

# 2019 SUSTAINABILITY REPORT





# AMIGO DO CLIMA PROGRAM

**For seven years, EcoRodovias has gone further than complying with its legal environmental obligations, voluntarily offsetting its greenhouse gas (GHG) emissions.**

This entails the calculation of the atmospheric impact of all the company's activities and, in addition to projects to reduce and mitigate these impacts, the company adopts measures to offset them by means of the Amigo do Clima or Climate Friendly Program.

In tune with EcoRodovias' adhesion to the Global Compact and the Sustainable Development Goals, specifically SDG 13, in 2019 the partnership with the Climate Friendly Program resulted in the offsetting of 36,271 tons of CO<sub>2</sub> equivalent using carbon credits linked with the Clean Development Mechanism (CDM), under the United Nations Organization's (UNO) Kyoto Protocol.

The amount represents all the direct GHG emissions from the company's operations (scope 1), indirect emissions from the consumption of electricity (scope 2) and other indirect emissions related to employee travel, changes in land use and business travel (scope 3).

Fully attentive to the question of energy transition, and with greater focus on the Amazon region during the year, EcoRodovias supported the Teles Pires renewable energy generation project: <https://cdm.unfccc.int/Projects/DB/PJR%20CDM1356623851.07/view>

Access the Grupo EcoRodovias Group's offsetting measures using the tracking code AC20177 on the website [www.amigodoclima.com](http://www.amigodoclima.com)





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# ABOUT THIS REPORT

GRI 102-45, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54

## Welcome to the 2019 edition of the EcoRodovias Sustainability Report

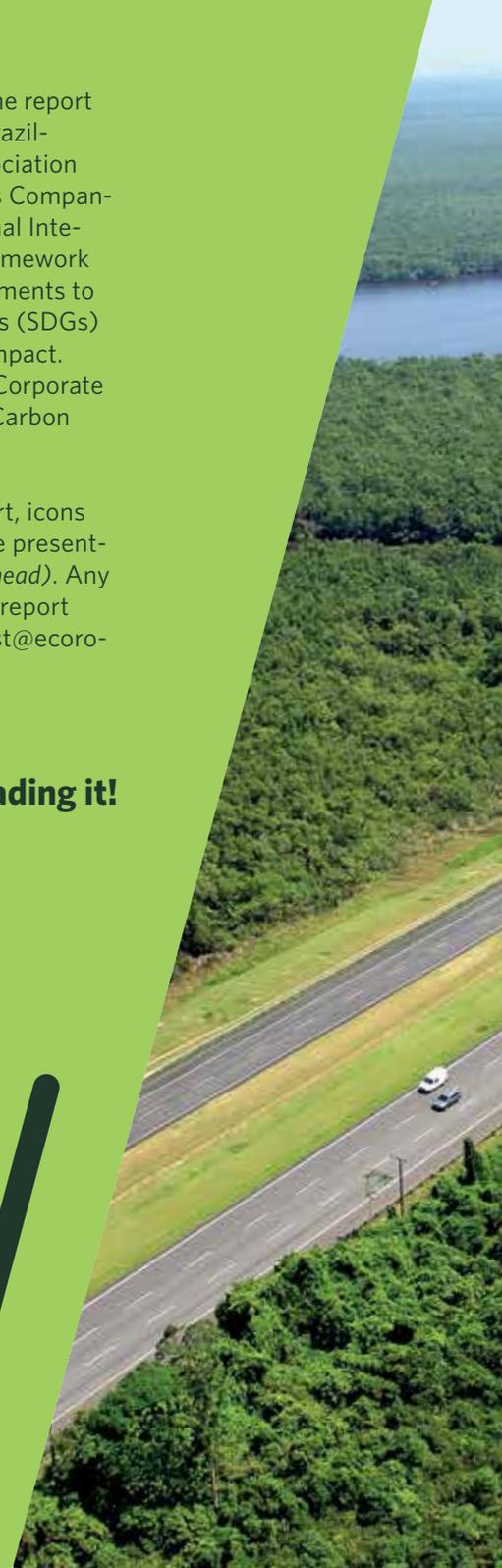
The document presents a summary of the group's financial and non-financial – environmental, social and governance – results during the year. The data reported cover all the business units in operation\* (see page 7) in the period from January 1 to December 31, 2019. Qualitative information or data on market outlook may extend beyond the calendar year to provide more in-depth context on company strategy.

The disclosure of performance indicators is aligned with the Core option of the Standards version of Global Reporting Initiative (GRI) methodology; financial data are in accordance with International Financial Reporting Standards (IFRS) and are aligned with the company's financial statements. The report content was submitted to external assurance by independent external audit.

In addition to the GRI guidelines, the report is aligned with the criteria of the Brazilian publicly traded companies association Abrasca (Associação Brasileira das Companhias Abertas), with the International Integrated Reporting Council (IIRC) framework as well as with the group's commitments to the Sustainable Development Goals (SDGs) and the United Nations Global Compact. Other references are the Brazilian Corporate Sustainability Index (ISE) and the Carbon Disclosure Project (CDP).

To facilitate navigation of the report, icons representing these instruments are presented throughout the chapters (see ahead). Any doubts or questions related to the report content may be addressed to [invest@ecorodovias.com.br](mailto:invest@ecorodovias.com.br).

**Enjoy reading it!**





# TO READ THIS REPORT

*Check the references used throughout the document*

## MATERIAL TOPICS



User satisfaction



Operational excellence



Community development



Ethics, integrity and anti-corruption



Risks and socio-environmental impacts

## CAPITALS (IIRC)



Manufactured



Social



Human



Financial



Natural



Intellectual

## GLOBAL COMPACT PRINCIPLES



### 1. RESPECT

and support internationally proclaimed human rights.



### 2. ENSURE

the non-participation of the company in human rights violations.



### 3. SUPPORT

freedom of association and the effective recognition of the right to collective bargaining.



### 4. ELIMINATE

all forms of forced and slave labor.



### 5. ERADICATE

all forms of child labor in the production chain.



### 6. STIMULATE

practices that eliminate any kind of discrimination in employment.



### 7. ASSUME

practices that adopt a preventive approach to environmental challenges.



### 8. DEVELOP

initiatives and practices that disseminate environmental responsibility.



### 9. ENCOURAGE

the development and diffusion of environmentally responsible technologies.



### 10. COMBAT

all forms of corruption, including extortion and bribery.



Compliance with laws and regulations



Road safety



Environmental management in the operations



Economic-financial performance



Climate change

## SDGs PRIORITIZED BY THE COMPANY



\* Some indicators include the units that came into operation in 2019 (ECO135 and ECO050); this is the case with operational and traffic data. However, the scope of the majority of the socio-environmental indicators is concessionaires under management for more than one year. Information on the variations in scope is provided in the text and in footnotes.

# MESSAGE FROM MANAGEMENT

GRI 102-14, 102-15

With a record of robustness and resilience at challenging times in our history, 2019 saw the consolidation of EcoRodovias strategy. With a focus on being proactive in highway concessions and growing responsibly, diversifying the company's portfolio and presence in key tourism and overseas trade regions, in 2019 we worked on consolidating our new units – ECO135 and ECO050 –, on delivering beneficial investments for Brazilian society and on strengthening our governance.

By the end of the year, traffic had grown by 18.9%, with a balance between light and heavy vehicles. In conjunction with the measures to incorporate the results of the new concessions, this generated a pro-forma net revenue of R\$ 2.945 billion, up 17% on the previous year. The results we obtained in the Ecoporto, handling more than 12,100 containers in the dock operation and 50,100 thousand in warehousing were up 6.3% compared with 2018. Pro-forma Ebitda was more than R\$ 2 billion, growing 15.5%.

During the year, we invested heavily in projects linked with our contractual obligations – the case of the access between the Linha Vermelha highway and the Ecoporte and the duplication of ECO101 – and in contract additions, an important element in our strategy. Capex in the year was almost R\$ 1.3 billion – compared with R\$ 888 million in 2018. These numbers illustrate the magnitude of the assets we administer and in which we invest to continuously improve services.

Managing the organization's leverage ratio was another focus of attention during the year. We ended the year with a leverage ratio of 3.2X, slightly higher than in 2018, but reasonable in view of the expansion and investments underway.

In practice, leniency agreements and agreements with former executives resulted in provisions of R\$ 469.1 million, which impacted our net result. Excluding these agreements, net income reached R\$ 290.4 million in 2019. Taking this impact into account, EcoRodovias ended the year with a net loss of R\$ 185.5 million.

Internally, we advanced in our Integrity Program, with 100% of our leaders receiving anti-corruption training, preserving the value of ethics in the group.

Our concern with ethical and fair business, however, goes beyond managing the company, impacting its relationship network, too. We are committed to the United Nations 2030 Agenda, and we continue to pursue targets on diverse fronts that include respect for the lives of the users of our highways, respect for people and tackling climate change. Another important driver is the Decade of Action for Road Safety, which ends in 2020 – in accordance with which we present our results by means of rigorous monitoring of accidents and fatalities in all our concessions.

In 2019, we also invested in innovation and plurality. In our InovaECO program, we incorporated 111 suggestions from employees to improve processes; we also progressed in our diversity and inclusion measures, by means of internal programs and actions aimed at society, such as the Training Program. Another distinguished front is environmental education with more than 270 schools, 860 teachers and 15,800 students impacted by the Ecoviver Program. In the technology area, we invested R\$ 1.7 million in the newly acquired ECO135 to install solar energy panels along stretches of the highways administered.



It should also be noted that in 2019, we maintained our listing on the Corporate Sustainability Index (ISE) of the Brazilian B3 stock exchange. Together with other market recognitions for our commitment to sustainability, this achievement demonstrates the coherence between our discourse and actions, and our commitment to reporting financial and non-financial advances to our shareholders and investors, recognizing the importance of the environmental, social and governance (ESG) agenda in defining companies that are truly the leaders in their segments of activity.

These robust results gave us a positive outlook for 2020 – a year in which we will develop our new businesses, invest in major projects and pursue new opportunities. We are attentive to the size of the impact the necessary measures of social isolation will have on our business results and are studying alternatives and control measures for the crisis. More than anything, however, we are committed to the safety of all of our users and our people, who continue to work on the essential function of ensuring the circulation of people and goods.

Regardless of the accentuated challenges in 2020, we operate in a sector that offers a wealth of opportunities. There are many indications that mobility and the private administration of highways are crucial for Brazil's competitiveness and resilience.

We are attentive to the prospect of new auctions and state and federal concession programs; with a rigorous and selective participation, in 2019 we gained our third new concession in two years – Ecovias do Cerrado, which reinforces our presence in the connection between the Midwest, the country's grain production center, and the

## We have advanced in our ethics and integrity programs

Southeast, where we already hold a leading position in highway administration.

Achievements such as this demonstrate our commitment to the country's development and to building a robust company, capable of overcoming trying moments such as the present. Firmly based on our values and a strategy ready to address risks and take advantage of opportunities, we proudly share with you a portrait of this special year for our company in our 2019 Sustainability Report .

We continue together in safety.

**Enjoy reading it!**

# HOW WE WORK

SDGs



IIRC  
CAPITAL



MATERIAL  
TOPICS



GLOBAL  
COMPACT  
PRINCIPLES





# HOW WE WORK

Present in the main Brazilian tourism and overseas trade corridors, EcoRodovias Infraestrutura e Logística S.A. is one of the most important business groups in the sector in the country GRI 102-1

Founded at the end of the 1990s, the company is present in eight states in the Southeast, Northeast, Midwest and Southern regions of the country, with a focus on administering highway concessions. The group has more than 4,100 direct employees and controls 11 business units and one logistics asset (the Ecoporto Santos port terminal and Ecopátio Cubatão), with a market capitalization of R\$ 9.1 billion on December 30, 2019.

GRI 102-6, 102-7

EcoRodovias is headquartered in São Paulo (SP), with shares traded on the Novo Mercado, the most demanding segment of the Brazilian B3 stock exchange, under the ticker symbol ECOR3. The group is controlled by Primav Infraestrutura, belonging to the Gavio and CR Almeida groups. Its most important assets include the Anchieta-Imigrantes System (SP), the Ayrton Senna-Carvalho Pinto corridor (SP) and the Rio-Niterói Bridge (RJ).

GRI 102-3, 102-5

Since the beginning, with the Ecovia Caminho do Mar highway in Paraná the company has been positioned as one of the main players in the infrastructure segment. EcoRodovias

administers highways responsible for transporting cargo to and from the ports of Santos and Paranaguá, for connecting the metropolitan regions of São Paulo, Rio de Janeiro and Curitiba and key tourism corridors, including the Espírito Santo, São Paulo and Rio de Janeiro coasts.

In addition to the nine concessions in operation, in 2018 EcoRodovias won the auction for the Rodoanel Norte São Paulo ring road, the first stretches of which should be inaugurated in 2020. In 2019, the group was also granted the concession for lot BR-364/365 between Uberlândia (MG) and Jataí (GO), a 437-kilometer stretch of highway that is strategic for transporting grain from the Midwest region of Brazil. The Ecovias do Cerrado reflects the company's business planning, oriented to winning new highway concessions, with a flexible and diversified portfolio of projects that contribute towards the development of the country's infrastructure.

EcoRodovias' 11 concessions total 3,086 km of highways under management. Throughout its history, the group has also invested in assets in the logistics segment. Today it has a port asset (Ecoporto Santos and Ecopátio Cubatão) whose results showed strong recovery during the year.

In 2019, EcoRodovias' pro-forma net revenue reached R\$ 2.945 billion, with pro-forma Ebitda at R\$ 2.033 billion, growing 17% and 15.5% respectively compared with the previous year. However, the net result, impacted by the leniency agreements and agreements with former employees, was a loss of R\$ 185.5 million.



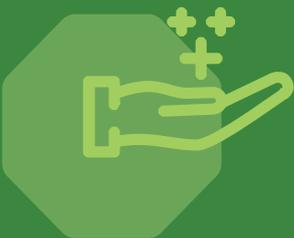
## VISION GRI 102-16

To be the best and most sustainable highway infrastructure management operation in Brazil.



## MISSION GRI 102-16

Creating value through the synergic management of highway assets in a sustainable, ethical and innovative manner.



## VALUES GRI 102-16

### Collaboration

Synergy and cooperation between people and teams in the development of solutions.

### Ethics

Integrity, transparency and fairness in relations and activities, ensuring plurality and diversity.

### Focus on results

Excellence, planning, commitment, efficiency and a synergistic business model in pursuit of sustainable results.

### Initiative

A proactive stance, innovation and creativity to drive differentiated results that add value.

### Sustainability

A mindset oriented to long-term growth, environmental care and the development of employees and society.

# Our units

GRI 102-2, 102-4, 102-7



## ECORODOVIAS CONCESSÕES E SERVIÇOS

● 3,863

The controlling unit, which provides services for the concessionaires and manages support areas (such as HR, Procurement, Control and Sustainability).



## ECOVIAS DOS IMIGRANTES (SP)

● 176.8 ● 61 ● 1998

This manages the Anchieta-Imigrantes System (SAI), the largest import/export corridor in Latin America.



## ECOPISTAS (SP)

● 134.9 ● 87.5 ● 2009

This unit manages the Ayrton Senna and Carvalho Pinto highways (SP-070).



## ECOVIA CAMINHO DO MAR (PR)

● 136.7 ● 16.2 ● 1997

The unit manages a key transportation corridor connecting the regions of Curitiba, Paranaguá and the Praia de Leste resort.



## ECO135 (MG)

● 364 ● 25.3 ● 2018

This manages 363.95 km of the BR-135, MG-231 and LMG-754 highways, starting from BR-040.



## ECO050 (MG and GO)

● 436.6 ● 26.9 ● 2018

The unit administers a key transportation corridor that runs through nine municipalities in Goiás and Minas Gerais, connecting the Distrito Federal with São Paulo.



## ECOVIAS DO CERRADO (MG and GO)\*

● 437 ● 2019

The group's tenth and latest concession obtained in 2019. It comprises more than 400 km of highway connecting the Midwest and Southeast regions. The 30-year contract provides for investments of around R\$ 2.1 billion, R\$ 754 million of which in the first five years.



## ECOPORTO SANTOS (SP)

● 175 ● 700 ● 3

The Ecoporto Santos is a modern, agile and efficient port terminal located on the right bank of the Port of Santos, providing services that include port operations, bonded warehousing, customs clearance (REDEX), transportation and logistics.

● Beginning of concession contract  
● Millions of equivalent paying vehicles

● Extension in km  
● Thousands of m<sup>2</sup> of total area

● Handling capacity in thousands of containers per year  
● Employees (holding company + concessionaires + Ecoporto)



**ECOCATARATAS (PR)**

● 387.1 ● 26.7 ● 2007

This concession operates in the Brazil-Argentina-Paraguay triple frontier region, comprising the BR-277 highway and 71.8 km of state highways.



**ECOSUL (RS)**

● 457.3 ● 26.5 ● 1998

This concessionaire manages two highways in the Pelotas Highway complex: BR-116/RS (Mercosur Corridor) and BR-392/RS.



**ECOPONTE (RJ)**

● 25.5 ● 29.4 ● 2015

The unit administers the Presidente Costa e Silva Bridge (Rio-Niterói Bridge) and its access roads.



**ECO101 (ES and BA)**

● 475.9 ● 47 ● 2013

Currently being duplicated, the group administers stretches of the highway in Espírito Santo (458.4 km) and Bahia (17.5 km).



**ECOPÁTIO CUBATÃO (SP)**

● 443 ● 1,600 ● 2007

An intermodal platform considered to be the main heavy vehicle control complex for the Port of Santos. It is located at 23 km from the two banks of the port (Guarujá and Santos), serving freight vehicles accessing the port, with additional warehousing facilities.



**ECORODOANEL (SP)\*\***

● 46.7 ● 2018

Concession granted in 2018.

\*Concession won in federal auction. It will come under full management by the group in 2020. GRI 102-10

\*\*The signature of the EcoRodoanel concession contract is pending. In June 2020, the decision was made to suspend the tender for the Rodoanel Norte ring road until December 31, 2020.

## BUSINESS MODEL

# How we generate and add value



## FINANCIAL

- Financing
- Shareholder investment
- Cash and revenue generation



## NATURAL

- Raw materials applied in highway infrastructure
- Water and energy supplies for the operation



## HUMAN AND INTELLECTUAL

- Generating ideas: InovaECO
- Innovation studies in infrastructure and engineering
- New technologies applied to maintenance, paving, highway management and means of payment
- Development of our leaders and talents



## MANUFACTURED

- Concessions: contracts and assets - 11 highway concessions, totaling 3,088 km, and 1 port asset
- Offices and company owned technology park



## SOCIAL

- Relations with neighboring communities
- Relations with suppliers based on trust and partnership
- Dialogue with regulatory authorities and concession grantors

## ACCESS TO THE CAPITALS

## WHAT WE DELIVER FOR SOCIETY



## SERVICE EXCELLENCE

- Engineering and planning to meet the country's key logistics and mobility requirements
- Pre-hospital care for accidents and mechanical breakdown services
- Management of environmental incidents, preventing damage to biodiversity, the soil and water sources



## MOBILITY SOLUTIONS

- Access, transportation and circulation of people and cargo in key tourism, industry and overseas trade regions
- Efficient highway operations, focused on safety, fluidity and high service levels



**CULTURE OF EXCELLENCE**

- Culture of excellence
- Responsible and sustained growth
- Intelligent use of resources and assets
- Close attention to productivity and high performance in cost and investment management
- Guarantee of group's financial health and robustness
- Adoption of benchmark environmental, social and governance (ESG) practices



**BUSINESS INTELLIGENCE**

- Main focus on highway concessions
- Capture of growth opportunities, focused on concession auctions in strategic regions
- Balanced composition of concession contracts (terms, investments and location)
- Generation of expertise, knowledge and innovation in the highway concession segment



**INTEGRITY**

- Monitoring and management of all company relations with stakeholders
- Transparency in contracting, works management and investment processes
- Promotion of a culture of ethics and transparency in the concessionaires
- Careful observance of leniency agreement with the Paraná Public Prosecution Department

**OUR PREMISES**

**SUSTAINABLE RESULTS FOR OUR STAKEHOLDERS**

**shareholders**

- ✓ ROBUST ECONOMIC-FINANCIAL RESULTS
- ✓ PERPETUATION OF THE BUSINESS

**public authorities and grantors of concessions**

- ✓ INNOVATION IN MANAGEMENT OF HIGHWAY ASSETS
- ✓ INVESTMENTS ALIGNED WITH CONTRACTUAL AGREEMENTS
- ✓ ENHANCEMENT OF COUNTRY'S HIGHWAY INFRASTRUCTURE

**employees**

- ✓ DEVELOPMENT AND TECHNICAL ENHANCEMENT
- ✓ PROFESSIONAL GROWTH OPPORTUNITIES
- ✓ INCLUSIVE ENVIRONMENT OPEN TO DIVERSITY

**users**

- ✓ MOBILITY IN KEY REGIONS OF THE COUNTRY
- ✓ ROAD SAFETY
- ✓ COMFORT AND FLUIDITY

**communities**

- ✓ PROMOTION OF CIVIC AWARENESS AND EMPLOYABILITY
- ✓ ENVIRONMENTAL AND PROFESSIONAL EDUCATION
- ✓ GENERATION OF EMPLOYMENT AND INCOME

**business partners**

- ✓ ETHICS AND INTEGRITY IN BUSINESS
- ✓ MUTUAL GAINS FOR COMPANY AND SUPPLIERS
- ✓ LOCAL DEVELOPMENT

# CORPORATE GOVERNANCE

GRI 102-18

EcoRodovias has invested in the constant enhancement of its corporate governance practices. This entails the application of four principles determined by the corporate governance body IBGC (Instituto Brasileiro de Governança Corporativa) in its organization and decision making routines:

- Transparency (provision of information of interest to stakeholders beyond regulatory requirements);
- Equality (equal treatment for partners and other stakeholders);
- Accountability (clarity, timeliness and concision in the communication of actions, as well as a sense of responsibility); and
- Corporate responsibility (focus on long-term, reduction of negative externalities and management of the capitals associated with the business).

## BOARD OF DIRECTORS

**Composition:** 8 members (2 independent) and 3 alternates, from 5 to 10 members + up to 4 alternates.

**Terms of office:** 2 years, with re-election permitted.

**Frequency of meetings:** every 2 months.

**Responsibility:** oversight of strategic planning and business and investment plans; selection, oversight and assessment of Executive Board

**Nomination criteria:** the members must have an unblemished reputation and recognized experience in the infrastructure segment, in addition to alignment with the group's Values, Mission and Vision.

**Assessment process:** an annual self-assessment accompanied by group discussions and completion of questionnaire.

Since 2010, the group has been listed on the B3 Novo Mercado, believing in the protection of minority shareholder rights, adhesion to international accounting principles and the admission of independent members to its Board of Directors. Additionally, the functions of CEO and chairman of the Board may not be exercised by the same person, and assessment processes encompass senior management, including the Executive Board and the Board of Directors. Management policies address ethics, conduct and the prevention of conflicts of interest.

The company also invests constantly in driving management adherence to environmental, social and governance (ESG) aspects. An

example of this is the organization's variable remuneration, based on indicators such as the reduction of carbon dioxide emissions and the company's permanence on the B3 Corporate Sustainability Index (ISE).

The highest governance body in the group is the Board of Directors. The board is supported by the following statutory committees: Audit, Governance and People Management and Investments, Finance and Risk; by non-statutory committees (Sustainability, Innovation, Ethics and Diversity); the Executive Board, at corporate level; the directors of the business units; and working committees formed to meet the requirements and provide support for strategic decisions.

NAME*	POSITIONS	DATE OF ELECTION
Marco Antônio Cassou	Chairman	16.04.2020
Alberto Rubegni	Effective Member	16.04.2020
Beniamino Gavio	Effective Member	16.04.2020
Cesar Beltrão de Almeida	Effective Member	16.04.2020
João Alberto Gomes Bernacchio	Effective Member	16.04.2020
Juan Angoitia Grijalba	Effective Member	16.04.2020
Jorge Alberto Eduardo Fergie Corser	Effective Member	16.04.2020
Ricardo Bisordi de Oliveira Lima	Effective Member	16.04.2020
Eros Gradowski Junior	Alternate member	16.04.2020
Luís Miguel Dias da Silva Santos	Alternate member	16.04.2020
Umberto Tosoni	Alternate member	16.04.2020
Sônia Julia Sulzbeck Villalobo**	Independent member	05.08.2020

(\*) Composition of the Board of Directors in August 2020.

(\*\*) Independent member: the choice of independent members uses the criteria recommended by the IBGC as a parameter.

## EXECUTIVE BOARD

**Composition:** 6 to 8 positions/jobs.

**Terms of office:** 2 years, with re-election permitted.

**Frequency of meetings:** weekly.

**Responsibility:** successful execution of strategies, with decisions ranging over the corporate areas and the coordination of the routines of the business units.

**Nomination criteria:** elected, assessed and removed by the Board of Directors, members must have broad knowledge of their area of activity and comply with group policies and guidelines.

**Assessment process:** annual, conducted by the Board of Directors.

## FISCAL COUNCIL

**Composition:** 3 effective and 3 alternate members.

**Terms of office:** 1 year.

**Frequency of meetings:** quarterly.

**Responsibility:** assess the EcoRodovias' financial statements and oversee its accounting and fiscal practices.

**Nomination criteria:** members must have recognized experience and performance in fiscal analysis.

**Assessment process:** members are nominated and remunerated in accordance with directives approved by the Board of Directors.

<b>NAME</b>	<b>POSITIONS</b>	<b>DATE OF ELECTION</b>
Marcello Guidotti	Chief Financial, Investor Relations and Human Resources Officer	17.04.2019
Marcelo Lucon	Chief Legal Officer	17.04.2019
Nicolò Caffo	Executive Director, Highway Businesses	17.04.2019

<b>NAME</b>	<b>POSITIONS</b>	<b>DATE OF ELECTION</b>
Sérgio Tuffy Sayeg	Effective Member	16.04.2020
Paulo Sergio Aldrighi	Effective Member	16.04.2020
Luiz Alberto de Castro Falleiros	Effective Member	16.04.2020
Ângelo César Cossi	Alternate member	16.04.2020
José Dimas Gurgel	Alternate member	16.04.2020
Eduardo Georges Chehab	Alternate member	16.04.2020

## STATUTORY COMMITTEES

**Audit:** with its own internal rules, the committee ensures the effectiveness of corporate practices, focused on legal compliance, ethics and internal controls. It also monitors and assesses independent audit activities; monitors the preparation of financial statements; oversees internal audits (including performance assessment, recommendations for contracting or replacing auditors); and assesses internal control and compliance systems.

**Members: 3 | Meetings in 2019: 10**

**Governance and people management:** this committee establishes targets, performance assessment criteria, succession plans, and executive development processes, as well as deciding on the compensation of members and mapping key positions and talent with the potential for promotion to leadership positions.

**Members: 3 | Meetings in 2019: 7**

**Investments, finance and risk:** its function is to ensure the strategic evaluation of the use and allocation of capital, as well as controlling corporate risks, focused on supporting the Board in investment decisions, approving budgets, analyzing mergers and acquisitions and updating the Risk Management Steering Plan.

**Members: 3 | Meetings in 2019: 10**

## NON-STATUTORY COMMITTEES

**Ethics:** this assesses and proposes periodic reviews of the Code of Business Conduct, overseeing its dissemination and observance in the different units. It also investigates reports of breaches/non-compliance received via the communication channels and recommends appropriate actions to senior management.

**Members: 6 | Meetings in 2019: 3**

**Sustainability:** in existence for seven years, the committee ensures connection between company strategy and environmental, social and governance aspects. The committee meets on a quarterly basis to assess policies, standards and guidelines; investment decisions involving corporate socio-environmental programs via incentive laws and; analysis of the group's performance in terms of market instruments and sustainability guidelines (ISE, Guia Exame de Sustentabilidade [Exame Sustainability Guide], Sustainable Development Goals etc.).

**Members: 6 | Meetings in 2019: 4**

**Innovation:** implanted in 2018, the committee participates in different areas defining action plans, programs and initiatives that foster innovation among employees and assist in capturing opportunities related to technological solutions and investments.

**Members: 12 | Meetings in 2019: 5**

**Diversity:** this brings together different company leaders to discuss subjects such as improvements and adaptations in infrastructure, practices to foster the inclusion of minorities in the work force and opportunities to develop and disseminate diversity in the different areas and units.

**Members: 12 | Meetings in 2019: 4**

# INTEGRITY AND ETHICS

GRI 102-16, 103-1, 103-2, 103-3 | 205, 103-1, 103-2, 103-3 | 419

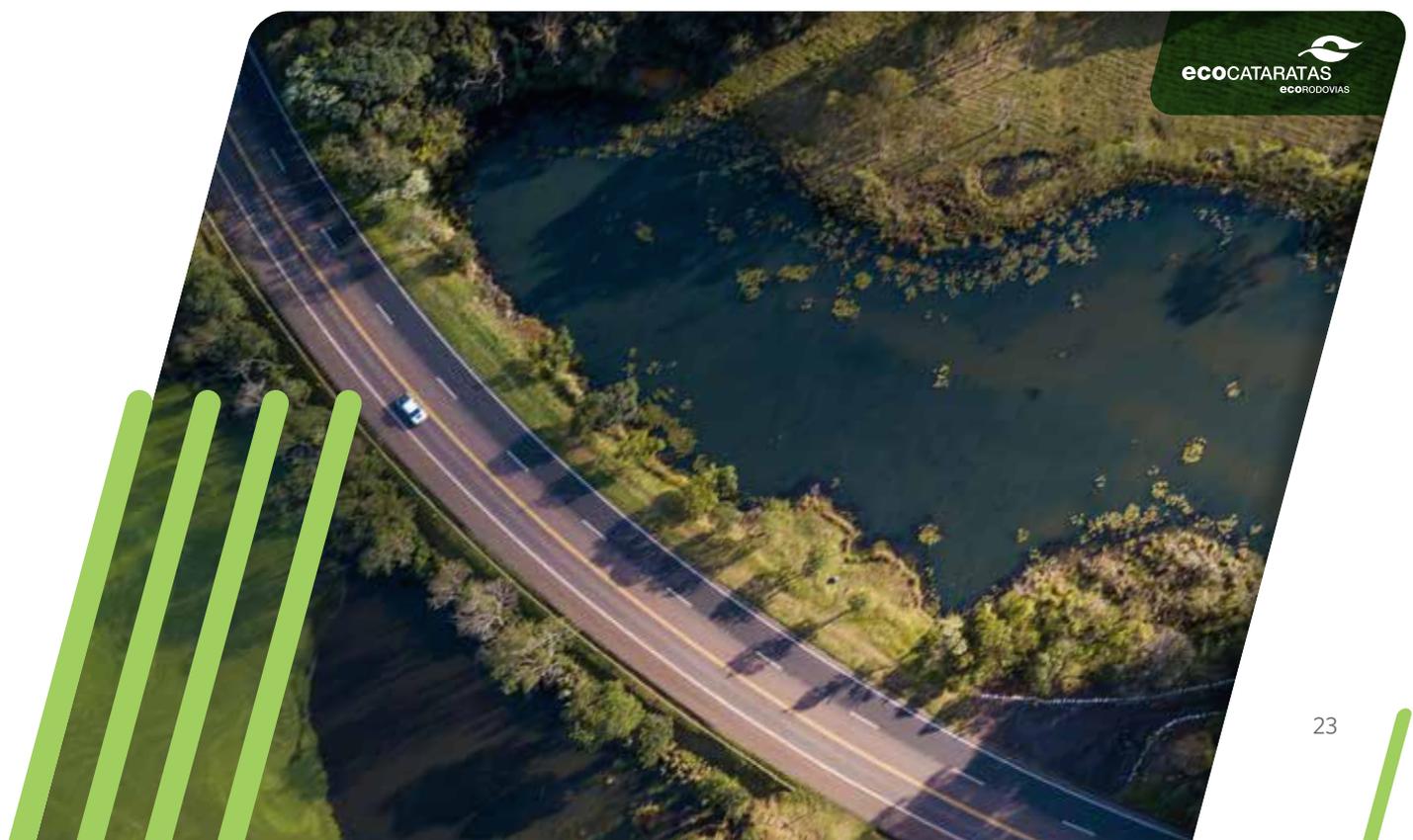
The reinforcement of governance processes associated with promoting a culture of integrity has been prominent in EcoRodovias in the last two years.

During 2019, the establishment of a R\$ 400 million leniency agreement with the Paraná Public Prosecution Department represented a solution oriented to meeting the interests of society, public authorities and EcoRodovias itself, with measures that include fines, 30% reduction in toll costs, investments in Ecovia and in Ecocataratas and the enhancement of the company's Ethics and Integrity Program under the supervision of an independent monitor (*see ahead*).

The group's posture is aligned with the policies and management structures oriented to integrity and management of internal controls, risks and compliance - which have been reinforced over the years.

For example, since 2005 the Integrity Program has been responsible for disseminating best practices in all units, coordinating the efforts of the corporate Compliance area. The measures include the updating and dissemination of the Code of Conduct, the maintenance of the Ethics Committee, of a Compliance working group, and the Ethics Channel, as well as the development of training courses, campaigns and recognition related to this area.

Moreover, the efforts to integrate risk management, internal control and compliance processes in recent years have strengthened the understanding that a culture of integrity is mandatory for all EcoRodovias employees' decisions and actions, with a preventive mapping exercise and robust structures to detect, respond to and eliminate any non conformances in contracts, investments, projects and relations with key stakeholders.



# Policies and structures

GRI 102-17, 205-2

Updated in 2018 and subject to a new review in 2021, the Code of Business Conduct sets forth the behaviors and practices expected of EcoRodovias employees and representatives. It comprehends topics such as anti-corruption and fraud, information security, conflicts of interest and reputation management, among others.

The Ethics Channel is accessed via the internet ([www.canaldeetica.com.br/ecorodovias](http://www.canaldeetica.com.br/ecorodovias)) or by telephone (0800 025 8841) and permits employees, third-parties and partners to report any violations of the Code of Conduct. In addition to investigating reports, the Ethics Committee is also responsible for driving senior management awareness of current questions and for recommending corrective and/or punitive measures. In 2019, the group investigated 109 cases.

As a reflection of the group's maturity in the prevention of risks of corruption, standards for interactions with public authorities and for controlling suppliers were implanted in December 2018, in addition to policies on the offer of gifts, presents and entertainment; conflicts of interest; rules for donations and sponsorship, relations with competitors and participation in bidding and tender processes.

The Compliance area enables closer contact with employees through the Doubts Channel and the Ethics and Integrity Portal, a section of the company intranet for compliance initiatives. Furthermore, the area is responsible for disseminating compliance guidelines by means of communication and training programs (online and face to face) on all the company's corporate policies and standards of conduct.

<b>Anti-corruption communication and training</b> GRI 205-2	<b>Total no. of people</b>	<b>Total no. trained</b>	<b>Percentage</b>
<b>Formal communication about anti-corruption policies and procedures</b>			
Members of governance bodies	17	17	100%
EcoRodovias Employees*	4,107	4,107	100%
Commercial partners	---	1122	---
<b>Anti-corruption training</b>			
Members of governance bodies	17	17	100%
EcoRodovias Employees	4,107	2,688	65%

\*The number exceeds the 3,863 reported in the rest of the report due to personnel movements during the reporting period

## LENIENCY AGREEMENT GRI 205-3

In August 2019, the EcoRodovias Group, through EcoRodovias Concessões e Serviços (ECS) and its concessionaires in Paraná, Ecovia and Ecocataratas, announced the signature of a leniency agreement with the Paraná Public Prosecution Department, which was ratified by the Curitiba Federal Court in Paraná the following month.

In the agreement, the company agreed to pay R\$ 30 million in fines; execute works amounting to R\$ 20 million and tariff reductions amounting to R\$ 100 million on Ecovia; execute works amounting to R\$ 130 million and tariff reductions amounting to R\$ 120 million on Ecocataratas and to enhance the company's Ethics and Integrity Program under the supervision of an independent monitor. The 30% reduction in tariffs benefits users of all the toll plazas for a period of at least twelve months. In return, the public prosecution department withdrew criminal suits and civil suit discussions, including a request to block assets in one of the suits and the amounts provided for in a public civil suit.

### Material fact

In April 2020, Ecovias established a civil agreement with the Public Prosecution Department of São Paulo. The Civil Non-Prosecution Agreement eliminated civil suits (with financial or administrative penalties) and, in exchange, establishes a series of compensatory measures on the part of the concessionaire, such a 10% reduction in the toll tariff on the Anchieta-Imigrantes System for users of the Ecovias toll plazas in Riacho Grande and Piratininga, between 9 p.m. and 5 a.m. Additionally, Ecovias will execute works of public interest amounting to R\$ 450 million not provided for in the original concession contract - including a two-kilometer boulevard close to the Mackenzie Engineering School road complex in São Paulo, and improvements to the Anchieta highway. Additionally, EcoRodovias commits to improving internal control measures and will pay a fine of R\$ 50 million.

# RISK MANAGEMENT

GRI 102-15

In line with the evolution of its compliance practices, EcoRodovias uses risk management as a critical tool for detecting and mitigating exposure to business risks and capturing opportunities to improve its practices, policies and strategies.

Today, Risk Management and Internal Controls, the Steering Plan, the Risk Management and Internal Control Policy, the Information Security Committee, the Information Security Policy and internal rules and codes of conduct and ethics are the most notable tools used to ensure the integrity and the perpetuation of the group.

Management routines have also been enhanced with the formulation of a business continuity plan to guide responses to crises and the development of a vision of corporate risk

management, without losing sight of the particularities of each of the group's businesses.

The topic is in prominent focus for senior management given that, from the conception and updating of strategic planning, there is a scenario analysis which takes into account risks and opportunities both for the sector and for the company. Overseen by the Board of Directors, this process enables the company to be aware of, to detect and to respond to any critical factors with rapid decision making. Nonetheless, it is increasingly evident that attention to risk needs to be strengthened at all levels of the organization and in all operational and administrative routines. To ensure this happens, the company conducts campaigns to drive awareness of roles and responsibilities in the identification of risks and the implantation of mitigation measures.





## The EcoRodovias risk matrix is reviewed periodically and validated by senior management

### Our model

Guidelines provided by the corporate governance body IBGC (Instituto Brasileiro de Governança Corporativa) and the Institute of Internal Auditors, as well as international management certifications such as the ISO standards, are the basic references for the group's risk management, organized in three lines of defense:

- first line: managers and leaders of the business units and the company's senior management;
- second line: the Risk, Internal Controls and Compliance areas;
- third line: independent assessment by external audit and the Internal Audit area.

The connection between these areas and teams enables close attention not only to corporate risks, but also to operational, social,

environmental, governance and image and reputational aspects – all of which may influence the company's value generation capacity.

A product of this integrated effort, the EcoRodovias risk matrix is periodically reviewed and validated by senior management, taking into account the results of a qualitative and quantitative analysis of scenarios, possibilities, probabilities and the magnitude of incidents, ranging over four main categories and diverse sub-categories (*see ahead*). Risk management is also subject to analysis by the Statutory Investment and Risk Committee and the Audit Committee, as well as the Board of Directors.

## CIRCULAR MODEL

How we identify risks in practice



## CATEGORIES AND SUB-CATEGORIES

Risks mapped and mitigated by the company

**Strategic** - Political, mergers and acquisitions, grantors/contracts, competition.

**Operational** - Capex, natural disasters, law suits, road safety, asset security, traffic, climatic conditions, health and safety, the environment, engineering, information technology, automation technology and infrastructure.

**Financial** - financial indexes, credit, liquidity and exchange rates.

**Compliance** - Business ethics, regulations, internal standards and cases of non-conformance.

## MATERIAL FACT: IMPACT OF THE PANDEMIC

In March 2020, the World Health Organization (WHO) officially declared a pandemic due to the new coronavirus SARS-CoV-2, known as Covid-19 – a disease which had already contaminated more than 600,000 people and caused 25,000 deaths in Brazil by the beginning of June.

The disease arrived in Brazil in February, and was rapidly disseminated throughout the country from March onwards. In line with WHO, municipal and state health department and Ministry of Health recommendations, local and authorities implemented quarantine and lockdown measures, stressing the need for social isolation.

In March, EcoRodovias initiated measures to protect its employees and business partners – such as the distribution of protective equipment, hand sanitizer and the intensification of cleaning routines and the implantation of remote working wherever possible. Control and prevention measures were reinforced for essential services to minimize risks for employees.

Furthermore, the group had to deal with exposure to an extremely high risk and the potential impact on the operational and financial results of the business. As early as March, a routine of periodic reporting of traffic indicators in its units was initiated in order to ensure the company's accountability to society, to its providers of finance and to the Brazilian authorities regarding the impacts of the social isolation measures on the business.

For up-to-date information, access <https://ri.ecorodovias.com.br>.

# HOW WE SEE THE FUTURE

SDGs



IIRC  
CAPITALS



MATERIAL  
TOPICS



GLOBAL  
COMPACT  
PRINCIPLES





# HOW WE SEE THE FUTURE

A focus on the challenges faced by the country, judicious participation in auctions and the maintenance of competitive differentials are elements of group strategy to ensure the future of its business



Paying careful attention to the country's infrastructure challenges and knowing how to contribute to overcoming these is part of EcoRodovias's commitment to the responsible generation of business results, driving shared benefits for all its stakeholders – users, concession grantors, business partners and society in general.

The expertise accumulated in highway concessions that are essential for tourism, overseas trade and urban mobility in different regions in Brazil has enabled the company to expand its activities to new geographies – such as the Midwest, the Rio de Janeiro Metropolitan region and the coastal regions of Espírito Santo and Bahia, through concessions granted in recent years.

Moreover, through its strategic planning, the group has enhanced its understanding of criteria for participating in federal and state concession auctions, seeking to expand its portfolio, exploit the opportunities offered by contract additions with investments that benefit the highways under management, while reducing the company's debt leverage and exposure to business risks.

In recent years, the unfavorable macroeconomic conjuncture and the unstable political situation have had a negative impact on EcoRodovias' results and on the infrastructure and logistics sectors. In response, senior management has focused its efforts on the company's core business of highway concessions and assumed a proactive stance in auctions, with a focus on longer term contracts and growth opportunities in dynamic areas of the Brazilian economy.

In 2019, the grant of the 437 km long concession on the BR-364/365 highway between the states of Minas Gerais and Goiás ensured a foothold in an important grain transportation corridor for the country. At the same time, the company negotiated a contract with competitive terms for the business and a direct return for society with investments over a 30-year period, including the duplication of 44.2 kilometers of the highway, the implantation of hard shoulders along 87.8 kilometers, a third lane along 143.3 kilometers and two viaducts.

## OUR ACTION FOCUSES

**Winning new business in** state and federal concessions, focused on driving capillarity and ensuring the longevity of the business.

**Exploitation of contract additions** in mature or consolidated concessions.

**Integration of recent concessions** into the EcoRodovias management model.

**Excellence in ethical conduct in the execution of projects,** works and investments, ensuring a positive impact for users, public authorities and society.

**Cost discipline, productivity and optimization of Capex** (capital expenditure).



# STRATEGY: CONCEPTION AND RESULTS

GRI 102-15

In tune with the thorough assessment of scenarios, risks, opportunities and transformations in the infrastructure sector, the priority of the Board of Directors is the consolidation of EcoRodovias strategic planning – currently in its 2018-2023 cycle.

The strategic plan was conceived with an orientation to long-term sustainable growth. Even so, the plan is subject to annual reviews, taking into account transformations in the business environment and the company's specific needs regarding the allocation of funds and the accumulation of assets over time. Risk management and relations with stakeholders – such as shareholders and public authorities – are also taken into account in these reviews.

To ensure the effective execution of the strategy, the development cycle is split into diverse stages (see *the illustration*) and its challenges and advances are monitored using key performance indicators (KPIs), reported by the Executive Board and concessionaire directors to the members of the Board.

Although there is a corporate strategy, it is up to the business units to execute it in accordance with the particularities of each location or concession contract, under the responsibility of local managers. In 2019, the project involving the elaboration of specific indicators and plans for each concessionaire was maintained and will continue, in particular in the most recently acquired concessions.

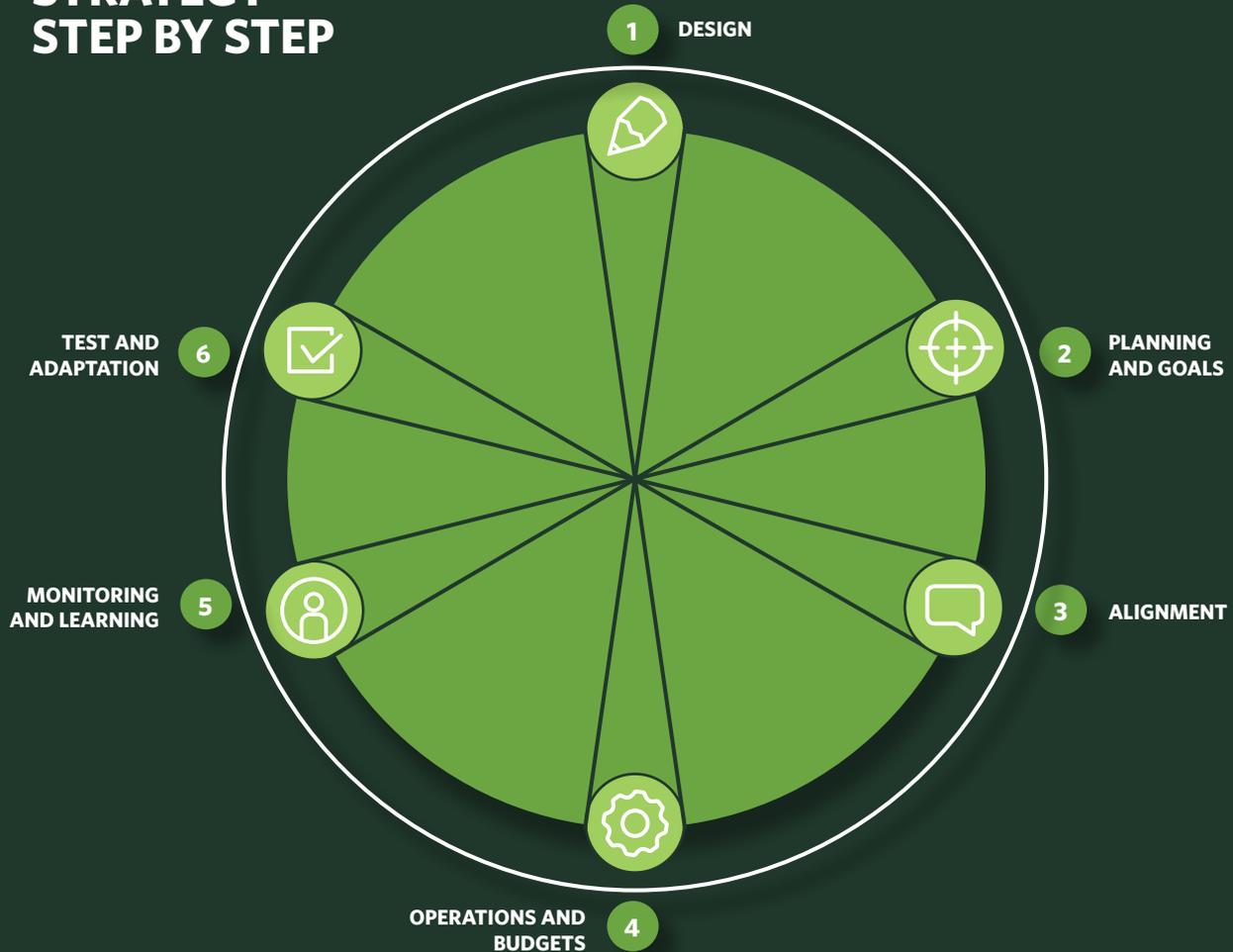
In 2019, the effectiveness of the group's strategy was confirmed. Efforts were concentrated on the business's financial health, with appropriate leverage ratios and judicious participation in auctions. It was also possible to take advantage of opportunities in a new round of concessions initiated by the federal government.

With support from shareholders to drive growth, EcoRodovias acquired new businesses in the Midwest and the Southeast of the country (BR-364/365). In parallel, the frustration of expectations of a more accentuated resumption in economic activity was mitigated with efforts aimed at boosting productivity in the business units – resulting in stable growth of consolidated traffic volume. Intelligence in the assessment of contractual assets and the centralization of contracting and works management processes also made a positive contribution to ensuring good leverage ratios.

Regarding the logistics operations, productivity and revenue capture initiatives helped maintain the recovery of results in this segment, currently concentrated in the multipurpose Ecoporto Santos terminal and the Ecopátio Cubatão. In December 2019, the waterways regulatory body Antaq (Agência Nacional de Transportes Aquaviários) approved the Ecoporto Santos Technical, Economic and Environmental Feasibility Study, entailing the re-establishment of economic-financial equilibrium and the extension of the contract up until 2048. The process is subject to the approval of the Ports Department of the Ministry of Infrastructure and ensures technical and legal security for the operation.

For the coming years, the group has a positive assessment of the prospects for participating in auctions all over Brazil, by means of state and federal highway concessions, in addition to maintaining studies for the development of large-scale contract additions – such as the duplication of highways, the construction of viaducts, access roads and bypasses.

## STRATEGY STEP BY STEP



- 1 Design** - the stage of constructing future vision, considering the internal and external environments (encompassing political, economic, social, regulatory, environmental and legal aspects), the capitals accessed by the company, its management systems, its culture and its risks and opportunities. This results in the elaboration of a SWOT matrix for analyzing strengths, weaknesses, opportunities and threats.
- 2 Planning and goals** - translation of plan into measurable targets, distributed among the areas responsible.
- 3 Alignment** - involvement of the group units in the strategy, linking plans with remuneration and formulating actions to achieve the corporate targets. The formulation of specific plans for each unit, as well as the holding company, and the analysis of financial and non-financial risks and opportunities.
- 4 Operations and budgets** - implantation of the strategy in the routines of each operation, calculating and defining the best way to allocate resources and successfully execute the strategy.
- 5 Monitoring and learning** - assessment of execution of strategy, mapping advances and challenges for the achievement of targets by leadership (Board of Directors, Executive Board and advisory committees).
- 6 Test and adaptation** - practical discussions to review strategy in accordance with scenarios, internal and external relations and the results achieved. At this stage, the strategic cycle is re-initiated.

# COMPETITIVE ADVANTAGES

To guarantee its results and a proactive stance in the Brazilian infrastructure sector, EcoRodovias protects, develops and leverages the differentials in its business model



## STRATEGIC LOCATION

The company maintains a presence in the main tourism and logistics corridors of the South, Midwest and Southeast of Brazil, including the grain producing regions of Goiás, the ports of Santos, Rio Grande, Paranaguá and Vitória, the São Paulo ABCD region, and the metropolitan regions of Curitiba, Rio de Janeiro and São Paulo.

## BUSINESS IN EXPANSION

Administration of highways by private initiative is a growing field in the country, particularly in the context of the expansion of concession programs by the federal government and by some states, such as São Paulo, Paraná and Minas Gerais.

## GENERATING RESULTS

EcoRodovias' performance in 2019, with pro-forma net revenue of R\$ 2.945 billion and pro-forma EBITDA of R\$ 2.033 billion, strengthens the group's operational efficiency and robustness.

## EXPERTISE AND SHAREHOLDER CONFIDENCE

With a stake of around 64% of EcoRodovias' capital, the CR Almeida and Gavio groups have broad experience in the infrastructure sector, with the capacity to respond rapidly to market requirements. They demonstrate confidence in the strategy established by the company.

## EXCELLENCE IN SUSTAINABILITY

The adoption of international management tools -ISO 9001, 14001 and 45001 (OH&S) and 39001 certifications - in all the group's mature units, presence in differentiated stock exchange indexes and portfolios (such as the Corporate Sustainability Index - ISE) and the alignment of the businesses with the United Nations Global Compact and the Sustainable Development Goals (SDGs) are some of the efforts that underscore EcoRodovias' commitment to sustainable development.

# CAPITAL ALLOCATION

GRI 103-1, 103-2, 103-3 | 203

In EcoRodovias, investment in projects and works is a requirement to ensure quality and safety for users and to maintain the good reputation of the businesses, demonstrating the concrete benefits generated by the highway concession model.

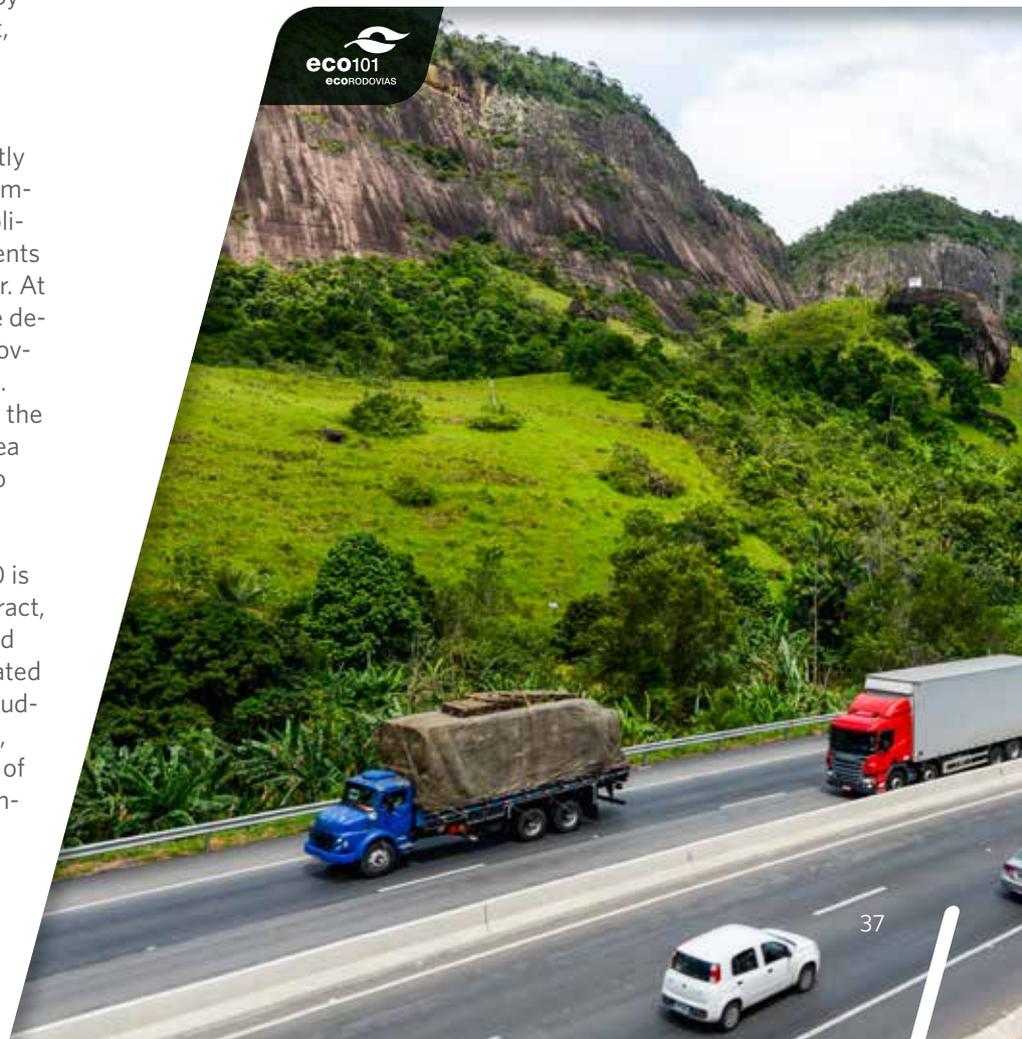
The high leverage due to the investments necessary to maintain, conserve and expand highway infrastructure is inherent to the company's sector of activity. Accordingly, market intelligence – investing in contracts and concessions that enable equilibrium and return on investment – and the adequate allocation of capital are fundamental for the perpetuation of the business. This process is overseen by the Board of Directors and the Investment, Finance and Risk Committee.

Worthy of note in 2019 were the ongoing investment programs in the group's recently acquired concessions. On ECO101, for example, the challenge of guaranteeing the duplication of the highway resulted in investments in excess of R\$ 290 million during the year. At the beginning of 2020, the concessionaire delivered the viaduct at kilometer 305, improving light vehicle traffic flow on this stretch. The result of a R\$ 16.5 million investment, the viaduct substituted a roundabout in an area subject to bottlenecks, with traffic of up to 30,000 vehicles per day.

Another key investment delivered in 2020 is the EcoPONTE. Part of the concession contract, the link between the Rio-Niterói bridge and the Linha Vermelha highway was inaugurated in May 2020, with 90% of the work concluded in December 2019. In the same project, work is underway on a suspended stretch of Avenida Portuária, which will link Manguin-

hos, on Avenida Brasil, with gate 32 of Cais do Porto in Caju. Currently 91% of the Avenida Portuária works have been concluded, with delivery scheduled for January 2021. The 2.5 km long access to the bridge will alleviate traffic entering Rio de Janeiro ensuring greater safety and improved traffic flow for the unit.

On ECO135, the highlight was investments related to energy efficiency, with more than R\$ 1.7 million spent in two photovoltaic panel installation processes (*further information in Natural Capital*).



**R\$ 1,531,477.93** GRI 203-1

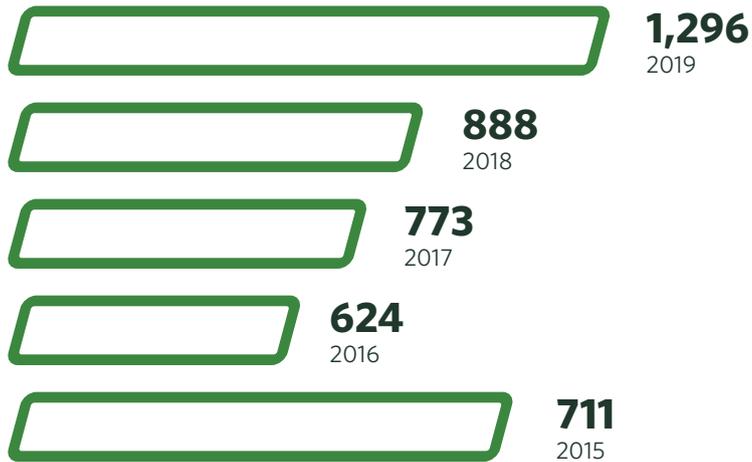
Was the amount invested by EcoRodovias in infrastructure projects and the offer of services for highway users, pedestrians and neighboring communities. The amount is lower than the R\$ 9.3 million invested in 2018, due to the lack of large-scale traffic oriented works. Worthy of note in 2019 were the investments in donations of reclaimed material by Ecovias dos Imigrantes; and the implantation of signs on Ecocataratas. Moreover, in 2019 the company donated 23,806 m<sup>3</sup> of RAP to communities in the neighborhood of the operations. There were no specific investments in the Ecofonte.

## CAPEX 2019

Capex, comprising intangible assets and property, plant and equipment, totaled R\$ 1.296 billion in 2019. The amount invested in each unit was:

- Ecovias dos Imigrantes: R\$ 215.5 million
- Ecocataratas: R\$ 82.3 million
- Ecosul: R\$ 83.5 million
- Ecofonte: R\$ 255 million
- Ecopistas: R\$ 58.7 million
- Ecovia: R\$ 53.5 million
- ECO101: R\$ 295.6 million
- ECO135: R\$ 117.7 million
- ECO050: R\$ 109.3 million
- Ecovias do Cerrado: R\$ 11.4 million
- Ecoporto Santos and Ecopátio Cubatão: R\$ 9.8 million
- ECS and holding company: R\$ 7.4 million

**EVOLUTION OF ECORODOVIAS  
PRO-FORMA CAPEX (IN R\$ MILLION)**



**FUTURE INVESTMENTS**

The main investments in the year will be in the ECO101, ECO050, Coponte and ECO135 concessions, focused on expansion, adaptation and modernization works. All of these already have BNDES financing. Moreover, Ecovias dos Imigrantes will maintain its investment schedule related to the contract addition signed in 2018. There will be investments in the initial works and in the construction of toll plazas for Ecovias do Cerrado.



## CHALLENGES AND OPPORTUNITIES

Over the last two years the company has focused on developing new businesses and on growing its concessions, with special attention to highways located in tourism regions and logistics corridors. But EcoRodovias is also aware that current and future opportunities may be accompanied by unique challenges provoked, for example, by climate change.

This was the reason that the group joined the Empresas pelo Clima platform 11 years ago, seeking to mitigate its impacts and to create solutions. Results of this engagement include the organization's efforts to reduce its scope 1 and 2 greenhouse gas (GHG) emissions and to maintain its listing on the B3 Corporate Sustainability Index (ISE). Other projects

are also underway, such as the one aimed at boosting the resilience of infrastructure and establishing a plan for adapting to climate change, as well as adjusting company strategy in line with the national climate plan. The company maintains its commitment to assessing its carbon footprint in accordance with the GHG Protocol.

Due to its presence in different regions of the country, the organization's relations with communities are fundamental for the businesses and for the company. As a result, a series of projects aimed at mitigating externalities (accidents, pollution and noise, contamination of water and soil, among others) have been implanted. Examples are the

projects aimed at road safety, the environment, education and health.

Before implantation, these programs are assessed by the business unit sustainability committees and then subject to the approval of the Corporate Sustainability Committee. During the course of 2019, the company invested R\$ 1,140,643.15 in projects aimed at reinforcing these relations (*further information on page 84*).

Nonetheless, road safety – not only in the communities – is one of the most rigorous commitments of the company, which is a signatory to the Decade of Action for Road Safety (2011-2020), launched by the United Nations Organization (UNO). In support of the initiative, whose main target is to reduce traffic accident fatalities worldwide by 50%, EcoRodovias implanted its For an Accident-Free Highway campaign, later transformed into a multimedia platform. It provides guidance on road safety on highways for drivers, motorcyclists and pedestrians. Another campaign with a similar objective is the National Traffic Week, organized every September. On this occasion, each unit develops traffic safety awareness measures.

In 2019, three concessions operated by EcoRodovias had ISO 39001 certification – which establishes standards and commitments to ensure the safety of vehicles and people: Ecovias dos Imigrantes, Copistas and ECO135.

#### FROM THE INSIDE OUT

In order to assume commitments with society and the country, the company takes great care with its human capital, knowledge manage-

ment and innovation. This enables the company to stay abreast of the changes inherent to these times, without compromising its values or its culture.

Accordingly, the work environment, leadership development and encouraging employees to advance in their career are essential for the development of competencies. Just as important is engaging everyone in building a company focused on the future. One of the ways this is done is through the InovaECO program, a platform that receives suggestions of innovations applicable to the routines of the different areas and units (*further information in the chapter Value generation*).

All of these initiatives are linked to what the company values most in its diverse relationships: transparency, ethics, respect for partners, communities, public authorities, sector associations and the other stakeholder groups with which EcoRodovias maintains relations.

## WHAT IS ON OUR RADAR

- Climate change
- Road safety
- Development of and for the communities
- Innovation requirements
- Development of our people

# SUSTAINABLE DEVELOPMENT

Management of the sustainability agenda, geared to the company's strategic planning, is based on diverse market instruments. It is the result of a joint construction, in addition to incorporating non-financial criteria for the definition of investments: it starts with the corporate Sustainability Committee in conjunction with the Board of Directors, for mapping socio-environmental aspects, and extends to the sustainability committees in all of the concessionaires.

Based on this, the company seeks to evolve the connection between the system of governance and business management with clear, effective and measurable sustainability criteria. This work has already generated concrete improvements, such as:

**Awareness:** in addition to participating in the Executive Board and Board of Directors meetings, the Sustainability area reinforces internal appreciation of the subject and engages executive leaders in good market practices, seeking to connect them with strategic planning, whenever this is possible.

**Compensation criteria:** for six years EcoRodovias has applied non-financial criteria to the variable remuneration of its executives and the whole work force. These include the reduction of CO<sub>2</sub> emissions and the company's permanence on the B3 Corporate Sustainability Index (ISE), which impacts all employees' bonus payments.

**Commitments and guidelines:** adherence to ISE and Carbon Disclosure Program (CDP) criteria, as well as to multistakeholder initiatives, such as the Global Compact and the Sustainable Development Goals (SDGs), helps drive the construction of an agenda for the group aligned with current and future trends in this field. In 2019, the group was on the CDP B List.

**Local Sustainability Committees:** all the business units and highway concessions have an active sustainability structure which is knowledgeable about key local impacts and questions and has the capacity to map, raise funds and invest in socio-environmental projects in the operations and in the neighboring communities.

## A SINGLE DIRECTION

To decide on and establish targets, the company is supported by its sustainability guidelines, which encompass eight topics: quality (fulfilling the needs of the business units and their employees based on the ISO 9001 standard); process management (monitoring processes, indicators and integrated systems); environment (maintenance of management models in the units by means of the ISO 14001 standard); climate change (measures aimed at reducing greenhouse gas emissions, emphasizing energy efficiency, renewable energy sources and protecting biodiversity); social responsibility (prioritizing human rights, ethics and anti-corruption, diversity, supplier development in line with ISO 26000 standard guidelines); occupational safety (valuing the integrity and well-being of employees and service providers, based on the ISO 45001 standard); ombudsman (channels for reporting breaches and making complaints and suggestions for the diverse stakeholder groups); and conflicts of interest (controlling and preventing risks in this area, with efficient governance and internal controls).



## SOCIO-ENVIRONMENTAL NETWORK GRI 102-12

The company's commitments to sustainable development encompass voluntary participation in diverse pacts and initiatives:

- **Global Compact:** the company has been committed to the ten Compact commitments, which encompass occupational, environmental, ethical and social aspects, since 2014.
- **Sustainable Development Goals (SDGs):** incorporated into strategic planning and management of material topics. The 2030 Agenda (consisting of 17 commitments and over 160 targets) was assumed by the UN member nations with the purpose of transforming public, business and community practices to improve living standards.
- **Na Mão Certa (In the right direction):** projects aimed at combating the sexual exploitation of children and young people on Brazilian highways. EcoRodovias is a formal supporter of the Childhood Brasil program.
- **Center of Sustainability Studies Business Initiatives (GVces):** incentives for the creation of strategies, tools and proposals of public and corporate policies in the sustainability area by means of a partnership with the Fundação Getulio Vargas (FGV).
- **Empresas pelo Clima (EPC or Companies for the Climate):** the company has participated on this platform, which promotes the adoption of initiatives to reduce emissions and mitigate climate risks in companies' operations and production chains, for 11 years.
- **Global Reporting Initiative (GRI):** a global methodology adopted for the company's reports for the communication of results and the establishment of performance indicators and targets to ensure the monitoring of business impacts.

# Definition of priorities

GRI 102-40, 102-42, 102-43, 102-44, 102-47

In 2018, EcoRodovias conducted a materiality process - repeated every two years, in accordance with the Global Reporting Initiative (GRI) guidelines - to define which social, environmental and economic aspects are relevant for the company's sector of activity. Ten

topics were selected and these, in fact, were transformed into important tools for shaping the projects and programs developed by the company and validated by the Corporate Sustainability Committee and the business units.

## OUR MATERIALITY



### User satisfaction

To ensure service quality and maintain focus on customer service and satisfaction. To guarantee responsibility for the services provided and minimize the impacts of traffic, pollution and congestion, ensuring the provision of information for users.

#### indicators

102-43, 102-44

#### Related SDGs



### Operational excellence

To manage processes with quality and to promote innovation and improvements in management, focused on the development of quality infrastructure and the reduction of costs.

#### indicator

Operational indicators:

- volume of responses and response
- volume of accidents
- Total Capex

#### Related SDG



### Community development

To engage local communities; to carry out measures and projects aimed at educating for sustainability and for road safety; to establish measures to reduce violence and sexual abuse on highways; and to increase drivers' and passengers' ability to recognize and to report cases of people trafficking.

#### indicators

203-1, 413-1

#### Related SDGs



### Ethics, integrity and anti-corruption

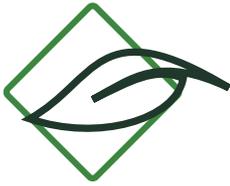
To combat corruption and conflicts of interest; to act with transparency, ethics and political responsibility; and to act in accordance with compliance and anti-corruption policies.

#### indicator

102-17, 205-2, 205-3

#### Related SDG





### Project and works risks and socio-environmental impacts

Manage the consequences of projects, such as impacts on water courses and bodies, and pursue the reduction of the effects of heat islands; use sustainable materials in the construction of roadways; and establish measures with emphasis on energy efficiency, the use of renewable energy and the protection of biodiversity (flora and fauna).

#### indicators

303-1, 303-3, 302-4, 304-2, 301-2

#### Related SDGs



### Compliance with laws and regulations

Guarantee honoring of commitments assumed in concession contracts, seeking to provide a safe, accessible and inclusive transportation system for everyone.

#### indicators

102-43, 102-44

#### Related SDG



### Road safety

Seek to ensure the health and safety of users and the reduction of traffic accidents; provide a highway system free of crime and terrorism; and establish traffic awareness and education measures.

#### indicator

416-2

#### Related SDG



### Environmental management in the operations

Manage the operation's environmental impacts, including emissions of particulate material and pollutant gases, effluents, noise and vibration; work on waste management and on actions to ensure the safety of animals; and to reduce the consumption of energy, materials and water.

#### indicators

306-2, 306-3, 301-1, 302-2, 308-2

#### Related SDGs



### Economic-financial performance

Generate value for shareholders and implement a growth and investment strategy aimed at ensuring the business's economic performance.

#### indicator

201-1

#### Related SDG



### Climate change

Manage greenhouse gas emissions; implement mitigation and offsetting projects and a climate change adaptation plan; increase the resilience of infrastructure to climate change; and align climate change strategy with the Brazilian national plan.

#### indicators

201-2, 305-1, 305-2, 305-3, 305-4, 305-5

#### Related SDG



The inclusion of the Sustainable Development Goals (SDGs) in the strategic objectives map between 2018 and 2023 – the period corresponding to the current strategic planning – was fundamental in enabling EcoRodovias to establish a long-term vision for its sustain-

ability agenda, with a focus on best market practices and the creation of programs in diverse operational and support areas of the holding company and the subsidiaries.

## OUR COMMITMENTS RELATED TO THE SDGS

MATERIAL TOPICS	SDG	SDG TARGET
 <p><b>User satisfaction</b></p>	 <p>Industry, innovation and infrastructure</p>	<p><b>9.1</b> Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</p> <p><b>9.4</b> By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities.</p>
 <p><b>Operational excellence</b></p>		
 <p><b>Community development</b></p>	 <p>Quality education</p>	<p><b>4.4</b> By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p> <p><b>4.7</b> By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.</p>

**PROJECTS AND CONTRIBUTIONS**

- ▶ ISO 9001 - Quality Management
- ▶ Client Satisfaction Survey
- ▶ Energy Efficiency Program
- ▶ Ecological Asphalt and Pavement Laboratory

*Further information on pages 60, 61, 62, 82 and 83*

**ECORODOVIAS TARGETS**

- ▶ User satisfaction index: 80% positive evaluation
- ▶ On-time response to user contacts:



**Unit**

Ecovia  
Ecosul  
Ecovias dos Imigrantes  
Ecocataratas  
Ecopistas  
ECO101  
Ecoponte



**Target**

93%  
95%  
95%  
95%  
95%  
100%  
96%

**2019 RESULTS**



**Unit**

Ecovia  
Ecosul  
Ecovias dos Imigrantes  
Ecocataratas  
Ecopistas  
ECO101  
Ecoponte

**On-time response:**

ECO050 ( 99.5%)  
ECO101 (100%)  
Ecosul (100%)  
Ecovia (100%)  
ECO135 (94%)  
Ecoponte (94%)  
Ecocataratas (100%)  
Ecovias dos Imigrantes (89%)  
Ecopistas (96%)



**User Satisfaction**

91%  
71.1%  
88%  
82%  
No survey  
No survey  
82.5%

- ▶ Capacitar (Train) Project
- ▶ Ecoviver Project

*Further information on pages 84 and 85*

- ▶ Ecoviver: reach  
200 schools  
840 teachers  
15,000 students

- ▶ Ecoviver:  
278 schools  
861 teachers  
15,882 students

- ▶ Train:  
19 people trained  
in Train project  
3 contracted

## MATERIAL TOPICS

## SDGs

## SDG TARGET



Community development

5

Gender equality:  
Achieve gender  
equality and  
empower all  
women and girls

**5.2** Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.

**17.17** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

17

Partnerships  
for the goals



Ethics, integrity  
and anti-corruption

16

Peace and justice

**16.6** Develop effective, accountable and transparent institutions at all levels.

**16.5** Substantially reduce corruption and bribery in all their forms.



Compliance with  
laws and regulations

9

Industry,  
innovation and  
infrastructure

**9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

**PROJECTS AND  
CONTRIBUTIONS**
**ECORODOVIAS  
TARGETS**
**2019 RESULTS**

▶ Na Mão Certa Program

*Further information on pages  
43 and 85*

▶ Na Mão Certa  
conduct at least 1 campaign  
per year

▶ Na Mão Certa: all units conducted  
1 campaign

▶ Ethics Committee  
▶ Ethics and Integrity Program

*Further information on pages  
23, 24 and 25*

▶ Achieve 100% of employees trained  
in the Code of Conduct

▶ 82% of personnel trained

▶ Anti-corruption Program  
▶ Elaboration and diffusion of anti-  
-corruption materials (handbook,  
training, campaigns) - Training in  
Code of Conduct and compliance  
policies

*Further information on pages  
23, 24 and 25*

▶ Achieve 100% of employees trained  
in Anti-corruption Policy

▶ 96% of employees trained

▶ Governance, risk management and  
internal control models

*Further information on pages  
26 and 27*

▶ Honoring all contract conditions

▶ Compliance during the year

## MATERIAL TOPICS

## SDG

## SDG TARGET



**Project and works  
risks and socio-environmental impacts**

7

Renewable  
energies

**7.3** By 2030, double the global rate of improvement in energy efficiency.

12

Responsible  
consumption

**12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

15

Life on land

**15.1** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands.



**Road safety**

3

Health and well-  
being

**3.6** By 2020, halve the number of global deaths and injuries from road traffic accidents.



**Environmental  
management  
(operation)**

6

Clean water and  
sanitation

**6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

12

Responsible  
consumption

**12.2** By 2030, achieve sustainable management and efficient use of natural resources.

**12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

## PROJECTS AND CONTRIBUTIONS

- **Environmental programs:**
- . intelligent material use
  - . effluent treatment
  - . monitoring noise pollution
  - . waste management

Further information on pages 90 and 91

## ECORODOVIAS TARGETS

- 80% effective environmental correction actions in the concessionaires
- Environmental training for concessionaire employees
- Percentage of waste recycled and sent for composting:



### Unit

Ecovia	0.5%
Ecosul	15%
Ecovias dos Imigrantes	20%
Ecocataratas	20%
Ecopistas	5%
ECO101	10%
Ecoponte	1%



### Target

## 2019 RESULTS



### Unit

Ecovia	5%
Ecosul	61%
Ecovias dos Imigrantes	26%
Ecocataratas	44%
Ecopistas	7%
ECO101	0%
Ecoponte	1%



### Result

- **For an Accident-Free Highway Program**

Further information on pages 60, 61, 62 and 63

- **Accident targets:**
- Ecovias dos Imigrantes: 3,614
  - Ecovia: 862
  - Ecosul: 519
  - Ecocataratas: 1,386
  - Ecopistas: 1,267
  - ECO101: 2,945
  - Ecoponte: 604

- **Fatality reduction targets:**
- Ecovias dos Imigrantes: 56
  - Ecovia: 25
  - Ecosul: 32
  - Ecocataratas: 62
  - Ecopistas: 25
  - ECO101: 128
  - Ecoponte: 2.5

- **Accidents in 2019:**
- Ecovias dos Imigrantes: 4,201 (16%)
  - Ecovia: 1,153 (34%)
  - Ecosul: 345 (-34%)
  - Ecocataratas: 1,638 (18%)
  - Ecopistas: 1,756 (39%)
  - ECO101: 3,981 (35%)
  - Ecoponte: 668 (11%)

- **Fatalities in 2019:**
- Ecovias dos Imigrantes: 93 (66%)
  - Ecovia: 33 (32%)
  - Ecosul: 29 (-9%)
  - Ecocataratas: 70 (13%)
  - Ecopistas: 44 (76%)
  - ECO101: 90 (-30%)
  - Ecoponte: 4 (60%)

- **Environmental programs:**
- . Intelligent material use
  - . Reduction of water consumption
  - . Effluent treatment
  - . Waste management

Further information on pages 90 and 91

- Environmental training for concessionaire employees

- Reduction in relative water consumption:



### Unit

Ecovia	-0.5%
Ecosul	-0.5%
Ecovias dos Imigrantes	-0.5%
Ecocataratas	-0.5%
Ecopistas	-1.0%
ECO101	-0.5%
Ecoponte	-1.0%



### Target

- Overall water consumption volume increased in the concessionaires

## MATERIAL TOPICS

## SDGs

## SDG TARGET



**Economic-  
financial  
performance**

**8**

Decent work  
and economic  
growth

**8.1** sustain per capita economic growth in accordance with national circumstances, and in particular at least 7% per annum GDP growth in the least-developed countries.

**8.4** Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation.



**Climate change:  
greenhouse gas  
emissions**

**13**

Climate action

**13.2** Integrate climate change measures into national policies, strategies, and planning.

## PROJECTS AND CONTRIBUTIONS

- ▶ Strategic and Financial Planning
- ▶ Analysis of risks, opportunities and aspects having the potential to influence the business – construction of social and environmental targets applicable to leaders' remuneration
- ▶ Measures to reduce costs and drive efficiency in investments

Further information on pages 26, 27, 66, 67, 68 and 69

## ECORODOVIAS TARGETS

- ▶ Ebitda margin aligned with strategic planning

## 2019 RESULTS

- ▶ Pro-forma Ebitda margin was 69%, stable in comparison with the previous year

- ▶ Environmental programs:
  - . GHG emissions management (the company and suppliers)

Further information on pages 92, 93, 94 and 95

- ▶ Achieve reductions in relative GHG emissions:



### Unit

Ecovia  
Ecosul  
Ecovias dos Imigrantes  
Ecocataratas  
Ecopistas  
ECO101  
Ecoponto



### Target

-0.5%  
-0.5%  
-1.0%  
-0.5%  
-1.0%  
-0.5%  
-1.0%

- ▶ Relative scope 1 GHG emissions were 31% up on the previous year; while relative scope 2 emissions were reduced by 9%

# VALUE GENERATION

SDGs



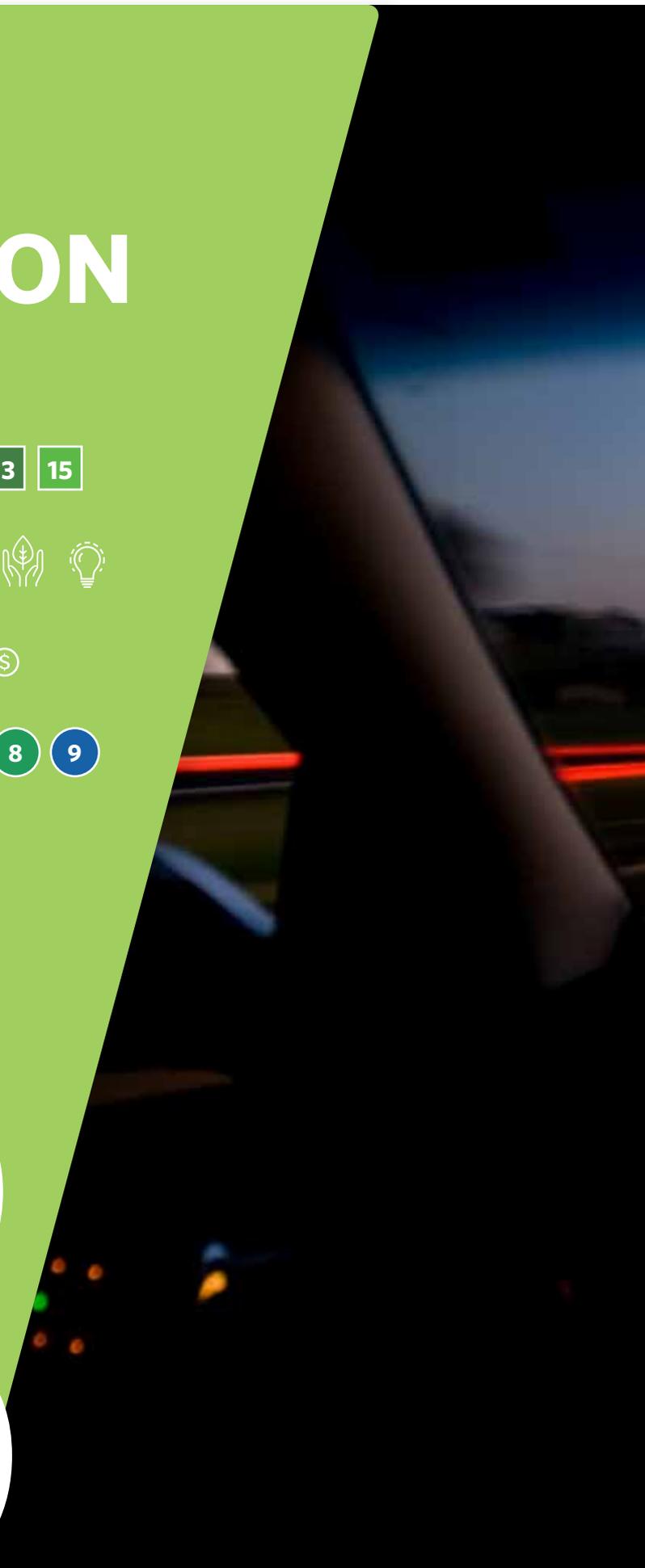
IIRC CAPITALS



MATERIAL TOPICS



GLOBAL COMPACT PRINCIPLES





# VALUE GENERATION

When accessing different forms of capital, the company seeks to continuously increase its relevance for the market and for the stakeholder groups with whom it relates

In alignment with the capitals model proposed by the International Integrated Reporting Council (IIRC), in the coming pages the group demonstrates how it accesses manufactured, financial, human and intellectual capital to focus on the nature of its

business (operating highway concessions, providing services for users and generating results) and to show how its success depends on a series of resources that include raw materials, technologies, specialized knowledge and qualified manpower.



## OUR CAPITALS - HIGHLIGHT OF THE YEAR



**MANUFACTURED  
CAPITAL**

**18.9%**

increase in consolidated  
traffic



**FINANCIAL  
CAPITAL**

**15.5%**

increase in  
Pro-forma Ebitda



**INTELLECTUAL  
CAPITAL**

**111**

suggestions received  
via InovaECO



**HUMAN  
CAPITAL**

**18**

hours training (average per  
employee)



**SOCIAL  
CAPITAL**

**100%**

of the concessionaires  
received positive assess-  
ments in excess of 82%



**NATURAL  
CAPITAL**

**R\$1.9 mm**

invested in renewable  
energy projects on Ecopistas  
and on ECO135

# MANUFACTURED CAPITAL



Comprising the sum of the physical, material and technological structures employed in the organization's purpose and in the execution of its services, in EcoRodovias manufactured capital covers aspects related to its infrastructure, its assets and its operational results.

Traffic volume in the concessions administered for a longer time by the company remained stable with few variations in 2019. On a consolidated basis, however, the recently acquired ECO135 and ECO050 exerted a positive influence. There was a significant increase in the consolidated volume of heavy (28.0%) and light (11.0%) vehicles. Regarding the variation in the comparable traffic volume, there was a reduction in heavy vehicles (-1.3%) and an increase in light vehicles (+1.9%).

Consolidated traffic of equivalent paying vehicles grew 18.9% in 2019. This growth was influenced by the start up of toll charges on Eco135 and by the consolidation of Eco050 (MGO), and by the truck drivers' strike from May 21 to June 3, 2018. There was also a partial impact from the exemption of charges for raised lift axles on Ecovia Caminho do Mar and Ecocataratas (from May 29, 2018) and on Ecovias dos Imigrantes and Ecopistas (from May 31, 2018). Discounting these effects, consolidated traffic grew 0.4% compared with 2018. Exemption from toll charges for raised lift axles will be the object of contractual adjustment.

- **Heavy vehicles** - 28.0% growth in 2019. Discounting the toll charges for raised lift axles and the period from May 21 to June 3, when traffic was impacted by the truck drivers' strike in 2018, the start up of toll charges on Eco135 and the consolidation of Eco050 (MGO), there was a 1.3% reduction in traffic in 2019. Excluding the aforementioned effects, the Ecopistas concessionaire presented an increase in

traffic due to the resumption of industrial production in the region; similarly, Ecocataratas benefited from growth in the regional grain exportation flow. Traffic on Ecovias dos Imigrantes and Ecovia Caminho do Mar was impacted negatively by the reduction in exports of agricultural commodities transported by road to the ports of Santos and Paranaguá; on Eco101 there was a reduction in vehicle volume due to the cycle of the pulp industry in the region; similarly, Ecoponte was affected by works on the Rio de Janeiro BRT close to the access roads to the bridge.

- **Light vehicles** - 11.0% growth compared with 2018. Discounting the period from May 21 to June 3, when traffic was impacted by the truck drivers' strike, the start up of toll charges on Eco135 and the consolidation of Eco050 (MGO), there was a 1.9% increase in traffic. Excluding the aforementioned effect, traffic on Ecovias dos Imigrantes, Ecopistas, Ecovia Caminho do Mar, Ecosul and Eco101 was influenced by the increase in the number of tourists and the favorable climate. There was a reduction in traffic on the Ecoponte due to the Rio de Janeiro BRT works close to the access points to the bridge.



## ECOPORTO

The EcoRodovias port operation showed a recovery in results during the course of 2019. Together, the Ecoporto Santos and the Ecoporto bonded facility handled 12,100 dock operations and 50,100 (warehousing operation) containers.

<b>Ecoporto (in containers)</b>	<b>2018</b>	<b>2019</b>
Dock operation	492	12,103
Warehousing operation	47,149	50,105

## CALL OUTS IN 2019

<b>Ecovias dos Imigrantes</b>	<b>Tow truck</b>	<b>Ambulance</b>
Total call outs	39,602	8,723
Average response time	00:14:34	00:08:53

<b>Ecosul</b>	<b>Tow truck</b>	<b>Ambulance</b>
Total call outs	12,741	1,507
Average response time	00:14:48	00:06:43

<b>ECO101</b>	<b>Tow truck</b>	<b>Ambulance</b>
Total call outs	29,638	5,087
Average response time	00:11:32	00:06:28

<b>Ecopistas</b>	<b>Tow truck</b>	<b>Ambulance</b>
Total call outs	23,756	2,237
Average response time	00:15:47	00:07:15

**Ecocataratas****Tow truck****Ambulance**

Total call outs	13,142	3,265
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Average response time	00:27:48	00:08:44
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**Ecovia****Tow truck****Ambulance**

Total call outs	14,169	2,267
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Average response time	00:16:36	00:07:16
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**Ecoponte****Tow truck****Ambulance**

Total call outs	34,497	1,347
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Average response time	00:03:20	00:03:55
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**Total 2019****Tow truck****Ambulance**

Call outs	167,545	24,433
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Average response time	00:14:55	00:07:02
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**Total 2018****Tow truck****Ambulance**

Call outs	175,873	19,717
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Average response time	00:14:06	00:06:22
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# COMMITMENT TO LIFE

GRI 102-11, 103-1, 103-2, 103-3 | 416, 416-2

The company invests in highway safety and modernization to minimize and manage the risks associated with accidents. Accordingly, the company complies with concession contract requirements and the ISO 45001 standard. It is fully committed to reducing accidents in all subsidiaries, in line with the targets established by the United Nations Organization Decade of Action for Road Safety (2011-2020). This goal is also aligned with the Sustainable Development Goals (SDGs), an important management instrument for the company.

Specifically in 2019, the company did not reach the target established for accident volume on Ecosul. Regarding fatalities, the performance of Ecosul and ECO101 was within the limits stipulated for the year.

ECO101 has achieved positive results in the reduction of accident fatalities at 30% below the projected ceiling for fatalities in 2019. With a record of high risk and serious accidents, the highway is beginning to benefit from the group's investments in works and road safety projects.

	Unit	2019 target	2019 result	Percentage
Accidents	Ecovias dos Imigrantes	3,614	4,201	16%
	Ecovia	862	1,153	34%
	Ecosul	519	345	-34%
	Ecocataratas	1,386	1,638	18%
	Ecopistas	1,267	1,756	39%
	ECO101	2,945	3,981	35%
	Ecoponte	604	668	11%
	TOTAL FATALITIES	Ecovias dos Imigrantes	56	93
Ecovia		25	33	32%
Ecosul		32	29	-9%
Ecocataratas		62	70	13%
Ecopistas		25	44	76%
ECO101		128	90	-30%
Ecoponte		2.5	4	60%



**12,100**

containers handled by the Ecoporto in 2019, with consolidated growth of 6.3% in the warehousing operation

**ECOPORTO**

The Ecoporto comprises two companies: Ecoporto Santos and Ecoporto Alfandegado (Bonded Warehouse). The company resumed regular operations with ships in the docks it operates in the Port of Santos, by means of its partnership with the Italian shipping fleet Grimaldi, whose vessels connect Europe, Africa and South America and dock in approximately 15 ports around the world. Ecoporto provides dedicated container, rolling load, break bulk and vehicle handling services.

The extensive restructuring of the port businesses boosted the number of containers handled from 492 in 2018 to more than 12,100 in 2019. The warehousing operation saw 6.3% consolidated growth in 2019. As a result, the business posted a net profit of R\$ 1.6 million, compared with a loss of R\$ 36.5 million the previous year.



# WHAT WE ARE DOING TO PROMOTE ROAD SAFETY

The group's commitment to the Decade of Action for Road Safety (2011-2020) was translated into key investments in 2019



## Our contribution

### PILLAR 1 MANAGING TRAFFIC SAFETY



**R\$6.382 million invested in**

**Smart Highway System**  
monitoring technologies and local and corporate measures

### Ongoing investments

- ✓ Accident Prevention and Reduction Program
- ✓ Training for pre-hospital response teams
- ✓ Implantation of speed reducers and radars
- ✓ Measurement of indicators (accidents, injuries, fatalities and incidents by section and by highway)

### PILLAR 2 SAFER INFRASTRUCTURE AND MOBILITY

**R\$ 679.3 million invested**

in measures such as: paving, footbridges, ring roads and **innovative projects**

- ✓ **Safety devices** based on technology or engineering solutions and innovation projects

### PILLAR 3 SAFER VEHICLES



**Awareness projects**

- ✓ Training in **defensive driving**
- ✓ **Telemetry** equipment

**THE SITUATION OF BRAZIL\***

**5**

traffic accidents per hour

**5<sup>o</sup>**

country in world in traffic accident fatalities

**In 2019**

**67,427** accidents on federal highways

**5,332** people lost their lives

**more than 41%** of the fatalities in the age group from 26 to 45 years

**81.6%** of the fatalities were men

**2007-2019**

**1,789,036** accidents

**94,081** fatalities

\*Sources: Conselho Federal de Medicina and Painel de Acidentes Rodoviários - CNT



**PILLAR 4**  
USER SAFETY



**R\$ 142,000** invested in educational actions



Worthy of note are campaigns such as: **Headlights On** and **Coffee on the Footbridge**

**Improvements & results - 2019**

**30%** fewer fatalities on ECO101

**9%** fewer fatalities on Ecosul

**34%** fewer accidents on Ecosul

**PILLAR 5**  
RESPONSE TO ACCIDENTS AND CARE FOR VICTIMS



**We monitor** all incident **response speed** and quality indicators on the highways



**7 minutes** was the **average response time** for ambulances in the group's companies

**In 2019, the average ambulance response time was**

<b>8'53''</b> Ecovias dos Imigrantes	<b>8'44''</b> Ecocataratas
<b>6'43''</b> Ecosul	<b>7'16''</b> Ecovia
<b>6'28''</b> ECO101	<b>3'55''</b> Ecoponte
<b>7'15''</b> Ecopistas	



# FINANCIAL CAPITAL GRI 103-1, 103-2, 103-3 | 201

As a reflex of decisions stemming from corporate strategy, based on the principles of cost discipline, investment optimization and sustainable growth, the EcoRodovias Group ended 2019 with a pro-forma net revenue (excluding construction revenue) of R\$ 2.945 billion, a 17% increase compared with the previous year. The start up of the ECO135 operation, the consolidation of ECO050, as well as the tariff adjustments applied in the business units, contributed to this increase in revenue.

Similarly, pro-forma Ebitda grew 15.5% reaching R\$ 2.033 billion, against R\$ 1.76 billion in 2018, reflecting good traffic performance, tariff adjustments and cost discipline. This indicator does not take into account construction revenues or costs, maintenance provisions or provisions for the leniency agreements and agreements with former executives. The new concessions (ECO135 and ECO050) have already demonstrated their positive impact on the business with a pro-forma Ebitda of R\$ 189.8 million, corresponding to 9.3% of the company's Ebitda in 2019. Net income (without taking into account the impact of the leniency agreements and agreements with former executives), however, was R\$ 290.4 million during the year, 26.1% below the previous year. Nevertheless, net income did

increase in the last quarter of 2019 due to the improvement in Ebitda and the lower provision for maintenance.

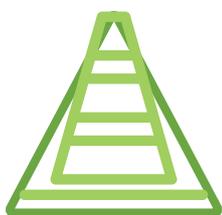
The improvement in the company's results and economic-financial sustainability is aligned with its strategy of growth through new businesses and new investments in the existing concessions, with constant capital discipline, focus on project improvement and optimized Capex.

**DEBT AND AVAILABLE CASH** During the year, the EcoRodovias Group's level of indebtedness reached a net debt / Ebitda ratio of 3.2x at the end of 2019. This compares with a ratio of 2.7x in December 2018. The company's net debt stood at R\$ 6,610.3 million on December 31, 2019. Cash and cash equivalents corresponded to R\$ 2,068.8 million in December 2019, including R\$ 180.5 million released by Federal Justice authorities in Paraná. The average cost of the company's debt in December 2019 was 7.1% p.a.



## R\$ 2.75 billion

Total operational costs and administrative expenses were 37.6% higher than in 2018, due to the start up of the ECO135 operation (April 2019) and the consolidation of ECO050 (May 2019) and the Ecopátio Cubatão (January 2019)



## R\$ 1.296 billion

Capex undertaken in 2019, worthy of note being the works on the duplication of ECO101, the Ecoponte Linha Vermelha access and the Ecovias dos Imigrantes contract addition. For 2020, investments are scheduled principally for the recent acquisitions (*further information in Allocation of Capital*)



**PERFORMANCE SUMMARY (R\$ MILLION)**

	<b>2019</b>	<b>2018</b>
Pro-forma net revenue <sup>1</sup>	2,945.2	2,516.2
Pro-forma Ebitda <sup>2</sup>	2,033.1	1,760.9
Pro-forma Ebitda margin <sup>2</sup>	69.0%	70.0%
Net income <sup>3</sup>	290.4	393.0
Capex	1,296.3	888.2
Net debt	6,610.3	4,780.7
Available cash	2,068.8	2,727.8
Net debt/Pro-forma Ebitda <sup>2</sup> ltm <sup>4,5</sup>	3.2x	2.71x

1 Excluding construction revenue

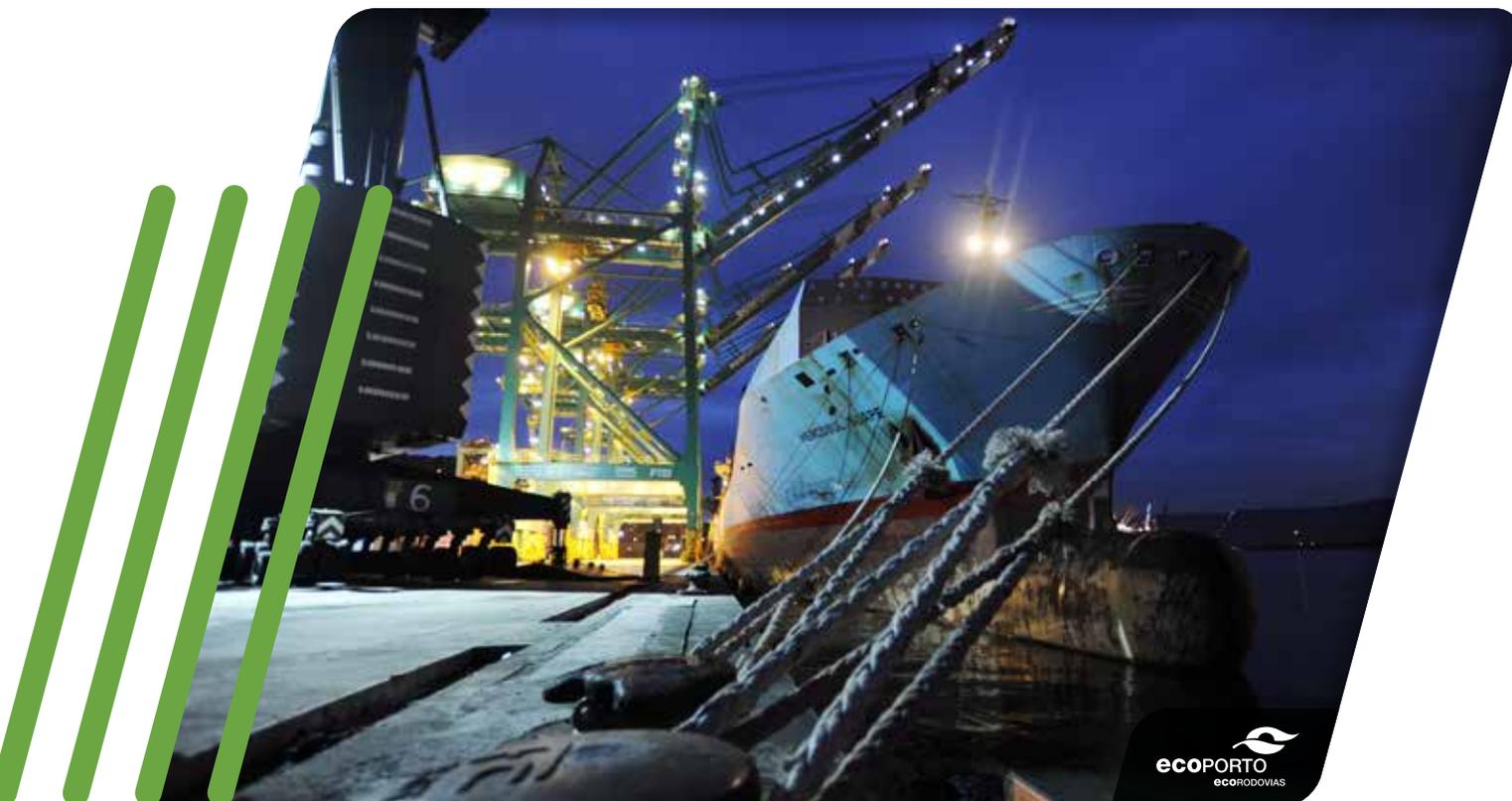
2 Excluding construction revenue and costs and maintenance provision. Excluding leniency agreements and agreements with former executives in 2019

3 Excluding leniency agreements and agreements with former executives in 2019 4 LTM = last 12 months

5 Including consolidation of pro-forma Ebitda LTM of ECO050 (MGO) in the fourth quarter of 2019

**GROSS REVENUE (R\$ MILLION)**

	<b>2019</b>	<b>2018</b>
Highway concessions	3,032.7	2,616.8
Construction revenue	1,007.7	653.1
Ecoporto Santos	390.2	355.4
Ecopátio Cubatão	24.3	-
Services	202.0	187.1
Eliminations	(194.9)	-178.4
Gross revenue	4,461.9	3,634.0
<b>(-) CONSTRUCTION REVENUE</b>	<b>(1,007.7)</b>	<b>-653.1</b>
Pro-forma gross revenue	3,454.2	2,980.9



### PRO-FORMA EBITDA<sup>1</sup> (R\$ MILLION)

	2019	Margin	2018	Margin	Var.
Highway concessions <sup>1</sup>	2,044.2	73.7%	1,772.1	74.0%	15.3%
Existing concessions <sup>1</sup>	1,854.3	74.8%	1,783.4	74.5%	4.0%
ECO135 <sup>1</sup>	119.5	71.0%	-11.3	n.m.	n.m.
ECO050 <sup>1</sup>	70.3	55.8%	-	n.m.	n.m.
Ecoporto Santos	53.3	31.9%	12.7	9.5%	n.m.
Services and holding company	-69.5	n.m	-24.0	n.m.	189.1%
Ecopátio Cubatão	5.1	24.3%	-	-	n.m.
Pro-forma Ebitda <sup>1,2</sup>	2,033.1	69.0%	1,760.9	70.0%	15.5%
Pro-forma net revenue <sup>3</sup>	2,945.2	-	2,516.2	-	17.0%

1 Excluding revenue and cost of construction and maintenance provision

2 Not taking into account provisions for leniency agreements and agreement with former executives

3 Excluding construction revenue

The company's Ebitda was impacted by the provisions for the leniency agreements. Discounting these, there was a 15.5% increase from 2018 to 2019

### EBITDA (R\$ MILLION)

	2019	2018
Net income	(185.5)	382.1
(+) Net income from Discontinued Operations	0.2%	18.5
Net income from continuing operations	(185.3)	400.6
<b>(+) Depreciation and amortization</b>	<b>567.5</b>	<b>433.6</b>
<b>(+) Financial result</b>	<b>700.1</b>	<b>460.7</b>
<b>(+) Income Tax and Social Contribution</b>	<b>280.9</b>	<b>322.9</b>
Ebtida <sup>1</sup>	1,363.2	1,617.8
<b>(+) Leniency agreements and agreements with former executives</b>	<b>469.1</b>	
<b>(+) Maintenance provision</b>	<b>200.9</b>	<b>143</b>
<b>Pro-forma EBITDA<sup>2</sup></b>	<b>2,033.1</b>	<b>1,760.9</b>
<b>Pro-forma EBITDA margin<sup>2</sup></b>	<b>69%</b>	<b>70%</b>
Non-comparable expenditures	66.5	21.7
<b>Pro-forma EBITDA<sup>23</sup></b>	<b>2,099.6</b>	<b>1,782.5</b>
<b>Pro-forma EBITDA margin<sup>23</sup></b>	<b>71.3%</b>	<b>70.8%</b>

1 EBITDA calculated in accordance with CVM instruction nº 527, October 4, 2012

2 EBITDA calculated excluding maintenance provision and not counting the provision of R\$466.8 million for the leniency agreements and the agreements with former executives in 2019 and R\$ 2.2 million corresponding to the sanctioning of the agreements with former executives in 2019

3 Excluding non-comparable expenditures with legal fees and severance payments to former executives

**VALUE ADDED STATEMENT (R\$ THOUSANDS)** GRI 201-1

	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Tolls	2,952,132	2,528,660
Construction	1,007,724	653,066
Port	390,167	355,416
Logistics	24,256	-
Accessories and intercompany service provision	87,631	96,871
<b>Inputs acquired from third-parties</b>		
Cost of services provided	(1,616,020)	(1,130,868)
Materials, energy, third-party services and others	(135,229)	(79,768)
Others	(106,605)	(158,486)
<b>Gross value added (consumed)</b>	<b>2,604,056</b>	<b>2,264,891</b>
<b>Depreciation and amortization</b>	<b>(567,505)</b>	<b>(433,569)</b>
<b>Amortization of investments</b>	<b>-</b>	<b>-</b>
Leniency agreement	(469,050)	-
<b>Net value added (consumed) Produced by company</b>	<b>1,567,501</b>	<b>1,831,322</b>
<b>Added value received in transfer</b>		
Financial revenues	187,495	206,951
Equity income	10	34
	187,505	206,985
<b>Total added value for distribution</b>	<b>1,755,006</b>	<b>2,038,307</b>
<b>Distribution of added value</b>	<b>1,755,006</b>	<b>2,038,307</b>
Personnel	407,989	321,581
Direct remuneration	326,110	251,010
Benefits	59,683	55,032
FGTS	22,196	15,539
Taxes, charges and contributions	621,254	614,987
Federal	447,686	468,621

State	16	4
Municipal	173,552	146,362
Remuneration of third-party capital	911,043	701,099
Interest	582,247	422,187
Rents	23,477	33,404
Other financial effects	305,319	245,508
Remuneration of own equity	(185,280)	400,640
Non-controlling shareholder stake	-	7,625
Legal reserve	-	18,725
Result of discontinued operations	180	18,505
Interim dividends paid	-	158,964
Constitution of reserve	-	196,821
Loss	(185,460)	-



# HUMAN AND INTELLECTUAL CAPITAL

The company has always valued its employees, a resource employed to attract and retain talent. This is why EcoRodovias invests in internal promotion and developing leaders, preparing people who are committed to the company's values, culture and growth.

These efforts to develop future leaders led to the Jeito de Inspirar (Way of Inspiring) program, comprising six fronts: Trainee Program (9 trainees contracted after a selection process with more than 5,000 applications in 2019); Building the Future (driving the development of administrative employees as a means of accelerating internal leaders); Developing Leaders and Executives; Accelerating Readiness (worthy of note being six employees promoted to director-level and nine to management-level positions, supported by training, coaching and mentoring) and support measures.

These projects were enabled after the Performance Cycle, an instrument used to boost

internal promotion, indicated these needs for the company. The cycle is one of the company's main people management measures and offers the employees selected to participate in it a process involving the assessment of deliveries and behavioral aspects, such as: definition of targets linked with company strategy, competency assessment - 90, 180 and 360 degree stages - a calibration process, which enables joint decision making on employee performance and the mapping of successors for key posts.



## TRAINING FRONTS

Jeito de Ser (Way of Being), Jeito de Saber Mais (Way of Knowing More), Jeito de Atender (Way of Serving) and Jeito de Inspirar (Way of Inspiring) are the four main training fronts on the corporate education platform. In 2019, there were 21,178 participations in training programs, totaling 60,622 hours of training, with an investment of R\$ 1,172,744, compared with R\$ 1,003,000 in 2018.

## WE ARE MADE OF PEOPLE

The EcoRodovias Group is responsible for people management, defining the guidelines and policies to be adopted by the highway concessionaires. The area is overseen directly by the Board of Directors and the Executive Board through bodies such as the Statutory Governance and People Management Committee, which is charged with developing succession and retention programs and defining remuneration policies.

All employees receive orientation on company values, policies and management principles. Results appraisal processes are permanent and are designed to retain talents and promote career prospects.

In 2019, all the concessionaires participated in workshops aimed at mobilizing the work force around business ambitions and the corporate culture

## Wealth in diversity

Diversity is incorporated into the EcoRodovias Code of Conduct, which guarantees equality of opportunities and respect for multiple genders as non-negotiable values. The program is directly aligned with the United Nations Sustainable Development Goals (SDGs), seeking to promote a more inclusive environment with emphasis on promoting diversity in gender, race/color, as well as including persons with disabilities.

A year ago, the formation of the Diversity Committee strengthened governance of diversity by mobilizing leaders of all the units and directors of the holding company. During 2019, the company reinforced its Caminho para Todos (Path for Everyone) program, by contracting transgender individuals, immigrants and refugees and promoting rounds of conversation about the role of women, black people, LGBTQIA+ individuals and persons

with disabilities in the company and in society. In parallel, the company undertook an analysis of the accessibility of its facilities to meet the needs of persons with physical disabilities.

The company is aware that it still has a long way to go, even though it is working hard to disseminate diversity in the work place. It is necessary to remedy situations such as the fact that women occupy only 10% of director-level positions. One of the paths encountered has been the implementation of a mentoring program to develop female professionals who demonstrate a leadership profile. Other challenges include the occupation of black employees, currently mostly in operational jobs, and contracting persons with physical disabilities in association with the quota established under Brazil's federal law 8213/91. Enhancing this governance will enable the company to reinforce the wealth and multiplicity of cultures and experiences.

## Innovation on different fronts

The implantation of the Innovation Committee last year represented the company's first step towards strengthening management of its intellectual capital. The InovaECO program is a ramification of this aimed at driving collaborative improvement solutions for the entire company. By means of a digital platform, employees may submit their suggestions for innovations applicable to routines in the diverse units. Of the 111 suggestions received in 2019, nine have undergone development and three have received awards: Toll Self Mobile, the use of water tanker trucks to wash embankments and signs, and RH Conecta.

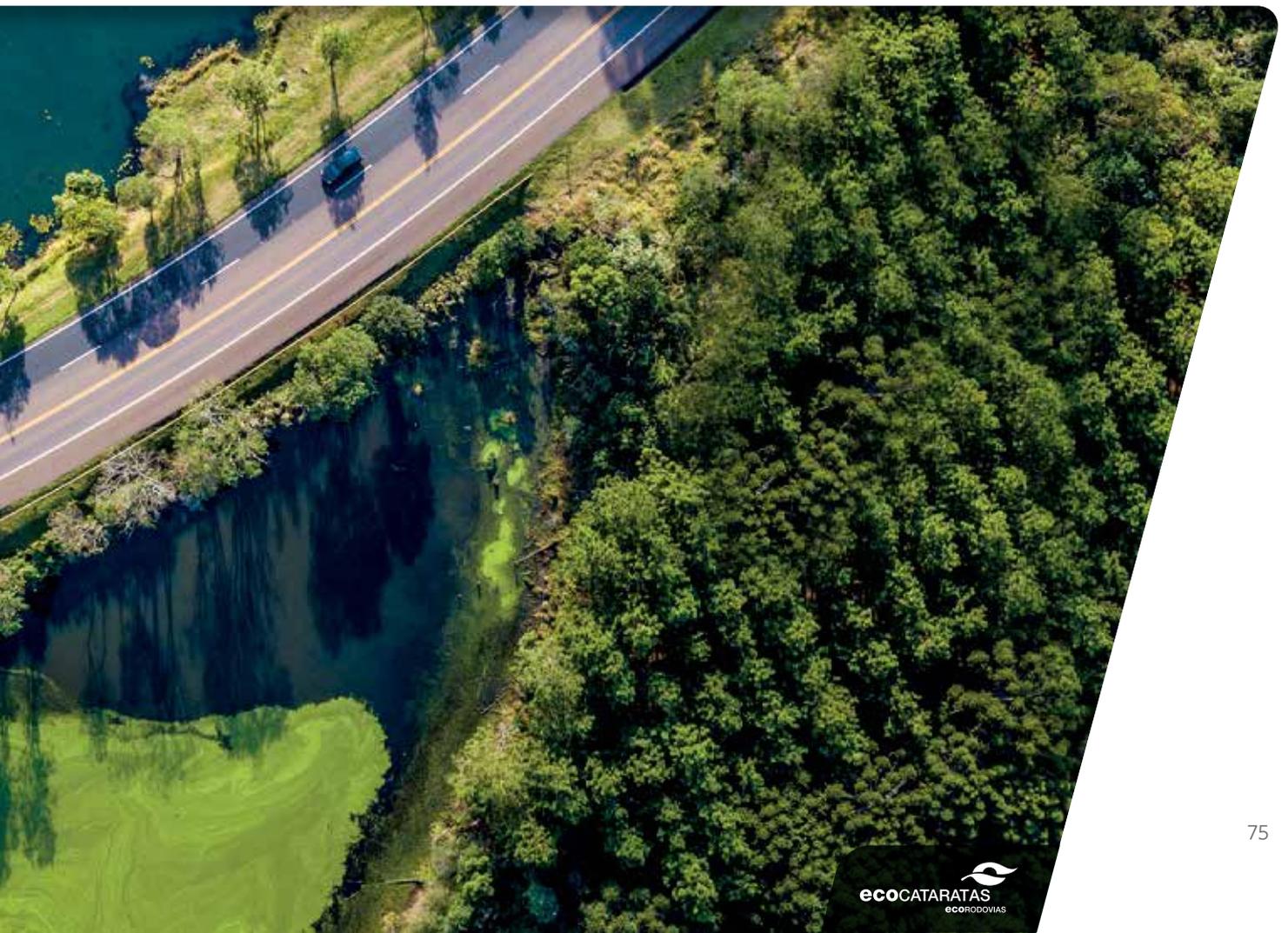
On another front, the company engaged in open innovation with the faculty Fiap

(Faculdade de Informática e Administração Paulista) in São Paulo. Large corporations such as EcoRodovias seek solutions for their challenges in the market and consequently build relationships with entrepreneurs to develop businesses and accelerate innovation. The company asked the Fiap students to create a process for monitoring the growth of vegetation on its highways.





EcoRodovias adopted the Empresa Cidadã (Civic-Minded Company) program, which gives mothers six months of maternity leave and 20 days paternity leave for fathers



## OUR PEOPLE: MAIN INDICATORS GRI 102-8

SOUTHEAST													
POSITION GROUP	ECORODOVI-AS CON-CESSÕES E SERVIÇOS		ECORODOVI-AS INFRA		ECO135		ECOPORTO		ECOVIAS DOS IMIGRANTES		ECOPISTAS		
	W	M	W	M	W	M	W	M	W	M	W	M	
Board Mem-ber				13									
Director	1	8	1	3		1		3		1		1	
Manager / Aide	9	31		1	1	1	1	1		2		1	
Coordinator / Specialist	24	43			3	3	5	9	2	7	1	3	
Coordinator	19	36			3	3	4	8	2	5	1	3	
Specialist	5	7					1	1		2			
Supervisor / Foreman		13			1	1	1	23	2	4		2	
Supervisor		13			1	1	1	22	2	4		2	
Foreman								1					
Administrative	197	255			29	21	73	102	31	41	27	27	
Operational	8	48			93	32	9	398	267	196	294	94	
Apprentice					6	3			1	10	9	14	
Intern	2												
<b>TOTAL BY GENDER</b>	<b>241</b>	<b>398</b>	<b>1</b>	<b>17</b>	<b>133</b>	<b>62</b>	<b>89</b>	<b>536</b>	<b>303</b>	<b>261</b>	<b>331</b>	<b>142</b>	
TOTAL													
Part-time	2				6	3			1	10	9	14	
Full-time	239	398	1	17	127	59	89	536	302	251	322	128	
<b>TOTAL</b>	<b>241</b>	<b>398</b>	<b>1</b>	<b>17</b>	<b>133</b>	<b>62</b>	<b>89</b>	<b>536</b>	<b>303</b>	<b>261</b>	<b>331</b>	<b>142</b>	

## SOUTH

ECOPONTE		ECO101		ECOVIA		ECOSUL		ECOCA-TARATAS		ECO050 (MIDWEST / SOUTHEAST)		TOTAL	
W	M	W	M	W	M	W	M	W	M	W	M	W	M
													13
	1		1		1		1					2	21
	1		2		1		1		1			11	43
2	3	3	3	3	2	2	4		4	4	4	45	81
2	3	3	3	3	2	2	4		4	4	4	39	71
												6	10
2		1	3		2		2		5	1	2	7	55
2		1	3		2		2		5	1	2	7	54
													1
15	14	29	24	14	9	24	31	31	18	46	24	470	542
36	151	149	143	42	58	123	87	114	123	201	86	1,135	1,330
5	4	11	6	4	2	10	4	7	6			53	49
	1					2		1				5	1
<b>60</b>	<b>175</b>	<b>193</b>	<b>182</b>	<b>63</b>	<b>75</b>	<b>161</b>	<b>130</b>	<b>153</b>	<b>157</b>	<b>252</b>	<b>116</b>	<b>1,728</b>	<b>2,135</b>
													3,863
5	5	11	6	4	2	12	4	8	6	Data un- available			
55	170	182	176	59	73	149	126	145	151				

**OUR PEOPLE** GRI 102-8

<b>By position</b>	<b>Women</b>	<b>Men</b>
Board Member		13
Director	2	21
Manager / Aide	11	43
Coordinator / Specialist	45	81
Coordinator	39	71
Specialist	6	10
Supervisor / Foreman	7	55
Supervisor	7	54
Foreman		1
Administrative	470	542
Operational	1,135	1,330
Apprentice	53	49
Intern	5	1
<b>TOTAL</b>	<b>1,728</b>	<b>2,135</b>
<b>By type of contract</b>	<b>Women</b>	<b>Men</b>
Part-time	58	50
Full-time	1,671	2,083
<b>TOTAL</b>	<b>1,728</b>	<b>2,135</b>
<b>By gender</b>		
Women		1,728
Men		2,135
<b>TOTAL</b>		<b>3,863</b>

The majority of the company's administrative and operational employees work full-time



## HEALTH AND SAFETY

Employees' physical health and well-being is assessed via the company's Integrated Management System, which uses tools aimed at preventing accidents and fatalities, reducing the frequency of illnesses and absenteeism and reinforcing safe behavior in the work force.

Health and safety clauses are integrated into all formal employee union agreements. The topics covered include: presence on accident prevention committees (Cipas), accident communication procedures, inspections, training and grievance and complaint mechanisms. 100% of EcoRodovias employees are covered by collective bargaining agreements. [GRI 102-41](#)

In 2019, the EcoRodovias business units main-

tained their ISO 45001 certification. Regarding legal requirements and good market practices, all the units have representatives on the Internal Accident Prevention Committee (Cipa) and in the Safety Engineering and Occupational Health Service (SESMT). During the year the occupational health and safety committees represented 100% of the work force.

## SAFETY PERFORMANCE - 2019

UNIT	Rates			Types of Incident	
	Frequency	Severity	Typical	Commuting	Disease
Ecorodovias	2.03	30.44	2	1	0
Ecovias dos Imigrantes	18.92	142.43	17	2	0
Ecopistas	25.78	202.20	19	4	0
Ecosul	0.00	0.00	0	0	0
Ecocataratas	21.93	71.78	11	1	0
Ecovia	16.90	29.58	4	0	0
ECO101	12.06	72.34	8	2	0
Ecoponte	11.90	90.41	5	0	0
ECO135	10.38	20,789.66	3	0	0
ECO050	6.20	0.00	2	0	0
Ecopátio	0.00	0.00	0	0	0
Ecoporto	5.49	141.26	7	7	0
<b>TOTAL</b>	<b>11.15</b>	<b>946.81</b>	<b>78</b>	<b>17</b>	<b>0</b>

Forms and methods of calculation:

LTIFR=(Lost Time Injury Frequency Rate x 1,000,000)/man hours worked;

FR = Frequency Rate;

SR = ((Number of days lost + transported + debited) x 1,000,000)/man hours worked;

SR = Severity Rate.

Lost Time Accidents (Typical + Disease)						Days	
Without leave	With leave After 15 Days	With leave Up to 15 days	Fatality	Lost Typical + Diseases	Lost Commuting	Debited	
0	1	2	0	30	5	0	
0	2	15	0	128	9	0	
0	2	17	0	149	106	0	
0	0	0	0	0	0	0	
0	0	10	0	36	1	0	
1	0	3	0	7	0	0	
0	0	8	0	48	0	0	
0	1	4	0	38	0	0	
0	0	2	1	10	0	6,000	
0	0	2	0	0	0	0	
0	0	0	0	0	0	0	
2	2	3	0	180	45	0	
<b>3</b>	<b>8</b>	<b>66</b>	<b>1</b>	<b>626</b>	<b>166</b>	<b>6,000</b>	



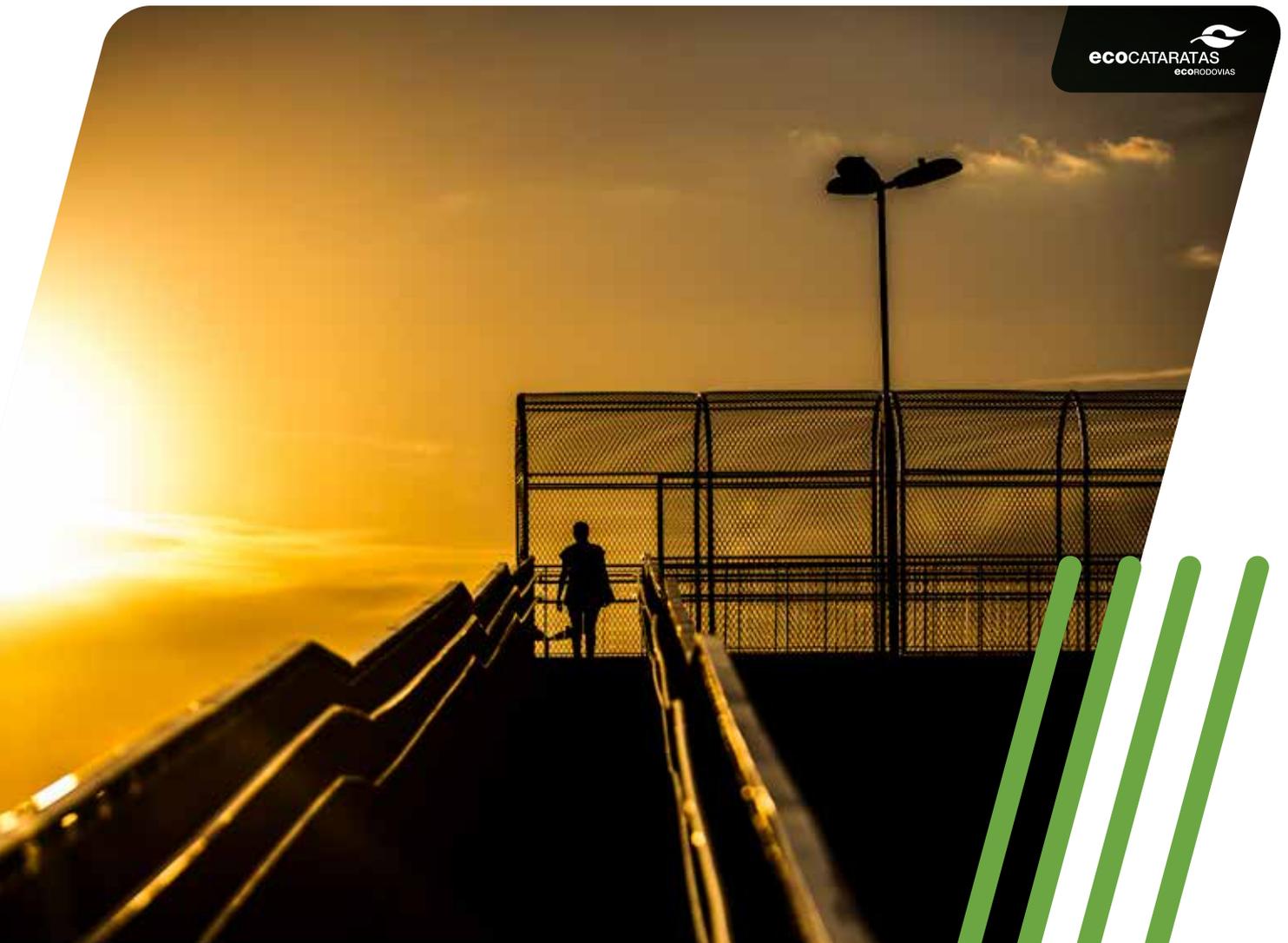
## SOCIAL CAPITAL GRI 102-43, 102-44

EcoRodovias maintains relations with a diverse audience – users, neighboring communities and suppliers, the reason the company pays close attention to their differing needs and to the different impacts caused by the operations.

It is the company's understanding that operational excellence, road safety and the planning of works and projects are key to the users' routines and to the reputation of the business. The Integrated Management System contains a series of indicators related to the user and client experience, covering data

on signs, visibility, traffic flow and control, efficiency in toll services, incident response times and volume of accidents.

In 2019, the User Satisfaction Survey was conducted in the majority of units and the majority of the targets were not reached. The positive aspects indicated were operational and service quality. The survey involved the adoption of different methods, such as telephone interviews and questionnaires, with questions on roadworks, infrastructure, communication channels, support areas and support for traffic flow.



## SATISFACTION SURVEY - CONCESSIONAIRES\*

Sampling	Assessment (%)		
	Positive	Regular	Negative
<b>Ecocataratas</b>			
663	82	15	3
<b>Ecovias dos Imigrantes</b>			
898	88	11.5	0.5
<b>Ecoporto</b>			
51	87	7	6
<b>Ecovia</b>			
604	91	8	1
<b>Ecoponte</b>			
321	82.6	14.6	2.8

\* There was no satisfaction survey for ECO101; a survey was not conducted on Ecopistas during the year.

## RELATIONS WITH USERS - CONTACTS AND TOPICS

Unit	Praise		Complaints	
	Volume	Type of praise	Volume	Type of complaint
Ecovias dos Imigrantes	46	Service provided by employees/traffic/medical aid	330	Fine for evading toll
Ecosul	125	Highway assistance service/breakdown services	818	Objects on road
ECO101	138	Service provided by employees (Assistance / breakdown/ ombudsman)/ Horizontal/vertical road signs	546	Objects on road
Ecocataratas	15	Services provided by employees/structure	785	Objects on road and refunds
Ecopistas	226	Service provided by employees (Assistance / breakdown / medical service/toll)	438	Automatic collection system and objects on road
Ecovia	55	Highway assistance service/breakdown services	730	Irregular paving and refunds
Ecoponte	234	Service provided by employees (Assistance / breakdown / medical service/toll)	79	Automatic collection system

## Communities

GRI 103-1, 103-2, 103-3 | 413, 103-1, 103-2, 103-3 | 201, 413-1

During the course of the year, the company invested R\$ 10,323,800 via tax incentive laws in education, road safety and environmental sustainability projects in the communities neighboring the highways. These investments are assessed by the sustainability committees in each business unit and approved by the Corporate Sustainability Committee.

In addition to strengthening the trust of local residents, these programs enable the mitigation of externalities associated with the highway concession sector, such as the risk of soil and water contamination, accidents with vehicles transporting hazardous loads, pollution and noise, pedestrians being run over or the sexual exploitation of children/young people.

In 2019, six of the eight business units (Ecovias dos Imigrantes, Ecopistas, ECO101, Ecocataratas, Ecosul and Ecoporto) maintained at least one local community engagement program, representing 75% of the company's operations.

Some programs are corporate in scope and conducted in the different units, worthy of note being:

- **Ecoviver:** revolving around environmental education topics (water, energy and waste) for public school students. In 2019, on Ecopistas the project was undertaken in the municipalities of Itaquaquetuba, Taubaté, Jacareí and Caçapava, benefiting some 2,000 students; it was also in place on ECO101 and on Ecosul.
- **De Bem com a Via (Feeling Good):** social and educational activities involving an itinerant theater truck, aimed at socially vulnerable children, adolescents and residents, using schools and community spaces in areas around the highways administered by EcoRodovias and a miniature track. In 2019, the program, which is aligned with the Decade of Road Safety Action (2011-2020), involved a total of nine playful and artistic theater and music presentations, educational games, rounds of talks for 4,000 people in the municipalities of Ibiráçu and Rio Novo do Sul, in Espírito Santo (ECO101).

The Seedling Nursery received the “Good Practices in Employability for Disabled Workers” award from the United Nations in 2018





## OTHER NOTABLE ACTIONS

**Ecosul:** the Health on the Highway program provides users with free blood glucose, blood pressure and cholesterol examinations, as well as nutritional guidance.

**Ecovias dos Imigrantes:** the Train program provides courses for residents in neighboring communities, prisoners in São Paulo state prisons and refugees from diverse nations. Also worthy of note is the Seedling Nursery which promotes the inclusion of employees with intellectual impairment and the production of native seedling species used in environmental compensation programs.

**ECO 101:** works with the Na Mão Certa (The Right Way) program to promote user awareness of sexual exploitation on the highways. The unit also works with the Participative Rapid Diagnosis (DRP), which enables communities to share experiences and interact with municipal authorities and community associations.

**Ecopistas:** the ECO PET projects promotes the collection of PET bottles at seven drop off points on the highway. The material is sent to the school Escola Municipal Ambiental (EMA), where it is used in workshops with children.

**Ecovias dos Imigrantes, Ecopistas and ECS:** the Seedling Nursery promotes the inclusion of 26 people with intellectual impairment. Currently, 29 people are engaged in the production of the native seedlings used in environmental compensation programs in the unit installed on the Anchieta-Imigrantes System.

**Ecoporto:** support for the CREAS POP (Centro de Referência Especializado para População em Situação de Rua) center for street dwellers, a civic assistance initiative by the Santos local government in the Vila Nova district.

**VALUE GENERATION FOR COMMUNITIES WITH COMPANY FUNDS\*** GRI 201-1

Unit	Project	Institution	Amount	Nature of project
Ecopistas	Voluntários do Bem (Volunteers for Good)	Project Making a Difference - ABECAR	R\$ 1,742.00	Education project
Ecopistas	Volunteers for Good	"Novos Idosos" Center for the elderly" (company project in Guararema)	R\$ 840.00	Healthcare project
Ecopistas	Winter Clothing Campaign	Charitable Association Onde Moras - ABOMORAS	R\$ 1,842.00	Healthcare project
Ecoponte	Donate your change (user donations)	Instituição Espaço Nossos Filhos - IENF	R\$ 19,129.50	Education project
Ecoponte	Support for Instituição Espaço Nossos Filhos (IENF) - Re-use of tarpaulins	Instituição Espaço Nossos Filhos - IENF	R\$ 12,530.00	Education project
Ecoponte	Train	Firjan/SESI (Rio de Janeiro state Industry Social Service)	R\$ 1,037,886.19	Education project
Ecoponte	Support for Instituição Espaço Nossos Filhos (IENF)	Instituição Espaço Nossos Filhos - IENF	R\$ 10,400.00	Education project
Ecoporto	World River and Beach Clean up Day	Instituto Mar Azul - IMA	R\$ 4,120.00	Environmental education project
Ecosul	Winter Clothing Campaign	Community from 14 municipalities	R\$ 2,000.00	Healthcare project
Ecosul	Children's Road Safety Education	School community from 14 municipalities	R\$ 5,000.00	Education project
Ecosul	Saúde na Estrada (Health on the highway)	Users of Pelotas highway hub	R\$ 4,000.00	Healthcare project
Ecosul	Ecosul Athletics Circuit	Community from 14 municipalities	R\$ 24,000.00	Sport project

Unit	Project	Institution	Amount	Nature of project
Ecovias dos Imigrantes	Train	Neighboring communities	R\$ 10,091.73	Education project
Ecovias dos Imigrantes	Winter Clothing Campaign	Social funds for homes for the elderly and shelters	R\$ 3,998.00	Healthcare project
Ecovias dos Imigrantes	Clean House	Neighboring communities	R\$ 797.40	Preservation and/or reclamation of degraded areas project

\* Does not include investments via tax incentive laws.



## Public authorities

GRI 102-13

Due to the nature of its business, EcoRodovias is in constant contact with municipal, state and federal governments, as well as sector associations. All the company units are submitted to external audits, in line with national legislation and good governance and compliance practices. The practice of monitoring, mitigating and responding to risks associated with external relations helps the company to address and overcome crisis situations rapidly and effectively.

The group is compliant with Brazilian electoral legislation, which prohibits companies from contributing funds to election campaigns. The company contributes to public policy agendas via the highway concession sector

association ABCR (Associação Brasileira de Concessionárias de Rodovias), responsible for presenting suggestions on public policies and addressing local challenges related to infrastructure, mobility and increased competitiveness in the country.

The company does not undertake lobbying, neither does it seek to influence concession authorities, except in cases involving the legitimate interests of the company or the sector as a whole. The company condemns anti-competitive behavior, bribery, corruption, fraud, trusts and monopolies, as is indeed set forth in its Code of Business Conduct. (*further information on page 24*).

## Supplier chain

GRI 102-9, 103-1, 103-2, 103-3 | 308, 308-2

The company has a broad relationship network, with more than 10,300 active suppliers in different areas, 4,260 of which were used in 2019. These include special and diverse services, materials and equipment; materials provoking environmental impact; essential and mandatory services related to agreements with the Highway Police (Federal and state of São Paulo) and large-scale suppliers.

Today, the contracting of services – coordinated by the Procurement area – is based on a strategic new selection process that assesses suppliers for financial and social aspects, for example. This enables the group to undertake a more critical classification of its partnerships in order to prevent risks, improve operational and financial results and contribute to local development.

Since last year, the segmentation of procurement processes by category has been undergoing refinement. The company has implemented SAP Ariba, a software used to manage the contracting process and minimize risks in the supply chain. On the other hand, there is a process to identify critical areas in which EcoRodovias has few options of potential suppliers. In this case, the company assesses the competitive contenders who can add value for its operations.

Worthy of note during the year was an initiative linked with innovation. By means of a workshop, suppliers from different areas were invited to share ideas aimed at service provision for clients in diverse segments. The objective was to exchange experiences that could be applied or serve as a reference for the company and for the other participants.





# 65

company suppliers were screened for environmental impacts 47 of them were identified as causing significant impact



**ecovias**  
ecorodovias

## RELATIONS BASED ON GOOD PRACTICES

Supplier relations are conducted in accordance with the Code of Business Conduct. This means that contracting processes may be blocked in the event of social or environmental non-conformance. The company's Supplier Management Process assesses the level of compliance with the quality and sustainability standards required in the supply chain. The initiative is aimed at obtaining formal commitment from critical suppliers, monitoring their performance against predefined requirements.

More than 60 suppliers were screened using environmental impact assessment criteria in 2019. The more critical suppliers include those providing the following services: pre-hospital care and breakdown assistance, building and fleet maintenance, special art work maintenance, horizontal and vertical road signs, involving risks such as soil and water contamination.



# 100%

of the group's units have integrated environmental management systems

## NATURAL CAPITAL



The company has established environmental targets set forth in its strategic planning, aimed at reducing the impacts the business causes on the environment. Accordingly, all the units adopt the integrated management system (IMS) to monitor indicators, assess investments and pursue improvements in terms of noise generation, interference with ecosystems and biodiversity, use of natural resources, environmental accidents, greenhouse gas emissions, among others.

An essential component here is the adoption of the Sustainable Development Goals (SDGs) and the inclusion of environmental topics in the company's Sustainability Guidelines. Certifications such as ISO 9001, ISO 14001, ISO 45001 and ISO 39001 - in all group concessions except for those acquired recently - help drive quality, health, safety and environmental care.

In addition to careful management of its impacts, measured by the consumption of natural resources, the generation of waste and effluents and emissions levels, EcoRodovias pays close attention to innovation in the products and sub-products associated with the business segment.

The Ecorodovias Paving Laboratory has been in existence for 17 years. It is engaged in conducting tests and research into materials that have a lower environmental impact and provide a positive financial and environmental return for all the group's business units. In 2019, a total of 576 tests were conducted, 68.58% for Ecovias dos Imigrantes and 31.42% for the other units.

## ENVIRONMENTAL IMPACT MITIGATION MEASURES IN THE CONCESSIONAIRES

<b>Materials</b>	<p>Use of recyclable material            Donation of reclaimed material (Ecocataratas – more than 31,000 tons donated to the highway administration department Departamento de Estradas e Rodagem in 2019)            Use of reclaimed asphalt material (Ecopistas, Ecovias dos Imigrantes and Ecosul)            Donation of tarpaulins (Ecoponte)            Use of asphalt-rubber (reuse of rubber from tires), water-based paints and binders</p>
<b>Water</b>	<p>Educational campaigns            Rainwater harvesting system in toll plazas (to supply fire-fighting equipment and water tankers)            Installation of tanks (Ecocataratas – implantation of six units)</p>
<b>Emissions</b>	<p>Implantation of telemetrics            Meetings with service providers addressing efficiency            Training in economical driving            Prioritizing use of ethanol            Vehicle preventive maintenance plans            Monitoring of diesel-powered vehicle exhaust emissions            Emissions offsetting/carbon credits under the Amigo do Clima program (<i>further information at the beginning of the report</i>)</p>
<b>Effluents</b>	<p>Implantation of compact wastewater treatment plants (Ecocataratas)            Adequate destination sanctioned by environmental authorities            Use of wetlands systems at the administrative headquarters (Ecosul)</p>
<b>Waste</b>	<p>Educational campaigns and Selective Waste Collection Program            Proper disposal of recyclable waste to partnering companies            Use of ecological asphalt in road paving conservation and in new roadworks</p>
<b>Noise pollution</b>	<p>Implantation of basic environmental plan and noise studies in the operating units            Noise measurements on extensions of the highways            Planting and maintenance of vegetation along highways</p>

# Climate and emissions

GRI 103-1, 103-2, 103-3 | 201, 103-1, 103-2, 103-3 | 305, 201-2

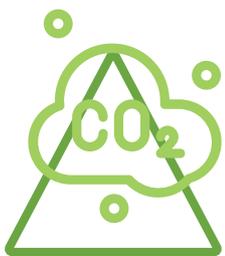
Climate change is one of the components addressed in the company's strategic planning, in view of potential impacts such as the reduction or variation in traffic, the occurrence of extreme events that lead to crop shortfalls, affecting toll revenues from commercial vehicle traffic.

EcoRodovias employs instruments to monitor the climate in the regions in which it operates, in addition to making projections and analyzing the demand for traffic and tracking agricultural crop production and traffic demands. The reduction in revenues is a risk for the company's concessionaires related to events such as the limitation of traffic and operational problems, as well as extreme events that could damage highway infrastructure and/or affect commodity crops, particularly in the business units operating overseas trade and tourism corridors.

Nevertheless, climate may also represent an opportunity in relation to the growing adoption of renewable fuels for EcoRodovias' own fleets, as well as the possible future imposition of carbon taxes by regulatory authorities, considering the company's potential for differentiation in this segment.

Given this conjuncture, all the EcoRodovias units conduct analyses in pursuit of improving their energy efficiency and controlling the carbon footprint of their operations, including the concessionaire operational teams, the administrative areas and their facilities and infrastructure. The company assumes commitments related to greenhouse gas emissions in the highway concessions and the Ecoporto.

The volume of emissions is calculated annually based on GHG Protocol methodology. The group's emissions are managed using Climas software. There was a 134% increase in the inventories from 2018 to 2019, due mainly to the entry into operation of two new concessions in 2019 (ECO050 and ECO135) and to improvements in the mapping and inventory processes. The more intense volume of construction works in the new units led to an increase in emissions related to soil use and movement.



## 2.76 ton/ employee

EcoRodovias emissions intensity in 2019\* GRI 305-4

\* Taking into account only operational emissions and excluding emissions related to soil use and movement.



**Emissions in metric tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e)\*** GRI 305-1, 305-2, 305-3

GHG (t)	Scope 1	Scope 2	Scope 3
CO <sub>2</sub>	29,197	2,183.6	3,163.72
CH <sub>4</sub>	52.15	-	769.38
N <sub>2</sub> O	291.49	-	27.59
HFCs	586.01	-	-
<b>TOTAL</b>	<b>30,126.65</b>	<b>2,183.6</b>	<b>3,960.69</b>

**Emissions in metric tons of biogenic CO<sub>2</sub> (t)\*** GRI 305-1, 305-2, 305-3

GHG (t)	Scope 1	Scope 2	Scope 3
CO <sub>2</sub>	3,348.38	-	165.17
<b>TOTAL</b>	<b>3,348.38</b>	<b>-</b>	<b>165.17</b>

\*Source GWP: IPCC 2013.


**ENERGY EFFICIENCY** GRI 103-1, 103-2, 103-3 | 302, 302-4

The company's has an Energy Efficiency Program to assess investments in technologies, modernization of highways and the administrative areas, as well as improvements in the use of energy sources. This is because energy consumption represents a significant cost for the units and contributes to the business's carbon footprint.

In 2019, the increase in total energy consumption was due to the higher use of fuel, ethanol and electricity, resulting from the increase in the scope of the indicators from the expansion of the organization.

During the year, projects were implanted to modernize equipment and processes and to boost employee awareness. In Ecopistas, there was a reduction in energy consumption due to retrofit projects for the illumination of footbridges, viaducts, tunnels and toll plazas, as well as the implantation of photovoltaic panels. Ecovias dos Imigrantes recorded a decrease of 1.8 million kWh compared with the previous year. Similarly, Ecosul implanted consumption reduction campaigns, installed LED lighting and introduced telemetrics and fleet renewal measures, ending the 2019 with a 109,269.81 kWh reduction in electricity consumption and fuel consumption savings of 22,447.72 liters.

## CARBON NEUTRAL ECO135

Reflecting the company's efficiency and impact control efforts, ECO135 is an EcoRodovias concessionaire that was born carbon neutral.

Two important energy efficiency projects were implanted on this highway in 2019. One of these was the installation of 96 solar energy panels with an offgrid battery bank (not using the concessionaire's energy), for the unit's radio communication system. With an investment of R\$ 1 million, the measure resulted in savings of R\$ 42,600 during the year. Another project entailed the implantation of ten fixed radars along the highway powered by photovoltaic panels, also using an offgrid system. The R\$ 736,600 investment yielded a return of R\$ 16,934.40 in the year.

### EMISSIONS(tCO<sub>2</sub>e)

#### SCOPE 1



#### SCOPE 2



#### SCOPE 3



The increase in emissions is due to the growth of the concession portfolio



**2,082,292.16**  
**kWh**

Increase in energy consumption in 2019



**32,491.62**  
**liters**

Increase in use of fuel



#### ENERGY CONSUMPTION (GJ\*) GRI 302-1

	Fuel	2018	2019
Non-renewable fuels	Diesel / Brazil	93,290.73	125,236.35
	Liquefied petroleum gas (LPG)	8,141.78	4,121.16
	Vehicle natural gas	2,587.74	1,088.08
	Gasoline / Brazil	13,179.01	16,498.79
Renewable fuels	Biodiesel	43.30	0.00
	Hydrated ethanol	19,817.07	32,882.83
Acquired electrical energy	Electricity / Brazil	103,222.49	105,619.62
<b>TOTAL</b>		<b>240,282.13</b>	<b>285,446.83</b>

\* Conversion factor: ANEEL [http://www2.aneel.gov.br/arquivos/pdf/atlas\\_fatoresdeconversao\\_indice.pdf](http://www2.aneel.gov.br/arquivos/pdf/atlas_fatoresdeconversao_indice.pdf)

# Water

GRI 103-1, 103-2, 103-3 | 303, 303-1

The units have water consumption targets and invest in reducing use of this resource through flow control tools and reutilization technologies. There was a slight increase in water consumption in 2019.

## WATER CONSUMPTION

Source	Volume (m <sup>3</sup> )		
	2017	2018	2019
Ground water	67,936.61	74,844.6	87,527.56
Rain water	6,205	6,000	---
Municipal supply	38,788.06	37,374.76	38,093.86
Effluents reused	22	---	---
Others	398	2,255	1,755
<b>TOTAL</b>	<b>113,349.67</b>	<b>120,474.36</b>	<b>127,376.42</b>



Waste generation GRI 306-2		2018	2019		Disposal method
Class I	Diverse types of hazardous waste (from road accidents and others)	136,351.00	239,573.60	Kg	Landfill; incineration; reutilization
	Fluorescent lights	5,243.10	1,231.00	Uni	On-site storage; landfill; recycling; recovery
	Pre-hospital care waste	3,611.39	628.45	m <sup>3</sup>	Landfill; incineration
Class II	Reclaimed material	8,131,877.08	78,356.21	m <sup>3</sup>	On-site storage; recycling; reutilization
	Recyclable	1,065,640.84	708,654.72	Kg	Recycling; reutilization
	Civil construction solid waste	52,919.68	16,015,678.97	m <sup>3</sup>	On-site storage; landfill; recycling; reutilization
	Solid waste (non-usable tires and pieces of rubber)	237,774.00	190,227.90	Kg	On-site storage; landfill; recycling
	Organic solid or non-recyclable waste	4,759,991.00	6,055,673.62	kg	Landfill

Waste management is based on the premises of prioritizing recycling and the reutilization of materials



**CONSUMPTION OF MATERIALS** GRI 301-1

<b>Non-renewable</b>	<b>Unit of measurement</b>	<b>Total 2018</b>	<b>Total 2019</b>
Reclaimed material	tons	146,498.47	124,548.05
Asphalt mixture with CAP 50/70	tons	72,261.29	54,798.35
Asphalt mixture with rubber CAP	tons	331,192.74	428,015.48
Asphalt mixture with polymer CAP	tons	5,019.39	8,856.16
Reclaimed mixture with aggregate and cement	tons	43,418.34	36,642.42
Reclaimed mixture with asphalt foaming	tons	10,767.39	9,979.01
Water-based highway paint	liters	430,263.35	503,923.89
<b>Renewable</b>		<b>Total 2018</b>	<b>Total 2019</b>
Paper (use in office)	reams	6,134.00	2,648.86
Printing paper for toll tickets	rolls	106,214.00	88,742.20

**RECYCLED MATERIAL** GRI 301-2

<b>Non-renewable</b>	<b>Unit</b>	<b>Percentage (%)</b>
Reclaimed material	Ecocataratas; Ecoporte; Ecosul; Ecovia	100
	Ecopistas	0.49
Asphalt mixture with CAP rubber	ECO101	0.71
	Ecovia	100
Reclaimed mixture with asphalt foaming	Ecopistas	100
<b>Renewable</b>	<b>Unit</b>	<b>Percentage (%)</b>
Paper (use in office)	Ecocataratas	50.72
	Ecopistas; Ecoporte; Ecosul; Ecovia	100
	Ecovias dos Imigrantes	48.60
Paper for printing toll tickets	Ecopistas	100

# Coexisting with biodiversity

GRI 103-1, 103-2, 103-3 | 304, 304-2

Diverse protection and conservation measures are adopted by EcoRodovias, which is present in regions of the country (South, Southeast, Midwest and Northeast) with different biodiversity factors and contexts. These measures are aimed particularly at reducing impacts related to highway network expansion works, accidents with hazardous or chemical products, running over animals, contamination of the air, alterations in soil quality, proliferation of pests and the suppression of native vegetation, among other aspects. The company maintains teams, technologies and action plans to address events and incidents.

Over time, a series of measures have been adopted to prevent animals from being run over. All the concessionaires monitor local fauna, using specialized consultancies. Signs and billboards are posted at the sides of the highway indicating the existence of wild animals in the location. The company expects to

promote user awareness of speed limits and the risk of accidents.

In the locations with higher incidence of animals, the company installs protective fences and structures that enable the animals to cross the highway (such as on the Carvalho Pinto highway, administered by Ecopistas). The Hold the Animal campaign is aimed at warning surrounding communities to not allow their animals close to the highways so they do not cause accidents.

The company also runs nurseries to produce native plant seedlings in order to preserve biodiversity. Ecovias dos Imigrantes, Ecopistas and ECO101 employ these seedlings for replanting to compensate construction works on the concessions. These spaces are also used to promote awareness activities for neighboring communities.

## SEEDLING NURSERY





## WEALTH OF BIODIVERSITY

Six concessionaires are located close to or inside protected areas or areas of high biodiversity value

ECO 101: Sooretama Biological Reserve and Goytacazes National Forest

Ecocataratas: Iguazu National Park

Ecopistas: Tietê Ecological Park

Ecoponte: Guanabara Bay

Ecovia: Guaratuba Environmental Protection Area (APA)

Ecovias dos Imigrantes: Serra do Mar State Park and Billings Reservoir Permanent Protection Area (APP)

## Ecosystem services

In partnership with Fundação Getulio Vargas (FGV) and other institutions, the company has developed projects based on the Business Guidelines for the Valuation of Ecosystem Services, such as:

**Ecocataratas and Ecovia:** the concessionaires with access to the Iguazu Falls, to the coast and the Port of Paranaguá in Paraná, have priced the impact of recreation and tourism on ecosystem services in the region. It was estimated that between 3.2 million and 3.8 million tourists spend from R\$ 39.7 million to R\$ 69.6 million during the year.

**Ecosul:** conducted a study on water supply in terms of dependence and the externalities of the business, for SAL Rio Grande. This initiative is important in situations where a water withdrawal permit has not been granted for the opening of SAL, which could result in fines and other risks, such as the interruption of activities.

**Ecopistas:** project to recuperate slopes on the highway using coconut fiber mantles to decrease soil erosion. Based on tests and the

verification of costs, a potential reduction of 92.7 tons of waste material per year was projected with the control of over 50% of the material generated by erosion processes.

**Ecovias dos Imigrantes:** the concessionaire conducted a study on the impacts and benefits of a project to implant a downhill carriageway for the Imigrantes highway in the Anchieta-Imigrantes system (SAI), with longer tunnels and modern viaducts. The objective of reducing impacts on the remnants of native vegetation in this stretch of the São Paulo coastal range Serra do Mar was verified, with the deforestation of only 40 hectares, compared with 1,600 in the initial plan.

In recent years, EcoRodovias studies have sought to map the relationship between its businesses and ecosystem services

# GRI CONTENT SUMMARY

## STANDARD DISCLOSURES

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
GRI 101: Foundation 2016				
	GRI 101 no disclosures			
Organizational profile				
GRI 102: Standard disclosures 2016	<b>102-1</b> Name of organization	12		
	<b>102-2</b> Activities, brands, products and services	14		
	<b>102-3</b> Location of headquarters	12		
	<b>102-4</b> Location of operations	14		
	<b>102-5</b> Ownership and legal form	12		
	<b>102-6</b> Markets served	12		
	<b>102-7</b> Scale of organization	12, 14		
	<b>102-8</b> Information about employees and other workers	76, 77, 78		
	<b>102-9</b> Supply chain	88		
	<b>102-10</b> Significant changes in the organization and its supply chain	15		
	<b>102-11</b> Precautionary principle or approach	62, 63		
	<b>102-12</b> Initiatives developed externally	43		
	<b>102-13</b> Membership of associations	88		
Strategy				
GRI 102: Standard disclosures 2016	<b>102-14</b> Declaration from senior decision maker	8		
	<b>102-15</b> Main impacts, risks and opportunities	8		

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
<b>Ethics and integrity</b>				
GRI 102: Standard disclosures 2016	<b>102-16</b> Values, principles, standards and norms of behaviour	13, 25		16
<b>Governance</b>				
GRI 102: Standard disclosures 2016	<b>102-18</b> Governance structure	18		
<b>Stakeholder engagement</b>				
	<b>102-40</b> List of stakeholder groups	44, 45		
	<b>102-41</b> Collective bargaining agreements	79		8
GRI 102: Standard disclosures 2016	<b>102-42</b> Identifying and selecting stakeholders	44, 45		
	<b>102-43</b> Approach to stakeholder engagement	44, 45, 82, 83		
	<b>102-44</b> Key topics and concerns raised	44, 45, 82, 83		
<b>Reporting practice</b>				
	<b>102-45</b> Entities included in the consolidated financial statements	The report presents the same business units contained in the group's Financial Statements.		
GRI 102: Standard disclosures 2016	<b>102-46</b> Defining report content and topic boundaries	4		
	<b>102-47</b> List of material topics	44, 45		
	<b>102-48</b> Restatements of information	4		
	<b>102-49</b> Changes in reporting	4		

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
GRI 102: Standard disclosures 2016	<b>102-50</b> Reporting period	4		
	<b>102-51</b> Date of most recent report	April 2019.		
	<b>102-52</b> Reporting cycle	Annual.		
	<b>102-53</b> Contact point for questions regarding the report	Any doubts or comments related to the content and indicators of this document may be addressed to the Sustainability area and the Investor Relations team.		
	<b>102-54</b> Claims of reporting in accordance with the GRI Standards	Core.		
	<b>102-55</b> GRI Content Index	102		
	<b>102-56</b> External assurance	Yes. See pages 112 and 113.		

## MATERIAL TOPICS

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
<b>Economic performance</b>				
GRI 103: Management approach 2016	<b>103-1</b> Explanation of material topic and its boundary	66-71, 86, 87, 92		
	<b>103-2</b> Management approach and its components	66-71, 86, 87, 92		1, 5, 8, 16
	<b>103-3</b> Evaluation of management approach	66-71, 86, 87, 92		
GRI 201: Economic performance 2016	<b>201-1</b> Direct economic value generated and distributed	70, 71, 86, 87		2, 5, 7, 8, 9
	<b>201-2</b> Financial implications and other risks and opportunities due to climate change	92		13
<b>Indirect economic impacts</b>				
GRI 103: Management approach 2016	<b>103-1</b> Explanation of material topic and its boundary	37, 38		
	<b>103-2</b> Management approach and its components	37, 38		
	<b>103-3</b> Evaluation of management approach	37, 38		
GRI 203: Indirect economic impacts 2016	<b>203-1</b> Infrastructure investments and services supported	38		2, 5, 7, 9, 11
<b>Anti-corruption</b>				
GRI 103: Management approach 2016	<b>103-1</b> Explanation of the material topic and its boundary	25, 26, 27		
	<b>103-2</b> Management approach and its components	25, 26, 27		
	<b>103-3</b> Evaluation of management approach	25, 26, 27		

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
GRI 103: Management approach 2016	<b>205-2</b> Communication and training about anti-corruption policies and procedures	26		16
	<b>205-3</b> Confirmed cases of corruption and measures taken	27		16
<b>Materials</b>				
GRI 103: Management approach 2016	<b>103-1</b> Explanation of material topic and its boundary	90, 91		
	<b>103-2</b> Management approach and its components	90, 91		
	<b>103-3</b> Evaluation of management approach	90, 91		
GRI 301: Materials 2016	<b>301-1</b> Materials used by weight or volume	98		8, 12
	<b>301-2</b> Recycled input materials used	98		8, 12
<b>Energy</b>				
GRI 103: Management approach 2016	<b>103-1</b> Explanation of material topic and its boundary	90, 91, 93, 94, 95		
	<b>103-2</b> Management approach and its components	90, 91, 93, 94, 95		
	<b>103-3</b> Evaluation of management approach	90, 91, 93, 94, 95		
GRI 302: Energy 2016	<b>302-1</b> Energy consumption within the organization	95		7, 8, 12, 13
	<b>302-4</b> Reduction of energy consumption	93		7, 8, 12, 13

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
<b>Water</b>				
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary	90, 91, 96		
	<b>103-2</b> Management approach and its components	90, 91, 96		
	<b>103-3</b> Evaluation of management approach	90, 91, 96		
GRI 303: Water 2016	<b>303-1</b> Total water withdrawn by source	96		6, 7
	<b>303-3</b> Percentage and total volume of water recycled and reused	The company did not reuse rain-water or wastewater in 2019		
<b>Biodiversity</b>				
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary	99, 100, 101		
	<b>103-2</b> Management approach and its components	99, 100, 101		
	<b>103-3</b> Evaluation of management approach	99, 100, 101		
	<b>304-2</b> Significant impacts of activities, products, and services on biodiversity	99, 100, 101		6, 14, 15
<b>Emissions</b>				
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary	90, 91, 92, 93, 94		
	<b>103-2</b> Management approach and its components	90, 91, 92, 93, 94		
	<b>103-3</b> Evaluation of management approach	90, 91, 92, 93, 94		
GRI 305: Emissions 2016	<b>305-1</b> Direct (Scope 1) GHG emissions	93		3, 12, 13, 14, 15
	<b>305-2</b> Energy indirect (Scope 2) GHG emissions	93		3, 12, 13, 14, 15

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
GRI 305: Emissions 2016	<b>305-3</b> Other indirect (Scope 3) GHG emissions	93		3, 12, 13, 14, 15
	<b>305-4</b> GHG emissions intensity	92		13, 14, 15
	<b>305-5</b> Reduction in GHG emissions	There was no reduction.		13, 14, 15
<b>Effluents and waste</b>				
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary	90, 91		
	<b>103-2</b> Management approach and its components	90, 91		
	<b>103-3</b> Evaluation of management approach	90, 91		
	<b>306-2</b> Waste by type and disposal method	97		3, 6, 12

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
GRI 103: Management approach 2016	<b>306-3</b> Significant spills	There were spills in company units: two on Ecovia (soy lecithin, 24,000 kg, and toluene, 0.20 m <sup>3</sup> ); four on Ecocataratas (0.04 m <sup>3</sup> of diesel oil, 3 m <sup>3</sup> of mixture of water and oil, 0.10 m <sup>3</sup> of diesel oil and 18,000 kg of urea); one on ECO101 (0.42 m <sup>3</sup> of fossil fuel); eight on Ecosul (seven of diesel oil and one related to 1,798 kg of 30% hydrochloric acid); 16 at Ecoporto (related mainly to hydraulic oil, lagonite, non-classified medication and mixture of propylene glycol); four on Ecovias dos Imigrantes (including 24,000 kg of caustic soda; 49,700 kg of sulphuric acid, 30,000 kg of gasoline and alcohol and 26,100 kg of liquid sulphur); and three on Ecopistas (petroleum distillates, nitrous oxide, alcohol and diesel). All of these were handled by the emergency response teams, with the containment and transshipment of the materials, transmission of safety messages, placement of signs on the hard shoulders and cleaning of the carriageways and terminals.		3, 6, 12, 14, 15

### Supplier environmental assessment

GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary	88
	<b>103-2</b> Management approach and its components	88
	<b>103-3</b> Evaluation of management approach	88
GRI 308: Environmental assessment of suppliers 2016	<b>308-2</b> Negative environmental impacts in the supply chain and actions taken	88

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
<b>Local communities</b>				
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary	84, 85, 86, 87		
	<b>103-2</b> Management approach and its components	84, 85, 86, 87		
	<b>103-3</b> Evaluation of management approach	84, 85, 86, 87		
GRI 413: Local communities 2016	<b>413-1</b> Operations with local community engagement, impact assessment and development plans implemented	84, 85		
<b>Consumer health and safety</b>				
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary	62, 63, 64, 65		
	<b>103-2</b> Management approach and its components	62, 63, 64, 65		
	<b>103-3</b> Evaluation of management approach	62, 63, 64, 65		
GRI 416: Customer health and safety 2016	<b>416-1</b> Assessment of the health and safety impacts of product and service categories	62, 63		
	<b>416-2</b> Incidents of non-compliance concerning the health and safety impacts of products and services	A total of 282 incidents of non-compliance were reported involving fines or penalties. These were related mainly to safety (potholes, animals and objects on the carriageway), non-authorized tags , floods, potholes in area of right of way, unwarranted toll charges and accidents involving collisions.		16

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
<b>Socio-economic compliance</b>				
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary	23, 24, 25		
	<b>103-2</b> Management approach and its components	23, 24, 25		
	<b>103-3</b> Evaluation of management approach	23, 24, 25		
GRI 419: Socio-economic compliance 2016	<b>419-1</b> Non-compliance with laws and regulations in the social and economic area		There were only significant fines for the ECO101 highway (amounting to R\$ 16,571.86), related to the non-provision of PPE and the implantation of health and safety programs.	

## Sustainable Development Goals

1. Eradication of poverty
2. End hunger and promote sustainable agriculture
3. Health and well-being
4. Quality education
5. Gender equality
6. Clean water and sanitation
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry, innovation and infrastructure
10. Reduction in inequalities
11. Sustainable cities and communities
12. Responsible consumption and production
13. Climate action
14. Life below water
15. Life on land
16. Peace, justice and strong institutions
17. Partnerships for the goals

# ASSURANCE

Letter of assurance



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## Limited assurance report issued by independent auditors

To the Board of Directors, Shareholders and Stakeholders  
**Ecorodovias Infraestrutura e Logística S.A.**  
 São Paulo - SP

### Introduction

We have been engaged by Ecorodovias Infraestrutura e Logística S.A. ("Ecorodovias" or "Company") to apply limited assurance procedures on the sustainability information disclosed in 2019's Sustainability Report, related to the year ended December 31<sup>st</sup>, 2019.

### Responsibilities of Ecorodovias' Management

The Management of Ecorodovias is responsible for adequately preparing and presenting the sustainability information in the Sustainability Report 2019 in accordance with the Standards for Sustainability Report of Global Reporting Initiative – GRI (GRI-Standards), as well as 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 Sustainability Report 2019 based on a limited assurance engagement conducted in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI-Standards) and the methodology developed globally by KPMG for assurance of social and environmental information disclosed in sustainability reports denominated KPMG Sustainability Assurance Manual - KSAM, applicable to historical non-financial 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 Ecorodovias' Sustainability Report 2019, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI-Standards) and the KPMG Sustainability Assurance Manual - KSAM consists mainly of questions and interviews with the Management of Ecorodovias and other professionals of the Company involved in the

preparation of the information disclosed in the Sustainability Report 2019 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 Sustainability Report 2019 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 Sustainability Report 2019, 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 Ecorodovias' 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 Ecorodovias' Sustainability Report 2019. 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 Sustainability Report 2019 and its structure and content, based on the Principles of Content and Quality of the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI-Standards);
- (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 Sustainability Report 2019;
  - analysis of evidence supporting the disclosed information;
  - visits to Ecorodovias' operations and to the corporate office for application of these procedures, and items (b) and (c);
- (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 Sustainability Report 2019.

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 carried out, described earlier in this report, we have not identified any relevant information that leads us to believe that the information in the 2019 Sustainability Report of Ecorodovias is not fairly stated in all material aspects in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI-Standards), as well as its source records and files.

São Paulo, August 25<sup>th</sup>, 2020

KPMG Financial Risk & Actuarial Services Ltda.

  
Ricardo Algis Zibas  
Principal



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