

## **Wilson Sons publishes its first Sustainability Report covering ESG practices in 2021**

*The report was published six months after the company's inclusion in B3's Novo Mercado listing segment. ESG initiatives include reduced CO<sub>2</sub> emissions from new tugboats to be built*

This Thursday (May 5<sup>th</sup>), Wilson Sons, Brazil's largest integrated port-shipping operator, publishes its first report entirely dedicated to its sustainability actions after more than 180 years in operation. The report was published six months after Wilson Sons shares were listed on B3's Novo Mercado (PORT3), which demonstrates the company's commitment to ensuring transparency in its social, environmental and governance activities.

“Releasing a report specifically focusing on Sustainability demonstrates Wilson Sons’ maturity in the ESG agenda, which is gaining increased relevance on a global level. This is a step forward in our journey, which will certainly evolve throughout this year, generating even more value for our investors and other stakeholders,” says Wilson Sons CEO Fernando Salek.

### **Shipping: less carbon intensive**

The Sustainability Report describes the actions taken throughout 2021 and the figures reveal the company's resilience in a year dramatically impacted by the pandemic. Regarding 2020, net revenues in BRL rose about 18%, with heavy demand for the company's operations, which are key to the country's economy. Accounting for 90% of the global trade, shipping is less intensive in carbon dioxide (CO<sub>2</sub>) emissions compared to road and rail transport. It has high capacity and lower variable costs, allowing connections, high energy efficiency and economies of scale.

### **Environmental policies and practices**

Wilson Sons listed the four most relevant environmental topics: Emissions and Climate Change; Energy; Water Resources and Solid Waste; and Impact on Marine Ecosystems. To reduce the impact of its activities on the environment, the company has been pursuing opportunities to decarbonize its energy mix.

Since 2014, the company has been voluntarily publishing its Inventory of Greenhouse Gas (GHG) Emissions. In 2021, Wilson Sons attained the gold-seal certified by the GHG Protocol, a Brazilian program that encourages and supports corporations in their efforts to prepare and publish inventories of greenhouse gas (GHG) emissions.

Seeking to promote a low carbon economy, Wilson Sons took a range of actions and incorporated technologies to reduce fuel consumption and emissions from its tugboat fleet responsible for its greenhouse gas emissions. These actions include the Tugboat Operations Center (COR) activity in Brazil, development of dispatch optimization algorithms, incentive programs for crews that exceed

operational efficiency targets, and six new tugboats with a new hull design for greater operational efficiency with lower fuel consumption.

The new tugboats will bring to Brazil an innovative concept of vessel hulls, for an estimated reduction of up to 14% in greenhouse gas emissions compared to the previously used technology, due to their greater hydrodynamic efficiency. Since the Tugboat Operations Center was set up more than ten years ago, it has been supporting the controlled and efficient handling of 80 tugboats. Tugboats are only operated when necessary, with the ideal equipment and at an optimal speed, maximizing energy efficiency and consequent control of emissions. With the development of a module using Artificial Intelligence technology, the Center will further support operations with lower fuel consumption.

In another demonstration of its commitment to reducing emissions, Wilson Sons incorporated into its risk matrix the identification and management of threats and opportunities related to climate change. The company now assesses the risks and opportunities related to a low-carbon economy, evaluating scenarios, current practices and future projections for the company's business, following the TCFD (Task Force on Climate-Related Financial Disclosures) methodology.

In collaboration with suppliers, startups, education institutions and other partners, Wilson Sons has been developing experiences and technologies towards significant carbon emission reduction. Besides, the company plans and establishes different energy acquisition and consumption strategies, seeking to identify, promote and replicate programs for greater operational efficiency gains from the use of saved energy. A recent example is a collaboration with SINAI Technologies to develop a marginal carbon abatement cost curve.

Solid waste management is also important at Wilson Sons, as it promotes recycling and reuse to mitigate pollution. Workforce awareness initiatives were implemented, including the recycling of uniforms, transformed into blankets for the homeless and for pets. In 2021, the project produced 510 recycled blankets. Management of water resources is another key factor in Wilson Sons. The company develops initiatives to reuse and store rainwater. In 2021, over four thousand cubic meters of water were reused in container terminals, offshore support bases and logistics centers.

Since 2015, at Tecon Salvador, it has maintained a program to reuse residual water from equipment washing. In 2021, the unit reused over 2,000 cubic meters of water. Also, to manage water efficiently, the terminal has a remote monitoring system that allows controlling the volume of consumption and potential leaks.

At Tecon Rio Grande, the company collects and treats water from air conditioning equipment and maintains rainwater collection systems. The terminal has a system that removes and treats oil from equipment washing water for future reuse.

### **Social and environmental responsibility**

Last year, the company supported more than a dozen social and environmental responsibility projects worth nearly BRL 4 million, considering sponsorships via tax incentive laws and direct funding. More than 250,000 people from all around Brazil were assisted. The company played an important role in employment and income generation in a particularly sensitive year in terms of employment. Wilson Sons adopts a range of practices to encourage continued education and other workforce-oriented programs. It earned the Great Place to Work certification as one of the best companies to work for.

### **Occupational Health and Safety Award**

Health, Safety and Environment (HSE) are strategically managed by Wilson Sons, as they are considered key elements for the sustainable development of the business. Due to the importance of this topic in its strategy, Wilson Sons was awarded in the last five editions of the DuPont Award for Occupational Health and Safety Management in Brazil. With a strong performance in the prevention of occupational accidents, the company posted an 87% drop in the number of lost-time injuries between 2011 and 2021, attesting to the evolution of a safety culture among its employees. Wilson Sons continuously monitors its performance to further improve its processes and prevent future accidents.

#### **Strengthened compliance mechanisms**

Ethics is key in every relationship established by Wilson Sons with its stakeholders. As a signatory of the United Nations Global Compact, whose 10<sup>th</sup> principle establishes that companies must fight all forms of corruption, Wilson Sons is committed to strengthening its compliance mechanisms and investing in initiatives to raise the awareness of its internal audience of the importance of fighting corruption. As part of these mechanisms, the company maintains an independent ethics channel, in which all stakeholders can report on unethical situations and conduct. This year's report describes the complaints filed with the ethics channel and the procedures followed to address each of them.

#### **Innovation as a distinguishing feature**

To become more sustainable, Wilson Sons has been preparing for the transformation to be experienced by the shipping industry over the coming years, by combining technological improvements in ports and vessels with the growing demand for shipping. According to the projections for the shipping industry, the income of shiptechs is expected to increase by three-fold over the next ten years, also increasing the share of startups in this market.

As Wilson Sons has innovation in its DNA, it was included in last year's Top 100 Open Startups Ranking, which highlights the collaborative innovation efforts made by corporations and startups. The company ranked second in Transport and Logistics.

"Wilson Sons' initiatives and achievements, combined with our culture of innovation, prepare us for continuous growth. Considering all business and social challenges concerned, we will continue to execute our strategy towards an increasingly sustainable future," concluded Wilson Sons CEO Fernando Salek.

### **About Wilson Sons**

Wilson Sons is the largest integrated port-shipping logistics operator in Brazil, with over 180 years of experience. The company operates all across Brazil and offers complete solutions to more than 2,000 clients, including shipowners, importers and exporters, oil & gas companies, renewable energy projects, agribusiness corporations, and other players in different businesses. Learn more at: <https://www.wilsonsons.com.br/pt-br/> / <https://www.wilsonsons.com.br/en/>

**Check out the Wilson Sons Sustainability Report at:**  
<https://ri.wilsonsons.com.br/en/publications/annual-reports/>

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