logistics option which integrates pipeline and railroad is also being assessed.





Reinforcing the enterprising spirit, through which it was created, Manabi sees, with the construction of a new port in the coast of the state of Espírito Santo, a new array for the development of the State's and the country's economies.

The creation of the terminal in Linhares, in the north coast of the state of Espírito Santo, meets the Brazilian need for infrastructure projects, which could be able to absorb export and import more and more robust demands, due to the economy growth, bringing benefits to the country's industrial sector, assisting in the reduction of the logistics costs and, therefore, increasing the competitiveness levels of the segment.

In accordance with the goals and needs of the states of Minas Gerais and Espírito Santo, Manabi enlarged the port's original project. Initially designed for the exclusive export of iron ore, the Porto Norte Capixaba will become a multiple loads modal, having its operation divided into two phases. The first phase will be destined to the export of the Morro do Pilar iron ore production, as an anchor load, and, afterwards, other bulk materials could be distributed by the terminal.

Manabi owns an area of about 1.200 hectares for the port construction, which will be implanted using technologies that privilege the integration with the area of the region, the environment preservation and the relationship with the interested parties.

The area destined to the construction of the Porto Norte Capixaba  
is of about 1.200 hectares

# Responsible Planning



The responsibility in the business, assets, investments, and capital planning and administration, is what governs all Manabi's activities, strategies and actions. The company already relies on an important and selected investor's team, without which the projects would not have turned into reality. A healthy economic-financial performance adds value and keeps a reliable virtuous cycle between the Company and the other audiences which are interested and involved in the initiatives and projects

## ECONOMIC - FINANCIAL PERFORMANCE

Manabi S.A. was created in March 10th, 2011. In June of the same year, the Company accomplished its first financial funding, in the amount of US\$ 550 million, in a private offer, which gathered great institutional investors as Ontario Teachers' Pension Plan, Korea Investment Corporation, Southeastern Asset Management and other investment funds. Manabi is an open capital company with listed but not yet negotiated stocks.

The presentation of the company's financial statements, even during our pre-operational phase and, therefore, without operational revenue, aims to ratify Manabi's commitment with ethics, and the information transparency and accessibility.



## EXTERNAL AUDIT

As an open capital company, Manabi adopts the practice of accomplishing audits regularly, following the most severe parameters, requirements and processes demanded internationally, with the goal of perpetuating the transparent, ethical, respectful and committed relationships with our investors and other interested parties.

The financial statements of 2011 and up to the penultimate quarter of 2012 are available in an attachment found at the end of this report.

# Transparency and dialog



Dialog is the shortest and safest path for learning and respect is the key for a harmonious relationship. Manabi seeks the creation of an environment governed by a frank and democratic dialog, where the company and all the interested parties can express themselves and teach, listen and learn, in order to become protagonists in the construction of a better society.

## RELATIONSHIP WITH THE INTERESTED PARTIES

### Social Development

The company structures projects integrated to the regions where we perform in order to contribute for the social/economic, environmental and cultural development. From the conception, we established a clear and transparent dialog with the interested parties, seeking to build a lasting relationship in the cities where we own enterprises.

The communication and relationship management with the interested parties is based on diagnoses and mapping of the interested parties, conceived for all the projects, in a way of knowing and establishing a structured relationship with the communities in the projects' influential areas and their formal and informal leaderships.



Public administration of Santa Maria de Itabira/MG



Lapinha community – Morro do Pilar/MG



Santa Maria de Itabira community

### Communities

The Social Communication Program articulates with the institutional, social/economic, and other programs nominated in the company's Environmental Impact Studies (EIS), integrating them to the technical aspects, specific chronograms for both the internal and external audiences, considering the four main stages of the enterprise: planning, installation, operation and shutdown.

Together with the interested parties, initially, the set of processes and activities has considered as a priority the clearing of questions about the enterprise and their implications for communities' everyday life. All the stages should be accompanied by communication and dialog continuous actions, establishing channels of permanent dialogue with all the interested audiences, clarifying doubts and assessing counterclaims, in order to meet them when it is pertinent.

### Transparency and Dialog

In order to do so, Manabi has already implemented a Social Dialog Program. Manabi keeps an open dialog with the communities by means of systematic meetings accomplished according to the project status. About 30 collective meetings, besides meetings with specific leaders and organizations about all the projects have been accomplished so far, involving approximately 1500 people from the Morro do Pilar and Morro Escuro regions.

Manabi adopted as a standard practice the accomplishment of encounters and meetings previous to the public hearings, in a way of aligning the population and empower them for a more balanced participation of all the actors.

That intense dialog process happens both in Minas Gerais as in Espírito Santo, where all the interested parties are involved, to know the company's projects for the region (mine, pipeline and port).





1st Public Meeting of Morro do Pilar/MG



Representatives of AMA Lapinha, a local NGO



Carioca community – Morro do Pilar/MG



Santo Antônio do Rio Abaixo/MG



Santa Maria de Itabira/MG



Marco Túlio Ferreira -  
Adm. and Supplies  
General Manager



SUSTAINABILITY COMMITTEE

Reaffirming Manabi’s commitment with sustainable development, in August 2012 the company created a Sustainability Committee, formed by representatives of the board of directors, technical staff and external experts invited.

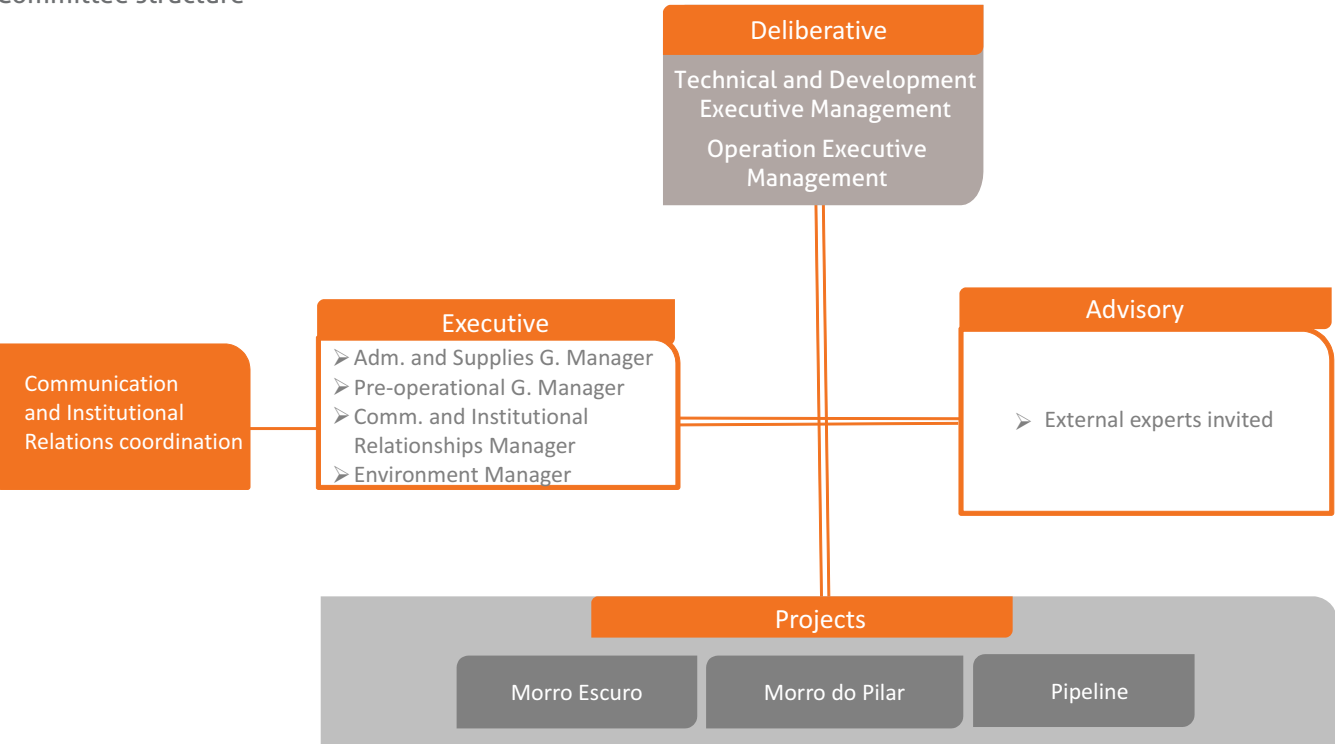
The committee has the goal of acting, in an articulate way, with the company’s several areas in order to reach and optimize the goals and actions defined by the company regarding the implantation of their projects in a sustainable way.

The committee has the attribution to contribute, promote and implement the best practices, by means of the development of awareness programs destined to both the internal and external audiences, well-structured projects, identification of new opportunities and refinement of already existing actions, with the goal of operating a sustainable mining project.



Committee’s first meeting, August 2012

Committee structure



## INTERNAL AND SUBCONTRACTED AUDIENCES



First meeting with the whole Manabi's staff

Transparency and care about the people are assumptions also followed within the company, and are present in the everyday relationship with the employees.

The purpose of this is maintaining a harmonious, integrated and productive working environment, allowing for cultural diversity and the development of potentialities and professional talents. In this environment, among others, is the Health and Safety policy. Along the period, all the employees and contractors were given training about Manabi's and market policies.

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### Health and Safety Policy

Through our Health and Safety Policy, Manabi establishes a management and administration structure ruled by the continuous improvement principles and a protagonist performance in the sense of identifying, observing and assessing the dangers and risks existing in the working environment, so as to keep them within the limits considered as acceptable by the legislation and by the company. The guidelines are a company's efficient instrument which, besides providing improvements in the employees' health and safety performance, has a fundamental role in the life quality increase and the construction of a harmonious corporate culture.

Respect the legislation in force and establish training courses about the standardized procedures.

Respect life and keep the strong commitment with the welfare of our employees, suppliers, clients and communities.

Work safely so as to protect and promote people's health and welfare, properly managing the risks and offering a safe and adequate working place.

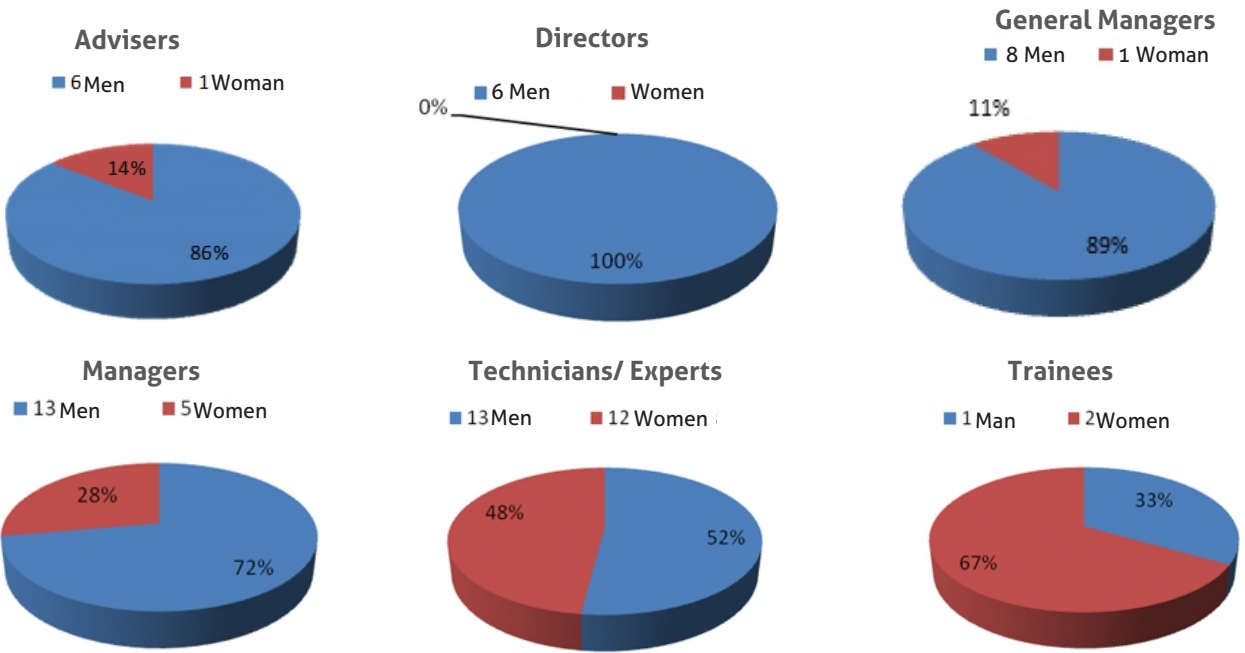
Conciliate the company's decisions with excellence standards in Health and Safety.

Keep communication channels open to employees and partners.

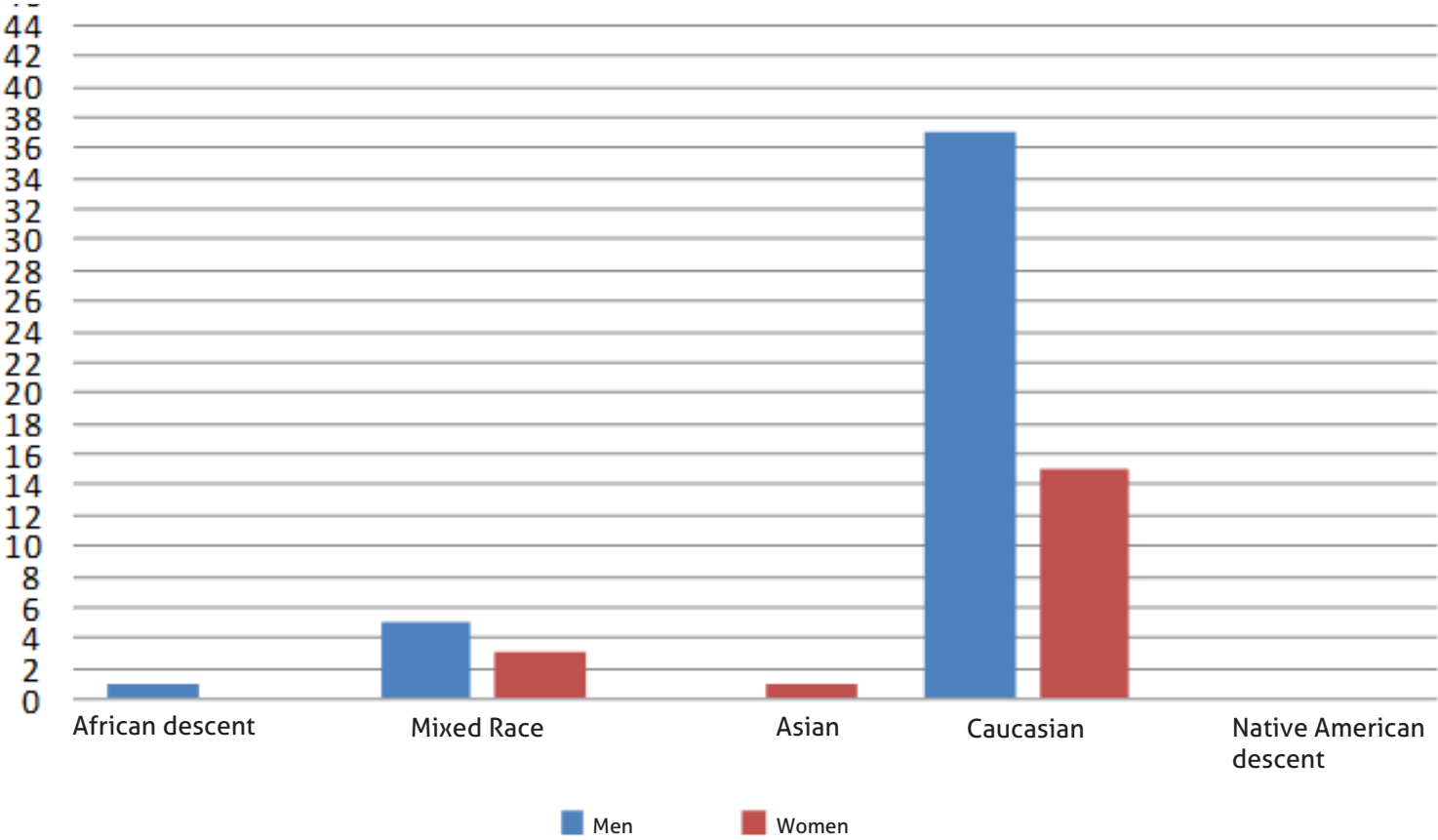


# Manabi's Staff Profile

By September 2012, Manabi's employees and trainees were distributed as follows:



Genre/ Race - General



## Training Courses

By September 2012, the training courses for internal staff and contractors totaled 2.753 hours, according to the distribution shown in the picture below.



Training Course for contractors in Morro do Pilar

Subject	Internal employees				Contractors				Total	
	2011		Jan to Sept/2012		2011		Jan to Sept/2012			
	Partic.	Hours	Partic.	Hours	Partic.	Hours	Partic.	Hours	Partic.	Hours
Corporate Alignment	84	160	63	198	33	66	186	486	366	910
Environment	-	-	28	57	33	33	196	196	257	286
Occupation Health and Safety	-	-	32	237	21	105	203	759	256	1101
Technical	1	4	58	368	-	-	75	83	134	456
TOTAL HOURS	85	164	181	860	87	204	660	1524	1013	2753



## PUBLIC AUTHORITY

For the development of our projects, Manabi has been promoting dialogs with the local public administrators, both at the state and federal levels, aiming to introduce the company's project, as well as to align it with the development strategies and policies of these municipal districts and States. There are about 33 relationship municipal districts from both the direct and indirect influential areas, for the implantation of the mine project, pipeline and port.



Signature of the Letter of Intent with the Government of the state of Espirito Santo

## PRESS

The company understands that the relationship with the press is essential for our activities, since it is the most comprehensive dialog channel with the Brazilian and international societies, to which Manabi has the commitment of providing clearings and information.

Our goal is to narrow the bonds and keep a transparent relationship with the national and international media vehicles so that they can announce the information correctly and precisely, seeking to keep the commitment with the truth and the population, as well as to avoid the appearance of communication noises that could jeopardize Manabi's business. However, as we are a pre-operational company, these relationship demands are still relatively low.



Preserving  
the Future



## PRESERVING THE FUTURE

The long term strategic planning defines Manabi as a company that bets on future. And the future of the society, the economy, the planet and also the company's activities is intimately linked to the development of a sustainable mining project. Therefore, reduce impacts, find and adopt sustainable options, promote and invest in research and initiatives for the environmental preservation are also essential goals and commitments for the company, stated from the very beginning.



### Environmental Management

Manabi's Environmental Management was developed and is constantly refined according to a set of rigorous goals, which involve the licensing processes of our projects. The goal is to mitigate and reduce the possible environmental impacts caused by our activities and, at the same time, foment, create and take part in initiatives and conducts that promote the understanding and the preservation of the natural resources.

### Environment Policy

Manabi recognizes the natural resources as a present and future value, building a transparent relationship with the communities, public agents, employees, contractors and partners, based on the following principles:

Act responsibly and in accordance with the environmental legislation;

Be pro-active in the actions taken with the interested parties;

Incorporate the environmental variable in all of the company's decisions;

Promote the continuous improvement of the environmental performance of our processes;

Act in a preventive way in order to ensure the best environmental performance in the company's activities;

### Environment licensing

As part of Manabi's strategy, during 2011 and the first semester of 2012 emphasis was given to perform a social/environmental survey on the region where the mining assets are and to elaborate a logistic project, for the structuring of the Environmental Impact Studies of all of our projects.

The first study registered by the competent regulator organ was the one of Morro do Pilar, in March 2012. The studies of the other projects of Morro Escuro, Port and Pipeline are being concluded and the expectation is to finish them in the beginning of 2013.



## ABOUT THE REPORT

### Methodology Used

During our first year of activities, Manabi chose to perform periodic meetings with the internal audience and interested parties, so as to identify the most important and significant subjects for the elaboration of this and other reports.

Since we have only one year of existence and we rely on a lean staff, in this first moment, it was not possible to formally apply the materiality methodology. However, the subjects were extensively discussed by the managers of all the company areas in consonance with the dialogs promoted with the communities in our performance territory



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