



SANTOS BRASIL

2019

**Sustainability
Report**

MAX. GROSS 82.500 KG.
71.650 LB.
TARE 3.860 KG.
8.510 LB.

MAX. PAYLOAD 28.640 KG.
63.140 LB.
CU. CAP. 76.4 CU. M.
2.700 CU. FT.

MAER
SEAL

WWW.maersk.com

DFSU 661343
45G1

MAX. GROSS 32.500 KGS
71.850 LBS
TARE 3.800 KGS
8.380 LBS

NET 28.700 KGS
63.270 LBS
CU. CAP. 76.4 CU. M.
2.698 CU. FT.

m
SC

MSCU 56848
42G1

M. G. W. TARE 32.500 KGS
71.650 LBS
3.740 KGS
8.250 LBS

NET CU. CAP. 28.760 KGS
63.400 LBS
67.7 CU. M.
2.390 CU. FT.

2019 HIGHLIGHTS

Operations & Financial



7.8% GROWTH in container handling in the three port terminals.

Tecon Santos' **MARKET SHARE** rose to 39.5% in the Port of Santos.

Santos Brasil Logística (SBLog) intensified **IN-HOUSE & 3PL** (Third-Party Logistics) **LOGISTICS SERVICES** provision

FIRST OPERATION of e-commerce logistics.

Consolidated Ebitda totaled R\$ 221.6 million, with a 22.8% margin, representing a **16.9% GROWTH** over 2018.

Net income of R\$ 15.4 million was **396.8% HIGHER** compared to 2018.

Innovation



LAUNCHED BREAKTHROUGH APP for reading container seals (**OCR**) **THAT** replaced manual typing and increased security and productivity in cargo dispatch.

54 INNOVATION PROJECTS and improvements delivered and another 42 in progress.

REVIEW of the Innovation Management Platform.

INTELLIGENCE IN CONTAINER STORAGE reduced the number of average moves per container by 25% and Diesel fuel consumption by 10%.



Safety

Constant strengthening of occupational safety culture, which is disseminated in all of our units with the ZeroAcidente (Zero Accident) campaign.

BEST ANNUAL HISTORY OF ACCIDENTS WITH LOST WORKING HOURS, highlighting Tecon Imbituba, which recorded no occurrences, and Tecon Santos, which only recorded 14.



People and Management

CREATED the Management Excellence Area.

Achieved the **GPTW SEAL**.

Implemented the GUPY recruitment platform, which uses **ARTIFICIAL INTELLIGENCE** as a procedural basis.



The Environment

REDUCED WATER CONSUMPTION by 10.33% in our units compared to the previous year, due to measures such as increased consumption of **REUSED WATER**.

77% OF WASTE produced in our units is recyclable.



Social and Governance

REVIEWED the Compliance Program.

UPDATED the Code of Conduct, published **15 STANDARDS** and training for all employees.

Ten years' existence of **PROGRAMA FORMARE**.

Partnership with Rede Asta for encouraging **FEMALE ENTREPRENEURSHIP**.

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ABOUT THE REPORT

This is our 12th annually published Sustainability Report, the seventh one that follows the Global Reporting Initiative (GRI) guidelines and the third one in the Essential Standards “in accordance” format. With it, we seek to showcase the 2019 challenges and achievements to all our stakeholders, as well as our strategy and management model towards sustainable development. [102-50](#) | [102-52](#) | [102-54](#)

All operating units are included in the document, with a consolidated presentation of the economic and financial results and the data externally audited by KPMG. The other indicators were provided by SGS. [102-45](#) | [102-51](#) | [102-56](#)

The content shown here was defined based on a broad stakeholder consultation process, which resulted in the building a Materiality Matrix (see item below). [102-46](#)

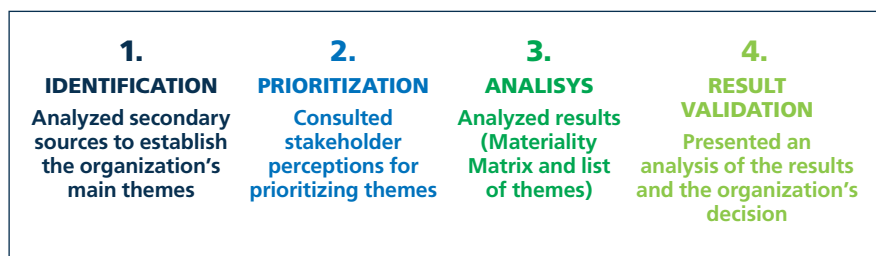
Questions and comments about the publication can be sent to dri@santosbrasil.com.br and sustabilidade@santosbrasil.com.br or by phone: +55 (11) 3279-3279. [102-53](#)



Materiality

In 2019, we built the Materiality Matrix for aligning the information in this Sustainability Report with stakeholders' interests, as well as guide business management. The adopted methodology included four phases: identification, prioritization, analysis and result validation, which are described in the figure to the right. [102-49](#)

In the identification process, 74 internal documents were analyzed, including policies, strategic guidelines, communication materials and obtained certifications, as well as eight external documents including studies, research on sustainability trends, press releases and media documents.



In the prioritization phase, the work involved 409 consultations comprising nine interviews with our leaders, three with our customers, one with a supplier and four with people from communities and civil society entities, in addition to three rounds of conversations with employees (30 participants) and 362 replies to an online questionnaire.

The analysis resulted in a Materiality Matrix that was validated initially by our Sustainability team and then by senior management: [102-47](#)

The Economic and Financial Results theme includes corporate governance, ethics and integrity, and the Relationship with the Surrounding Community and Local Development theme encompasses managing environmental impacts such as water consumption, CO2 emissions and waste generation, in addition to supplier management. Inclusions were made to further detail our commitment to ethical conduct and environmental preservation.



MESSAGE FROM THE PRESIDENT

102-14 e 102-15

2019 consolidated Santos Brasil's upward trajectory in the face of a challenging macroeconomic scenario. Despite a growth of only 1.1% in Gross Domestic Product (GDP), performance below market expectations, and the 1.6% decline in the total cargo volume handled by the port industry compared to 2018, we have recorded operational and financial growth, with an important increase in container handling, in market share and, consequently, an increase in revenue and improved results. We closed the period with a 7.8% increase in consolidated container handling volume at the company's three port terminals located in the country's Southeast, North and South regions. We advanced 10.8% in container handling at Tecon Santos alone, reaching the 1,016,793 unit milestone, despite the 0.3% drop in container volume recorded in the Port of Santos. Thanks to successful commercial initiatives in 2019, we expanded long-haul services on Asian routes calling at Tecon Santos. This performance raised the market share to 39.5%, in a four percentage point increase over 2018.

The company's investment cycle, which totaled R\$ 120 million in 2019 and will continue in 2020, preparing the terminal for servicing 366-meter vessels in all its berths. In 2020, there will already be an improvement in the terminal's service level and in the rating of the of the two new dock cranes that arrived in February this year. Another of the company's highlights is the continued growth in Tecon Vila do Conde, which, driven by approximately R\$ 60 million investments in civil works and pier and yard equipment that were conducted in the last 24 months, is prepared to capture the potential demand of North Region, offering reliable and high-productivity services.

At Santos Brasil Logística, we felt the impact of the lower import flow at the Port of Santos in 2019, but, on the other hand, we made adjustments to the unit's management and intensified the provision of integrated in-house logistics services and 3PL (Third-Party Logistics) operations, in high complexity level, tailor-made projects in activities from port to door, reaching our clients' end customers with e-commerce.

As for financial performance, the increase in the port terminals' wharf and storage volume, combined with cost and expense control, resulted in better results and improved profitability. We had a R\$ 1.1 billion turnover in 2019, a 4.6% increase compared to 2018, and recorded a R\$ 221.6 million consolidated EBITDA, in a close to 17% growth.

We entered 2020 with low indebtedness, which will enable us to continue making the necessary investments to maintain our competitive advantage in the markets in which we operate.

In addition to the financial and operating results, we have advanced in other relevant points in the year. Internally, we created the Management Excellence area, aiming at improving processes, and invested in innovative solutions to increase goods and people safety, increase the integration of information between our different operational units, reduce impacts on the environment, minimize operating costs and add value to the services offered. We have cutting-edge technology, with widespread use of OCR and systems developed in the most modern IoT structures.

Reaffirming our commitment to ethical and transparent performance, we implemented the Compliance Policy and updated our Code of Conduct, with intense training and dissemination of the documents to all employees.

In parallel, we mobilized our internal audience in the ZeroAcidente (ZeroAccident) campaign, which strengthened the safety culture through actions geared for prevention. Safety is a key commitment for our company and a topic on which we have placed a lot of focus. Not by chance, 2019 was the best year in our history in terms of number of accidents with lost working hours, with the spotlight on Tecon Imbituba, which recorded no incidents.

We also extended our sustainable actions to the communities surrounding the operations. One of the ways in which we contribute to their development is with Formare Aprendiz, a pioneering program in the port sector, which has celebrated a decade and now accounts for more than 270 young graduates, 102 of whom were hired by the company. Over the program's ten years in Tecon Santos, 400 employees were engaged in it as volunteer educators, which provided a fundamental contribution to its success.

Such respect for the environment also translates into reduced environmental impacts of our activities. In 2019, we established a Workgroup for presenting a set of actions to achieve the goals proposed by the Sustainability Committee, which provides for a 30% reduction in water consumption, 50% in waste generation, and 15% in greenhouse gas (GHG) emissions in the coming years.

These and other achievements in 2019 motivate us to continue investing in improving assets, improving our team, in operational excellence, in expanding the range of services to customers, and in strengthening our relationship with all our stakeholders. We thank them all, particularly Santos Brasil's team of professionals, for their commitment and trust, and we reiterate our commitment to return such dedication by adding value to society.

In 2020, we will suffer with COVID-19's impact on global trade. Despite the difficulty in estimating the persistence of the impact, we remain committed to developing the business, seeking opportunities for generating value. In today's businesses, we will add efficiency gains leveraged by new technologies. In new businesses, we will seek opportunities for synergy and for adding differentiated value.

ANTONIO CARLOS SEPÚLVEDA

PRESIDENT



IDENTITY

From Port to Door

WE ARE A REFERENCE
IN PORT CONTAINER
OPERATIONS AND
SOLUTIONS IN LOGISTICS



We are Santos Brasil, a publicly traded Brazilian company, listed in the Novo Mercado segment, the highest level of corporate governance in the São Paulo Stock Exchange (B3), and we are recognized as a reference in port container operations and solutions in logistics. [102-1](#) | [102-5](#)

We operate in logistics for the port, road transportation, distribution and industrial (in company) markets. In an integrated manner, from port to door, we serve more than 8 thousand customers, predominantly from the private sector in the Southeast Region, in addition to importers and exporters in a number of economic segments (chemical, automotive, pharmaceutical, food, consumer goods and agribusiness, and others). [102-6](#)

We operate five strategically located sea terminals, three of which are container terminals - Tecon Santos, in the Port of Santos (São Paulo State), Tecon Vila do Conde, in the Port of Vila do Conde (Pará State), and Tecon Imbituba, in the Port of Imbituba (Santa Catarina State) – as well as a general cargo terminal (TCG Imbituba), and a vehicle terminal (TEV) in the Port of Santos. [102-2](#) | [102-4](#)

We also have Santos Brasil Logística (SBLog), a company that provides logistics solutions with two Bonded Industrial Logistics Centers (Clias) in Santos and Guarujá (São Paulo State), a Distribution Center in São Bernardo do Campo (Metro São Paulo area), and its own truck fleet for road transportation.

Based in São Paulo, where we concentrated the administration of our sustainable growth strategy, we closed 2019 with 3,041 employees, interns and apprentices, whose ethical and transparent performance was key to obtaining good results: a net profit of R\$ 15.4 million and a R\$ 221.6 million EBITDA, respectively 396.8% and 16.9% higher than we reported in 2018. [102-3](#) | [102-8](#)

Our contribution to national development goes beyond the economic aspect. We care for the safety of our employees and the goods we handle, we permanently seek to strengthen our relationship with the communities surrounding our operational units, and we adopt a series of environmental preservation initiatives. We are also signatories to the Global Compact, a United Nations (UN) initiative that mobilizes companies for advancing in ten universal principles in the human rights, labor, environment and anti-corruption areas.



Mission, Vision and Values

102-16



MISSION

To foster our customers' competitiveness through effective, flexible and safe services, respecting individuals and the environment, ensuring generation of value for our shareholders and contributing to the country's social and economic development.



VISION

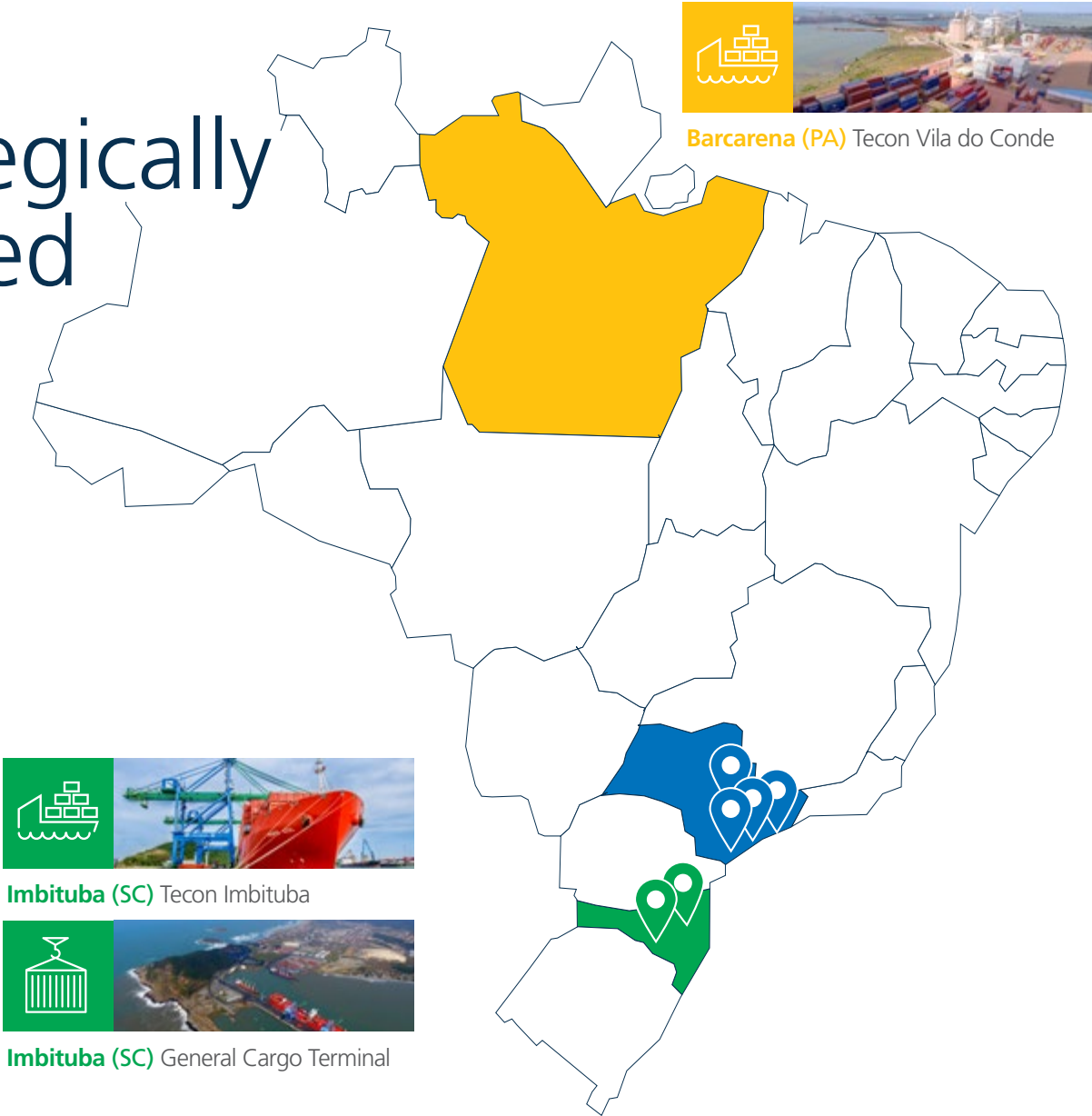
To be the best port infrastructure and integrated logistics services company in the markets in which it operates.



VALUES

- Ethics and transparency
- Commitment to results
- Innovation
- Environmental and social responsibility
- Safety
- Flexibility and precision
- Valuing individuals and respecting diversity

Strategically located



Barcarena (PA) Tecon Vila do Conde



Imbituba (SC) Tecon Imbituba



Imbituba (SC) General Cargo Terminal



São Paulo (SP) Administrative Headquarters



São Bernardo do Campo (Metro São Paulo area) Distribution Center



Guarujá (SP) Vehicle Terminal (TEV)



Guarujá (SP) Tecon Santos



Santos (SP) Bonded Logistics Center (Cla Santos)



Guarujá (SP) Bonded Logistics Center (Cla Guarujá)

Key Indicators 102-7



Financial (R\$ million)

	2017	2018	2019
Gross revenue from services	953.1	1,085.6	1,135.3
Net revenue from services	824.1	921.5	972.5
Ebitda	164.6	189.5	221.6
Net earnings	-5.3	3.0	15.4
Investments	7.3	71.8	119.9



Social and Environmental*

Accidents – Severity Rate	69.26	46.88	29.99
Accident – Frequency Rate	5.56	5.73	3.64
Power consumption (MWh)	36,529.14	38,085.01	36,894.02
Water consumption (cu.m.)	110,041.21	82,723.56	74,176.00
Residue generation (ton)	2,239.45	2,179.30	2.820
CO ₂ emissions (total)	31,556.46	32,296.90	33,515.00

* The 2017 data were reformulated to comply with the guidelines resulting from the social and environmental audit made in 2016, which we have formally committed ourselves to. 102-48

Recognition

CERTIFICATIONS



SASSMAQ

A system that assesses Occupational Health and Safety, Environment and Quality and verifies the performance of companies providing services to the chemical industry. The São Bernardo do Campo Distribution Center and the Guarujá and Santos Clías are certified.



ISO 9001-2015

Guides the application of rules related to the management of environmental aspects. Tecon Santos, Tecon Imbituba, Tecon Vila do Conde and the Vehicle Terminal (TEV) are certified.

ISO 14001-2015

Guides the application of rules related to quality management. Tecon Santos, Tecon Imbituba, Santos Brasil Logística and the Vehicle Terminal (TEV) are certified.

OHSAS 18001-2017

It guides the application of rules regarding risk management in occupational health and safety. Tecon Santos and the Vehicle Terminal (TEV) are certified.



PRÊMIO DE RECONHECIMENTO ACADÊMICO RUBENS LARA

We were awarded in the Logistics Innovation category at the International Technology and Management Congress organized by Fatec Rubens Lara in Santos for the OCR project for container seals, which replaced manual typing and increased security and productivity in cargo shipping.

GREAT PLACE TO WORK

The certificate is awarded by GPTW, a global research, consultancy and training company, and recognizes us as an excellent place to work through an online research and diagnostic tool with the company's employees regarding their perception of our performance, considering five dimensions: credibility, respect, impartiality, pride and camaraderie.



ÉPOCA NEGÓCIOS 360°

We gained positions highlighted in the guide that chooses the 363 best companies in the country based on criteria that go beyond financial performance. We moved up from 5th to 2nd position in the General Ranking in the Corporate Governance category and held 2nd place in the Infrastructure sector, as well as 46th in the general ranking.



1.000 MAIORES EMPRESAS DO BRASIL

We were included in the survey carried out and published by IstoÉ Dinheiro magazine, which adopts five criteria to measure and recognize good management: financial sustainability, human resources management, innovation and quality management, social and environmental responsibility, and corporate governance.

EXPANSION and new business

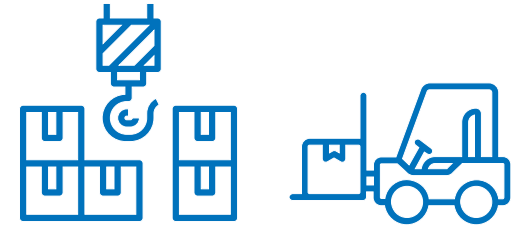
EXPANDED TECON SANTOS,
INCREASING SHIP PRODUCTIVITY,
AND INTENSIFIED IN-HOUSE
AND 3PL (THIRD-PARTY LOGISTICS)
LOGISTICS OPERATIONS



78%

**GROWTH OVER THE PREVIOUS YEAR
IN PORT OPERATIONS AT THE THREE
CONTAINER TERMINALS**

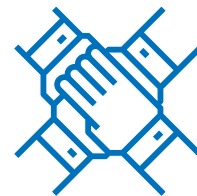
GROWTH
in operational area
and productivity at
Tecon Santos



Concluded the
investment cycle
at Tecon Vila do Conde



**REVISED THE
COMPLIANCE
PROGRAM**

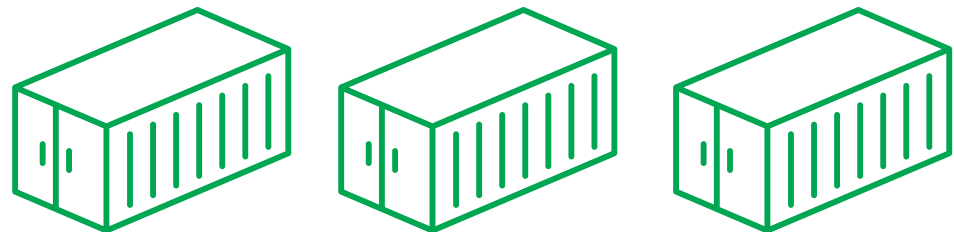


**Created
Excellence in
Management
area**

Updated
the Code of
Conduct and
published

15

**NORMATIVE
RULES**



Growth Strategy

In 2019, we sustained our growth strategy with existing assets. We optimized processes, making them more effective, and expanded our customer base by 9.56%. This reflects the market's understanding that our services are differentiated and, therefore, create value for customers. We focus on cutting operating costs, seeking not only to maintain, but to continually improve the quality of our services. The results obtained in the last three years, at which time we optimized our organizational structure, reflect the strategy's assertiveness, and we will continue to advance with even greater use of technology and the digital transformation of our processes.

Aligned with that, we maintained investment in expanding and strengthening the Tecon Santos/TEV quay in the coming years as a priority, preparing the terminal to efficiently meet the expected demand with the arrival of New Panamax vessels. They are 366 meters long and can transport up to 12,500 TEUs. The work will add 220 meters to the current pier, which will now be 1,510 meters

long, when considering the 310 meters of the TEV pier. The work has already started includes deepening and strengthening the pilings of Tecon Santos' berths 1 and 2 and of the TEV berth, in order to support increasing the draft of the pier to 16 meters. The pier expansion works are scheduled to be completed in the second half of 2021.

The improvement project will also bring environmental efficiency gains to the terminal, making it cleaner and safer, with a significant reduction in impacts due to the proposed mitigating measures. Its concept is of a Green Terminal, which considers everything from care in civil works to acquisition of less polluting electrical equipment.

[203-2](#) | [103-1](#), [103-2](#), [103-2 \(203\)](#)

ADVANCING CLIENTS'

COMPETITIVENESS

BASED ON



EXCELLENCE
IN PROVIDING
SERVICES



ETHICS AND
TRANSPARENCY



HUMAN
DEVELOPMENT



THE
ENVIRONMENT



SAFETY &
SECURITY



ARRIVAL OF THE NEW PIER CRANES

AT TECON SANTOS: INCREASED

PRODUCTIVITY, EFFICIENCY

AND OPERATIONAL FLEXIBILITY

As part of the Tecon Santos modernization and expansion project, in February 2020, the unit received two new state-of-the-art STS (Ship-to-Shore) cranes manufactured by ZPMC and purchased in 2018. The equipment is 50 meters high, with a 70-meter boom length and can move two 20-foot containers weighing up to a total gross weight of 100 MT simultaneously. With dimensions and technology that enable reaching the last container rows on New Panamax ships, the cranes will bring the terminal gains in productivity, efficiency and operational flexibility, reflecting in higher service quality to customers. The equipment also adds more safety and precision to the operation, as they are equipped with TPS (Truck Positioning System) technology that

precisely sets the stopping place for the trailers used for loading and unloading containers. We will be the first in Brazil to have this technological package.

In order to adapt the new quay cranes, three cranes that had been deactivated since 2012 were removed. After commissioning and the testing phase, the new cranes began operating in April 2020, increasing productivity in ship operations.

At Tecon Vila do Conde, disbursements made in 2019 related to the investments provided for in the Executive Project that is part of anticipated extension of the terminal's lease, were mainly intended for completing construction of buildings (cafeteria, locker room, concierge and support building) and construction of the third vehicle entry and exit gate. Work is in progress on the automation of the third gate, and for erecting and connecting the lighting structure for the "C" yard, which was paved as one of the main improvements in the terminal, and also for expanding the refrigerated container (reefer) area.

We also started an investment phase at Santos Brasil Logística, in line with the business growth strategy, with a view on incorporating new technologies and acquiring trucks for modernizing the fleet. At Tecon Imbituba, there is no demand that justifies new investments in addition to those already allocated to maintaining its operations.

Our growth strategy also includes organizational restructuring. We have renewed our leadership framework, in line with a more competitive market, which increasingly requires innovation to allow differentiation in providing services and customer service. We also strive to disseminate and strengthen our purpose and culture to all employees. In this regard, we hold meetings (called management rituals internally) in all units, in order to involve them in the guidance to results culture, efficiency, focus on clients and continuous improvement. The idea is to identify ways to operate with greater efficiency and lower cost in each operational phase, to do things differently, better and in a sustainable manner, that is, considering

the wellbeing of all audiences and reducing environmental impacts.

EXCELLENCE IN MANAGEMENT

In 2019, we created the Excellence in Management area, which incorporates the Quality area and reports directly to the Presidency, seeking to make our Integrated Management System (SGI) more effective. At the same time, we reformulated and instituted new management routines in all units, as well as the monthly forum, where directors and managers meet in São Paulo and discuss each unit's main financial results and operational indicators, performance strategies and its planning for the following period.

Focus was also placed on improving processes and the flow of communication with customers. A team of about 20 Customer Relationship professionals is dedicated exclusively to listening to them and directing their demands to the Quality and Continuous Improvement areas, which analyze the root cause of the occurrences and involve managers in addressing them, in order to establish a pattern for preventing recurrence.

The concept that guides this type of operation is anticipating problems. In this sense, many procedures have been updated and teams have been retrained - such as the task force conducted in 2019 to adapt all employees to the new Code of Conduct and regulations related to compliance. **103-1, 103-2, 103-2 (205)**





SUSTAINABILITY GUIDES

OUR OPERATIONS

OUR SUSTAINABILITY POLICY IS IN LINE WITH THE PRINCIPLES OF THE UNITED NATIONS (UN) GLOBAL COMPACT. THE DOCUMENT IS A REFERENCE FOR OUR OPERATIONS AND STRATEGY, AND ADDRESSES FOUR AXES:

HEALTH AND SAFETY

We invest in programs and training for enabling a healthy and safe environment for both professionals and partners, in addition to encouraging integrated actions by all agents and influencers in our areas of expertise.

TRANSPARENCY AND ANTI-CORRUPTION PRACTICES

We are committed to operating in accordance with the highest standards of ethics and integrity in performing our activities, and we value transparency in the relationship with our stakeholders. We demonstrate this behavior by having tools including the Code of Conduct, the Policy and the Compliance Program, as well as the Confidential Portal.

CO₂E, WATER AND WASTE EMISSIONS

We have adopted a number of measures for minimizing the negative impacts caused to the environment, including: CO₂e emission monitoring, awareness of and innovating internal processes for reducing water consumption and the system for collecting, segregating, classifying and transporting solid waste to a correct final destination.

HUMAN DEVELOPMENT

We invest in projects and programs in communities surrounding our operations with a focus on human development and social inclusion, primarily through education. Examples of this are the Formare and Eu sou Voluntário programs.



FIND OUT MORE ABOUT THEM IN THE SOCIAL INVESTMENT AND INTERNAL AUDIENCE TOPICS, RESPECTIVELY

Corporate Governance



COMMITMENT TO
ETHICAL AND
TRANSPARENT ACTIONS

100% OF EMPLOYEES
were trained in
The new Code of Conduct

Our commitment to ethical and transparent operations was strengthened with the implementation of the Compliance Policy and an extensive review of the program on the subject, in line with best market practices. The Compliance Policy is available to the internal audience on the intranet and the corporate app, as well as to the external audience on our website, and is based on the following pillars:

- SENIOR MANAGEMENT ENGAGEMENT;
- CODE OF CONDUCT, POLICIES AND STANDARDS;
- COMMUNICATION AND TRAINING;
- RISK ASSESSMENT AND DEPLOYMENT OF INTERNAL CONTROLS;
- CONFIDENTIAL PORTAL;
- INTERNAL INVESTIGATIONS;
- COMPLIANCE IN RELATIONSHIP WITH BUSINESS PARTNERS; AND
- CONTINUOUS AUDITING, MONITORING AND IMPROVEMENT.

In parallel, we also updated our Code of Conduct with its easy-to-understand language, which began addressing issues such as harassment and discrimination. The document's relaunch took place at Tecon Santos, with simultaneous transmission to São Paulo, Guarujá, Santos, Vila do Conde, Imbituba, São Bernardo do Campo, Guaratinguetá and Brasília, with the participation of the compliance team, who organized the action. More than 3,000 employees were informed about the importance of ethical conduct. In addition, all of them were trained on the content of the new document: the operational staff in person, and the administrative team through e-learning.

Training is mandatory, regardless of hierarchical level, will be held annually and, at the end, employees will sign a term of responsibility and commitment.

We also have the Personnel Regulations for governing the conduct of our employees. In addition, to assist in inhibiting and addressing conflicts, our bylaws establish rules such as prohibition of the appointment of Board members who are controlling shareholders, hold positions in companies considered to be competitors or have any interests opposite to ours. **102-25**

Complementing these documents are another 15 normative rules decided upon in 2019 with guidelines on gifts, donations and sponsorships, anti-corruption, Code of Conduct for business partners, conflict of interest and consequence management, among other aspects. The purpose is that other topics be subject to internal regulation such as risk management and transactions with related parties, while the Compliance Program reaches maturity.

The Compliance Committee was also restructured, which means anticipating the deadline set at the end of 2021, to comply with one of the rules of the Novo Mercado – the B3 (São Paulo Stock Exchange) segment in which we are listed. The next step for making the internal governance structure more robust is the creation of an External Audit, which will be report directly to the Board.

In this context, the compliance structure was strengthened with the hiring of more professionals for the team. During the year, the area was responsible for conducting the improvement of the Compliance Policy and internal training on all aspects related to ethics and conduct, in order to increase employee engagement.

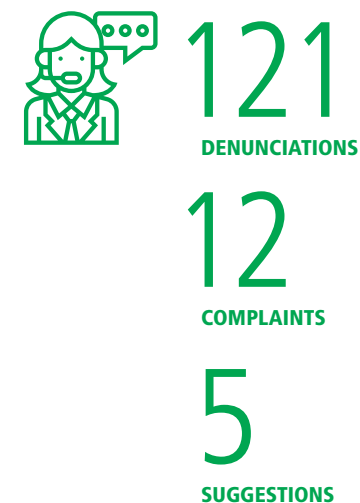
We make the Confidential Portal available to all audiences with whom we interact, for receiving denunciations, complaints and doubts regarding our actions. All reports are dealt with in an internal investigation or, depending on the situation's theme/criticality, by means of external investigations forwarded to the Compliance

Committee, which evaluates the measures and sanctions that will be adopted. In 2019, we received 138 calls through the portal, including **121 denunciations, 12 complaints and 5 suggestions**. The case-handling process supports improvements and training on the subject, which are applied to 100% of employees **102-17**

Externally, we monitor market moves and actively advocate the industry by belonging to entities such as:

-
- **BRAZILIAN PORT TERMINALS ASSOCIATION (ABTP)**
 - **BRAZILIAN TERMINALS AND BONDED ENCLOSURES ASSOCIATION (ABTRA)**
 - **BRAZILIAN PUBLIC USE CONTAINER TERMINALS ASSOCIATION (ABRATEC)**
 - **BRAZILIAN LOGISTIC OPERATORS ASSOCIATION**
 - **UNION OF PORT OPERATORS IN SÃO PAULO STATE**
 - **NATIONAL PORT FEDERATION** **102-12 | 102-13**
-

CONFIDENTIAL PORTAL



In addition, we relate with our audiences in their frequent visits to our facilities. In 2019, Tecon Santos, for example, welcomed customs officials from the Port of Santos and the Unified Foreign Trade Portal, lawyers from Brasília, students, clients, shareholders and investors.

Our contribution to sustainable development is made through a series of initiatives and commitments, such as the United Nations (UN) Global Compact and the Guarujá Agenda 21, which unfolds the UN's Sustainable Development Goals (SDG) at municipal level. Since 2011, we have also been part of the Business Initiatives (IE) led by the Fundação Getulio Vargas Center for Sustainability Studies (GVCes - FGV).

In addition, the Statutory Executive Board and the Board of Directors discuss economic, environmental and social topics in six annual meetings and through interaction on other channels, such as the digital governance portal. In addition to the Executive Board, the Investor Relations (IR) area directly and indirectly meets any demands from the Board – a body whose meetings may be attended by managers. Other meetings are conducted throughout the year, such as the offsite immersion that brought executives together in October to discuss the culture of high performance and innovation. **102-21**

We have retained KPMG Auditores Independentes - the company chosen by the Board of Directors – as external auditors for auditing our Financial Statements.



THE STATUTORY BOARD AND THE BOARD OF DIRECTORS DISCUSS ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

Governance Structure 102-18

For the strategic definition and management of the businesses, we keep the Board of Directors structured, the Supervisory Council and the Statutory Board, in addition to two committees, Sustainability and Compliance.

Board of Directors 102-22

- It establishes strategic policies and appoints, guides and supervises the statutory directors – who, in turn, are responsible for defining the internal purpose detailed in the Mission, Vision and Values - among other duties. 102-26
- At the meetings, the content presented by the Statutory Board covers a variety of topics including economic, environmental and social matters that influence operations. Consultancy work that may have been contracted is also presented and debated, with the attendance on certain occasions of the professionals who carried it out. 102-27
- The Board is formed of seven members - two of whom are women - and their alternates, elected for two-year terms, to which re-election is allowed.

- It holds regular bimonthly and extraordinary meetings whenever requested by the President or by a majority of its members.
- None of the directors is entitled to additional remuneration in the event of removal nor is subject to compulsory retirement due to age.

Board Membership <small>102-23 102-24</small>	
Name and Position	Term
Verônica Valente Dantas <i>President (independent member)</i>	Until May, 2022
Maria Amalia Delfim de Melo Coutrim <i>Vice-president (independent member)</i>	Until May, 2022
Valdecyr Maciel Gomes <i>Independent member</i>	Until May, 2022
Eduardo de Britto Pereira Azevedo <i>Independent member</i>	Until May, 2022
José Luis Bringel Vidal <i>Independent member</i>	Until May, 2022
Luiz Sergio Fisher de Castro <i>Independent member</i>	Until May, 2022
Felipe Villela Dias <i>Independent member</i>	Until May, 2022

Supervisory Council

- It is permanent and independent from the Administration, and reviews management activities and the Financial Statements and reports its conclusions to shareholders.
- It is formed by three to five members and their alternates.

Supervisory Council Membership	
Name and Position	Term
Gilberto Braga <i>President</i>	Until May, 2022
Leonardo Guimarães Pinto <i>Permanent member</i>	Until May, 2022
Luis Fernando Moran de Oliveira <i>Permanent member</i>	Until May, 2022



THE RESUMES OF BOARD MEMBERS, DIRECTORS AND MEMBERS OF THE SUPERVISORY BOARD ARE AVAILABLE AT WWW.SANTOSBRASIL.COM.BR.



Executive Board

- Executes the policy, guidelines and activities related to our corporate purpose.
- It is responsible for economic, social and environmental topics, reporting to the Board of Directors, in addition to delegating and supervising matters and responsibilities related to their respective teams. **102-20**
- It is formed by up to five members who are elected by the Board of Directors for a two-year term, and reelection is allowed.

Executive Board Membership

<i>Name and Position</i>	<i>Term</i>
Antonio Carlos Duarte Sepúlveda <i>President and Interim Director of Operations</i>	Until May, 2022
Daniel Pedreira Dorea <i>Economic & Financial and Investor Relations Director</i>	Until May, 2022
Ricardo dos Santos Buteri <i>Commercial Director</i>	Until May, 2022

Sustainability Committee

- It is headed by our CEO.
- It is responsible for setting social and environmental goals and monitoring actions for reducing CO₂ emission, water consumption, waste generation and accidents.

Compliance Committee

- It comprises the Executive Board and the People & Management Director, and is coordinated by the Compliance Officer.
- Its duties include monitoring compliance with the Code of Conduct and policies, rules and regulations, evaluating internal controls and business risks, adopting improvement measures, and analyzing and deciding on denunciations received through the Confidential Portal.



THE RESUMES OF BOARD MEMBERS, DIRECTORS AND MEMBERS OF THE SUPERVISORY BOARD ARE AVAILABLE AT WWW.SANTOSBRASIL.COM.BR.

Risk Management 102-30 | 102-11

We conduct risk management by identifying, analyzing, evaluating and treating internal controls, proposing measures for reducing or eliminating market, regulatory, operational, environmental and corruption risks inherent to our market segment. In addition, the Integrity Program is being implemented. **103-1, 103-2, 103-2 (205, 206)**



MARKET RISK

We adopt a policy of constantly monitoring impacts and projecting scenarios with internal analysis and market reports from specialized consultants. Based on these documents, we maintain operations with financial instruments to ensure liquidity, profitability and security. The risk to which we seek to prevent - exchange rate, interest rate and inflation - are submitted and approved by the Board of Directors, and the results of the prevention work are periodically analyzed by the Senior Management and supervised by the Board of Directors and the Supervisory Council.



REGULATORY RISK

Includes sudden or unforeseen changes in the rules that regulate the sector and in other labor, environmental tax rules, and others. These are minimized by strict compliance with legislation, operational efficiency, a healthy and transparent relationship with governmental agencies and active participation in entities representing our segment, which work to ensure the stability of the port sector's concession rules.



CORRUPTION RISK

It is a result of the possibility of being included within the scope of the law that provides for administrative and civil liability of companies in cases of corruption involving employees, administrators and representatives. Prevention occurs by implementing the Integrity Program, which is in its final deployment stage.



ENVIRONMENTAL RISK

Includes the possibility of losses as a result of negative effects caused to the environment. Impacts of operations are minimized publishing an inventory of greenhouse gas emissions and commitment to their reduction, control over operations with chemical products, adequate procedures for responding to emergencies related to risk of oil spills from vessel equipment or substance, sanitary and chemical effluent treatment stations and a system for collecting, segregating, classifying and transporting solid waste for proper disposal. **102-11**

Operational performance

The total pier handling volume at the three terminals - Santos, Imbituba and Vila do Conde - grew 7.8% in 2019, compared to the previous year, totaling 1,169,014 containers.

1,169,014

CONTAINERS
 handled on the quays of the Santos, Imbituba and Vila do Conde terminals

3.8%

GROWTH
 in the volume of containers stored at the Santos Brasil Logística CliaS, compared to 2018



Tecon Santos handled 1,016,793 containers (or 1,661,217 TEU), representing a 10.8% growth over 2018. With this volume, the terminal increased its capacity utilization to 83% (72% in 2018), reaching a 9.5% market share in the Port of Santos (35.4% in 2018). This performance is even more relevant, judging by the fact that the Port of Santos showed a 0.3% drop in container handling in 2019.

Tecon Imbituba handled 47,959 containers, 25.4% below the 2018 volume. The decline is explained by the reduction in the handling of long-haul containers, due to the discontinuation of the ASAS service in January 2019, due to a reorganization of Asian services by shipowners Maersk, Hamburg Süd, MSC and Hapag Lloyd on the East Coast of South America.

At Tecon Vila do Conde, the volume of containers handled grew 1.4% in the year, reaching 104,262 units. An important expansion vector was the oversize cargo operations in May and June, with equipment and machinery imports for two large mining companies and a hydroelectric plant located in the region.



Santos Brasil Logística recorded a 3.8% growth in volume of containers stored in the Clias, compared to the previous year. In 2019, Santos Brasil Logística renewed and signed new contracts with customers from different industrial sectors, mitigating the impact of the lower flow of imported containers in the Port of Santos, as well as the lower collection of containers on the right bank of Porto by Clia Santos, due to the transfer of Libra Santos long-distance services, whose operation was on the right bank, to DPW Santos, located on the port's left bank.

TEV, in turn, handled 177,699 vehicles, corresponding to a 59% utilization of the terminal's capacity (81% in 2018). The 26.5% drop in handling in 2019 was caused both by lower imports, due to the slow recovery of the domestic economy and exchange rate devaluation, and by the sharp drop in vehicle exports to the Argentine market.

Operational indicators			
<i>Units</i>	<i>2019</i>	<i>2018</i>	<i>Var. (%)</i>
Port Terminals			
Quay operations - containers	1.169.014	1.084.487	7.8
Full containers	898.046	837.297	7.3
Empty containers	270.968	247.190	9.6
Quay operations – break bulk (ton)	191.744	135.990	41.0
Storage operations	141.295	115.509	22.3
Logistics			
Storage operations	56.330	54.288	3.8
Vehicle Terminal			
Vehicles handled	177.699	241.921	-26.5
Exports	153.916	206.921	-25.6
Imports	23.783	35.000	-32.0
Port Terminals			
Tecon Santos	1.016.793	917.327	10.8
Full containers	811.400	742.238	9.3
Empty containers	205.393	175.089	17.3
Break Bulk (ton)	-	-	-
Tecon Imbituba	47.959	64.294	-25.4
Full containers	28.094	39.781	-29.4
Empty containers	19.805	24.513	-19.0
Break Bulk (ton)	190.165	124.971	40.9
Tecon Vila do Conde	104.262	102.866	1.4
Full containers	58.552	55.278	5.9
Empty containers	45.710	47.588	-3.9
Break Bulk (ton)	1.579	1.018	55.1

Economic & Financial RESULTS



R\$ 119 MILLION IN
INVESTIMENTOS CONSOLIDATE
OUR MODERNIZATION
AND GROWTH CYCLE

R\$ 15.0

RAISED R\$

360

MILLION

IN DEBENTURES

R\$ 119.9

MILLION
INVESTED
IN BUSINESS
UNITS



Consolidated net
revenues totaled



R\$ 972.5 million

4 MILLION
IN NET EARNINGS

EBITDA
REACHED
R\$ 221.6,
WITH A
22.8%
MARGIN

Performance in the Year

ECONOMIC AND FINANCIAL RESULTS


Gross Revenue from Services (R\$ million)			
	2019	2018	Var. (%)
Port terminals	788.3	730.4	7.9
Quay operations	438.8	402.2	9.1
Storage operations	349.6	328.2	6.5
Logistics	292.1	300.1	-2.7
Vehicle terminal	64.7	69.3	6.6
Eliminations	-9.8	-14.2	-31.0
Consolidated	1,135.3	1,085.6	4.6

Net Revenue from Services (R\$ million)			
	2019	2018	Var. (%)
Port terminals	690.8	632.3	9.3
Quay operations	395.4	358.3	10.4
Storage operations	295.4	274.0	7.8
Logistics	237.2	245.0	-3.2
Vehicle terminal	53.5	57.1	-6.3
Eliminations	-9.0	-12.9	-30.2
Consolidated	972.5	921.5	5.5

In 2019, our consolidated gross revenue grew 4.6% over the previous year. As of August 2019, the Santos Port Authority (formerly Codesp) began to charge the TUP (Port Utilization Tariff) directly from shipowners. It was previously billed to port terminals. The Company discounted the TUP amount from the prices charged (box rate), for container handling at the Tecon Santos quay. This way, the comparison between the revenues from 2019 pier operations compared to the previous year is impaired.

Gross revenue from pier operations increased by 9.1% in 2019, with the highest container handling volume. Following the same dynamic, gross storage revenue within the Port Terminals segment grew by 6.5%, mainly influenced by growth in imports.

In Logistics, there was a 2.7% decline in gross revenue, reflecting the deterioration in the LCL (Less Than Container Load) fragmented cargo mix in the first half of the year, and lower capture of containers on the right bank of the Port of Santos by Clia Santos as of May.

R\$
4.6 
MILLION
Consolidated gross revenue from services



5.5%

GROWTH

in net consolidated revenue
compared to 2018

At the TEV, the drop in vehicle exports to Argentina and the slow recovery of the domestic economy impacted the handling volume, reflecting in the TEV's gross revenue, which decreased by 6.6% in 2019.

Consolidated net revenue totaled R\$ 972.5 million in 2019, a 5.5% increase over what was seen in 2018.

The costs of services provided in 2019 totaled R\$ 722.5 million, representing a 7.1% increase over 2018. The biggest impact was caused by non-manageable costs, the main one being payroll re-taxation. There was, however, a non-recurring R\$ 8.7 million negative net effect that contributed to increase costs in 2019. The main non-recurring items were the payment of labor indemnities and terminations.

The essentially variable nature handling costs of the operation of the Port Terminals, more specifically at Tecon Santos, two events stood out in contributing to the decline from 2018: (i) the end of the mandatory hiring of freelance labor since March 2019, and (ii) the change in the regime for port fee collection (TUP) by the Santos Port Authority (formerly Codesp), which started to be collected directly from shipowners as of August 2019. This way, comparison with the previous year's costs is impaired.

Cost of services provided (R\$ million)			
	2019	2018	Var. (%)
Port Terminals			
Handling costs	104.8	125.1	-16.2
Personnel costs	236.0	193.2	22.2
Depreciation and amortization	100.0	92.7	7.9
Other costs	91.1	84.6	7.7
Total	532.0	495.6	7.3
Logistics			
Handling costs	70.0	63.0	11.3
Personnel costs	53.9	52.7	2.3
Depreciation and amortization	16.5	13.0	27.9
Other costs	26.3	25.0	5.2
Total	166.8	153.6	8.7
Vehicle Terminal (TEV)			
Handling costs	12.9	17.7	-27.9
Depreciation and amortization	15.4	14.8	4.1
Other costs	4.4	5.4	-17.0
Total	32.7	37.9	-13.9
Eliminations	-9.0	12.9	-29.7
Consolidated	722.5	674.2	7.1

Operating expenses (R\$ million)			
	2019	2018	Var. (%)
Port Terminals			
Sales	41.0	42.4	-3.3
General, administrative and other	11.4	20.0	-43.0
Depreciation and amortization	0.1	0.1	-
Total	52.5	62.5	-16.0
Logistics			
Sales	64.2	70.9	-9.4
General, administrative and other	6.1	5.2	7.3
Depreciation and amortization	0.1	0.0	-
Total	70.4	76.1	-7.5
Vehicle Terminal (TEV)			
Sales	2.6	2.2	18.2
General, administrative and other	0.7	0.6	16.7
Depreciation and amortization	0.0	0.0	-
Total	3.3	2.8	17.9
Corporate			
General, administrative and other	34.3	37.0	7.3
Depreciation and amortization	3.6	3.6	-
Total	37.9	40.6	-6.7
Consolidated	164.0	182.0	-9.8


In 2019, our expenses totaled R\$ 164.0 million, down 9.8% from 2018. There was, however, a non-recurring positive net effect of R\$ 8.4 million that contributed to reduce the amount of operating expenses in 2019. The main item among the non-recurring ones was an extraordinary gain from a judicial agreement that ordered the payment of R\$ 12.5 million by the Shanghai Zhenhua company for the use of the Tecon Santos pier in May-June 2009, by a ship that had technical problems.



Ebitda and Margin (R\$ Million)

	2019 Realized	2019 Pro forma	Pro forma Margin ¹	2018 Realized	2018 Pro forma	2019 Pro forma	Var. (%)
Port Terminals	206.4	124.9	18.1%	167.0	93.2	14.7%	34.0
Logistics	16.6	10.3	4.3%	28.3	28.3	11.5%	-63.6
Vehicle Terminal (TEV)	32.9	23.4	43.7%	31.2	22.3	39.0%	4.9
Corporate	-34.3	-34.3	-	-37.0	-37.0	-	-7.3
Consolidated	221.6	124.2	12.8%	189.5	106.8	11.6%	16.3
Non-recurrent items	0.3	0.3	-	5.7	5.7	-	-94.7
Consolidated recurring	221.9	124.5	12.8%	195.2	112.5	12.2%	10.7

1. The pro forma Ebitda margin is calculated by dividing the pro forma Ebitda by net revenue.

R\$
32.9 
MILLION
Non-recurring
Gains In 2018

16.3%
INCREASE
in consolidated
proforma Ebitda, which
totaled R\$ 124.2 million

With the adoption of IFRS 16, the EBITDA from the port terminals and Santos Brasil Logística no longer reflects leasing and rental expenses. Seeking to maintain the comparative analysis with previous periods and in order to more accurately reflect the Company's "cash" operating result, the "pro forma EBITDA" was calculated, which subtracts lease and rental expenses from the reported EBITDA.

As a result of the aforementioned operating performance of revenues, costs and expenses, we recorded a 16.3% growth in the pro forma Consolidated Ebitda in 2019, to R\$ 124.2 million, with a margin expansion to 12.8%. In 2019, we incurred non-recurring items (one-offs) of R\$ 0.3 million. The balance is the result of extraordinary revenues and expenses. Non-recurring gains in the year totaled R\$ 32.9 million, which were triggered by a judicial agreement with Zhenhua for the use of the Tecon Santos wharf, reversal of provision for port security custody expenses, accounting adjustment of equipment rental expenses at Tecon Vila do Conde in order to meet IFRS16 standards, tax recovery (PIS/Cofins), revision of the bank contract related to the payroll, partial reversal of the payment related to the FAP (Accident Prevention Factor), adjustments in calculating the PDD and other gains related to labor lawsuits and tax recovery.

Non-recurring expenses totaled R\$ 32.6 million in the year and are represented by terminations and labor indemnifications arising from the organizational structure adjustment process, attorneys' fees paid for the success in a lawsuit we were a party to, provisions for tax proceedings and expenses with consulting and advisory services.

Net profit (R\$ million)			
	2019	2018	Var. (%)
Ebitda	221.6	189.5	16.9
Depreciation and amortization	135.7	124.1	9.4
Ebit	86.0	65.4	31.3
Financial result	-61.0	-57.2	6.6
IRPJ/CSLL	-9.6	-5.2	84.6
Net profit	15.4	3.0	396.8

Debt and availabilities				
R\$ Million	Currency	31/12/2019	31/12/2018	Var. (%)
Short-term	Domestic	50,4	95,8	-47,4
	Foreign	3,7	34,3	-89,2
Long-term	Domestic	370,2	82,0	351,5
	Foreign	12,1	15,3	-20,9
Indebtedness		436,4	227,4	91,9
Cash and financial applications		425,4	253,7	67,7
Net Debt		11,0	-26,3	-141,8
Net Debt/pro forma Ebitda UDM ¹		0,9	-0,25	

1. Last 12 months

R\$
15.4

MILLION

In 2019, despite the increase in amortization expenses for property, plant and equipment due to IFRS 16, we reported R\$ 15.4 million in profit.

R\$
11.0

MILLION

We closed 2019 with R\$ 425.4 million in cash and equivalent, net debt of R\$ 11.0 million and leverage ratio 0.09 times the net debt/pro forma EBITDA of the last 12 months.

In 2019, we invested R\$ 119.9 million in the business units, R\$ 101.7 million of which were invested in Tecon Santos, a disbursement that is part of the Executive Project that is part of the advanced extension of the terminal lease. The year's investments reached the highest level since 2011, consolidating a new cycle of modernization and business expansion.

Investments (CapEx)						
R\$ Million	4T19	4T18	Var. (%)	2019	2018	Var. (%)
Port Terminals	31.4	31.0	1.3	115.7	71.0	63.0
Tecon Santos	27.2	17.3	57.2	101.7	26.5	283.8
Tecon Imbituba	0.0	0.1	-100.0	0.3	0.2	50.0
Tecon Vila do Conde	4.2	13.6	-69.1	13.7	44.4	-69.1
Logistics	1.5	0.2	650.0	4.2	0.4	950.0
Vehicle Terminal (TEV)	0.0	0.0	-	0.0	0.3	-100.0
Corporate	0.0	0.0	-	0.0	0.0	-
Gross investment	32.9	31.2	5.4	119.0	71.8	67.0
Fixed/intangible asset write-off	-0.4	-5.7	-93.0	-5.7	-7.2	-20.8
Net Investment	32.5	25.5	27.5	114.1	64.5	76.9



DEBENTURE ISSUES

AFTER FIVE YEARS WITHOUT RESORTING TO THE CAPITAL MARKET, WE FOUND TRUST IN INVESTORS IN OUR FINANCIAL DISCIPLINE AND VALUE GENERATION CAPABILITY BY FUNDING R\$ 300 MILLION IN DEBENTURES IN APRIL, TO JUSTIFY OUR INVESTMENTS IN TECON SANTOS. IN OUR OPERATION, WE ATTRACTED A DEMAND 2.8 HIGHER THAN THE TARGET FUNDING, OR APPROXIMATELY R\$ 830 MILLION, BUT WE LIMITED OURSELVES TO THE ORIGINALLY INTENDED AMOUNT. THE COST OF FUNDING WAS SIGNIFICANT-

LY UNDER THE CAP RATE. THE FIRST-SERIES DEBENTURES, WITH A FIVE-YEAR MATURITY, WERE ISSUED AT CDI + 0.7% (INSTEAD OF CDI CAP RATE + 1.35%) AND THE SECOND-SERIES DEBENTURES, WITH A SEVEN-YEAR MATURITY AT CDI + 1% (INSTEAD OF CDI CAP RATE + 1.65%). IN DECEMBER 2019, WE ALSO HELD THE FIRST ISSUE OF INFRASTRUCTURE DEBENTURES THROUGH THE SUBSIDIARY CONVICON S.A. – THE LEASEE OF TECON VILA DO CONDE - WITH A R\$ 60 MILLION FUNDING FOR INVESTMENTS IN EQUIPMENT ACQUISITION AND MODERNIZING THE TERMINAL IN 2018-2019. THE DEBENTURES HAVE A 12-YEAR MATURITY AND IPCA RATE + 4.20% PER YEAR, 105 BPS BELOW THE CAP RATE.

Added Value Statement

201-1 | 103-1, 103-2, 103-3 (201)

Statements of added value for fiscal years ended December 31 in 2019 and 2018				
	Parent Company		Consolidated	
	31/12/2019	31/12/2018	31/12/2019	21/12/2018
Revenues(expenses) in R\$ thousand				
Sales of goods, products and services	658,725	607,771	1,113,348	1,062,857
Other revenues	22,704	8,082	26,645	11,315
Provision (reversion) for doubtful account credits and losses from bad credits	-13,706	-9,291	-14,986	-10,090
	667,723	606,562	1,125,007	1,064,082
Inputs purchased from third parties				
Cost of sold products, goods and services	-100,980	-121,871	-187,828	-202,092
Materials, energy, third-party services and others	-110,094	-99,565	-222,031	-216,511
Others	162	-661	-101	-1,092
	-210,912	-222,097	-409,960	-419,695
Gross Added Value	456,811	384,465	715,047	644,387
Depreciation, amortization and exhaustion	-97,456	-93,843	-135,650	-124,166
Net Added Value generated by the company	359,355	290,622	579,397	520,221

Added Value received in transfers				
Equity Accounting	34,819	40,045	-	-
Financial revenues	30,314	17,185	37,455	25,246
	65,133	57,230	37,455	25,246
Added Value to be distributed	424,488	347,852	616,852	545,467
Distributed Added Value	424,488	347,852	616,852	545,467
Personnel				
Direct compensation	167,763	156,706	226,570	212,906
Benefits	44,666	42,802	67,906	66,210
FGTS	12,471	10,738	17,383	15,460
	224,900	210,246	311,859	294,576
Federal	61,304	35,431	124,831	96,225
State	60	67	5,433	6,352
Municipal	32,920	27,608	53,128	46,706
	94,284	63,106	183,392	149,283
Remuneration of third-party capital				
Interest	85,941	69,012	98,444	82,434
Rents and Leases	3,988	2,509	7,782	16,195
	89,929	71,521	106,226	98,629
Remuneration of own capital				
Dividends	3,652	707	3,652	707
Proposed additional dividends	8,033	2,123	8,033	2,123
Retained Profits (Losses)	3,690	149	3,690	149
	5,375	2,979	15,375	2,979



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Future Vision

Despite the still slow recovery pace of the Brazilian economy in 2019, with no significant growth in consumption,

in industry and in import flow, with the Port of Santos operating practically stable, the fact that we expanded shows that we are on the right path. It reflects successful initiatives in contracting profitable volume and mix services, in addition to continued strictness in controlling costs and expenses.

This way, on a slightly longer horizon, we should experience a broader positive growth cycle, driven not only by resumption of domestic activity, with controlled inflation and low interest rates, but also with market share gains and margin recovery. Our expectations are positive. We will continue to invest in the continued improvement of our assets, aiming at excellence in operations, expanding offered services and increasing productivity through pro-

cess, systems and equipment innovation and automation. Our CapEx cycle, which totaled R\$ 120 million in 2019, will be intensified in 2020.

We will also continue to invest in developing human capital and operational safety, as well as in strengthening environmental and social sustainability and corporate governance initiatives, which are already part of our corporate values. We believe that fostering this culture is crucial to our long-term success by creating value for stakeholders, generating faster and more sustainable growth opportunities, as well as strengthening risk management, reducing capital cost.

For 2020, we expect challenges on several fronts with the COVID-19 pandemic's impacts on the population's health and the global economy. The

Brazilian economy's growth has been compromised, which should have a certain impact on our business. There are many uncertainties regarding the duration and intensity of the pandemic's effects, making it difficult to quantify what the impact will be on our operational and financial performance.

However, we have maintained high precision and conservatism in cash management in recent years, closing 2019 with low financial leverage and robust a R\$ 425 million cash and cash equivalents position, which is essential for facing crisis periods. After the impact of COVID-19, we maintain our constructive vision regarding the medium/long term domestic scenario, with the main expectations including.

- **LABOR, ADMINISTRATIVE AND TAX), LOW BASIC INTEREST RATE AND CONTROLLED INFLATION;**
- **GREATER OPERATIONAL LEVERAGE, WHICH IS SUITABLE FOR OUR COST STRUCTURE AND INCREASING INCOME INTAKE;**
- **MORE RATIONAL COMPETITIVE DYNAMICS, WITH BETTER BALANCE BETWEEN DEMAND AND CAPACITY OFFER IN THE PORT OF SANTOS AND A PRICE BREAKDOWN THAT GENERATES VALUE FOR ALL MARKET PLAYERS AND EXPANDS OUR INVESTMENT CAPABILITY; AND**
- **MORE STABLE AND LIBERAL REGULATORY ENVIRONMENT, UNLOCKING THE POTENTIAL OF THE BRAZILIAN PORT SECTOR, MAKING CAPITAL ALLOCATION BECOME MORE EFFICIENT.**

R\$
425



MILLION

Our cash position, which is key for facing crisis period

R\$
120



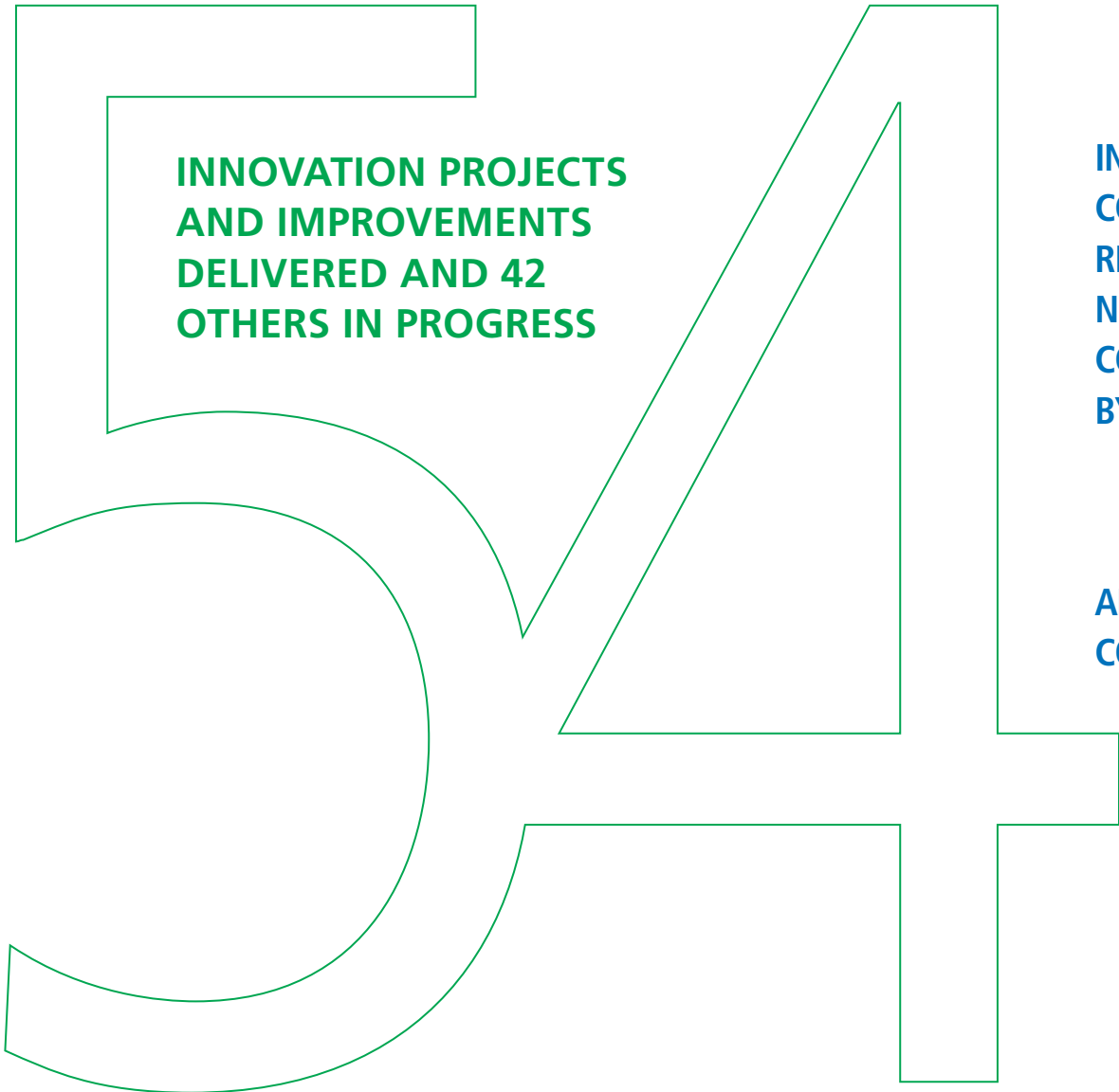
MILLION

The sum of the CapEx cycle in 2019, which will be intensified in 2020

RESEARCH & innovation



PIONEERS IN DEVELOPING
SOLUTIONS THAT ADD
VALUE TO SERVICES

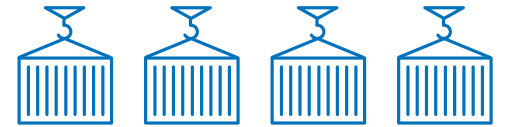


INNOVATION PROJECTS AND IMPROVEMENTS DELIVERED AND 42 OTHERS IN PROGRESS

INTELLIGENCE IN CONTAINER STORAGE REDUCED THE NUMBER OF AVERAGE CONTAINER MOVES BY

25%

AND DIESEL FUEL CONSUMPTION BY 10%



Innovation Management platform in restructuring phase

Launched



a groundbreaking app for reading container seals (OCR)



Technology and innovative solution

We are recognized for pioneering the development of solutions that are capable of meeting both customer needs and regulatory body requirements. Examples include initiatives such as the Customer Portal, for consultations and service requests; automated gatehouses with biometric reading; the Electronic Data Interchange (EDI) channels; and online vehicle scheduling and cargo re-targeting systems, as well as remote monitoring by the Tax Office.

In line with continuous process improvement, in 2019, we implemented seal reading with OCR (Optical Character Recognition) in export container operations. It is a system that replaces manually entering container data, resulting in increased security and productivity, reducing error and speeding up the cargo dispatching

process. The app is already in operation in the Logistics area, where seal reading, which took 7 seconds on average before using the system, now is done in 1.43 second, with an 83% accuracy. The intention is to install the application in Tecon Santos and expand its reach for reading offloaded (import) container seals.

The solution builds on other innovations already adopted to add value to services, such as controlled temperature chemical storage units that went into operation in 2019 and are available at our Distribution Center in São Bernardo do Campo. They are the only ones of the kind in the ABC Paulista region.



WE ARE RECOGNIZED FOR
DEVELOPING MODERN
SOLUTIONS FOR MEETING
CUSTOMER DEMANDS

The cooling (operating at 20°C) and freezing (-18°C) equipment was built to meet the demand of a partner company that operates in the chemical industry, a leader in high-tech polymers. The joint project, which had been developed for two years, steps up our experience in storing non-flammable, flammable and refrigerated chemicals in the logistics units.

In addition, 96 projects planned by the Information Technology (IT) area - 12 of which are for innovation, 6 for automation, 42 for operational improvements, 10 specific ones requested by clients, one for training, two for new equipment and 23 for technological renovation - 54 were delivered in 2019 and 42 others are in progress, including:



INTERACTIVE MONITORS

Installed interactive monitors in all units, for displaying and controlling operational status in real time. Thanks to a combination of software and cutting-edge technology, they are touch-sensitive and enable professionals to interact with the displayed data.

AUTOMATED GATES

Automated two gates for the Logistics units and one for the Vila do Conde terminal, which enables electronically controlling cargo entry and exit, reducing costs and speeding up the operation.



IOT (INTERNET OF THINGS) PROJECT

Installed electronic devices in the trailers, in order to check and monitor their productivity with computer vision and geolocation.

CHATBOT

Artificial intelligence personal assistant available for optimizing internal customer service at Tecon Santos for handling questions from customers and employees.

ONLINE DASHBOARD

Online dashboard with real-time status of available equipment for downtime and maintenance control.



FACIAL RECOGNITION

Facial recognition system at the security checkpoints in all units – improved identity validation process with the use of facial recognition instead of ID badges at access gatehouses.

GMCI-ELETRÔNICA OPTIMIZATION PROCESS

Provides traffic information on cargo vehicles between the Port of Santos terminals.



71% OF EMPLOYEES WERE USING THE VIVA VOZ APP BY THE END OF 2019, STRENGTHENING THE ESTABLISHMENT OF A DIGITAL CULTURE

We also consolidated the units' databases on a single platform, also including external sources. Also in the process of boosting our value chain, two innovative initiatives were developed at Clia Santos, according to the Customer Experience methodology.

One of them is the app that makes it possible to photograph all container unstuffing operations with a smartphone, and the cargo evidence is recorded in the cloud, speeding data transfers to clients, in addition to keeping the history in a more organized way.

Another solution was the container storage logic with an algorithm combining dwell time and customer profile. With the solution, the number of average moves per container was reduced by 25% and diesel consumption was 10% lower in the stackers. At the São Bernardo do

Campo Distribution Center, optimization work was carried out on the pallet racks (equipment used for handling pallets), which led to a 4-thousand position gain in the warehouse. All of these measures optimize activities and contribute to increasing competitiveness as well as to environmental preservation.

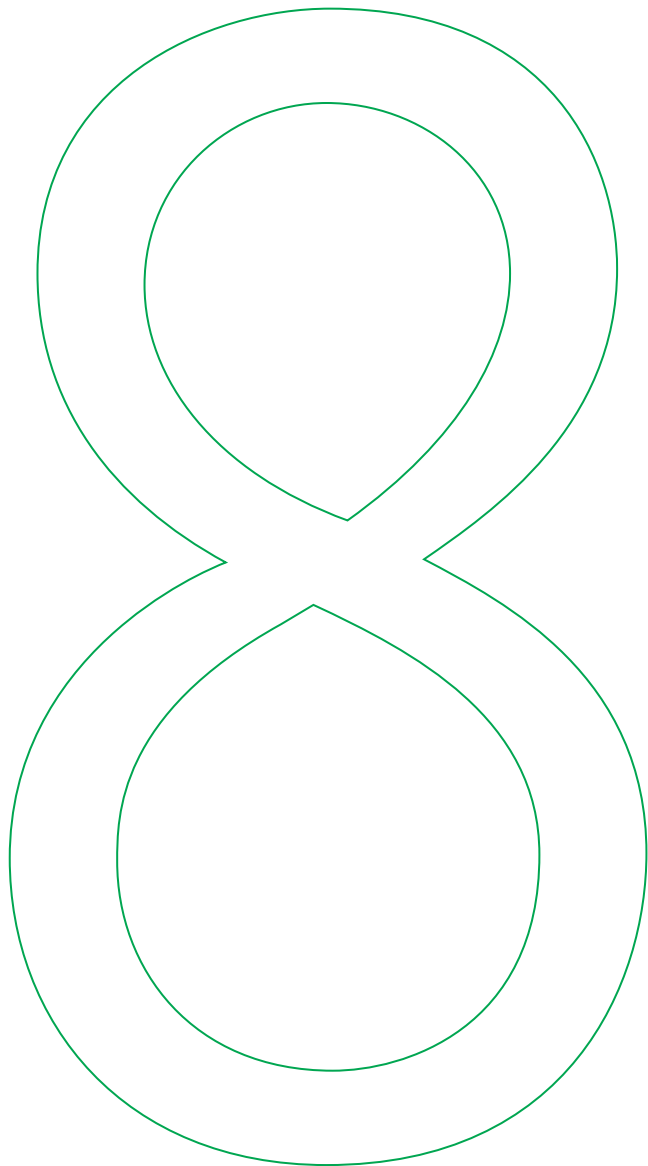
Our innovative profile is not limited to operations, but also extends to improving our teams. The Viva Voz app has been in operation for three years now and is accessible with smartphones. It was already being used by 71% of our employees by the end of 2019. Its purpose is to keep the team informed about our performance, in addition to expanding integration and engagement for building a digital culture.

An Innovation Management Platform is still being implemented. It will include campaigns to encourage employees to submit innovative ideas that are capable of reducing costs, expanding competitiveness and strengthening our relationships.

CUSTOMER Experience



A DEDICATED, EXCLUSIVE
RELATIONSHIP FOR MEETING
DIFFERENT DEMANDS



LEADERSHIP IN
Asia Services
IN THE PORT OF SANTOS

AVERAGE
CORPORATE
NET PROMOTER
SCORE (NPS)

75pts

**PORTFOLIO OF
MORE THAN**

THOUSAND

**CLIENTS
IN 2019**

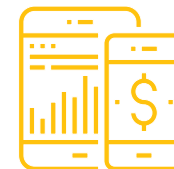


**INTENSIFIED
IN-HOUSE AND
3PL (THIRD-PARTY
LOGISTICS
OPERATOR)
LOGISTIC
SERVICES**



Launched

**e-commerce
operation at the
São Bernardo
Distribution
Center**



Service Portfolio



39.5%

DE MARKET SHARE

at Tecon Santos,
expanding services
to Asian routes



8,073

CLIENTS

from different segments
were served in 2019

With our robust infrastructure, which includes synergy for ensuring quality, by the end of 2019 we had 8,073 customers - from the automotive, chemical, textile, food, retail, electronic and fertilizer segments, and others - to whom we offer complete, tailor-made, sophisticated solutions integrating port activities, road transportation and industry supply, from port to door.

The highlight in the period was in partnering with Novelis, a leader in laminated aluminum production and a global leader in beverage can recycling, for whom we are leading the integration of the entire logistics chain. There was fierce competition with other major players and we were chosen as the logistics operator for this important customer.

Another milestone was the São Bernardo do Campo Distribution Center deploying its first Black Friday action including e-commerce operations, with a task force in three 24-hour shifts to meet the demand of the client

Grand Cru, the largest wine importer and distributor in Latin America. To optimize orders and increase productivity in the action, the strategy was to store 100% of the campaign's items on the floor, to eliminate the need for a forklift. This way, all orders were delivered to the transporter within the clearance period.

PORT OPERATIONS

In port operations, we added three new customers to our portfolio in 2019. At Tecon Santos, we expanded long-haul services on Asian routes, which enabled us to come closer to the market leadership in the Port of Santos, with a 39.5% market share (35.4% in 2018), according to data released by Santos Port Authority - SPA (formerly Codesp).

The new shipping line to/from Asia added a volume of approximately 240 thousand TEUs in 12 months, from February 2019. Vessels with 8,000 TEU nominal capacity operated by Maersk took turns with two

weekly stopovers in both directions, Eastward and Westward, respectively. Another achievement in the period was signing a contract with the Brazilian Navy for providing logistics services. Navy loads, which until then were handled at the Port of Rio de Janeiro, also began to be operated at Tecon Santos, the Vehicle Terminal (TEV) and at our bonded terminals (Clas) in Santos and Guarujá.

The choice for our services – that are also provided to the Brazilian Air Force - took into account our strict compliance rules; the fact that we are an international reference in port security, operating in a preventive and innovative way to avoid losses and ensure high security levels; the infrastructure that enables full port to door operation; and the use of modern technologies across all service stages. At TEV, we secured a top-class regular Ro-Ro service between Brazil and Mexico, with a projected additional demand of approximately 30,000 export and import vehicles, in addition to machinery and equipment.

Customer relations

In addition to offering dedicated and exclusive service, our Customer Relations area seeks continuous ways of identifying our customers' demands and measure their degree of satisfaction. We offer them the tools here on the right side.

Strengthening our relationship also occurs through interaction in a number of events that are organized both by sector entities and by the customers themselves. In this sense, in 2019, our employees from the operational and commercial areas took part in a workshop organized by the team from Wallenius Lines, a shipowner client of the Vehicle Terminal. The idea was to exchange experience in loading, shipping and using equipment for oversize load operations, in addition to strengthening the relationship.

Another example was the participation of our CEO as a speaker in "The new port models" panel that was included in the 17th edition of Santos Export, a national forum for expanding the logistics and port sector, which took place in Brasília.



CLIENT PORTAL
dedicated to consultation
and service request



CLIENT APP
downloadable for
accessing and monitoring
services and updates



ONLINE CHAT
provides clients with
flexibility and comfort,
enabling quick solution
to doubts and access to
information about services



FULL-TIME TEAM
for personalized service.
They are available Monday
through Friday, from 8 am to 7
pm, by phone, email and online
chat at all business units

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relacionamento.tcv@
santosbrasil.com.br

Imbituba
(+55) 48 3355-0290
relacionamento.tci@
santosbrasil.com.br

Customer Satisfaction

To enable us to measure the degree of customer satisfaction and loyalty, we have adopted the customer advocacy concept, in which our customer's voice is taken into consideration based on surveying and on complaint monitoring and handling. The surveys are developed by the Customer Relationship area under the Net Promoter Score (NPS) methodology, and can be answered on the Customer Portal during service provision periods, or by phone.

The results are analyzed jointly by the Customer Relationship and Management Excellence areas on a weekly basis, using tools to map and identify opportunities for improvement and align them with those responsible for the units and administrative areas to ensure feedback to customers.

In 2019, the average Logistics NPS was 80 points, which consolidates the area's position as our best service level. The Corporate NPS reached 75 points, our planned target for the period, positioning us in an area of excellence, as indicated by the methodology.



QUALITY TOOLS ARE IN PLACE

FOR ANALYZING CUSTOMER

COMPLAINTS AND FEEDBACK

SERVICE LEVELS ARE ALIGNED

TO OUR CLIENTS' EXPECTATIONS

AVERAGE NPS FOR LOGISTICS:



CORPORATE NPS:



HUMAN Resources



LEADERSHIPS ARE RENEWED
FOR MEETING THE MARKET'S
CONSTANT INNOVATION

THE COMPANY'S SHARES LISTED IN B3 HAD A

93%

VALUATION

71.4% of employees
downloaded
and accessed
the VIVA VOZ APP
AT LEAST ONCE IN 2019

1,799
registered
suppliers,
65% OF WHICH ARE
LOCATED IN OUR OPERATIONS'
SURROUNDING AREAS



3 editions
OF THE VIVA
VOZ AO VIVO WITH MORE THAN
2 thousand
ATTENDEES IN
EACH EDITION



24,882 TRAINING HOURS
in the period

Internal Audience



WE CLOSED 2019 WITH 3,041

EMPLOYEES, TRAINEES AND

APPRENTICES GOVERNED BY

A MERITOCRACY POLICY

We closed 2019 with 3,041 employees, interns and apprentices. The year saw an organizational restructuring that included renewing the management structure, in order to align it with a model that responds promptly to constant market innovations. 447 of the 680 vacancies offered were filled, eight of which with new talent at director, management and executive management levels, five at coordination and supervision level, and the others were distributed between the administrative and operational areas.

[103-1](#), [103-2](#), [103-2 \(401, 405\)](#)

We ensure fair remuneration to all of our professionals through regular market surveys that make it possible to compare the adequacy of the remunerations to the positions held and the region in which they operate. In addition, the principle of equality is adopted in the remuneration for equivalent positions, with no distinction. [103-1](#), [103-2](#), [103-2 \(202\)](#)

All are governed by a remuneration and benefits policy that includes meritocracy and other items in addition to what is established in the legislation, such as health insurance extended to dependents, life insurance and, according to the unit, variable remuneration set forth in the Profit Sharing Plan (PPR). PPR payment is linked to fulfillment of individual and team goals, based on the Ebitda calculated in the income statement of each business unit. The maximum remuneration limit is 2.5 salaries and, to benefit employees with lower salaries, a bonus per salary range is offered. [401-2 | 103-1, 103-2, 103-2 \(202\)](#)

Linked to the PPR, regular performance assessments, which cover 100% of employees, align the strategic objectives of the business to continuous improvement of operational performance standards and achievement of established goals.

[404-2 | 404-3](#)

We also spontaneously offer other benefits, including dental plan, funeral assistance and personal and collective accident insurance.

At Tecon Santos, we also have a Private Pension Plan in partnership with BrasilPrev, which allows employees to prepare a personal income insurance/investment plan, aiming at future financial stability in dismissal/retirement cases. The plan includes two groups: Group I consists of those who receive remuneration equal to or higher than R\$ 3,775.23, in which we participate with a 2.5% contribution and the employee contributes with 2.5% or above that amount, if they so wish; and Group II, including those make less than R\$ 3,775.23, in which there is no monthly contribution, but redemption is equivalent to three salaries to be received in the event of retirement, in compliance with eligibility rules. The other units do not have this benefit [201-3 | 103-1, 103-2, 103-3 \(201\)](#)

In 2019, we entered into a partnership with the Gympass network, through which we started offering employees access to around 19 thousand accredited gyms across Brazil, with monthly fees starting at R\$ 19.90. The benefit is extensive to dependents, and is a way to encourage a healthy life for our professionals. Regarding internal communication, we have the Viva Voz app, through which employees find news on their mobile phones and consult corporate policies, procedures and indicators.

The novelty in 2019 was the resumption of the Viva Voz ao Vivo live event, an open and transparent conversation between professionals and the leadership on results and indicators. We held two editions in the year to clarify doubts and convey key messages, which were attended by approximately 2 thousand participants per edition, in all units and operational shifts. [103-1, 103-2, 103-2 \(402\)](#)

To assess our communication processes, channels and actions, we conducted the 2019 Internal Communication Survey, whose questionnaire was made available on the intranet and on the Viva Voz app with questions about the frequency in accessing our communication channels and the quality of the available content. In all, 305 employees from all departments answered the questionnaire. As a result, 71.5% of the participants declared that they follow our updates on a daily basis through the Viva Voz app and speakerphone email (63.3.0%) and 89.50% said they were well informed about our performance.

Committed to continuous improvement and aiming to meet the demands identified in the survey, we will analyze the regularity of internal communications and the possibility of improving other means of communication, such as the notice board, and restructure some content, expanding themes such as communication linked to corporate strategies, goals achieved, employee valuation, and others.



To encourage health and quality of life, fostering a collaborative approach with communities and for intensifying integration among our employees, in 2019 we launched the Quilos do Bem campaign, which aimed to encourage adopting healthier habits and contributing to welfare institutions: for every kilo lost by the action's participants, a kilo of food would be donated to organizations in the areas surrounding our units. The initiative had 216 registered employees, who committed to physical activity, healthy eating, monitoring through regular weighing and undergoing nutritional monitoring throughout the duration of the program. In the end, the three who lost the most weight were recognized and awarded.

In order to encourage a balance between personal and professional lives, we hold the Porto em Família action on a monthly basis, a program that makes it possible for our employees' family members to visit their workplaces. In 2019, five editions were held at Tecon Santos, in which participants are welcomed by the Communication and Sustainability team with breakfast, followed by a presentation of corporate and security video, and then by a guided tour.

ATTRACTION AND DEVELOPMENT

We strive to attract and maintain a committed, qualified team that is aligned to our values. In seeking our employees' professional improvement, we hold training sessions, qualifying them to perform activities, in addition to preparing them to take on new positions. The actions conducted in 2019 included tailored leadership training, which involved 28 professionals in management, coordination and supervision positions who report to the Port Operations area. With meetings that discussed different topics such as innovation, we strengthened the so-called G20, a group of executives responsible for internal decisions, made up of managers and directors.

All professionals are provided with integration training, which varies according to the unit, but with the same institutional content that includes occupational safety guidelines, Code of Conduct and personnel regulations.

For critical activities, there is an Annual Training Plan (PAT), which includes continued learning programs for developing technical and managerial skills, in addition to specific mandatory modules required by the current legislation, such as:

-
- **NORMS AND REGULATIONS APPLICABLE TO WORKING AT HEIGHT**
 - **RISK ANALYSIS AND IMPEDITIVE CONDITIONS**
 - **COLLECTIVE PROTECTION SYSTEMS, EQUIPMENT AND PROCEDURES**
 - **CONDUCTS IN EMERGENCY SITUATIONS, INCLUDING NOTIONS OF RESCUE TECHNIQUES AND FIRST AID**
 - **CONCEPTS AND DEFINITIONS ON EQUIPMENT FOR LIFTING PEOPLE AND PRACTICE TRAINING. 403-5**
-

In December 2019, we launched a career page using the Gupy talent acquisition platform, to support recruitment processes. The new system adopts Amazon's Artificial Intelligence to perform extremely assertive analyzes, giving the recruitment processes greater speed and greater quality in choosing candidates. In line with our commitment to transparency and valuing individuals, all our stakeholders (employees or non-employees) will be able to register for vacancies published by our communication channels, which will use the system. **103-1, 103-2, 103-2 (404, 405)**



With qualification actions, we closed the year with

24,882 training hours

including: 404-1

5,846.52

HOURS
for administration
area professionals

1,213

HOURS
training on the
New Code of Conduct

17,262.08

HOURS
for operational
area professionals

924

HOURS
for supervisors

649.40

HOURS
for coordinators

176.90

HOURS
for managers

22.60

HOURS
for directors

Suppliers



At the end of 2019, we had 1,799 active suppliers. 65% our purchased volume in the year involved partners from the surrounding area or who have nationwide coverage but operate in branches located in the regions where our operations are installed. This way, we encourage the development of the communities with which we interact. [103-1](#), [103-2](#), [103-2 \(204\)](#)

Our main suppliers are manufacturers and distributors of inputs required for our operation (parts, energy, fuel, etc.), followed by support service providers (security, cafeteria and cleaning, and others). If we consider the billing volume, there are also suppliers of benefits, with emphasis on health care and food (VA, VR and staple food basket). [102-9](#)

All of them are governed by our Supply Policy, which establishes transparent and ethical rules for contracting. Suppliers are provided the document with general conditions and obligations for suppliers, which include a commitment not to use child labor or similar to slave labor. Failure to comply with these rules justifies immediate termination of the contract or purchase order if irregularities are proven. The policy includes the Websupply portal, for quoting purchases. The channel allows prices to be informed directly by the supplier and the system to automatically compare conditions, indicating the most feasible ones. [408-1](#) | [409-1](#) | [103-1](#), [103-2](#), [103-2 \(308, 406, 408, 409\)](#)

In addition, we keep the Confidential Portal available to business partners, through which they can register any complaints or denunciations.

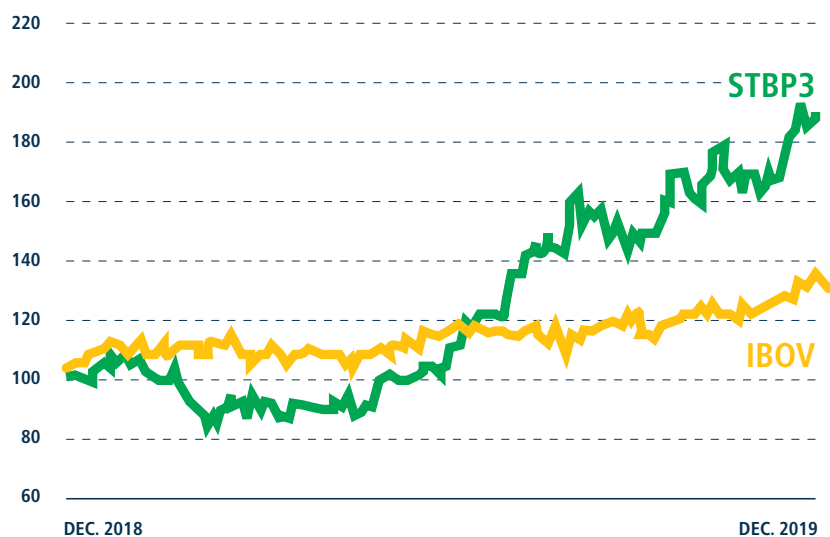
In order to contribute to the improvement of partner companies - a commitment we established last year for intensifying this audience's development - in 2019 we began analyzing their operations from the compliance standpoint. Our focus is on expanding flexibility to meet the needs of our internal customers in the shortest time possible, in addition to improving standardization of the materials registry, so supply alternatives may be broadened. [103-1](#), [103-2](#), [103-2 \(204\)](#)

To continue this work, which aims to ensure the compliance of suppliers in our chain with legal standards, for 2020 we are planning the implementation of a due diligence process and disclosure of the Code of Conduct for Suppliers and Service Providers, whose text has already been approved and published internally. [103-1](#), [103-2](#), [103-2 \(414\)](#)



Investors

STBP3 X IBOV 2019
BASE 100



We keep constant and timely interaction with shareholders, analysts and investors through our Investor Relations area, informing and assisting them in understanding our operations and our results. In addition to quarterly earnings conference calls, we hold frequent meetings with the capital market like in the Santos Brasil Investor Day, an event in which the statutory directors made a presentation on the operating and financial results, investments, and innovations deployed in our business units, addressing the outlook for the domestic port and logistics sector. The event brought together analysts, shareholders and investors - including foreigners, who followed the presentation in real time via webcast, with simultaneous translation.

In 2019, our Investor Relations (RI) area intensified communication with the domestic and foreign capital markets. In addition to traditional communication channels, such as the RI website, which aggregates all of our public access information, and the availability for contacts - in person, by email or by phone - there was significant growth in the number of interactions with investors and we increased our participation in conferences and non-deal road shows held by investment banks, in addition to events organized by the RI department, such as visits to the Port of Santos and Tecon Santos with groups of investors and shareholders.

Interaction with investors and market analysts takes place both in Brazil and abroad, mainly in presentational meetings with investors and conferences in Europe, the United States and Asia, which is in line with the purpose of expanding our exposure beyond the domestic financial market. This strategy, which began some years ago, has been successful, judging by the increase in the number of foreign investors in our shareholder base in 2019. We believe that constant and transparent communication with the capital market fosters a fairer assessment of our stock exchange value and the reduction of our capital cost, generating value for all stakeholders.

Our shares (ticker STBP3) closed 2019 with a unit value of R\$ 2.00, while the closing price at B3 was R\$ 8.19 (R\$ 4.23 in the previous year), representing a 93, 4% valuation in 2019. Our market capitalization reached R\$ 5.5 billion at the end of 2019, with an average daily trading volume of R\$ 11.7 million, 148.9% higher than in 2018.

In the period, there was also significant increase in our liquidity ratio, which practically tripled compared to the previous year, as measured by the ADTV (Average Daily Traded), which indicates the average daily financial volume.



Occupational Health and SAFETY

R\$ 575,182.32 INVESTED
IN STRENGTHENING THE
BEHAVIORAL CULTURE
INVOLVED IN THE THEME

34%

2,616

employees involved
in the Jornada Atitude
Segura program



**ZERO ACCIDENT
CAMPAIGN
LAUNCHED**

new
firefighting

EQUIPMENT
ACQUIRED

PARTNERSHIP

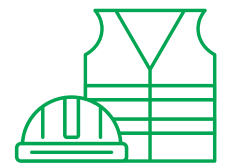
SIGNED WITH SEST-SENAT FOR
CAMPAIGNS AND TRAINING ON
EMPLOYEE OCCUPATIONAL HEALTH
AND SAFETY

R\$ **575,182.32**

INVESTED IN SAFETY IN THE YEAR

%

**REDUCTION IN
THE NUMBER OF
ACCIDENTS IN THE YEAR**



People



Safety is one of our corporate values and is the highlighted theme in our Sustainability Policy. It is the constant target of our investments, with an emphasis on prevention, and in 2019 we allocated R\$ 575,182.32 to strengthen the behavioral culture involved in the theme.

less attitudes at work. The innovative project involved the participation of unusual collaborators: the employees' children.

With the "Your life is our most precious cargo" slogan, the mobilization also involved training leaders in perceiving risks, specific operational training and awareness with technical information disseminated through communication channels such as the Viva Voz app and newsletters such as Alerta de Segurança (Security Alert). The inaugural event was held at Tecon Santos and broadcast live to all units, with more than 3 thousand spectators.

**WE LAUNCHED THE ZERO
ACIDENTE (ZERO ACCIDENT)
CAMPAIGN AT TECON SANTOS**

ZEROACIDENTE
Nossa carga mais preciosa é a sua vida.

Internally, the highlight of the year was the launch of the Zero Acidente (Zero Accident) campaign, which aims to bring out a preventive behavior in each of the employees by reflecting on the severity and extent of the consequences caused by rec-

In addition to the Zero Accident campaign, we also organized the 16th edition of Jornada Atitude Segura (Safe Attitude Day) in all our units, involving 2,616 employees. The action included specific training for operational areas, lectures on preventive measures, and campaigns carried out with Sest Senat with topics related to employee occupational health and safety.

Deploying these initiatives, in line with our values of disseminating safety and valuing the individual, led us to record the best year in our history with regard to the number of accidents with lost working hours.

In port operations, TCG/Tecon Imbituba, Tecon Vila do Conde and Tecon Santos employees together reached the 542-day milestone without accidents with lost working hours. In the logistics operations concentrated in Clia Santos, Clia Guarujá, CD São Bernardo and TTR - Transporte Terrestre Rodoviário, they also showed excellent results, where together the employees of the respective units reached the 1,557-day milestone with no accidents with lost working hours.

These achievements represent a 34% reduction in the number of accidents in the year and reflect our commitment to the safety of our own employees, third-party employees, with regulatory bodies and partners, as well as with society. In 2020, we will continue the Zero Accident campaign, aiming to reduce 50% of accidents with lost working hours in comparison with the 2019 results.

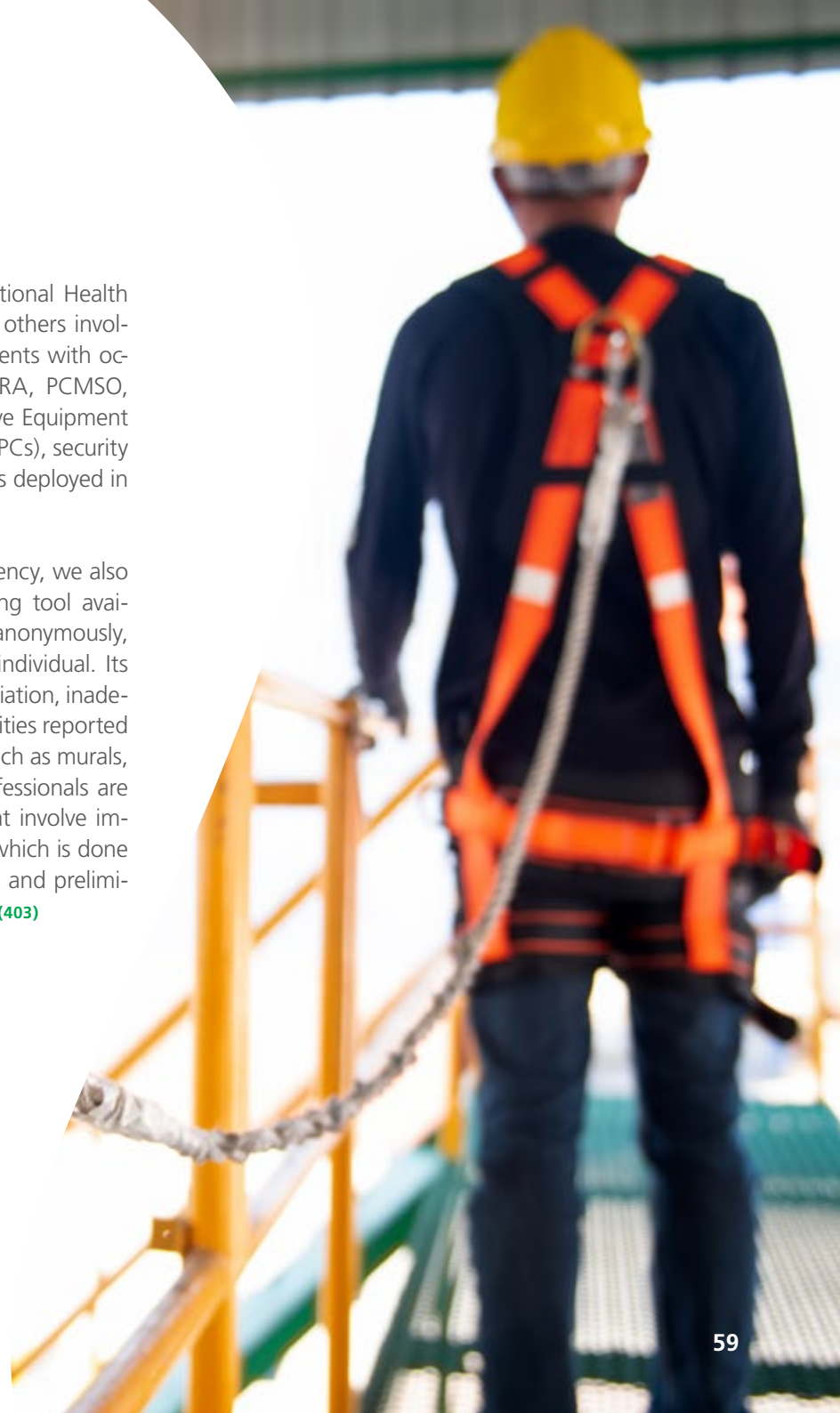
At the same time, we have a methodology for mapping activity hazards and risks for each unit, which help us in managing and preventing incidents, so we can anticipate possible incidents and have preventive measures in place for them not to occur. The respective controls are in accordance with the ISO 45.001 certification criteria - referring to Occupational Health and Safety Management Systems, following the hierarchy of eliminating risk or, when it is not possible, mitigating it.

The methodology is applied by the Occupational Health and Safety technical area together with the others involved and presents results for controlling incidents with occupational health and safety programs (PPRA, PCMSO, PPR and PCA), managing Individual Protective Equipment (EPIs) and Collective Protection Equipment (EPCs), security service order (NR 01) and monitoring controls deployed in internal areas.

As we are committed to ethics and transparency, we also make the Safety Observation (OPS) reporting tool available to our employees. Reports are made anonymously, respecting our commitment to valuing the individual. Its authors can monitor the resolution of the deviation, inadequate conditions and improvement opportunities reported through internal communication channels, such as murals, the app and meetings. In addition, our professionals are also advised about interrupting activities that involve imminent serious risks to their life and health, which is done through training, work orders, work permits and preliminary risk analysis of the task. [103-1](#), [103-2](#), [103-2 \(403\)](#)

34% 

REDUCTION
In number of accidents



We carried out 443 OPS in all operational units in the year with employees, third party employees and visitors, maintaining employee interaction and participation in the continuous process improvement and identified deviation correction, preceding preventive measures for minimizing or even eliminating deviations and risks.

52 safety alerts were also released to all units, covering strategic matters in line with our guidelines, including issues related to Occupational Health and Safety and the Environment. The message contained in the security alert is transmitted for 7 days - after the topic of interest is updated and a new communication is made to employees. The distributed security alerts are available on the Viva Voz App, and can be accessed at any time.

In addition, we have the Incident Management process, in which all work-related incidents are classified by scope, according to their risk potential, with a range from A (High Potential) to D (Low Potential), and investigated for identifying root causes and necessary corrective actions. The purpose of the process is to standardize investigation and reports of incidents that cause

(or could have caused) loss or damage to health, people's physical integrity, the environment, our property or that of our client, in order to identify its immediate and basic causes, defining actions/controls to avoid recurrences. **403-2**

A área de Saúde Ocupacional interage com a de Segurança do Trabalho na condução do PPRA – que abrange todos os riscos ocupacionais, vinculado ao PCMSO, concentrando os exames médicos necessários para monitorar a exposição aos riscos ocupacionais e a eficácia dos controles implantados. No ano, foram realizados 1.949 exames periódicos ocupacionais com funcionários vinculados às operações portuárias e 654 exames periódicos ocupacionais vinculados às operações de logística. Analisando os resultados apresentados nos exames periódicos, não foram constatadas alterações que caracterizem doença ocupacional, comprovando a eficácia dos controles implantados.



**52 SAFETY ALERTS ISSUED
WITH OUR STRATEGIC
AFFAIRS AND OCCUPATIONAL
HEALTH AND SAFETY
GUIDELINES APPROACH**



The results of the exams and evaluations are disclosed to the professionals on their return to the doctor. Another relevant factor monitored by the occupational health area is medical certificates submitted by employees with no causal link with occupational diseases. Professionals who issue medical certificates with absences greater than or equal to 5 days are called up by the occupational physician for clinical evaluation.

In parallel, the “Quilos do Bem” campaign was implemented, which aims to improve employees’ health condition by motivating practicing sports and offering nutritional guidelines. The semiannual monitoring of employees with changes in hypertension, diabetes and BMI is also performed, assessing whether they are stabilized. In the event of a change in the chart, the occupational physician refers the employee for evaluation and control by a specialist physician, who must always report the said status to the occupational physician. [403-3](#)

We also have a Port Work Accident Prevention Commission (CPATP), linked to port operations, and a Work Accident Prevention Commission (Cipa) in the logistics units. Both commissions’ objective is interacting and adding improvement actions and preventive measures for risks, organizing a meeting and area inspections in the year according to a previously established schedule.

Commissions are composed of members appointed by employees and by us, who meet monthly to identify work risks and develop action plans for solving problems and preventing events that threaten integrity and life. [403-4](#)

In 2020, in view of the context installed by the COVID-19 pandemic in the population’s health and in the global economy, our actions were timely and focused on two objectives: preserving employees’ health and safety and ensuring operational continuity. In line with the recommendations of public agencies and health authorities, we are taking strong preventive measures within four pillars: intensifying hygiene in operational units, social distancing, isolation of people from risk groups and testing with an infrared thermometer to check body temperature at operational unit gatehouses. [Click here and see all the adopted measures.](#)

Cargo

We strive to be the best port infrastructure and integrated logistics services company in the markets in which we operate. To fulfill our vision, we are pioneers among Brazilian port terminals in adapting operations to the guidelines established by Technical Instruction 36/2019. The document addresses fire safety measures in uncovered container yards and terminals, meeting the requirements of the fire safety regulations for buildings and risk areas in São Paulo State.

In this sense, in 2019 we acquired for Tecon Santos the first firefighting trailer with a Pyrolance in Brazil, which enables initial firefighting inside containers, without needing to open the doors. The equipment provides mobility and agility in fighting fires by featuring a high pressure pump set that opens holes in the container wall by injecting pressurized water mixed with foam (LGE), reducing risk to the life and health of the fire brigade members and firefighters during accidents, in addition to preserving the safety of our employees and customers.



**NEW EQUIPMENT ACQUIRED
FOR FIGHTING FIRES IN
CONTAINER INTERIORS**

The equipment is located at the Tecon Santos unit, but in case of need, for having great mobility, it can be sent to the Clia Santos, Clia Guarujá and CD São Bernardo Logistics units.

Other measures that aim to ensure that cargoes reach their destination without damage include 24-hour camera monitoring at Tecon Santos, where cargo segregation is performed using control software. In addition, we also established the Emergency Service Plan for all types of cargo and produce operation reports that can be verified in real time.

The emphasis on the safety of the cargo we handle is reflected in other initiatives. In the São Bernardo Distribution Center, in addition to the refrigerated units installed in 2018 that began operating in 2019, flammable products require preparation for their storage. The unit has a smoke detector system, sprinkler, explosion-proof electrical installations, gutter systems connected to a containment tank, alarm and foam systems for flammable liquids and a fire brigade, as well as other equipment required for excellence in customer service.

RELATIONSHIP WITH the surrounding communities



SOCIAL INCLUSION INITIATIVES, WITH
EMPHASIS ON EDUCATION, PROMOTING
CITIZENSHIP AND DEVELOPING SOCIETY,
ALIGNED WITH THE UNITED NATIONS (UN)
SUSTAINABLE DEVELOPMENT GOALS (SDG)
AND GLOBAL COMPACT

12 THOUSAND

1.9 KG

OF RESIDUES BY
HANDLED TEU, WHICH
IS BETTER THAN THE
ESTABLISHED TARGET
OF 0.23 KILOS

Partnership



WITH REDE ASTA
FOR CHAMPIONING
FEMALE
ENTREPRENEURSHIP

Taskforce
for cleaning



BEACHES IN SANTOS, BARCARENA AND IMBITUBA

10 YEARS'
EXISTENCE OF
PROGRAMA
FORMARE



TOYS COLLECTED
IN THE CONTÊNER
DO BEM ACTION

Engagement



Pacto Global
Rede Brasil

As signatories to the United Nations (UN) Global Compact, we develop and support social inclusion initiatives, with an emphasis on education, promoting citizenship and developing society, aligned with the Sustainable Development Goals (SDGs). This way, we seek to interact in a collaborative and healthy way with the communities surrounding our units.

Through the Eu Sou Voluntário (I am a Volunteer) program, which has around 180 active employees enrolled in it, we encourage our professionals' participation in social actions in the surrounding areas of our operations. In 2019, the focal points in each unit were trained by an external consultancy and took part in 16 initiatives, including:

FORMARE WRITTEN TEST – GUARUJÁ (SP):

Support from volunteers who welcomed registrants and graded papers

PREPARA WORKSHOP – GUARUJÁ (SP)

Experience sharing with technical professionals at a Professions Fair for training young students from the teaching units for the labor market.

CLEANUP DAY – SANTOS (SP), IMBITUBA (SC) AND BARCARENA (PA)

Cleanup task force on the beaches.



100%

OPERATIONS THAT IMPLEMENTED COMMUNITY **ENGAGEMENT PROGRAMS**



25%

OPERATIONS THAT IMPLEMENTED COMMUNITY **EVALUATING THE IMPACTS ON THE COMMUNITY**



100%

OPERATIONS THAT IMPLEMENTED COMMUNITY **DEVELOPMENT PROGRAMS FOR THE LOCAL COMMUNITY**

CHILDREN'S DAY - GUARUJÁ (SP), IMBITUBA (SC) AND BELÉM (PA)

Donation and delivery of toys to institutions supported by the company..

MC HAPPY DAY- GUARUJÁ (SP)

Distributed the fast-food chain's combos to the region's children

CONTÊINER DO BEM – SANTOS AND GUARUJÁ (SP)

The event was organized together with three other operators, showing that we handle much more than containers. The initiative was unprecedented in the Port of Santos, and resulted in collection and delivery of 1,200 toys for vulnerable children in Santos and Guarujá. The container was loaded with many presents that were delivered by Santa Claus.

The program makes it possible to engage with local communities located in the areas around our operational units. In addition, in 2019, we mapped the social entities and institutions that are active in Barcarena, Imbituba and Santos for expanding our social performance in those regions, although the full assessment of the social impacts has not yet been concluded. In addition, we conducted a Neighborhood Impact Study (EIV), to obtain the necessary information for identifying and evaluating the potential impacts of the modernization work in Tecon Santos on the surrounding areas. **413 | 103-1, 103-2, 103-2 (413)**

REDE ASTA – GUARUJÁ (SP), IMBITUBA (SC) AND BELÉM (PA)

Apoio na organização do evento.

SOLIDARY FOOTBALL – BARCARENA (PA)

Collected and donated food then registering for the event.

WARM WINTER AT APAAG – GUARUJÁ (SP)

An event held in July, with the season's typical programs, with support from volunteers in the attractions. They also helped at the play and food stalls.

Donations for the **INTEGRATED CARE CENTER FOR PEOPLE WITH CANCER (CENI) - SANTOS (SP)**, which provides care to close to 3,000 patients.



Social Investment

FORMARE APRENDIZ IS OUR
MAIN PROGRAM, WHICH HELD
ITS FIRST CLASS TEN YEARS AGO
AND SHOWS RELEVANT FIGURES:

13,276 ADMINISTERED
CLASS HOURS

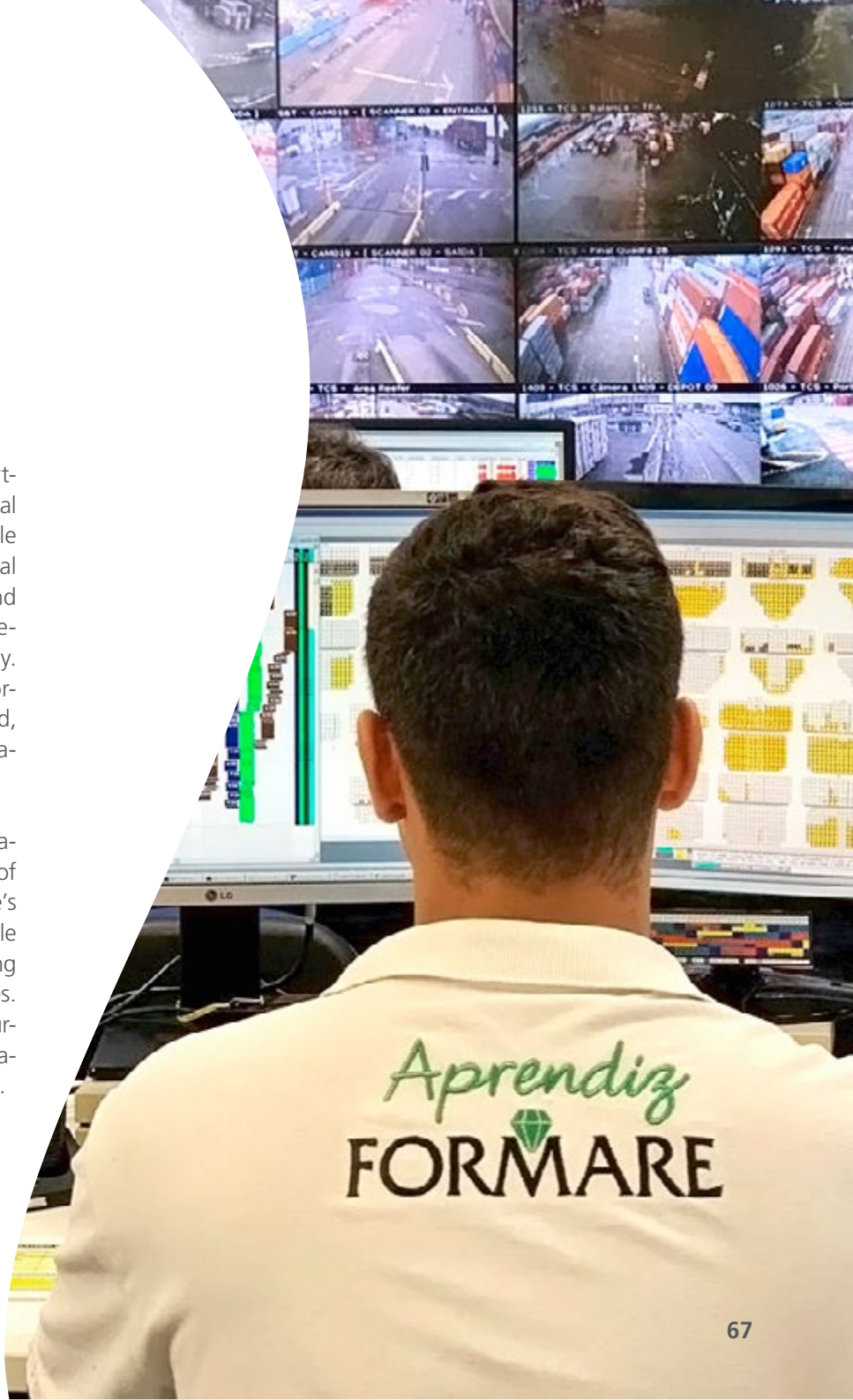
271 YOUNGSTERS
GRADUATED

102 WERE HIRED BY
SANTOS BRASIL

80 VOLUNTEER
TEACHERS

The pioneering initiative in the port sector, in partnership with Fundação Iochpe offers a professional training course at Tecon Santos for young people aged 18 and 19 from families in economic and social disadvantage a situation, who live in Guarujá and are in the 3rd year of high school or have completed the course in public schools in the municipality. Apprentices are hired under the CLT regime according to the Apprenticeship Law 10.097/2000 and, after a 15-month period, receive a Port-Administrative Assistant certificate.

The program's success is largely due to the engagement of employees who work as teachers. 80 of them were involved in 2019, however, in Formare's ten years at Tecon Santos, more than 400 people shared their time, talent and knowledge for training young people, giving practical and theoretical classes. Many of the youngsters were hired by us, then returned to the classroom and started to work as educators for the program's new generations of students.



Additionally, in partnership with Rede Asta, with the goal of encouraging entrepreneurship in the regions where we operate, we made it possible to conduct free face-to-face digital inclusion courses, organizing collections, pricing and online sales for artisans in Belém (PA), Imbituba (SC) and Santos (SP). Through the action, carried out with the incentive of the Rouanet Law, we contributed with funds for investments in Rede Asta's the digital platform that hosts the Escola de Negócios das Artesãs (Artisans' Business School). The incentive also enabled developing new online courses in video format, with accessibility for the hearing impaired. The themes developed include Health and Safety, Ethics and Labor Relations and Fair Remuneration.

Rede Asta's platform offers specialized content on business, providing guidance on how to sell handicraft, manage and improve production and create better products. It also fosters the exchange of experiences among artisans through virtual spaces and the connection between entrepreneurs and buyers. Since 2012, we have supported Instituto Novos Sonhos (New Dreams) in Guarujá, which responsible for

assisting approximately 100 children and adolescents in the Aldeia community, close to the Vehicle Terminal (TEV). The project includes jiu-jitsu classes and social inclusion actions for the families of young people assisted in the community. The partnership also encompasses other initiatives, such as social and cultural events, sponsorship of the project's students in regional jiu-jitsu championships, and workshops for local women, focusing on human development.

In Santos, we have supported Associação Casa da Esperança since 2008, when the organization gained relevance in the Baixada Santista community. The assisted audience comprises families with an economic profile that is predominantly at risk of social vulnerability. The entity is a qualification center that for 60 years has assisted free of charge some 300 children from different Baixada Santista and North and South coastal area municipalities. The support is aligned with the "Valuing the Individual and Respecting Diversity" objective, one of our corporate values.



**WE INVEST IN INITIATIVES
FOCUSED ON EDUCATION,
FOSTERING CITIZENSHIP
AND DEVELOPING SOCIETY**

The Environment



THE CLEANUP TASK FORCE ON SANTOS'S BEACH – THE JOINT ACTION RESULTED IN 300 KILOS OF COLLECTED RESIDUES

In 2019, we established a Workgroup dedicated to discussing ways to reduce environmental indices, and at the end of the period, we reached the planning phase of the actions to be proposed to the Sustainability Committee. In principle, reduction targets for the coming years suggested by senior management are 30% for water consumption, 50% for waste generation and 15% for GHG emissions – the latter are calculated by TEU (unit equivalent to a 20-foot container) handled in container operations; by handled pallet in distribution activities; and per kilometer traveled in transport operations.

The initiatives under analysis to meet these goals include expansion in using reused water from our Effluent Treatment Stations (ETE) and collecting rainwater, which will contribute to reducing drinking water consumption in our terminals. With a focus on reducing waste generation, we are developing projects to reduce the use of plastic cups and non-recyclable materials, in addition to holding an environmental education and awareness program. As for reducing CO2 emissions, the lease of 34 generators to be installed in RTGs was approved in the year. With the initiative, there will be 10% savings in diesel fuel in each RTG, which represents savings of approximately 35,000 liters of fuel per month.

Another achievement in 2019, which was aimed at environmental education, was the cleanup effort on Santos's beach, which, for the first time, mobilized simultaneously the four largest operators in the Port of Santos. The event took place on World Cleanliness Day (September 21), and is part of the actions of the Go Green campaign, a global movement that aims to make companies more sustainable by reusing resources, recycling residues, as well as climate change awareness and environmental responsibility. In its fourth edition, the task force, which involved a team from Tecon Santos and from Santos Brasil's Logistics and Offices units, resulted in collecting almost 300 kg of residues, which were in turn separated by type and sent to appropriate environmental destination. The task force also took place on the beaches of Imbituba and Barcarena, with the involvement of our volunteers.

Celebrating World Environment Day on June 5, we held the 6th Environmental Day at Santos Brasil for a week. In this edition, we addressed the importance of our priority issues for the environment through Awareness Dialogues prepared and taught by the Environmental Management team to our employees, as well as their dissemination across our means of communication, such as the Viva Voz App and digital platforms. Selective collection, conscious use of energy and water, hazardous waste and changing habits were the addressed topics.

REDUCTION GOALS



RESIDUES 103-1, 103-2, 103-2 (306)

In 2019, we recorded a 34.25% increase in residue generation, which corresponds to 746.52 tons more than in 2018. This result is directly related to the exceptional wood log export operation that took place at the Imbituba terminal, which represents 62% of the total increase.

77.20% of all the generated residues are recyclable and were disposed of using the best management practices and technology available on the market. 22.80% were rated non-recyclable and were sent to the controlled landfill. At Tecon Santos and Logistics Units there was also a 16% increase in residue generation compared to 2018, however this analysis can be seen in a positive way, as it is directly related to the increase in recyclable waste – which represented 282.92 tons. Such growth is a result of actions in the period for improving internal management and correct destination of materials, which included:

- REPLACED THE SUPPLIER THAT WAS RESPONSIBLE FOR RESIDUE MANAGEMENT;
- EVALUATED THE GENERATED WASTE AND ASSESSED SUPPLIERS FOR EACH DESTINATION;
- NEW COLLECTOR AND BUCKET MAPPING AND DISTRIBUTION;
- TRAINING AND GUIDELINES FOR EMPLOYEES REGARDING RESIDUE MANAGEMENT AND SELECTIVE COLLECTION; AND
- DAILY CONTROL IN THE RESIDUE DISPOSAL AREAS, IN ORDER TO REDUCE RESIDUES AS MUCH AS POSSIBLE.

Tecon Vila do Conde was the only unit that showed lower residue generation (7.35% smaller than in 2018, considering recyclable and non-recyclable residues), due to the acquisition of equipment including trailers, MHC cranes and stackers, which contributed to a decrease in lubricating oil generation. We also adopted reverse logistics, a process with a set of actions, procedures and means designed to enable collecting and returning solid waste to the business sector for reuse in its cycle or in other productive cycles, or for another environmentally appropriate final destination. In this context are materials such as tires, batteries, lubricating oil and part of the cloths/rags used in the maintenance area. **301-3 | 103-1, 103-2, 103-2 (301)**

WATER 103-1, 103-2, 103-2 (303)

The drinking water system in our units is fed by utility companies - except the São Bernardo do Campo Distribution Center, where water is collected from an artesian well. After consumption, the resource is discarded in the sewage systems of the terminals themselves and sent to proper treatment.

Tecon Santos is equipped with a Biological and Physicochemical Effluent Treatment Station (ETE) - both with a reuse water generation system, which they contribute to some terminal activities. One of the actions in the Maintenance area is machine and equipment washing and cleaning, which require a large volume of water and generate an effluent loaded with oil and grease emulsified with soap.

To treat and properly dispose of this material, we send it to our treatment station, in order to go through all the physical and chemical process stages, guaranteeing generation of reuse water in its final stage. In order to record the generated and treated volumes at our stations, we installed water meters in

mid-November. We obtained the result of 103 cubic meters of reused water for equipment washing operations in December alone. Aiming at improving processes and preserving the environment, the stations also treat water to enable reuse in toilets, in cleaning roads and, as already mentioned, mainly in washing machinery and equipment. **303-1**

Clia Santos, on the other hand, has a Biological ETE in its facilities, although without the reuse system, for treating the generated sanitary effluent. It also provides for using rainwater (rainwater collection system), and the collected resource is used in the maintenance area for washing and cleaning machinery and equipment and in the reserve reservoirs that fully supply the firefighting system. At the São Bernardo do Campo DC, water collection from the air-conditioning drain began to operate in 2019, which contributes to washing the yards.



10%

REDUCTION

in water consumption, which totaled 74.176 cubic meters in 2019



BIOLOGIC ETE

AT CLIA SANTOS

For treating sanitary effluent generated at the terminal



REUSED

WATER

Used for washing machines and equipment at Tecon Santos

Still, in a corporate manner, we analyze the treated effluents to ascertain the treatment's efficiency and the quality of the effluent, which must meet the standards recommended in the current legislation for subsequent disposal in the receiving body of water and/or for reuse. Environmental inspection agencies also perform inspections and collections to confirm the effectiveness of the treatment and ensure preservation of the environment. **303-2**

In the year, we consumed 74,176 cubic meters (74.17 ML) of drinking water and obtained an approximately 10% reduction compared to 2018. Among our units, Clia Santos and Tecon Santos were the ones that contributed the most to this number, showing 15.88% and 24.86% reductions, respectively. **303-3**



TO ACHIEVE THIS RESULT, WE ADOPTED:

- **GUIDELINES FOR USING MORE REUSE WATER, MAINLY IN THE MACHINE WASHING AREA;**
 - **INSTALLED HYDOMETERS FOR BETTER VIEWING CONSUMPTION BY SECTOR AND ADOPTING INITIATIVES; AND**
 - **TRAINING AND ISSUING GUIDELINES FOR EMPLOYEES REGARDING CONSCIENTIOUS CONSUMPTION.**
-

Daily reading of water meters is one of the ways to be aware of any failures such as leaks and, with that, immediately correct it. For 2020, the actions planned for reducing water consumption include implementing telemetry in the Tecon Santos buildings, to more easily and accurately verify any deviations and leaks.

At Tecon Vila do Conde there was also a 10% reduction in water consumption per employee compared to 2018, despite the 585 additional employees at the unit. As for the Imbituba terminal, we had a 327 cubic meter increase in drinking water consumption, which attributed to intensified wetting of the container yard soil for reducing particle emission, as required by local environmental agencies. However, aiming at alternatives for better use of that natural resource, the unit contracted a water truck that is filled with water from the quarry.

EMISSIONS 103-1, 103-2, 103-2 (305)

Greenhouse Gases (GHG) emissions for dimensioning our services' environmental performance, are calculated by handled TEU in container operations; by handled pallet in distribution activities; and per kilometer traveled in road transportation. All results are in tons of CO₂e.

In 2019, gross emissions totaled 33,515.37 tons of CO₂e, which represents a 3.52% increase over the previous year. This fact is explained by the increased operation volume at Tecon Santos and Clia Guarujá, which together account for 41.02%.

However, the Tecon Imbituba, Tecon Vila do Conde and Clia Santos units stood out for reducing emissions 390.5 tCO₂e, 145.75 tCO₂e and 201.1 tCO₂e, respectively. **305-5**

Road transportation activities maintained their emission volume practically in line with that of the previous period.

ENERGY 103-1, 103-2, 103-2 (302)

In the year, we consumed 37,171,570.73 kWh (133,817.65 GJ) of energy, with a small 2.40% reduction from 2018, which was 38,085,011.58 kWh (137,106.04 GJ). Among the units that had the greatest weight, the Imbituba terminal was the one that stood out with an approximately 55% reduction in its total energy consumption. Tecon Santos increased energy consumption by 4.74% - totaling 29,540,594.46 kWh (106,346.14 GJ), due to the 14.71% increase in handling volume compared to 2018.

It is worth mentioning that for Tecon Vila do Conde, until the closing of this report, Companhia de Docas do Pará (CDP) had not submitted the energy consumption figures for October, November and December, 2019. **302-3**



**2.40% REDUCTION IN
ENERGY CONSUMPTION
COMPARED TO 2018**

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GRI Appendix

IDENTITY

Engagement with stakeholders 102-40 102-42 102-43 102-44			
	Main Themes (demands)	Main Channels	Frequency
Shareholders	<ul style="list-style-type: none"> Expansion and new business Economic and financial results Competition faced in the Port of Santos Update on contract renewal processes Information about asset sale processes 	<i>Email, Website, IR Ombudsman, Conference on Results Apimec Meetings and Meetings with analysts</i>	Monthly and/or on demand
Clients	<ul style="list-style-type: none"> System improvements Innovations in offered services New procedures Service and quality assurance in service Operational capacity Satisfaction indices 	Business Consultants, Customer Relationship Team Search for Satisfaction, Email mkt, App and Social Networks	Daily
Public Power	<ul style="list-style-type: none"> Operational, environmental and safety performance Single Foreign Trade Portal program 	Email, forums and specific touch points in the organizational structure	Regularly and/or on demand

Employees	<ul style="list-style-type: none"> Leadership Social initiatives and internal campaigns Occupational Health and Safety Accident prevention Technology and innovation Operational equipment Investments Goals and Profit Sharing Plan 	Weekly mural Emails, Personal communication Internal App Social networks and Channel for direct communication with leadership	Daily
Suppliers, third parties and aggregates	<ul style="list-style-type: none"> Transparency in business Non-involvement with labor analogous to slave work Reverse logistics Environment 	Email Website Systems Direct contact	Regularly and/or on demand
Press	<ul style="list-style-type: none"> Financial results Investments Terminal record performance Contracts (new and renewal) New services 	<i>Communication Area Press Office Social networks and Website</i>	Monthly and/or on demand
Trade Associations	<ul style="list-style-type: none"> Wage and benefit adjustment due to inflation Ordinary meetings 	People and Management Team	Monthly and/or on demand
Industry Companies	<ul style="list-style-type: none"> Safety Innovation Regulatory environment 	Sectoral Entities and Forums	Monthly and/or on demand
Communities	<ul style="list-style-type: none"> Donations and Sponsorships Formare Aprendiz Program Development of local infrastructure Income generation in communities and Hiring local labor 	Sustainability Team Social Networks and Community Dialogues	Monthly and/or on demand

SUPPLIERS

Proportion of spending with local suppliers 204-1					
Company	Total spent (R\$)	Within the region	(%)	Outside the region(R\$)	(%)
Santos Brasil Participações (Tecon Santos, Tecon Imbituba & 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

*By "local suppliers" we mean those who operate in the metropolitan regions to which the municipalities in which we operate belong, except for the Vila do Conde (PA) unit, where there is no metropolitan region and, therefore, the entire Pará State was considered .

Region	Total spent (R\$)	(%)
Baixada Santista	217,398,035.36	48
Distrito Federal	29,860.61	0
Grande ABC	1,874,101.90	0
Pará State	24,240,724.78	5
Metro São Paulo	207,247,324.02	46
Metro Vale do Paraíba/North Coats	44,980.80	0
Metro Tubarão	3,584,930.21	1
Total	454,419,957.68	100

* By "local suppliers" we mean those who operate in the metropolitan regions to which the municipalities in which we operate belong, except for the Vila do Conde (PA) unit, where there is no metropolitan region and, therefore, the entire Pará State was considered .

HUMAN RESOURCES

Total employees by work contract 102-8										
	Baixada Santista		Imbituba		Planalto		Vila do Conde		Grand Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Indefinite or permanent term	2,023	260	131	9	195	32	285	34	2,634	335
Indefinite or permanent term (Apprentice)	19	26	1	1	2	5	4	6	26	38
Indefinite or permanent term (Trainee)	6	2	0	0	0	0	0	0	6	2
Total	2,048	288	132	10	197	37	289	40	2,666	375

Total employees by region 102-8		
	Men	Women
South	132	10
Southeast	2,245	324
Midwest	0	1
Northeast	0	0
North	289	40
Total	2,666	375

Note 1: We do not report total employees by employment type because we keep specified work hours for certain activities that do not fit as part-time.

Note 2: We have no information on third parties.

Note 3: Information is generated and extracted from the Payroll System and set out in an Excel spreadsheet.

Proportion of the lowest salary paid by gender, compared to the local minimum wage 202-1				
	2018		2019	
	Men	Women	Men	Women
Logística				
Local minimum wage (Brazil)	R\$ 954.00	R\$ 954.00	R\$ 998.00	R\$ 998.00
Lowest salary paid by the organization	R\$ 1,241.97	R\$ 1,241.97	R\$ 1,222.41	R\$ 1,290.90
Lowest salary/minimum wage ratio	1.3	1.3	1.2	1.3
Tecon Santos				
Local minimum wage (Brazil)	R\$ 954.00	R\$ 954.00	R\$ 998.00	R\$ 998.00
Lowest salary paid by the organization	R\$ 1,367.35	R\$ 2,028.41	R\$ 1,419.31	R\$ 1,649.31
Lowest salary/minimum wage ratio	1.4	2.1	1.4	1.6
Tecon Imbituba				
Local minimum wage (Brazil)	R\$ 954.00	R\$ 954.00	R\$ 998.00	R\$ 998.00
Lowest salary paid by the organization	R\$ 1,547.33	R\$ 1,668.44	R\$ 1,547.33	R\$ 1,668.44
Lowest salary/minimum wage ratio	1.6	1.7	1.5	1.7
Tecon Vila do Conde				
Local minimum wage (Brazil)	R\$ 954.00	R\$ 954.00	R\$ 998.00	R\$ 998.00
Lowest salary paid by the organization	R\$ 1,261.59	R\$ 1,647.65	R\$ 1,261.59	R\$ 1,647.65
Lowest salary/minimum wage ratio	1.3	1.7	1.3	1.6
TEV				
Local minimum wage (Brazil)	R\$ 954.00	R\$ 954.00	R\$ 998.00	R\$ 998.00
Lowest salary paid by the organization	R\$ 1,367.35	R\$ 1,780.73	R\$ 1,419.31	R\$ 1,848.40
Lowest salary/minimum wage ratio	1.4	1.9	1.4	1.8

New job hires and employee turnover 401-1	
	<i>2019</i>
Total employee hires by age group	
Under 30	170
30 - 50	249
Over 50	28
New employee hire ratio by age group	
Under 30	6.89%
30 - 50	10.10%
Over 50	1.14%
Total number of employee hires by gender	
Men	374
Women	73
New employee hire ratio by gender	
Men	83.67%
Women	16.33%
Total number of employee hires by region	
South	4
Southeast	417
Midwest	0
Northeast	0
North	26
New employee hire ratio by region	
South	0.89%
Southeast	93.29%
Midwest	0.00%
Northeast	0.00%
North	5.82%

Total number of employee terminations by age group	
Under 30	120
30 - 50	266
Over 50	56
Total number of employee terminations by gender	
Men	369
Women	73
Total number of employee terminations by region	
South	23
Southeast	384
Midwest	0
Northeast	0
North	35
Employee turnover rate by region	
South	2.81%
Southeast	11.15%
Midwest	0.00%
Northeast	0.00%
North	5.47%

Note 1: We do not have an employee turnover rate by age and gender.

Licença-maternidade/paternidade 401-3		
	2019	
	Men	Women
Total number of employees entitled to take maternity/paternity leave	0	20
Total number of employees who took maternity/paternity leave	0	20
Total number of employees who returned to work after taking maternity/paternity leave	0	20
Total number of employees who returned to work after taking maternity/paternity leave and continued employed after 12months	0	17
Return rate of employees who took maternity/paternity leave	-	85.00%
Retention rate of employees who took maternity/paternity leave	-	100.00%

Number and percentage of employees by gender 405-1				
	2019			
	Total Men	% Homens	Total Women	% Mulheres
Administrative area	455	60	308	40
Operational area	2,078	98	44	2
Directors	9	100	0	0
Supervisors	77	87	12	13
Coordinators	31	79	8	21
Managers	16	84	3	16
Board of Directors	5.0	71	2.0	29
Supervisory Board	3.0	100	-	0
Executive Board	3.0	100	-	0

Number and percentage of employees by age group 405-1			
	2019		
	Under 30	30 - 50	Over 50
Administrative area	39%	55%	6%
Operational area	10%	72%	18%
Directors	0%	56%	44%
Supervisors	3%	82%	15%
Coordinators	5%	72%	23%
Managers	0%	79%	21%
Board of Directors	0%	43%	57%
Supervisory Board	0%	33%	67%
Executive Board	0%	67%	33%

Percentage of employees by other diversity indicators 405-1	
	Persons with disability
Administrative area	5.24%
Operational area	0.99%
Directors	0.00%
Supervisors	0.00%
Coordinators	2.56%
Managers	0.00%

Note: We have no data on ethnicity or other diversity indicators. There are no colored persons nor people with disabilities on the Board of Directors.

Average number of training hours per employee 404-1		
<i>Average number of training hours undergone by employees, by functional category:</i>	<i>Men</i>	<i>Women</i>
Tecon Santos – 5,121 hours		
Safety in Operations with Chemicals and Hazardous Products	582	42
Safety in Using and Maintaining Cargo Lifting Machines and Equipment	1,548	12
Work at Height	1,408	0
Emergency Team	318	30
Occupational Health and Safety with Flammables and Fuels	48	4
PPR - Respiratory Protection Program	108	1
Environmental Preservation and Awareness (Hazardous Waste)	94	4
Manual Load Transportation Safety	205	0
Safety in Electrical Installations and Services	296	0
SEP - Safety in Electrical Installations and Services	152	0
Safety and Health at Work in Confined Spaces	192	0
Pressure Vessel Safety	76	1
Total	5,027	94

Tecon Vila do Conde – 1,934 hours		
Safety in Operations with Chemicals and Hazardous Products	164	14
Safety in Using and Maintaining Cargo Lifting Machines and Equipment	104	8
Work at Height	480	8
Emergency Team	960	120
Occupational Health and Safety with Flammables and Fuels	12	4
PPR - Respiratory Protection Program	9	0
Environmental Preservation and Awareness (Hazardous Residue)	0	0
Manual Load Transportation Safety	50	1
Safety and Health at Work in Confined Spaces	0	0
Pressure Vessel Safety	0	0
Total	1,779	155
Tecon Imbituba and TCG – 1,338 hours		
CPATP	216	0
Emergency Team	136	16
POP: Standard Operational Procedure (Operations with Containers)	76	0
Environmental Preservation and Awareness (Hazardous Residue)	21	0
Respiratory Protection Program	20	0
Pressure Vessel Safety	9	0
Safety in Using and Maintaining Cargo Lifting Machines and Equipment	236	0
Manual Load Transportation Safety	40	0
Work at Height	568	0
Total	1,322	16

Clia Santos – 1,500 hours		
Confined Space (Watchman)	448	8
Safety in Electrical Installations and Services (Recycling)	102	4
Pressure Vessel Safety	16	0
Safety in Using and Maintaining Cargo Lifting Machines and Equipment	6	0
Manual Load Transportation Safety	256	4
Work at Height	68	3
Environmental Preservation and Awareness (Hazardous Residue)	512	16
Occupational Health and Safety with Flammables and Fuels (Advanced Course) – NR20	35	0
Civil, Criminal and Environmental Liability for Managers	16	0
Responsabilidade Civil e Criminal e Ambiental para Gestores	6	0
Total	1,465	35
Clia Guarujá – 349 hours		
Confined Space (Watchman)	8	0
Pressure Vessel Safety	1	0
Safety in Using and Maintaining Cargo Lifting Machines and Equipment	32	0
Manual Load Transportation Safety	4	0
Work at Height	304	0
Total	349	0

SBC DC		
Environmental Preservation and Awareness (Hazardous Residue)	91	0
Safety in Electrical Installations and Services (Recycling)	8	0
Pressure Vessel Safety	2	0
Safety in Using and Maintaining Cargo Lifting Machines and Equipment	236	0
Manual Load Transportation Safety	34	0
Work at Height	272	0
Total	643	0
K10		
Confined Space (Watchman)	16	0
Environmental Preservation and Awareness (Hazardous Residue)	17	0
Respiratory Protection Program	2	0
Occupational Health and Safety with Flammables and Fuels (Basic Course) - NR 20	60	0
Safety in Electrical Installations and Services (Recycling)	8	0
Pressure Vessel Safety	2	0
Manual Load Transportation Safety	4	0
Work at Height	40	0
Total	149	0
Total Logística	Homens	Mulheres
	2,606	35

SAFETY

Health and safety indicators for the total number of workers 403-9		
	Men	Women
Corporativo Santos Brasil*		
Number of deaths	0	0
Death rate	0	0
Number of injuries	20	1
Main types of injuries	Bruises and fracture	Excoriation
Recordable work-related injury rate (Frequency rate - TF)	3.64	3.64
Recordable work-related injury rate (Severity rate - TG)	29.99	29.99
Number of worked hours	5,769,115	5,769,115
Tecon Santos		
Number of deaths	0	0
Death rate	0	0
Number of injuries	14	0
Main types of injuries	Bruises, sprain and fracture	Não None
Recordable work-related injury rate (Frequency rate - TF)	4.49	4.49
Recordable work-related injury rate (Severity rate - TG)	39.09	39.09
Number of worked hours	3,121,270	3,121,270

Tecon Imbituba		
Number of deaths	0	0
Death rate	0	0
Number of injuries	1	0
Main types of injuries	Burns	None
Recordable work-related injury rate (Frequency rate - TF)	4.29	4.29
Recordable work-related injury rate (Severity rate - TG)	21.44	21.44
Number of worked hours	233,169	233,169
Tecon Vila do Conde		
Number of deaths	0	0
Death rate	0	0
Number of injuries	2	0
Main types of injuries	Fracture and cuts	None
Recordable work-related injury rate (Frequency rate - TF)	3.09	3.09
Recordable work-related injury rate (Severity rate - TG)	26.27	26.27
Number of worked hours	647,239	647,239
Logistics		
Number of deaths	0	0
Death rate	0	0
Number of injuries	3	1
Main types of injuries	Bruises, Fracture and Traumatism	None
Recordable work-related injury rate (Frequency rate - TF)	2.26	2.26
Recordable work-related injury rate (Severity rate - TG)	16.41	16.41
Number of worked hours	1,767,438	1,767,438

TEV		
Number of deaths	0	0
Death rate	0	0
Number of injuries	0	0
Main types of injuries	None	None
Recordable work-related injury rate (Frequency rate - TF)	0.00	0.00
Recordable work-related injury rate (Severity rate - TG)	0.00	0.0
Number of worked hours	49,679	49,679

NOTE 1: The tables for indicator 403-9 include Tecon Santos, TEV, Tecon Imbituba, Tecon Vila do Conde, Clia Santos, Clia Guarujá, TTR, K10 and São Bernardo do Campo DC.

NOTE 2: We do not compute recordable work-related injury rates and number of injuries.

Workers covered by the 2019 occupational safety and health management system Santos Brasil Corporate + Third Party Companies - 403-8	
Number of workers covered by the system	3,924
Percentage of workers covered by the system	100
Number of workers covered by the system with internal audit	3,924
Percentage of workers covered by the system with internal audit	100
Number of workers covered by the system with external audit	3,924
Percentage of workers covered by the system with external audit	100

NOTE: The table includes Tecon Santos, TEV, Tecon Imbituba, Tecon Vila do Conde, Clia Santos, Clia Guarujá, TTR, K10 and São Bernardo do Campo DC.

WATER

Water consumption per unit 303-3						
	Tecon Santos	Tecon/TCG Imituba	Tecon Vila do Conde	Clia Santos	Clia Guarujá	São Bernardo DC'
	54.601	1.903	1.614	4.992	4.375	6.691

1. Consumption refers to groundwater, the other data refer to river water consumption.

EMISSIONS

Direct gross GHG emissions (Scope 1) 305-1																
Unit: Ton CO ₂ eq	2018									2019						
	Tecon Santos	Tecon/TCG Imituba	Tecon Vila do Conde	Clia Santos	Clia Guarujá	TTR	São Bernardo DC	K10	Tecon Santos	Tecon/TCG Imituba	Tecon Vila do Conde	Clia Santos	Clia Guarujá	TTR	São Bernardo DC	K10
	16,366.10	1,135.04	3,614.12	1,477.33	419.64	6,404.90	57.61	79.87	18,168.45	823.76	3,548.30	1,278.88	538.95	6,309.62	62.87	64.99
Total	29,554.61									30,795.82						

Indirect GHG Emissions from energy acquisition (Scope 2) 305-2															
Unit: Ton CO ₂ eq	2018							2019							
	Tecon Santos	Tecon/TCG Imituba	Tecon Vila do Conde	Clia Santos	Clia Guarujá	TTR	São Bernardo DC	Tecon Santos	Tecon/TCG Imituba	Tecon Vila do Conde	Clia Santos	Clia Guarujá	TTR	São Bernardo DC	
	2,096.40	142.00	250.69	184.89	30.59	18.32	99.28	2,151.59	62.80	170.76	182.25	29.98	19.99	102.18	
Total	2,822.17							2,719.55							

Intensity of CO ₂ e emissions per unit 305-4							
GHG emission intensity rate		Tecon Santos	Tecon/TCG Imituba	Tecon Vila do Conde	Clia Santos	Clia Guarujá	K10
2018	Tons CO ₂ e	18,462.50	1,277.03	3,864.81	1,662.22	450.26	32.37
	kg CO ₂ e/TEU	12.75	14.83	25.33	26.00	21.99	0.84
2019	Tons CO ₂ e	20,320.04	886.56	3,719.06	1,461.12	568.94	36.12
	kg CO ₂ e/TEU	12.23	14.92	23.95	24.31	22.00	0.94

Port operations emissions 305-4			
		<i>kgCO₂e/TEU</i>	
2018	Tons CO ₂ e	23,604,340.00	13.99
	Handling	1,686,971	
2019	Tons CO ₂ e	24,925.66	13.29
	Handling	1,875,902.79	

Clia's Emissions 305-4			
		<i>kgCO₂e/TEU</i>	
2018	Tons CO ₂ e	2,358,863.00	25.03
	Handling	84,403	
2019	Tons CO ₂ e	2,030.06	23.62
	Handling	85,963	

TTR Emissions 305-4			
		<i>kgCO₂e/Km</i>	
2018	Tons CO ₂ e	6,423,210.00	1.02
	Handling	6,282,668	
2019	Tons CO ₂ e	6,329.61	1.02
	Handling	6,185,262.00	

SBC DC Emissions 305-4			
		<i>KgCO₂e/PM</i>	
2018	Tons CO ₂ e	156,890.00	0.41
	Handling	380,791.00	
2019	Tons CO ₂ e	165.05	0.44
	Handling	378,160.00	

*PM: Pallets Movimentados

K10 Emissions					
		<i>kgCO₂e/TEU</i>		<i>kgCO₂e/km traveled</i>	
2018	Tons CO ₂ e	32.37	0.84	Tons CO ₂ e	79.87
	Handling	38,645.00		Handling	76,238.00
2019	Tons CO ₂ e	36.12	0.94	Tons CO ₂ e	64.99
	Handling (TEU)	38,464.00		Handling (km traveled)	49,243.00

Reduction of Greenhouse Gas Emissions (GHG in ttonCO₂eq) 305-5*

		<i>Tecon Santos</i>	<i>Tecon Imbituba</i>	<i>Tecon Vila do Conde</i>	<i>Clia Santos</i>	<i>Clia Guarujá</i>	<i>São Bernardo DC</i>	<i>TTR</i>	<i>K10</i>	<i>Total</i>
Volume of GHG emission reduction obtained as a direct result of initiatives for reducing emissions	2018	18,462.50	1,277.03	3,864.81	1,662.22	450.22	156.89	6,423.21	79.87	32,376.75
	2019	20,320.04	886.56	3,719.06	1,461.12	568.93	165.05	6,329.60	64.99	33,515.35
tCO ₂ e Variação		1,857.54	-390.47	-145.75	-201.10	118.71	8.16	-93.61	-14.88	1,138.60
		increase	reduction	reduction	reduction	increase	increase	reduction	reduction	increase
%		10.06	-30.58	-3.77	-12.10	26.37	5.20	-1.46	-18.63	3.52

*Considers Scopes 1 & 2.

ENERGY

Energy consumption within the organization 302-1									
Consumption of fuel from non-renewable sources, by type of fuel									
	<i>Tecon Santos</i>	<i>Tecon Imbituba</i>	<i>Tecon Vila do Conde</i>	<i>Clia Santos</i>	<i>Clia Guarujá</i>	<i>São Bernardo DC</i>	<i>TTR</i>	<i>TOTAL</i>	<i>Total (GJ)</i>
Diesel BS500 (Liters)	6,312,508.86	279,707.89	-	383,055.67	148,549.46	-	-	7,123,821.88	253,043.93
Diesel S10 (Liters)	5,274.59	-	1,269.608.28	-	-	2,298.87	2,241,912.24	3,519,093.98	125,001.07
Gasoline (Liters)	428.61	5,610.75	7,235.27	233.54	74.03	-	-	13,582.19	438.82
LGP (Kg)	75,773.00	8,420.00	61,220.50	61,220.50	35,260.00	19,405.00	-	261,299.00	12,143.47
Consumption of fuel from renewable sources, by type of fuel									
	<i>Tecon Santos</i>	<i>Tecon Imbituba</i>	<i>Tecon Vila do Conde</i>	<i>Clia Santos</i>	<i>Clia Guarujá</i>	<i>São Bernardo DC</i>	<i>TTR</i>	<i>TOTAL</i>	<i>Total (GJ)</i>
Ethanol(Liters)	113,003.57	-	-	8,662.18	7,647.69	-	-	129,313.44	2,759.40
Bio-Diesel (Liters)	549,372.47	24,322.43	110,400.72	33,309.19	12,917.34	199.90	194,948.89	925,470.94	30,688.11

<i>Source</i>	<i>2019</i>	<i>Unit</i>
NON-renewable fuels	390,627.30	GJ
Renewable fuels	33,447.51	GJ
Power consumption	37,171,570.73	KWh
	Heating consumption	GJ
Refrigeration consumption	None	n/a
Steam consumption	None	n/a
Consumo de vapor	None	n/a
<i>2019</i>		
Total energy consumption	557.892.47	GJ

Energetic intensity (kWh/TEU) 302-3								
		<i>Tecon Santos</i>	<i>Tecon Imbituba</i>	<i>Tecon Vila do Conde</i>	<i>Clia Santos</i>	<i>Clia Guarujá</i>	<i>São Bernardo DC</i>	<i>TTR</i>
2017	kWh	28,517,219.28	956,481.00	2,857,491.85	2,523,443.96	392,743.20	261,828.80	1,019,935.12
	kWh/TEU	2.01	2.01	2.35	3.16	4.55	-	-
	kWh/pallet	-	-	-	-	-	0.004	-
	kWh/km	-	-	-	-	-	-	0.34
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	-	-	-	-	-	0.002	-
	kWh/km	-	-	-	-	-	-	0.26
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	1.30	1.06	1.10	2.29	1.16	-	-
	kWh/pallet	-	-	-	-	-	0.27	-
	kWh/km	-	-	-	-	-	-	0.0024

Moved EU/Pallet/Km – 2018 X 2019							
	<i>Tecon Santos (TEU)</i>	<i>Tecon Imbituba (TEU)</i>	<i>Tecon Vila do Conde (TEU)</i>	<i>Clia Santos (TEU)</i>	<i>Clia Guarujá (TEU)</i>	<i>São Bernardo DC (PALLET)</i>	<i>TTR (KM)</i>
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

RESIDUES

Recovered products and their packaging materials 301-3						
Recovered products and packaging	100%					
Products sold/transported	100%					
Percentage of recovered products and packaging materials	100%					
Reverse logistics (tons)						
	2018			2019		
	Port Operations	Logistics	Total	Port Operations	Logistics	Total
January	27.82	0.00	27.82	2.90	5.85	8.75
February	9.22	3.23	12.45	6.76	4.38	11.14
March	4.29	0.00	4.29	4.51	3.00	7.51
April	3.24	0.00	3.24	11.45	0.00	11.45
May	0.52	0.00	0.52	0.00	7.69	7.69
June	15.21	9.04	24.25	5.74	3.88	9.62
July	1.90	2.23	4.13	4.10	8.16	12.26
August	0.66	4.75	5.41	9.05	2.40	11.45
September	4.48	3.58	8.06	0.00	2.04	2.04
October	12.46	3.10	15.56	1.78	8.05	9.83
November	10.43	2.51	12.94	0.92	0.00	0.92
December	1.03	1.05	2.08	0.00	5.42	5.42
Total	91.26	29.49	120.75	47.21	50.87	98.08

Residues by type and disposal method 306-2					
	Tecon Santos	Tecon/TCG Imituba	Tecon Vila do Conde	Logística	Total
Hazardous residues					
Reuse (Re-refining)	75.82	2.75	13.52	21.9	113.99
Recycled	0.95	0	0.05	0	1
Composting	-	-	-	-	-
Recovery ((including energy))	74.88	17.25	25.25	9.53	126.91
Incineration (mass burning)	-	-	-	-	-
Underground residue injection	-	-	-	-	-
Landfill	-	-	-	-	-
Local storage	-	-	-	-	-
Reverse Logistics	12.69	0	2.36	2.64	17.69
Non-hazardous residues					
Reuse	-	-	-	-	-
Recycled	647.47	573.56	47.95	909.02	2.178
Composting	-	-	-	-	-
Recovery ((including energy))	-	-	-	-	-
Incineration (mass burning)	-	-	-	-	-
Underground residue injection	-	-	-	-	-
Landfill	306.19	19.47	24.64	188	538.3
Local storage	-	-	-	-	-
Reverse Logistics	32.16	0	0	41.88	74.04

GRI Content Summary ¹⁰²⁻⁵⁵

Standard GRI	Disclosure	Page and/or URL
DISCLOSURES GERAIS		
Organization Profile		
GRI 102: General Disclosures	102-1 - Name of the organization	09
	102-2 - Activities, Brands, Products and Services	09
	102-3 - Location of Headquarters	10
	102-4 - Location of Operations	09
	102-5 - Legal ownership	09
	102-6 - Markets Served	09
	102-7 - Size of the Organization	12
	102-8 - Information on employees and other workers	10 and 77
	102-9 - Supply Chain	54
	102-10 - Significant changes in the organization and its supplier chain	There were no significant changes in the organization nor in our supplier chain.
	102-11 - Principle or Approach to precaution	25
	102-12 - External Initiatives	21
	102-13 - Participation in associations	21
Strategy		
	102-14 - Statement by the most senior decision-maker of the organization	07
	102-15 - Main impacts, risks and opportunities	07
Ethics & Integrity		
	102-16 - Values, principles, standards and behavioral norms	10
	102-17 - Counseling and ethical concern mechanisms	21
Governance		
	102-18 - Governance Structure	23
	102-20 - Executive Responsibility for economic, environmental and social issues	24

Standard GRI	Disclosure	Page and/or URL
	102-21 - Stakeholder consultation on economic, environmental and social topics	22
	102-22 - Composition of the highest governance body and its committees	23
	102-23 - President of the highest governance body	23
	102-24 - Appointment and selection of the highest governance body	23
	102-25 - Conflicts of Interest	21
	102-26 - Role of the highest governance body in defining purpose, values and strategy	23
	102-27 - Measures for improving the knowledge of the highest governance body	23
	102-28 - Performance evaluation of the highest governance body	We still do not have a formal assessment process from the Board of Directors
	102-30 - Effectiveness of risk management processes	25
	102-31 - Analysis of economic, environmental and social topics	Economic, environmental and social topics are constantly analyzed formally by the Board of Directors in the six meetings held during the year.
	102-32 - Role of the highest governance body in the Sustainability Report	The Sustainability Report is approved by the main executives, including the Executive Board, on the Sustainability Committee.
	102-35 - Remuneration policies	The Board of Directors has a fixed monthly remuneration. For the Executive Board, remuneration consists of a fixed monthly amount, benefits and a variable part consisting of bonuses, stock option plan, performance shares and share matching. Variable remuneration targets are related to our financial performance and individual targets.

Standard GRI	Disclosure	Page and/or URL
	102-36 - Process for establishing remuneration	Annual or biannual surveys are made for key executives through consultancies, for assessing the salary position in relation to the market. The variable remuneration model for executives is defined by the People & Management area, together with the statutory directors. The remuneration model of the Executive Board is defined by the Board of Directors.
	102-37 - Stakeholder involvement in setting remuneration	This type of analysis is not performed.
	102-38 - Annual remuneration listing	We keep this information confidential
	102-39 - Percentual increase ratio over the total annual remuneration	We keep this information confidential
Stakeholder Engagement		
	102-40 - List of stakeholders	75
	102-41 - Collective negotiation agreements	Collective negotiation agreements cover 100% of our employees.
	102-42 - Basis for identifying and selecting stakeholders for engagement	75
	102-43 - Approach to Stakeholder Engagement	75
	102-44 - Main topics and concerns raised	75
Reporting Practices		
	102-45 - Entities included in the consolidated financial statements	05
	102-46 - Setting the contents of the report and topic boundaries	05
	102-47 - List of Material Topics	06
	102-48 - Reformulating information	12
	102-49 - Changes in reports	06
	102-50 - Period covered by report	05
	102-51 - Date of last report	05
	102-52 - Reporting Cycle Page	05
	102-53 - Point of contact for questions about the report	05
	102-54 - Declaration of having prepared the report in compliance with GRI Standards	05
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Standard GRI	Disclosure	Page and/or URL
MATERIAL TOPICS		
Economic Performance		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	36 and 51
	103-2 - Management types and their components	36 and 51
	103-3 - Assessment of management type	36 and 51
GRI 201 – Economic Performance	201-1 - Direct generated and distributed economic value	36
	201-3 - Obligations of the defined benefit plan and other retirement plans	51
Market Presence		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	50 and 77
	103-2 - Management types and their components	50 and 77
	103-3 - Assessment of management type	50 and 77
GRI 202: Market Presence	202-1 - Proportion of lowest salary paid, by gender, compared to the local minimum wage	77
Indirect Economic Impacts		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	16
	103-2 - Management types and their components	16
	103-3 - Assessment of management type	16
GRI-203: Indirect economic impacts	203-2 - Significant indirect economic impacts	16
Procurement Practices		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	54 and 76
	103-2 - Management types and their components	54 and 76
	103-3 - Assessment of management type	54 and 76
GRI 204 – Procurement Practices	204-1 - Proportion of spending with local suppliers	76
Anti-corruption		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	18 and 25
	103-2 - Management types and their components	18 and 25
	103-3 - Assessment of management type	18 and 25
GRI 205 – Anti-corruption	205-1 - Operations evaluated for corruption-related risk	In 2019, we structured the compliance policy and conducted training on the topic at all hierarchical levels.

Standard GRI	Disclosure	Page and/or URL
	205-2 - Communication and training on anti-corruption policies and procedures	In 2019, we updated the Code of Conduct, involving the anti-corruption theme, with intense training and dissemination of documents to all employees
	205-3 - Confirmed cases of corruption and actions taken	No cases were recorded
Unfair Competition		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	25
	103-2 - Management types and their components	25
	103-3 - Assessment of management type	25
GRI 206: Unfair Competition	206-1 - Legal actions for disloyal competition, trust practices and monopoly	No lawsuits were filed for unfair competition, anti-trust and monopoly practices in the year.
Materials		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	70
	103-2 - Management types and their components	70
	103-3 - Assessment of management type	70
GRI 301: Materials	301-3 - Recovered products and their packaging	70 and 87
Energy		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	73
	103-2 - Management types and their components	73
	103-3 - Assessment of management type	73
GRI 202: Energy	302-1 - Energy consumption within the organization	85
	302-2 - Energy consumption outside the organization	We do not monitor energy consumption outside our organization.
	302-3 - Energetic intensity	73 and 86
	302-5 - Reduction of power requirements for products and services	There was none.
Water		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	71
	103-2 - Management types and their components	71
	103-3 - Assessment of management type	71
GRI 303: Water	303-1 - Interactions with water as a shared resource	71

Standard GRI	Disclosure	Page and/or URL
	303-2 - Management of impacts related to water disposal	71
	303-2 - Water withdrawal	71 and 83
Emissions		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	73
	103-2 - Management types and their components	73
	103-3 - Assessment of management type	73
GRI 305: Emissions	305-1 - Direct GHG Emissions (Scope 1)	83
	305-2 - Indirect GHG emissions from energy acquisition (Scope 2)	83
	305-3 - Other indirect GHG emissions (Scope 3)	We do not publish Scope 3 emissions.
	305-4 - Intensity of carbon emissions	83 and 84
	305-5 - Reduction of CO ₂ emissions	73 and 84
	305-6 - Emissions of substances that destroy the ozone layer (SDO)	Not applicable. Emissions of substances that destroy the ozone layer (SDO) are not significant.
	305-7 - NOX, SOX and other significant emissions	Not applicable. We have no significant NOX and SOX emissions.
Effluents and Residues		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	70
	103-2 - Management types and their components	70
	103-3 - Assessment of management type	70
GRI 306: Effluents and Residues	306-2 - Residue by type and disposal method	87
	306-3 - Significant leaks	None.
	306-4 - Transportation of hazardous residues	None.
Environmental Assessment of Suppliers		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	54
	103-2 - Management types and their components	54
	103-3 - Assessment of management type	54
GRI 308: Materials	308-1 - New suppliers are selected based on environmental criteria	100% of contracts are analyzed by the Supplies and Third Party Management area, with a verification of the companies' licenses and environmental requirements when relevant.
	308-2 - Negative environmental impacts in the supply chain and actions taken	We do not make this analysis.

Standard GRI	Disclosure	Page and/or URL
Employment		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	50
	103-2 - Management types and their components	50
	103-3 - Assessment of management type	50
GRI 401: Employment	401-1 -New employee hiring and employee turnover	78
	401-2 - Benefits for full-time employees that are not offered to temporary or part-time employees	50
	401-3 - Maternity/Paternity leave	79
Labor Relations		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	51
	103-2 - Management types and their components	51
	103-3 - Assessment of management type	51
GRI 402: Labor Relations	402-1 - Minimum notice period for operational changes	Our minimum notice period for operational changes is 30 days.
Occupational Health and Safety		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	59
	103-2 - Management types and their components	59
	103-3 - Assessment of management type	59
GRI 403 – Occupational Health and Safety	403-1 - Occupational health and safety management system	The occupational health and safety management system was established as provided for in legal requirement NR 29. It includes risk management of activities based on norms/guidelines of other applicable legal requirements, and the results are presented through programs, reports and studies.
	403-2 -Hazard identification, risk assessment and incident investigation	60
	403-3 - Occupational health services	61
	403-4 - Worker participation, consultation and communication on occupational health and safety	61
	403-3 - Worker training	52

Standard GRI	Disclosure	Page and/or URL
	403-6 - Workers' health promotion	If the need for non-occupational health monitoring is detected, it is performed by the internal multidisciplinary team, covering the entire health spectrum. During the discussion sessions held, which are open to all employees, health themes such as some types of cancer, STDs and seasonal diseases are discussed.
	403-7 - Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	We have occupational health and safety programs (AIPR, PPR, PCMSO, PPR and PCA), PPE and EPC management, safety service order (NR 01) and monitoring of controls applied in the area. We also have emergency planning, as defined in document PCE 001
	403-8 - Workers covered by an occupational health and safety management system	82
	403-9 - Work-related injuries	82
	403-10 - Work-related health problems	There were no work-related health problems.
Training and Education		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	52
	103-2 - Management types and their components	52
	103-3 - Assessment of management type	52
GRI 404: Training and Education	404-1 - Average number of training hours per year per employee	53 and 80
	404-2 - Programs for developing employee skills and assistance for career transition	50
	404-3 - Percentage of employees receiving regular performance and career development assessments	50
Diversity and Equal Opportunity		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	52
	103-2 - Management types and their components	52
	103-3 - Assessment of management type	52
GRI 405: Diversity and Equal Opportunity	405-1 -Diversity in governance bodies and employees	79

Standard GRI	Disclosure	Page and/or URL
Child Labor		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	54
	103-2 - Management types and their components	54
	103-3 - Assessment of management type	54
GRI 408: Child Labor	408-1 - Operations and suppliers with significant risk of child labor cases	54
Forced Labor or Analogous to Slave Labor		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	54
	103-2 - Management types and their components	54
	103-3 - Assessment of management type	54
GRI 409: Forced Labor or Analogous to Slave Labor	409-1 - Operations and suppliers with significant risk of forced or mandatory labor cases	54
Rights of Indigenous and Traditional People		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	92
	103-2 - Management types and their components	92
	103-3 - Assessment of management type	92
GRI 411: Rights of Indigenous and Traditional People	411-1 - Cases of violation of the rights of indigenous or traditional people	There were no identified incidents involving indigenous or traditional people's rights.
Social Assessment of Suppliers		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	92
	103-2 - Management types and their components	92
	103-3 - Assessment of management type	92
	GRI-414: Social Assessment of Suppliers	414-1 - New suppliers who were selected using social criteria
	414-2 - Negative social impacts on the supplier chain and actions taken	We do not conduct assessments of social impacts in the supplier chain

Standard GRI	Disclosure	Page and/or URL
Client's Occupational Health and Safety		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	92
	103-2 - Management types and their components	92
	103-3 - Assessment of management type	92
GRI 416: Client's Occupational Health and Safety	416-1 - Assessment of health and safety impacts of the products and services categories	All our activities and services have risk analysis indicating the possible deviations and the required mitigating and emergency measures.
	416-2 - Cases of non-conformity related to impacts on health and safety from products and services	We did not record any type of non-compliance that would have resulted in application of a fine, penalty, warnings, or that violates voluntary codes, which means that there was no impact on the safety and health of society.
Marketing and Labeling		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	92
	103-2 - Management types and their components	92
	103-3 - Assessment of management type	92
GRI 417: Marketing and Labeling	417-2 - Cases of non-compliance with product and service labeling information	During the year, we did not record any cases of non-compliance regarding product and service information and labeling.
Client Privacy		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	92
	103-2 - Management types and their components	92
	103-3 - Assessment of management type	92
GRI 418: Client Privacy	418-1 - Proven complaints concerning the violation of client privacy and data loss	We did not record any complaints or claims for violation of client privacy or loss of data in the year.
Social and Economic Compliance		
GRI 103: Types of Management	103-1 - Explanation of material topic and its limits	92
	103-2 - Management types and their components	92
	103-3 - Assessment of management type	92
GRI 419: Social and Economic Compliance	419-1 - Non-compliance with laws and regulations in the social and economic areas	There was no record in the year of non-compliance with laws and regulations in the social and environmental areas.

Statement of Assurance

STATEMENT BY SGS ICS CERTIFICADORA LTDA. (SGS) REGARDING THE SUSTAINABILITY ACTIVITIES PROVIDED IN "SUSTAINABILITY REPORT 2019" 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 2019. The assurance scope, based on assurance methodology of sustainability reports of SGS, comprises the disclosure verification under GRI standards in 2019.

The information provided in "SUSTAINABILITY REPORT 2019" 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 2019" 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 2019" are reliable and a true and accurate representation of the sustainability activities performed by SANTOS BRASIL PARTICIPAÇÕES S.A. in reference year 2019. 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.

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 duly 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

APRIL 30TH, 2020
EXECUTED BY AND ON BEHALF OF SGS

PROCESS

General Coordination

Corporate Communication
and Sustainability
Investor Relations

Materiality Matrix

Avesso Sustentabilidade

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