



# About the report

## The reporting process and materiality

The process of analyzing and defining materiality is in line with CBMM's approach to business management

CBMM has prepared an annual Sustainability Report in accordance with Global Reporting Initiative Guidelines (GRI) since 2009 (learn more about GRI at [www.globalreporting.org](http://www.globalreporting.org)). In 2017 the company adopted the GRI Standards, Core option. The indicators selected for inclusion in this report are aligned with material themes (see table). GRI 102-52; 102-54

The information presented in the report reflects all CBMM's activities in Brazil and abroad. Foreign subsidiaries are not included in the GRI indicators since they were determined to be insignificant for the collection of these data, not representing limitations or reformulations that could substantially affect the understanding of the various audiences. For historical context, select information and economic results were maintained in US dollars and not converted into local currency. External assurance of the GRI indicators was performed by PwC for the period January 1 through December 31, 2017. GRI 102-10; 102-45; 102-48; 102-49; 102-50; 102-56

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## Materiality

GRI 102-21; 102-29; 102-40; 102-42; 102-43; 102-44; 102-46

To define the content of the current report, in 2017 CBMM revised its materiality matrix based on an extensive analysis of internal documents and sectoral studies, including material themes defined in 2011, 2014 and 2015; the GRI Mining Sector Supplement; Sustainability Topics for Sectors (GRI); and the Yearbook Robecco SAM 2016 (DJSI). The survey of materiality also incorporated online consultations performed for customers, suppliers and CBMM employees, in addition to interviews with CBMM executives and members of the Araxá community. This marks the second time that the company consulted external audiences to define its materiality, conferring with those considered most strategic and with the closest relationship to contribute to the process.

This work resulted in the determination of eight material themes that were validated by executive management: Development of technologies and product innovations; Governance and transparency; Contribution to regional economic and social

development; Development of human capital; Relationships and open dialogue with stakeholders; Occupational health and safety; Environmental management and Product quality.

The process of analyzing and defining materiality is in line with CBMM's strategy and approach to business management. The material themes resulting from this process are addressed by the company and presented herein. In addition to relaying its position on each of the aspects, CBMM approached the topics according to criteria that contemplate the impacts and opportunities related to the mining and metallurgy sector, as well as their relationship to the strategic commitments of the company.

Based on the opportunities and challenges identified, CBMM will plan activities to improve applicable indicators.

**ASPECTS RELATED TO CORE THEMES** GRI 102-44; 102-47

MATERIAL THEMES	APPROACH (WHAT IS DONE)*	GRI ASPECTS	RELATED DISCLOSURES	EXTENT OF IMPACT	CONNECTION TO STRATEGY
Development of technologies and product innovations	Value proposition	-	CBMM indicator	Employees Customers	<ul style="list-style-type: none"> <li>Develop technology and commercialize niobium products</li> <li>Increase the global niobium market</li> <li>Develop new products and new applications for products to improve performance, lower costs and expand the perception of value in the market</li> </ul>
Governance and transparency	Governance	Governance and ethics, Integrity	102-16 & 102-17; 102-18 to 102-27; 102-29	Employees	<ul style="list-style-type: none"> <li>Establish robust policies and procedures that support company management</li> </ul>
	Risk management	Fighting corruption	205-3	Employees Suppliers	<ul style="list-style-type: none"> <li>Maintain the Compliance Program and its three pillars (Ethics and Complaint Channel, Confidential Line and Internal Consultations and Third-Party Due Diligence)</li> </ul>
Contribute to regional economic and social development	Employees	Market presence	202-2	Employees	<ul style="list-style-type: none"> <li>Maintain the recruitment and retention policy to expand the possibility for internal recruitment and talent recognition</li> <li>Offer a set of benefits to support CBMM's talent retention policy</li> </ul>
	Community	Indirect economic impacts	203-1	Employees Community	<ul style="list-style-type: none"> <li>Generate employment opportunities</li> </ul>
	Suppliers	Purchasing practice	204-1	Employees Community	<ul style="list-style-type: none"> <li>Recognize the value of and maintain local partnerships</li> <li>Expand the participation of Araxá suppliers</li> </ul>
	Community	Local communities	413-1	Community	<ul style="list-style-type: none"> <li>Invest in the Araxá region, a commitment initiated in 1982</li> <li>Actively participate in education, housing, infrastructure and public health projects</li> </ul>
Develop human capital	Employees	Training and education	404-2	Employees Third-parties	<ul style="list-style-type: none"> <li>Provide training in the environment, occupational health and safety for employees and third-parties</li> </ul>
Relationships and open dialogue with stakeholders	Stakeholder relationships Materiality	Stakeholders engagement	102-40 to 102-44	Employees Shareholders Community Customers Suppliers Government	<ul style="list-style-type: none"> <li>Maintain a close relationship with employees, shareholders, the community, customers, suppliers and the government</li> <li>Develop specific actions to engage each audience, involving sustainability aspects</li> </ul>
Occupational health and safety	Health and safety	Workplace health and safety	403-2	Employees	<ul style="list-style-type: none"> <li>Prevent accidents and the occurrence of occupational illness - adopt the guidelines of the OHSAS 18001 standard; maintain formal committees that work across all sectors of the company; adopt Daily Safety Talks and offer on the job training</li> </ul>
Environmental management	Operational efficiency	Water	303-1; 303-2; 303-3	Employees Community	<ul style="list-style-type: none"> <li>Manage the conscientious use of water - a multidisciplinary committee manages and optimizes consumption in the industrial plants, in addition to implementing a unified system to distribute recycled water</li> </ul>
		Energy	302-1; 302-2; 302-4	Employees Community	<ul style="list-style-type: none"> <li>Adopt actions to reduce non-renewable and indirect energy consumption</li> </ul>
		Emissions	305-1; 305-2; 305-3	Employees Community	<ul style="list-style-type: none"> <li>Regularly monitor fixed-source emissions</li> <li>Participate in the Brazil GHG Protocol Program</li> <li>Sign the Open Letter to Brazil on Climate Change</li> </ul>
		Effluents and waste	306-3	Employees Community	<ul style="list-style-type: none"> <li>Treat all discharged water at the Effluent Treatment Plant</li> <li>Manage the niobium products industrialization process to eliminate the generation of waste</li> <li>Segregate materials in the production areas</li> <li>Properly dispose of mining waste in overburden piles or use it in construction projects at the industrial complex</li> </ul>
		Sector - Effluents and waste	MM3	Employees Community	<ul style="list-style-type: none"> <li>Rigorously manage tailings dams - a qualified technical team inspects, monitors geotechnical equipment, maintains structures, analyzes collected data and controls documentation</li> </ul>
Product quality	Value proposition Operational efficiency	Compliance	419-1	Employees Clientes Community	<ul style="list-style-type: none"> <li>Operate and continuously improve the Integrated Management System, focusing on health and safety, the environment, costs, productivity and community relations with the full support of employees</li> </ul>

\*Material themes are addressed in specific items in the Sustainability Report.

# GRI content index GRI 102-55

## GENERAL DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE/RESPONSE	OMISSION
<b>Organizational profile</b>			
GRI 102: 2016 General Disclosures	102-1 Name of the organization	10	-
	102-2 Activities, brands, products and services	10	-
	102-3 Location of headquarters	10	-
	102-4 Location of operations	11	-
	102-5 Ownership and legal form	19	-
	102-6 Markets served	10; 11	-
	102-7 Size of the organization	6	-
	102-8 Information on employees and other workers	60; 61	-
	102-9 Supply chain	69	-
	102-10 Significant changes to the organization and its supply chain	About the report	-
	102-11 Precautionary principle or approach	21	-
	102-12 External initiatives	51	-
	102-13 Participation in associations	23	-
<b>Strategy</b>			
GRI 102: 2016 General Disclosures	102-14 Statement from senior decision-maker	5	-
<b>Ethics and integrity</b>			
GRI 102: 2016 General Disclosures	102-16 Values, principles, standards and norms of behavior	21	-
	102-17 Mechanisms for advice and concerns about ethics	22; 23	-
<b>Governance</b>			
GRI 102: 2016 General Disclosures	102-18 Governance structure	18; 20	-
	102-19 Delegating authority	18	-
	102-20 Executive level responsible for economic, environmental and social topics	18	-
	102-21 Consulting stakeholders on economic, environmental and social topics	Materiality	-
	102-22 Composition of the highest governance body and its committees	18	-
	102-23 Chair of the highest governing body	18	-
	102-24 Nominating and selecting the highest governance body	18	-
	102-25 Conflicts of interest	Since CBMM has a customer on its Board of Directors, the contract omits confidential information, in compliance with legislation. The contract includes clauses to mitigate conflicts of interest.	-



GRI STANDARD	DISCLOSURE	PAGE/RESPONSE	OMISSION
GRI 102: 2016 General Disclosures	102-26 Role of highest governance body in setting purpose, values and strategy	18	-
	102-27 Collective knowledge of highest governance body	18	-
	102-29 Identifying and managing economic, environmental and social impacts	18; Materiality	-
<b>Stakeholder engagement</b>			
GRI 102: 2016 General Disclosures	102-40 List of stakeholder groups	58; Materiality	-
	102-41 Collective bargaining agreements	67	-
	102-42 Identifying and selecting stakeholders	58; 74; Materiality	-
	102-43 Approach to stakeholder engagement	58; 68; Materiality	-
	102-44 Key topics and concerns raised	68; Aspects related to core themes	-
<b>Reporting practices</b>			
GRI 102: 2016 General Disclosures	102-45 Entities included in the consolidated financial statements	About the report	-
	102-46 Defining report content and topic boundaries	Materiality	-
	102-47 List of material topics	Aspects related to core themes	-
	102-48 Restatements of information	About the report	-
	102-49 Changes in reporting	About the report	-
	102-50 Reporting period	About the report	-
	102-51 Date of most recent report	2017	-
	102-52 Reporting cycle	About the report	-
	102-53 Contact point for questions regarding the report	About the report	-
	102-54 Claims of reporting in accordance with the GRI standards	About the report	-
	102-55 GRI content index	-	-
102-56 External assurance	About the report	-	

## MATERIAL TOPICS

GRI STANDARD	DISCLOSURE	PAGE/RESPONSE	OMISSION
<b>Market presence</b>			
GRI 103: 2016 Management Approach	103-1 Explanation of the material topic and its boundary	59	-
	103-2 The management approach and its components	59	-
	103-3 Evolution of the management approach	59	-
GRI 202: Market presence	202-2 Proportion of senior management hired from the local community	61	-

GRI STANDARD	DISCLOSURE	PAGE/RESPONSE	OMISSION
<b>Indirect economic impacts</b>			
<b>GRI 103: 2016 Management approach</b>	<b>103-1</b> Explanation of the material topic and its boundary	70	-
	<b>103-2</b> The management approach and its components	70	-
	<b>103-3</b> Evolution of the management approach	70	-
<b>GRI 203: 2016 Indirect Economic impacts</b>	<b>203-1</b> Investments in infrastructure	70; 71	-
<b>Procurement practices</b>			
<b>GRI 103: 2016 Management approach</b>	<b>103-1</b> Explanation of the material topic and its boundary	69	-
	<b>103-2</b> The management approach and its components	69	-
	<b>103-3</b> Evolution of the management approach	69	-
<b>GRI 204: 2016 Procurement practices</b>	<b>204-1</b> Proportion of spending on local suppliers for significant locations of operations	69	-
<b>Anticorruption</b>			
<b>GRI 103: 2016 Management approach</b>	<b>103-1</b> Explanation of the material topic and its boundary	21; 22	-
	<b>103-2</b> The management approach and its components	21; 22	-
	<b>103-3</b> Evolution of the management approach	21; 22	-
<b>GRI 205: 2016 Anticorruption</b>	<b>205-3</b> Confirmed incidents of corruption and actions taken	23	-
<b>Energy</b>			
<b>GRI 103: 2016 Management approach</b>	<b>103-1</b> Explanation of the material topic and its boundary	48; 49	-
	<b>103-2</b> The management approach and its components	48; 49	-
	<b>103-3</b> Evolution of the management approach	48; 49	-
<b>GRI 302: 2016 Energy</b>	<b>302-1</b> Energy consumption within the organization	48; 49	-
	<b>302-2</b> Energy consumption outside the organization	49	-
	<b>302-4</b> Reduction of energy consumption	48	-
<b>Water</b>			
<b>GRI 103: 2016 Management approach</b>	<b>103-1</b> Explanation of the material topic and its boundary	46	-
	<b>103-2</b> The management approach and its components	46	-
	<b>103-3</b> Evolution of the management approach	46	-
<b>GRI 303: 2016 Water</b>	<b>303-1</b> Water withdrawal by source	47	-
	<b>303-2</b> Water sources significantly affected by withdrawal of water	47	-
	<b>303-3</b> Percentage and volume of water recycled and reused	48	-
<b>Emissions</b>			
<b>GRI 103: 2016 Management approach</b>	<b>103-1</b> Explanation of the material topic and its boundary	14; 45; 50; 51; 52	-
	<b>103-2</b> The management approach and its components	14; 45; 50; 51; 52	-
	<b>103-3</b> Evolution of the management approach	14; 45; 50; 51; 52	-
<b>GRI 305: 2016 Emissions</b>	<b>305-1</b> Direct greenhouse gas emissions (Scope 1)	51	-
	<b>305-2</b> Indirect greenhouse gas emissions (Scope 2)	51	-
<b>GRI 305: 2016 Emissions</b>	<b>305-3</b> Other indirect greenhouse gas emissions (Scope 3)	52	-

GRI STANDARD	DISCLOSURE	PAGE/RESPONSE	OMISSION
<b>Effluents and waste</b>			
<b>GRI 103: 2016 Management approach</b>	<b>103-1</b> Explanation of the material topic and its boundary	45; 47; 52; 53	-
	<b>103-2</b> The management approach and its components	45; 47; 52; 53	-
	<b>103-3</b> Evolution of the management approach	45; 47; 52; 53	-
<b>GRI 306: 2016 Effluents and waste</b>	<b>306-3</b> Significant spills	53	-
<b>Mining Sector Supplement – Effluents and waste</b>	<b>MM3</b> Total amounts of overburden, waste and sludge and associated risks	46; 52; 53	-
<b>Occupational health and safety</b>			
<b>GRI 103: 2016 Management approach</b>	<b>103-1</b> Explanation of the material topic and its boundary	65; 67	-
	<b>103-2</b> The management approach and its components	65; 67	-
	<b>103-3</b> Evolution of the management approach	65; 67	-
<b>GRI 403: 2016 Occupational health and safety</b>	<b>403-2</b> Types of injuries and rates of injuries, occupational diseases, lost days, absenteeism and number of work-related fatalities	65; 66; 67	-
<b>Training and education</b>			
<b>GRI 103: 2016 Management approach</b>	<b>103-1</b> Explanation of the material topic and its boundary	64	-
	<b>103-2</b> The management approach and its components	64	-
	<b>103-3</b> Evolution of the management approach	64	-
<b>GRI 404: 2016 Training and education</b>	<b>404-2</b> Programs for upgrading employee skills and retirement transition assistance programs	64	-
<b>Local communities</b>			
<b>GRI 103: 2016 Management approach</b>	<b>103-1</b> Explanation of the material topic and its boundary	70; 72; 73	-
	<b>103-2</b> The management approach and its components	70; 72; 73	-
	<b>103-3</b> Evolution of the management approach	70; 72; 73	-
<b>GRI 413: 2016 Local communities</b>	<b>413-1</b> Operations with local community engagement, impact assessments and development programs	50; 72; 73; 74	-
<b>Socioeconomic compliance</b>			
<b>GRI 103: 2016 Management approach</b>	<b>103-1</b> Explanation of the material topic and its boundary	21; 43	-
	<b>103-2</b> The management approach and its components	21; 43	-
	<b>103-3</b> Evolution of the management approach	21; 43	-
<b>GRI 419: Socioeconomic compliance 2016</b>	<b>419-1</b> Non-compliance with laws and regulations in the social and economic area	There was no non-compliance in relation to laws and/or regulations in the social and economic area in 2015, 2016 and 2017. Non-compliance in relation to laws and/or regulations in the social and economic area is understood as legal actions, fines or penalties applied by responsible authorities as a result of violations of standards related to slave labor, workplace health and safety, occupational medicine, the environment and products or services supplied by CBMM in Brazil and abroad. Excluded from the scope of this concept are values related to tax contingencies, labor complaints and other administrative or judicial processes that exist in the normal course of CBMM's activities.	-

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