



INTEGRATED ANNUAL REPORT 2020



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» CENTRAL DE OPERAÇÕES «



NOSSOS VALORES

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About this report

This is the first Integrated Annual Report published by JSL following the corporate restructuring that converted the company into a subsidiary of SIMPAR, with independent management. With the publication, the company aims to give an account of itself to its stakeholders for its business strategy and its actions for attaining its objectives, while also demonstrating its commitment to all dimensions of sustainability. The document referring to the performance in 2020 was prepared in accordance with the Global Reporting Initiative: Essential option, and the principles of the International Integrated Reporting Council (IIRC). It also follows the recommendations on disclosure from the Task Force on Climate-related Financial Disclosures (TCFD), and those on data from the Carbon Disclosure Program (CDP), for revealing information about the operations of all its business lines. [GRI 102-45](#) | [102-50](#) | [102-52](#) | [102-54](#)

As this is the first document of its kind, there is no restatement of information or amendments to scope or limits. The quantitative information about Fadel and Transmoreno, acquired in 2020, was not monitored during the year; however, it will be updated in the next report. The report content, submitted to external by KMPG, was internally approved by the Sustainability Committee and by the senior management of JSL, who recognize the thinking that has gone into preparing it. No mandatory information has been omitted in this report. The photographs of people not wearing

masks or observing the minimum social distancing were taken prior to the Covid-19 pandemic.

[GRI 102-48](#) | [102-49](#) | [102-51](#) | [102-56](#)

Comments about this report can be forwarded to the channels: ri@jsl.com.br and comunicacao@jsl.com.br. [GRI 102-53](#)

Materiality [GRI 102-21](#) | [102-40](#) | [102-42](#) | [102-43](#) | [102-46](#)

The content to be reported in this document was the result of building, with the support of specialized consultants, a materiality matrix process consisting of the phases: Identification, Prioritization, Analysis and Validation.

In the first phase, more than ten internal documents were consulted, such as policies, strategic guidelines, communication materials and certifications obtained, and five external documents, such as studies, other companies' research into sustainability and materiality trends. Furthermore, a workshop was held for the leaders of the main operational and administrative areas in order to prioritize the stakeholders to be consulted and to collate the impacts of the activities.

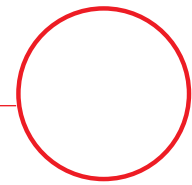
Prioritization included 303 enquiries: interviews with five leaders and three external stakeholders, and remittance and reception of online questionnaires to a further 295 external stakeholders. Having analyzed the responses and taking into account the recommendations of the external consultants, the following list of material topics was drawn up and validated by the Sustainability Committee on December 14, 2020, and which underpin the content of this report. [GRI 102-32](#)

Stakeholders identified:

Stakeholders Prioritized

- Third-party and contract drivers
- Customers
- Employees
- Communities where we operate
- Controlling family
- The environment/society in general
- The Media
- Senior management
- Competitors
- Suppliers
- Financial institutions
- Stock exchange investors
- Government entities/regulatory agencies
- Unions





Material issues

GRI 102-44 | 102-46 | 102-47

*Transverse topics.

Message from the Management

GRI 102-14 | 102-15

In 2020, we concluded our **corporate restructuring** and **JSL** resigned the role of holding company, to become an exclusively operating company with **the largest and most integrated portfolio of logistics services in Brazil**. Amid the restrictions imposed by the Covid-19 pandemic, we stayed focused on our strategy of generating sustainable value for our shareholders, society and the market in general, without neglecting the health and well-being of our employees and society. We combined forces to look after our **people** and made our contribution to the country by providing **R\$ 5.4 million** in logistics services, transporting a total of **6 million** items, including food parcels, hygiene and cleaning kits and equipment for ICU beds. Aware of our role of ensuring the supply of a large variety of products, including essential goods like food and health and hygiene items, we **adapted to the pandemic scenario** and continued working hard in all preventive measures, to ensure efficient and quality services.

We exited the year 2020 much stronger, agile and resilient. The transformation brought on by the corporate restructuring enabled us to focus even further on our business and the opportunities. In September 2020, we were admitted to the *Novo Mercado* segment of B3 and made an **offering of shares** traded under the ticker **JSLG3, 100% primary market**, amounting to **R\$ 694 million**, which has bolstered the company's capital structure. The IPO has enabled us to accelerate our growth plan while continuing to be at the forefront of the movement to consolidate the extremely fragmented logistics segment in Brazil.

Following these initiatives, in line with our strategic planning, in the second half of 2020 we concluded **the acquisitions of Fadel and Transmoreno, respectively, for R\$ 312.7 million (75% of the equity) and R\$ 310 million (100% of the equity)**, both as Enterprise Value - EV, thereby expanding our presence in urban distribution and new vehicle transportation



“People are one of our great competitive advantages”



The Fadel Operation



The Transmoreno Operation

sectors, in addition to the capillarity and density of our network of contracted truck drivers. These acquisitions contributed R\$ 625 million in Net Revenues in 2020 and were structured around opportunities for cross-selling complementariness synergies within the portfolio of customers and services and, above all, the quality of the Fadel and Transmoreno teams.

Fadel is one of Brazil's leading urban distribution companies, with a customer base in the beverages, food and consumer goods segments and, beginning in 2020, also in e-commerce, sectors that have been less affected by the Covid-19 pandemic. It also provides dedicated logistics services for highway cargoes, with 25 units in Brazil and four in Paraguay. Given its operating profile, Fadel's business model is considered Asset-Heavy, with around 1,700 own assets. Thanks to the focus on efficiency, the expansion of operations with existing customers and consolidation of the operation in Paraguay, **the performance of Fadel in 2020 exceeded expectations**, achieving net revenues, when the operations of Fadel Brazil and Paraguay are taken together for the full year, of R\$ 484.6 million, up by 28.1% over 2019, and EBITDA of R\$ 96.3 million, 64.2% above the previous year. **Net income stood at R\$ 56.0 million, 103.9% higher** in comparison with 2019.

Transmoreno is one of the leading companies in Brazil in transporting new vehicles on car transporter trailers and providing automotive logistics services. It primarily serves two major vehicle manufacturers in Brazil and transport 100% of the new vehicles of these manufacturers to their final destination in the north, mid-west and part of the south-east of Brazil, regions where growth exceeds the national average. In 2019, Transmoreno transported 197,500 cars, and in 2020 81,400 vehicles were transported. It operates through a network of contracted truck drivers and is therefore considered to be an asset-light company. During the year, notwithstanding the lower volume of the automotive industry, it posted net income of R\$ 13.4 million. The activities of Transmoreno complement those of JSL, which offers opportunities for cross-selling in a segment where JSL has a huge portfolio of services and customers.

The new capital structure has enabled us to manage our indebtedness more efficiently, **and we prepaid R\$ 908.1 million**, ending the year with net debt of R\$ 1.6 billion, 47.4% lower than in 2019, and leverage – net debt/EBITDA of 3.0x, in other words, 50% lower than in 2019, in addition to reducing the cost of our net indebtedness by 0.5p.p. which, after taxes, stood at 3.4% at the end of 2020.

Our business model accounts for a significant part of our revenue originating in asset-light operations, which in 2020 ensured that before the expansion and interest payments, we achieved a **free cash flow livre of R\$ 398.0 million**, before growth, excluding the cash generated by the companies acquired. **S&P Global Ratings have raised** the company's **ratings** on the Brazil National Scale from 'brAA-', to 'brAA'.

We formed **a new Board of Directors**, with the participation of two new independent directors, and we created the following advisory committees: **Auditoria, Finance, Sustainability, and Technology and Innovation**. All committees have independent external members who bring knowledge and outside experience to the topics of each committee. This governance structure ensures and enhances the best practices already prevailing before the restructuring. The principles of **EESG (Economic, Environmental, Social and Governance)** sustainability have been at the center of our strategy for quite some time. Since 2014, the company has been a signatory of the Global Compact and, in 2020, it joined as an independent company in order to strengthen our commitment to the challenges set out in the UN Agenda 2030. With the creation of the exclusive Sustainability Committee for JSL, we have enhanced the depth and focus on the logistics chain ecosystem.

None of these achievements would have been possible without **our People, one of our major competitive differentials**. We have built a team of around 18,500 direct employees among whom we are proud of having 100 managers with an average time of service with us of 10 years. This peculiarity is essential for our capacity to expand our services, replicating the quality of our operations, and it strengthens our purpose of **"Understanding to Serve"**, always seeking the best for our customers, in addition to generating shareholder value through sustainable development. An example of the assertiveness of this position is the fact that our 10 largest customers have remained customers for more than 25 years. In 2020, JSL onboarded the teams of Fadel and Transmoreno who demonstrate amazing quality in execution, customer focus and values that are aligned with our – welcome to the JSL family.

Another of our differentials are our investments in technology where the focus is on the integration and fluidity of information with customers when addressing the business needs and our operational strategy. We have undertaken a significant transformation in our technology park, including setting up the new operating system – e-JSL, a new app for truck drivers, the Operations Hub and other satellite systems that provide our customers with greater security, and agility and productivity for our people and our assets.



We have built a team of around 18,500 direct employees among whom we are proud of having 100 managers with an average time of service with us of 10 years.

A year of challenges, of that there is no doubt, but also of outperforming and major achievements. In 2020, we achieved **R\$ 2.8 billion in total Net Revenue**, while our **Net Indebtedness was R\$ 1.6 billion**, equivalent to 3x EBITDA and 2.5x Added EBITDA. We showed **Net Capex of R\$ 154.0 million** in 2020. Moreover, our **Consolidated Net Income was R\$ 41.0 million** and, if we exclude the Treasury segment which consolidates the costs for the period when our company operated as a holding company, **our Logistics Net Income amounted to R\$ 84.8 million in 2020**.

Subsequent events

In 2021, in line with our strategic planning for inorganic growth **we have announced the acquisitions of TPC and Transportadora Rodomeu**. **TPC** introduces us to the new segment of **warehouse operations management and urban distribution in the healthcare field** using leading-edge systems and technology, enhances our presence in the Northeastern, strategic in terms of highway transport density, while adding new customers, segments and the full-commerce model to our portfolio of services. **Transportadora Rodomeu** marks our **entry into the compressed gases segment** and increases our market share as a

highway haulage company of highly complex cargoes like chemical products, machines and equipment and inputs and finished goods of the mining and paper and pulp sectors, among others. The operations diversify the sectors to which we are exposed, while enabling us to exploit a series of synergies. The acquisitions will be concluded following approval by the Brazilian Antitrust Agency (Cade), and on a combined annual bases they will add **Net Revenues of around R\$ 500 million**, based on the estimated, unaudited figures for 2020.

We are certain that 2020 was a year for further remembering our **PEOPLE**, each direct employee, contracted and partner drivers who were much more united as the year came to a close, with renewed feelings of constant caring and solidarity.

We cannot forget to say a **special thank you** to our employees, directors and executives, as well as their families, who remained engaged even in the face of so many challenges, not only within the company, but also in their personal lives; to our suppliers who remained committed and enabled us to safely pursue our business; to our shareholders, who supported us on this journey; and to our customers and the community in general for having placed their trust in us.

We have begun 2021 ready with the people, structure and technology for executing our business plan and transforming our figures through organic and inorganic growth in the search to increasingly improve our return on investment.

TOGETHER we will go much further, with focus, determination and a structure that is prepared for the challenges that lie ahead!

Thank you very much,

Denys Marc Ferrez

Chairman of the Board of Directors

Fernando Antonio Simões

President & CEO

“Another of our differentials are our investments in technology where the focus is on the integration and fluidity of information with customers when addressing the business needs and our operational strategy”

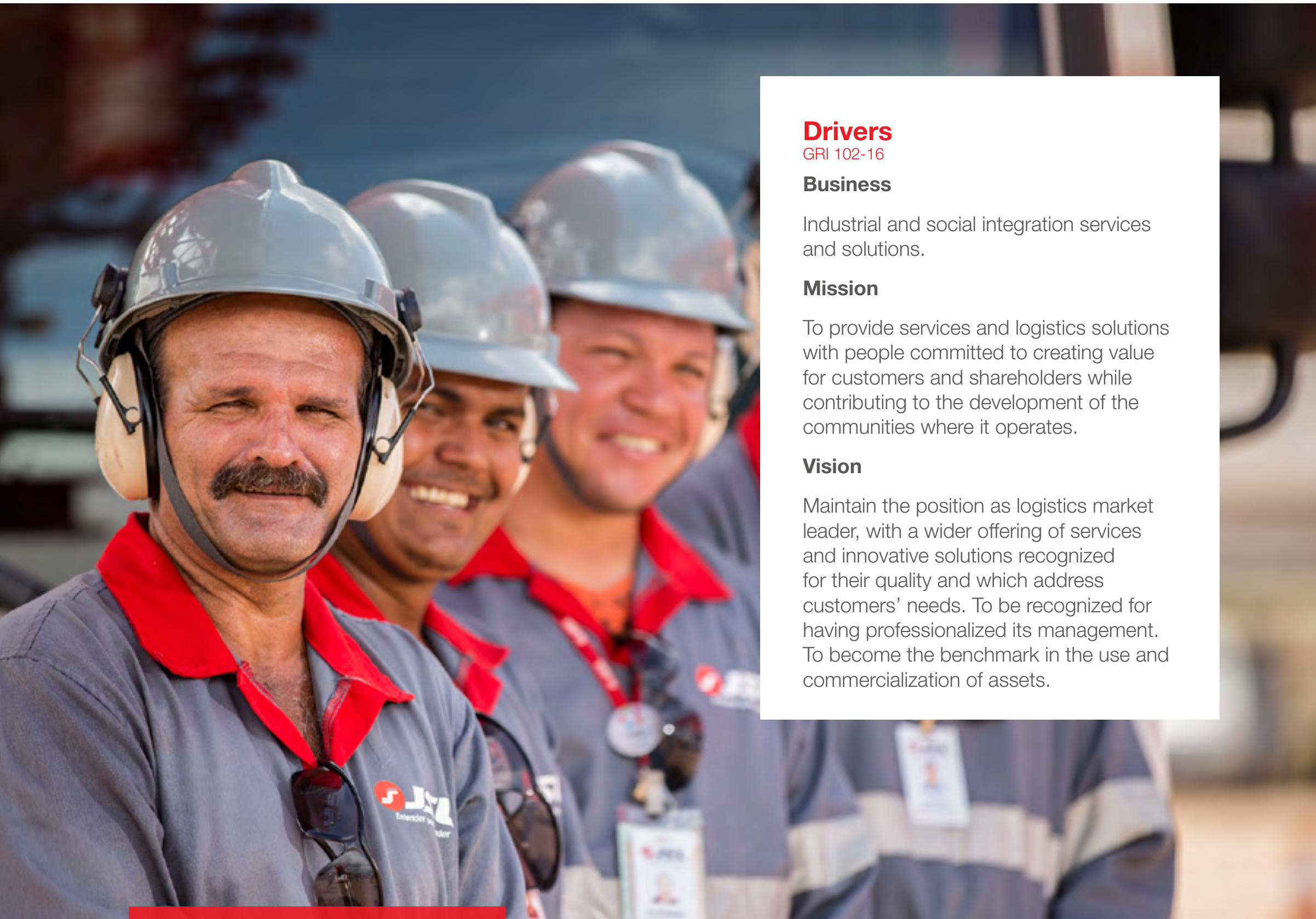
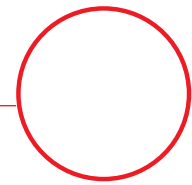


Identity

Guided by the value “Understanding to Serve”, JSL is domestic leader in highway logistics services – especially cargo transportation and logistics chain management – providing services to companies in key economic sectors like consumer goods, food, automotive, chemical, paper and pulp, sugar and energy, steel and mining. In Brazil, it has over 200 branches in 19 states, in addition to 19 distribution centers. It is also present in Argentina, Chile, Uruguay and Paraguay. From its administrative head offices in Mogi das Cruzes (SP), it operates with around 13,000 employees (18,500 direct employees if Fadel and Transmoreno staff are considered). [GRI 102-1 | 102-3 | 102-4 | 102-6 | 102-7](#)

In 2020, following the corporate restructuring, JSL embarked on a new growth cycle. This movement enhanced the company’s strategic positioning as it began to operate with its own management, an independent budget, greater agility and focused exclusively on its area of operations.

At the end of the period, it showed a Net Income of R\$ 41.0 million – if we strip out the financial cost of the debts considered as Treasury, given the transaction that took place in 2020 in which JSL relinquished the role of holding company, Net Income from Logistics amounted to R\$ 84.8 million for the year. The EBITDA posted in the period was R\$ 431.5 million. [GRI 102-7 | 102-10](#)



Drivers

GRI 102-16

Business

Industrial and social integration services and solutions.

Mission

To provide services and logistics solutions with people committed to creating value for customers and shareholders while contributing to the development of the communities where it operates.

Vision

Maintain the position as logistics market leader, with a wider offering of services and innovative solutions recognized for their quality and which address customers' needs. To be recognized for having professionalized its management. To become the benchmark in the use and commercialization of assets.

PRINCIPLES AND VALUES



CUSTOMERS

Understanding to Serve, ensuring continuous relationships.



PEOPLE

Make the difference in our business.



WORK

Nothing gets built without it.



SIMPLICITY

Objectivity of action, ensuring agility.



PROFIT

Essential for growth and perpetuity.

Products and services GRI 102-2



Cargo transport:

- Network of more than 100,000 independent contractor and third-party drivers.
- Technology that connects our customers with the truck drivers and our customers' customers.



Urban distribution:

- Last mile distribution with point of sales supply and return management.
- Dry, refrigerated or frozen cargo, with on-line temperature control.
- Return trips from/to warehouses operated or not by JSL, or directly from the industry to the retail sector.



Dedicated logistics operations:

- Closed circuit operations as part of the customer's production.
- High level of specialization and customization.
- High degree of technological integration and monitoring.

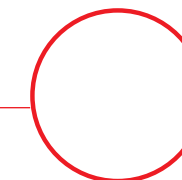


Warehousing services:

- Management of 137,000 m² of dedicated multi-customer warehouses.
- Receival, storage, and production line sequencing and supply.
- Supply packaging and packaging equipment.
- Customer's sales systems connected to JSL for delivery within 24 hours.

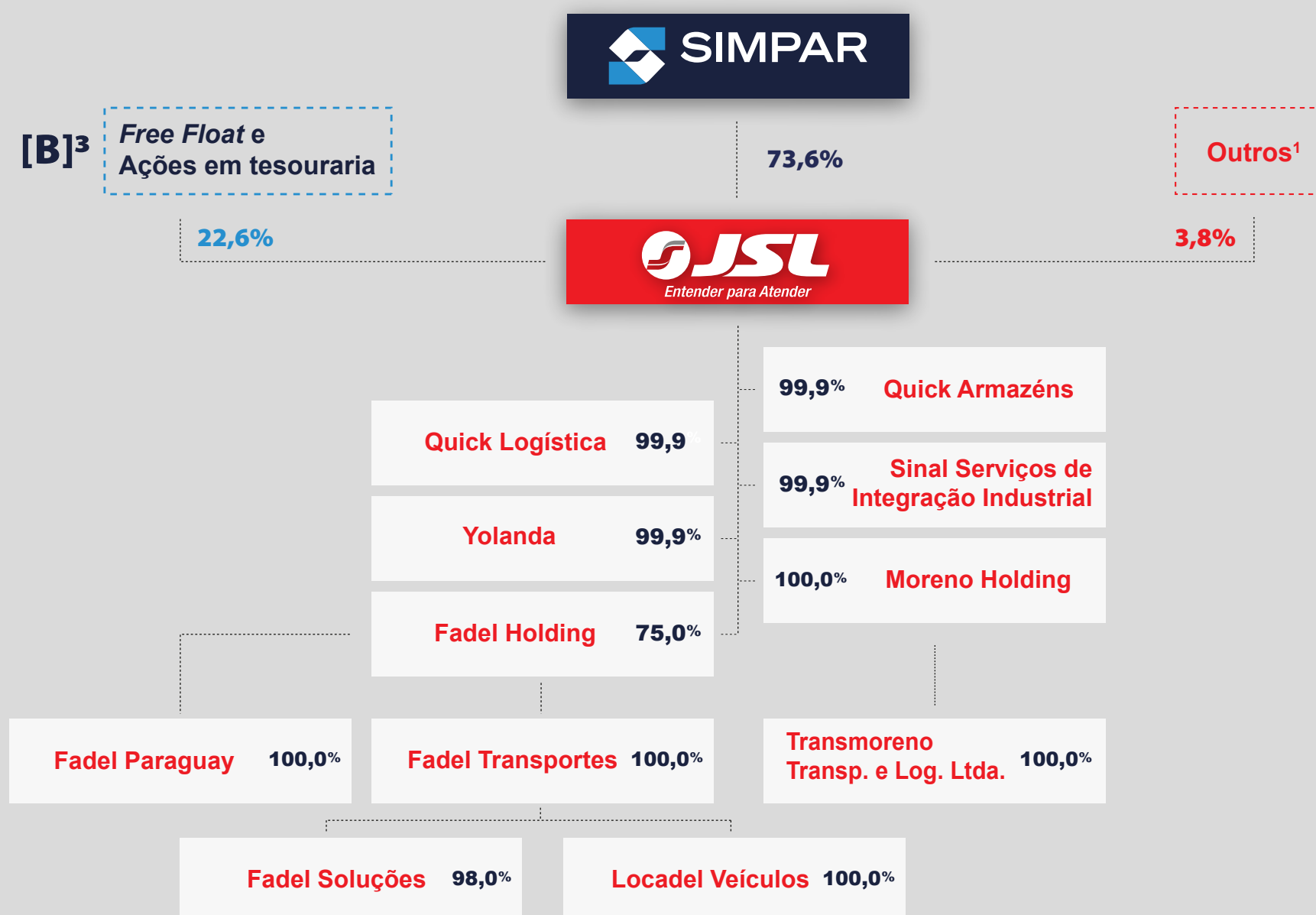


**End-to-end
logistics**



Integrated Annual Report 2020

Corporate structure



2020 Highlights



Following the corporate restructuring, **JSL** began operating as a stand-alone **logistics services**, company with its own development agenda.



Initial Public Offering (IPO) on the Brazilian Stock Exchange, B3.



Acquisition a **75%** equity stake in Fadel.



Acquisition of **100% of the company Transmoreno**.

Note: (1) Fernando Antonio Simões, Other Simões Family Members, Management and Treasury shares



Value generation

Strategy and management model

JSL is always alert to opportunities for expansion, rooted in its differential competitive advantages and its leading position in logistics services.

The objectives and targets are projected for a three-year horizon by the managers and shown in strategic planning submitted to the Board of Directors. The on-going guidelines are:

- **Expansion of the range of services with active customers:** To boost opportunities for cross-selling, expanding the services provided through tailor-made innovative solutions.
- **Expansion and diversification of the customer portfolio:** To offer innovative solutions in logistics services, both to new companies and sectors somewhat less explored.
- **Customization of services:** To be at the customer's service, focusing on higher productivity and process optimization.
- **Introduction of services into the current portfolio:** To develop new projects to comprise the current portfolio, enhancing logistics integration.
- **Sectorial diversification:** To expand the opportunity for sustainable growth and mitigate possible risks, but without being dependent on any specific industry.
- **Acceleration of growth through strategic acquisitions:** To grow the share of strategic segments and geographical regions, with new possibilities for cross-selling, in addition to organic growth.
- **Higher value-added services:** To maximize the return on invested capital by adding new services with the same level of assets, or even with the slight necessity for investment to replace assets to expand the operation, which increases the aggregate amount of the agreement with the potential to generate more revenue.
- **Sustainability:** To foster the incorporation of sustainability into the company's strategy and decision making, allocating priority to maximizing positive socioenvironmental impacts.

Integrated Annual Report 2020

We conduct our business in order to serve the customer and perpetuate the business relationships, generating value for our shareholders while contributing to the development of society – commitments assumed more than six decades ago. This is what it means to operate with the concept of “Understanding to Serve”.

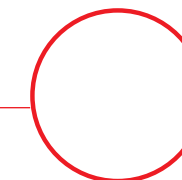
The management is also aligned with the principles of sustainability that include service dedicated to each customer’s needs. **In the economic dimension**, the company strives for sustainable financial results in the medium and long terms, based on fair business relationships and on services that effectively add value for customers. It also values diversification of business, segments and customers. Where the **environment is concerned**, it has policies and actions dedicated to the efficient use of natural resources in tune with the National Policy on Solid Waste, while meeting the requisites of NBR 12235 governing the storage of hazardous solid waste; and actions to minimize the impacts of climate change, including looking into investments in carbon sequester projects, an Emissions Management Program and the commitment to contribute to the target assumed by SIMPAR of reducing the Group’s emissions by 15% within 10 years (2030). In the **social sphere**, it strives to engage with the communities surrounding its operations; invests in initiatives that recognize the professional and personal value of the employees,

third-party drivers and contract drivers; and it aims to create long-lasting partnerships with suppliers that foster the generation of value.

Among the challenges mapped out for the perennial nature and sustainment of the [Company's business](#) are the constant search for competitiveness, bearing in mind its cost and price formation, so as to increase the customer base and expand market share; the achievement of greater economic results to maintain the growth and expansion of market share and the customer portfolio; growth and maintenance of the base of third-party and partner truck drivers; credibility in the financial and capital markets and the failure to adopt innovative processes and new technologies essential for the development of the industry (such as non-polluting fuel and electric vehicles). In addition, the sustainable development of JSL could be interrupted by occasional risk factors described and included in the company’s management process, such as the inability to raise sufficient funding or on acceptable costs and terms to support the growth strategy; by errors in setting prices; failure to maintain processes for attracting, training and retaining qualified professionals; unsuccessful bids for occasional acquisitions, with unidentified or non-identifiable contingencies at other companies; and risks referring to the outsourcing of a substantial portion of the services activities dedicated to the supply chain and general cargo transport, among others described in the [Reference form](#).



Management model aligned with the principles of sustainability, with service dedicated to each customer's needs



Competitive Differentials

People – Every company consists of people, especially service provider companies. JSL people have a team of profiles, ages and length of service with the company, which results in a combination of different teams for perpetuating our business and initiating new growth cycles.

Recognized quality and strong growth track record – Stands apart in the segment where it operates, recognized for the level of service combined with

generating benefits for customers thanks to higher productivity in its logistics chain and gains in competitiveness.

Experience in customization – Attention to staff development and training produces personnel who are predisposed and committed to developing and launching the appropriate products and services for each customer's reality.

Strong culture – The staff embrace the culture and strong values and are committed to the company in the long term.

Diversification of business, services and customers – Extensive portfolio of services attending to 16 economic sectors, with the possibility of economies of scale, loyalty programs, expansion of contracts and cross-selling.

Opportunity for consolidation – JSL has positioned itself as the largest company in its sector in a fragmented market, with huge purchasing power for inputs and assets given its large scale, which has a positive impact on the returns on the projects

Average age of the fleet – The high capillarity in asset distribution has contributed to the renewal of the JSL fleet, younger than the national average, the fruit of the efficient model for selling and trading assets and the alliance with major groups.

Technology – Intelligence in the service of customers and truck drivers, enabling higher productivity, greater returns and operational agility.

Contribution to sustainable development



Commitment to best reporting practices on ESG issues, striving for consistency and transparency in the report (GRI, Integrated Reporting, GHG Protocol).



Personal and professional development for truck drivers through training courses, financial advisory and initiatives whose aim is to recognize their worth.



Constant renewal of the in-house fleet, which has a positive impact on environmental, safety and productivity indicators, while also encouraging partner and contract drivers to renew their fleet.



The Respect for Diversity Program and the adoption of initiatives such as extended parental leave.



Adherence to the *Na Mão Certa* Program put together by Childhood Brasil and supported by the International Labor Organization. The aim of this action is to combat the sexual exploitation of minors on the highways by continually educating the drivers and raising employee awareness.



Relationship with communities where the operations are located.



Investment in proprietary social projects, with the emphasis on children and adolescents.



Safety of personnel and cargoes as a priority.



Ligado em Você Caminhoneiro (We Care About You) Program – a 24-hours service channel for partner truck drivers.

Investment in technology

GRI 103-1 | 103-2 | 103-2 – Technological innovation

JSL closely accompanies market trends and analyzes the suitability of new solutions and technologies to the needs of the business and its operating strategy. The company's technology park has undergone a substantial transformation following the setting up of a new operating system – e-JSL, its new application for truck drivers, its Operations Hub and other satellite systems that offer enhanced safety, agility and productivity for people and assets.

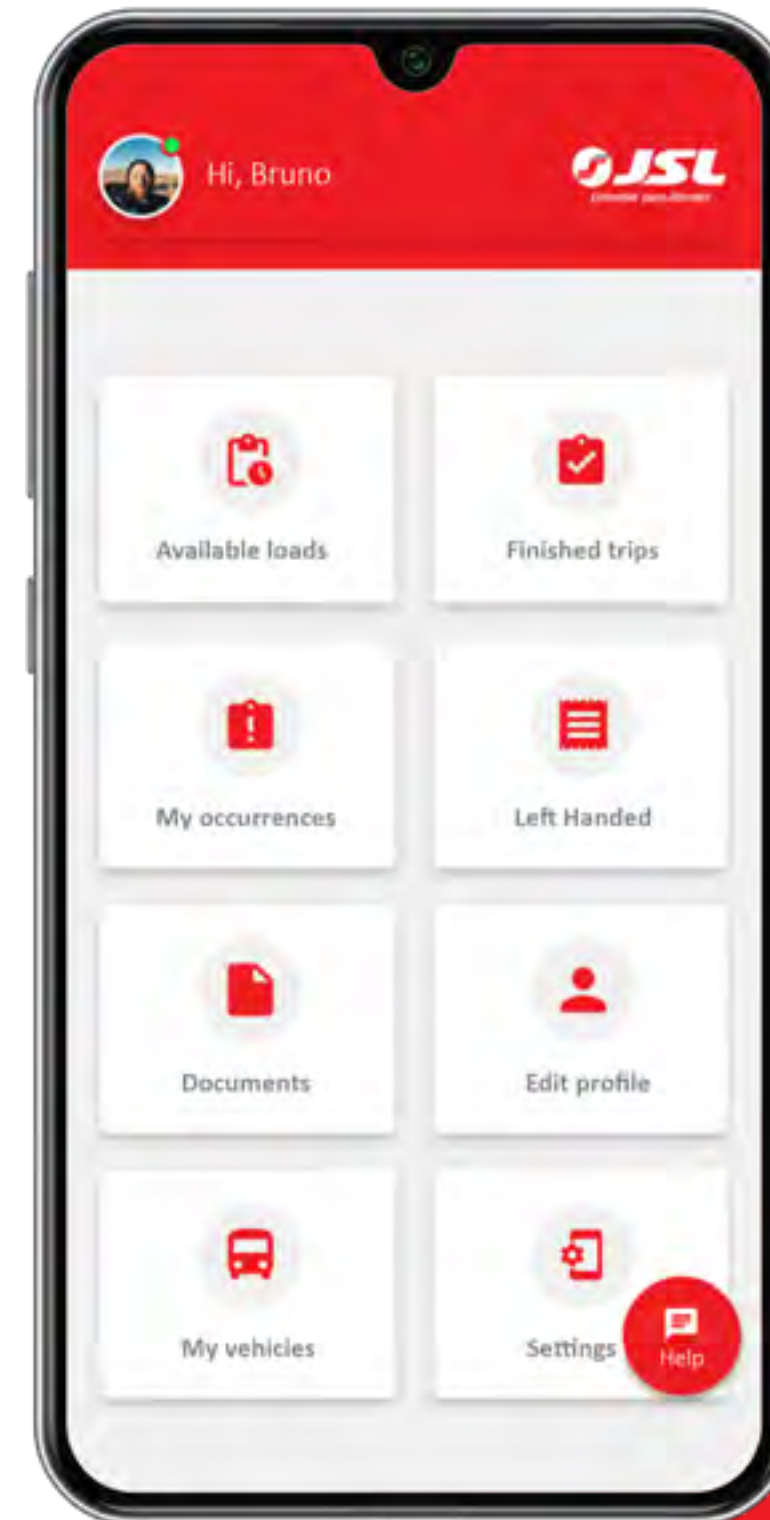
The company is of the opinion that within its process of continuous development, technological or process innovation must result in customer loyalty or enhance people's productivity, creating opportunities for higher revenues or a reduction in the costs of the services provided.

Projects approved on these criteria become part of the in-house portfolio, while the more strategic ones are incorporated into the target plans of the leaders of the different areas involved. The intention is to transform, improve and optimize in an innovative manner the routine of employees, drivers and customers. The issue is managed in weekly meetings of the Technology and Innovation Committee consisting of three members, two of them directors.

Technology is also at the service of employees, truck drivers and customers, enabling higher productivity, greater returns and operational agility. The Operations Hub, located at Itaquaquecetuba (SP), is one of the main fronts of innovation, which enables real-time viewing of the company's assets and cargos and aims to optimize time, use and allocation of resources.

The value put on the technological aspect is represented by investments of over R\$ 16 million in the e-JSL project. This set of mechanisms will contribute to enhancing the efficiency of monitoring and cargo offerings for the truck drivers, while customers also stand to gain from the possibility of tracking.

The new application is intended for drivers who transport JSL cargos and, connected to the company's Operations Hub, it should lead to more opportunities for optimizing routes while offering additional cargos to the data base of drivers as they move around. It facilitates the monitoring of assets and cargos, as well as the relationship and communication with the truck drivers, whether partners or contracted. Now in the implementation phase, the application will also help reduce drivers'



costs by suggesting efficient routes and stopover points with benefits for users of the application. This will make it possible not only to capture the loyalty of those already contracted drivers, but also attract more drivers on account of the exclusive and differentiated benefits offered.

In addition to the e-JSL, to pay the Freight Charter, innovation arose with the migration to the BBC digital account, substituting the payment. This affords professionals a simpler and more extensive way of using resources, not to mention the additional benefits offered by the BBC.

Business model

Capital as an input

Financial Capital

- R\$ 3,387 million in Gross Revenues
- Gross Investment of R\$ 327.7 billion, of which R\$ 310.7 billion in expansion and R\$ 17.1 billion in renovation

Human Capital

- 13,613 direct employees (18,500 when the employees of Fadel and Transmoreno are factored in)
- Around 2,000 partner drivers and over 10,000 contracted drivers
- *Ligado em Você* Program

Natural Capital

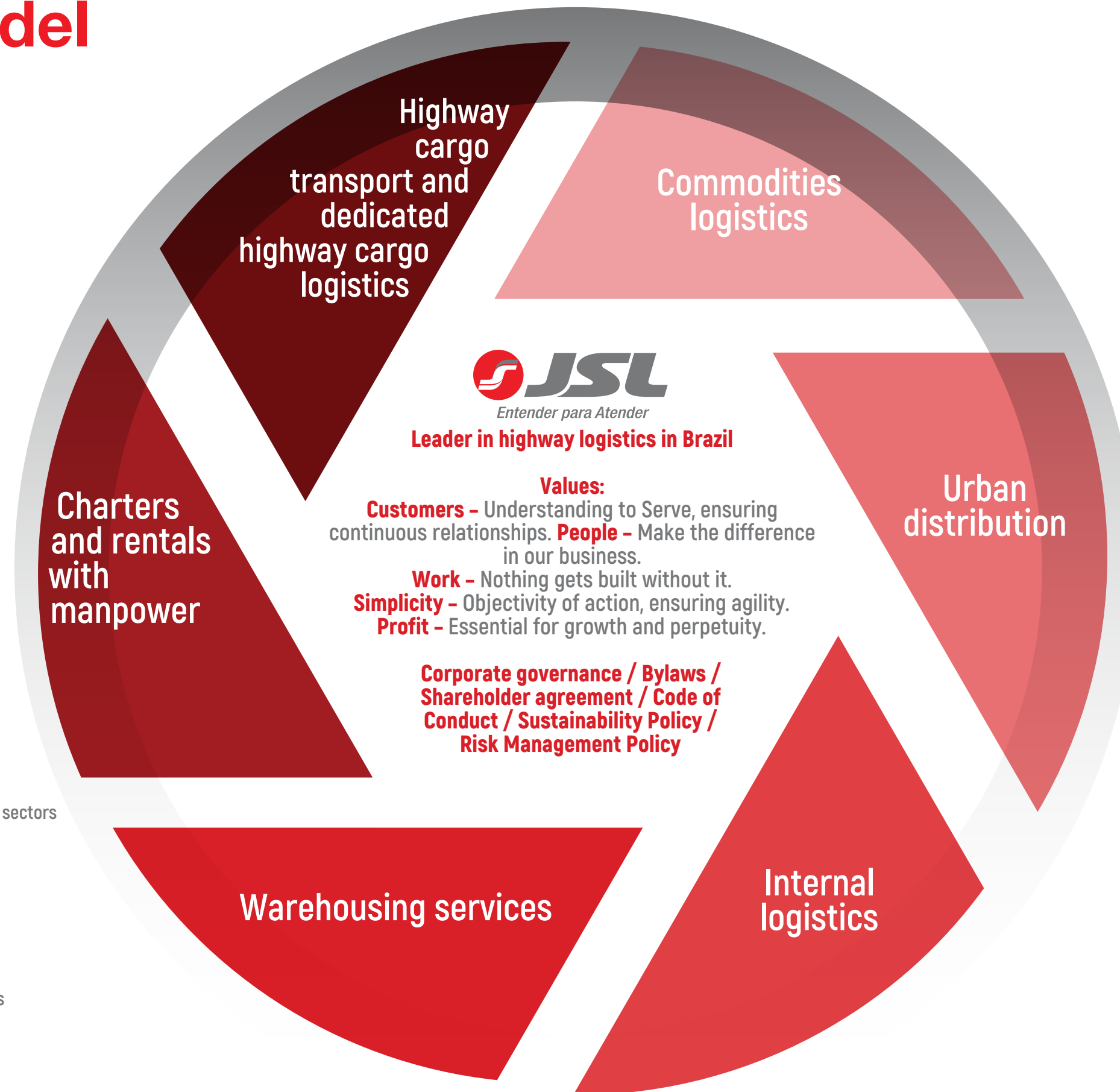
- 3,831,527.08 GJ of fuel used
- 12.26 ML of water consumed
- Emissions Management Program
- Waste recycling and disposal program

Social capital

- Customers across a wide range of economic sectors
- *Instituto Julio Simões* (Julio Simoes Institute)
- *Na Mão Certa* Program

Manufactured Capital

- 1,446 heavy vehicles
- 19 distribution centers in Brazil
- More than 200 branches in 19 Brazilian states



Economic value

- R\$ 41.0 million in net income
- R\$ 15,430,000.00 of return to shareholders
- 12.7% appreciation of the price-per-share (between 2019 and 2020)

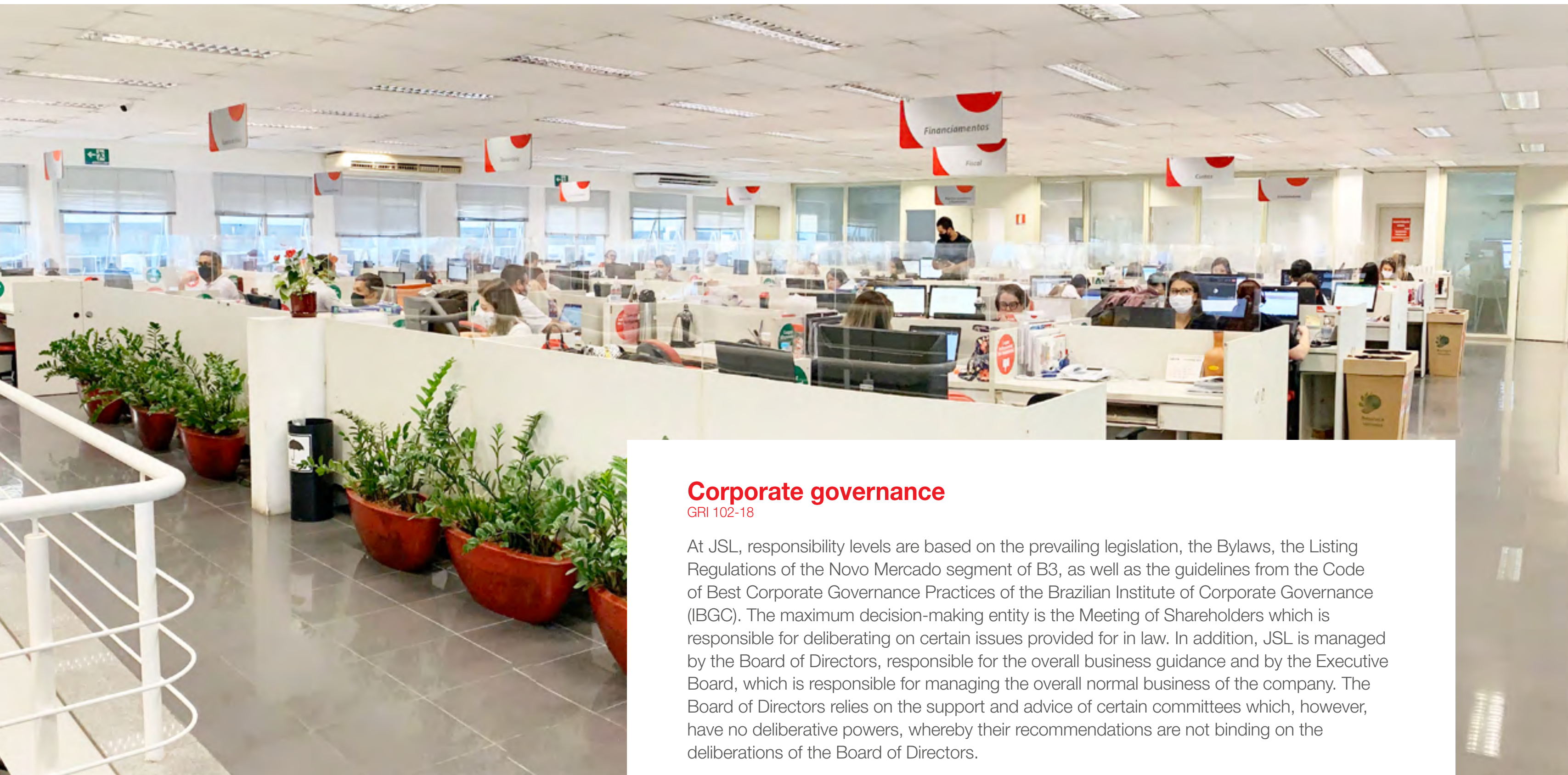
Social value

- >100 managers with an average of 10 years with the company
- 43,000 hours of training and qualification for employees
- Integrated and flexible solutions for each customer (>700 customers with long-term relationships)
- 10 largest customers have been part of the portfolio for over 25 years
- R\$ 5.1 million in donations for ant-Covid-19 actions
- Development of the national fleet and safer highways (average age of the fleet is 3.57 years)

Environmental value

- 1.07 ML of water saved every year due to ecoefficiency actions

Value creation



Corporate governance

GRI 102-18

At JSL, responsibility levels are based on the prevailing legislation, the Bylaws, the Listing Regulations of the Novo Mercado segment of B3, as well as the guidelines from the Code of Best Corporate Governance Practices of the Brazilian Institute of Corporate Governance (IBGC). The maximum decision-making entity is the Meeting of Shareholders which is responsible for deliberating on certain issues provided for in law. In addition, JSL is managed by the Board of Directors, responsible for the overall business guidance and by the Executive Board, which is responsible for managing the overall normal business of the company. The Board of Directors relies on the support and advice of certain committees which, however, have no deliberative powers, whereby their recommendations are not binding on the deliberations of the Board of Directors.

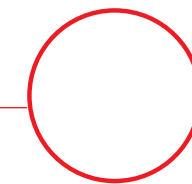


Board of Directors GRI 102-19 | 102-23 | 102-24 | 102-26 | 102-27 | 102-29 | 102-31

Consists of five members elected at the Meeting of Shareholders, two of whom are independent directors who work in various segments of business, which confers on them different outlooks on business. The duties of the body include overseeing the preparation of the strategic planning on economic, environmental and social issues, monitoring the company's economic and socioenvironmental performance, define policies and authorize financial transactions. The body is also responsible for evaluating reports and balance sheets, setting performance and compensation targets and electing and removing from office the members of the Executive Board and the committees. In line with the best governance practices, the Chairman of the Board has no executive function. The directors meet periodically. At the meetings, the progress of projects, the status of indicators and the issues dealt with in the Sustainability Committee are presented. During 2020, executive meetings were held on sustainability, at which area specialists shared information on this topic.

Composition of the Board of Directors GRI 102-22

Member	Position	Term of Office	Experience
Denys Marc Ferrez	Chairman	From 08/27/2020 until the 2021 Annual General Meeting	Holds an undergraduate degree in Business Administration and a graduate degree in Corporate Finance. Had experience as investor relations officer at Redecard (a credit card administrator), in 2008, having also worked for 10 years in the treasury and investor relations area of Aracruz (pulp industry) and 5 years at Pricewaterhouse (independent auditors). Joined as the company's Chief Financial Officer in 2008, and in 2009 accumulated the position of Investor Relations Officer.
Fernando Antonio Simões	Director	From 08/27/2020 until the 2021 Annual General Meeting	A businessman, he has been with the company since 1981, having held the position of chief executive officer of JSL since 2009.
Antônio da Silva Barreto Junior	Director	From 08/27/2020 until the 2021 Annual General Meeting	Holds a degree in Business Administration from Escola de Administração de Empresas de São Paulo of Fundação Getúlio Vargas (Eaesp-FGV). Began his career in the financial market in 2006, working for an investment boutique in M&A and Private Equity operations. In 2009, while working for an American private equity fund, he took up a position in an investee company in the Renewable Energy (Ethanol and Biodiesel) industry as new business manager. From 2010 to 2018, he worked for the J&F Investimentos Group in several positions, where his last position was Executive Officer for M&A.
Gilberto Meirelles Xandó Baptista	Independent Director	From 08/27/2020 until the 2021 Annual General Meeting	Holds a degree and graduate degree in Business Administration from the FGV, with a masters in Retail Business from USP/FEA and a specialization PGA Business Management FROM Fundação Dom Cabral AND Insead in France. Is part of the YPO organization and is currently a Global Director of JBS S/A, Ypê and Grupasso. Chairman of the Board of BenCorp and ClubSaude (Endeavor). Strong multidisciplinary experience in a career pursued in the Finance, Controllershship, Trade Marketing, Marketing, Commercial (Brazil and Overseas) and Business Unit Management areas of the companies Vigor Alimentos S/A, such as CEO, Natura S/A, BRF S.A and Coopers & Lybrand.
German Pasquale Quiroga Vilardo	Independent Director	From 08/27/2020 until the 2021 Annual General Meeting	Undergraduate degree in Electronic Engineering from the Military Engineering Institute (IME), and a master's in digital systems from the Polytechnic School of USP. Founder, CIO and CMO of Americanas.com; CIO and CMO of Cyrela; founder and CEO of Nova Pontocom and Ponto Frio.com; Deputy Chairman of TOTVS. Currently a director of Locaweb, C&A, Cobasi, Centauro and Gol. Shareholder and director of OMNI55.



Executive Board

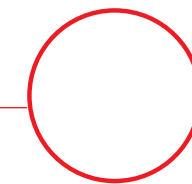
The Board of Directors elects the members of the Executive Board for a two-year term of office.

The officers meet weekly to put forward administrative and operational actions in accordance with the guidelines of the Board, draw up and monitor the targets and deliberate on investing resources by settling, waiving, assigning rights, admitting debts, entering into agreements or signing commitments.

Composition of the Executive Board GRI 102-22

Member	Position	Term of Office	Experience
Fernando Antonio Simões	CEO	Two years, elected on 08/19/2020	A businessman, he has been with the company since 1981, having held the position of chief executive officer of JSL since 2009.
Guilherme de Andrade Fonseca Sampaio	Chief Financial and Investor Relations Officer	Two years, elected on 08/19/2020	Undergraduate degree in Business Administration from Faculdade de Ciências da Administração de Pernambuco at the University of Pernambuco (FCAPUPE). Commenced his career in 2004 in an international chamber of commerce . Worked at Ernst & Young (EY) in corporate operations, with the main focus on advising companies in preparation for accessing the capital markets. During his time at EY, he gained experience in corporate finance, company evaluations, technology, internal controls and corporate governance and coordinated the Centers of expertise in IPOs and the Private Equity and Venture Capital sector of EY in Brazil.
Antônio da Silva Barreto Junior	Officer	Two years, elected on 08/19/2020	Holds a degree in Business Administration from Escola de Administração de Empresas de São Paulo of Fundação Getulio Vargas (Eaesp-FGV). Began his career in the financial market in 2006, working for an investment boutique in M&A and Private Equity operations. In 2009, while working for an American private equity fund, he took up a position in an investee company in the Renewable Energy (Ethanol and Biodiesel) industry as new business manager. From 2010 to 2018, he worked for the J&F group.
Adriano Thiele	Officer	Two years, elected on 08/19/2020*	Undergraduate degree in Accounting Sciences from Universidade Regional Integrada do Alto do Uruguai e das Missões, and a graduate degree in Business Administration from Pontifícia Universidade Católica in Paraná State. He worked in the logistics areas of Vale and at América Latina Logística.
Eduardo Pereira	Officer	Two years, elected on 08/19/2020	Undergraduate degree in business administration, with experience at Unidas Rent a Car (vehicle rental sector), including seven years managing and overseeing the sales area at national level ; and at Cia. Santo Amaro Ford (vehicle dealership), as Branch manager.
Samir Moises Gilio Ferreira	Officer	Two years, elected on 08/19/2020	Holds an undergraduate degree in Accounting Sciences and a graduate degree in Corporate Finance. He at Deloitte Touche Tohmatsu and was Executive Officer Controller's Department of the International Meal Company.

*Executive Officer not part of the composition in 2021.



Advisory committees



Ethics and Compliance Committee

Its tasks are to advise the Audit Committee, the Executive Board and those responsible for the Internal Control, Risks and Compliance Functions on compliance with the Code of Conduct and the internal rules and regulations accompanying preventive actions for cases of infringements of domestic legislation and the application of the anticorruption policy.

In addition, it must monitor the Compliance Program-related indicators and suggest improvements and adjustments to the results identified.



Audit Committee

Non-statutory body reporting to the Board of Directors whose responsibilities are to oversee the quality and integrity of the financial reports, compliance with legal, statutory and regulatory standards, the suitability of the risk management processes and the activities of the independent auditors.



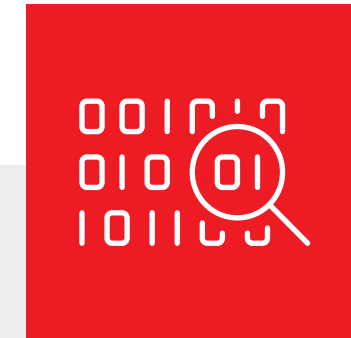
Sustainability Committee

Consultative in nature and advises the Board of Directors on issues related to the duties inherent to the sustainability of the business. It consists of three members a member of the Board of Directors of the Holding Company, a member of the Executive Board of JSL, and an independent member. Its objective is also to Discuss and align environmental, social and governance (ESG) practices. To that purpose, in 2020 it convened on a monthly basis, with the participation of executives from several areas to deal with topics and projects in depth. Periodically, the Committee also makes presentations to the Board of Directors. [GRI 102-20 | 102-26](#)



Finance Committee

It is consultative in nature and its purpose is to analyze the financial transactions, recommend actions for improving financial management and accompany the implementation of the measures. It consists of an executive officer, a member of the board and an outside member.



Technology and Innovation Committee

Reporting to the Board of Directors, its duties, among others, are to evaluate scenarios, technological trends and new business models as well as the opportunities for innovation, and strategies and the impacts on customer behavior and on the business. It consists of three members, two of them directors.



Risk Management

GRI 102-11 | 102-15 | 102-30

JSL adopts Integrated Risk Management, a methodology based on the business environment that lists a portfolio of risks, taking into account impact parameters and the likelihood of financial, operational, compliance, image and health and safety risks. In addition, its [Risk Management Policy](#) encompasses the identification, assessment, treatment, monitoring and notification of risks capable of interfering with its strategic plan. It is up to the management and the managers to control these by means of control activities at all levels da company, in order to maintain an environment of business continuity and sustainability. The company also has an Internal Controls, Risks and Compliance function that reports to the Audit Committees and to the Internal Controls and Risks Committee, as a consultative body. On specific issues involving compliance risk, the support body is the Ethics and Compliance Committee.

The basis of the risk management process is the 2017 version of the COSO methodology of the Committee of Sponsoring Organizations of the Treadway Commission, and aims to integrate the ISO 9001 and ISO 31000 standards thereby adapting governance and information technology management to the Control Objectives for Information and Related Technologies (Cobit).



The risk management process is based on the Coso methodology.

The methodology also establishes the identification of the main risks:

Strategic risks: associated with the strategic decisions adopted for achieving the business objectives and/or those derived from our incapability or inability to hedge or to adapt to changes in the environment. Strategic risks include the inability to raise sufficient funding to finance both planned investments and the expansion strategy; competition for hiring qualified professionals; and the high degree of dependence of the businesses on the members of the senior management, whereby should any of them leave its employ, the company may find it difficult to replace them, which could adversely affect the business and results.

Operating risks: arising from inadequacy, failure, shortcomings or

fraud involving internal processes, people or the technology environment that could make it difficult or prevent our company from achieving its objectives. Operational risks include information technology (IT) systems and infrastructure crashes; in-house and external fraud in vehicle purchase, sale and maintenance procedures; shortcomings in the process for managing assets; and higher costs of inputs and services required for the business.

Market risks: The possibility of incurring losses resulting from the movement of market securities positions held by the company, also taking into account the risks on transactions subject to exchange rate variance, interest rates and equity and commodity prices. The key market risks are exchange rate instability, although the company uses hedge instruments to mitigate this; higher interest rates, which could affect not only the funding cost of new loans, but also the cost of our indebtedness, triggering an increase in financial expenses.

Liquidity risks: defined as the possibility of JSL not meeting the obligations it has assumed within the agreed deadlines, including those arising for binding guarantees, without affecting our daily operations and without incurring

significant losses. Liquidity risks include reduction in re-sale prices of used vehicles, machines and heavy equipment on the secondary market, which could significantly reduce the company's liquidity.

Credit risks: represent the possibility of losses associated with financing granted to customers so as to close business deals, in addition to the counterparty risks assumed in treasury operations. This category includes the fact that the company has loan with different terms and customers with different degrees of solvency, which exposes it to the risk of non-receipt or defaults on contracts and other agreements with them; unfavorable economic conditions in Brazil and on the international market, which could result in restricted access to new credits; and restrictions on the granting of loans which could directly or indirectly affect the secondary market for the re-sale of assets including used vehicles, machines and heavy equipment.

Image risks: arise from internal practices, other risks and external risks factors that can lead to a negative perception of the company's by customers, shareholders, investors and trading partners, among others. These risks include adverse impacts from legal or administrative proceedings, oversight

by different federal, state and municipal authorities, including fiscal, labor law and environmental cases; and uncertainties surrounding the balances shown on the financial statements.

Compliance risks – The consequence of failure to abide by the laws and regulations applicable to business, which could result in financial loss from payment of fines and compensations, adversely damaging our image and credibility in the market. The risks include the possibility of the absence of regulations, authorizations and permits referring to occupational health and safety and the environment, as well as the failure to obtain or renew operating licenses and permits.

The risks are managed according to their criticality (analyzed based on impact and probability), where the assessment takes into account the most appropriate means of mitigation, definition of controls or acceptance of risk, if the impact is less than the cost-benefit ratio of managing them. Furthermore, to analyze the economic, environmental and social issues, the risks are assessed at (bimonthly) meetings of the Risks Committee and (monthly) meetings of the Audit Committee, when new risks are reported and, when necessary, assessed; and through ad hoc meetings with the

Executive Board and/or the managers when a new risk is identified and/reported using process mapping, the complaints channel, actual deviations/failures, among others, where there is a need for a risk assessment. The mitigation controls are also submitted to testing. [GRI 102-31](#)

Specifically in regard to environmental risk management, the Health, Safety and Environment/Integrated Management uses sampling and previously defined schedule to monitor the matrix of operational environmental aspects and using internal audits and/or outside consultants. External audits, in turn, are undertaken by accredited Brazilian and/or international certification entities.

JSL adopts the principle of precaution in all its operations. Bearing in mind that its main potential socioenvironmental impact is concentrated in transporting cargo in movement, it has a nationwide agreement with a company specializing in environmental emergencies. Thus, all potential environmental accidents are covered by a precautionary action that aims to mitigate the impacts at the time of the incident. Furthermore, all vehicles are subject to preventive revisions and all drivers receive fundamental instructions for mitigating the incidence of accidents when transporting cargos and people.

Anticorruption

[GRI 205-1](#)

In 2020, all JSL operations were evaluated for corruption-related risk and entered on the company's risks and internal controls matrix, which includes illegal acts employees and/or third parties when providing services or engaging with the government. By managing the issue and through engagement in anticorruption training, JSL, over the last three years, has not been the target of any judicial and/or administrative proceedings involving acts of corruption. [GRI 205-3](#)

Compliance

[GRI 103-1](#) | [103-2](#) | [103-3](#) – Corporate Governance, ethics and transparency | [GRI 102-25](#) | [205-1](#)

JSL uses a series of corporate mechanisms that enable it to act with compliance and a preventive focus on ensuring a commitment to ethics within the business environment. The Executive Ethics and Compliance Committee, approved by the Board of Directors, is a support body charged with advising the Audit Committee, the Executive Board and the Internal Controls, Risks and Compliance area (CRC) in assessing the pillars of the Compliance Program and in executing and disclosing the internal rules and regulations, especially the Code of Conduct. The document is a witness to the concern with the principles underlying the conduct of employees, partners and contractors. The issues covered, among others, include compliance with laws and regulations, human rights, labor relations, fighting corruption and external relations. The document also deals with conflicts of interest, clearly specifying what is acceptable to JSL any activities and/or situations that might threaten the integrity of the values, principles and missions, or which could raise suspicions about the proper conduct of its business. In this way, the company seeks to ensure that all management decisions are at arm's length, respecting the interests of the company and those of its shareholders.



JSL uses a series of corporate mechanisms that enable it to maintain compliance and act with a preventive focus to maintain the commitment to ethics within the business environment.

The company also maintains the following policies that aim to endow all its operations with ethics and transparency:

Policy on Participation in Tenders: Defines the guidelines, prohibitions and rules to be obeyed when participating in public tender processes.

Donations and Sponsorships Policy: Stipulates the guidelines required for ensuring the traceability of the process and compliance with the prevailing legislation and the assumptions established for granting donations and sponsorships. In 2020, the policy was extensively applied, and its determinations constantly evaluated, on account of the actions and donations undertaken to alleviate the effects of the Covid-19 pandemic.

Gifts, Presents, Entertainment and Amenities Policy: Aims to put in place concepts, stipulate amounts and impose rules of conduct on employees when offering items and amenities of any nature.

Government Relations Policy: Imposes rules and instructions so that interactions with the government are ethical, transparent and abide by the legislation.

Another resource is the Compliance Program whose actions are monitored by the CRC by evaluating continuous and ad-hoc indicators and actions. The document sets out the following means and practices for ensuring legal compliance and against corruption.

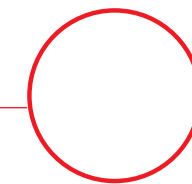
Mapping and continuous review of compliance risks – Every two years, the CRC evaluates risks with managers and officers, assessing the probability of them occurring and their impacts through annual testing of

controls. Once identified, the risks are monitored, and the best mitigation alternatives are evaluated and adopted.

Transparent line – A channel available to in-house and outside stakeholders with doubts about the Compliance Program, the Code of Conduct, the Anticorruption Policies and the notifications that those policies demand. Contact can be by telephone to 0800 726 7250 and e-mail conformidade@jsl.com.br.

Corporate notifications – Information about the guidelines of the Code of Conduct is periodically circulated to the employees via corporate e-mail, and to those without access to computer through compliance chats conducted by area managers and facilitators for the employees of the operating teams. **GRI 205-2**

Contractor certification process – Upon registering, all contractors submit to several enquiries, such as the hard labor list, the good standing of their corporate tax identity card (CNPJ), and the list of the CEIS (the Register of Disreputable and Suspended Companies), CNEP (the National Register of Sanctioned Companies), and the CEPIM (the Register of Barred Private Not-for-Profit Entities), among others. Although the second phase of the automated certification process is still in the implementation phase, JSL applies it manually to contractors considered critical on account of the nature and/or contractual relationship, undergoing a more rigorous certification process that includes an evaluation of their documents, as well as enquiries (in the media and for legal and administrative proceedings), in addition to their signing a statement of compliance.



Whistleblower channel and investigation process

GRI 102-17 | 102-25

Created in 2010, and outsourced in 2016, to afford greater credibility and increase the efficiency of the findings from investigating complaints, the channel is designed so that employees, contractors, service providers and customers can report actions, omissions, irregularities, non-compliance, any facts that contradict prevailing legislation and regulations and/or the standards of behavior expressed in Code of Conduct or other internal policies and rules and regulations. The channel is disclosed in the Code of Conduct, as well as periodically shared through in-house notifications and/or trainings. Moreover, it operates daily, around the clock, and can be accessed by calling 0800-726-7111 and through the [site](#). Whistleblowers are assured of anonymity, in addition to being able to accompany how the complaint is being dealt with, independently using a protocol number. The workflow ensures impartiality and the absence of conflicts of interest when receiving complaints, primarily in case of complaints against the senior management, the Board of

Directors, the Ethics and Compliance Committee and members of the Controls, Risks and Compliance areas.

The outsourced company managing the channel receives and registers the reports on the computerized system. The Internal Controls, Risks and Compliance area accesses the system, analyzes and classifies the recording based on the initial information provided by the whistleblower and, thereafter, forwards the case for investigation.

Having concluded the investigation, if necessary the area reclassifies the complaint or maintains the original classification provided by the whistleblower themselves. The conclusion of the investigation can produce three outcomes: justified, unfounded or partially justified. In justified or partially justified cases, JSL defines the appropriate disciplinary measures based on its policies, in addition to preventive action plans which may also be determined for unfounded cases (examples: training, notifications, compliance chats).

In 2020, no cases of discrimination were reported. [GRI 406-1](#)



Whistleblower channel managed by an outside company, with the emphasis on transparency.

Reports and actions taken¹ [GRI 406-1](#)

	2018	2019	2020
Total number of cases received	87	64	58
Total number of cases analyzed	87	57	38
Total number of cases for which a plan of redress is being implemented	0	0	0
Total number of cases for which a plan of redress has been implemented and the results analyzed using routine internal management analysis processes	87	57	38
Total number of cases closed in the period	87	57	38
Number of cases pending analysis	0	7	20

1. The numbers shown are exclusively cases classified as “Moral Harassment”; bearing in mind that there are no cases of discrimination to report. The figures are the sum of complaints investigated (justified and unfounded) and pending investigation involving cases of discrimination and moral harassment – they do not show all the cases received on the Complaints Channel.

Training

GRI 205-2

When employees are onboarded to the team, they receive training about the Code of Conduct and the Anticorruption policies. Also, they receive annual training about the Compliance Program, with content that once again covers the Code of Conduct and the Anticorruption Policies, in addition to the Whistleblower channel and the risk management policy. Specific areas also receive specific qualifications according to their respective operations, such as the Commercial, Procurement and Public Tender departments.

In 2020, 12,183 employees (approximately 89% of the total headcount) received training on anticorruption policies and procedures. Among the staff of the governance bodies (officers, directors, CFOs, general managers, committee members and the CEO), 19 received training (86% of the total).

The [GRI Exhibits](#) give a breakdown of the training.

Members of the governance body who received training on anticorruption policies and procedures GRI 205-2

	2019	2020
Total number trained	24	19
Percentage trained	73%	86%

Employees who received training on anticorruption policies and procedures

GRI 205-2

	2019	2020
Total number trained	12,804	12,183
Percentage trained	93%	89%

Commitments for 2021



- Continuous improvement and expansion of the existing monitoring list, automating some of those that are presently done manually, in order to achieve greater efficiency.
- Enhancement review of the Code of Conduct.
 - Implementation of a system for automated management of regulatory aspects (permits, licenses, etc.) which are dealt with manually at present.
 - Conclusion of the internal control tests.
 - Enhancement of the supplier certification system.



Presence of JSL

- more of
260 Branches
- 19** Brazilian states
- 5** Countries (including Brazil)
- 14** Centers of Distribution in Brazil
- 1** Intermodal Terminal
- 1** Dry Port in Suape (PE)

Manufactured Capital

In line with its expansion strategy, in November JSL acquired 75% of the capital stock of Fadel, a company operating in the beverage, food, consumer goods and e-commerce sector. Fadel operates through 25 branches in the south, southeast and northeast of Brazil, in addition to four units Paraguay, and is investing in new business lines. The transaction will expand JSL's presence in the urban distribution sector.

Another acquisition last October was the entire capital stock of Transmoreno, a

company in the new car transportation sector that users car carrier trucks and provides logistics services to the automotive industry. Asset-light, its business model is based on hiring a network of contract truck drivers, which will also expand the capillarity and density of the JSL network.

The acquisitions will also boost the position of JSL in the market through growth in services, adding new expertise and customers to the portfolio.

JSL operates through 200 branches in the south, southeast and northeast of Brazil, in addition to a presence in Argentina, Chile, Paraguay and Uruguay, and is investing in new business lines.



Highway cargo transportation

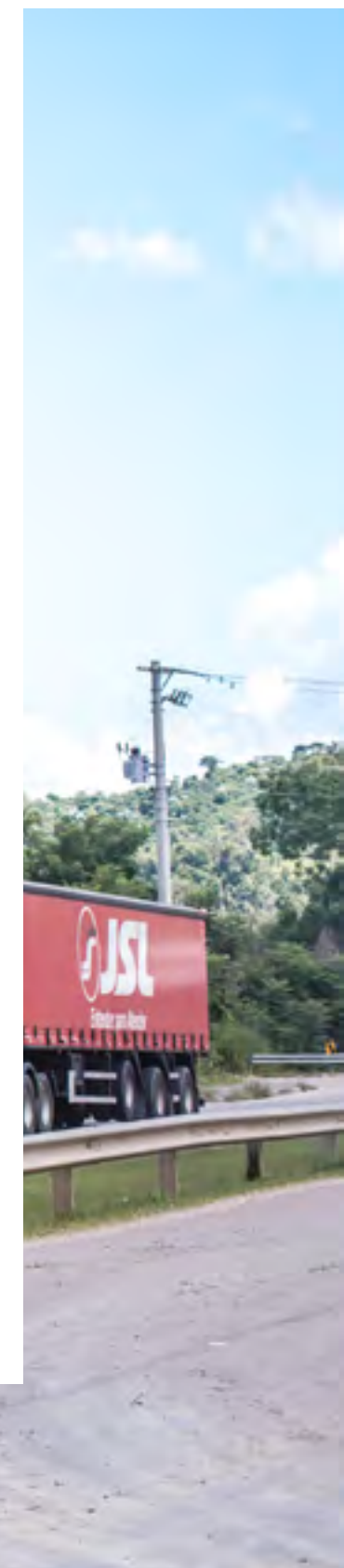
With its fleet of modern and diversified vehicles, JSL provides services to a range of segments – consumer goods, automotive, steel, chemicals and petrochemicals – in highway cargo transportation. Specialized teams also serve all regions of Brazil, adding providing customers with capillarity and uniformity, economies of scale and, consequently, cost reductions. All operational processes involved in the service are monitored in great detail for the safety of the customers, JSL as well as our customers' clients.

To do so, it maintains a cargo tracking hub that monitors from when the documents are issued, until the return of the proof of delivery, providing real-time

support and, at the same time, ensuring the well-being of the partner and contract drivers.

The sanitary crisis in 2020 did not affect all segments in this area to the same degree. Therefore, the company took actions to minimize the pandemic's impact on the business and the lives of the partner and contract drivers. Employees, partner and contract drivers were redeployed to attend to those sectors where demand was growing, such as consumer goods.

Highway cargo transportation accounts for 45% of the company's Net Revenues. It has a network of over 100,000 registered contract and partner truck drivers, and technology that links customers to the drivers and to the customers of the JSL's customers.

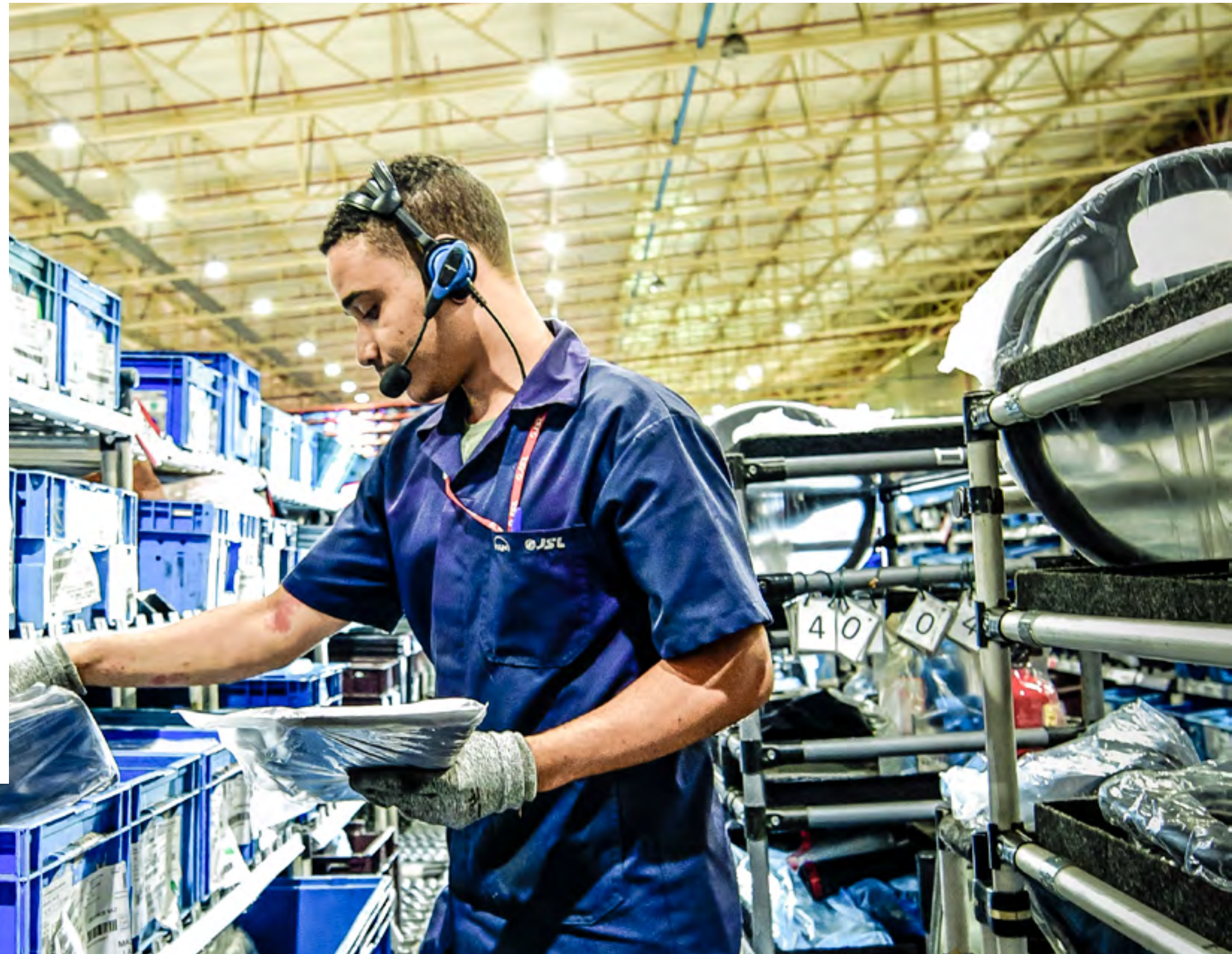


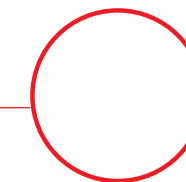
Internal logistics

JSL provides its customers with across-the-board management of the activities involving receipt, storage, control of inventories and dispatch on the customers' premises. Years of experience in this segment bring assertiveness in putting together projects, selecting the most appropriate equipment, analyzing the best investments and the operating costs involved.

Although 2020 was an atypical year on account of the pandemic, the company ended the year having achieved almost 100% of its targets by virtue of the speed and autonomy in decision making and the extensive experience of its team of professionals.

During the period, JSL acquired 29 electric forklift trucks, 16 of which have telemetry systems. It also commenced important operations in Pernambuco, Paraná and Rio de Janeiro.





Warehouse services

JSL owns nine warehouses and is capable of structuring an operation from zero, fully personalizing it in less than 60 days. Another differential are the multiple customer warehouses equipped with in-house technology for controlling goods, as well as a specialized team, resulting in a more competitive and attractive model. So much so that the plans of JSL for the next three years include growing in this segment by adding other services like cargo transportation and distribution to warehouse storage. The company is also looking into expanding the number of warehouses, especially in the southern region of Brazil where it does not yet provide this type of service.

In both internal logistics and the warehousing service, the expectation is to diversify the operations, extending to the overseas market those operations currently confined to the domestic market.

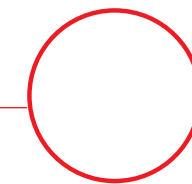


Urban distribution

Using its agile urban distribution network, JSL serves several segments through its own or third-party warehouses located throughout Brazil. The company uses specific assets according to the customers' needs, such as box refrigerated box trucks for transporting ice cream, for example. The scale of the operations enables the company to rely on over 40 transportation branches for cross-docking customer cargo sharing, thereby reducing costs.

In September 2020, JSL closed an operating agreement involving 150 trucks dedicated to dry and refrigerated goods. In March 2021, a distribution operation for the same company in Rio de Janeiro is expected.





Commodities logistics

With 100% of the services customized in the commodities logistics segment, the company works with processes involving supply, loading and internal handling of raw materials in sectors like sugar and ethanol, mining and paper and pulp.

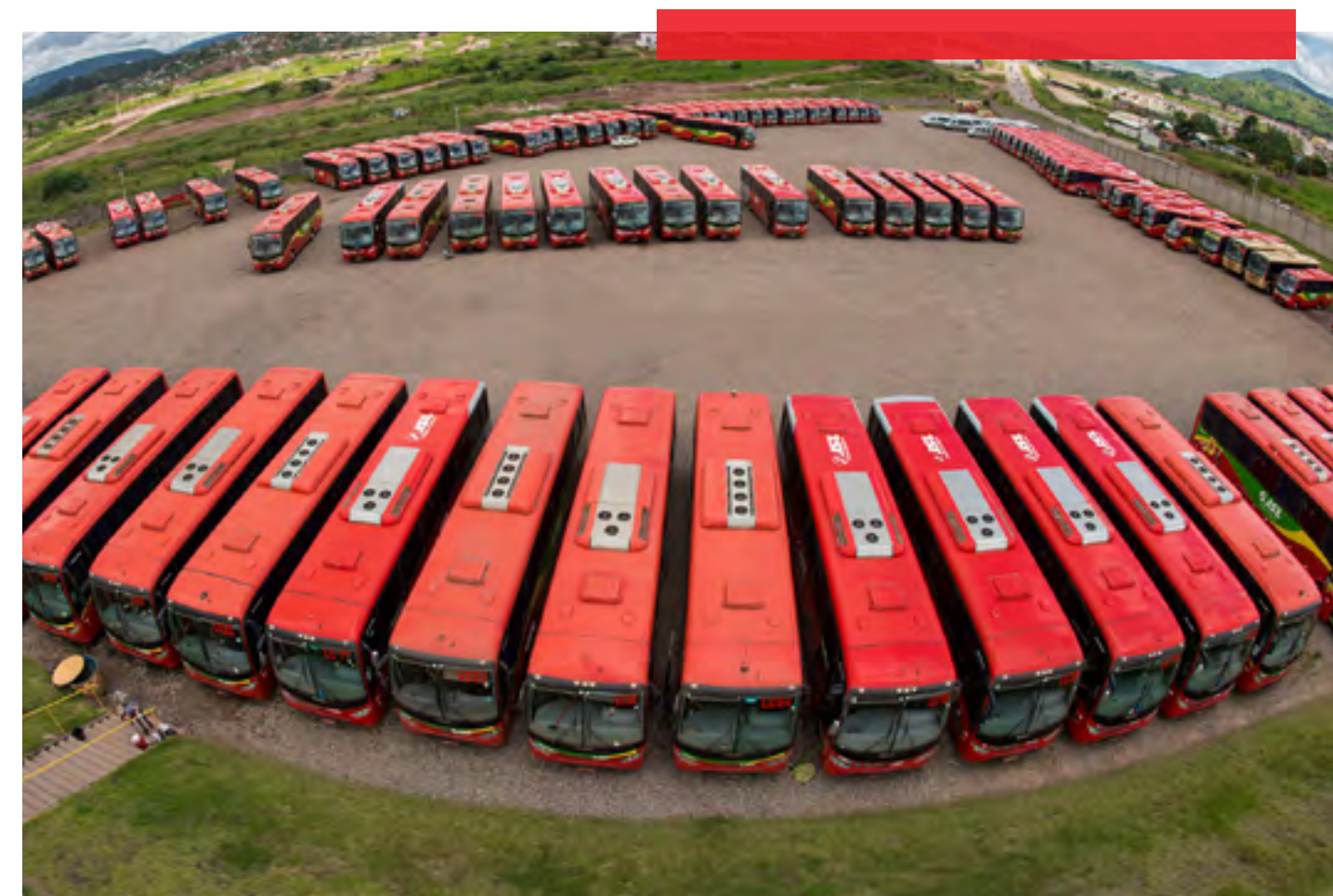
To achieve production economies and enable the customers to focus on their own business, the company has qualified professionals who calculate the ideal equipment for each operation, thereby obtaining higher productivity.

Charters

JSL transports employees for companies using buses, micro buses or vans, according to the customer. The itineraries are drawn up based on the best roadmaps, and the boarding and disembarkation of passengers is controlled remotely (on-line).

The company focuses its attention on the safety of people and assets, and it invests in training and refresher courses for drivers, in addition to having a vehicle conservation and maintenance policy, scheduling the fleet for tire changes and corrective and preventive checkups.

In 2020, the company embarked on a project to implement dynamic telemetry, fatigue management and distraction in a fleet of approximately 200 buses that transport employees from a unit of Vale, in Parauapebas (PA).



Human Capital

People management

At JSL, human capital comes first and is a major differential. The mix of young talent and experienced managers guarantees the organizational culture of the company whose challenge is to grow while respecting the individual and, more importantly, without losing the simplicity of listening to those who have been with us during our history of more than 64 years, and make them feel welcome

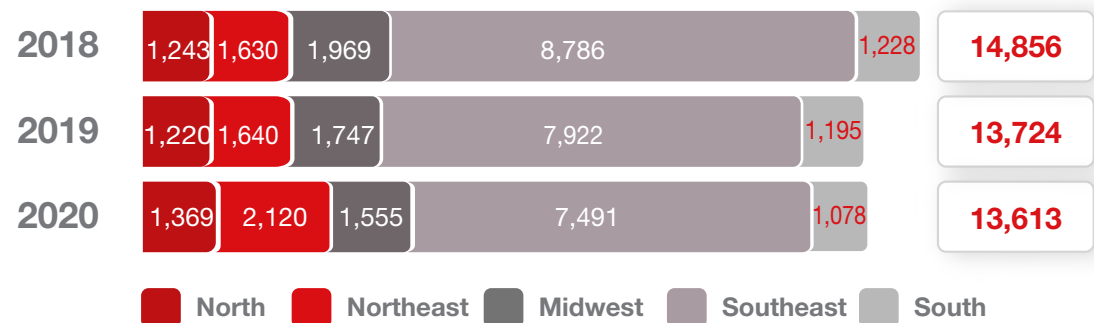
At the end of 2020, the company had 13,613 professionals, 88% of them men, and 12% women, in addition to 517 outsourced employees (439 in 2019). Of the total, 99% were on indeterminate work

contracts, and 97% had full-time jobs. The greater majority, 55%, were concentrated in the southwestern region of Brazil, while 16% were in the Northeast and 11% in the Midwest. In 2020, JSL hired 6,037 people, while another 6,130 left the company. The new hire rate was 0.44 in the period, while the turnover rate was 0.45. The rates are calculated based on the number of admissions or dismissals during the year, divided by the number of assets in the last period.

The [GRI Exhibits](#), contain other data about the composition of the staff complement and the new employee and turnover rates.

GRI 102-8 | 401-1

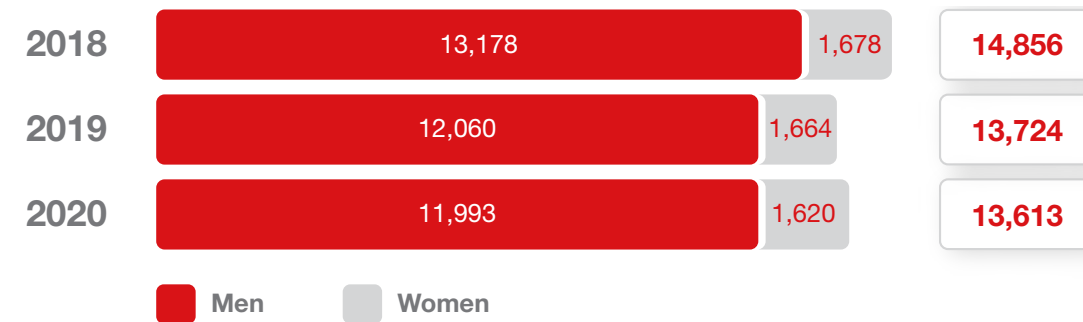
Number of employees by region¹ GRI 102-8¹



¹ Data extracted from the SAP system and monitored on a monthly basis. It does not include the staff of Fadel and Transmoreno.



Integrated Annual Report 2020

Number of employees by gender¹ GRI 102-8¹

¹ Data extracted from the SAP system and monitored on a monthly basis. Does not include the staff of Fadel and Transmoreno.

Employee turnover rate SASB TR-RO-320a.2

	2018	2019	2020
Voluntary turnover rate ¹	0.05	0.06	0.06
Involuntary turnover rate ²	0.32	0.40	0.37

1. Calculated as the number departures initiated by employees – like dismissal or retirement – during the year, divided by the total number of employees.

2. Number of departures initiated by the entity – such as dismissal, reduction, redundancy or non-renewal of contract- during the year, divided by the total number of employees during the year.

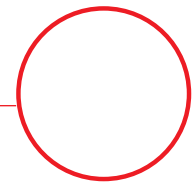
Compensation and benefits

The employees are covered by a compensation policy that reflects market conditions and includes a profit-sharing program and an extensive range of benefits: life insurance, healthcare plan and extended parental leave for all employees, there being no difference between full-time and part-time employees . In 2020, the

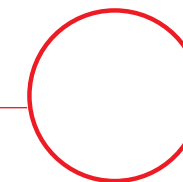
company maintained the terms of six months for maternity leave, and 20 days for paternity leave. During the year, 444 employees took parental leave. The rate of return at the end of the period was 96% for men, and 80% for women.

GRI 401-2 | 401-3





The employees are covered by a compensation policy that reflects the market, including a profit-sharing program and any extensive range of benefits.



Integrated Annual Report 2020



With health and welfare to the fore, the *Clube mais pra você* platform is up and running, with around 3,000 partner establishments including restaurants, health clubs and education institutions (formal education, universities, language and computer literacy schools, as well as vocational courses), available to employees at more affordable prices.

GRI 404-2

These benefits, many of which are also extended to part-time employees, were adjusted beginning in March, when the World Health Organization (WHO) decreed the new coronavirus pandemic. The employees continued to be covered by collective bargaining instruments according to what was agreed with the 236 that represent them and with whom JSL deals. However, [to reduce the social impact of the sanitary crisis](#) within the scope of the *Ligado em Você* (We Care About You) program, the company developed a contingency plan involving not only employees, but also around 2,000 partner truck drivers and over 10,000 contract drivers to whom it provided assistance, extended to their families, and guidelines on the precautions to be adopted to avoid contamination. GRI 403-6

The partner and contract drivers were also afforded access to the *Ligado em Você* program, originally intended to foster employee well-being, in the *Ligado em Você Caminhoneiro* (We Care About You, Truck Driver) version. Within the scope of the channel preventive guidance in regard to Covid-19

was provided, as well as monitoring and support for suspect or confirmed cases of the disease, health tips and information about support units along the highways. By means of a free telephone call, both the professionals and their families had access to medical, social and psychological support. At the peak of the pandemic, the *Ligado em Você* program was on the air, 24 hours a day, having attended to over 4,000 people. GRI 403-6

JSL is now at the stage of developing a procedure on the issue of appreciation of drivers. There is an on-going project that will encompass satisfaction surveys, monitoring and partnerships, among others. The main objectives are to reduce the turnover, from 7% to 4%, and increase truck driver satisfaction.

GRI 103-1 | 103-2 | 103-3 – Driver appreciation

Diversity

Another commitment of JSL is to diversity and equal opportunity. The company is a signatory to the United Nations Global Compact and the *Movimento Mulher 360*. In March 2020, the launch took place of the Respect for Diversity Program with the aim of fostering a more inclusive and diverse work environment, with the initial focus on women. To set the program in motion, there was an awareness campaign about the topic among the employees through monthly meetings. Targets were also set, and Human Resource policies and procedures were reviewed, in addition to monitoring and analysis of the diversity indicators presented and discussed every month in the Sustainability Committee.

Percentage of employees, by functional category and age group GRI 405-1

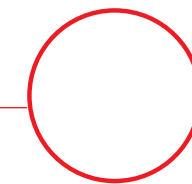
	2018			2019			2020		
	Under 30 years of age	Between 30 and 50 years	Over 50 years	Under 30 years of age	Between 30 and 50 years	Over 50 years	Under 30 years of age	Between 30 and 50 years	Over 50 years
Executive Board	0.00%	63.64%	36.36%	0.00%	59.09%	40.91%	0.00%	64.29%	35.71%
Management	2.50%	75.83%	21.67%	2.42%	79.84%	17.74%	1.77%	77.88%	20.35%
Departmental Heads/ Coordination	11.27%	79.41%	9.31%	7.61%	80.71%	11.68%	7.29%	82.29%	10.42%
Technical/Supervisory	19.08%	75.97%	4.95%	19.57%	74.64%	5.80%	15.04%	80.08%	4.89%
Administration	48.41%	46.37%	5.22%	46.01%	47.88%	6.12%	42.50%	51.07%	6.43%
Operations	21.32%	64.17%	14.51%	21.71%	63.72%	14.58%	21.02%	64.39%	14.59%
Trainees	100.00%	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%	0.00%	0.00%
Total	27.70%	60.27%	12.04%	27.60%	60.18%	12.22%	25.76%	61.82%	12.42%

Percentage of Afro (black and brown-skinned) employees, by functional category and gender¹ GRI 405-1

	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Board	14.29%	100.00%	18.18%	18.18%	0.00%	18.18%	30.77%	0.00%	28.57%
Management	31.48%	33.33%	31.67%	29.52%	31.58%	29.84%	29.29%	28.57%	29.20%
Departmental Heads/Coordination	45.24%	27.78%	42.16%	46.20%	28.21%	42.64%	51.01%	25.58%	45.31%
Technical/ Supervisory	52.03%	43.24%	50.88%	55.13%	54.76%	55.07%	59.91%	59.09%	59.77%
Administration	56.68%	47.35%	53.57%	55.52%	45.51%	52.12%	56.87%	45.09%	52.85%
Operations	67.45%	63.84%	67.32%	66.81%	66.19%	66.79%	70.47%	62.53%	70.15%
Trainees	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	64.46%	50.36%	62.87%	63.67%	49.52%	61.96%	67.16%	48.95%	65.00%

1. The indicator calculates the ratio of total Afro employees to total employees in the category (functional category and gender).





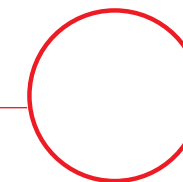
Occupational safety

[GRI 103-1](#) | [103-2](#) | [103-3 – Safety of people and assets](#) | [GRI 403-1](#) | [403-9](#) | [SASB TR-RO-320a.1](#)

SSMA management is monitored and evaluated using proactive and reactive indicators and procedural audits undertaken in the field with the support of specialized apps and systems that optimize time and filter the information about deviations and non-compliance, sending an automatic um e-mail to the person responsible for the branch/operation in order to take rapid action. The company is seeking the engagement of everyone in the commitment to “zero accidents”, investing in training and technologies to achieve the most challenging goals with each year that passes. Specifically in regard to employee work-related health problems, there have been no cases over the last three years. In the survey of hazards and risk assessment, the company identifies all

possible impacts, but focuses its energy on risks with huge potential and consequences, which involves crushing, falling from height, collisions, flip-overs, pedestrians being run over, electric shocks and burns. To neutralize and/or eliminate these risks, training sessions, qualification sessions, operating procedures, awareness campaigns, audits and field inspections, are constantly held, in addition to the constant adoption of new technologies. [GRI 403-10](#)

The company also strives to perfect and monitor all processes to ensure the physical safety of the employees. Short-term and long-term driver health risks are also monitored through annual periodic examinations, and evaluations with a GP and dietician. In 2020, no chronic cases among the drivers were reported. [SASB TR-RO-320a.3](#)



Integrated Annual Report 2020

JSL operates a management system consisting of measures aimed at the continuous improvement and physical, social and mental well-being, in order to guarantee safety and compliance with transportation legislation:



Procedure for using breathalyzers.



Hazard identification and risk assessment.



Incident/accident notification and investigation process.



Legislation on transporting hazardous products.



Safety when working in confined spaces.



Directive established and execution of behavioral audits.



Program for preventing the improper use of alcohol.



Right of refusal.



Safety when working at height.

Continually focused on the safety and appreciation of the drivers, company has embarked on a project to implement dynamic telemetry, fatigue and distraction management at a unit of Vale, in Parauapebas (PA), where there is a fleet of 200 buses.

And to strengthen the engagement of internal stakeholders regarding occupational safety, qualification and refresher courses, educational campaigns, training sessions, counseling and prevention courses are held on work environment-related issues like defensive driving, safety and operating procedures and campaigns against drug abuse, alcoholism and improper use of stimulants.

The workings of the Health, Safety and Environment areas are based on the Integrated Management Systems of tools that help identify the root cause and the drafting of action plans. A corporate team is responsible for monitoring and providing the necessary support in case of accidents, analyzing and providing guidance on operations involving corrective and preventive actions, including at external customers. In 2020, JSL had 163 highway accidents, corresponding to a rate of 0.70 (bearing in mind the mileage covered). This figure is 16% below that of 2019, as a result of the continuous training of drivers and installation of onboard de technologies. [SASB TR-RO-540a.1](#)

Total number of highway accidents and incidents¹

	2018	2019	2020
Total number of highway accidents	360	367	163
Highway accident rate	0.79	0.83	0.70

1. JSL does not distinguish between highway accidents and incidents.

Integrated Annual Report 2020

The company has formal committees allocated in management pillars: Strategic Management – SSMA Management and the Sustainability Committee; Tactical Management – Integrated Management System /SSMA; and Operations Management, through SSMA professionals and managers.

To enhance the quality of safety management in the operations and comply with the legislation, the company has an active Specialized Occupational Health, Safety and Medicine Service (SESMT), in addition to the Internal Accident Prevention Commission (CIPA), both of whom represent the employees. In the case of branches/ operations where a CIPA is not mandatory, a trained representative is designated to deal with pertinent issues.

In 2020, the SSMA area became part of the coronavirus prevention committee set up at the company to draw up contingency actions and strategies for managing the sanitary crisis. If, on the one hand, the pandemic has imposed new demands, on the other, it has enabled us to review concepts and undertake awareness actions as to the importance of using personal protection equipment (PPRs) - footwear, ear plugs, gloves, safety helmets, etc. - in some operations, while having definitively incorporated the use of masks as a PPE and alcohol for individual and collective sanitization.



Assets

JSL also invests in the security of its assets, which reflects on the care it takes with people. There is a policy and a commitment to preventive maintenance of the assets, in addition to driver awareness campaigns for better driving, which include: awareness about driving in fog and highways during vacation time, when there is much more traffic on the roads. This awareness has enabled a reduction in the number of traffic accident-related claims and victims.

Evaluation of the impacts of products and services GRI 416-1

In all its operations, JSL abides by various procedures to ensure the health and safety of the stakeholders involved. To that end, it follows the following lines of action:



Development of the product

concept: Vehicles are subject to periodic checkups using checklists drawn up by employees on

delivery and reception of the vehicles. Where anomalies are encountered, vehicle is sent for maintenance to ensure the total safety of employees and customers when operating/driving it.



Storage, distribution and supply:

New vehicles are delivered by the manufacturers themselves, and where the need arise for transfer

between units, the employees abide by the safety instructions, such as not driving while using cellphones, respecting the speed limits, and wearing safety belts, etc.



Use and maintenance: Vehicles are only released when the checkups are up to date, and they receive periodic

maintenance according to scheduled dates and/or mileage. Moreover, there are ad hoc checkups, if so required.

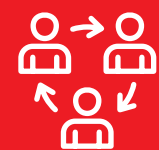


Disposal, reuse or recycling: All disposable material resulting from the maintenance of machines and vehicles, is the responsibility of a company contracted in accordance with all necessary protocols.



Certification:

SASSMAQ certification applies to operations involving the transportation of hazardous products.



Communication with employees:

Communication channels have been adopted, like the Safety Portal to which training sessions for employees are uploaded; Docnix, a system containing all company procedures; campaigns; in addition to Google Drive and corporate e-mail.

Training GRI 404-1 | 404-2

JSL invests in professional training because it understands the importance of enhancing and fomenting creativity for the growth and development of people and the business. The annual training calendar includes discussing professional, behavioral and social-emotional aspects with employees of all areas and those out on the roads, at branches and at customers.

Training emphasizes preparation for adaption to processes involving new products and services. Topics like customer centricity, health and safety, defensive driving and ethics and compliance are also part of the de training actions which in 2020 amounted to around 43,000 hours, representing an average of 3.15 hours per employee – less than in previous years because live training sessions are suspended on account of Covid-19.

Average training hours per employee, by gender¹ GRI 404-1

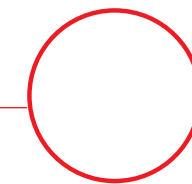
	2018	2019	2020
Men	7.36	7.80	3.20
Women	5.24	5.40	2.77
Total	7.12	7.51	3.15

Average training hours per employee, by functional category¹

GRI 404-1

	2018	2019	2020
Executive Board	1.00	0.73	0.00
Management	3.16	5.30	2.34
Administration	11.83	12.39	0.37
Operations	5.31	5.47	4.24
Total	7.12	7.51	3.15

1. Data extracted from the SAP training base.



Also because of the pandemic, several on-going initiatives were interrupted, such as the conclusion of the *e-learning* platform for continuous driver training. A pilot project has been set up at one of the JSL units on a customer's premises, involving 140 drivers, and partially at the unit of another customer at Parauapebas (PA), encompassing 800 drivers. Through the learning track, employees undergo an appraisal to identify their level of the theme of "driving", based on which the system itself indicates the most appropriate training on the platform, which is likely to be extended to all operations in 2021. Training can be via cellphone or computer.

With the "Clube Mais Pra Você" Program of partnerships for discounts and promotions, including education and vocational institutions, JSL also contributes to enhancing its employees' skills.

Development

GRI 103-1 | 103-2 | 103-3 – People development and respect for diversity | GRI 102-16

Every employee who joins the company receives Code of Conduct training – a set of systematic actions founded on the values of JSL and on relationships of respect and trust with customers, shareholders, suppliers, employees, government entities and the community.

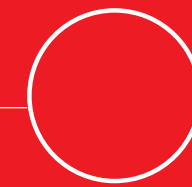
In this way, JSL honors its commitment to encourage employees to identify with the company by familiarizing themselves with the organization's culture. Monitoring takes place using the *Ciclo de Gente*, or People Cycle, a performance appraisal tool used in personnel management to analyze their performance and potential, enabling the company to identify talent and training requirements.

Valuing

Ever since the WHO declared the pandemic in March, JSL has adopted a set of measures to deal with the situation, which has demanded mobilization, collaboration, agility and humility. As a logistics operator, the company has embraced the responsibility for ensuring that food and medications continue to reach the population, while preserving the health of its employees and its partner and contract drivers, providing them with proper working conditions.

A crisis committee was created to evaluate the scenario and define the actions, to which R\$ 14.5 million were allocated. Education actions were also organized with the support of information videos and leaflets, while gel alcohol has also been provided to 100% of branch drivers, in addition to the delivery of around 2,000 food parcels to those professionals. Together with partners and customers, JSL mapped several municipalities in a state of extreme vulnerability and donated to the respective hospitals, Basic Healthcare Units (UBSs) and Emergency Response Units (UPAs) around 80,000 items of personal protection equipment (PPEs), including masks, safety glasses, scrubs and surgical gloves.

For the Government of the state of São Paulo, the company has delivered food parcels to hundreds of municipalities and has transported 3,000 items of hospital equipment, including respirators and accessories. Partnerships with customers in logistics actions have enabled the distribution of bars of soap to residents of the Rocinha and *Morro do Alemão* communities in Rio de Janeiro; transportation of respirators in need of repair; and support in delivering a donation of 14,000 liters of hypochlorite.



Actions for employees



Creation of a Contingency Committee to centralize, coordinate and oversee the actions, while instructing the employees about the measures adopted.



Suspension of domestic and international travel and collective events (trainings, trade shows, etc.).



Strengthening communication with content about Covid-19 and prevention methods, following the recommendations of the WHO.



Institution of home office for employees in the risk group and administration areas – when possible.



Providing vehicles for employees who needed to be in the operations center and who used public transport.



Bringing forward the anti-influenza vaccination campaign.



The *Ligado em Você* social program for dealing with Covid-19-related topics, with round-the-clock service to clarify doubts and provide employees and their families with the necessary support.



Institution of quarantine for employees displaying symptoms or who have been in contato with persons diagnosed as having Covid-19, who received medical and psychological support.



Reformulation of shift changes in the operations areas to avoid crowding.



Establishing the rule **of taking temperatures** upon entering and leaving the units.



Supply of gel alcohol in all branches and areas.



Substitution **of digital** (biometric) timekeeping with **badges**.



Distribution of **masks**.



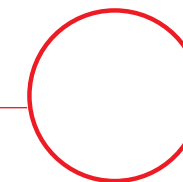
Preparation of support materials for those needing to self-isolate and those working from home, with **tips on remote working** and **messages of support**.



Changes in how meals are served and **demarcation** of refectory seating arrangements.



Encouraging the use of technology and videoconferencing resources for meetings and trainings.



Actions for the truck drivers



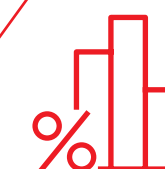
Supply of food kits since many service stations remained closed during the quarantine.



Distribution of leaflets, notices and videos containing tips on hygiene and prevention of Covid-19.



Distribution and guidance on using gel alcohol.



Allowances and support for partner drivers diagnosed with the new Coronavirus.



The *Ligado em Você* program, which has become the support and direct communication channel with truck drivers 24 hours a day. The channel was used to monitor drivers with symptoms or those diagnosed as having Covid-19, providing the necessary support about support points along the highways and the access to emergency assistance provided by the Brazilian Government.



Redeployment of partner drivers, whose customers temporarily suspended operations, to other locations, or social actions requiring logistic support. Those not redeployed received food parcels.



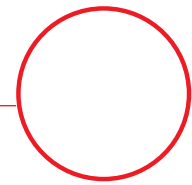
Social and Relationship Capital

Customer management

GRI 103-1 | 103-2 | 103-3 – Relationship with customers

The company uses its diversified and synergy-based business model to meet the various needs of its customers' production chains. The slogan "Understanding to serve" expresses the commitment carefully evaluating demands in order to provide quality services. Thus, what drives JSL is:

- Understanding the customer's real need so as to offer technical and commercial solutions aligned with their demands.
- Complying with rules and agreements predefined in proposals while the services are being provided, with quality, safety and agility.
- Striving to be practical and agile in giving feedback about the demands, ensuring good relationships.
- Searching for operational improvements that lead to technical and commercial advantages, sharing these among the parties involved.
- Ensuring the quality of material information when attending to customers.
- Achieving preestablished KPIs and performance in order to perpetuate the partnership.



Attention is focused on establishing long-term, sustainable relationships with customers, to whom JSL makes available an extensive portfolio dedicated to operations in more than 16 economic sectors, enabling economies of scale, loyalty and expanded cross-selling contracts. In this respect, the company considers as an achievement having retained its ten largest customers for more than 25 years.

Relationship management is monitored using satisfaction surveys carried out by a dedicated team that transmits the data to the company's Executive Board , as well as by the Executive Board itself in meetings with customers. There is also a weekly sales meeting at which each sales manager can bring up issues involving their portfolio and the status of the relationships with the customers.

Commitment to customers

In 2020, to ensure customer well-being in the face of the sanitary crisis, the company came up with mitigation plans that reflected the peculiarities of the operations. The initiative included taking on additional staff to immediately substitute those employees in the risk groups and to intensify cleanliness at the units. In addition, the company embarked on joint actions with customers.



Supplier management

GRI 102-9 | 408-1 | 409-1 | 414-1

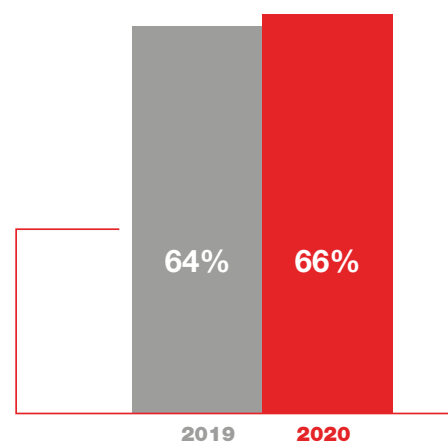
Respect for human rights, the environment labor and health and safety standards are the fundamental premises in the relationships of JSL with its business partners. At the end of 2020, there were 7,455 suppliers whose contracts involved resources of R\$ 1.05 billion, with preference for local companies.

The company's Supplier Management system incorporates in the certification process to need to fulfill a series of procedures that meet the principles and conditions for mitigating risks of non-compliance. The process aims to protect the supplier's good standing by including enquiries that enable the regularity of their accounting, fiscal and labor law standing to be assessed – especially

with regard to the use of child or hard labor. Also at registration time, the contractor responds to a questionnaire that aims to identify the criticality of their activity and business they will do with the company. They must also warrant that they know about the JSL Code of Conduct.

The suppliers must also complete a due diligence questionnaire, sign a declaration of compliance and submit to an evaluation of documents and enquiries to legal sources before the service or supply is contracted. Partners who are found to have any tax, labor law, environmental and human rights-related irregularities are automatically blocked. In 2020, 89% of JSL's new suppliers underwent a social criteria assessment – equivalent to 1,367 suppliers evaluated on the topic.

Percentage of the budget spent with suppliers locals¹ GRI 204-1



1. Local suppliers are providers located in the same state as the branch. This indicator took into account the most representative 10 units in terms of supplier expenditures, since these operations account for over 60% of those expenses, 3 of them in the State of São Paulo, 2 in Minas Gerais, and another 5, one each in Espírito Santo, Bahia, Mato Grosso do Sul, Pará and Rio Grande do Sul.

New suppliers that were screened using social criteria GRI 414-1

	2019	2020
Total new suppliers that were considered for contracting	2,292	1,536
Total new suppliers contracted based on social criteria	906	1,367
Percentage of new suppliers contracted based on social criteria	39.53%	89.00%



7,455 suppliers



Contracts involved resources of **R\$ 1.05 billion**



Preference for **local companies**

Social management

GRI 103-1 | 103-2 | 103-3 – Impact on the communities and social investment | GRI 102-12 | 102-13 | 413-1 | 413-2

JSL has a Compliance Program based on the s-called Clean Company Law, and it embraces the practices proposed by the Office of the Federal Comptroller-General (CGU). In addition, it is a signatory to, or participates in, commitments and associations dedicated to promoting sustainable value throughout its entire business and relationships chain:



Business Pact for Integrity and Against Corruption: JSL has been a signatory to the Pact of Instituto Ethos since 2018, in addition to having a seat on the organization's Working Group on Integrity .



Instituto Liberta: The company is a partner of Liberta Institute whose mission is to counter the sexual exploitation of minors in Brazil.



Movimento Mulher 360: The company signed up, in 2019, to the *Movimento Mulher 360* whose aim is to contribute to the economic empowerment of Brazilian women by fostering, systematizing and disclosing advances in business policies and practices, with the emphasis on engaging the Brazilian business community and society in general.



Na Mão Certa Program: Since 2007, JSL has been a signatory to the *Na Mão Certa* Program that aims to unite efforts to put an end to sexual exploitation of minors on Brazilian highways.



Global Compact: Since 2020, JSL has been committed to the corporate responsibility initiative of the UN Global Compact and its principles in the areas of human rights, labor, the environment and anticorruption.

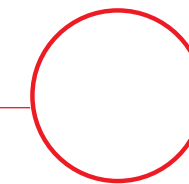


GHG Protocol: In 2019, it became a member of the GHG Protocol Program, as the JSL Group (2020 Cycle). This tool is used to understand, quantify and manage GHG emissions. The inventory is available to the general public, enhancing the transparency of the emissions. For the year 2020, the emissions inventory will continue following the GHG Protocol method, and will be published on the Public Record of Emissions.

In the search for peaceful coexistence, and to contribute to the development or the areas surrounding its operations, JSL adopts corporate policies covering the issues of impact on the communities and social investment. The [Sustainability Policy](#), approved in 2020, describes the practices for mitigating social impacts by:

- Promoting quality of life of the population who, directly or indirectly, have contact with JSL.
- Investing in initiatives for mitigating the impacts and the risks of the operations on the surrounding communities.
- Identifying the demands of stakeholders, in order to channel the social actions.
- Promoting social and economic development based on social inclusion initiatives that emphasize shared value.

There is also a Social Investment Policy, approved in 2020 in the Sustainability Committee, which consolidates the guidelines underpinning the company's social investment , so as to guarantee stakeholder engagement; consolidation of its role before society; and quantification of the positive impacts on the communities; as well as active participation in the local development of the regions of operation. Thus, based on



The target of JSL for 2021 is for 100% implementation of the local engagement plan defined following the social study carried out in 2020.

this policy, JSL is aiming to consolidate its social investment through initiatives that have synergy with the business and the real development needs of each location. The company engages in social impact assessments, local development programs and stakeholder engagement plans , while also providing complaints channels for local communities.

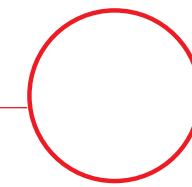
In 2020, a social impact diagnosis was carried out in order to channel social investments and promote actions that directly affect the municipalities classified as most vulnerable based on the Municipal Vulnerability Index (IVM) created from the study.

The diagnosis is expected to define the company's social engagement strategy next year. The target of JSL for 2021 is for 100% implementation of the local engagement plan derived from that social study.

Percentage of operations with engagement actions that produced positive impacts on the local communities¹ GRI 413-1

	2018	2019	2020
Social impact assessments, including gender impact assessments based on participative processes	6.7%	6.9%	52.3%
Environmental impact assessments and continuous monitoring	0.7%	0.7%	0.8%
Public disclosure of the outcome of environmental and social impact assessments	100.0%	100.0%	100.0%
Local development programs based on local community needs	100.0%	100.0%	100.0%
Stakeholder engagement plans based on mapping these parties	0.0%	0.0%	100.0%
Committees and processes for extensive consultation with the local community, including vulnerable groups	0.0%	5.9%	12.5%
Work councils, occupational health and safety commissions and other entities representing employees to discuss impacts	22.7%	22.3%	25.8%
Formal processes for complaints by local communities	100.0%	100.0%	100.0%

1. The operations considered were those in locations where JSL has branches, based on their corporate tax registration (CNPJ).



JSL's social actions in 2020 GRI 203-1 | 413-1

Projects/Actions	Progress of the project/activity	Current or expected impacts on local communities and economies	Type of investment and service (commercial, in kind or free)	Size, cost and duration of each investment	How it generated value for communities
Donation to Instituto Julio Simões (IJS) – responsible for the social investment of the SIMPAR companies	Among the various actions, IJS makes monthly or annual fixed donations to social institutions in several Brazilian states, with the emphasis on assisting minors, adults and/or the elderly, in order to intervene in the vulnerabilities and generate social impact.	The main impact from the donations is to guarantee human rights, bearing in mind that the institutions use the resources to initiate actions focused on education, nutrition, and housing, among others; in addition to the economic impact of enabling the hiring of professionals to assist with the development of the projects.	In kind, com accountability	Fixed month, annual and/or sporadic donations to institutions. It is estimated that in 2020 JSL channeled approximately R\$ 327,839.00 in donations to IJS.	Over 41,000 people affected.
Donation of transportation in emergency anti-Covid 19 actions	Understanding the importance of supporting the municipalities against the pandemic, JSL donated transportation, enabling several institutions to deliver food, hygiene products and respirators, among others, to help the communities against the pandemic.	Logistics donations meant that communities were attended to with food and hygiene products, among others, as well as supporting the healthcare infrastructure, including transporting respirators for repairs.	Free of charge, it is considered as a donation of services.	Donation of R\$ 5.4 million in logistics services.	Logistic support for donations of food parcels and the donation of transport for other actions affected more than 4,690,000 people.
Temporary storage of food parcels from the Government of the state of São Paulo to support efforts against the pandemic, at JSL warehouses	Aware of possible contributions and its role in social responsibility actions, JSL ceded a temporary storage location for the food parcels purchased by the Government of the state of São Paulo, to help with the community assistance process.	With a warehouse ceded as a deposit, JLS guaranteed that various families located in the State of São Paulo received food aid.	Free of charge, bearing in mind that the warehouse space was ceded.	JSL continues providing temporary storage for food parcels, with the support expected to extend until March/2021.	The action affected over 4,450,000 people.
Donation of food parcels, purchased by Instituto Julio Simões.	The actions taken to confront the pandemic include donation of food parcels to assist socially vulnerable families. In addition, the IJS makes sporadic definitions, according to the demands presented by the community.	Bearing in mind that many families were affected financially due to the pandemic, the key impact of this action was to guarantee basic human rights.	Free of charge, as the food was donated.	IJS made over 1,000 ad hoc donations of food parcels.	JSL estimates that more than 3,000 people were people by the donations of food parcels.

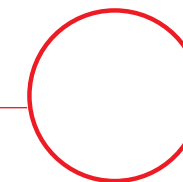


The actions in the community take place through fixed monthly or annual donations to social institutions, the amounts of which are approved by the senior management and analyzed by the Compliance area. The impact of the allocation of the proceeds from donations is monitored using reports/evidence for accountability. Additionally, the company encourages employees to take part in initiatives as volunteers or in fundraising and/or sponsorship campaigns. In 2020, for example, there was the 2nd edition of the *Caminho do Bem* campaign in which employees donated up to 6% of their income tax payable to the social projects of their own interest. In all, a total of R\$ 301,590.00 was raised.

Also, during the year approximately R\$ 1,440,000.00 were channeled to projects based on tax relief laws, which benefited or will benefit 637,296 people. Through these processes, JSL shows its commitment to promoting quality of life within the communities that have direct or indirect contact with its operations.

The main potential and real adverse impacts surrounding the operations of JSL involve traffic accidents and people being run over, wear and tear of the highway networks, contribution to producing pollutants and sexual exploitation of minors on highways. To prevent the potential effect of sexual exploitation of minors on highways, JSL undertakes internal awareness actions during the year, together with Childhood through the *Na Mão Certa* Program.

Actions in the community involve annual or monthly fixed donations to social institutions whose values are approved by the senior management and analyzed by the Compliance area.

**Impact management** GRI 413-2

Impacts	Intensity or severity of the impacts	Probable duration of the impacts	Reversibility of the impacts	Scale of the impacts and where they occur (States of Brazil)
Traffic accidents and pedestrians being run over(actual impact)	Variable, depending on the type of accident	Variable, depending on the type of accident	Variable, depending on the type of accident	
Sexual exploitation of minors along the highways (potential impact)	High	Variable	Reversible, bearing in mind that one can intensify discussions about the issue and awareness actions in order to bring about changes in behavior, and irreversible from the point of view that the victim's rights were violated	
Highway network wear and tear (actual impact)	Average	Variable, as it will depend on road maintenance	Reversible	
Accidents when transporting passengers (actual impact)	Variable, depending on the type of accident	Variable, depending on the type of accident	Variable, depending on the type of accident	 CLICK ON THE ICONS to see the scale and where they may appear on the map
Contribution to producing pollutants (actual impact)	High	High	Reversible, considering that such production can be neutralized	

Highway network wear and tear (actual impact)

Traffic accidents and being run over (real impact)

Sexual exploitation of minors along the highways (potential impact)

Accidents when transporting passengers (actual impact)

Contribution to producing pollutants (actual impact)

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Focusing on the surrounding communities in situations of greater vulnerability, JSL engages in specific actions to map risks and impacts based on a social impact diagnosis:

- **Degree of physical or economic isolation of the local community:**

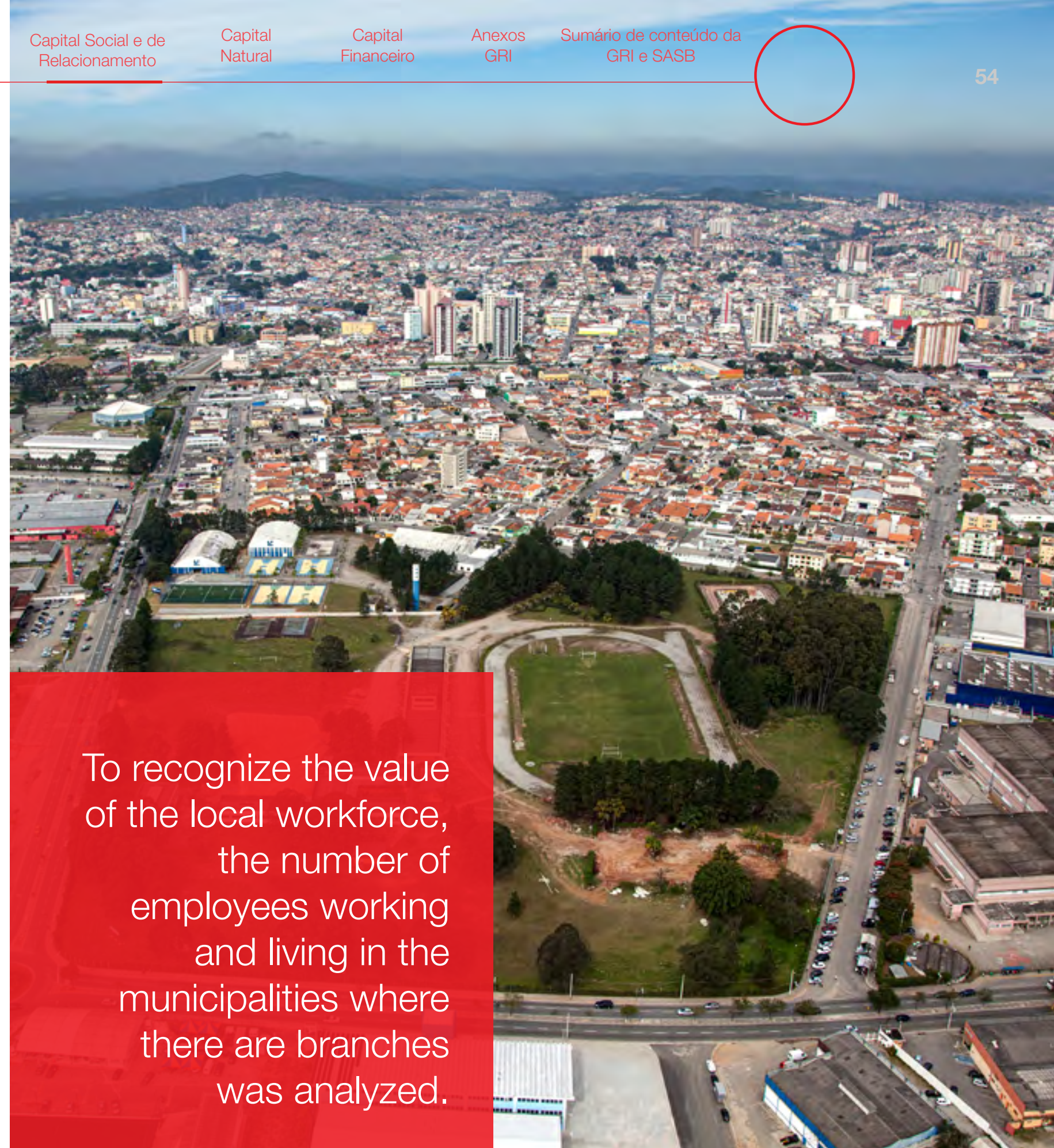
Around 87% of the municipalities where JSL operates have an average monthly income of 2 minimum wages. At the same time, to show appreciation for local labor, an analysis was done of the number of employees working and residing in the municipalities where there are branches, in order to understand and get involved in recognizing the value and developing the local work force, which will have a direct impact on the municipality's economy.

- **Level of socioeconomic development in the community and socioeconomic infrastructure situation (healthcare, education):**

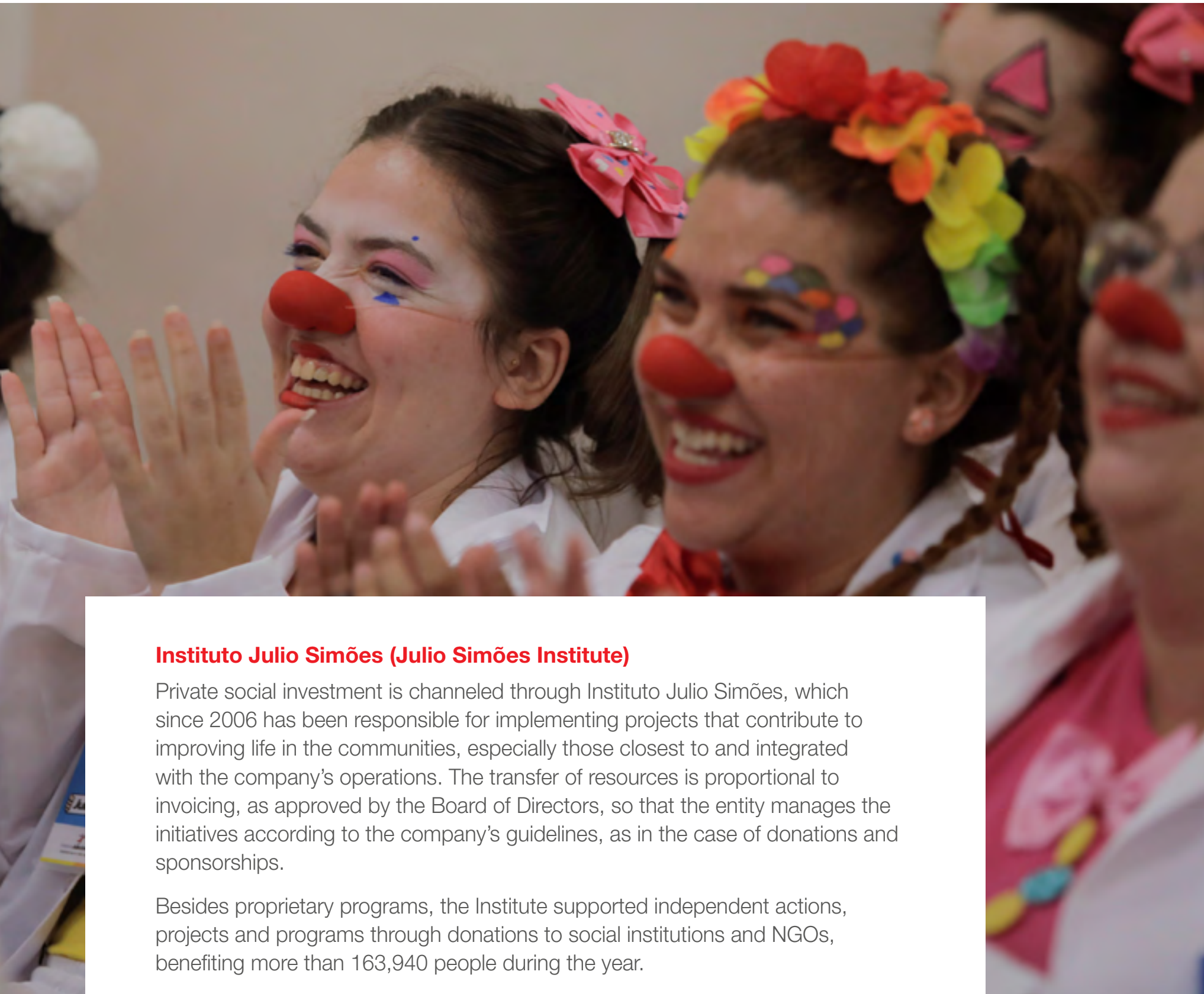
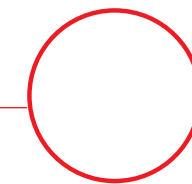
According to the study carried out, over 50% of the municipalities where JSL has branches can be classified as being of average or low vulnerability viz-a-viz the criteria of work, health, education and security. Within this context, JSL will

foster contact with services social assistance services and will visit the more vulnerable municipalities to obtain an in-depth knowledge of the local reality and schedule interventions that directly affect the social indicators.

- **Robustness and quality of the governance of local and national institutions close to the local communities:** Although it does not directly monitor the robustness and quality of the governance of the local and national institutions and the level of social organization, in 2020 JSL visited several institutions to which it makes donations. During the visits it was detected that the management of the institutions were working in a serious and socially meaningful manner. In addition, the institutions supported are analyzed by the Compliance area, which adds additional security in regard to the quality of governance. Following the social impact diagnosis, actions are in the pipeline to get to know better the local and national institutions, in order to intervene directly to minimize vulnerabilities.



To recognize the value of the local workforce, the number of employees working and living in the municipalities where there are branches was analyzed.



Instituto Julio Simões (Julio Simões Institute)

Private social investment is channeled through Instituto Julio Simões, which since 2006 has been responsible for implementing projects that contribute to improving life in the communities, especially those closest to and integrated with the company's operations. The transfer of resources is proportional to invoicing, as approved by the Board of Directors, so that the entity manages the initiatives according to the company's guidelines, as in the case of donations and sponsorships.

Besides proprietary programs, the Institute supported independent actions, projects and programs through donations to social institutions and NGOs, benefiting more than 163,940 people during the year.

Projects

Julio Cidadão – Encourages voluntary service and promotes the humanization of institutions through *Doutores Palhaços* (Clown Doctors). Developed as a partnership with *Comunidea*, specialists in volunteer service and corporate social responsibility, the project trains and monitors the volunteers working in hospitals and Long-Stay Institutions for The Elderly (ILPIs), in Mogi das Cruzes and regions. In 2020, because of the pandemic, which restricted access to the hospital network, the volunteers put on shows via video calls broadcast in assistance entities for the elderly.

Gincana Cultural (Cultural Contests) – Everyone together with a single objective – Encourages the company's volunteer network to contribute to company-community integration through fundraising activities, donations and actions at NGOs or in public spaces. In 2020, given the Covid-19 context, the campaign did not take place.

Natal de Emoções (Christmas Emotions) – The campaign, which began in 2016, benefits each year a section of the population including children, the elderly and persons

with disabilities. In 2020, more than two and a half tons of food were distributed to socially vulnerable families, benefiting around 670 people.

Carreta Treinamento (Training Truck) – Circulates around Brazil providing training focused on issues like defensive driving, drug use, sexual abuse and exploitation of children, and the rights of minors. In 2020, the truck attended to four municipalities, and JSL estimates that 3.080 people benefited from the training.

If you want to? You can! – Centro de Memória e Cultura (CMC) Julio Simões (*The Julio Simões Memory and Culture Center*) rolled out the project in August 2012, and since then students from the public school network of Mogi das Cruzes (SP) have benefitted. Local visits give them the opportunity to get to know the most significant moments of the history of the businessman and founder of JSL, and they are encouraged to enhance their skills and competencies which increase their possibilities of achievements.

Natural Capital

Sustainability is one of the values of JSL, which is continually striving to foster the rational use of fuel and the renewal of its fleet in order to mitigate one of the impacts of its operations: Greenhouse Gas (GHG) Emissions. Risk assessment and management and climate opportunities are the responsibilities of the Sustainability Committee which reports on the company's performance, on a quarterly basis, to both the Board of Directors of JSL and the Board of the holding company. The topic is also a priority in the Sustainability Policy. Thus, the company guidelines in this respect include:

TCFD. Recommended Governance Disclosures a and b | CDP C1.1 | C1.2 | C1.3



Instructing employees, contractors, partners, suppliers, customers, the community and other stakeholders, ensuring that the business actions and decisions are aligned with the Principles of the Global Compact and the Sustainable Development Goals (SDG), both of the UN.



Defining socioenvironmental guidelines and principles for reducing or mitigating adverse socioenvironmental impacts, as well as contributing to intensifying and disclosing the positive impacts on society.



Promoting and fostering research projects, technological development, entrepreneurship and innovation, with the emphasis on anticipating the needs of customers and society in general, in order to continually achieve the best market solutions for products and services related to its business and customers.



Overseeing the definition of the strategies, objectives and targets of the Integrated Management System.

Thanks to this management approach, over the last three years no significant fines or non-monetary sanctions have been identified on account of non-compliance with the environmental laws and regulations at JSL. Neither are there any records of irregularities in regard to this issue. [GRI 307-1](#)

Emissions management

[GRI 103-1](#) | [103-2](#) | [103-3](#) – Climate change and waste management

JSL follows the procedures established in the [Brazilian GHG Protocol Program](#), a set of guidelines that assists in understanding, quantifying and managing Greenhouse Gas (GHG) Emissions.

Following the guidelines of the Sustainability Committee, the company has developed a Greenhouse Gas Emissions (GHG) Management Program focused on identifying and greatest challenges and opportunities for the logistics industry. In 2020, it also adopted measures to mitigate the impacts of its emissions, encouraging the rational use of fuel, continuous fleet renewal – whose average age is already well below the national average – and monitoring of indicators through the Inventory of Emissions.





For the emissions program to be successful in the long term, JSL has defined reduction targets for scopes 1, 2 and 3 – an ambitious target, since Scope 3 emissions represent a huge challenge for being associated with the fuel consumption of outsourced fleets. That is why, in 2021, the company intends to enhance monitoring and dialog with partner and contract drivers. JSL considers it very important to monitor outsourced fleets for significant environmental impacts, while also monitoring the value chain of the companies that are substituting their asset-heavy business models for asset-light models. Within this context, it strives to assist its customers in mapping emissions while offering opportunities for reduction/neutralization. [CDP C4.3](#) | [C12.1](#) | [C.12.3](#)

Given the complexity of the business where outsourced fleets are concerned, JSL is developing innovative projects that allow it to have a positive influence on the value chain. In this respect, one of the highlights is an application (app) to be launched in 2021, and which will become one of the most important communication channels with contract drivers. Furthermore, the company insists

with its partners and contract drivers on the need for fleet renewal in their activities as a way of contributing to the mitigation of climate change-related impacts.

Scope 1 emissions are associated with fuel consumption within the company's own operations and transport activities where the fuel supply is controlled by JSL. Scope 2 involves the purchase of electricity, and to minimize these emissions, in 2020 the company reviewed its free market electricity purchase agreements. In addition, studies are underway to expand the share of renewable energy sources in the energy matrix. All scopes (1, 2 and 3) are monitored on monthly basis by the Sustainability Committee.

With the constant search for efficiency of processes, JSL has already achieved a considerable reduction in the emissions associated with its activities and operations. And the company remains focused on developing solutions that enhance its internal processes, integrating environmental, social and (ESG) challenges in the strategy while having a positive influence on the value chain.



Long-term commitment

TCFD Recommended Strategy Disclosures a, b and c | CDP C2.1 | C.2.2 | C3.1 | C3.2 | C.3.3 | C3.4 | C11.1 | C.11.2 | C.11.3

For its actions for reducing the impacts of climate change to be effective, JSL will actively contribute to complying with the target assumed by all Group companies of, within 10 years (by 2030), reducing emissions by 15%. Establishing this long-term commitment to becoming carbon neutral demands that JSL take environmental externalities into account in its assessments and financial planning, so as to identify the needs for adaptations and/or reformulation of the process in order to satisfactorily achieve its climate commitment. Within this scenario, company is factoring in the trend whereby the next few years will see the development of technology for electric vehicles, with sufficient infrastructure in Brazil, in addition to projects that can be scaled up to produce a greater reduction impact, such as trucks that run on biomethane or other fuels that contribute to reducing environment-hazardous gases. JSL has its eye on these opportunities and will work in partnership with its stakeholders to achieve the greatest reduction possible by 2030.

Bearing in mind this entire context, scenarios have been drawn up that take into account the different levels of complexity of projects and the investments required, where the objectives are to:



- **Renew the fleet based on the potential for the acquisition of electric vehicles or biomethane-driven vehicles; tano;**



- **Migrate fuel consumption from gasoline to ethanol;**



- **Install telemetry technology in the majority of the fleet, promoting better driver performance while reducing fuel consumption;**



- **Expand the participation of renewable energy sources in the energy matrix, so that emissions are substantially reduced;**



- **Promote a reduction in CO₂ emissions by implementing new technologies such as diffusors for installation in gasoil vehicles to enable a cleaner explosion in the engine;**



- **Optimize operations, making them more efficient by investing in better technologies and maintenance.**

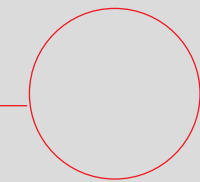
In line with its business purpose and the commitment to environmental preservation, the company is also looking into investments in carbon sequester projects (in relation to emission reduction/mitigation projects), such as reforestation in degraded areas to neutralize the emissions. Although the results take longer to appear, these projects have a positive effect on the planet by effectively removing atmospheric carbon, while also generating socioenvironmental benefits.

Climate change management

GRI 103-1 | 103-2 | 103-3 – Climate change and waste management | TCFD Recommended Risk Management Disclosures a, b and c | CDP C2.1, C.2.2 | SASB TR-RO-110a.2

Specifically with regard to the issue of climate change, a sensitive one for the logistics industry on account of the impact generated by the operating chain in terms of atmospheric emissions and fuel consumption, JSL is striving for minimization by accompanying the discussions in Congress and carrying out domestic and international benchmarking, and through assessments carried out by the external branches. Taking a structured management approach, the company mapped the key climate change-related risks and opportunities.





Financial implications and other risks and opportunity associated with climate change

GRI 201-2 | TCFD Recommended Strategy Disclosures a, b and c |
CDP C2.2 | C2.3 | C2.4

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Performance [GRI 305-1](#) | [305-2](#) | [305-3](#) | [305-4](#) | [305-5](#) | [305-7](#) | [SASB TR-RO-110a.1](#) | [TR-RO-110a.2](#)

In 2020, JSL recorded a 21% reduction in direct Greenhouse Gas Emissions (GHG) over 2019. The decline was due to having discontinued commodity (agroforestry and mining) transport operations contracts, resulting in a reduction of 23,714,350.01 liters of diesel oil.

In the case of indirect emissions, the slight reduction (2.08%) in electricity consumption was the result of the effects of the pandemic (Covid-19), since a substantial portion of the headcount has their work contracts suspended or took to working under the home office system, which reduced energy consumption for administrative activities. However, the logistics segment was one of those least affected by the

crisis, as it is an essential service. As a result, energy consumption in the areas operational areas did not experience major alterations, resulting in an even balance in electricity consumption in the period. On the other hand, JSL continues to install energy-saving devices and environmental education actions for its employees. In addition, the photovoltaic solar energy program is in the planning stage. When up and running, Scope 2 emissions will be reduced to figures close to neutrality. In the case of Scope 3, which covers other GHG emissions, there was also a reduction of approximately 2%. A breakdown of the data is available in the [GRI Exhibits](#).

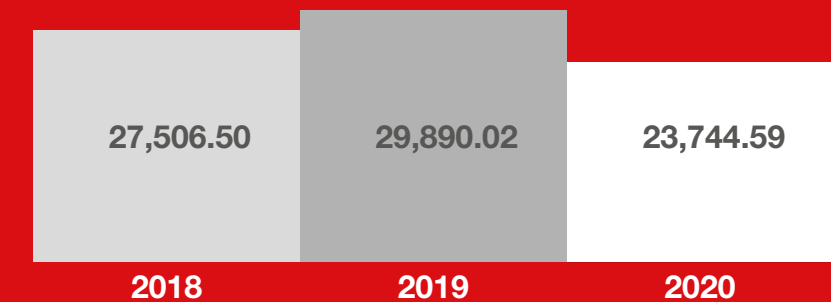
Greenhouse gas emissions (tCO₂ equivalent), by scope¹

	2018	2019	2020
Scope 1 ² GRI 305-1	262,069.64	281,172.50	222,535.70
Scope 2 GRI 305-2	2,681.00	2,779.78	2,721.81
Scope 3 GRI 305-3	154,899.93	148,464.58	146,004.98
Total	419,650.57	432,416.86	371,262.49

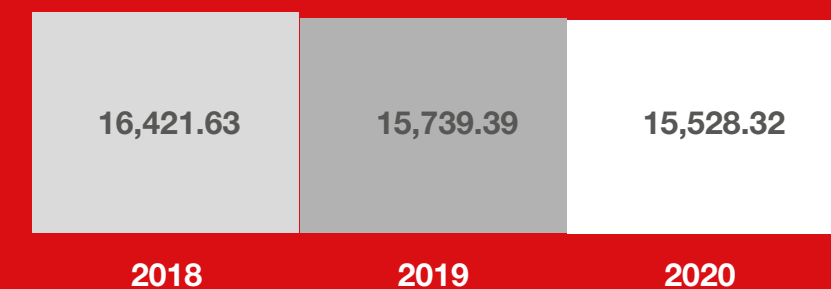
1. Data obtained from the SAP (Supplies Department) and monthly reports forwarded by the operations. The emission factors used are based on the Brazilian GHG Protocol Program. The consolidation approach chosen for reporting the emissions is that of operations control.

2. Scope 1 emissions data include the gases CO₂, CH₄, N₂o, HFCs, PFCs, SF₆ and NF₃. Scopes 2 and 3 include the gases CO₂, CH₄ and N₂o. All scope 3 emissions are derived from the use of products sold.

Biogenic CO₂ emissions (tCO₂ equivalent) – Scope 1 [GRI 305-1](#)

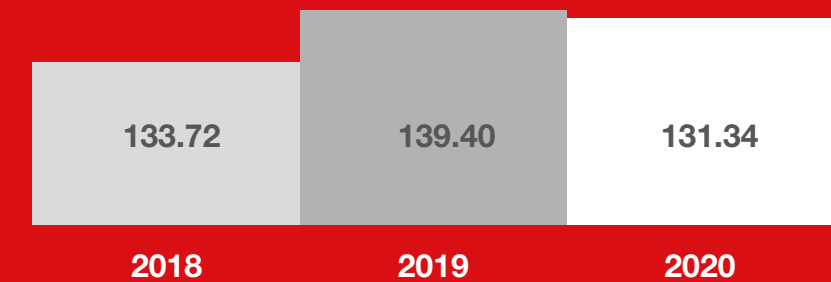


Biogenic CO₂ emissions (tCO₂ equivalent) – Scope 3 [GRI 305-1](#)



Between 2019 and 2020, there was also a reduction of 1% in the intensity of the company's emissions.

Intensity of GHG emissions (tCO₂ equivalent/net income – MM R\$)¹ [GRI 305-4](#)



1. The emissions intensity formula is the total annual emissions, tons of CO₂ equivalent, divided by the company's annual net income. They are factored into the calculation of scopes 1, 2 and 3.

In 2020, JSL issued approximately 1,883 metric tons of atmospheric emissions. In the period, there was a reduction of approximately 14%. The reduction refers to the permanent fleet removal program and the slight reduction in mileage on account of the restrictions imposed by the Covid-19 pandemic. [SASB TR-RO-120a.1](#)

Significant atmospheric emissions (tons), by type¹ GRI 305-7

	2018	2019	2020
NOx	854.46	885.57	933.33
Particle material (PM)	7.61	7.89	8.63
Carbon Monoxide (CO)	119.35	123.83	941.97
Total	981.42	1,017.29	1,883.93

1. Conversions are based on the distances covered by the fleets (GHG inventory) and on emission factors published annually by Cetesb. Emissions not monitored are the SOx gases, persistent organic pollutants (POP), volatile organic compounds (VOC) hazardous atmospheric pollutants (HAP), as they are not a legal requirement for the company. CO, HC, NOx and PM are monitored. JSL will strive to improve in this matter for next year.



Energy management

GRI 302-1 | SASB TR-RO-110a.3

The guiding value of JSL is the efficient and rational use of energy, prioritizing the use of technologies that reduce environmental impacts while engaging in awareness actions among its employees. Within this context, the company is investing in adopting energy efficiency actions based on practices that ensure efficiency in the use of natural resources. There is, for example, an agenda for changing the energy matrix, with the implementation of photovoltaic energy.

In 2020, the company adhered to the guideline of expanding its free market contracts, one of the ways for perfecting the matrix. Energy purchases on the free market livre account for around 17.5% of total monthly consumption, and this is expected to grow in 2021. Other actions adopted include the substitution of ordinary light bulbs with more efficient LEDs,

with continuous monitoring of global electricity consumption and managerial controls based kilowatt/employee/day metrics.

Taking base year 2018, energy consumption by JSL fell by 11% in 2020. When the period from 2019 to 2020 is taken into account, one can see a drop of 14%, a substantial portion of which refers both to the context of the pandemic, and the discontinued contracts. Electricity consumption remained practically the same over the period, with a slight increase of 0.23%.

Go to the [GRI Exhibits](#) for details of fuel and energy consumption.

Total energy consumed (GJ)¹ GRI 302-1

	2018	2019	2020
Fuel from non-renewable sources	4,437,083.48	4,831,718.94	3,827,689.57
Fuel from renewable sources	22,567.35	19,755.50	3,837.51
Energy consumed	130,598.95	139,518.25	130,902.63
Energy sold	0.00	0.00	0.00
Total	4,590,249.78	4,990,992.69	3,962,429.72

1. The data were obtained from the SAP (Supplies Department) and monthly reports forwarded by the operations. The sources of the conversion factors were <https://www.converter-unidades.info/conversor-de-unidades.php> and <http://www.anp.gov.br/arquivos/central-conteudos/anuario-estatistico/2019/anuario-2019-fatores-de-conversao.pdf>.

Consumption of renewal fuels SASB TR-RO-110a.3.

	2018	2019	2020
Total fuel consumed (GJ)	4,459,650.83	4,851,474.44	3,831,527.08
Percentage of fuel consumed that is natural gas (%)	0.0000000%	0.0000000%	0.0000044%
Percentage of fuel consumed that is renewable fuel (%)	0.506%	0.407%	0.100%



Waste management

GRI 103-1 | 103-2 | 103-3 – Climate change and waste management | GRI 306-3 | 306-4 | 306-5

Waste management is part of the routine, involving several measures such as the proper disposal of waste – there are contracts with companies certified to engage in the activity – a tire recycling program and continuous awareness of employees about conscientious consumption.

In symphony with the National Policy on Solid Waste, JSL meets all the requisites of NBR 12235 standard that regulates storage of hazardous solid waste. Lubricating oils are forwarded for re-refining, in order to be re-introduced into the production chain and avoiding their disposal in the environment; while the fate of waste contaminated with grease and oils is co-processing. The temporary storage shelters also comply with NBR 12235.

There are also programs for the disposal of electronic equipment and vehicle batteries, in addition to the concern with adopting and encouraging the habit of reverse logistics by our employees and customers of JSL.

Used tires are sent to be retreaded (recovery of the tread surface, extending the life of the metal structure and a fraction of the rubber used). JSL has a directive that new tires are only purchased when an unserviceable tire casing, in other words, impossible to recover, is discarded.

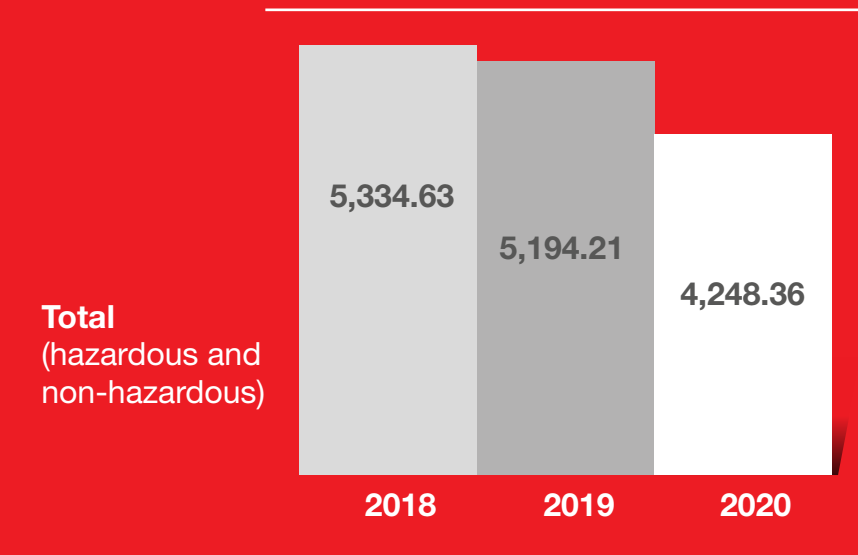
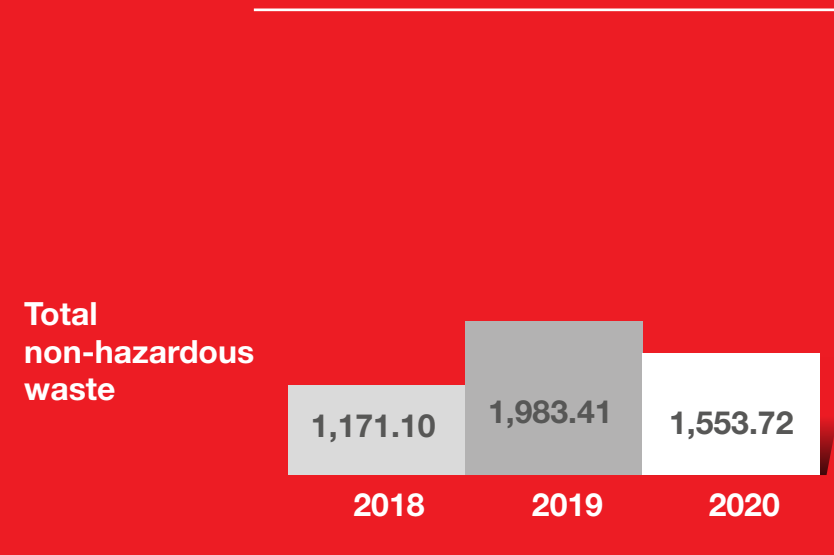
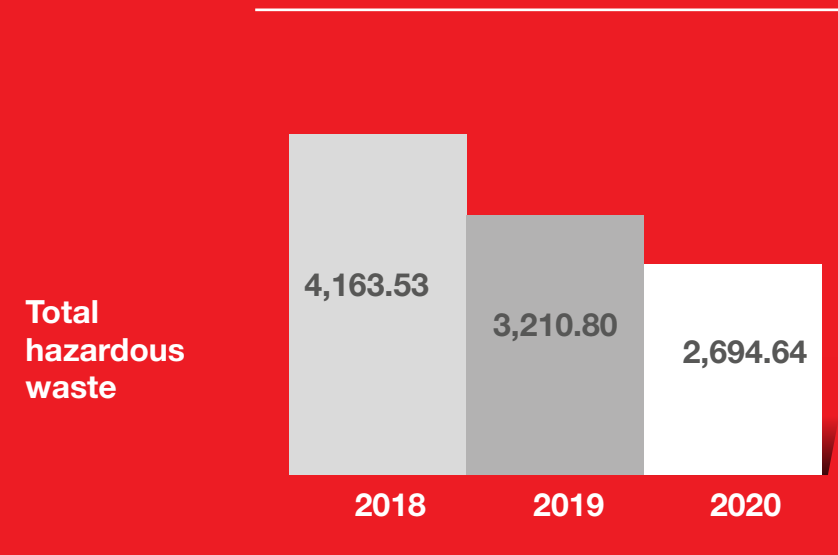
Performance

In 2020, JSL generated 5,384.23 tons of waste, 38% being automotive batteries and 21% domestic/organic waste. The increase of 49% between 2018 and 2019 was due to the absence of data on domestic and contaminated waste for the 2018 cycle, which began to be registered commencing 2019. The decline of 47.5% between 2019 and 2020 was the result of the reduced volume vehicle maintenance operations on the company's sites, as well as the reduction in organic/domestic waste generation on account of the restrictions imposed by the pandemic.

For the year, approximately 79% of the waste of JSL was not sent for final disposal, which means asserting that that it was reused, recycled or recovered using some other method.



47.5% *Decline in waste generation between 2019 and 2020*

Waste diverted from disposal (t), per recovery operation¹ GRI 306-4**Waste diverted from disposal (t), per recovery operation**

1. Data extracted from SAP. The estimated amounts of domestic and contaminated waste are based on the destination cost with certified suppliers. JSL has an on-going project for enhancement of waste management, now in the approval phase at the senior governance body.

In the case of waste intended for disposal, from 2020 to 2019 there was a decline of almost 59% resulting from the change in activities and prioritization of home office, with lower generation of domestic waste at the units.

Waste intended for disposal (t), by type¹ GRI 306-5

	2019	2020
Domestic/organic	2,745.54	1,135.87
Total	2,745.54	1,135.87

¹ Data extracted from SAP. The estimated amounts of domestic and contaminated waste are based on the destination cost with certified suppliers. JSL has an on-going project for enhancement of waste management, now in the approval phase at the senior governance body. All waste was disposed of in landfills.



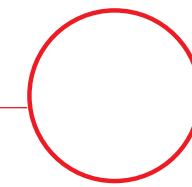
Financial Capital

Management GRI 103-1 | 103-2 | 103-3 –
Financial and economic performance and expansion
of the business

As part of managing its economic and financial performance and to expand its business, JSL uses market disclosure reports that abide by the international financial reporting standards (IFRS); monthly presentation to the Board of Directors; monitoring the monthly results versus budget; external audit in all notices to the market; and a Market Risk Management Policy. Each executive assumes the commitment to the amounts shown

in the budget for the following year with Executive Board, which also validates a macro five-year plan.

Targets monitored include revenue indicators, gross result, EBIT, EBITDA and net income and, monthly financial panels prepared for accompanying the performance of each operation. With the same objective, monthly meetings are held with key executives and members of the Board of Directors to discuss the result – one of the points tied to executive bonuses.



Economic and financial results

In 2020, the world experienced a sanitary crisis scenario because of the Covid-19 pandemic, and, in Brazil, it was no different. The logistics industry experienced a reduction in the volumes transported, partially reflected in the revenues of JSL. The automotive industry was the most affected on account of the plants of Brazil's top automotive manufacturers having ceased operations in April of 2020, gradually resuming their activities beginning in the second fortnight of May. The challenging scenario notwithstanding, the monthly evolution of Net Income from Logistics Services showed a positive recovery as from May, when monthly growth even exceeded the levels at the start of the year. So much so, that in the fourth quarter of 2020 JSL's Gross Revenue from Services was up by 15.0% over the fourth quarter of 2019, demonstrating the start of an economic recovery in the logistics industry.

Financial Information (R\$ millions)

	2019	2020	Variance
Gross revenue	3,699.6	3,387.0	-8.4%
Net revenue	3,102.0	2,826.8	-8.9%
Net revenue from services	2,936.4	2,656.3	-9.5%
Net revenue from asset sales	165.6	170.5	2.9%
Total Costs	(2,689.3)	(2,525.2)	-6.1%
Cost of services	(2,528.0)	(2,358.4)	-6.7%
Cost of Assets Sold	(161.4)	(166.8)	3.4%
Gross profit	412.7	301.6	-26.9%
Total Expenses	(128.7)	(106.2)	-17.5%
EBIT	284.0	195.4	-31.2%
Margin (% NOR Services)	9.7%	7.4%	-2.3 p.p.
Net Financial Income	(268.5)	(184.8)	-31.2%
Taxes	12.7	30.3	138.6%
EBITDA	514.0	431.5	-16.1%
Margin (% NOR Services)	17.5%	16.2%	-1.3 p.p.
Consolidated Net Income	28.2	41.0	45.1%
Margin (% NOR)	0.9%	1.4%	+0.5 p.p.
Net Income Treasury	(85.8)	(43.8)	-49.0%
Margin (% NOR)	-2.8%	-1.6%	+1.2 p.p.
Net Income from Logistics	114.1	84.8	-25.7%
Margin (% NOR)	3.7%	3.0%	-0.7 p.p.

Net Revenue

In 2020, JSL posted Net Revenue of R\$ 2.8 billion. The company remains well positioned in sectors with huge growth potential in Brazil, and even with the impact in certain sectors, a company remained resilient.

Gross Profit

In 2020, JSL's Total Costs amounted to R\$ 2.5 billion, a reduction of 6,1% in comparison with the previous year. The decline is less than that for Net Revenue, reflecting the additional costs arising from the Covid-19 pandemic and from the constant search for operational efficiency. Total Gross Profit, in turn, amounted to R\$ 301.6 million, with a gross margin of 10.7%.

Operating Expenses

Operating Expenses were R\$ 106.2 million for the year, representing 3.8% of Net Revenue, a reduction of 17.5% in comparison with 2019. The reduction can be explained by the constant search for greater operational efficiency and the adoption of the adjustments necessary for adapting the structure of the company.

EBITDA

For the year, JSL recorded EBITDA of R\$ 431.5 million. The EBITDA Margin over Net Income de Services stood at 15.8%. The decrease can be explained as the reflection of the reduction in revenue arising from the Covid-19 pandemic, principally in the automotive industry, as well as the early onset of the offseason in the sugar and alcohol industry.

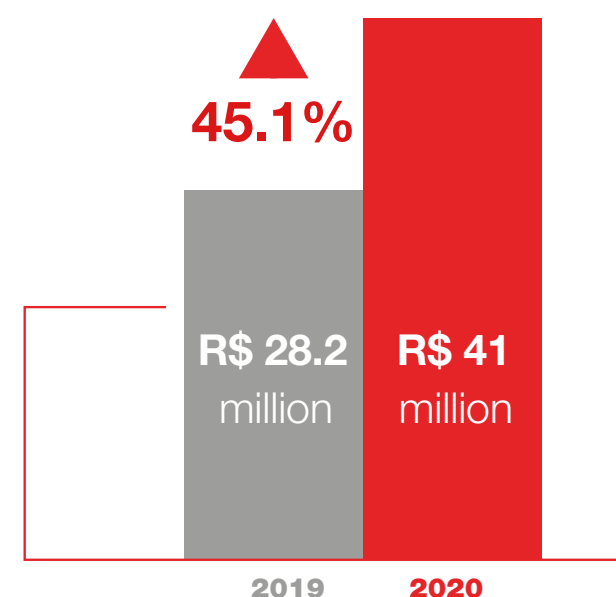
Net Financial Income

Net Financial Expenses amounted to R\$ 184.8 million, a reduction of 31,2% against R\$ 268.5 million in 2019 on account of the better capital structure in place at the end of 2020.

Net Income

JSL posted Net Income of R\$ 41.0 million in 2020, 45.1% above the previous year. If the financial costs of the debts considered as Treasury are stripped out – given the transition that took place in 2020 in which JSL relinquished the role of the holding company – Net Income from Logistics is reports R\$ 84.8 million. The growth can be attributed to the reduction in Net Debt, which reduced Financial Expenses, and the search for greater operational efficiency.

Evolution of Net Income



Indebtedness

Net Indebtedness in December 2020 was R\$ 1.6 billion, a reduction of 47,4% in relation to December 2019, primarily due to the primary share issue. As a result of the company's liabilities management process, the net debt profile was extended from 2.6 years to 4.0 years. The average cost of Net Debt showed a reduction – from 3.9%, in 2019, to 3.4% in 2020 – reflecting the lower average Selic rate when compared with the previous period, as well as JSL's liabilities management.

Considering the company's cash position at the end of 2020, there are sufficient resources to cover debt rollover needs until 2023. Today, the cash position of JSL represents 3.3x short-term debt: a sufficient level of cash at a time when the economic scenario is surrounded with uncertainties. The ratio of Net Debt-to-EBITDA was 3x in 2020. In turn, the net debt-to-EBITDA-A ratio stood at 2.3x in December 2020.

Investments

Gross Investment by JSL amounted to R\$ 327.7 million, of which R\$ 310.7 million for expansion, and R\$ 17.1 million in renewals. Net Investment, after asset sales, was R\$ 154.0 million. The benefits of these investments, in both revenue growth and improved margins and cash flow, were not fully realized in 2020.

Dividends distributed

At a meeting held on December 29, 2020, the Board of Directors of JSL discussed the approval of interest payments on own capital to the shareholders in a gross amount of R\$ 15,430,000.00, corresponding to R\$ 0.055446188 per share, as provided for in Article 31 of the Bylaws. The entitlement date was set at January 6, 2021, with payment on January 29, 2021, *ad referendum* to the Annual Shareholders' Meeting expected to be held on April 29, 2021.



**R\$ 327.7
million
in Gross
Investments**

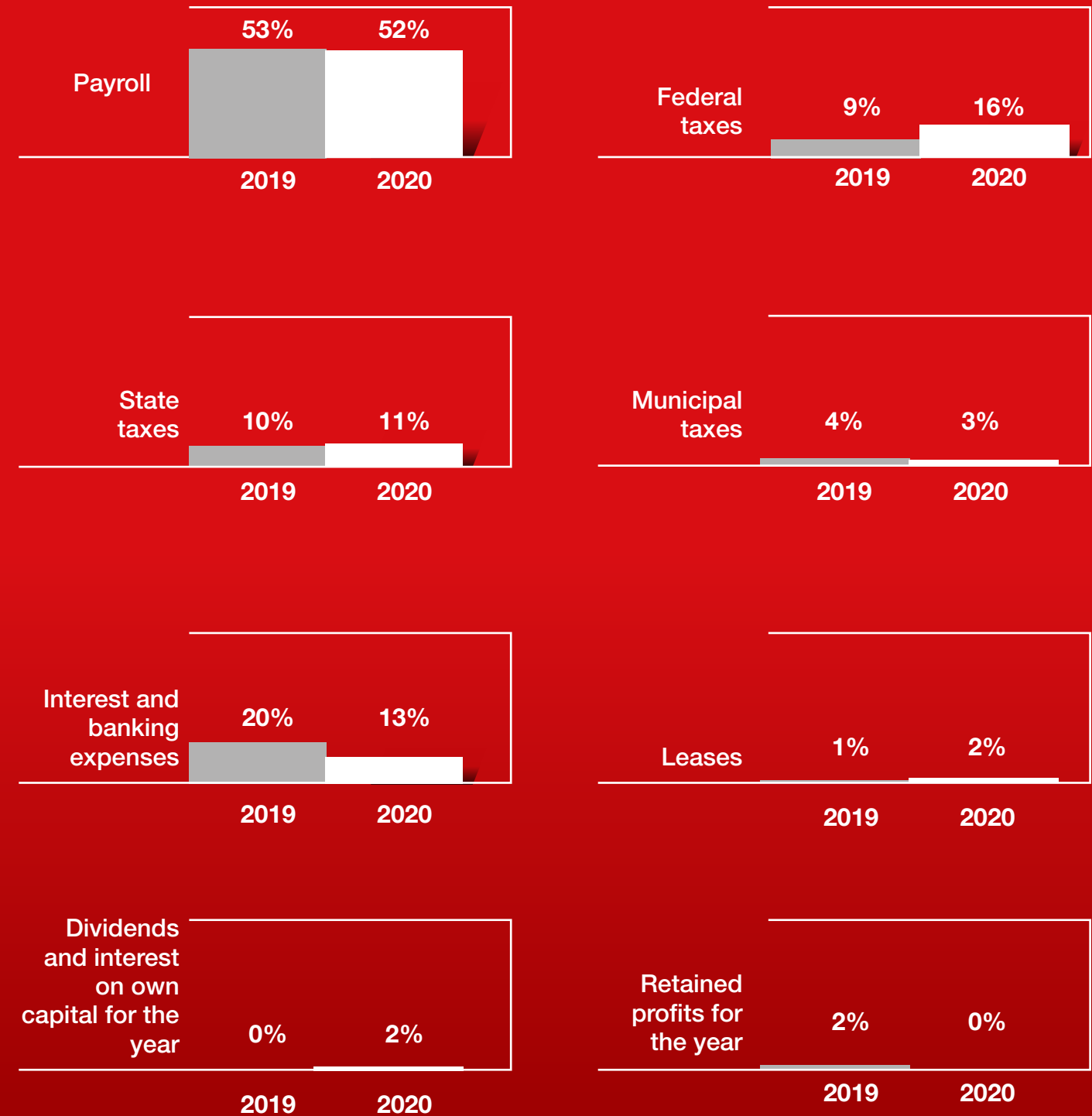


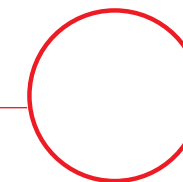
**R\$ 154.0
million
in Net
Investments**

Integrated Annual Report 2020

Statement of Value Added (in thousands of R\$) GRI 201-1

	31/12/2019	31/12/2020
Sale, lease, services rendered, and sale of assets written down	3,699,559	3,387,003
Impairment of accounts receivable	2,916	-8,554
Other operating revenues	33,737	95,766
	3,736,212	3,474,215
Inputs acquired from third parties		
Costs of sales and services rendered	-1,777,386	-1,490,575
Materials, energy, third-party services and other expenses	-122,884	-164,163
	-1,900,270	-1,654,738
Gross value added	1,835,942	1,819,477
Retentions		
Depreciation and amortization	-228,719	-235,997
Net value added produced by JSL	1.607,223	1,583,480
Value added received via transfers		
Equity income	0	0
Financial income	72,619	29,638
	72,619	29,638
Total value added to be distributed	1,679,842	1,613,118
Distribution of value added		
Payroll	894,565	839,903
Federal taxes	154,270	256,013
State taxes	173,833	179,035
Municipal taxes	63,625	55,687
Interest and banking expenses	341,086	214,377
Leases	24,223	27,132
Dividends and interest on own capital for the year	0	35,178
Retained profits for the year	28,240	5,793
	1,679,842	1,613,118

Distribution of value added (%) GRI 201-1



GRI Exhibits

Number of employees by type of contract of employment and region¹ GRI 102-8

2018				2019				2020		
	Determinate period	Indeterminate period	Total		Determinate period	Indeterminate period	Total	Determinate period	Indeterminate period	Total
North	53	1,190	1,243	51	1,169	1,220	36	1,333	1,369	
Northeast	30	1,600	1,630	62	1,578	1,640	19	2,101	2,120	
Midwest	115	1,854	1,969	113	1,634	1,747	16	1,539	1,555	
Southeast	285	8,501	8,786	207	7,715	7,922	33	7,458	7,491	
South	49	1,179	1,228	30	1,165	1,195	6	1,072	1,078	
Total	532	14,324	14,856	463	13,261	13,724	110	13,503	13,613	

1. Data extracted from the SAP system and monitored on a monthly basis.

Number of employees by type of job and gender¹ GRI 102-8

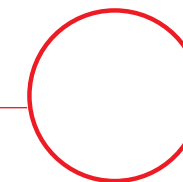
2018			2019			2020			
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	12,858	1,402	14,260	11,743	1,428	13,171	11,728	1,434	13,162
Part-time	320	276	596	317	236	553	265	186	451
Total	13,178	1,678	14,856	12,060	1,664	13,724	11,993	1,620	13,613

1. Data extracted from the SAP system and monitored on a monthly basis.

Number of employees by age group¹ GRI 102-8

	2018	2019	2020
Under 30 years of age	4,115	3,788	3,507
Between 30 and 50 years.	8,953	8,259	8,415
Over 50 years	1,788	1,677	1,691
Total	14,856	13,724	13,613

1. Data extracted from the SAP system and monitored on a monthly basis.

**Number of employees by type of contract of employment and gender¹** GRI 102-8

	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Determinate period	299	233	532	288	175	463	65	45	110
Indeterminate period	12,879	1,445	14,324	11,772	1,489	13,261	11,928	1,575	13,503
Total	13,178	1,678	14,856	12,060	1,664	13,724	11,993	1,620	13,613

1. Data extracted from the SAP system and monitored on a monthly basis.

Number of employees by functional category and gender¹ GRI 102-8

	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
Executive Board	21	1	22	-	13	1
Management	108	12	105	19	99	14
Departmental Heads/ Coordination	168	36	158	39	149	43
Technical/Supervisory	246	37	234	42	222	44
Administration	2,460	1,227	2,367	1,215	2,185	1,131
Operations	10,175	365	9,174	349	9,325	387
Total	13,178	1,678	12,060	1,664	11,993	1,620

1. Data extracted from the SAP system and monitored on a monthly basis.

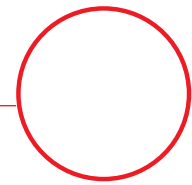
Number of outsourced employees by gender¹ GRI 102-8

	2018	2019	2020
Men	126	327	388
Women	33	112	129
Total	159	439	517

1. Data extracted from the SAP system and monitored on a monthly basis.

Total number and percentage of governance body members trained in anticorruption policies and procedures, by region¹ GRI 205-2

	2019 Total trained	2019 Percentage trained	2020 Total trained	2020 Percentage trained
North	0	0%	0	0%
Northeast	0	0%	0	0%
Midwest	1	100%	0	0%
Southeast	21	72%	18	86%
South	0	0%	1	0%
Total and percentage trained	22	73%	19	86%

**Total number and percentage of employees trained in anticorruption policies and procedures, by region** GRI 205-2

	2019 Total trained	2019 Percentage trained	2020 Total trained	2020 Percentage trained
North	1,229	99%	1,354	99%
Northeast	1,499	93%	1,633	77%
Midwest	1,885	98%	1,540	99%
Southeast	7,767	91%	6,667	89%
South	1,083	91%	989	92%
Total and percentage trained	13,463	93%	12,183	89%

Total number and percentage of employees trained in anticorruption policies and procedures, by functional category GRI 205-2

	2020 Total trained	2020 Percentage trained
Administration	3,119	90%
Apprentices	163	92%
Commercial	5	100%
Interns	1	100%
Executives	565	97%
Maintenance	129	96%
Drivers	3,657	88%
Operations	4,544	89%
Total and percentage trained	12,183	89%

Total number and rate of new employee hires, by region GRI 401-1

	2018		2019		2020	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
Midwest	109	0.01	432	0.35	540	0.39
Northeast	493	0.00	607	0.37	1,077	0.51
North	1,252	0.00	1,068	0.61	1,027	0.66
Southeast	2,980	1.48	2,712	0.34	3,043	0.41
South	552	0.00	433	0.36	350	0.32
Total	5,386	0.38	5,252	0.38	6,037	0.44

Total number and rate of new employee hires, by age group GRI 401-1

	2018		2019		2020	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
Under 30 years of age	2,183	0.53	2,129	0.56	1,886	0.54
Between 30 and 50 years.	2,830	0.32	2,764	0.33	3,260	0.39
Over 50 years	374	0.21	359	0.21	891	0.53
Total	5,387	0.36	5,252	0.38	6,037	0.44

Total number and turnover rate, by gender GRI 401-1

	2018		2019		2020	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
Men	4,920	0.37	5,819	0.48	5,433	0.45
Women	603	0.36	721	0.43	697	0.43
Total	5,523	0.37	6,540	0.48	6,130	0.45

Total number and turnover rate, by region GRI 401-1

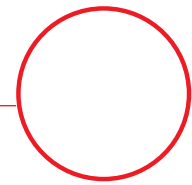
	2018		2019		2020	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
Midwest	311	0.25	377	0.31	1,223	0.79
Northeast	289	0.18	690	0.42	649	0.31
North	1,648	0.84	1,303	0.75	347	0.25
Southeast	2,716	0.31	3,712	0.47	3,450	0.46
South	559	0.46	458	0.38	461	0.43
Total	5,523	0.37	6,540	0.48	6,130	0.45

Total number and turnover rate, by age group GRI 401-1

	2018		2019		2020	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
Under 30 years of age	1,776	0.43	1,968	0.47	1,905	0.56
Between 30 and 50 years.	3,202	0.36	3,826	0.39	3,544	0.45
Over 50 years	545	0.30	746	0.32	681	0.44
Total	5,523	0.37	6,540	0.40	6,130	0.45

Total number and rate of new employee hires, by gender GRI 401-1

	2018		2019		2020	
	Total Number	Rate	Total Number	Rate	Total Number	Rate
Men	4,743	0.36	4,614	0.38	5,376	0.43
Women	644	0.38	638	0.38	661	0.38
Total	5,387	0.36	5,252	0.38	6,037	0.44

**Employee health and safety rates¹** GRI 403-9

	2018	2019	2020
Number of deaths arising from work-related injuries	0	2	0
Death rate from work-related injuries	0	362.90	0
Number of highly consequential work-related injuries (excluding deaths)	60	39	31
Rate of highly consequential work-related injuries (excluding deaths)	1.53	1.18	1.11
Number of reportable work-related injuries	0	37	31
Rate of reportable work-related injuries	0	1.12	1.11

1. The rates were calculated based on 1,000,000 hours worked. All information was obtained from the company's accident indicators. This disclosure does not include outsourced workers and service providers. There are no plans for undertaking this control.

Employee health and safety rates, by gender¹ GRI 403-9

	2020	
	Women	Men
Number of deaths arising from work-related injuries	0	0
Death rate from work-related injuries	0.00	0.00
Number of highly consequential work-related injuries (excluding deaths)	0	31
Rate of highly consequential work-related injuries (excluding deaths)	0.00	1.11
Number of reportable work-related injuries	0	31
Rate of reportable work-related injuries	0	1.11

1. The rates were calculated based on 1,000,000 hours worked. All information was obtained from the company's accident indicators. This disclosure does not include outsourced workers and service providers. There are no plans for undertaking this control.

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Percentage of members within the governance bodies, in 2020 GRI 405-1

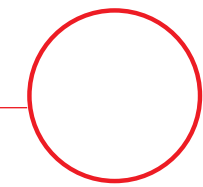
		Sustainability Committee	Audit Committee	Board of Directors	Executive Board
2020	Men	75.00%	100.00%	100.00%	100.00%
	Women	25.00%	0%	0.00%	0.00%
Total		100.00%	100.00%	100.00%	100.00%

Percentage of members within the governance bodies, by age group, in 2020 GRI 405-1

		Sustainability Committee	Audit Committee	Board of Directors	Executive Board
2020	Under 30 years of age	0%	0%	0%	0%
	Between 30 and 50 years.	100%	0%	40%	80%
	Over 50 years	0%	100%	60%	20%
Total		100%	100%	100%	100%

Percentage of special needs employees, by functional category and gender GRI 405-1

	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Board	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Management	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Departmental Heads/Coordination	0.00%	0.00%	0.00%	0.63%	0.00%	0.51%	0.67%	0.00%	0.52%
Technical/Supervisory	1.22%	0.00%	1.06%	1.71%	0.00%	1.45%	1.80%	0.00%	1.50%
Administration	6.81%	6.19%	6.60%	8.37%	7.41%	8.04%	8.88%	8.05%	8.60%
Operations	0.29%	0.00%	0.28%	0.36%	0.00%	0.35%	0.28%	0.00%	0.27%
Trainees	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	1.51%	4.53%	1.85%	1.96%	5.41%	2.38%	1.88%	5.62%	2.32%

**Parental leave¹** GRI 401-3

		2018	2019	2020
Total employees who took parental leave	Men	368	398	383
	Women	65	84	61
Total employees who returned to work, in the reporting period, after expiry of parental leave	Men	360	385	366
	Women	61	78	49
Total employees who returned to work after expiry of parental leave and who were still employed 12 meses after returning to work	Men	260	255	308
	Women	30	34	41
Return rate	Men	98%	97%	96%
	Women	94%	93%	80%
Retention rate	Men	68%	71%	80%
	Women	37%	56%	53%

1. To calculate the total employees who returned to work in the reporting period, after expiry of parental leave, the criterion used was the return after 30 days due to vacations following the leave-of-absence periods

Percentage of employees, by functional category and gender GRI 405-1

	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Board	95.45%	4.55%	100.00%	100.00%	0.00%	100.00%	92.86%	7.14%	100.00%
Management	90.00%	10.00%	100.00%	84.68%	15.32%	100.00%	87.61%	12.39%	100.00%
Departmental Heads/Coordination	82.35%	17.65%	100.00%	80.20%	19.80%	100.00%	77.60%	22.40%	100.00%
Technical/ Supervisory	86.93%	13.07%	100.00%	84.78%	15.22%	100.00%	83.46%	16.54%	100.00%
Administration	66.67%	33.33%	100.00%	66.06%	33.94%	100.00%	65.88%	34.12%	100.00%
Operations	96.54%	3.46%	100.00%	96.34%	3.66%	100.00%	96.02%	3.98%	100.00%
Trainees	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Total	88.70%	11.30%	100.00%	87.88%	12.12%	100.00%	88.10%	11.90%	100.00%

Fuel consumption (GJ), by type and source¹ GRI 302-1

	2018	2019	2020
Non-renewable sources			
Diesel	4,369,699.45	4,737,782.36	3,764,782.58
Gasoline	65,832.54	77,189.96	60,733.27
Jet fuel	1,509.08	1,340.46	417.25
LPG	42.41	15,406.17	1,756.31
Total	4,437,083.48	4,831,718.94	3,827,689.40
Renewable sources			
Ethanol	22,567.35	19,755.50	3,837.51
Total (renewables and non-renewables)	4,459,650.83	4,851,474.44	3,831,526.91

1. The data were obtained from the SAP (Supplies Department) and monthly reports forwarded by the operations. The sources of the conversion factors were <https://www.converter-unidades.info/conversor-de-unidades.php> and <http://www.anp.gov.br/arquivos/central-conteudos/anuario-estatistico/2019/anuario-2019-fatores-de-conversao.pdf>.

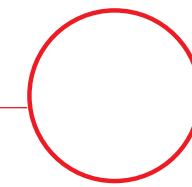
Energy consumption (GJ), by type¹ GRI 302-1

	2018	2019	2020
Electricity	130,598.95	139,518.25	130,902.63
Heating	0.00	0.00	0.00
Refrigeration	0.00	0.00	0.00
Steam	0.00	0.00	0.00
Total	130,598.95	139,518.25	130,902.63

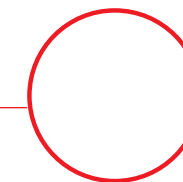
1. The data were obtained from the SAP (Supplies Department) and monthly reports forwarded by the operations. The sources of the conversion factors were <https://www.converter-unidades.info/conversor-de-unidades.php> and <http://www.anp.gov.br/arquivos/central-conteudos/anuario-estatistico/2019/anuario-2019-fatores-de-conversao.pdf>.

Greenhouse gas emissions (tCO₂ equivalent), by type - Scope 1 GRI 305-1

	2018	2019	2020
Generating electricity, heat or steam resulting from burning of fuel in stationary (fixed) sources like boilers, kilns and turbines, and other combustion processes, such as burning	0.00	923.46	157.03
Physical and chemical processing arising from the manufacture or processing of chemical products and materials, like cement, steel, aluminum, ammonia and waste processing	0.00	0.00	0.00
Transport of materials, products, waste, employees and passengers resulting from burning of fuel in mobile combustion sources pertaining to or controlled by the company, such as trucks, trains, ships, aircraft, buses, and cars	262,069.64	277,704.28	220,917.07
Fugitive emissions resulting from intentional or involuntary releases, such as leakages in joints, seals, packaging and equipment gaskets; methane emissions from coal mines and ventilation systems; hydrofluorocarbon emissions - HFCs – from using refrigerators and air conditioners; and methane leaks from transporting gas	0.00	2,544.76	1,461.60
Total gross CO₂ emissions	262,069.64	281,172.50	222,535.70


Other greenhouse gas emissions (tCO₂ equivalent), by type – Scope 3 GRI 305-3

	2018	2019	2020
Upstream			
Goods and services acquired	0.00	0.00	0.00
Capital goods	0.00	0.00	0.00
Energy and fuel-related activities (those not included in Scope 1 or 2 emissions)	0.00	0.00	0.00
Upstream transport and distribution	0.00	0.00	0.00
Waste generated from operations	0.00	0.00	0.00
Business travel	0.00	0.00	0.00
Employee transport	0.00	0.00	0.00
Leased assets (upstream)	0.00	0.00	0.00
Other activities (upstream)	0.00	0.00	0.00
Subtotal	0.00	0.00	0.00
Downstream			
Downstream transport and distribution	154,899.93	148,464.58	146,004.98
Processing of products sold	0.00	0.00	0.00
Use of products sold	0.00	0.00	0.00
Treatment of products sold at the end of their useful life	0.00	0.00	0.00
Leased assets (downstream)	0.00	0.00	0.00
Franchises	0.00	0.00	0.00
Investments	0.00	0.00	0.00
Other activities (downstream)	0.00	0.00	0.00
Subtotal	154,899.93	148,464.58	146,004.98
Total	154,899.93	148,464.58	146,004.98



Integrated Annual Report 2020

Waste generated by composition (t)¹ GRI 306-3

Resíduos gerados por composição (t)¹	2018	2019	2020
Used Lubricating Oil (OLUC)	305.36	279.93	136.98
Unserviceable used tires	523.00	1,209.32	814.16
Automotive batteries	3,858.17	1,739.51	2,052.08
Paper/cardboard/plastic	480.34	181.46	32.74
Metals	167.76	592.62	706.82
Class I Waste - Contaminated	0.00	1,191.36	505.58
Domestic/organic	0.00	2,745.45	1,135.87
Total	5,334.63	7,939.66	5,384.23

1. Data extracted from SAP. The estimated amounts of domestic and contaminated waste are based on the destination cost with certified suppliers. We have an on-going project for enhancement of waste management, now in the approval phase at the senior governance body.

Waste diverted from disposal (t), by type¹ GRI 306-4

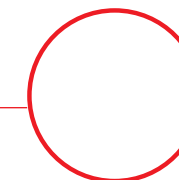
	2018	2019	2020
Hazardous waste			
Waste contaminated with oil, grease and solvents + fluorescent lamps and batteries	0.00	1,191.36	505.58
OLUC (Used Lubricating Oil)	305.36	279.93	136.98
Automotive batteries	3,858.17	1,739.51	2,052.08
Total hazardous waste	4,163.53	3,210.80	2,694.64
Non-hazardous waste			
Unserviceable used tires	523.00	1,209.32	814.16
Paper/cardboard/plastic	480.34	181.46	32.74
Metals	167.76	592.62	706.82
Total non-hazardous waste	1,171.10	1,983.41	1,553.72
Total (hazardous and non-hazardous)	5,334.63	5,194.21	4,248.36

¹ Data extracted from SAP. The estimated amounts of domestic and contaminated waste are based on the destination cost with certified suppliers. We have an on-going project for enhancement of waste management, now in the approval phase at the senior governance body.

Waste diverted from disposal (t), per recovery operation¹ GRI 306-4

Waste diverted from disposal (t), per recovery operation	2018	2019	2020
Hazardous waste			
Prepping for reuse	4,163.53	3,210.80	2,694.64
Recycling	0.00	0.00	0.00
Other recovery operations	0.00	0.00	0.00
Total hazardous waste	4,163.53	3,210.80	2,694.64
Non-hazardous waste			
Prepping for reuse	0.00	0.00	0.00
Recycling	1,171.10	1,983.41	1,553.72
Other recovery operations	0.00	0.00	0.00
Total non-hazardous waste	1,171.10	1,983.41	1,553.72
Total (hazardous and non-hazardous)	5,334.63	5,194.21	4,248.36

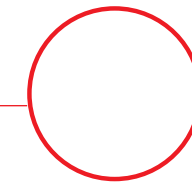
1. Data extracted from SAP. The estimated amounts of domestic and contaminated waste are based on the destination cost with certified suppliers. We have an on-going project for enhancement of waste management, now in the approval phase at the senior governance body.



GRI and SASB Content Index

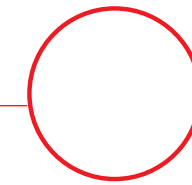
GRI CONTENT SUMMARY | GRI 102-55

GRI Standard	Content	Page numbers and/or URL(s) and/or direct response	Omission	Principles of the Global Compact	SDG
GRI 101: Foundation 2016					
GRI 102: General Disclosures 2016					
GRI 102: General Disclosures 2016	102-1	Name of the organization	9		
	102-2	Activities, brands, products and services	11		
	102-3	Location of headquarters	9		
	102-4	Location of operations	9		
	102-5	Ownership and legal form	JSL is a publicly-quoted company listed on the Brazilian Stock Exchange, B3		
	102-6	Markets served	9		
	102-7	Scale of the organization	9		
	102-8	Information on employees and other workers	34, 35, 71, 72		
	102-9	Supply chain	48		
	102-10	Significant changes to the organization and its supply chain	9		
	102-11	Precautionary Principle or approach	22		
	102-12	External initiatives	49		
	102-13	Membership of associations	49		
	102-14	Statement from senior decision-maker	5		



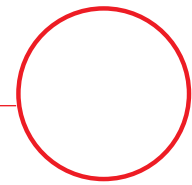
GRI CONTENT SUMMARY | GRI 102-55

GRI Standard	Content		Page numbers and/or URL(s) and/or direct response	Omission	Principles of the Global Compact	SDG
GRI 102: General Disclosures 2016	102-15	Key impacts, risks and opportunities	5, 22			
	102-16	Values, principles, standards and norms of behavior	10, 43			16.3
	102-17	Mechanisms for advice and concerns about ethics	26			16.3
	102-18	Governance structure	18			
	102-19	Delegating authority	19			
	102-20	Executive-level responsibility for economic, environmental and social topics	21			
	102-21	Consulting stakeholders on economic, environmental and social topics	3			
	102-22	Composition of the highest governance body and its committees	19, 20			5.5, 16.7
	102-23	Chair of the highest governance body	19			16.6
	102-24	Nominating and selecting the highest governance body	19			5.5, 16.7
	102-25	Conflicts of interest	24, 26			16.6
	102-26	Role of the highest governance body in setting purpose, values and strategy	19, 21			
	102-27	Collective knowledge of the highest governance body	19			



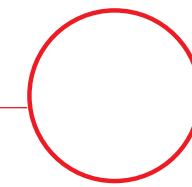
GRI CONTENT SUMMARY | GRI 102-55

GRI Standard	Content		Page numbers and/or URL(s) and/or direct response	Omission	Principles of the Global Compact	SDG
GRI 102: General Disclosures 2016	102-28	Evaluating the highest governance body's performance	Up until 2020 there had been no performance assessments of the highest governance body regarding management of economic, environmental and social topics. However, this process is scheduled for 2021. JSL is looking into the best way to go about this process, bearing in mind current market practices			
	102-29	Identifying and managing economic, environmental and social impacts	19			16.7
	102-30	Effectiveness of risk management processes	22			
	102-31	Review of economic, environmental and social topics	19, 24			
	102-32	Highest governance body's role in sustainability reporting	3			
	102-40	List of stakeholder groups	3			
	102-41	Collective bargaining agreements	All JSL employees (100%) are covered by collective bargaining agreements			
	102-42	Identifying and selecting stakeholders	3			
	102-43	Approach to stakeholder engagement	3			
	102-44	Key topics and concerns raised	4			
	102-45	Entities included in the consolidated financial statements	3			



GRI CONTENT SUMMARY | GRI 102-55

GRI Standard	Content		Page numbers and/or URL(s) and/or direct response	Omission	Principles of the Global Compact	SDG
GRI 102: General Disclosures 2016	102-46	Defining report content and topic Boundaries	3, 4			
	102-47	List of material topics	4			
	102-48	Restatements of information	3			
	102-49	Changes in reporting	3			
	102-50	Reporting period	3			
	102-51	Date of most recent report	3			
	102-52	Reporting cycle	3			
	102-53	Contact point for questions regarding the report	3			
	102-54	Claims of reporting in accordance with the GRI Standards	3			
	102-55	GRI content index	81			
	102-56	External assurance	3, 93			
Material Topics						
Safety and integrity of personnel and assets						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	39			3, 8
	103-2	The management approach and its components	39			
	103-3	Evaluation of the management approach	39			
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	39			8.8
	403-6	Promotion of worker health	37			3.3, 3.5, 3.7
	403-9	Work-related injuries	39, 75	Disclosure does not cover third parties		3.6, 3.9, 8.8, 16.1
	403-10	Work-related ill health	39	Disclosure does not cover third parties		3.3, 3.4, 3.9, 8.8, 16.1



GRI CONTENT SUMMARY | GRI 102-55

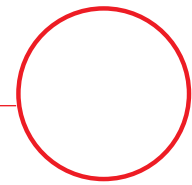
GRI Standard	Content		Page numbers and/or URL(s) and/or direct response	Omission	Principles of the Global Compact	SDG
Climate change and waste management						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	57, 60, 65			3, 7, 12, 13, 14, 15
	103-2	The management approach and its components	57, 60, 65			
	103-3	Evaluation of the management approach	57, 60, 65			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	64, 78			7.2, 7.3, 8.4, 12.2, 13.1
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	62, 78		7, 8, 9	3.9, 12.4, 13.1, 14.3, 15.2
	305-2	Indirect (Scope 2) greenhouse gas (GHG) emissions from the acquisition of energy	62		7, 8, 9	3.9, 12.4, 13.1, 14.3, 15.2
	305-3	Other indirect (Scope 3)greenhouse gas (GHG) emissions	62, 79		7, 8, 9	3.9, 12.4, 13.1, 14.3, 15.2
	305-4	GHG emissions intensity	62		7, 8, 9	3.9, 12.4, 13.1, 14.3, 15.2
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	62, 63		7, 8, 9	3.9, 12.4, 13.1, 14.3, 15.2
GRI 306: Waste 2020	306-3	Waste generated	65, 80			3.9, 11.6, 12.4, 12.5
	306-4	Waste diverted from disposal	65, 66, 80			3.9, 11.6, 12.4, 12.5
	306-5	Waste directed to disposal	65, 66			3.9, 11.6, 12.4, 12.5

GRI CONTENT SUMMARY | GRI 102-55

GRI Standard	Content		Page numbers and/or URL(s) and/or direct response	Omission	Principles of the Global Compact	SDG
Customer relations						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	46			12
	103-2	The management approach and its components	46			
	103-3	Evaluation of the management approach	46			
GRI 416: Consumer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	42			7.2, 7.3, 8.4, 12.2, 13.1
Corporate Governance and compliance						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	24			16
	103-2	The management approach and its components	24			
	103-3	Evaluation of the management approach	24			
GRI 205: Anticorruption 2016	205-1	Operations assessed for risks related to corruption	24		10	16.5
	205-2	Communication and training about anticorruption policies and procedures	25, 27, 72, 73	JSL does not monitor communications to business partners, employees and governance members. In the case of employees trained, by functional category, the calculation formula was changed in 2020, so the data from the previous years were not disclosed as they were not comparable	10	16.5
	205-3	Confirmed cases of corruption and actions taken	24		10	16.5
GRI 206: Anticompetitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Over the last three years, no legal actions have been filed for unfair competition, trust and monopoly practices in which JSL was identified as a participant		1, 5	16.3

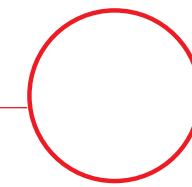
GRI CONTENT SUMMARY | GRI 102-55

GRI Standard	Content	Page numbers and/or URL(s) and/or direct response	Omission	Principles of the Global Compact	SDG
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	57	7, 8, 9	16.3
GRI 415: Public Policy 2016	415-1	Political contributions	JSL did not make political contributions in 2020	10	16.5
GRI 419: Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Over the last three years, JSL nor have incurred significant fines and non-pecuniary sanctions due to non-compliance with the laws and regulations in in the social and economic area	10	16.3
Impacts on communities and social investment					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	49		1, 2
	103-2	The management approach and its components	49		
	103-3	Evaluation of the management approach	49		
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	51		5.4, 9.1, 11.2
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	48		8.3
GRI 413: Local communities	413-1	Operations with local community engagement, impact assessments and development programs	49, 50, 51		
	413-2	Operations with significant actual and potential negative impacts on local communities	49, 53		1.4, 2.3
People development and respect for diversity					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	43		4, 5, 8, 10
	103-2	The management approach and its components	43		
	103-3	Evaluation of the management approach	43		



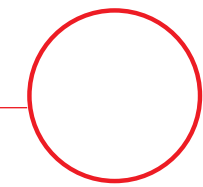
GRI CONTENT SUMMARY | GRI 102-55

GRI Standard	Content		Page numbers and/or URL(s) and/or direct response	Omission	Principles of the Global Compact	SDG
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	34, 74		6	5.1, 8.5, 8.6, 10.3
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	35			3.2, 5.4
	401-3	Parental leave	35, 77 The retention rate (employees who were still employed 12 months after returning) was 80% for men, and 53% for women		6	5.1, 5.4, 8.5
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	42		1, 6	4.3, 5.1, 8.2, 8.5, 10.3
	404-2	Programs for upgrading employee skills and transition assistance programs	37, 42	JSL does not engage in any specific activities to facilitate the continuity of employability where employees retire or have their contract of employment terminated		8.2, 8.5
	404-3	Percentage of employees receiving regular performance and career development reviews	JSL undertook no performance appraisals during the year		1, 6	5.1, 8.5, 10.3
405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	38, 76, 77 In 2020, 28.57% of the executive board were Afro, and there were no PwD	In the case of the governance entities, the calculation formula was changed in 2020, so the data from the previous years were not disclosed as they were not comparable		5.1, 5.5, 8.5
405: Diversity and equal opportunity 2016	406-1	Incidents of discrimination and corrective actions taken	26		1, 2, 3, 4, 5, 6	5.1, 8.8
Appreciation of truck drivers						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	37			3, 8, 10
	103-2	The management approach and its components	37			
	103-3	Evaluation of the management approach	37			



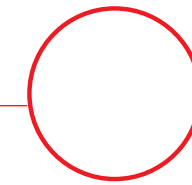
GRI CONTENT SUMMARY | GRI 102-55

GRI Standard	Content		Page numbers and/or URL(s) and/or direct response	Omission	Principles of the Global Compact	SDG
Economic and financial performance and expansion of the business						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	67			8, 9, 12
	103-2	The management approach and its components	67			
	103-3	Evaluation of the management approach	67			
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	70			8.1, 8.2, 9.1, 9.4, 9.5
	201-2	Financial implications and other risks and opportunities due to climate change	61	JSL does not yet disclose the financialimplications and financial costs of the risks and opportunities		13.1
Technological innovation						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16			9
	103-2	The management approach and its components	16			
	103-3	Evaluation of the management approach	16			
Other non-material GRI disclosures reported						
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	Suppliers’ environmental aspects are evaluated manually at JSL, unlike social verification undertaken on the system. Thus, it is not yet possible to calculate the percentage of new suppliers that have taken this evaluation. Suppliers’ environmental aspects are only inspected when the need arises to formulate and agreement and sign the draft, as in the case of companies providing services on JSL premises. This verification takes place following a request by some technical area, such as legal department, Work Safety, SSMA, etc		7, 8, 9	

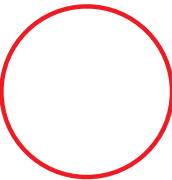


GRI CONTENT SUMMARY | GRI 102-55

GRI Standard	Content		Page numbers and/or URL(s) and/or direct response	Omission	Principles of the Global Compact	SDG
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	48	JSL does not classify suppliers at significant risk for incidents of child labor or forced or compulsory labor, but to be admitted to the base of providers, companies submit to verification on a specific platform, with automatic consultations in which one of the items is the employers' register, known as the "blacklist", a data base created by the government that lists companies at which people were rescued from conditions similar to forced labor, or incidents of child labor	1, 2, 6	8.7, 16.2
GRI 409: Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	48	JSL does not classify suppliers at significant risk for incidents of child labor or forced or compulsory labor, but to be admitted to the base of providers, companies submit to verification on a specific platform, with automatic consultations in which one of the items is the employers' register, known as the "blacklist", a data base created by the government that lists companies at which people were rescued from conditions similar to forced labor, or incidents of child labor	1, 2, 3	8.7

**SUMÁRIO SASB**

Topic	Code	Accounting Metric	Category	Unit of measure	Page numbers and/or URL(s) and/or direct response
ROAD TRANSPORTATION					
Sustainability Disclosure Topics and & Accounting Metrics					
Greenhouse gas emissions	TR-RO-110a.1	Gross global Scope 1 emissions	Quantitative	Metric tons (t) of CO2-e	62
	TR-RO-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, reduction targets and an analysis of performance against those targets	Discussion and Analysis	n/a	60, 62
	TR-RO-110a.3	(1) Total fuel consumed, (2) percentage natural gas, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	64
Air Quality	TR-RO-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx and (3) particulate matter (PM10)	Quantitative	Metric tons (t)	63
Driver working conditions	TR-RO-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	39
	TR-RO-320a.2	(1) Voluntary and (2) involuntary turnover rate for all employees	Quantitative	Rate	35
	TR-RO-320a.3	Description of approach to managing short-term and long-term driver health risks	Discussion and Analysis	n/a	JSL monitors short-term and long-term driver health rates through annual periodic examinations, and evaluations with a GP and dietician. No long-term risks were reported, that is, chronic cases among the drivers



SUMÁRIO SASB

Topic	Code	Accounting Metric	Category	Unit of measure	Page numbers and/or URL(s) and/or direct response
Accident and Safety Management	TR-RO-540a.1	Number of road accidents and incidents	Quantitative	Number	40
	TR-RO-540a.2	Safety Measurement System BASIC Percentiles for: (1) Unsafe Driving, (2) Hours-of-Service Compliance, (3) Driver Fitness, (4) Controlled Substances/ Alcohol, (5) Vehicle Maintenance and (6) Hazardous Materials Compliance	Quantitative	Percentile	Not applicable to Brazilian reality
	TR-RO-540a.3	(1) Number and(2) aggregate volume of spills and releases to the environment	Quantitative	Number, Cubic meters (m³)	Over the last three years, there have been no spillages on the ground and/ or into water
ROAD TRANSPORTATION					
Activity Metrics					
Activity Metrics	TR-RO-000.A	Revenue ton miles (RTM)	Quantitative	RTM	Indicator is not monitored in this manner by JSL
	TR-RO-000.B	Load factor	Quantitative	Number	Indicator not reported on the company's decision
	TR-RO-000.C	Number of employees, number of truck drivers	Quantitative	Number	13,613 employees; around 2 thousand added drivers and over 10 thousand contract drivers



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Limited assurance report issued by independent auditors

To the Board of Directors and Shareholders of

JSL S.A.

São Paulo - SP

Introduction

We were engaged by JSL S.A. ("JSL" or "Company") to apply limited assurance procedures on the sustainability information disclosed in JSL's Integrated Annual Report 2020 ("Report"), in the accompanying information to this report related to the period ended December 31, 2020.

Responsibilities of JSL's Management

The Management of JSL is responsible for adequately preparing and presenting the sustainability information in the Integrated Annual Report 2020 in accordance with both the Standards for Sustainability Report of Global Reporting Initiative – GRI, with Orientation CPC (Brazilian Accounting Pronouncements Committee) 09 - Integrated Report (which is correlated with the Basic Conceptual Framework of the Integrated Report prepared by the International Integrated Reporting Council - IIRC), and the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion about the information in the Report based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared based on NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited assurance that the information disclosed in the Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of questions and interviews with the Management of JSL and other professionals of the Company involved in the preparation of the information disclosed in the Report and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which may lead them to believe that the information disclosed in the Report taken as a whole could present material misstatement.



The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the Report, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

- a. engagement planning: considering the material aspects for JSL's activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the JSL's Report. This analysis defined the indicators to be checked in details;
- b. understanding and analysis of disclosed information related to material aspects management;
- c. analysis of preparation processes of the Report and its structure and content, based on the Principles of Content and Quality of the *Standards* for sustainability report of the Global Reporting Initiative - GRI (GRI - Standards) and with Orientation CPC (Brazilian Accounting Pronouncements Committee) 09 - Integrated Report (which is correlated with the Basic Conceptual Framework for Integrated Report, prepared by the The International Integrated Reporting Council (IIRC));
- d. evaluation of non-financial indicators selected:
 - understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
 - application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the Report;
 - analysis of evidence supporting the disclosed information;
- e. analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company.
- f. comparison of financial indicators with the financial statements and/or accounting records.

We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide reasonable assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the Report.



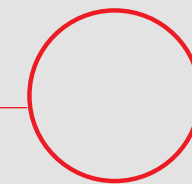
Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretation of the data's materiality, relevance and accuracy are subject to individual assumptions and judgments. Additionally, we have not examined data related to prior periods, to evaluate the adequacy of policies, practices and sustainability performance, nor future projections.

Conclusion

Based on the procedures performed, described in this report, we have not identified any relevant information that leads us to believe that the information in JSL's Integrated Annual Report 2020 is not fairly stated in all material aspects in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI- Standards) with Orientation CPC (Brazilian Accounting Pronouncements Committee) 09 – Integrated Report (which is correlated with the Basic Conceptual Framework for Integrated Report prepared by the International Integrated Reporting Council – IIRC), and with the records and files that served as the basis for its preparation.

São Paulo, May 06th, 2021

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original report in Portuguese signed by
Sebastian Yoshizato Soares
Accountant CRC 1SP257710/O-4



Credits and corporate information

Credits

Coordinating areas

Sustainability, Corporate Communication and
Investor Relations

Materiality process and GRI consultancy

Avesso Sustainability

Text, editing and revision

KMZ Conteúdo

Graphic project and layout

Alastra, Comunica

English translation

LAG Traduções

Photos

Disclosure

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