



SANTOS BRASIL

A new era,  
A new journey



SUSTAINABILITY REPORT  
2020



OUR  
TRANSFORMATION  
JOURNEY

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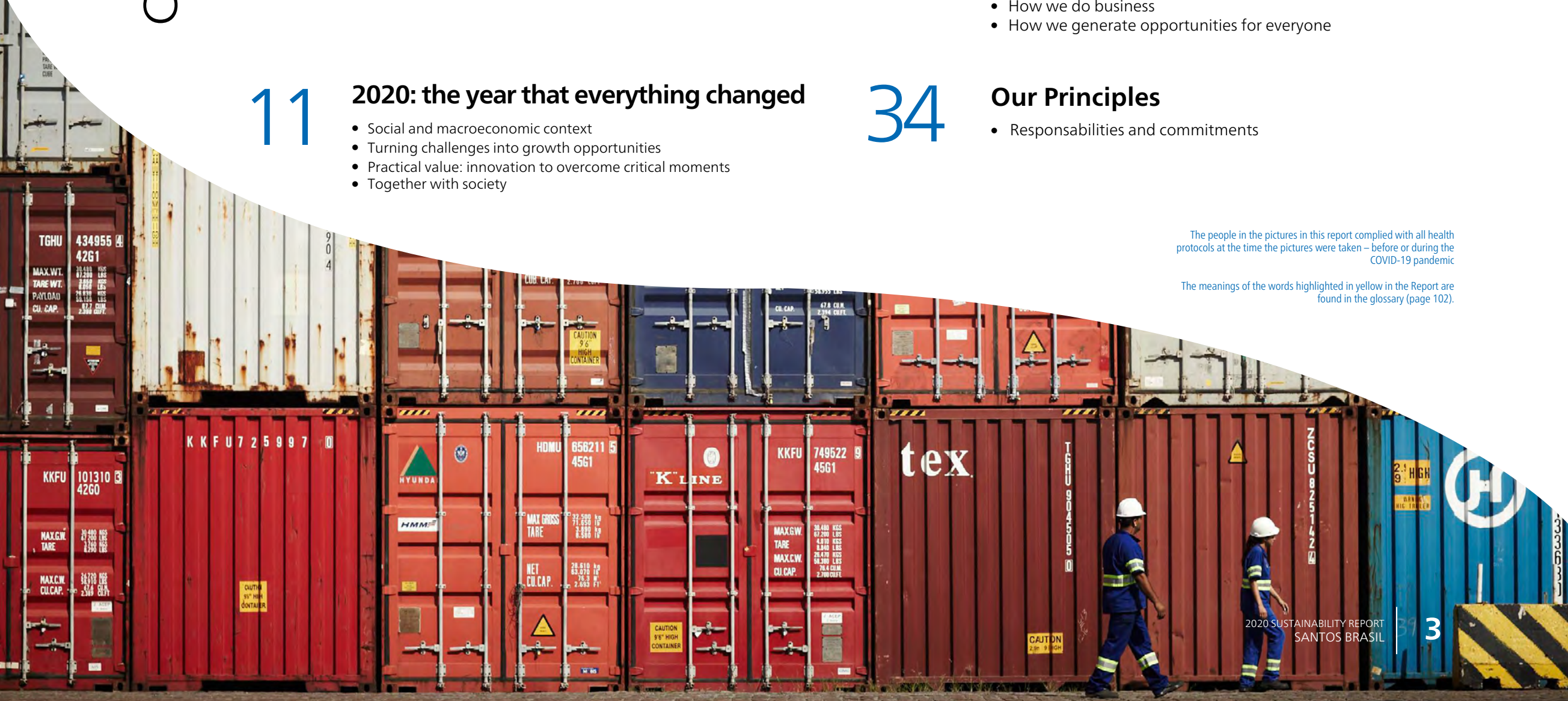
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The people in the pictures in this report complied with all health protocols at the time the pictures were taken – before or during the COVID-19 pandemic

The meanings of the words highlighted in yellow in the Report are found in the glossary (page 102).



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## A WORD FROM THE CEO

# A NEW CYCLE, A NEW JOURNEY

2020 was an extremely challenging year. Marked by the COVID-19 pandemic, it has brought suffering, uncertainty and an unprecedented global economic impact on our generation. On the other hand, we have seen a growing awareness in terms of corporate social responsibility and a huge capacity to adapt and promote changes.

At Santos Brasil, we respond with safety, empathy and high-level efficiency standards to the countless challenges we face. Since we provide essential services, we were never shutdown. We have taken timely measures to preserve the health of our employees and ensure the continuity of operations. Our high levels of digitalization and system integration were essential for us to be able to quickly adapt to working remotely, without any interruption to our processes, and maintaining the Company's services to its clients.

We put together multidisciplinary work groups in order to reduce costs and seek new sources of revenue. We also redid our investment plans according to our priorities and the expected new volume. The Company's financial management focused on maintaining market liquidity and generating a positive cash flow. Despite the drop in volume and, to a lesser extent, revenue, we ended 2020 with BRL 146.3 million in operating cash flow and BRL 637.3 million in net cash.

We made the necessary adjustments, but kept our strategic investments aimed at growth and long-term positioning. We invested BRL 223.4 million last year, BRL 203.4 million of which in Tecon Santos, where we are completing works to deepen and expand the terminal's docking berth by 220 meters, totaling 1,510 meters, providing us an important competitive advantage in the next years.



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Despite the 4.1% drop in Brazilian GDP, the port sector proved to be resilient and the volume of containers handled grew 2.7% in the year. The second and third quarters were heavily impacted by the pandemic, but as of July, we saw a monthly increase in volumes. The high season was concentrated in the fourth quarter and not in the third, as it normally is. With greater exposure to imports (most impacted segment) than to exports, Santos Brasil closed the year totaling 1.07 million containers handled (-7.7%) in its three terminals, with BRL 1.087 million in revenue (- 4.3%) and BRL 211.9 million EBITDA (-4.4%).

The resumption of imports and the continued rise of exports were determinant for the Company's positive performance in the last quarter, with 4.4% growth in the consolidated handling of containers compared to the same period in 2019. We ended the year feeling optimistic and with encouraging prospects.

We entered 2021 well prepared and capitalized for a new growth cycle. We will diversify our activities into unassisted segments, with high growth potential, and which offer synergies with our current operations, increases the services available to Brazilian overseas trade.

Guided by our long-term vision, we raised BRL 790 million in November 2020 through a primary share offering on the B3. The funds will be used to expand our business through investments in new port leases. As well as the container sector, we are looking for liquid and solid bulk projects that are strongly linked to Brazilian agribusiness; and we intend to invest in improving the integration of the logistics chain through our container terminals using the Santos Brasil Logística platform.

An innovative spirit is an important part of our culture and key to our development strategy. We are continuously investing in the highest standard of technology to make the Company and our clients more competitive. Automation, integrating information, telemetry and artificial intelligence are all part of what we offer and they have supported our growth and improved operational safety.

// We strive to innovate more and more, encouraging a proactive and collaborative attitude in our employees and investing in raising our technological standards. //

We know that there is still a lot to do and that we will only achieve our goals with an engaged team that shares our values and believes in our project. We have the challenge of creating a learning and development environment so that everyone feels more and more encouraged to grow professionally. Our People & Management department is strongly committed to supporting our managers in this regard. We are also aware of the importance of having creative teams, and taking into account the human value of diversity.

Finally, we are aware that our expansion means we have additional responsibilities towards society and towards sustainability. We already operate with high management and governance standards that include compliance and sustainability policies, in line with the best market practices. In October 2020, the Company's shares entered the newly launched portfolio of the S&P/B3 Brasil ESG index, which lists companies with good practices in environmental preservation, social development and high standards of corporate governance. We will continue to develop the company according to our values, doing our part in the search for a more sustainable future for the next generations.

**Antonio Carlos Sepúlveda**  
CEO

An aerial photograph of a port facility, likely Santos, Brazil. The image shows a large container yard filled with stacks of colorful shipping containers (blue, red, yellow, and white). In the background, there are several large industrial silos and a long pier extending into the water. The sky is blue with some clouds. The text 'Santos Brasil' is overlaid in the bottom left corner in a large, white, sans-serif font.

# Santos Brasil

**LOGISTIC ADVANTAGE**  
Only company capable of serving customers on both banks of the Port of Santos.

# FROM PORT TO E-COMMERCE

Santos Brasil offers complete and integrated logistics solutions for its clients, from port to e-commerce: port operations, storage, warehousing, stock management, road transport (with own fleet) and distribution. It has four maritime terminals and one river terminal, respectively: Tecon Santos, in the Port of Santos (SP); Tecon Imbituba, in the Port of Imbituba (SC); General Cargo Terminal (TCG), also in the Port of Imbituba (SC); Vehicle Terminal (TEV), in the Port of Santos (SP); and Tecon Vila do Conde, in the Port of Vila do Conde (PA). Two Industrial Logistics Customs Centers (CLIAs), in Santos and Guarujá (SP) and two Distribution Centers (CDs), in São Bernardo do Campo (SP).



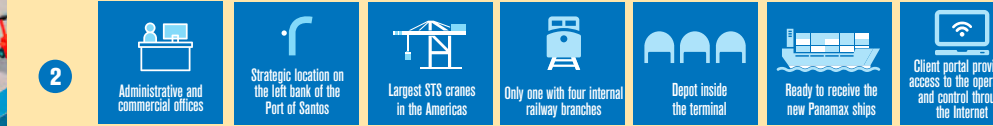
**04 maritime terminals and 01 river terminal, strategically located**



**HEADQUARTERS – SÃO PAULO (SP)**



**TECON SANTOS - GUARUJÁ (SP)**



**INDUSTRIAL LOGISTICS CUSTOMS CENTER (CLIA), VEHICLE TERMINAL (TEV) – GUARUJÁ (SP) AND CLIA SANTOS (SP)**



**DISTRIBUTION CENTER – IMIGRANTES AND SÃO BERNARDO DO CAMPO - SÃO BERNARDO DO CAMPO (SP)**



**TECON VILA DO CONDE – BARCARENA (PA)**



**TECON AND GENERAL CARGO TERMINAL (TCG) – IMBITUBA (SC)**



\* Illustrative material of Santos Brasil's operations. It is not an accurate representation of the scale, characteristics or geographic location of the units.

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# SANTOS BRASIL

A reference in the container port operation and in the provision of integrated logistics services, we are a national Company headquartered in São Paulo, publicly traded, listed on B3's Novo Mercado, category for companies that are committed to the highest standards of corporate governance. We are included in the S&P/B3 Brasil ESG Index, showing our adherence to the best practices for sustainable development.

We offer integrated and complete logistical solutions, from port to e-commerce, including port activity, warehousing, inventory management, road transport (with our own fleet), distribution, in addition to logistics operation services at the client.

The terminals and logistics centers together meet the custom demands of 9,472 clients, including importers and exporters from various industries, such as chemical, automotive, pharmaceutical, food, consumer goods and agribusiness, among others. With the opening of the second Distribution Center in São Bernardo do Campo (SP, Brazil), we increased our storage capacity by 30%, enabling us to offer vertical and complex logistics operations (**Third-Party Logistics – 3PL**), including all port services up to the final destination.

**Four Marine Terminals and one River Terminal, respectively:** Tecon Santos, in the Port of Santos (SP), Tecon Imbituba, in the Port of Imbituba (SC), General Cargo Terminal, TCG - also in the Port of Imbituba (SC), Vehicle Terminal, TEV, in the Port of Santos (SP), and Tecon Vila do Conde, in the Port of Vila do Conde (PA).

- **Tecon Santos (SP):** with an area of almost 600 thousand m<sup>2</sup>, is currently the largest container terminal in Latin America and the most efficient in the country.
- **Tecon Vila do Conde (PA):** is close to the main maritime routes and offers direct access to all continents, in addition to being integrated with a waterway. It is located in Arco Norte, which connects seven ports that are strategically positioned and which account for a significant volume of the country's exports. It is the only terminal in the region with three port cranes on wheels – Mobile Harbor Crane (MHC) type, in addition to having a cold store for inspection of refrigerated cargo.

We saw good results at Tecon Vila do Conde, driven by an increase in imports of project cargo and exports of agricultural and mineral commodities, with 11.8% increase in the fourth quarter.

- **Tecon Imbituba (SC):** ready to receive the largest ships in the world, without physical or weather restrictions, in addition to having access by rail, road and sea.

Container handling at Tecon Imbituba was 42.1% lower compared to 2019, which was offset by an expressive increase from the General Cargo Terminal.



## TECON SANTOS

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# 6.2%

## GROWTH IN CONTAINER HANDLING

(4TH QUARTER 2020)

# 35.6%

## MARKET SHARE



# BRL 203.4

## MILLION

## INVESTMENTS IN OPERATING CAPACITY

• **Vehicle Terminal:** the largest terminal for vehicles in Brazil, as well as one of the most modern car import and export terminals in the world.

- 164 thousand m<sup>2</sup> in total
- berth size of 310 meters
- eight ramps for transferring vehicles
- wireless system with data collector

• **Two Industrial Customs Logistics Centers (CLIAs)**, in Santos and Guarujá (SP) and **two Distribution Centers (CDs)**, in São Bernardo do Campo (SP).

In the case of Santos Brasil Logística, the volume of stored containers increased 6.9%.

The opening of CD Imigrantes (SP), in October 2020, will allow us to further expand our operations in the logistics area in the short term. We have not lost sight of the need to maintain our focus on efficiency gains, cost reduction and innovation.

• **Saboó Logistics Terminal:** located on the right bank of the Port of Santos, with a total dedicated area of approximately 42,000 m<sup>2</sup> for receiving, storing and loading project cargo and general cargo, such as scrap, rails, parts, among others.

A photograph of a worker in profile, wearing a white hard hat and a blue long-sleeved shirt. The worker is looking upwards and to the right. The background is a blurred outdoor scene with green foliage and a blue sky. A large, semi-transparent blue circular graphic with a yellow outline is overlaid on the right side of the image. The text "2020: The year that everything changed" is written in white, bold, sans-serif font across the lower portion of the image.

**2020: The year that  
everything changed**

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# SOCIAL AND MACROECONOMIC CONTEXT

In 2020, the world went through significant changes in people’s daily life, since the World Health Organization (WHO) announced in March that COVID-19, a disease caused by the novel Coronavirus, had reached pandemic level, affecting a large number of people on all continents.

Economic impacts quickly spread to financial markets. Due to social isolation, the supply and demand for goods and services was changed strongly, shaking the labor, production, trade and credit relations.

The crisis presented itself as a negative supply shock due to a halt in the production of goods and services, which brought down demand, asset prices and investments. A scenario of uncertainty dominated the economy in 2020. Low levels of confidence and investment proclivity were manifested as a high-degree of risk aversion in the markets. This scenario, coupled with restrictions in international trade and low interest rates, led to capital flight from Brazil, causing depreciation of the Real, a drop in industrial goods shipments and imports and an increase in primary goods exports.

The government aid measures adopted in several countries, including Brazil, prevented the deepening of the recession and contributed to the resumption of the economy in the third quarter, under a scenario of relaxation of social isolation



measures. However, highly expansionary fiscal and monetary policies have raised countries’ debt.

International trade flows recovered from May, still in the context of a worsening pandemic, at different rates in different countries and regions, with Asian countries standing out. The recovery of the economy faced the lack of inputs and raw materials. The shortage scenario forced a rise in international commodity prices, especially food and metals. In Brazil, the scenario, coupled with exchange rate devaluation, benefited Brazilian producers, however, it caused an increase in the consumer inflation rate.

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# TURNING CHALLENGES INTO GROWTH OPPORTUNITIES

The year 2020 will certainly be known as a unique chapter in the humanity’s journey. The COVID-19 pandemic imposed social, economic, cultural and political changes that impacted society as a whole. In the case of companies, the competitive challenges, the stabilization of revenues and the rapid adaptation to new scenarios were fundamental for maintaining the businesses.

This year marks the end of a cycle and the beginning of a new journey. The emergence of the pandemic was not an obstacle for us, at Santos Brasil, to execute our planning, strengthened by a new leadership structure, employee engagement and a solid financial structure with high liquidity to absorb possible impacts generated by this pandemic.

A new era arrived that changed the context, imposing transformations, and is received by us with maturity and safety on the path we trail, following our Vision. We ended 2020 positioned and capitalized for the new decade: we had an unprecedented and successful fundraising for expansion at B3, involving BRL 790 million in a primary share offering. We increased the share capital to BRL 1,871,895,424.12 (at the end of 2019 it was BRL 1,081,907,424.12).

We were selected by B3 and S&P Dow Jones to joining the S&P/B3 Brasil ESG Index, which confirms our commitment to human development, respect for the environment and high standards of governance, which are pillars of the strategy that guides our business.

In this year’s challenging scenario, we were aligned with the stakeholders, gathering efforts and expertise to fulfill our mission and contribute to maintaining the supply of goods across the country. At the same time, we overcame the context

and market challenges and ensured the development of the business and the safety of our people, while also aiming promoting a culture of innovation on new fronts of operation.

The health and safety of employees were our priority. The preventive measures taken included the adaptation of work structures and the environment (such as cafeterias, collective spaces, internal transport), intensification of hygiene, social distancing and isolation, testing and acquisition of new items of Personal Protective Equipment (PPE), extensive provision of alcohol gel/liquid soap, body temperature control and intensive and transparent communication. Innovation and technology have shortened ways for the office teams to operate remotely (work from home). On all fronts, employees at higher risk were promptly put on leave and travels, face-to-face meetings and events were suspended. These guidelines were extended to the Company’s social projects, as well as to third parties.



**SHARE CAPITAL**  
**BRL 1,871,895,424**

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PRACTICAL VALUE:

# INNOVATION TO OVERCOME CRITICAL MOMENTS

Innovation was essential in a year in which most labor relations had to be revisited. To maintain our initiatives without putting the employees' health at risk, we diversified our methodologies, adopted virtual training and meetings and adapted our management practices – improving the quality of life of teams, generating competitive advantages for the business and ensuring operational safety and flexibility.

To strengthen and improve meritocracy, we created programs to promote and monitor the development and training of employees for internal reallocation to new functions. In this way, we turn challenges into opportunities for everyone.

The pandemic has also put our service capacity and flexibility to the test, which joined efforts with clients to help them maintain operations and minimize losses. In the most critical period, we supported our clients by making available to them the assets, technologies and the logistical intelligence of our teams. As an example, with the rupture of the production chains of vehicles and the chemical industry, we seek to diversify the **cross-docking** services to reduce the logistical impact to clients due to increased inventories in transit. Thus, storage services and the replacement of imported containers by Santos Brasil's containers, inventory management centralization, and supply according to demand with **just in time operations** were some of the solutions designed.

For clients facing cash flow difficulties, we proposed **customs warehousing** operations, nationalizing the imported stock as demand resumed. The structure of indoor and bonded warehouses was made available to clients who faced obstacles to receive products.



# TOGETHER WITH SOCIETY

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Focus on growth, innovation and integrated solutions can and must be in line with sustainable development principles. Through constant improvement of the culture, better corporate governance practices, and investment in projects and initiatives in synergy with the organizational principles, we aligned the economic, social and environmental pillars and, year by year, strengthened the relationship with our *stakeholders* and the commitment that we have to sustainability.

Our relationship with people is fostered daily, beyond the port. Over 23 years, we have followed a path based on the dialog that we have built with our communities, with the municipalities in which we are located and we seek to contribute to the

reduction of inequalities in the country. We are aware that our business role is fundamental for the local and regional economic development, but it must also be balanced with the preservation of natural resources and contribute to the transformation of the current social reality.

Since 2013, we have been signatories to the Global Compact, an initiative of the United Nations (UN) for the articulation of companies from around the world that promotes the alignment of companies and institutions to principles in the areas of Human Rights, Labor, Environment and Anti-Corruption. With that, we support and commit ourselves to the Sustainable Development Goals (SDGs).



Do you want to know how we engage with the SDGs?

**FIND OUT IN HOW WE SHARE VALUE**



**We actively participate of associative entities to follow the trends and contribute to the evolution of the sector. Check It out here.**



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Our community work guidelines include social inclusion actions, with an emphasis on education, promotion of citizenship and development of society, in alignment with the Sustainable Development Goals.

We are gradually including the communities around our areas of operation in consultations regarding the impact of our activities. In 2020, through a partnership with the Novos Sonhos Institute, we consulted about 300 residents to map the local social vulnerabilities, aiming to identify solutions and paths towards a sustainable society.

Issues related to the social and environmental impacts of our activities brought by the community are monitored and discussed in a multidisciplinary Working Group (WG), involving the teams responsible for the works, Legal and Sustainability team. We carried out an elaborated a Neighborhood Impact Study (EIV) at Tecon Santos, for example, to identify and assess the potential impacts that the modernization and expansion of the wharf might have on the surrounding community.

In order to mitigate negative impacts – potential and real – we have designed and implemented specific programs that take into account land use and occupation,



waste generation, natural resources use, intensity of possible emissions and impacts caused by our operations.

The complaints management process helps us to follow up on the arrangements made with the community. The guidelines for investment in the social area are consolidated in the Private Social Investment Policy.

**Since activation of the communication channel with the Guarujá community ([comunidade@santosbrasil.com.br](mailto:comunidade@santosbrasil.com.br)), we have received more than 25 messages between June and December 2020:**

25 complaints, 1 Curriculum Vitae submitted

All messages were answered, addressed and forwarded to the construction team responsible for the works of expansion of the wharf in Guarujá (SP), which also conducts the technical on site visit and prepares a comparative report.

The 25 complaints generated nine occurrences, since the others are related to matters that have already been addressed before. After carrying out the technical visits, the team concluded that the problems presented by the residents were not related to the expansion works of the wharf. In fact, the comparative reports showed that the structural problems were present in the properties before the beginning of the works, and already condemned the structure and situation of some properties.



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## Direct sponsorship and through incentive laws

The sponsorship policy includes initiatives in the cultural, artistic and sport areas and also sponsorships for social and educational projects, with contributions made through incentive laws (Municipal Sports Support Tax Incentive Program – Promifae, in Santos and Guarujá; Law for Incentive to Sports, Rouanet Law and Municipal Fund for Children and Adolescents - FUMCAD). Due to the pandemic, some of our ongoing projects were switched to working online or they were suspended. These will restart when the health precautions allow.

In 2020, the total investment was BRL 1,593,952. Of those, BRL 200 thousand employed direct funds and BRL 1,393,952 were made through incentive laws.

### Direct Sponsorships

#### Programa na Mão Certa (PNMC)

In 2020, we resumed our partnership with Childhood Brazil in the Na Mão Certa Program. By joining efforts, the strategy is to sensitize truck drivers to act as agents that protect the rights of children and adolescents, with a focus on tackling sexual exploitation.

The Na Mão Certa Program is based on the Business Pact against the Sexual Exploitation of Children and Adolescents on Brazilian Highways, proposed by Childhood Brazil in partnership with the Ethos Institute for Business and Social Responsibility, with support from the International Labor Organization (ILO).

Childhood Brazil was created in 1999 by Queen Silvia of Sweden and it is entirely focused on programs and projects that guarantee the protection of children and adolescents, in addition to offering information, solutions and strategies for the issue of sexual violence against this group.

#### Instituto Novos Sonhos

Since 2012, we have established a partnership with Instituto Novos Sonhos, in Guarujá (SP), with the objective of contributing to the reduction of inequalities in the Aldeia community, close to the Vehicle Terminal (TEV).

The institution serves about 100 children and adolescents and offers jiu-jitsu classes and promotes social inclusion actions with the families of the young people. The effort includes initiatives such as socio-cultural events, sponsorship of students in regional jiu-jitsu championships and workshops focused on local women and human development.

#### Casa da Esperança

Since 2008, we have offered financial support to Associação Casa da Esperança (BRL 60 thousand/year). The organization is a qualification center that, for 60 years, has served free of charge about 300 children from different municipalities of Baixada Santista and coastal areas in the North and South of the state of São Paulo. The public supported is comprised of families with an economic profile that is predominantly at risk of social vulnerability. The support is in line with our objective of “Valuing the Individual and Respect for Diversity”, one of our corporate values.





# Our results for 2020

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## FINANCE (BRL MILLION)

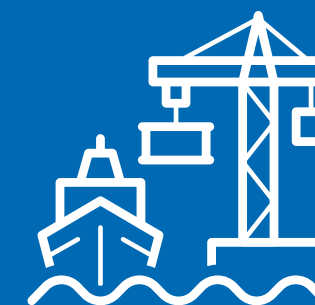
	2020	2019	2018	2017	2016
Gross revenue	1,087.0	1,135.3	1,085.6	953.1	956.7
Net Revenue	929.6	972.5	921.5	824.1	829.3
EBITDA	211.9	221.6	189.5	164.8	87.4
Net income	-13.8	15.4	3.0	2.5	-19.9
Investments	223.4	119.9	71.8	7.3	14.6

## SOCIO-ENVIRONMENTAL

	2020	2019	2018
Energy consumption (MWh)	34,349	36,894	38,085
Water consumption (m³)	67,776	74,176	82,723
Waste generation (t)	2,473	2,820	2,179
CO <sub>2</sub> emission (total)	29,439	33,515	32,297

## ABOUT US

	2020	2019	2018
Employees, interns and apprentices	2,824	3,041	3,026
Number of clients	9,472	8,073	7,326
Corporate NPS	83	75	76
Suppliers	1,742	1,799	1,773



TECON SANTOS REPRESENTS

# 79%

of net revenue from port terminals

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# OUR RESULTS

In 2020, our consolidated gross revenue was BRL 1,087 million (-4.3% compared to the previous year), a relatively stable result considering the atypical scenario that we are experiencing due to the COVID-19 pandemic. EBITDA totaled 211.9 million (4.4% below 2019).

The seasonality peak in the import and export operations, generally forecast for August, was concentrated in the months of October, November and December. As a result, the volume handled by the three container terminals grew by 4.4% in the last quarter of 2020 (totaling 302,735 units). Santos Brasil Logística had 6.9% growth, and the Vehicle Terminal (TEV) 47.2% in the same period (handling 52,491 vehicles).

**TCG Imbituba**

The positive highlight was TCG Imbituba, which, after closing export contracts for cellulose and food products, showed a strong evolution in shipments of these commodities in the second half of 2020, ending the year with a total volume of 281.3 thousand tons.

## CONTAINER HANDLING



Total volume in the three terminals  
**Santos, Imbituba, and Vila do Conde**

**1,078,992**  
UNITS

**937,424** **Tecon Santos**  
UNITS

**99,800** **Tecon Vila do Conde**  
UNITS

**41,768** **Tecon Imbituba**  
UNITS

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Still considering the fourth quarter, Tecon Santos' net revenue grew 4.9%, representing 79% of the net revenue of port terminals. Tecon Imbituba posted a 42.9% net revenue growth, increasing the average ticket for the wharf operation and a significantly increasing the general cargo handled at TCG Imbituba, due to exports of pulp and food commodities. Tecon Vila do Conde grew 26% in net revenue, influenced by the high number of project cargo imports and agricultural and mineral commodities exports, especially refrigerated cargo (reefer container). Santos Brasil Logística's revenue remained stable, despite the 6.9% growth in the volume of containers stored, due to a lower average ticket; while TEV's net revenue was 14.5% higher compared to the same quarter of 2019.

Costs of services provided in 2020 totaled BRL 708.6 million, a 1.9% decrease in relation to 2019. Operating expenses were also 1.5% lower compared to the previous year, reaching BRL 161.5 million.

### NET REVENUE GROWTH (4TH QUARTER 2020):



**Tecon Santos**  
growth  
**4.9%**

**Tecon Imbituba**  
had an increase of  
**42.9%**  
NET REVENUE



**Santos Brasil**  
**Logística**  
growth  
**6.9%**

### IN SUMMARY (2020)

At the start of the year we were optimistic about the potential growth of the economy, the volume of container traffic and the resumption of the flow of imports.



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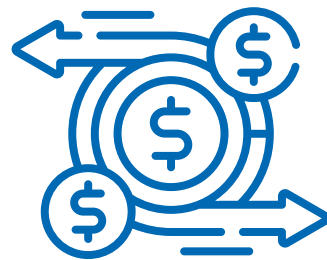
By mid-August, we began to notice an improving trend in the economic indicators, and therefore we decided to issue an audacious Follow-On Offering to raise enough capital to finance the company's expansion, including through acquisitions.



The signs of improvement we saw in the third quarter, were consolidated and Santos Brasil had strong growth in both the volume being handled and our financial results.



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## NET CASH

**BRL 637.3**

million

gross debt discounted



## OPERATING CASH

**BRL 146.3**

million

INCREASE  
**47.9%**  
in relation to the previous year



## EBITDA

**BRL 211.9**

million

no operating efficiency loss

STABILITY  
**22.8%**  
EBITDA MARGIN

As a consequence of these attitudes, the Company emerged stronger from the COVID-19 pandemic crisis, posting a small drop (-4.4%) in EBITDA in 2020 vs. 2019.

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# ADDED-VALUE STATEMENT (AVS)

## Wealth Creation and Distribution

The Added Value Statement (AVS) is an important social indicator, since it provides objective and transparent information on the wealth creation and value of a Company, as well as its contribution to the economy in which it is inserted and the effective distribution among economic agents.

In 2020, Santos Brasil's consolidated net revenue was BRL 929.6 million. The wealth created and distributed, represented by the total added value to be distributed, was BRL 561.7 million, 8.9% lower compared to 2019.

Employee participation (considering compensation and benefits) was 56%, government participation (at the federal, state and municipal levels) was lower, 29%, and third parties, 15% of the total wealth created.



2020  
**Net revenue**  
**BRL 929.6**  
 million

**ADDED VALUE STATEMENTS FOR THE BUSINESS YEAR ENDED ON DECEMBER 31 2020, 2019, AND 2018**

	Parent Company			Consolidated		
	12/31/2020	12/31/2019	12/31/2018	12/31/2020	12/31/2019	12/21/2018
<b>REVENUE (EXPENSES) (BRL thousand)</b>						
Sales of goods, products, and services	622,854	658,725	607,771	1,066,539	1,113,348	1,062,857
Other revenue	24,363	22,704	8,082	29,763	26,645	11,315
Provision (reversal) for allowance for doubtful debt and bad debt losses	-14,787	-13,706	-9,291	-14,450	-14,986	-10,090
	632,430	667,723	606,562	1,081,852	1,125,007	1,064,082
<b>INPUTS PURCHASED FROM THIRD PARTIES</b>						
Cost of products, goods, and services sold	-75,588	-100,980	-121,871	-150,107	-187,828	-202,092
Supplies, power, third-party services, and others	-108,061	-110,094	-99,565	-226,336	-222,031	-216,511
Other	-1,870	162	-661	-2,768	-101	-1,092
	-185,519	-210,912	-222,097	-379,211	-409,960	-419,695
<b>GROSS VALUE ADDED</b>	446,911	456,811	384,465	702,641	715,047	644,387
<b>DEPRECIATION, DEPLETION, AND AMORTIZATION</b>	-109,630	-97,456	-93,843	-152,363	-135,650	-124,166
<b>NET ADDED VALUE PRODUCED BY THE COMPANY</b>	337,281	359,355	290,622	550,278	579,397	520,221
<b>VALUED ADDED FROM TRANSFER</b>						
Equity method	23,590	34,819	40,045	-	-	-
Financial revenue	6,636	30,314	17,185	11,445	37,455	25,246
	30,226	65,133	57,230	11,445	37,455	25,246
<b>TOTAL ADDED VALUE TO DISTRIBUTE</b>	367,507	424,488	347,852	561,723	616,852	545,467
<b>DISTRIBUTION OF VALUE ADDED</b>	367,507	424,488	347,852	561,723	616,852	545,467
<b>PERSONNEL</b>						
Direct compensation	174,461	167,763	156,706	232,540	226,570	212,906
Benefits	45,735	44,666	42,802	70,332	67,906	66,210
FGTS	10,491	12,471	10,738	14,404	17,383	15,460
	230,687	224,900	210,246	317,276	311,859	294,576



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	Parent Company			Consolidated		
	12/31/2020	12/31/2019	12/31/2018	12/31/2020	12/31/2019	12/21/2018
Federal	47,756	61,304	35,431	104,259	124,831	96,225
State	54	60	67	5,690	5,433	6,352
Municipal	31,768	32,920	27,608	51,426	53,128	46,706
	79,578	94,284	63,106	161,375	183,392	149,283
<b>RETURN ON THIRD-PARTY CAPITAL</b>						
Interest	67,367	85,941	69,012	88,639	98,444	82,434
Rentals	3,636	3,988	2,509	8,194	7,782	16,195
	71,003	89,929	71,521	96,833	106,226	98,629
<b>RETURN ON EQUITY</b>						
Dividends	-	3,652	707	-	3,652	707
Additional dividends proposed	-	8,033	2,123	-	8,033	2,123
Retained profits (losses)	-13,761	3,690	149	-13,761	3,690	149
	-13,761	15,375	2,979	-13,761	15,375	2,979

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## UNITS PERFORMANCE



### TECON SANTOS (SP, BRAZIL)

We received two new ZPMC **portainers** with 50 meters in height, 70 meters boom length (15 meters more than the ones currently operating at the terminal) and capacity to handle two 20-foot containers simultaneously, totaling up to 5 tons of cargo.

We stowed 45 reactors weighing from 28 to 37 tons and 450 volumes, destined for Africa and Peru. Due to the complexity of the project cargo, shipments were split into three processes and the Warehouse, Operation and Commercial areas participated.

We multiplied the project cargo handling on board container ships by four (1,361 to 6,381).

We proceeded with the works to reinforce the wharf and to level the dredging of the three berths at 14.2 – 14.5 meters.



### TECON VILA DO CONDE (PA, BRAZIL)

We won a new service, the New Brazex 2, operated by the French shipowner CMA CGM, which connects the Amazon region with the United States Gulf and the Caribbean, as well as Asian ports.

We achieved 25% growth in refrigerated cargo exports, due to the investments made and the regular schedule of long-haul shipowners.

We created river routes (Vila do Conde (PA) - Belém (PA) - Macapá (AP) - Santarém (PA) and Afuá (PA)) opening operational windows for ferries and use of the port ramp to meet the **cabotage** shipping demand.

We continued to invest, opening the new dressing room, completing the works of the cafeteria, implantation of a new automated gate and reception and purchase of two new **Reach Stackers** and one empty stacker, which guarantee more agility, efficiency and increase our level of automation.



### TECON AND TCG IMBITUBA (SC, BRAZIL)

We stored and handled tons of pulp, after a fierce dispute with the main terminals in the southern region of Brazil.

We saw an important evolution in pulp and food shipments at TCG Imbituba in the second half of 2020, closing the year with a total volume handled of 281.3 thousand tons.



### CLIA SANTOS (SP, BRAZIL)

We implemented automated **gates** and, with that, gained agility in the process of entrance and departure of drivers (the average time dropped from 1 min 20s to 40 seconds).

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## UNITS PERFORMANCE



### CLIA GUARUJÁ (SP, BRAZIL)

Supported by the connectivity of our businesses, we offer collaborative personalized solutions to our clients, avoiding high demurrage and storage costs, in **addition to** an efficient service, respecting the Service Level Agreement.



### TEV (SP, BRAZIL)

We structured the terminal, which became the only one in the country to have electric car chargers. [Find out more on page 62.](#)

We gained 0.5 meters in the operational draft of the wharf - from 13.2 meters to 13.7 at high tide.

We activated new features in the Client Portal for transport checking, such as the release of windows and consultation of bl and chassis. In 2020, the areas of the Company worked in synergy to advance our journey.



### CD SÃO BERNARDO DO CAMPO (SP, BRAZIL)

We won a new client with an expressive operation in the publishing business and activated with them an operation in the e-commerce segment.



### CD IMIGRANTES (SP, BRAZIL)

Located in São Bernardo do Campo (SP, Brazil), CD Imigrantes increased our storage capacity by approximately 30% (general warehouse). It has state-of-the-art equipment, such as new pallet carriers and articulated forklifts, which are able to operate in narrower spaces, increasing the area's productivity.



Follow other operational highlights for the year by clicking here.

# AWARDS, RECOGNITION, AND CERTIFICATIONS

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**Great Place To Work** – Promoted by GPTW, a global research, consulting and training Company, this certificate recognizes us, for the third year in a row, as an excellent place to work through an online tool for surveying and diagnosing our employee’s perception of our performance, considering five dimensions: credibility, respect, impartiality, pride and camaraderie.



**SASSMAQ** – Health, Safety, Environment and Quality Evaluation System that verifies the performance of companies that provide services to the chemical industry. The São Bernardo do Campo Distribution Center and the CLIAS Guarujá and Santos are certified.



**Época Negócios 360°** – We achieved an important position in this guide that selects the 363 best companies in the country based on criteria that go beyond financial performance. This yearbook aims to indicate the best companies in the country considering aspects such as financial performance, corporate governance, sustainability, people, innovation and vision of the future.



**ISO 9001-2015** – Guides the application of rules related to quality management. Tecon Santos, Tecon Imbituba, Santos Brasil Logística and Terminal de Veículos (Vehicle Terminal - TEV) are certified.



**Together for Sustainability/EcoVadis** – In 2020, we won the silver seal in the EcoVadis questionnaire, a global platform for recognizing Corporate Social Responsibility (CSR) practices. This assessment is part of the sectoral initiative of the chemical industries Together for Sustainability (Tfs), which aims to evaluate and improve sustainability practices in their supply chains. This assessment is based on international CSR standards, such as the Global Compact Principles, the International Labor Organization (ILO) conventions, the Global Reporting Initiative (GRI) standard, the ISO 26000 standard, and the CERES principles .



**ISO 14001-2015** – Guides the application of rules related to the environmental management. Tecon Santos, Tecon Imbituba, Tecon Vila do Conde and TEV are certified.



**OHSAS 18001-2017** – Guides the application of rules regarding risk management in occupational safety and occupational health. Tecon Santos and TEV are certified.



**CDP** – In 2020, Santos Brasil participated in the CDP award for the first time, winning grade C, the highest in the South American Transport Services sector. CDP is an international, non-profit organization, considered the main initiative of the financial sector for the mitigation of climate change.



The image features three employees of Santos, a company in the oil and gas industry. They are wearing blue high-visibility work shirts with reflective yellow-green stripes and white hard hats with the Santos logo. The background is an industrial site with various structures and equipment. The text 'Our purpose' is overlaid in a large, white, sans-serif font. The image is framed by a dark blue circular graphic with yellow and blue curved lines.

# Our purpose

# WE JOIN BORDERS

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Ports are essential links for the flow of products from Brazil and the world, enabling articulation between regions, the internationalization of markets and the social and economic development a countries and the communities around the ports.

In a continental-sized country like Brazil, with a sea coast, fluvial availability and large potential for waterways, port activity impacts the economy, generates jobs and local revenue, and contributes to integrate the country with the world and boost business.

In the last decades, with an increase in the participation of private capital, container handling has increased significantly due to the lower logistical costs and

modernization of the sector. We are proud to be a fundamental part of this story. Since 1997, when we started our operations, we have grown in size and opportunities, expanding our logistics and port operations, from the North to the South of the country. Since then, approximately BRL 5 billion have been invested in acquisitions, expansions, new technologies and new equipment, which have significantly increased our port logistics capacity and, consequently, all of our business fronts.

Thanks to the commitment of our employees, we serve 9,472 clients. There is still a lot to be done in terms of port infrastructure in Brazil and we are aware of the opportunities. The ongoing investments will make our terminals ready to meet future demands, increasing the efficiency of the processes, reducing costs and increasing service quality.



GRI 203-2

# HOW WE DO BUSINESS

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We are committed to the mission of increasing the competitiveness of our clients, offering a port to e-commerce service, with ever greater efficiency, agility and precision.

In addition to the growing investments in technology, we are committed to business integration, seeking to offer complete and innovative solutions for increasingly customized storage, logistics and transportation services to meet the specific needs and exceed the expectations of our clients.

In 2020 we created the **Client Experience** area. The objective is to create competitive advantages, optimize processes and offer innovative and custom-built solutions to the logistics-port operation based on an in-depth study of client expectations and satisfaction.

The prospect of developing more sophisticated logistics services, which require storage in air-conditioned areas, labeling, identification and separation of products for e-commerce stores has high potential, a fact demonstrated by the growth of this activity during the COVID-19 pandemic. In order to add more steps in the logistics chain, expansion of the service capacity is crucial for the expansion of businesses in this area. With the opening of the second Distribution Center in the area of São Bernardo do Campo (SP), we increased our storage capacity by 30%, enabling us to offer vertical and complex logistics operations (*Third-Party Logistics – 3PL*), including all port services up to the final destination.

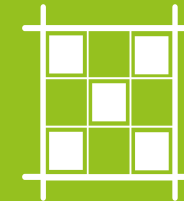
With an area of 7,376 square meters and room for 13,184 pallets, CD Imigrantes (SP) is located on the banks of Rodovia dos Imigrantes, in São Paulo, with easy access to the cities Santos, Guarujá and São Paulo. Since it operates integrated with the port terminals, connectivity between our businesses is an advantage for creating logistic solutions suited to the various client profiles.

Another business front is the development of *in-house logistics services*, a customized operation which includes the receipt of imports, storage, transportation, as well as inventory control. This type of service requires a high level of reliability, compliance with safety, sustainability and the required standards.



30%

Increased storage capacity



7,376 m<sup>2</sup>

Total area CD IMIGRANTES



# HOW WE GENERATE OPPORTUNITIES FOR EVERYONE

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Our business is supported by people, and done for people. We connect Brazilians and foreigners; consumers and entrepreneurs; demand and supply; needs and solutions; business and sustainability.

We have more than 2,800 employees who conduct operations at port terminals, logistics and distribution centers, warehouses and offices. The recognition of the importance of these professionals, from the most varied areas of activity and business units, is expressed in our values: **valuing the individual, health and safety and respect for diversity** are some of the long-term commitments that guide our operations.

Therefore, nothing is more essential than concentrating efforts on the integration of these professionals. The People & Management area was restructured to improve the employees' experience. We make an effort to identify the profile of each worker to offer tailored conditions for personal and career development. Several projects and initiatives already underway (such as Somos SB and Ciclo de Evolução SB, for example) are oriented towards integrating them into our new horizon of expansion and growth.



In 2020, face-to-face integration strategies migrated to the virtual format: tools that were already employed at Santos Brasil became useful to keep the group aligned with the main guidelines and information, even if physically distant, and considering professionals working from home.

Another major challenge was maintaining engagement between the teams, which was overcome, for example, when we consider some organizational climate survey indicators, and especially, the client satisfaction ratings and operating and financial results ([see 2020 highlights](#)) in the challenging context of the COVID-19 pandemic.

The strategic moves we have made in recent years allowed us, even an uncertain year due to the COVID-19 pandemic, to proceed with our actions, maintaining integrity and care for our employees and to develop, with high levels of quality, new projects and technologies, reinforcing our role as strategic and reference partners, both in port operations and in logistics services.

**This is how we generate business opportunities for employees, clients and society.**





# Our Principles

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# RESPONSIBILITIES AND COMMITMENTS

We know that the competitiveness of our clients is decisive for the success of the business. That is why we strive to continuously improve our services, making them more agile, effective and safe. All our work is based on respect for the individual and the environment and high corporate governance standards. Thus, we create value to our shareholders and contribute to the country's socioeconomic development. These are the pillars of our **Mission**, which guides us in each project and in every action of our day to day.

We have the challenge of being the best port infrastructure and integrated logistics Company in the markets in which we operate, a **Vision** that pushed us forward and to promote the transformations that are needed for a solid, sustainable and long-term future. We are aware of the potential we have to positively impact the development of the economy, the preservation and care for the environment and the promotion of values that contribute to a wealthier and prosper society.

The responsibility and commitment we have to our shareholders, employees and society as a whole is materialized in our search for excellence in corporate governance, and management based on **safety, innovation, agility and precision**, which certainly guarantee our results. We believe in relationships based on **ethics and transparency**, on **environmental and social responsibility**, on **valuing the individual** and on **respect for diversity**, values that go beyond the sphere of business, and build a more just and sustainable world.

In 2020, given the countless issues and challenges posed by the COVID-19 pandemic, we had the opportunity to put our management model to the test.



Throughout the year we tested our ability to maintain our operations, to ensure the quality of our services, the health and engagement of our employees, to improve the competitiveness and sustainability of our clients. In this complex context, we sought to be transparent with our stakeholders.

Thanks to the values that constitute our governance, we were able to guarantee to our shareholders reliability on their investments. Results confirm that our path was trailed on solid ground since when we started our journey in 1997. We are prepared to move forward, offering our clients what we do best: port and logistics services from the port to e-Commerce.

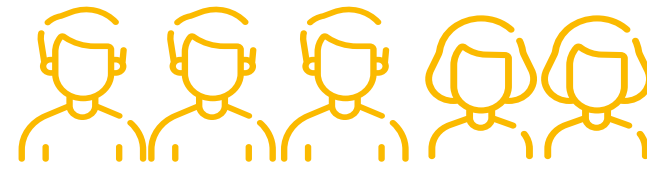
The image features two men in blue work shirts and white hard hats, standing on a ship's deck. The shirts have the Santos Brasil logo and name on them. The background shows a large container ship with many colorful containers. The entire image is overlaid with a green and blue color scheme and decorative circular lines. The text 'Our People' is written in large white letters across the bottom left.

# Our People

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Our employees are protagonists in our Company's journey of transformation and growth. Considering a period marked by a serious global pandemic, resilience, collaborative spirit and innovation were present in the day to day of our business units and reflect the care we have towards work relationships, in addition to an environment in which we prioritize health, safety and value the individual.

We ended the year with 2,824 employees, including 35 apprentices, distributed in each of the regions in which we operate. Santos Brasil took advantage of mechanisms provided by the Federal Government (Law 14020) to furlough staff or reduce their working hours, in order to avoid dismissals during this period. As a result they were able to maintain a lower turnover rate than previous years (4.42%, with 323 employees leaving and 106 new entrants).



# 2,824

## EMPLOYEES



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Our compensation and benefits policy is supported by a meritocratic system and regular performance reviews that today covers 100% of employees.

The compensation criteria for the Board of Directors rely on financial and non-financial incentives that aim to attract, retain and motivate the best talents, aiming mainly: to harmonize short and long term objectives; align the interests of executives and shareholders; bind compensations to business results; and create a long-term sustainable value culture.

We ensure fair remuneration to all our professionals, taking into account the equity principle for employees who perform the same functions, regardless of gender, seeking to evolve into an equal pay environment, in addition to seeking to balance our internal levels with the market benchmarks (considering the functions performed and the region where they operate).

All employees are covered by collective bargaining agreements in their professional category. We offer all the legal benefits and additional ones are given according to the position and business unit: maternity/paternity leave; health and dental plan; funeral assistance; personal and collective accident insurance; financial education network program; food vouchers, meals and food baskets; in addition to Allya benefits and access to the Gympass (accredited network of gyms and studios, live and face-to-face classes, personal trainer sessions, and fitness and wellness apps).

We also offer life insurance, we extend our health insurance to the employees' dependents (including same-sex couples) and, in specific cases, we provide variable income established in the Profit Sharing Plan (PSP). Payment of the PSP is bound to the fulfillment of individual and team goals and is based on the EBITDA calculated in the income statement of each business unit. We set a maximum remuneration limit of 2.5 salaries.

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With regard to diversity and inclusion practices, we recognize that the composition of employees and managers, at all hierarchical levels, still needs to evolve in the systematized information, policies and affirmative actions. We started a movement to balance issues related to gender and ethnic-racial equity, the LGBTQI+ population (lesbians, gays, bisexuals, transgender, queers, intersexuals) and people with disabilities, in order to improve the composition of the teams and move forward as an institutional direction, regardless of the sector or business unit.

We believe that a diverse environment adds value to everyone, promotes competitiveness, innovation and is in line with the main demands of civil society. In this sense, we are committed to incorporating diversity in a more systematic way in our hiring and recognition policies and processes, and in the relationship with the different audiences. We reaffirm, at every opportunity, our engagement and support for anti-discrimination practices.

Results are starting to appear in the administrative area regarding the participation of women (40%), but there is still a long way to go in the operational area (2%) and at higher hierarchical levels, such as management (24%) and supervision (13%). We have 61\* people with disabilities working in the administrative, operational and coordination areas. The predominant age group in our Company is between 30 and 50 years old (68%). Encouraged by the Corporate Sustainability Index tool (ISE B3) and the Global Reporting Initiative (GRI) methodology, we are in the process of analyzing the implementation of mapping indicators for color, race, gender, and sexual orientation.

\*Reference: 12/31/2020



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# EMPLOYEE HEALTH CARE DURING THE PANDEMIC

With global and alarming impact, the health crisis caused by the pandemic of COVID-19 demanded that we adopted, fast and precisely, several strategies in our daily work, aimed at prevention, safety of our units and the well-being of employees. In this sense, we organized our actions in four fundamental pillars: hygiene, distancing, tests, and isolation.

Encouraged by the intense transformation that we started in 2019, centered on the experience of our personnel, we sought to protect our most vulnerable people, and instructed the employees who continued to perform their activities on health and safety protocols. We employed remote work technology and expanded it to other channels, in order to reaffirm our responsibility for the well-being of all our audiences.

With regard to adaptations in our operating dynamics, we promptly establish remote work for administrative and risk-group employees, took turns to support logistics, suspend visits to units, as well as national and international travel and restricted participation in events. All of these initiatives, in addition to others that came into force, are in line with the recommendations of the World Health Organization (WHO) and also of the Brazilian health authorities.

In addition to providing the mandatory PPE, health and safety care during the pandemic was intensified, with the delivery of a hygiene kit for individual cleaning of equipment, body temperature control at the units' entrance and anticipation of the influenza vaccination (following the Ministry of Health).

In the physical structures, cleaning of the operational and administrative units was intensified. In addition to the provision of hand sanitizers and liquid soap, we employed social distancing in the operating rooms, implemented preventive measures in the cafeteria and operated with a maximum capacity of 60% on ferries and buses.

Communication played a major role in keeping teams informed and integrated about all our initiatives. We prioritized virtual tools for dialog (forums, e-mails, applications, livestreams) and we also kept informational materials in our facilities. Awareness campaigns were carried out periodically, with recommendations on prevention and tips for mental health care. This care was extended to clients, suppliers and community, through our relationship channels.



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# ACCIDENTS PREVENTION: ALWAYS A PRIORITY

Health and safety were consolidated as relevant and priority issues for the Company. In 2020, in addition to the preventive measures to control the COVID-19 pandemic, we continued to reinforce the application of protocols, rules and legislation on these topics to our employees in their daily activities, with an emphasis on quality of life, improvement of working conditions and accident prevention.


We maintained the Zero Accident Campaign, launched in 2019 with the objective of raising awareness and encouraging preventive behavior for the health and safety of our team. We achieved 71% reduction in the number of accidents with lost time in our units, compared to the results obtained in 2019. This achievement reflects our commitment to the safety of our own employees, third parties, union entities and partners, and the whole society.

We ended 2020 with significant results in terms of days without lost time accidents at our units. In port operations, we showed expressive results with TGC/Tecon Imbituba achieving the 725 day mark, Tecon Vila do Conde, 480 days, and Tecon Santos, 187 days without lost time accidents.

With regard to logistics operations, the ratings were also positive. CLIA Guarujá achieved the milestone of 1,312 days, CD São Bernardo do Campo, 695 days, CLIA Santos, 567 days and Road Transport, 297 days without lost time accidents.

The Frequency Rate and Severity Rate of accidents were indexes that we monitored throughout the year to check the status of operations and identify the actions required to reduce the number of occurrences.

	<b>Occurrence Rate</b>	2020	2019	2018
		<b>1.16</b>	<b>3.64</b>	<b>5.73</b>

	<b>Severity Rate</b>	2020	2019	2018
		<b>8.52</b>	<b>29.99</b>	<b>46.88</b>



We reached 1,443 hours of training on the topics of safety, health, environmental awareness, among others. This number is lower than in 2019, since we were impacted by the restrictions imposed by the COVID-19 pandemic.

At the time of hiring, all employees take integration training with a team from the technical occupational safety area. In addition to this, the Annual Training Plan (ATP) includes several legal and mandatory training, specific for performing critical activities such as, work at height (NR 35), with a workload of 8 hours.



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All of our units have an occupational health and safety management system, in line with the requirements of stakeholders (quality, environment, occupational health, occupational safety, property security, legislation and Compliance requirements), and also meeting the Specialized Service for Port Work Health and Safety (SESSTP/ SESMT). The professionals that comprise the group are employees of the Company.

The occupational health together with the occupational safety sector interacts with the implementation of the Environmental Risk Prevention Program (PPRA) and the Occupational Health and Medical Control Program (PCMSO). In this way, we analyze and monitor the implemented controls, as well as their effectiveness. The results of the exams and evaluations are released when the employee returns to the doctor. The occupational health service is available to all employees, 24 hours a day.

The mapping of hazards and risks of activities is done through a methodology that encompasses daily and non-daily threats, relating the respective controls to what is established in the ISO 45001 certification (Occupational Health and Safety Management Systems). This methodology is employed by the technicians responsible for occupational safety issues together with the involved areas.



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We have a program for employees to report the risks related to their activities, using the Safety Observation tool (OPS). Reports can be done anonymously, simply informing the deviation identified. In 2020, we added 252 observations. The resolution of the reported situations is posted on our internal channels, such as boards, applications and meetings.

With the indication of the Company and after selection employees, we formed the Port Work Accident Prevention Commission (CPATP) and the Internal Accident Prevention Commission (CIPA), who meet monthly, identify the risks posed by the work carried out at the Company, draw up preventive actions plans and contribute to the solution of occupational health and safety problems.

In November 2020, adopting all the protective measures against COVID-19, we held the Safety Day, with the participation of 1,719 employees. During the event, actions were performed such as the simulation of a traffic route and stop, exhibition of firefighting equipment, emergency simulation and lectures.



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# RELATIONSHIP, LEARNING AND ADAPTABILITY IN A NEW SCENARIO

The pandemic has accelerated behavioral and labor market trends, bringing to light issues such as digital transformation, automation, collaborative formats and adaptability. To meet these demands, albeit remotely, the People & Management area implemented training tools for certain competencies, prioritizing retention and valuing our talents and preparing them to meet the demands imposed by these new scenarios.

In 2020, based on feedback from our teams and taking into account the results of Great Place to Work survey and certification, we built several experiences with our employees, placing them at the center of the decisions regarding their personal and professional evolution and development. We understand that, based on the qualification of our dialogs (from operation to management), it will be possible to improve our work scope, strengthen engagement and increasingly humanize our relationships.

Aligned with our stance, we created Somos SB (We Are SB), whose mission is to plan actions between the Company and its employees and which contemplates our actions around three main axes: competency management, training and development and reinforcement of the corporate culture.

With the implementation of Ciclo de Evolução SB (SB Evolution Cycle), we were able to consider (from the perspective of performance, competencies and organizational development management) the alignment with the Company's goals, the evolution of operating performance standards and the achievement of goals.



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**CICLO DE EVOLUÇÃO**

SANTOS BRASIL  
**SOMOS SB**

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Performance evaluations, including all employees, align the strategic objectives of the business with the continuous improvement of operating performance standards and the achievement of established goals.

In September 2020, we launched the **Carreira em Foco** (Career at Focus) project, dedicated to people development. This project is supported on a digital platform and is available to all employees. In addition to the learning content, it provides:

**Knowledge sharing:** employees can send texts, videos and benchmark podcasts.

**Interaction:** it is possible to create discussion forums, comment and like posts and add co-workers from any Santos Brasil unit to your contact circle.

**Engagement:** there are gamified resources that generate a ranking of interactions on the platform, highlighting the most active employees and encouraging the others.

SANTOS BRASIL  
**CARREIRA EM FOCO**

We closed the year with 2,696 employees registered in Carreira em Foco, of which 1,320 were active (they effectively participated in the actions). Carreira em Foco was born out of the Somos SB movement.

From the Somos SB movement, we also created **Somos Embaixadores** (We Are Ambassadors), a group of 30 employees elected by their teammates as a reference in communication, positive collaboration and commitment. This group performs actions in order to build a healthy and satisfactory organizational environment.

Leaders, coordinators and supervisors can participate in **Trilha de Liderança** (Leadership Trail), which provides development based on a path that will lead them to the managerial level, with a strategic focus on essential competencies. Among the various subjects addressed are feedback, empathetic and assertive communication, systemic vision, entrepreneurship, inspiring leadership, change management and coach/mentoring.

Also through virtual means, **SB Conecta** (SB Connects) was one of the tools used to promote awareness and discussion around important topics (mental and physical health, well-being, social and environmental issues). We did 15 broadcasts that had more than 2,500 views.

Without losing sight of the welcoming and the exchange of experiences, we also innovated in the relationship and communication formats. We conducted **Viva Voz Ao Vivo** (Live Speaker), 100% online, with the mission of stimulating a direct connection between employees and leadership. During the year, there were 18 editions of the program, in which we presented the Company's indicators and results, and also answered the main questions of the participants. We also invest in activities aimed at promoting our corporate culture. Every month there were virtual meetings between employees from different areas of the Company to talk about the work environment.



A photograph of two business professionals in an office setting. One person is writing on a document with a pen, while the other is using a calculator. The scene is overlaid with a green and blue color scheme and a circular graphic element. The text 'Our Governance' is prominently displayed in the lower half of the image.

# Our Governance

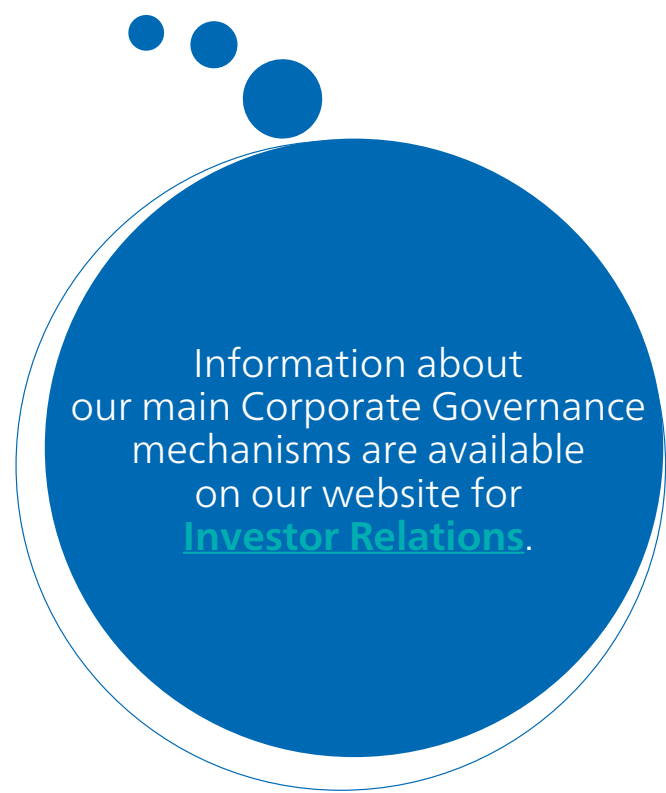
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# ALIGNMENT WITH OUR GOVERNANCE PRINCIPLES

We have been dedicated to continually reinforce our culture of transparency in the relationship with our stakeholders, always looking for the best accountability instruments and practices. Since 2016, our shares are listed on B3's Novo Mercado (Stock Exchange), a fact that brings us pride, responsibility and the challenge of constantly improving our management. We seek to involve more and more employees, suppliers, clients, business partners and shareholders, national and foreign, in the commitment to ethical and responsible management.

We believe that this is the only way we can meet the high governance standards required in this segment, which is the highest in B3. Our goal is to do more than the law requires, voluntarily adding value to our businesses through actions that obey the principles of socio-environmental sustainability and good governance (ESG). In this sense, the Company has a **Compliance Committee** and a Sustainability Committee, both with a proactive performance in the implementation and execution of best practices, being thus fundamental pillars of corporate governance. Every year we publish sustainability reports following the Global Reporting Initiative (GRI) methodology, which is internationally recognized for preparing these documents.

The information disclosure and securities trading policies strictly follows the standards established by the Brazilian Securities and Exchange Commission (CVM). Issues such as use of information, material facts, confidentiality of undisclosed material information are carefully observed by the Board of Directors, managers and other employees of the Company.



# GOVERNANCE STRUCTURE

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The duties and characteristics of the Board of Directors (composed entirely of independent members), the Executive Board and the Audit Committee are described in detail in our Articles of Incorporation, which formalizes the management model determined by law, establishing, among other obligations, the dividend policy. Under our Articles of Incorporation, those who (i) appear as controlling shareholders in companies that may be considered competitors in the market in which the Company operates; (ii) hold positions in companies that can be considered competitors in the market in which the Company operates, especially in advisory or audit committee, or the board of directors; or (iii) have a conflicting interest with the Company cannot be elected to the Board of Directors. Economic, environmental and social topics that impact the business are discussed and deliberated at the Board of Directors' meetings.

The members of the Board of Directors and the Audit Committee are chosen by the shareholders at the Annual General Meeting – each share represents one vote.

We do not have a formal policy that considers diversity for the election of the Board of Directors, however, we emphasize that the **two highest positions in the Board of Directors are occupied by women.**



[See the list of members](#)



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# POLICIES, MECHANISMS AND MAIN INSTRUMENTS

We have developed and improved a series of policies and mechanisms to facilitate the decision making process at any level of the Company and to guide the way in which each of our employees acts based on the Vision and Values we adopt.

The creation and/or updating of these policies aims to establish levels that can advance even more in relation to the provisions of the legislation and sectorial norms, involving the parties that interact with the business in commitments that contribute to the consolidation of ethics and transparency in our projects. and actions. Among the main instruments, the following stand out:



Covering all business units and also valid for board members and partners, it establishes and formalizes the guidelines of the Compliance Program, which aims to promote values and inhibit any unethical or illegal practices. Widely shared with the internal audience through the general communication channels and with monitoring and inspection by the Compliance Committee, it is composed of eight pillars: engagement of top management; Code of Conduct, policies and standards;

communication and training; risk assessment and implementation of internal controls; Confidential Portal; conduction of internal investigations; compliance in relations with business partners; auditing, monitoring and continuous improvement.

The Compliance policy was updated in 2020 and corruption risks have deserved special attention in recent years in order to adapt the Company to the most advanced practices in this area. Its objectives are the prevention and identification of misconduct in addition to the dissemination of the Company's ethical values, promoting awareness among its employees and other stakeholders.

[Internal Compliance Training Program](#) 



This policy has the goal of establishing guidelines and criteria for the performance and conduct of employees, board members, and third parties before national and international public bodies in conducting their work on behalf of Santos Brasil and its subsidiaries, in order to ensure that during the conduct of business ethics and transparency standards aligned with the Company's Values are adopted.

The Santos Brasil's professionals took training in anti-corruption policies and procedures in 2020: 94.3% of those eligible, totaling 796 employees.



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## Training in anti-corruption policies and procedures

In 2020, to extend the reach and engagement of the employees in the annual compliance training, we adopted the language of reality shows. Through stories, the Conduct to the Test training, shown in an online format, addressed the dilemmas that are present in corporate daily life, such as ethical issues. The training had 11 episodes.



# 94.3%

## ELIGIBLE EMPLOYEES, TRAINED ON ANTI-CORRUPTION POLICIES AND PROCEDURES IN 2020



## Code of Conduct

In order to disseminate and promote the culture of excellence in management standards of Novo Mercado, special attention is given to the Code of Conduct, a comprehensive document for employees or individuals or legal entities that may represent the Company, board member and partners. With this, we reinforce the need to comply with the laws, conduct commitments in internal relations and with stakeholders, in addition to establishing general parameters for maintaining the confidentiality of information and for cases involving conflicts of interest, topics that are detailed in specific policies. Our goal is to foster a culture with high ethical standards and that values respect for individuals, society and the environment. Its guidelines are present in business and contractual instruments.

In addition, we launched the Code of Conduct for Suppliers and Service Providers, the Good Practices Guide for Social Media and the Speaking about Good Practices Manual. This brings concepts, examples and practical situations on topics such as harassment, fraud, corruption, among others.



## Human Rights Policy

Our Human Rights Policy, in line with the Universal Declaration of Human Rights, is also an instrument applicable to the internal audience, sphere of influence and throughout our value chain. It is aimed at respecting, protecting and disseminating human rights. This policy is based on the principles established by the UN Global Compact, on Brazilian legislation and on the international human rights pacts assumed by Brazil.

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## Confidential Portal

Open to employees and external participation, the Confidential Portal is a channel for denunciation, complaints, suggestions and questions of Santos Brasil. The Portal is managed by an independent Company with the aim of protecting users' rights and confidentiality. It seeks to strengthen the dialog, a healthy work environment and compliance with laws and guidelines.

Denunciations about infractions and violations of rules or principles can be reported directly to the Compliance Committee or the Confidential Portal. In 2020, we launched a telephone service with the same profile as the Confidential Portal, which protects the anonymity of claimants and works every day, 24 hours a day.

Throughout the year, we registered 291 denunciations, 52 complaints, 30 suggestions, 11 questions, and 9 communications of conflicts of interest. Cases of conflict of interest are handled by the Compliance area. Denunciations, after analysis, are evaluated by the Compliance Committee, which takes the appropriate measures and sanctions.



## Sustainability Policy

Dedicated to promoting the equilibrium of social, environmental and economic aspects in conducting business, the Sustainability Policy lists priority themes that are connected with our goals related to the Sustainable Development Goals (SDGs): health and safety; reduction of CO2 emissions; water consumption; and waste management; transparency and anti-corruption practices; and human development.

In addition to the team's participation in meeting the goals, the Sustainability Committee is responsible for the implementation and the constant work performed on each of the strategic themes for the Company.



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# INVESTOR RELATIONS

The Investor Relations area has an intense routine of market monitoring, assessing the opportunities and risks of the business, in order to provide investors with accurate and transparent information on the Company's operating and financial performance.

In addition, the **Investor Relations** area develops an intense relationship and communication program with investors and market analysts, using reports and presentations containing information and analyses that assist in the Company's valuation process. The disclosure of the materials prepared by the Company is carried out through the Securities and Exchange Commission (CVM) and B3 platforms, complying with the disclosure rules for listed companies. Soon thereafter, the published materials are sent to people subscribed to the Santos Brasil mailing list and are also made available on the Investor Relations website (ri.santosbrasil.com). Every year, the complete financial statement is published in the Official Gazette of the State of São Paulo and in the newspaper Valor Econômico.

**We highlight the inclusion of Santos Brasil's shares in the new S&P/B3 Brasil ESG index, launched in September 2020.**



The index was prepared jointly by the S&P Dow Jones Indices and B3. The companies listed in this group have to follow **high standards of environmental, social and corporate governance (ESG)**. In addition, other requirements are adherence to the principles of the Global Compact and not to be in sectors such as arms, tobacco and thermal coal. To be a part of this asset portfolio, the Company has to achieve an ESG score from S&P DJI related to its corporate sustainability assessment. We emphasize that our shares are traded in the Novo Mercado segment, B3's highest corporate governance standard, since 2016.

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To be added to the S&P/B3 Brasil ESG index is a recognition of the Company's commitment to human development, respect for the environment and high standards of corporate governance, which are pillars of the strategy that guides Santos Brasil's business.

With the new funds, we intend to invest in the expansion of our business. Among the main growth avenues are participation in new port leases, verticalization and integration of the port logistics chain from Santos Brasil Logística and expansion and consolidation of the participation in container handling in Brazil. To guide future investment decisions, Santos Brasil has been studying and analyzing the Brazilian port sector, both in the containerized and non-containerized cargo segments (e.g. solid and liquid bulk).

Reflecting the moment of uncertainty regarding the resumption of the global and Brazilian economies due to the COVID-19 pandemic, the shares issued by Santos Brasil depreciated by 35.8% (vs. + 2.9% of IBOV). On the other hand, the liquidity of the Company's shares practically doubled in 2020, compared to 2019, reaching an average daily traded volume (ADTV) of BRL 23.1 million, influenced by the primary offer of shares (follow on).

Faced with the challenges of the 2020 economic scenario, the capital market analysis area, managed by the leader of the Investor Relations area, carried out studies on the impacts of the pandemic on global port logistics, highlighting the activity of the main ports of China, Europe and the United States, as well as the actions taken by shipowners worldwide, providing the board with relevant and timely information on global port dynamics.

As a result of all the work done in recent years, **we successfully raised BRL 790 million from the market through a primary offering of shares at B3** in September 2020. 192,680,000 common shares were issued at a price of BRL 4.10. The transaction took place after the Board of Directors approved a capital increase to BRL 1,871,895,424.12, split into 862,478,378 common, registered, book-entry shares with no par value.

A photograph of three male workers in a warehouse or industrial setting. They are wearing hard hats and work shirts. The worker on the left is wearing a green shirt and a white hard hat. The worker in the center is wearing a blue shirt and a white hard hat. The worker on the right is wearing a blue shirt and a white hard hat. They are all smiling and have their arms crossed. The background is a blurred industrial environment. The image is overlaid with a green and blue color gradient and decorative curved lines.

# Our Commitments

# 2020: A UNIQUE YEAR

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In February 2020, the first COVID-19 infection was registered in Brazil. Until that moment, we knew that it was wide spread in China and of the countless cases in Europe, however in a short time what we experienced was the evolution of this scenario into an unprecedented crisis.

Due to our operations in port and logistics services, with an important role in the flow and receipt of inputs to the Country, we kept our operations and units functioning, and we strongly engaged, with agility and care, the adoption of several measures and strategies to contain the spread of the disease.

We were already prepared for the new demand arising from digital commerce, since we are the only provider of port services with integrated logistics from port to e-commerce. Thanks to our diversified operations, it was possible to leverage the connectivity of our assets to work on the receipt, storage and distribution of products, even at a time of sanitary and economic crisis.



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In a year in which the COVID-19 pandemic demanded health and safety responsibilities, we extended our actions to the communities and institutions surrounding our operations. The Company was mobilized to develop actions that could reduce the spread of virus in the communities around its facilities, involving logistical support (four trucks) to transport 7,500 staple food baskets to the Santos City Hall and a forklift and an operator for the delivery of donations at Hospital Santo Amaro (Guarujá, SP).

**Donations included:**

- PPE (boots, aprons and masks) for Hospital Santo Amaro, located in Guarujá/SP;
- 400 kits with toiletries and cleaning items for families registered with Instituto Novos Sonhos (Aldeia Community, in Guarujá, SP);
- 3,500 bottles of water;
- 568 quadrivalent influenza (flu) vaccine doses;
- Nine infrared thermometers, in partnership with other companies, for the Municipal Government of Guarujá (SP);
- 150 frozen food baskets for the cities of Guarujá (SP), Imbituba(SC) and Barcarena (PA);
- 2,150 toys.



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We donated 500 packages of powdered milk to the integrated Center for Assistance to People with Cancer (Cenin). The powdered milk donation was part of the Navegação do Bem campaign, promoted by ZIM, involving several companies in the port and logistics sector. We have participated in the campaign since 2017.

During this pandemic, Rede Asta created a social movement in partnership with artisans in order to manufacture homemade masks. Thus, we requested that these products were manufactured so that they could be distributed to our work teams and donated to Hospital Santo Amaro in Guarujá (SP). Rede, a social business, operates in the handmade segment, turning artisans into entrepreneurs who can transform waste into products for this new project.

In relation to our social projects that were already underway, we readapted the formats and carried out studies to extend them, taking into account the characteristics and needs of the target audiences.

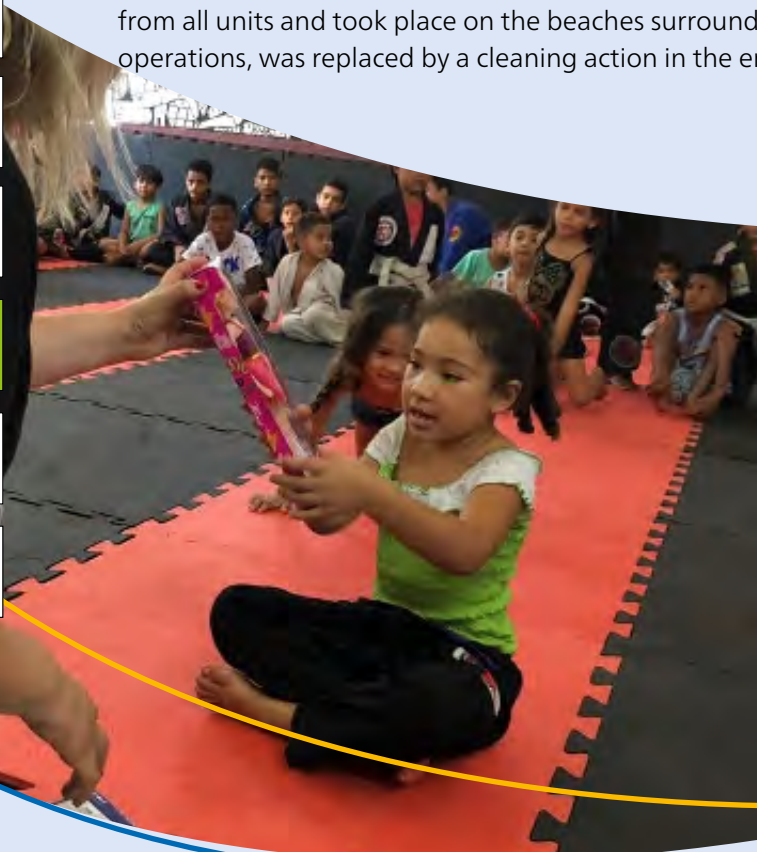
Due to the pandemic, *Mutirão da Limpeza*, which generally involved volunteers from all units and took place on the beaches surrounding the Company's operations, was replaced by a cleaning action in the employee's fraternizing space.

With the hashtag #eucuidodomeuquadrado, environmental cleaning activities (outbreaks of dengue), solidarity (donations of clothes), digital (organization of files) and mental (practice of sports and meditation) were encouraged.

Using the "drive thru" format (due to social distancing), we participated in the action **Contêiner do Bem** and gathered the four main port terminals in the Port of Santos in a campaign to collect toys for daycare centers and institutions that care for children and adolescents.

Through this action, we collected 2,150 toys, that were donated to the communities surrounding our business units. Eight of our units participated: Tecon Santos, CLIA Guarujá, CLIA Santos, Escritórios Santos, Tecon and TCG Imbituba, Tecon Vila do Conde and CD São Bernardo do Campo.

In its 15th class, the **Formare program** used a Distance Education (DE) format, which represents a different approach from traditional models. In addition to video classes, teaching practices included complementary applications and resources, such as questionnaires, seminars and presentations. In some special classes, we had the participation of managers, who were able to share their experiences with other students, focused on professional development.





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The Formare is a pioneering initiative in the port sector, with a history of connection with our mission. Developed since 2009, in partnership with Fundação lochpe, it offers professional training courses at Tecon Santos to 18 and 19 year olds living in Guarujá (SP), belonging to families living in a situation of economic and social vulnerability. Apprentices are hired under the CLT regime (according to the Apprenticeship Law 10,097/2000) after a period of 15 months, involving practical classes (1200 hours), theoretical classes (600 hours) and experience sharing. They also receive a certificate of "administrative-port assistant". Formare meets a need in the port sector for new qualified professionals and facilitates the entry of these young people into the job market.

The participation in the learning process of volunteer educators from different sectors of the Company is one of the most valued attributes by the students of Formare. These educators, many of whom also attended the program, are fundamental to the growth and development of young people. In order to strengthen and enjoy this contact, classes with our group of managers were included.

2020



\* Historical average of insertion in the labor market: 80%.



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# SUSTAINABILITY

The 2020 scenario highlighted the importance of addressing social and environmental issues from an interconnected perspective. Companies took on the job to try to minimize social demands. Investors have turned their attention to sustainable development and businesses.

Our Sustainability Policy is based on social and environmental principles and guidelines that inform our decision making, the definition of strategies with the goal of preserving the environment, using the natural resources appropriately and reducing any negative impacts caused by our activities.

They complement the Company's responsible management instruments, and the Human Rights Policy, aimed at the protection and preservation of human rights.

The **Sustainability Committee**, led by our CEO, is part of the Company's governance structure. It is composed by 21 people from related areas such as Investor Relations; Health, Safety and Environment; Maintenance, among others; in addition to the managers of the operating units. This committee is responsible for defining the set of socioenvironmental goals, monitoring projects, actions and specific indicators that allow us to assess the achievement of objectives and goals and to identify progress and opportunities for improvement. Thus, it plays a decisive role in adapting the projects to the socio-environmental responsibility standards required of companies that aim join the B3 Corporate Sustainability Index (ISE).



Our goal is to be among the companies listed on ISE-B3 in the coming years and, therefore, in 2020 we created multidisciplinary working groups according to the dimensions evaluated by the index to identify critical aspects and opportunities for improvement, and also to outline an action plan to implement priority actions, considering the positive impacts and degrees of difficulty and viability. Based on the results, the Company is mobilized around the 6 Commitments for the Future, a plan that includes approximately 50 initiatives ranging from information, awareness and engagement of the various social agents (prioritizing the internal public), and actions involving structural interventions and the Company's processes.

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# ENVIRONMENT

We are aware of our responsibility to improve the environmental management standards. We monitor greenhouse gas (GHG) emissions, water consumption and waste generation based on internal controls, which allow us to elaborate a rigorous plan to improve our performance and contribute to the conservation of the environment.

In 2020, our emissions totaled 29,439 tons of CO<sub>2</sub> and, in terms of emissions intensity, our port operations registered 13.14 kg CO<sub>2</sub>-eq/TEU, a reduction of about 1.7 kg CO<sub>2</sub>/TEU compared to the previous year.

In our logistical operations, all processes showed excellent environmental performance: our consolidated units achieved a reduction of 12% tons of CO<sub>2</sub>, in relation to the previous year.

In addition, operations are strictly controlled in accordance with the current legislation standards and annual compliance is verified through audits of the ISO 9001, ISO 14001, OHSAS 18001, and SASSMAQ standards. In case of emergency, we have adequate protocols for containment and treatment of oil spills from equipment, substances from vessels, and chemical products stored.

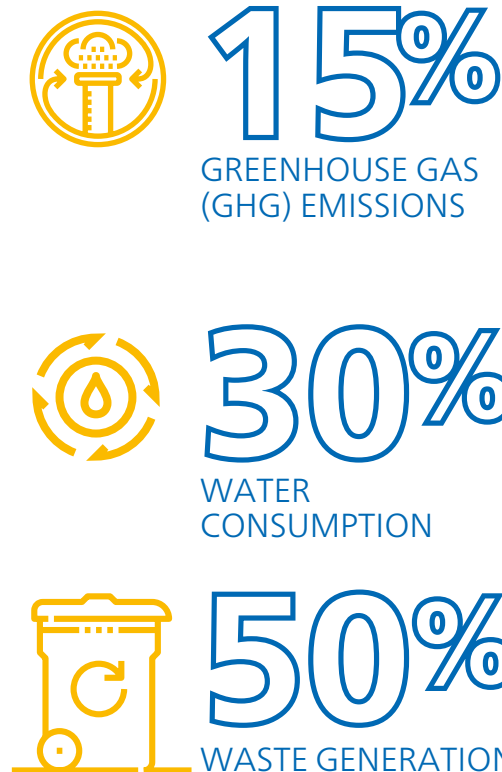
The internal audience is continually involved in raising awareness about priority issues related to environmental preservation. On the World Environment Day, celebrated on June 5, the Company held the 7th edition of the Environment Day, with daily activities on waste management, reduction of CO<sub>2</sub> emissions and responsible use of water.

The waste generated at Santos Brasil does not cause significant impact because of how we manage it, seeking to maintain an adequate monthly average. Nevertheless, we established goals and took several actions aimed at reducing waste generation. They are stored in proper containers or forwarded to waste handling facilities until being finally disposed.

In 2020, we logged 583 tons of non-recyclable waste, 1,890 tons of recyclable waste and 2,439 tons of general waste, lower than the previous year. The recyclable waste indicator continue to follow the average growth recorded since 2014.

OUR REDUCTION GOALS

2020 TO 2024



Targets calculated in relation to containers and pallets handled, per kilometer traveled, in transport operations and people allocated in the units.

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Our reverse logistics operations have shown expressive results. The materials are sent to the business sector for reuse in the production cycle or disposed of in an environmentally appropriate manner. In 2020, we sent 147 tons of materials to reverse logistics operations, considering port and logistics operations, compared to 98.08 tons in 2019, and we achieved a total reduction of approximately 19% in the generation of waste in all our operational units. .

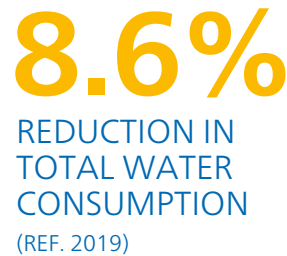
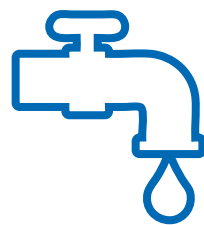
**REVERSE LOGISTICS  
(IN TONS)**

<b>2018</b>	<b>Total</b>
	120.75
<b>2019</b>	<b>Total</b>
	98.08
<b>2020</b>	<b>Total</b>
	147.31



**Concern with the quality and safety of the water available for consumption and distribution is a routine practice at Santos Brasil**, which regularly controls and monitors all water consumption. Among the initiatives, we reuse the resource produced in the Effluent Treatment Stations (ETEs) to wash machines and equipment, we collect rainwater for washing equipment and floors, and storing as a technical fire reserve, and we collect water from the condenser units of air conditioners and use to wash the warehouse floor.

All the water required for our operations is supplied by specialized utilities, except for CD São Bernardo do Campo, which collects water through an artesian well. Wastewater is disposed in sewerage or septic tanks. Tecon Santos and CLIA Santos have biological effluent treatment stations for treatment and proper disposal of wastewater, since there is no sewerage in these units. We perform periodic analyses to evaluate the efficiency, treatability of the stations and quality of the effluent in accordance with current legislation. All the effluents containing oil and grease from the washing of machines and equipment go through a physical-chemical effluent treatment station (Tecon Santos) and the CSAO system (water and oil separation tank). These facilities eliminate the contaminating material so that the water can be reused for washing roads and equipment and/or disposal.



**WATER CONSUMPTION PER UNIT (ML)**

	Tecon Santos	Tecon/TCG Imbituba	Tecon Vila do Conde	CLIA Santos	CLIA Guarujá	CD São Bernardo <sup>1</sup>
<b>2020</b>	50.064	1.553	1.591	5.284	3.546	5.728

*1. Consumption of groundwater. The other indicators refer to the consumption of river water.*

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**Control of Greenhouse Gas (GHG) emissions is done since 2014 in all our units** in order to assess the Company's performance. GHG emissions are calculated per TEU handled in container operations, per pallet handled, in distribution activities; and per kilometer traveled, in road transport. In 2020, gross emissions totaled 29,439 tons of CO<sub>2</sub>, which represent a 12% reduction compared to the previous year.

Port operations and CLIAs show a trend towards stability compared to 2019. Emissions amounted to 13.14 (kg CO<sub>2</sub>/TEU) and 22.99 (kg CO<sub>2</sub>/TEU), respectively. The road transport activity reached 1.05 (kg CO<sub>2</sub>-eq/km) and the Distribution Center reached 0.90 (kg CO<sub>2</sub>-eq/pallet).

In 2020, we answered for the first time the Carbon Disclosure Project (CDP) questionnaire, an international organization dedicated to reducing the emission of greenhouse gases and mitigating risks related to climate change. The questionnaire allows the diagnosis of environmental risks. In the evaluation, we achieved Grade C, the highest in the transportation services sector in South America.

In order to use the natural resources efficiently, reducing waste with technologies that are less harmful to the environment, we equipped the TEV with two chargers for electric cars. With this equipment, TEV became the only Brazilian terminal to have this technology. We installed solar panels at Tecon Santos to expand the signal of the emergency alarm systems, saving more than 40% of the energy consumed by these emergency equipment.

### Direct Gross GHG emissions (Scope 1)

Unit: ton CO <sub>2</sub> -eq								
	Tecon Santos	Tecon/TCG Imbituba	Tecon Vila do Conde	CLIA Santos	CLIA Guarujá	TTR	CD São Bernardo	K10
<b>2020</b>	15,924.18	724.45	3,558.50	1,012.14	408.51	5,589.54	99.01	65.58
<b>Total</b>	27,381.91							

Gases considered: CO<sub>2</sub> and HFCs



**12%**  
EMISSION  
REDUCTION  
(REF. 2019)

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## Management of indicators

Throughout the year, our main objective was to maintain our operations and fulfill the commitments assumed with our clients, guaranteeing performance in line with market expectations, without compromising the health of our employees. The challenge demanded agility, flexibility and creativity from our managers to reduce costs and increase productivity. In this context, the rigorous monitoring of the Company's management indicators was decisive, which was possible thanks to our **Results Driven Management and Continuous Improvement Policy**.

We have invested in the adoption of more sophisticated management instruments and in the preparation of our leaders to improve the processes in their areas. Since 2019, the **Management Excellence** area has concentrated its efforts on supporting managers, in order to improve the administrative instruments through appropriate methodologies according to the identified needs. All of our processes were mapped and monitored, which facilitated the continuity of the activities in the most severe period of the health crisis.

With the improvement of the processes, all management proceedings necessary for the development of reliable and useful decision making indicators were consolidated, allowing a transparent management and providing agility to remedy failures and inconsistencies. The Management and Quality Excellence team proceeded with the processes required for internal and external audits to ensure the various certifications of our Company, including **ISO9001: 2015, ISO14001: 2015, OHSAS18001: 2007 and SASMAQ: 2014**.

Despite the restrictions imposed by the pandemic, we adapted and maintained the follow-up and results meetings with the management and leadership and also the monthly meetings with the appointed officers. To ensure the transparency and the necessary circulation of information among employees, the **Viva Voz Ao Vivo (Live Speaker)** was held virtually. This initiative ensured that the discussion around the indicators and opportunities for improvement continued to be held with the employees, in addition to establishing an honest, transparent and direct connection with the Company's management. We followed the development of the crisis and the Company's performance closely.

CONTINUOUS IMPROVEMENT SB

**15** PROJECTS  
FOUR COMPLETED AND 11 IN PROGRESS



**88** PARTICIPANTS




To further advance our processes, we launched the initiative **SB Melhoria Contínua (Continuous Improvement SB)**, which aims to apply management methodology to solve complex problems. The objective is to accelerate the implementation of process improvements through engagement, teamwork and training of our employees on lean thinking ("Lean Thinking and Six Sigma"). Teams are formed to develop improvements based on this methodology focused on identifying and solving problems and on process data analysis tools. This program encourages employees to learn, be proactive in solving problems and develop autonomy. In addition, Continuous Improvement SB facilitates the dissemination of an entrepreneurial culture, raising awareness to the need of avoiding waste and control costs, making processes more agile.

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## Value Chain/Suppliers

As we expand and diversify our operations, there is also a growing need to build relationships based on ethical principles with all our stakeholders – including suppliers and partners – and to raise the business negotiation standards in the adoption of criteria beyond the regular market ones.

We believe that the **incorporation of social and environmental issues in the relationship with our supply chain represents a permanent challenge.**

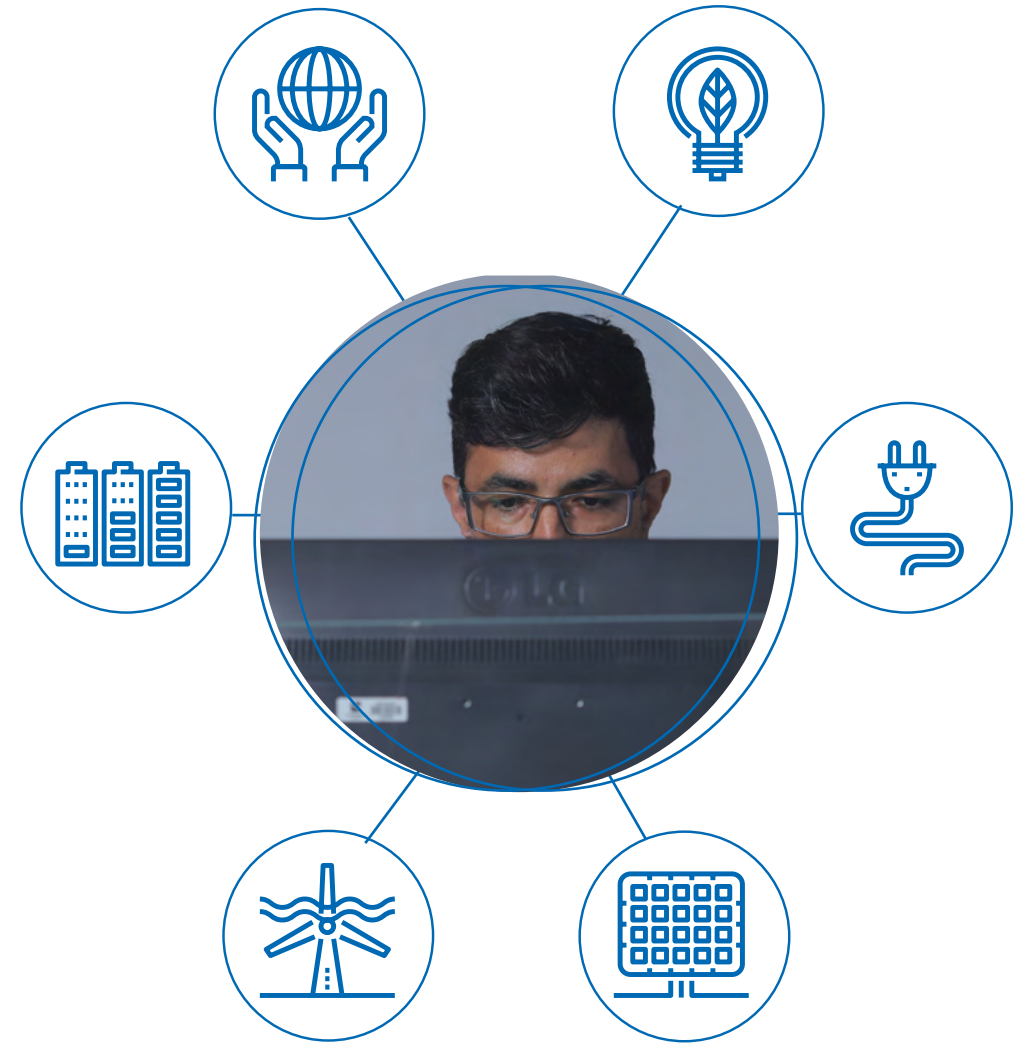
All Santos Brasil contracts are governed by our Procurement and Third-Party Management Policy, which ensures compliance with the relevant environmental licenses and requirements.

We ended the year of 2020 with 1,742 active suppliers, maintaining our strategy of preferring to purchase inputs directly from manufacturers or distributors. Of the volume of purchases, we allocate 45% to suppliers located in the regions where we are operate and which serve all of our operational units. As shown in the table on page 79, we highlight that this indicator decreased by 20% compared to 2019, due to the continuity of our investment plan, and expansion and renewal of lease contracts, which required us to purchase imported equipment of high added value (such as portainers and large forklifts).

Our supply chain includes mostly manufacturers and distributors of the necessary inputs for the operation (parts, energy, fuel, among others). It is also comprised of providers of service and support for our operation (such as security, cafeteria, cleaning) and benefits providers, specially medical care and food (meal vouchers - VA, VR, and Food staples basket).

We currently have some mechanisms that aim to promote a dialog with our strategic audiences, and establish criteria and commitments for the provision of services to the Company, complying with the values present in our daily lives, as well as the expected behaviors in accordance with all applicable laws, regulations, and standards.

All suppliers receive our Code of Conduct and must agree to its general conditions and obligations in order to provide services for the Company.









# 2020 Highlights

# OBJECTIVES AND STRATEGIES

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Santos Brasil has considerable expertise in port asset management. It is a publicly-listed company, with a robust financial strength and respected corporate governance, which makes it a unique proposition for investors interested in the Brazilian port industry. Our aim is to strengthen our leadership in the container and integrated logistics sectors, while expanding to other promising vertical businesses, which lack the investment to meet growing demands, such as the agribusiness supply chain.

For the next few years, our challenge is to effectively allocate the BRL 790 million received from our shareholders to support our long-term strategy, **capable of generating value for our shareholders and for the whole society**. We intend to significantly expand our participation in the port terminals market, whether handling containerized or non-containerized cargo, offering even higher standards of innovation, agility and precision to our clients.

This investment cycle in Tecon Santos, which already amounts to BRL 331.6 million in the 2018-2020 period, will continue in 2021, with the expected delivery of the

first phase of the TEV/Tecon Santos wharf expansion and reinforcement project, which will increase the terminal's capacity from 2.0 million TEUs to 2.4 million TEUs.

Another growth opportunity is to scale the integrated logistics business model, through Santos Brasil Logística. We intend to develop more logistics services integrated with our port terminals, meeting the specific needs of our clients in a market that offers great growth potential – such as agribusiness.

Our strategy for this new cycle is based on **strengthening the ESG management standards**. Actions to fight climate change are a priority. In addition to external control and verification of our greenhouse gas (GHG) emissions, carbon footprint and adoption of technologies for the efficient use of resources are also on the agenda. We have raised awareness of the importance of sustainability among our employees and the general public, through campaigns on the SDGs. We also intend to progressively incorporate sustainability into the value chain management, prioritizing suppliers concerned with GHG emissions.



TECON SANTOS  
total investments of  
**BRL 331.6**  
million (2018-2020)

Strengthened  
management  
standards

**ESG**



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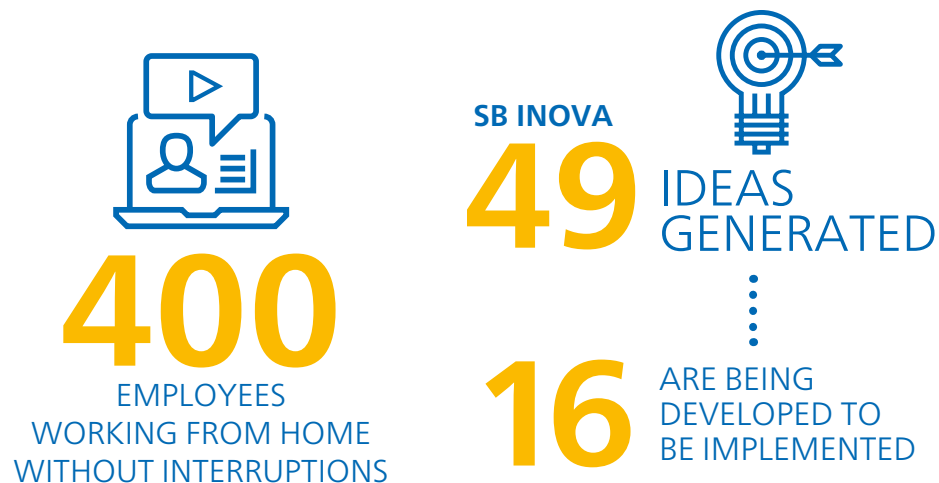
# INNOVATION

We are **the first to implement technological innovations in the port sector in Brazil**. Innovation is part of our values and we are proud to invest in the adoption of new technologies to make our services more agile, accurate and efficient. We seek to develop systems and processes that allow online access to a large volume of structured data and provide high speed and security to operations.

A culture that fosters innovation was very important to face the adversities of 2020. We were able to maintain the quality of our services without interruptions. We quickly allowed 400 employees to work from home without loss of access, reducing circulation and concentration of people in our facilities. We maintained all investments in technological innovation and digital transformation capable of improving our operational performance, such as the automation of the gates at the entrance to the Vila do Conde Terminal, and the customs terminal on the right bank of Santos Port (CLIA Santos) and the new Operational Control Center (CCO) of Tecon Santos, which allows to speed up the entry and exit of vehicles and the loading process.

IoT technologies are also being installed on the trucks, so that data such as oil level, fuel and tire pressure can be monitored on a daily basis, avoiding wasting resources and anticipating the need for maintenance. Another innovation was the installation of electronic panels on the Mercedes-Benz trucks, which allow access to parts inventories. For the commercial area, a program for the early capture of leftover cargo is under development.

We encourage employees to take part in innovation processes, giving ideas, suggestions, seeking their own professional improvement and the continuous improvement of our operations. The expectation is to create this sense of belonging among our employees and synergy between the areas involved. For this reason, in July 2020 we launched the SB Inova program. Centered on suggestions that promote the reduction of costs and losses, increase productivity, agility, sales, digitalization and security, SB Inova is open to the participation of all employees from all units of the Company.



Through a digital management platform, employees can make suggestions and interact with co-workers to discuss the ideas that are brought. They participate in an incentive campaign, which rewards the most engaged and effective suggestions.

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# HOW WE CREATE VALUE FOR OUR CLIENTS

The pace of change in the world caused by the COVID-19 pandemic impacted several sectors of society, paving the way for a more collaborative and digital positioning, supported by information and data and with personalized strategies co-created by different audiences.

Equipped with a solid infrastructure and a service portfolio comprising integrated logistics solutions, port activities, storage, road transport and supply, our Company continues to focus on **offering excellence in the experience and the relationship with our clients**, from the first contact with us, until after-sales, motivated by an environment of trust, mutual exchange in the commercial relations and competitive advantages for the parties involved, generating value for all.

We closed 2020 with 9,472 clients: most of them from the automotive, chemical, textile, food, retail, electronic and fertilizer segments. Throughout the year, the effects of the pandemic changed our operations profile, following the reflexes of a constantly changing market. This was observed in the cargo transported, in which we saw greater diversification, and in the pace of container handling.

Even in a constantly fluctuating scenario, we **honored our commitment to serve our clients and meet their demands, relying on a highly specialized team and guaranteeing effective, agile and safe services.**

In 2020, we created the **Client Experience** area in order to perform an strategic work with our client base. We intend to operate in a sectorial and/or personalized way, grouping the different solutions we offer, as well as our business units and their regional characteristics, offering tailor-made services for our clients.

Our **relationship channels** remained active throughout the year, and the Client Portal, email exchanges and telephone service were specially important. Based on a vision focused on integrating the experience of our clients in all points of contact with the Company, we intend to improve our portal, so that access is even easier and more intuitive. We also have the APP Cliente application for monitoring news and services and an online chat for quick queries and questions.



In 2020, we started to study the use of a new calculation methodology

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**We maintained our investments to expand the infrastructure and acquire equipment, and we strongly encouraged innovation: technological and process.** The Management Excellence area provided management methodologies and tools so that our teams could monitor their goals and performance indicators, and, together with Client Experience, it is available to analyze their questions, suggestions and complaints.

We expanded the Company's storage capacity by 30% with the opening of our second Distribution Center (CD) in the São Bernardo region. With a warehouse management system - WMS we will integrate the two distribution centers and offer features such as online visibility of dashboards and sophisticated reports to clients. In this sense, we began to serve a larger number of clients, centralizing the entire logistics chain (one stop shop model) in a single interface and opening opportunities for clients who do not need a bonded area, but who require customized logistics services.

During the pandemic, when many of our clients were faced with adverse situations, together we sought to solve or at least reduce the impacts. We reduced the loading and unloading time of a wooden floor supplier (Tecon Vila do Conde client) for the American market from seven days to 60 hours, using the river shipping potential in the North region. In addition to reducing costs and increasing security for the Company, the project benefits the environment by eliminating 260 km of road travel to Belém (PA).

We optimized the production and distribution of products for an important fertilizer manufacturer in the country, through the creation of a new logistics corridor. In order to make the new logistics design feasible, we opened a client branch in their logistics center, so that the products leave directly from the Company to their customers in the fertilizer industry. By eliminating one distribution step, we reduced costs and added agility.



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# BUSINESS UNITS ALIGNED WITH OUR VISION

The business units work in line with the Company's Vision to be the best port infrastructure and integrated logistics services Company in the Country.

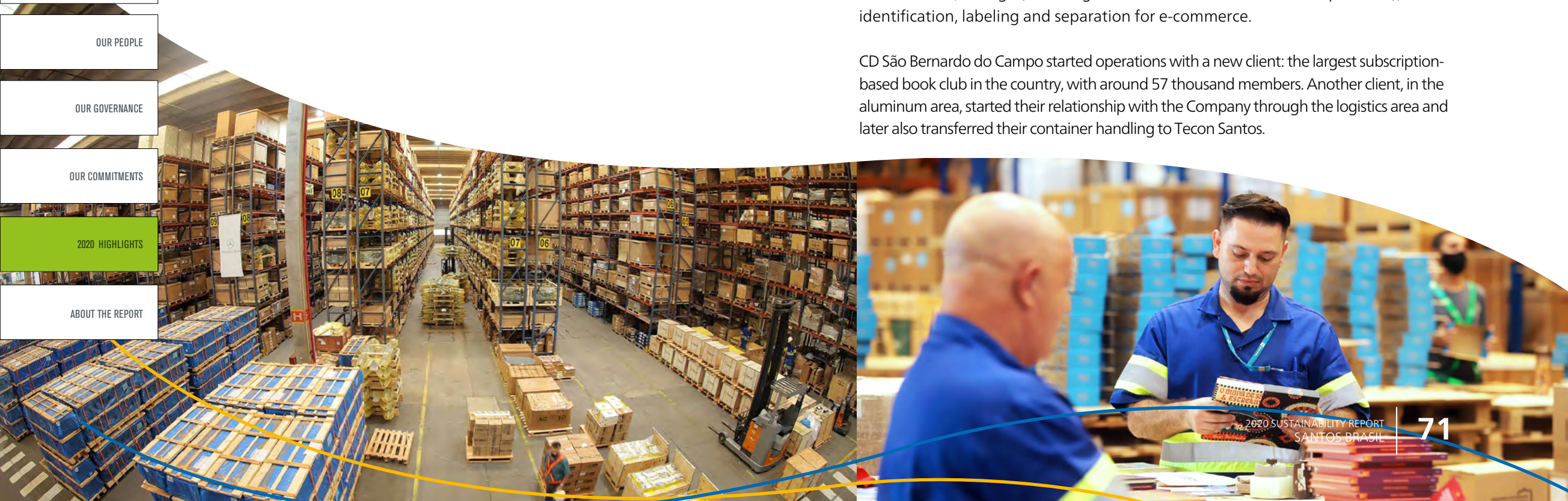
In all units we have an administrative center, which has 905 employees. They work guided by the Vision, purpose and values of Santos Brasil.

## Distribution Centers

The Distribution Centers offer a modern and innovative structure to provide customized logistics solutions. The changes in consumption habits and demands from society that took place in 2020 contributed to the emergence of new opportunities in this sector. **Investments to enlarge the storage space, starting with the Imigrantes Distribution Center (opened in 2020), together with technologies that will facilitate the logistics operation process, strengthen Santos Brasil's position in the Business to Consumer (B2C) segment.**

This means that the Company's services now include import, nationalization, identification, storage (including air-conditioned areas for certain products), identification, labeling and separation for e-commerce.

CD São Bernardo do Campo started operations with a new client: the largest subscription-based book club in the country, with around 57 thousand members. Another client, in the aluminum area, started their relationship with the Company through the logistics area and later also transferred their container handling to Tecon Santos.



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## CLIAs (SP)

The CLIAs - Centro Logístico Industrial Aduaneiro (Customs Industrial Logistic Center) – customs terminals with privileged location – together, have the capacity to store containers of more than 7,000 TEUs. Their structures were updated in 2020, resulting in performance benefits and cost savings from project customization. CLIA Santos’ gates were automated and offered solutions that allowed its warehouses to maintain 95% to 102% volume occupancy throughout the year. CLIA Guarujá offered customized solutions for big clients in the automotive segment (avoiding high demurrage and storage costs).

## TCG Imbituba (SC)

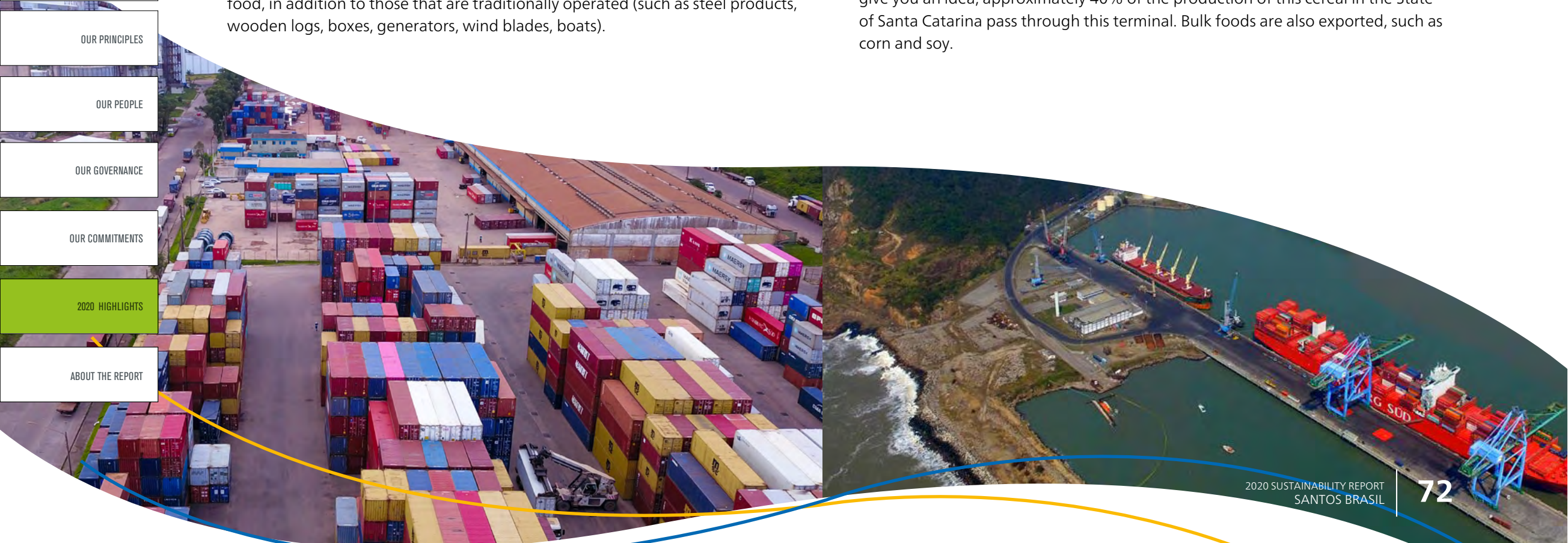
TCG Imbituba operates with general and project cargo. In 2020, opportunities appeared in the diversification of cargo to operate in segments such as pulp and food, in addition to those that are traditionally operated (such as steel products, wooden logs, boxes, generators, wind blades, boats).

After winning a bid with the main ports in the South region of the country for the shipment of pulp (May/20), TCG Imbituba started to store and move tons of product from the Company Eldorado Celulose e Papel, and is responsible for the Company’s monthly export to the Asia. In the same month, it also shipped 6,500 tons of cornmeal to Venezuela. The terminal also shipped refined sugar for the first time.

## Tecon Imbituba (SC)

In Imbituba, we invested in the expansion of our commercial operations. The Container Terminal concentrates cabotage services in the operation. With easy access by rail, road and sea, complete port infrastructure, specialized equipment and operational expertise, Tecon Imbituba is able to receive the largest ships in the world, since it is a deep port, and able to handle special cargo.

At Tecon Imbituba, large cargoes of rice are received to supply the South region. To give you an idea, approximately 40% of the production of this cereal in the State of Santa Catarina pass through this terminal. Bulk foods are also exported, such as corn and soy.



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## Tecon Santos (SP)

Tecon Santos is the largest container terminal in Latin America, and it receives constant investments to increase its capacity and the efficiency of its operations. In 2020, the security gate was automated and the modernization and expansion of the terminal continued (started in 2019), with works to expand the wharf, increase the depth and strengthen the structure to install rails for the new ZPMC portainers, which started to arrive. With the end of the works along berths 1 and 2 of Tecon Santos and the Vehicle Terminal (TEV), scheduled for the second half of 2021, the wharf will be extended from 1,290 to 1,510 meters and the maximum depth will be 16 meters, the same as berth 3. The terminal will thus be able to simultaneously receive up to three New Panamax vessels, which are 366 meters long.

The two new portainers (out of a total of 8 that will be acquired by the Company in the coming years) received in 2020 for loading and unloading containers from ships, will increase the productivity of the terminal's dock operations. This equipment is 50 meters high, with a boom length of 70 meters and can move two 20-foot containers simultaneously, for a total of up to 100 tons. This equipment, which reaches the last rows on ships like the New Panamax, will bring gains in productivity, operational efficiency and precision of services, since they are equipped with technology that defines the exact stopping place for the trucks used for loading and unloading cargo. In addition, we opened the new Operational Control Center (CCO) at Tecon Santos, which allows us to monitor in real time the various operations efficiently and safely. The inspection operation and the safety at Tecon Santos gates is now fully automated.



**Larger terminal**  
Capable of receiving simultaneously up to three New Panamax vessels, 366 meters long





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## Tecon Vila do Conde (PA)

We completed the modernization works of Tecon Vila do Conde, with the paving of 36 thousand square meters in the container storage yard, in addition to the construction of two new gates and support buildings, as a cafeteria and dressing room for workers. The terminal entrance gates were also automated, allowing biometric authentication, driver control and management, plate and container reading, weighing of loaded trucks, and data synchronization between the Company's units. We added three additional Reach Stackers and three MHC cranes to the terminal equipment. The objective is to increase the container handling volume in a region that is growing rapidly in the export of commodities, such as manganese ore, soybeans, and corn.

At Tecon Vila da Conde, one of the achievements in 2020 was the New Brazex 2 service. Operated by the French shipowner CMA CGM, it connects the Amazon region with the Gulf of the United States and the Caribbean, as well as with Asian ports, via transshipment. The terminal also achieved 25% growth in refrigerated cargo exports, due to the investments made and the regular schedule of long-haul shipowners. Tecon Vila do Conde also celebrates the creation of new river routes, opening operational windows for ferries and use of the Port ramp to meet the cabotage shipping demand.

## TEV (SP)

It is the largest and most modern import and export terminal for light and heavy vehicles in the Country, with an operational capacity of 300,000 vehicles per year. It is operated with high international standards of efficiency and safety in the storage of vehicles, and has the best productivity in the market.

We also have a portfolio of specialized services, in order to meet the export and import specifications for each type of cargo.



 **TEV 300,000** cars per year

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The **development of projects aligned with the Sustainable Development Goals (SDGs)** is part of the business strategy and sustainability guidelines adopted by our Company, which is also a signatory to the United Nations Global Compact, an articulation of companies from around the world that aims to align operations to Human Rights, Labor, Environment and Anti-Corruption principles. This is a joint effort, by countries, companies, institutions and society.

In order to foster social development and preserve the environment, we concentrate efforts and investments in projects oriented by the SDGs. **In 2020, the actions of the Sustainability Committee were intensified**, with the creation of a multidisciplinary group to discuss topics such as water, waste and gas emissions. At the group's regular meetings, results are evaluated and actions are proposed.

We are **members of Agenda 21** – a participatory planning process, composed of the government and civil society, for the construction of a Local Sustainable Development Plan. We contribute to structuring local priorities through short, medium and long-term projects and actions, participating in the program forum in Guarujá (SP).

Our participation in the **Corporate Volunteering Study Group (Grupo de Estudos de Voluntariado Especial - GEVE)**, an initiative that brings together professionals and organizations with experience in Corporate Volunteering, produces learning about trends and best practices in volunteer programs, so that we can develop this theme at the Company.

**We implemented the GRI methodology in our reports** to communicate our impacts on sustainability; improve management (by establishing goals and

monitoring indicators); and respond to the main topics of interest to stakeholders. We promoted changes towards a responsible and sustainable global economy.

**But above all, we remain focused on people** – they make our history and it is for them that we move cargo and containers around the Country. From port to e-commerce. From businesses to people.



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# VISION FOR THE FUTURE

At the end of 2020, the world economy was gradually recovering. International trade recorded a recovery and an increase in commodity prices. The effects of the COVID-19 pandemic were mitigated by the expansionary fiscal and monetary policies adopted in developed and emerging countries.

The continuity of these policies, especially in developed countries, boosted the stock markets and the flow of capital to emerging countries. For 2021, the International Monetary Fund (IMF) growth expectation for the world economy is 5.2%. From an economic perspective, the external environment in the short term favors the growth of the major economies. However, the scenario is still marked by uncertainty due to the continuity of the pandemic.

Nevertheless, the perspective is that the services sector, one of the most impacted by the social isolation measures, will gain momentum throughout 2021, with the resumption of consumer confidence.

With this relatively favorable scenario, there will be ample international liquidity and capital flows to emerging countries, which favors Brazil. Internally, the Brazilian economy can benefit from an increase in exports due to the favorable exchange rate and the broader recovery of the world economy, which increases the demand for commodities, the type of product which Brazil is one of the largest exporters. The acceleration of inflation, driven by the sharp rise in food prices and exchange rate devaluation, should normalize. The country still suffers from high unemployment rates and a strong fiscal imbalance.

In this context, marked by hope and, at the same time, uncertainty, we are preparing for a new expansion phase, after a cycle marked by complex macroeconomic scenarios, reorganization of the sector and internal restructuring to face the new challenges. The Company closes 2020 with good expectations, based on its capital increase, well-balanced accounts and low debt, a situation that allows us to think beyond - towards new projects and innovations.



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The Santos Brasil Sustainability Report presents to all its stakeholders information on the main initiatives, impacts and progress made in the Company's journey in 2020. It also includes the economic, social and environmental indicators for the year. In this report, we follow the Global Reporting Initiative (GRI) methodology, adopted since 2013. We have adopted the Standards version, in the Essential option, since 2017.

The content of this publication covers the period from January 1 to December 31, 2020. It was selected considering the most relevant topics for the business and our stakeholders, consulted in 2020, to compose of a new Content Targeting Matrix®. In addition to contributing to the selection and prioritization of the strategic topics for stakeholders, it allowed learning the current context of the Company.

The Sustainability Report is monitored and approved by key executives, including the Statutory Board, in the Sustainability Committee. The document underwent external audit, conducted by Société Générale de Surveillance (SGS).

The published economic and financial information refers to all the Company's operating units, individually and or consolidated.

The limits of each theme were addressed in the corresponding chapters of the report, as well as any necessary information or updates, considering previous reports.

Questions, comments and other information about the Sustainability Report can be sent to the email: [sustentabilidade@santosbrasil.com.br](mailto:sustentabilidade@santosbrasil.com.br)



# CORPORATE INFORMATION

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## ADMINISTRATIVE OFFICES

### SÃO PAULO

Rua Joaquim Floriano, 413 - Conj.  
101/102 CEP 04.534-011 - Itaim Bibi, SP  
Phone: (11)3279-3279  
E-mail: comercial@santosbrasil.com.br

## COMMERCIAL OFFICES

### SANTOS

R. Praça Antônio Telles, 12,  
6º andar – Centro  
CEP: 11013-020 – Santos (SP)  
Phone: 55 (13) 2102-9000  
E-mail: comercial@santosbrasil.com.br

## OPERATIONS

### TECON IMBITUBA

Av. Presidente Vargas, s/nº  
Área Portuária  
CEP: 88780-000 – Imbituba (SC)  
Phone: 55 (48) 3255-0644

### TECON SANTOS AND VEHICLE TERMINAL

Via Santos Dumont, s/nº  
CEP: 11460-970 – Guarujá (SP)  
Phone: 55 (13) 3344-1000

### TECON VILA DO CONDE

Rod. PA 481, km 21, s/nº – Complexo  
Portuário de Vila do Conde  
CEP: 68447-000 – Barcarena (PA)  
Phone: 55 (91) 3322-7575

## LOGISTICS

### DISTRIBUTION CENTER

Estr. Sadae Takagi, 2.600,  
sala 4 – Cooperativa - CEP: 09852-070  
São Bernardo do Campo (SP)  
Phone: 55 (11) 4393-4900

### IMIGRANTES DISTRIBUTION CENTER

Rod. dos Imigrantes, S/N  
Km 28 - Galpão e módulo E3  
CEP: 09845-000 São Bernardo do Campo (SP)  
Phone number: 55 (13) 2102-9000

### GUARUJÁ CUSTOM LOGISTIC CENTER

Rod. Cônego Domênico Rangoni, 3105 -  
CEP: 11454-630 - Guarujá (SP)  
Phone: 55 (13) 2127.1199

### SABOÓ LOGISTICS TERMINAL

Av. Engenheiro Antonio Alves Freire, S/N  
CEP: 11.010-285 Santos (SP)  
Phone number: 55 (13) 2102-9000

### SANTOS CUSTOM LOGISTIC CENTER

Av. Marginal Via Anchieta, 820 – Alemoa  
CEP: 11095-000 – Santos (SP)  
Phone: 55 (13) 3209-6000

# GRI APPENDIX

## PROCUREMENT PRACTICES

### PROPORTION OF EXPENDITURE WITH LOCAL SUPPLIERS

2018					
Company	Total purchase (BRL)	In the region (BRL)	(%)	Outside the region (BRL)	(%)
Santos Brasil Participações (Tecon Santos, Tecon Imbituba, and TCG)	360,968,406.37	277,387,025.42	77	83,581,380.95	23
Santos Brasil Logística	173,850,900.35	114,076,547.18	66	59,774,353.17	34
Tecon Vila do Conde	61,533,614.82	29,900,321.53	49	31,633,293.29	51
TEV	23,646,161.49	20,657,328.39	87	2,988,833.10	13
Consolidated	619,999,083.03	442,021,222.52	71	177,977,860.51	19
2019					
Company	Total purchase (BRL)	In the region (BRL)	(%)	Outside the region (BRL)	(%)
Santos Brasil Participações (Tecon Santos, Tecon Imbituba, and TCG)	434,245,057.35	301,272,555.07	69%	132,972,502.28	31%
Santos Brasil Logística	172,446,531.32	109,764,691.02	64%	62,681,840.30	36%
Tecon Vila do Conde	72,182,494.09	24,240,724.78	34%	47,941,769.31	66%
TEV	21,746,909.12	19,141,986.81	88%	2,604,922.31	12%
Consolidated	700,620,991.88	454,419,957.68	65%	246,201,034.20	35%
2020					
Company	Total purchase (BRL)	In the region (BRL)	(%)	Outside the region (BRL)	(%)
Santos Brasil Participações (Tecon Santos, Tecon Imbituba, and TCG)	551,695,085.06	200,577,177.73	36%	351,117,907.33	64%
Santos Brasil Logística	171,984,295.05	106,903,614.69	62%	65,080,680.36	38%
Tecon Vila do Conde	77,191,202.07	38,023,022.96	49%	39,168,179.11	51%
TEV	35,411,835.62	28,765,157.41	81%	6,646,678.21	19%
Consolidated	836,282,417.80	374,268,972.79	45%	462,013,445.01	55%

As a geographical definition, we take into account the metropolitan area to which the municipality where we operate belongs, as above, except for the Vila do Conde (PA) unit, as there is no metropolitan area - thus, we take into account the entire state of Pará.

2018		
Region	Total purchase (BRL)	(%)
Baixada Santista	228,861,892.28	51.78
Federal District	42,012.69	0.01
Grande ABC Region	1,062,674.16	0.24
Pará State	29,900,321.53	6.76
São Paulo Metropolitan Region	139,387,422.37	31.53
Metropolitan Region of Vale do Paraíba/North Coast	38,417.68	0.01
Tubarão Metropolitan Region	42,728,481.81	9.67
	<b>442,021,222.52</b>	<b>100%</b>
2019		
Region	Total purchase (BRL)	(%)
Baixada Santista	217,398,035.36	48%
Federal District	29,860.61	0%
Grande ABC Region	1,874,101.90	0%
Pará State	24,240,724.78	5%
São Paulo Metropolitan Region	207,247,324.02	46%
Metropolitan Region of Vale do Paraíba/North Coast	44,980.80	0%
Tubarão Metropolitan Region	3,584,930.21	1%
	<b>454,419,957.68</b>	<b>100%</b>
2020		
Region	Total purchase (BRL)	(%)
Baixada Santista	315,951,645.04	53%
Federal District	1,521,457.17	0%
Grande ABC Region	4,139,885.88	1%
Pará State	38,619,469.94	6%
São Paulo Metropolitan Region	220,695,243.06	37%
Metropolitan Region of Vale do Paraíba/North Coast	1,000,671.07	0%
Tubarão Metropolitan Region	15,023,090.02	3%
	<b>596,951,462.18</b>	<b>100%</b>

## FUEL AND ENERGY

### ENERGY CONSUMPTION IN THE ORGANIZATION

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#### Fuel consumption from non-renewable sources, by fuel type (2020)

	Tecon Santos	Tecon Imbituba	Tecon Vila do Conde	Clia Santos	Clia Guarujá	CD SBC	TTR	TOTAL	Total GJ
<b>Diesel BS500 (liters)</b>	6,013,915.12	252,056.49	0	316,281.55	115,869.82	0	0	6,698,122.98	237,922.76
<b>Diesel S10 (liters)</b>	2,374.53	0	1,356,484.00	0	0	2,189.36	2,158,747.82	3,519,795.71	125,026.00
<b>Gasoline (liters)</b>	350.09	5,083.83	6,973.47	60.74	45.12	0	0	12,513.25	404.29
<b>LPG (kg)</b>	59,323.62	21,600.00	0.00	60,620.73	33,777.49	14,416.00	0	189,737.84	8,817.78

#### Fuel consumption from renewable sources, by fuel type (2020)

	Tecon Santos	Tecon Imbituba	Tecon Vila do Conde	Clia Santos	Clia Guarujá	CD SBC	TTR	TOTAL	Total GJ
<b>Ethanol (liters)</b>	100,705.44	-	-	7,309.60	6,218.30	300.01	-	114,533.35	2,444.01

#### Reduction in energy consumption

Unit	2019	2020 (kWh)	Reduction
<b>Tecon Santos</b>	29,540,594.46	27,220,651.04	-7.85%
<b>Tecon Imbituba</b>	882,918.00	771,286.00	-12.64%
<b>Tecon Vila do Conde</b>	2,250,776.98	2,250,777.00	0.00%
<b>Clia Santos</b>	2,443,795.79	2,096,312.33	-14.22%
<b>Clia Guarujá</b>	415,974.60	481,254.00	15.69%
<b>CD SBC</b>	1,360,194.50	1,208,144.10	-11.18%
<b>TTR</b>	277,316.40	320,836.00	15.69%

#### TOTAL SANTOS BRASIL

	2019	2020	Reduction
<b>SUM kWh</b>	34,349,260.47	37,171,570.73	-7.59%
<b>SUM GJ</b>	123,657.34	133,817.65	

In 2020, we reduced energy consumption by 7.59%, compared to 2019 (basis: GHG protocol)



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### Energy Intensity - (kWh/TEU)

		Tecon Santos	Tecon Imbituba	Tecon Vila do Conde	Clia Santos	Clia Guarujá	CD SBC	TTR
2018	kWh	28,202,452.50	1,961,768.00	3,391,814.07	2,470,114.03	417,247.20	260,576.28	1,381,039.50
	kWh/TEU	1.45	1.65	1.64	2.67	1.49	-	-
	kWh/pallet	-	-	-	-	-	-	0.26
	kWh/km	-	-	-	-	-	0.002	-
2019	GJ	106,346.14	3,178.50	8,102.80	8,797.66	1,497.51	4,896.70	998.34
	kWh	29,540,594.46	882,918.00	2,250,776.98	2,443,795.79	415,974.60	1,360,194.50	277,316.40
	kWh/TEU	1.3	1.06	1.1	2.29	1.16	-	-
	kWh/pallet	-	-	-	-	-	0.27	-
2020	kWh/km	-	-	-	-	-	-	0.0024
	GJ	97,994.34	2,776.63	8,102.80	7,546.72	1,732.51	4,349.32	1,155.01
	kWh	27,220,651.04	771,286.00	2,250,777.00	2,096,312.33	481,254.00	1,208,144.10	3,208.36
	kWh/TEU	1.14	0.92	0.93	1.9	1.3	-	-
2020	kWh/pallet	-	-	-	-	-	0.39	-
	kWh/km	-	-	-	-	-	-	0.0037

### Handling TEU/pallet/km

	Tecon Santos (TEU)	Tecon Imbituba (TEU)	Tecon Vila do Conde (TEU)	Clia Santos (TEU)	Clia Guarujá (TEU)	CD SBC (pallet)	TTR (km)
2018	1,448,249.00	86,123.00	152,599.00	63,929.00	20,747.00	380,790.75	6,282,668.00
2019	1,661,217.00	59,402.00	155,284.00	60,102.00	25,861.00	378,160.00	6,185,262.00
2020	1,478,518.00	50,979.00	149,930.00	49,009.00	22,872.00	194,213.00	5,322,299.19

## EMISSIONS

### Indirect GHG emissions from energy acquisition (scope 2)

Unit: tCO<sub>2</sub>-eq

	Tecon Santos	Tecon/TCG Imbituba	Tecon Vila do Conde	Clia Santos	Clia Guarujá	TTR	CDC SBC	Total
<b>2018</b>	2,096.40	142	250.69	184.89	30.59	18.32	99.28	2,822.17
<b>2019</b>	2,151.59	62.8	170.76	130.28	29.98	19.99	102.18	2,719.55
<b>2020</b>	1,682.24	46.85	138.92	130.28	29.81	19.87	75.22	2,123.19

Gases considered: CO<sub>2</sub>

Emissions calculation: CO<sub>2</sub> Emission Factors from electricity generation in the National Interconnected System in Brazil - Base Year 2020

### Intensity of CO<sub>2</sub> emissions and per unit

Intensity rate of GHG emissions	Tecon Santos	Tecon/TCG Imbituba	Tecon Vila do Conde	Clia Santos	Clia Guarujá	TTR (km)	CD SBC* (pallet)	K10**	K10 (km)	
<b>2018</b>	Tons of CO <sub>2</sub> e	18,462.50	1,277.03	3,864.81	1,662.22	450.26	6,423.21	156.89	32.37	79.87
	kg CO <sub>2</sub> e/TEU	12.75	14.83	25.33	26.00	21.99	1.02	0.41	0.84	1.05
<b>2019</b>	Tons of CO <sub>2</sub> e	20,320.04	886.56	3,719.06	1,461.12	568.94	6,329.61	165.05	36.12	64.99
	kg CO <sub>2</sub> e/TEU	12.23	14.92	23.95	24.31	22.00	1.02	0.44	0.94	1.32
<b>2020</b>	Tons of CO <sub>2</sub> e	17,606.43	771.30	3,697.43	1,142.43	438.32	5,609.41	174.23	91.18	65.58
	kg CO <sub>2</sub> e/TEU	11.91	15.13	24.66	23.31	19.16	1.05	0.90	2.51	1.51

\* CD São Bernardo do Campo (SP, Brazil)

\*\* In House Logistics Service: Santos Brasil unite operating at BASF Guaratinguetá (SP, Brazil)

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## EMISSIONS

Emissions from port operations			
		kgCO <sub>2</sub> e/TEU	
2018	Tons of CO <sub>2</sub> e	23,604,340.00	13.99
	Handling	1,686,971.00	
2019	Tons of CO <sub>2</sub> e	24,925.66	13.29
	Handling	1,875,902.79	
2020	Tons of CO <sub>2</sub> e	22,075.16	13.14
	Handling	1,679,427.00	

Emissions from CLIAs			
		kgCO <sub>2</sub> e/TEU	
2018	Tons of CO <sub>2</sub> e	2,358,863.00	25.03
	Handling	84,403	
2019	Tons of CO <sub>2</sub> e	2,030.06	23.62
	Handling	85,963	
2020	Tons of CO <sub>2</sub> e	1,580.75	22.91
	Handling	71,881	

Emissions from TTR			
		kgCO <sub>2</sub> e/km traveled	
2018	Tons of CO <sub>2</sub> e	6,423,210.00	1.02
	Handling	6,282,668.00	
2019	Tons of CO <sub>2</sub> e	6,329.61	1.02
	Handling (km traveled)	6,185,262.00	
2020	Tons of CO <sub>2</sub> e	5,609.41	1.05
	Handling (km traveled)	5,322,299.00	

Emissions from CD SBC			
		kgCO <sub>2</sub> e/pallet handled	
2018	Tons of CO <sub>2</sub> e	156,890.00	0.41
	Handling	380,791.00	
2019	Tons of CO <sub>2</sub> e	165.05	0.44
	Handling (pallets handled)	378,160.00	
2020	Tons of CO <sub>2</sub> e	174.23	0.90
	Handling (pallets handled)	194,213	

Emissions from K10						
		kgCO <sub>2</sub> e/TEU		kgCO <sub>2</sub> e/km traveled		
2018	Tons of CO <sub>2</sub> e	32.37	0.84	Tons of CO <sub>2</sub> e	79.87	1.05
	Handling	38,645.00		Handling	76,238.00	
2019	Tons of CO <sub>2</sub> e	36.12	0.94	Tons of CO <sub>2</sub> e	64.99	1.32
	Handling (TEU)	38,464.00		Handling (km traveled)	49,243.00	
2020	Tons of CO <sub>2</sub> e	91.18	2.51	Tons of CO <sub>2</sub> e	65.58	1.51
	Handling (TEU)	36,338.00		Handling (km traveled)	43,296	

## EMISSIONS

Reduction of greenhouse gas (GHG) emissions in tonCO <sub>2</sub> eQ										
		Tecon Santos	Tecon Imituba	Tecon Vila do Conde	Clia Santos	Clia Guarujá	CD SBC	TTR	K10	Total
<b>Volume of GHG emission reductions achieved as a direct result of emission reduction initiatives</b>	<b>2018</b>	18,462.50	1,277.03	3,864.81	1,662.22	450.22	156.89	6,423.21	79.87	32,376.75
	<b>2019</b>	20,320.04	886.56	3,719.06	1,461.12	568.93	165.05	6,329.60	64.99	33,515.35
	<b>Variation tCO<sub>2</sub>e</b>	1,857.54	-390.47	-145.75	-201.10	118.71	8.16	-93.61	-14.88	1,138.60
<b>Increase/reduction</b>		increase	reduction	reduction	reduction	increase	increase	reduction	reduction	increase
<b>%</b>		10.06	-30.58	-3.77	-12.10	26.37	5.20	-1.46	-18.63	3.52
	<b>2020</b>	17,606.43	771.3	3,697.43	1,142.43	438.32	174.23	5,609.41	65.58	29,439.55
	<b>Variation tCO<sub>2</sub>e</b>	-2,713.61	-115.26	-21.63	-318.69	-130.61	9.18	-720.19	1.41	-4,009.40
	<b>Increase/reduction</b>		reduction	reduction	reduction	reduction	increase	reduction	increase	reduction
<b>%</b>		13.35	13.00	0.58	21.81	22.95	5.56	11.38	2.14	11.96

Gases considered: CO<sub>2</sub>  
 Considers scopes 1 and 2 (there was a reduction in both scopes)  
 Calculation tool: MCTIC

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## WASTE

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Waste by type and disposal method (in ton) 2019							
Unit: ton	Tecon Santos	Tecon/TCG Imbituba	Tecon Vila do Conde	Logística	Total		
<b>HAZARDOUS WASTE</b>							
Reuse (rerefining)	75.82	2.75	13.52	21.90	113.99		Oil
Recycling	0.95	0	0.05	0	1.00		Lamp
Recovery (including energy)	74.88	17.25	25.25	9.53	126.91		Mix cont. and mud
Reverse logistics	12.69	0	2.36	2.64	17.69		Battery
<b>NON-HAZARDOUS WASTE</b>							
Recycling	647.47	573.56	47.95	909.02	2,178.00		Paper/plastic/metal/wood/rubble
Landfill	306.19	19.47	24.64	188.00	538.30		Organic/commercial/sweeping
Reverse logistics	32.16	0	0	41.88	74.04		Tire
Waste by type and disposal method (in ton) 2020							
Unit: ton	Tecon Santos	Tecon/TCG Imbituba	Tecon Vila do Conde	Logística	Total		
<b>HAZARDOUS WASTE</b>							
Reuse (rerefining)	73.61	5.43	5.91	8.05	93.00		Oil
Recycling	0.27	0	0	0	0.27		Lamp
Recovery (including energy)	68.78	13.52	25.22	18.57	126.09		Mix cont. and mud
Reverse logistics	19.94	0.63	4.30	1.77	26.64		Battery
Treatment station	-	-	5.14	-	-		Contaminated effluent
<b>NON-HAZARDOUS WASTE</b>							
Recycling	766.76	18.97	91.24	772.75	1,650.00		Paper/plastic/metal/wood/rubble
Landfill	178.01	67.40	15.68	195.78	456.87		Organic/commercial/sweeping
Reverse logistics	88.41	1.88	0	30.38	120.67		Tire

We considered all business units. Direct disposal by the Company, or confirmed directly by it. It is verified that the weight of waste generated is equal to that of waste disposed, proving that all the waste generated is disposed, and not accumulated at the Santos Brasil units.

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## EMPLOYMENT

### New job hires and employee turnover

2020	
<b>Rate of new employee hires by age group</b>	
Under 30	40.57
From 30 to 50	58.49
Over 50	0.94
<b>Total number of employee hires by gender</b>	
Men	267
Women	56
<b>Rate of employee hires by gender</b>	
Men	3.71
Women	9.39
<b>Total number of employee hires by region</b>	
South	33
Southeast	252
Center-West	1
Northeast	-
North	37
<b>Rate of employee hires by region</b>	
South	1.34
Southeast	3.94
Center-West	0.00
Northeast	0.00
North	9.27

2020	
<b>Employee turnover rate by age group %</b>	
Under 30	14.71
From 30 to 50	3.16
Over 50	0.81
<b>Total number of employee terminations by gender</b>	
Men	71
Women	35
<b>Employee turnover rate by gender</b>	
Men	66.98
Women	33.02
<b>Total number of employee terminations by region</b>	
South	1
Southeast	74
Center-West	-
Northeast	-
North	31
<b>Employee turnover rate by region</b>	
South	0.94
Southeast	69.81
Center-West	-
Northeast	-
North	29.25

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Maternity/paternity leave	2020	
	Men	Women
Total number of employees entitled to maternity/paternity leave	0	13
Total number of employees on maternity/paternity leave	0	13
Total number of employees who returned to work after maternity/paternity leave	-	16
Total number of employees who returned to work after maternity/paternity leave and remained employed 12 months after returning to work	0	11
Rate of return to work of employees who took maternity/paternity leave	0	100.00%
Retention rate of employees who took maternity/paternity leave	0	68.75%

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## DIVERSITY AND EQUAL OPPORTUNITY

### Number and percentage of employees by gender

2020				
	Total men	% Men	Total women	% Women
Administrative area	446	60	298	40
Operations area	1886	98	33	2
Officers	10	100	0	0
Supervisors	73	87	11	13
Coordinators	32	76	10	24
Managers	19	76	6	24

### Percentage of employees by age group

2020			
	Under 30 (%)	From 30 to 50 (%)	Over 50 (%)
Administrative area	32	62	7
Operations area	8	71	21
Officers	0	50	50
Supervisors	6	74	20
Coordinators	0	79	21
Managers	0	92	8

### Percentage of employees by other diversity indicators

2020	
	Persons with disability (%)
Administrative area	5.91
Operations area	0.83
Officers	0.00
Supervisors	0.00
Coordinators	2.38
Managers	0.00

There are no blacks or persons with disabilities on the Board of Directors.



## DIVERSITY AND EQUAL OPPORTUNITY

### Number and percentage of employees by gender and age group

	FEMALE			MALE			OVERALL TOTAL	
	Quantity	% Female	% Overall	Quantity	% Male	% Overall	Quantity	% Overall
<b>2020</b>								
<b>Under 30</b>	122	34.08	4.32	276	11.19	9.77	398	14.09
<b>From 30 to 50</b>	210	58.66	7.44	1731	70.19	61.30	1941	68.73
<b>Over 50</b>	26	7.26	0.92	459	18.61	16.25	485	17.17
<b>Overall total</b>	358	100.00	12.68	2466	100.00	87.32	2824	100.00

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## DIVERSITY AND EQUAL OPPORTUNITY

### Ratio between base salary and compensation received by women and men

2020		
COMPANY	MEN	WOMEN
<b>LOGÍSTICA</b>		
<b>ADMINISTRATIVE AREA</b>		
Base salary	BRL 1,203.29	BRL 1,203.29
Compensation	BRL 4,525.43	BRL 2,762.99
Base salary and compensation ratio (%)	376.09	229.62
<b>OPERATIONS AREA</b>		
Base salary	BRL 1,203.29	BRL 1,203.29
Compensation	BRL 2,131.20	BRL 2,005.43
Base salary and compensation ratio (%)	177.11	166.66
<b>TECON SANTOS</b>		
<b>ADMINISTRATIVE AREA</b>		
Base salary	BRL 1,480.34	BRL 1,480.34
Compensation	BRL 6,248.73	BRL 4,706.93
Base salary and compensation ratio (%)	422.11	317.96
<b>OPERATIONS AREA</b>		
Base salary	BRL 1,480.34	BRL 1,480.34
Compensation	BRL 3,912.09	BRL 2,742.19
Base salary and compensation ratio (%)	264.27	185.24
<b>MANAGERS</b>		
Base salary	BRL 1,045.00	BRL 1,045.00
Compensation	BRL 1,341.50	BRL 1,341.50
Base salary and compensation ratio (%)	77.90	77.90

2020		
<b>TECON IMBITUBA</b>		
<b>ADMINISTRATIVE AREA</b>		
Base salary	BRL 1,215.00	BRL 1,215.00
Compensation	BRL 3,465.72	BRL 2,269.47
Base salary and compensation ratio (%)	285.24	186.79
<b>OPERATIONS AREA</b>		
Base salary	BRL 1,215.00	BRL 1,215.00
Compensation	BRL 2,543.40	-
<b>TECON VILA DO CONDE</b>		
<b>ADMINISTRATIVE AREA</b>		
Base salary	BRL 1,345.86	BRL 1,345.86
Compensation	BRL 4,364.67	BRL 2,650.12
Base salary and compensation ratio (%)	324.30	196.91
<b>OPERATIONS AREA</b>		
Base salary	BRL 1,345.86	BRL 1,345.86
Compensation	BRL 3,059.87	BRL 2,502.99
Base salary and compensation ratio (%)	227.35	185.98
<b>ADMINISTRATIVE AREA</b>		
Base salary	BRL 1,480.34	BRL 1,480.34
Compensation	BRL 6,534.81	BRL 1,927.88
Base salary and compensation ratio (%)	441.44	130.23
<b>OPERATIONS AREA</b>		
Base salary	BRL 1,480.34	BRL 1,480.34
Compensation	BRL 2,162.39	-
Base salary and compensation ratio (%)	146.07	-

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## OCCUPATIONAL HEALTH AND SAFETY

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### Workers covered by the occupational health and safety management system 2020 – Santos Brasil Corporate + Third-Party Companies

Number of workers covered by the system	3,796
Percentage of workers covered by the system	100
Number of workers covered by the system with internal audit	3,796
Percentage of workers covered by the system with internal audit	100
Number of workers covered by the system with external audit	3,796
Percentage of workers covered by the system with external audit	100

Table includes: Tecon Santos, TEV, Tecon Imbituba, Tecon Vila do Conde, Clia Santos, Clia Guarujá, TTR, K10, and CD São Bernardo do Campo.

Occurrence Rate: No. of accidents x  
1,000,000 / Men Hours  
Worked (MHW)

Severity Rate: Lost Days + Charged Days \*  
1,000,000 / Men Hours  
Worked (MHW)

### Health and safety indicators for TOTAL workers (Santos Brasil Corporate)

2020	Men	Women
Number of deaths	0	0
Death rate	0	0
Number of injuries	6	0
Injury rate (excluding deaths)	-	-
Main types of injuries	Fracture, distension and excoriation	
Number of work-related recordable injuries	-	-
Rate of work-related recordable injuries (occurrence rate - OR)	1.16	1.16
Rate of work-related recordable injuries (severity rate - SR)	8.52	8.52
Number of hours worked	5,165,522	5,165,522

### Health and safety indicators for TOTAL workers (Tecon Santos)

2020	Men	Women
Number of deaths	0	0
Death rate	0	0
Number of injuries	5	0
Injury rate (excluding deaths)	-	-
Main types of injuries	Distension, excoriation and bruising	
Number of work-related recordable injuries	-	-
Rate of work-related recordable injuries (occurrence rate - OR)	1.80	1.80
Rate of work-related recordable injuries (severity rate - SR)	10.46	10.46
Number of hours worked	3,121,270	3,121,270

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## OCCUPATIONAL HEALTH AND SAFETY

### Health and safety indicators for TOTAL workers (Tecon Imbituba)

2020	Men	Women
Number of deaths	0	0
Death rate	0	0
Number of injuries	0	0
Injury rate (excluding deaths)	-	-
Main types of injuries	None	None
Number of work-related recordable injuries	-	-
Rate of work-related recordable injuries (occurrence rate - OR)	0.00	0.00
Rate of work-related recordable injuries (severity rate - SR)	0.00	0.00
Number of hours worked	184,614	184,614

### Health and safety indicators for TOTAL workers (Tecon Vila do Conde)

2020	Men	Women
Number of deaths	0	0
Death rate	0	0
Number of injuries	0	0
Injury rate (excluding deaths)	-	-
Main types of injuries	None	None
Number of work-related recordable injuries	-	-
Rate of work-related recordable injuries (occurrence rate - OR)	0.00	0.00
Rate of work-related recordable injuries (severity rate - SR)	0.00	0.00
Number of hours worked	576,436	576,436

Occurrence rate: no. of accidents x 1,000,000 / men hours worked (MHW)

Severity rate: lost days + charged days \*  
1,000,000 / men hours worked (MHW)

### Health and safety indicators for TOTAL workers (Logistics)

2020	Men	Women
Number of deaths	0	0
Death rate	0	0
Number of injuries	0	0
Injury rate (excluding deaths)	-	-
Main types of injuries	None	None
Number of work-related recordable injuries	-	-
Rate of work-related recordable injuries (occurrence rate - OR)	0.00	0.00
Rate of work-related recordable injuries (severity rate - SR)	0.00	0.00
Number of hours worked	1,140,174	1,140,174

### Health and safety indicators for TOTAL workers (TEV)

2020	Men	Women
Number of deaths	0	0
Death rate	0	0
Number of injuries	0	0
Injury rate (excluding deaths)	-	-
Main types of injuries	None	None
Number of work-related recordable injuries	-	-
Rate of work-related recordable injuries (occurrence rate - OR)	0.00	0.00
Rate of work-related recordable injuries (severity rate - SR)	0.00	0.00
Number of hours worked	38,430	38,430

Occurrence rate: no. of accidents x 1,000,000 / men hours worked (MHW)

Severity rate: lost days + charged days \*  
1,000,000 / men hours worked (MHW)

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## OCCUPATIONAL HEALTH AND SAFETY

### Health and safety indicators for TOTAL workers (Transport - TTR)

2020

	Men	Women
Number of deaths	0	0
Death rate	0	0
Number of injuries	0	0
Injury rate (excluding deaths)	1	-
Main types of injuries	Fracture	None
Number of work-related recordable injuries	-	-
Rate of work-related recordable injuries (occurrence rate - OR)	2.20	2.20
Rate of work-related recordable injuries (severity rate - SR)	33.02	33.02
Number of hours worked	454,296	454,296

Occurrence rate: no. of accidents x 1,000,000 / men hours worked (MHW)

Severity rate: lost days + charged days \* 1,000,000 / men hours worked (MHW)

## MARKETING AND LABELING

The labeling done at our logistics units is a mirror of the cargo – the import and export containers are labeled so that the transport between CLIAs and Costado is done safely and in accordance with current legislation. All cargo handling at Santos Brasil follows operational instructions and procedures to reduce the environmental and social risks involved, ensuring that the provision of services and operations is carried out in a safe and conscientious manner. The cargo that go through these processes represent 12% of the total handling of CLIAs.

Information about the products and services required to the labeling procedures of products and services:

- Source of the product components or service;
- Content, specially for substances that can cause environmental or social impacts;
- Safe use of the product or service;
- Product layout and environmental/social impacts.



# GRI CONTENT SUMMARY

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102		
102 -1	Name of the organization	10
102 -2	Activities, brands, products, and services	10
102 -3	Location of the headquarters	10
102 -4	Location of operations	10, 37, 38, 39, 40 e 45
102 -5	Nature of ownership and legal form of the organization	10
102 -6	Markets served	10
102 -7	Organization size	20
102 -8	Information on employees and other workers	37, 38, 39, 40 e 45
102 -9	Supply chain	64
102 -10	Significant changes in the organization and supply chain	There were no significant changes in the Company or in our supply chain
102 -11	Precautionary principle or approach	52
102 -12	External initiatives	75
102 -13	Participation in associations	16
102	<b>STRATEGY</b>	
102 -14	Statement by the highest executive	05
102 -15	Main impacts, risks, and opportunities	13
102	<b>ETHICS AND INTEGRITY</b>	
102 -16	Values, principles, standards, and codes of conduct	35
102 -17	Mechanisms for ethics-related concerns and guidelines	49
102	<b>GOVERNANCE</b>	
102 -18	Governance structure	48
102 -19	Delegation of authority	48
102 -20	Responsibility of executive-level positions and functions by economic, environmental, and social topics	48
102 -21	Consultation of interested parties on economic, environmental, and social topics	64
102 -22	Composition of the highest governance body and its committees	48

DISCLOSURES	GENERAL DISCLOSURES	PAGE
102 -23	President of the highest governance body	48
102 -24	Selection and nomination procedure for the highest governance body	48
102 -25	Conflicts of interest	48
102 -26	Role performed by the highest governance body in defining the purpose, values, and strategy	Ok
102 -27	Collective knowledge of the highest governance body	48
102 -28	Performance assessment of the highest governance body	We do not have yet a formal process for evaluating the Board of Directors.
102 -29	Identification and management of economic, environmental, and social impacts	48
102 -30	Effectiveness of the risk management processes	The Board of Directors analyzes and approves the processes defined by the Statutory Board for the management of risks related to economic, environmental, and social topics
102 -31	Analysis of economic, environmental, and social topics	48
102 -32	Role performed by the highest governance body in the Sustainability Report	78
102 -33	Communication of critical concerns	48
102 -34	Nature and total number of critical concerns	48
102 -35	Remuneration policies	The Board of Directors receives a fixed monthly compensation. The Statutory Board receives salaries or monthly payment, according to market practices, in addition to legal benefits. As variable remuneration, they get bonuses, stock options plan, performance shares and stock matching

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102 -36	Process for determining the remuneration.	With the support of specialized consultants, annual or biannual surveys are carried out to evaluate the adequacy of the salary of the Company's key executives in relation to the market.
		The variable remuneration model for executives is defined by the People & Management area, together with the statutory officers.
		The remuneration model of the Statutory Board is defined by the Board of Directors. The consultants hired are independent and have no employment relationship with the Company.
102 -37	Involvement of stakeholders in the remuneration	We do not perform this type of analysis
102 -38	Proportion of total annual remuneration	We maintain this information confidential.
102 -39	Proportion of percentage increase in the total annual remuneration	We maintain this information confidential.
<b>102</b>	<b>STAKEHOLDER ENGAGEMENT</b>	
102 -40	List of stakeholder groups	05
102 -41	Collective bargaining agreements	45
102 -42	Identification and selection of stakeholders	05
102 -43	Approach to stakeholder engagement	65
102 -44	Main concerns and topics raised	65
<b>102</b>	<b>REPORTING PRACTICES</b>	
102 -45	Entities included in the consolidated financial statements	78
102 -46	Defining report content and topic boundaries	78
102 -47	List of material topics	20
<b>102</b>	<b>GOVERNANCE</b>	
102 -48	Reformulation of information	78
102 -49	Changes in the report	78
102 -50	Reporting period	78
102 -51	Date of the most recent report	78
102 -52	Reporting disclosure cycle	78
102 -53	Contact for questions about the report	78
102 -54	Statements of reporting in accordance with the GRI Standards	78

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102 -55	GRI content summary	95
102 -56	External assurance	78
	<b>ECONOMIC TOPICS</b>	
<b>201</b>	<b>ECONOMIC PERFORMANCE</b>	
201 -1	Direct economic value generated and distributed	24
201 -2	Financial implications and other risks and opportunities arising from climate change	There is no calculation of financial implications due to climate change
201 -3	Obligations of the defined benefit plan and other retirement plans	The Company's plan at TECON Santos is an open and multi-sponsored supplementary pension plan, therefore it does not apply to the Company
201 -4	Financial support received from the government	We do not receive financial support from the government
<b>202</b>	<b>MARKET PRESENCE</b>	
	103-1 - Exposition of the material topic and its limits	37, 38, 39, 40 e 45
103	103-2 Approach to management and its components	37, 38, 39, 40 e 45
	103-3 Assessment of the approach to management	37, 38, 39, 40 e 45
202 -1	Ratio between the lowest wage and the local minimum wage, broken down by gender	37, 38, 39, 40 e 45
202 -2	Ratio of board members hired from the local community	All members of the management (composed of the Statutory Board - appointed by the Board of Directors - and the Executive Board - appointed by the Statutory Board) are hired from the local community: Santos (SP, Brazil), Vila do Conde (PA, Brazil), and Imituba (SC, Brazil)
<b>203</b>	<b>INDIRECT ECONOMIC IMPACTS</b>	
	103-1 - Exposition of the material topic and its limits	55
103	103-2 Approach to management and its components	55
	103-3 Assessment of the approach to management	55
203 -1	Investments in infrastructure and service support	55
203 -2	Significant indirect economic impacts	31

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204	<b>PROCUREMENT PRACTICES</b>	
	103-1 - Exposition of the material topic and its limits	64
103	103-2 Approach to management and its components	64
	103-3 Assessment of the approach to management	64
204 -1	Proportion of expenditure with local suppliers	64 e 80
205	<b>COMBATING CORRUPTION</b>	
	103-1 - Exposition of the material topic and its limits	49
103	103-2 Approach to management and its components	49
	103-3 Assessment of the approach to management	49
205 -1	Operations assessed for corruption-related risks	We did not have this kind of demand in 2020
205 -2	Communication and training on anti-corruption policies and procedures	50
205 -3	Confirmed incidents of corruption and actions taken	No incidents of corruption were reported in the period
206	<b>ANTI-COMPETITIVE BEHAVIOR</b>	
	103-1 - Exposition of the material topic and its limits	97
103	103-2 Approach to management and its components	97
	103-3 Assessment of the approach to management	97
206 -1	Legal actions for anti-competitive behavior, trust, and monopoly practices	No lawsuits were filed for anti-competitive behavior, trust, and monopoly practices
	<b>ENVIRONMENTAL TOPICS</b>	
301	<b>MATERIALS</b>	
	103-1 - Exposition of the material topic and its limits	60
103	103-2 Approach to management and its components	60
	103-3 Assessment of the approach to management	60
301 -1	Materials used, broken down by weight or volume	Does not apply to the Company activity
301 -2	Raw materials or recycled materials used	Does not apply to the Company activity
301 -3	Recovered products and packaging	60

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302	<b>ENERGY</b>	
	103-1 - Exposition of the material topic and its limits	97
103	103-2 Approach to management and its components	97
	103-3 Assessment of the approach to management	97
302 -1	Energy consumption in the organization	81
302 -2	Energy consumption outside the organization	We do not monitor energy consumption outside our organization
302 -3	Energy intensity	82
302 -4	Reduction in energy consumption	81
302 -5	Reduction of energy requirements for products and services	We did not see reductions in the energy requirements from products and services sold in 2020, but we followed all the requirements of the GHG Protocol and the guidelines of our Sustainability Policy, seeking new alternatives for reducing energy use, with a focus on process efficiency.
303	<b>WATER AND EFFLUENTS (UPDATED 2021)</b>	
	103-1 - Exposition of the material topic and its limits	60
103	103-2 Approach to management and its components	60
	103-3 Assessment of the approach to management	60
303 -1	Interactions with water as a shared resource	60
303 -2	Management of impacts related to water disposal	60
303 -3	Water collection	60
303 -4	Water disposal	60
303 -5	Water consumption	60
304	<b>BIODIVERSITY</b>	
	103-1 - Exposition of the material topic and its limits	97
103	103-2 Approach to management and its components	97
	103-3 Assessment of the approach to management	97
304 -1	Own operating units, leased or managed inside or around environmental protection areas and areas of high biodiversity value, located outside environmental protection areas	Does not apply to the Company activity
304 -2	Significant impacts from activities, products, and services to biodiversity	All of our units are located in port, industrial, highways and high-economic traffic areas. Thus, it does not offer high environmental impact to the local biodiversity. Nevertheless, we perform all the procedures and internal controls necessary to minimize impacts



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304 -3	Protected or restored habitats	Does not apply to the Company activity
304 -4	Species included in the IUCN red list and in national conservation lists, with habitats located in areas affected by the organization's operations	Does not apply to the Company activity
305	<b>EMISSIONS</b>	
103	103-1 - Exposition of the material topic and its limits	60
	103-2 Approach to management and its components	60
	103-3 Assessment of the approach to management	60
305 -1	Direct emissions (Scope 1) of Greenhouse Gases (GHG)	60
305 -2	Indirect emissions (Scope 2) of Greenhouse Gases (GHG)	83
305 -3	Other indirect emissions (Scope 3) of Greenhouse Gases (GHG)	We do not publish Scope 3 emissions
305 -4	Intensity of Green House Gas (GHG) emissions	83 e 84
305 -5	Reduction of Greenhouse Gas (GHG) emissions	85
305 -6	Emissions of ozone-depleting substances (ODS)	Not applicable. Emissions of ozone-depleting substances (ODS) are not significant
305 -7	Emissions of NOX, SOX, and other significant atmospheric emissions	We present emissions in tons of CO <sub>2</sub>
306	<b>WASTE</b>	
103	103-1 - Exposition of the material topic and its limits	60
	103-2 Approach to management and its components	60
	103-3 Assessment of the approach to management	60
306 -1	Generation of waste and significant waste-related impacts	60
306 -2	Management of significant impacts related to waste	86
306 -3	Waste generated	86
306 -4	Waste not destined for final disposal	86
306 -5	Waste destined for final disposal	86
307	<b>COMPLIANCE</b>	
103	103-1 - Exposition of the material topic and its limits	98
	103-2 Approach to management and its components	98
	103-3 Assessment of the approach to management	98
307 -1	Non-compliance with environmental laws and regulations	No environmental sanctions were applied in 2020 at Santos Brasil units

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308	<b>ASSESSMENT</b>	
103	103-1 - Exposition of the material topic and its limits	64
	103-2 Approach to management and its components	64
	103-3 Assessment of the approach to management	64
308 -1	New suppliers selected based on environmental criteria	64
308 -2	Negative impacts on the supply chain and measures taken	All suppliers undergo internal assessments to provide services at Santos Brasil. In case any environmental deviation occurs in a supplier's activity, he must report with proof the actions taken to correct the deviation.
<b>SOCIAL TOPICS</b>		
401	<b>EMPLOYMENT</b>	
103	103-1 - Exposition of the material topic and its limits	37, 38, 39, 40 e 45
	103-2 Approach to management and its components	37, 38, 39, 40 e 45
	103-3 Assessment of the approach to management	37, 38, 39, 40 e 45
401 -1	New hires and employee turnover	37, 38, 39, 40, 45 e 87
401 -2	Benefits offered to full-time employees that are not offered to temporary or part-time employees	37, 38, 39, 40 e 45
401 -3	Maternity/paternity leave	88
402	<b>WORK RELATIONSHIPS</b>	
103	103-1 - Exposition of the material topic and its limits	98
	103-2 Approach to management and its components	98
	103-3 Assessment of the approach to management	98
402 -1	Minimum notice period for operational changes	The minimum notice period for operational changes is 30 days. For more specific situations, the operations area is consulted
403	<b>OCCUPATIONAL HEALTH AND SAFETY</b>	
103	103-1 - Exposition of the material topic and its limits	41 e 42
	103-2 Approach to management and its components	41 e 42
	103-3 Assessment of the approach to management	41 e 42
403 -1	Occupational health and safety management system	41 e 42

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403 -3	Occupational health services	41 e 42
403 -4	Worker participation, consultation and communication to workers regarding health and safety at work	41 e 42
403 -5	Occupational health and safety training for workers	41 e 42
403 -6	Promotion of workers' health	Upon identifying the need for non-occupational health monitoring, all employees are offered complete health monitoring, carried out by the Company's multidisciplinary team.  In order to provide information and raise awareness, we bring health topics such as cancer, Sexually Transmitted Diseases (STDs), seasonal diseases, for example, to open participation events.
403 -7	Prevention and mitigation of impacts on occupational health and safety directly linked to business relationships	We have implemented occupational health and safety programs (AIPR, PPRA, PCMSO, PPR, and PCA), management of Personal Protective Equipment (PPE) and Collective Protection Equipment (EPCs), safety service order (NR 01) and monitoring of the controls applied in area.  We have also implemented an emergency planning, defined in the document - Emergency Control Plan (PCE 001), which covers the operational, products and services sectors.
403 -8	Workers covered by an occupational health and safety management system	92
403 -9	Work accidents	93
403 -10	Occupational diseases	There were no occupational diseases at Tecon Santos, TEV, Tecon Imbituba, Tecon Vila do Conde, CLIA Santos, CLIA Guarujá, TTR, K10, and CD São Bernardo do Campo.
404	<b>TRAINING AND EDUCATION</b>	
103	103-1 - Exposition of the material topic and its limits	44 e 47
	103-2 Approach to management and its components	44 e 47
	103-3 Assessment of the approach to management	44 e 47
404 -1	Average number of training hours per year per employee	41 e 42

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404 -2	Programs for improving the competences of the employees and assistance to career transitions	44 e 47
404 -3	Percentage of employees receiving regular performance and career development reviews	44 e 47
405	<b>DIVERSITY AND EQUAL OPPORTUNITY</b>	
103	103-1 - Exposition of the material topic and its limits	37, 38, 39, 40 e 45
	103-2 Approach to management and its components	37, 38, 39, 40 e 45
	103-3 Assessment of the approach to management	37, 38, 39, 40 e 45
405 -1	Diversity in governance bodies and employees	87, 88 e 89
405 -2	Ratio between the base salary and remuneration received by women and men	90 e 91
406	<b>NO DISCRIMINATION</b>	
103	103-1 - Exposition of the material topic and its limits	37, 38, 39, 40 e 45
	103-2 Approach to management and its components	37, 38, 39, 40 e 45
	103-3 Assessment of the approach to management	37, 38, 39, 40 e 45
406 -1	Cases of discrimination and corrective measures taken	No cases of discrimination were registered
407	<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>	
407 -1	Negotiations and suppliers for which the right to freedom of association and collective bargaining may be at risk	There is no risk mapped
408	<b>CHILD LABOR</b>	
103	103-1 - Exposition of the material topic and its limits	64
	103-2 Approach to management and its components	64
	103-3 Assessment of the approach to management	64
408 -1	Operations and suppliers at significant risk of child labor	64
409	<b>FORCED AND COMPULSORY LABOR</b>	
103	103-1 - Exposition of the material topic and its limits	64
	103-2 Approach to management and its components	64
	103-3 Assessment of the approach to management	64
409 -1	Operations and suppliers with significant risk of forced or compulsory labor	64

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DISCLOSURES	GENERAL DISCLOSURES	PAGE
411	<b>INDIGENOUS PEOPLES RIGHTS</b>	
	103-1 - Exposition of the material topic and its limits	100
103	103-2 Approach to management and its components	100
	103-3 Assessment of the approach to management	100
411 -1	Cases of violations of indigenous peoples rights	There were no identified incidents involving the rights of indigenous or traditional peoples in 2020
412	<b>HUMAN RIGHTS ASSESSMENT</b>	
	103-1 - Exposition of the material topic and its limits	50 and 75
103	103-2 Approach to management and its components	50 and 75
	103-3 Assessment of the approach to management	50 and 75
412 -1	Operations subject to human rights assessment or human rights impact assessments	We do not perform this type of assessment
412 -2	Employee training in human rights policies or procedures	50
412 -3	Significant investment agreements and contracts that include human rights clauses or that have undergone human rights assessment	All formalized contracts, in the case of expenses, go through an internal approval assessment. All contracts signed must follow the general contracting terms and conditions, which are directly or indirectly subjected to provisions linked to human rights.  Up to November 2020, 441 contracts (above BRL 5 million) were formalized, whose content is based on the provisions of the titles of the aforementioned general conditions, subjected directly or indirectly to human rights provisions.

DISCLOSURES	GENERAL DISCLOSURES	PAGE
413	<b>LOCAL COMMUNITIES</b>	
	103-1 - Exposition of the material topic and its limits	16
103	103-2 Approach to management and its components	16
	103-3 Assessment of the approach to management	16
413 -1	Operations with engagement, impact assessments and development programs aimed at the local community	16
413 -2	Operations with significant potential or actual negative impacts on local communities	16
414	<b>SUPPLIERS SOCIAL ASSESSMENT</b>	
	103-1 - Exposition of the material topic and its limits	64
103	103-2 Approach to management and its components	64
	103-3 Assessment of the approach to management	64
414 -1	New suppliers selected based on social criteria	We currently do not use social criteria for selecting suppliers, however Santos Brasil addresses this issue by providing guidance to our suppliers and service providers on how to comply with the existing guidelines in our Supplier Code of Conduct, which does not tolerate and repudiates situations of harassment, and discrimination, respecting human rights principles. Failure to comply with these standards justifies the immediate termination of the contract or purchase order if irregularities are proven.
414 -2	Negative social impacts on the supply chain and measures taken	We do not perform social impact assessments in the supply chain

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DISCLOSURES	GENERAL DISCLOSURES	PAGE
415	<b>PUBLIC POLICIES</b>	
	103-1 - Exposition of the material topic and its limits	101
103	103-2 Approach to management and its components	101
	103-3 Assessment of the approach to management	101
415 -1	Political contributions	We do not contribute to political parties. In accordance with our anti-corruption and anti-bribery policy;  Likewise, the Company does not accept or support any initiative related to the creation of processes aimed at the practice of acts of corruption or harmful to the public administration, such as:  I. Use of Company resources to pay contributions, gifts or illegal entertainment activities or any other illegal expenses related to political activity; II. Making any illegal payments, direct or indirect, to public employees or agents, political parties, politicians or political candidates (including their family members), national or foreign;
416	<b>CONSUMER HEALTH AND SAFETY</b>	
	103-1 - Exposition of the material topic and its limits	101
103	103-2 Approach to management and its components	101
	103-3 Assessment of the approach to management	101
416 -1	Assessment of health and safety impacts caused by categories of products and services	All of our activities and services are subject to risk analysis, by indicating possible deviations and subsequent classification, in addition to necessary mitigation and emergency measures.
416 -2	Cases of non-compliance related to health and safety impacts caused by products and services	No type of non-compliance occurred in the reporting period, which would cause the application of fines, penalties, warnings or violate voluntary codes, thus not causing any impact to the safety and health of society.

417	<b>MARKETING AND LABELING</b>	
	103-1 - Exposition of the material topic and its limits	94
103	103-2 Approach to management and its components	94
	103-3 Assessment of the approach to management	94
417 -1	Requirements for information and labeling of products and services	94
417 -2	Cases of non-compliance related to information and labeling of products and services	There were no records of cases of non-compliance in relation to information and labeling of products and services
417 -3	Non-compliance cases regarding marketing communication	No cases of non-compliance were identified in relation to marketing communication
418	<b>CLIENT PRIVACY</b>	
	103-1 - Exposition of the material topic and its limits	101
103	103-2 Approach to management and its components	101
	103-3 Assessment of the approach to management	101
418 -1	Substantiated complaints regarding breaches of privacy and loss of client data	We did not receive complaints or claims of privacy violation or loss of client's data
419	<b>SOCIO-ECONOMIC COMPLIANCE</b>	
	103-1 - Exposition of the material topic and its limits	101
103	103-2 Approach to management and its components	101
	103-3 Assessment of the approach to management	101
419 -1	Non-compliance with laws and regulations in the socio-economic area	There were no cases of non-compliance with laws and regulations in the socio-economic area during the year.

# GLOSSARY

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## BACKLOG

It is a quantity of orders and services on hold and can also be a measure of time (days, hours, etc.) that represents the period during which a given team can finish a given service.

## BONDED WAREHOUSE

It is a regime that allows, in import and export, the warehousing of goods, in a determined place, suspending the payment of taxes and under fiscal control. (Activity performed only in CLIAs)

## CABOTAGE

Coastal navigation between ports in the same country or at short distances.

## CROSS-DOCKING

*Cross-docking* is a logistics method in which the entrepreneur does not need to store the products in their distribution center (DC). The moment an order is placed, it sends a purchase request to the supplier, who in turn will send the goods to them. When the entrepreneur receives the products at their distribution center, the internal processes are facilitated, since there is no obligation to store, because the items have already been sold.

## DEMURRAGE

It means stay - the calculation of demurrage is done daily, counting from the date the cargo arrives at the port until the date the container is returned at the agreed terminal.

## DEPOT

It is a Terminal hired by the Shipowner to receive empty import containers and/or release the empty export container, where minor repairs can also be made to the units.

## FREIGHT FORWARDERS

Freight forwarder is known as the individual or legal entity that ships third-party cargo, upon compensation, usually a percentage on the freight paid plus expenses. They usually work on behalf of the shipper. Freight Forwarders are companies that, roughly speaking, send the freight (cargo) forward, and make the processes of the logistics chain happen.

## GATES

Entry and exit gates of our units where the flow of goods by land transport is controlled.

## IN HOUSE LOGISTICS SERVICES

The operation can be managed in the client's premises, with our professionals, where the entire process is carried out, such as the consolidation of the materials to be stored and/or distributed.

## JUST IN TIME OPERATION

This production system requires parts to be supplied to the next process only as necessary, with little prior storage. It also requires them to be of good quality to avoid waste. The great advantage of the "just-in-time" system (delivery at the last minute) is the discipline on which it is based: the processes under control, that is, predictable quality, quantity and regularity. The just-in-time system is the natural result of statistical quality control, which in turn means statistical control of production speed. In other words, it is to serve the internal or external customer at the exact moment of their need, with the necessary quantities for the operation/production.

## ONE STOP SHOP MODEL

Model in which we take care of the cargo from port to final destination, centralizing all the services of the logistics chain in a single interface.

## PALLETS

It is a wooden, metal or plastic platform used for cargo handling.

## PORTEINERES

Equipment that handles containers when loading and unloading at intermodal logistics stations.

## REACH STACKERS

A retractable forklift is a vehicle used to move cargo in logistics terminals or ports, at a short distance, in an agile way.

## TEUs

Unit of measure for a 20-foot container.

## THIRD-PARTY LOGISTICS – 3PL

Term that refers to the outsourcing of logistical processes.

# STATEMENT OF ASSURANCE

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**STATEMENT BY SGS ICS CERTIFICADORA LTDA. (SGS) REGARDING THE SUSTAINABILITY ACTIVITIES PROVIDED IN "SUSTAINABILITY REPORT 2020" GIVEN TO SANTOS BRASIL PARTICIPAÇÕES S.A**

**NATURE AND SCOPE OF ASSURANCE**

The SGS was hired by SANTOS BRASIL PARTICIPAÇÕES S.A. to carry out the third-party assurance of their Sustainability Report 2020. The assurance scope, based on assurance methodology of sustainability reports of SGS, comprises the disclosure verification under GRI standards in 2020.

The information provided in "SUSTAINABILITY REPORT 2020" and its presentation is a sole responsibility of SANTOS BRASIL PARTICIPAÇÕES S.A. management structure.

The SGS is not involved in the preparation of any material, including the in the said report, such as risk analysis, materiality tests and other critical issues that may affect severally the SANTOS BRASIL PARTICIPAÇÕES S.A. business. We are liable for giving our opinion of the GRI disclosures and their texting, data, charts and statement within the assurance scope in order to keep the SANTOS BRASIL PARTICIPAÇÕES S.A. stakeholders informed.

The SGS Group has developed a set of assurance protocols for Sustainability Communication based on the best practices provided in GRI Sustainability Reporting Standards and the assurance standard - ISAE3000. Such protocols offer different assurance levels depending on context and capacity of organization, in this case SANTOS BRASIL PARTICIPAÇÕES S.A.

This report was assured considering our protocols to assess the content authenticity and its alignment with the requirements of GRI Sustainability Reporting Standards, (Universal Standards 101, 102 and 103) and the requirements of Topic-specific Standards (GRI 200, GRI 300 and GRI 400) according to the material issues identified by SANTOS BRASIL PARTICIPAÇÕES S.A. through our process detailed herein. Based on this context, the "SUSTAINABILITY REPORT 2019" is considered as "Core option".

The assurance process comprised (i) the disclosure review, information and data provided in sustainability draft (ii) interviews with strategic employees, both to understand the report data and to understand the management process connected with the material issues and (iii) desktop review of the documents forwarded by SANTOS BRASIL to SGS. The SANTOS BRASIL accounting information and or detailed in reference list of "SUSTAINABILITY REPORT 2020" were not assessed in this assurance process.

The team of SGS and SANTOS BRASIL, following the recommendations of the World Health Organization and respecting the quarantine period due to the Covid-19 pandemic, conducted the assurance process remotely

**IMPARTIALITY AND COMPETENCE STATEMENT**

The SGS Group is global lead in inspection, analysis and verifications services, operating in more than 140 countries and rendering services that includes management system certification, audits and trainings on quality, environmental, social and ethic segments, sustainability assurance reports and greenhouse gases verification. The SGS attests your independence against SANTOS BRASIL PARTICIPAÇÕES S.A., stating that is exempt from interest conflict with the organization, their subsidiary and stakeholders. The assurance team was composed according to members' expertise, experience and competence for this activity, the team is composed of:

- An Audit Lead on Assurance of Sustainability Report, a Lead auditor on Socioenvironmental programs a Lead Assessor of Greenhouse Gases (GHG)

**ASSURANCE OPINION**

A broad assurance was ordered, and the work performed was sufficient and adequate for a solid assurance. Regarding the verification performed on methodology, process and data provided by SANTOS BRASIL PARTICIPAÇÕES S.A., we attest the information and data provided on disclosures of "SUSTAINABILITY REPORT 2020" are reliable and a true and accurate representation of the sustainability activities performed by SANTOS BRASIL PARTICIPAÇÕES S.A. in reference year 2020. The assurance team thinks the report can be used by company's stakeholders as part of their processes of company evaluation. The organization selected the Core Option, which meets their needs.

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In our opinion, based on what was found in company units and on documents provided by SANTOS BRASIL, the report content meets fully the GRI standard requirements

## RECOMMENDATIONS, FINDINGS AND CONCLUSIONS OF ASSURANCE

The disclosures of SANTOS BRASIL PARTICIPAÇÕES S.A. Report, "SUSTAINABILITY REPORT 2019", is aligned with GRI Sustainability Reporting Standards, (Universal Standards 101, 102 and 103) and with the requirements of Topic-specific Standards (GRI 200, GRI 300 and GRI 400), Core Option. It is important to highlight the subject matters and its limits were fully set in accordance with the Reporting Principles and indicated over the report and/or reference list.

We recognized SANTOS BRASIL's commitment and efforts in releasing the Sustainability Report for the first time in accordance with the GRI Sustainability Reporting Standards, (Universal Standards 101, 102 and 103) and with the requirements of the Topic-specific Standards (GRI 200, GRI 300 and GRI 400).

As for the contribution to the improvement in the preparation of future sustainability report and greater efficiency in the assurance process, we recommend SANTOS BRASIL PARTICIPAÇÕES S.A. to

1. Disclose the objectives and goals of all material topics. The report may become a major source of sustainability information for all stakeholders and support them in making decisions and raising new concerns.
2. Develop better internal dissemination and use of lessons learned from the new materialization process to mature points of contact with areas responding to the disclosures. This practice will allow an increasingly complete, accurate and transparent reporting.
3. For the reporting context, continue searching for a summarized report, without poor content. Try to highlight the important gains of the sustainability area that consolidate itself against the management and strategy every year

Finally, SGS congratulates SANTOS BRASIL PARTICIPAÇÕES S.A. for the initiative of carrying out the assurance of their report, for the historical commitment to sustainability and hopes that the significant advances in the issue that the company has been achieving in recent years will continue



**FABIAN PERES GONÇALVES**  
*Business Manager - Sustainability*



**CAIO CÉSAR FERREIRA DE FARIA**  
*Lead Auditor for Sustainability Report*

**08 DE MAIO DE 2020**  
**ASSINADO POR E EM NOME DA SGS**



**SANTOS BRASIL**

**STAFF**

**General coordination**

Corporate Communication and Sustainability

Investor Relations

**Materiality Matrix**

Global Strategic Content

**Writing**

Global Strategic Content

**Layout and diagramming**

Fábio Francisco

**Pictures**

Santos Brasil Stock and Vagner Medeiros Photo



[www.santosbrasil.com.br](http://www.santosbrasil.com.br)