



Management for efficient use of natural and energy resources (water, fuel, electricity) and materials/minerals used in producing the vehicles and equipment of the subsidiaries

# 8. NATURAL CAPITAL

# NATURAL CAPITAL

**Emission reduction targets** in scopes 1, 2 and 3

Subsidiaries with **low average age of the fleets** – one of the youngest in Brazil

**83.6% of total waste reused**, recycled or treated using another type of recovery

**Greenhouse Gas (GHG) Emissions Program** to measure and mitigate the environmental impact of the business

Reduction of **22.82%** in direct Greenhouse Gas Emissions

## Natural capital

SIMPAR, in its activities as a holding company, **causes no significant** environmental interference. However, on account of the activities of the companies in the portfolio, the company maintains corporate processes, guidelines and programs that aim to mitigate adverse impacts on the environment and the adoption by its subsidiaries of best practices.

Since 2018, we have had an **Environmental Management System**, with a corporate manual providing guidance for the managers of the different units in regard to weak points and risks, as well as opportunities for continuous improvement through adaptation and process enhancement to reduce, mitigate or offset adverse environmental impacts. The first step of the environmental survey consists of preparing the diagnoses of the units by collating adverse environmental aspects and impacts, the legislation and the management measures required. After drawing up the **Environmental Control Plan**, which consists of systematizing all processes, inserting data on the consumption of resources (water, electricity, fuel, etc.), generation and disposal of waste and effluents, as well as their attendant control and monitoring processes. The subsidiaries forward the data to SIMPAR once a month.

### Environmental Management System



#### TARGETS AND PRIORITIES

Efficient and rational consumption of electricity, water resources and fuels

Control and elimination of black smoke emissions and noise from vehicles on the move

Proper disposal of waste generated

Immediate response to emergency situations

Fostering environmental education among the employees

#### MANAGEMENT

Recording data on consumption and waste disposal

Undertaking preventive maintenance on the diesel-powered fleet

Abiding by the schedules intended for maintenance of the Environmental Management System

Employee training in environmental education

Submission of monthly reports about environmental indicators

Drafting and implementation of action plans for mitigating environmental irregularities



## Climate change

[GRI 103-1](#) | [103-2](#) | [103-3 - Climate change](#) | [SASB IF-WM-110a.3](#) | [TR-RO-110a.2](#) | [TCFD Recommended Governance Disclosures a and b](#) | [CDP C1.1](#) | [C1.2](#) | [C1.3](#)

Among the impacts arising from the operations of its portfolio, SIMPAR believes the most sensitive to be those related to climate change. Thus, the issue appears in the [Sustainability Policy](#), where the focus is on the strategic discussions held each month by the sustainability committees, and submitted on a quarterly basis to the Board of Directors. This issue is primarily managed within the scope of the **Greenhouse Gas (GHG) Emissions Program**. The company's objective is to measure the actual environmental impact of its business, primarily within the context of the discussions about emission reduction plans in various forums around the world. In this respect, 2020 saw the adoption of measures to mitigate impacts, such as the rational use of fuel, continuous fleet renewal and indicator monitoring through emissions inventories based on the international methodology of the [GHG Protocol](#). In addition to publishing the study, **there are reduction targets that encompass scopes 1, 2 and 3** – the latter being somewhat challenging because it refers to emissions by outsourced fleets. In this case, the company is striving to enhance its influence, while monitoring and engaging with the entire value chain.

Scope 1 emissions are particularly associated with fuel consumed in our own operations and transportation activities controlled by the companies. Scope 2 is linked to the purchase of electricity, with the resulting

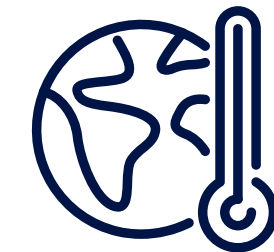
emission data monitored across the group and evaluated on a quarterly basis by the Sustainability Committee. In 2020, electricity purchase contracts with the free market were revised in order for the reductions in GHG emissions to be measured deducted them from the total amount ascertained. In addition, SIMPAR is aiming to **expand the share of renewable energy sources in its energy matrix** as a way of reducing the intensity of its GHG emissions – the company's key strategy for mitigating climate change.

Moreover, although climate change-related targets, they are not linked to the variable compensation of our professionals and management.

### Risk management, opportunities and strategy involving climate change

[GRI 103-1](#) | [103-2](#) | [103-3 - Climate change](#) | [TCFD Recommended Risk Management Disclosures a, b and c](#) | [Recommended Strategy Disclosures a, b and c](#) | [CDP C2.1](#) | [C.2.2](#) | [C3.1](#) | [C3.2](#) | [C.3.3](#) | [C3.4](#)

Given the consumption of fuel and the attendant air emissions, the logistics industry can interfere substantially with climate change. In this respect, besides adopting **actions to minimize GHG emissions** – primarily by maintaining a fleet with a low average age, one of the youngest in Brazil – SIMPAR monitors discussions in parliament, undertakes internal and external analyses and promotes domestic and international benchmarking and studies opinions by external agencies on ESG-related topics. In this way, the company keeps its climate risk matrix up to date in order to expand risk coverage against extreme events. The process, in line with [the other risks managed](#),



The company's objective is to measure **the actual environmental impact of its business**, primarily within the context of the discussions about emission reduction plans in various forums around the world.

was defined using COSO methodology and aims to incorporate the ISO 9001 and ISSO 31000. standards

Management also involves long-term targets (10 years), based on the Science-Based Targets guidelines defined following an in-depth study of current emissions and possible improvements in the years ahead. Within this context, three scenarios were constructed with the support of various areas, operations and companies approved by the Board of Directors. The structuring process took into account the different levels of complexity of the projects and investments required, implying possible emission reductions.

Additionally, climate-related risks and opportunities also influence financial planning at SIMPAR. Expenditures, allocation of and access to capital, as well as acquisitions and divestments, are evaluated at planning time and are related to climate risks.

### Decarbonization strategy

- The potential for acquiring** electric and biomethane-powered vehicles .
- Migration from consumption** of gasoline to ethanol.
- Implementation of mechanisms** for incentivizing and ensuring use of ethanol instead of gasoline.
- Installation of telemetry technology** in the largest portion of the fleet, to improve the driver's performance and reduce fuel consumption.
- Expand the share of renewable energy sources** in the energy matrix, allowing emissions to be significantly reduced.
- Promoting the reduction of CO<sub>2</sub> emissions** by implementing new technologies like diffusers for installation on gasoil vehicles, enabling a clean explosion in the engine.
- Optimization of operations**, making them more efficient and investing in better technologies and maintenance.

## Financial implications and other risks and opportunities associated with climate change

GRI 201-2 | CDP C2.2 | C2.3 | C2.4 | TCFD Divulgações Recomendadas de Estratégia a, b e c

## SIMPAR considers its role to be essential in disseminating and promoting good practices in society



### Engagement in climate change

CDP C4.3 | C12.1 | C.12.3

Although it does not engage with formulators of public policies or trade associations on climate change issues, **SIMPAR considers its role to be essential in disseminating and promoting good practices in society.** Having identified that the customers of the subsidiaries can be drivers of good practices in sustainability, the company undertakes action in education/sharing of information about in-house projects and seeking to enter into partnerships to minimize the climate change impacts arising from products, goods and/or services.

Within this context, **JSL seeks to assist its customers** in mapping emissions while offering opportunities for reducing/neutralizing them. And **Movida avails of its Carbon Free Program** (created to neutralize the carbon emissions generated by its rental vehicles) to divulge climate-related information to its customers at the time they rent the vehicle. And **Vamos launched its Zero Carbon Program at the end of 2020.**

Generally speaking, all our subsidiaries are willing to share sustainability projects with customers, because they understand that this action can trigger new ideas, while good practices can be shared and built.

What is more, SIMPAR analyzes its suppliers' environmental compliance data, although without specifically evaluating climate change criteria. An **evaluation of supplier emission information** is being put together.

### Carbon pricing

CDP C11.1 | C.11.2 | C.11.3

Aware of the risks and opportunities from climate change, SIMPAR is seeking to be an early mover on what could one become regulations. The company participates in initiatives and forums in this respect, while also embracing voluntary practices, such as **publishing its GHG inventory in accordance with the GHG Protocol**, while also reporting scope 3. In regard to carbon credits, here are the actions of the subsidiaries:

**Vamos** – in December 2020, SIMPAR and Cíclus Ambiental do Brasil – jointly fostered biogas project at the Santa Rosa Waste Treatment Hub (RJ) – the acquisition of carbon credits to offset the emission of 1,202 tCO<sub>2</sub>e, referring to the year 2019. As a result, 100% of the subsidiary's scopes 1 and 2 emissions were offset.

**Movida** – Partnered with the Black Jaguar Foundation whereby the saplings from the Carbon Free Program will be planted along the Biodiversity Corridor of the Araguaia River. So, a commitment was formalized to plant 1 million saplings by 2022, which will result in the restoration of 600 hectares of degraded areas and the sequester of 146,000 tons of CO<sub>2</sub>eq over the next 26 years.

Generally speaking, to neutralize emissions the **company prioritizes investments in carbon sequester projects** such as forest restoration in degraded areas. In these cases, complete fixing of the carbon

requires more time, but leads to higher generation of positive impacts for the planet by effectively removing carbon from the atmosphere and providing socioenvironmental benefits.

The issue is also well advanced at Movidá, which has adopted an internal pilot carbon pricing project that takes into account the amount payable to offset 1 ton of CO<sub>2</sub>e within the scope of the Voluntary Carbon Market. The aim here is to guide the decision making in choosing the alternatives existing on the voluntary carbon market for offsetting emissions, while also providing guidance on how to minimize them in our operations. Furthermore, the consideration of a current cost of carbon (adopted internal price) arose on account of the formalization of the Long-Term Public Climate Commitment to Achieve Carbon Neutrality in 2030, becoming Carbon Positive in 2040”.

### Emissions

[GRI 305-1](#) | [305-2](#) | [305-3](#) | [305-4](#) | [305-5](#) | [305-7](#) | [SASB IF-WM-110a.1](#) | [IF-WM-120a.1](#) | [TR-RO-120a.1](#) | [CDP C4.1](#) | [C4.2](#) | [C.5.1](#) | [C5.2](#) | [C6.1](#) | [C6.2](#) | [C6.3](#) | [C6.4](#) | [C6.5](#) | [C6.7](#) | [C6.10](#) | [C10.1](#) | [C10.2](#) | [TCFD Recommended Disclosures of Metrics and Targets a, b and c](#)

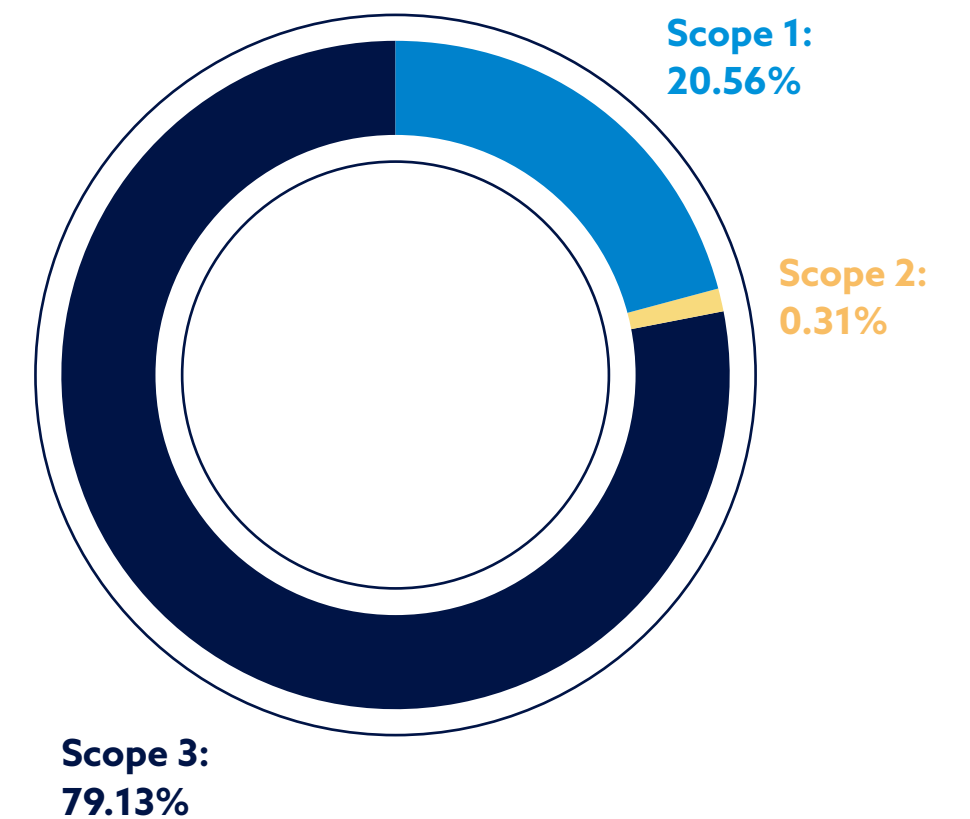
In 2020, on a consolidated basis in relation to 2019, the **Group achieved a reduction of 22.82% in direct Greenhouse Gas (GHG) emissions**, reflecting the social isolation imposed by the pandemic, the introduction of the electric fleet (CS Brasil/RJ) and discontinued commodities operations (agroforestry and mining).

In the case of indirect **Scope 2** emissions, **the decline was 3.61%**, driven by actions with efficiency gains in the consumption of electricity, but primarily by lower consumption (lighting, air conditioning devices and partially disconnected computers) since many operations saw their administrative activities substantially reduced.

In Scope 3, which covers other GHG emissions and accounts for almost 80% of the Group’s total emissions, there was a somewhat insignificant increase (0.4%) in comparison with 2019, for the most part because of the higher volume of business at Vamos. The breakdown, per company, is available in the [GRI Exhibits](#).

Reflecting its socioenvironmental commitment, SIMPAR has **a macro emissions reduction target of 15% between 2021 and 2030**. To that end, it is gradually implementing reduction projects according to the feasibility and impact on the KPI. In the case of Scope 2, the reduction target for para 2021 is 5% to the data for 2020.

Percentage by emission type







## GHG Emissions(1)<sup>1</sup>

Greenhouse gas emissions (tCO <sub>2</sub> equivalent), by scope	2018	2019 <sup>2</sup>	2020
Scope 1 <a href="#">GRI 305-1</a>   <a href="#">SASB IF-WM-110a.1</a>   <a href="#">TR-RO-110a.1</a>	322,300.24	328,139.17	253,270.55
Scope 2 <a href="#">GRI 305-2</a>	3,435.92	3,975.56	3,832.09
Scope 3 <a href="#">GRI 305-3</a>	423,360.05	970,936.19	974,763.60
<b>Total</b>	<b>749,096.21</b>	<b>1,303,050.92</b>	<b>1,231,866.23</b>
Biogenic CO <sub>2</sub> emissions (tCO <sub>2</sub> equivalent) – Scope 1 <a href="#">GRI 305-1</a>	2018	2019	2020
	44,368.28	44,470.59	27,340.89
Biogenic CO <sub>2</sub> emissions (tCO <sub>2</sub> equivalent) – Scope 3 <a href="#">GRI 305-3</a>	2018	2019	2020
	13,241.10	14,165.47	136,206.49

1. All the following data refer to the operations of JSL, Movida, Vamos and CS Brasil. BBC Leasing & Conta Digital is not monitored because its operations are located on shared sites or in home-office and because it does not generate significant emissions. Original is monitored for scopes 1 and 2, but has no significant scope 3 emissions. The data are obtained from the SAP data base (Procurement Department) and monthly reports submitted by the operations. The emission factors used are based on the Brazilian GHG Protocol Program. The chosen base year is 2019, on account of consistency since it was when the inventories began to be audited. The consolidation approach chosen for reporting the emissions is from operations control. Scope 1 emissions data includes the gases CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub> while scopes 2 and 3 encompass CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.

2. Commencing 2019, SIMPAR included in Scope 3 the emissions of the Vamos Group and CS Brasil.

The **emissions intensity also experienced a reduction of 1.6%** between 2020 and 2019. This result was achieved through ad hoc efficiency projects such as the introduction of electric fleets (CS Brasil), generation of photovoltaic solar energy (Vamos) and the opening of sustainable stores (Movida). The global reduction target is 15% by 2030 and, in the [GRI Exhibits](#), the data are broken down per company.

## Intensidade de emissões de GEE (tCO<sub>2</sub> / Receita Líquida anual)<sup>1</sup>

GRI 305-4



1. The data do not include BBC Leasing & Conta Digital because its operations are located on shared sites or in home-office and because it does not generate significant emissions. The emissions of scopes 1, 2 and 3 were factored into the result.

There was also a **slight 0.72% reduction**, between 2020 and 2019, in emissions of pollutants primarily due to the restrictions imposed by the pandemic, with lower fuel consumption by the methods of transport (for example, like local passenger bus services). Moreover, a **100% electricity-powered operation** was rolled out, contributing substantially to lower emissions of all types of pollutants during the period:

NOX: 18.7 tons/year.

Particle material (PM): 0.32 tons/year.

CO: 53.81 tons/year

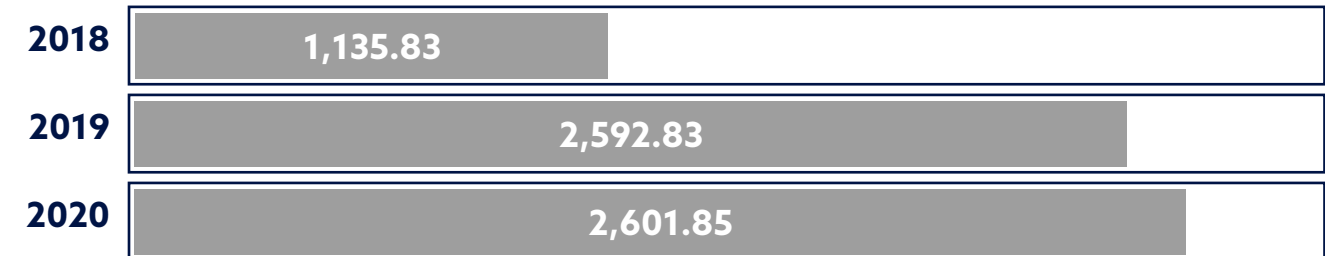
The data, per company, is available in the [GRI Exhibits](#).

## NO<sub>x</sub>, SO<sub>x</sub> and other significant air emissions<sup>1</sup>

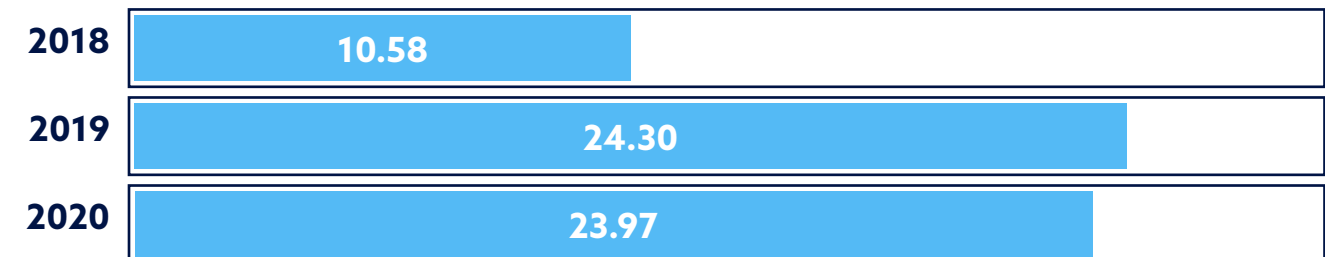
GRI 305-7 | IF-WM-120a.1. | TR-RO-120a.1

### Significant air emissions (tons), by pollutant type

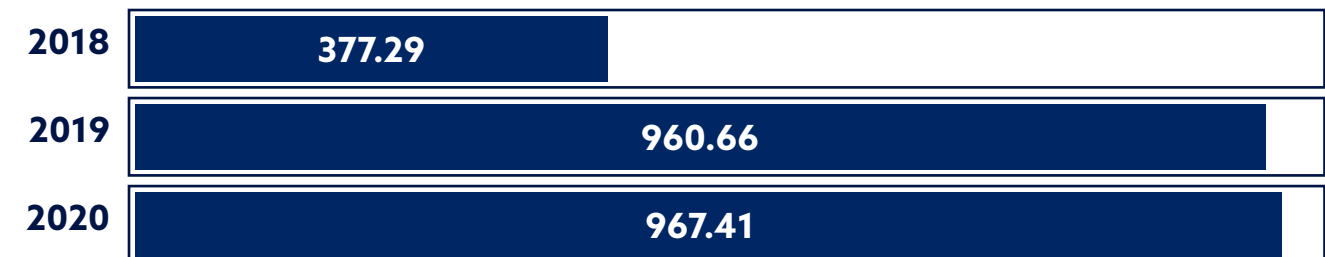
#### NO<sub>x</sub>



#### Particle material (PM):



#### Monóxido de Carbono (CO)



Total	1,523.70	3,577.79	3,593.23
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1. The data abide by the prevailing legislation, and the conversions were made based on the distances covered by the fleets (GHG inventory) and on the emission factors published annually by Cetesb. The emissions of BBC Leasing & Conta Digital have not been factored in because its operations are located on shared sites or in home-office and because it does not generate significant emissions. SIMPAR does not monitor SO<sub>x</sub> emissions, persistent organic pollutants (POP), volatile organic compounds (VOC) and hazardous atmospheric pollutants (HAP), because Cetesb does not require this.

## Natural resources management

### Energy

SIMPAR has **two branches certified to ISO 14001**, with established key performance indicators and targets for energy efficiency: the administrative headquarters – which in 2020 included in the certification scope Vamos Locação – and the JSL Intermodal UNIT. At the former, the target was to achieve 2.6 kWh/employee/day in 2020, resulting in 5.4 kWh/employee/day; at the Intermodal unit, the target of 6.8kWh/employee/day in 2020 resulted in 10.4 kWh/employee/day, the increase arising both from the duplication of the administrative buildings, and the higher energy demand from operating and building a new command tower. The employee headcount did not increase on account of the pandemic, which reduced the relative energy efficiency at both sites.

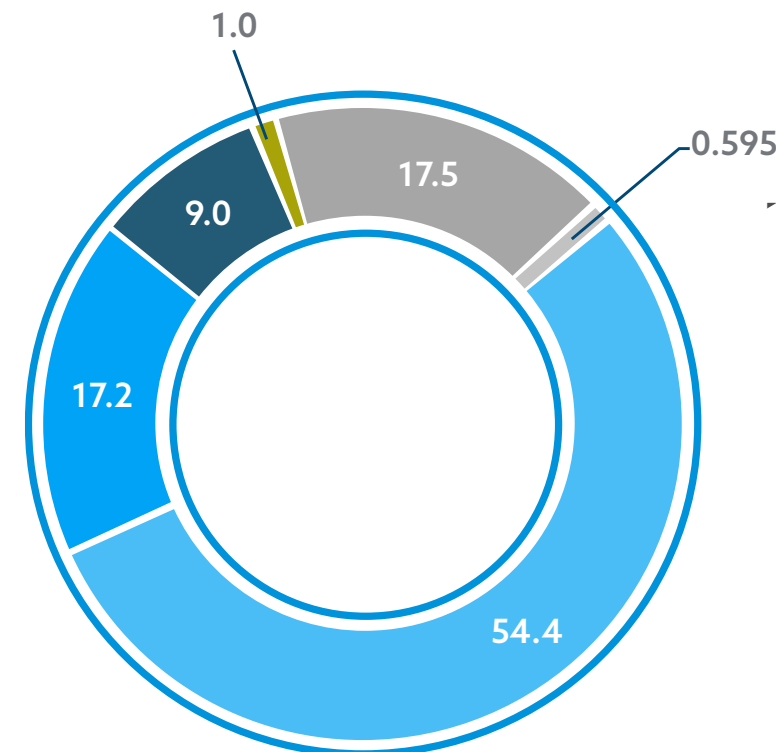
The rational consumption of electricity is governed by efficiency directives; dialog and accountability with providers of capital; the Environmental Management System manual; and continuous monitoring of global electricity consumption, with managerial performance targets based on the kilowatt/employee/day metric. Additionally, **the company is striving to enhance its energy matrix:** in 2020, compared to 2019, the share of renewable sources rose from 74.38%, to 84.20%, while that of thermal electric sources fell from 25.6%, to 15.8%. Thus, there was an increase in the use of photovoltaic solar power in the energy matrix, with **three plants at Vamos (Transrio) operating with 100% photovoltaic solar energy**, amounting to around

73,817 kWh/year and zero CO2 emissions (Scope 2). **Movida signed a contract to install a 100% solar matrix by 2025** and the other subsidiaries have specific agendas aimed at gradually increasing the photovoltaic solar fraction in the units' energy matrix. Also, contributions from in-house projects amounted to 19% (2019) and 20.22% (2020). Contracting on the captive mater (hydro, wind and solar) rose from 55%, to 63.98%, with the inclusion of the units in Mogi das Cruzes (Av. Saraiva, 311) and Frei Damião, representing 391.92 MW annum, with a guarantee of 50% renewable energy. With the new contracts, the free market now

accounts for 17.5% of the energy supply, representing an advance over the 14% registered in 2019.

In 2020, **energy consumption was around 12% lower in comparison with 2019**, reflecting the pandemic and several ad hoc actions resulting in efficiency gains for the Group companies. Around 93% of the energy consumed comes from non-renewable sources, with diesel being the fuel most used. The breakdown, per company, is available in the GRI Exhibits.

SIMPAR energy matrix (%)



**December/2020**

- Captive market - Hydro
- Captive market - Thermal
- Captive market - Wind
- Captive market - Solar
- ACL - Mix of renewables (Monthly average)
- Solar - Leased
- Solar - Self-generation



## Energy consumption within the organization (GJ)<sup>1</sup> [GRI 302-1](#) | [SASB TR-RO-110a.3](#) | [CDP C8.1](#)

Total energy consumed (GJ) <sup>1</sup>	2018	2019	2020
Non-renewable fuel sources	5,003,939.90	4,732,066.50	4,362,615.33
Renewable fuel sources	157,298.30	184,238.30	151,864.73
Energy consumed	163,358.89	196,428.69	183,843.74
Energy sold	0.00	0.00	0.00
<b>Total</b>	<b>5,324,597.09</b>	<b>5,112,733.49</b>	<b>4,698,323.79</b>
Consumption of non-renewable fuel sources (GJ), by fuel type <sup>1</sup>	2018	2019	2020
Gasoline	86,385.50	96,263.40	96,944.88
LPG	22.00	24.00	1,756.31
Diesel oil	4,916,035.50	4,634,387.00	4,263,496.89
Jet fuel	1,496.90	1,392.20	417.25
<b>Total</b>	<b>5,003,939.90</b>	<b>4,732,066.60</b>	<b>4,362,615.33</b>
Consumption of renewable fuel sources (GJ), by fuel type <sup>1</sup>	2018	2019	2020
Ethanol	157,298.30	184,238.30	149,169.05
Electricity	0.00	0.00	2,695.68
<b>Total</b>	<b>157,298.30</b>	<b>184,238.30</b>	<b>151,864.73</b>
Energy consumed (GJ), by type <sup>1</sup>	2018	2019	2020
Electricity	163,358.89	196,428.69	183,843.74
Heating	0.00	0.00	0.00
Refrigeration	0.00	0.00	0.00
Steam	0.00	0.00	0.00
<b>Total</b>	<b>163,358.89</b>	<b>196,428.69</b>	<b>183,843.74</b>

1. The data cover the operations of JSL, Movida, Vamos, CS Brasil, and Original Concessionárias. BBC Leasing & Conta Digital is not monitored because its operations are located on shared sites and home-office. The data were obtained from the SAP data base (Procurement Department) and monthly reports submitted by the operations. The sources of the conversion factors were <https://www.converter-unidades.info/conversor-de-unidades.php> and <http://www.anp.gov.br/arquivos/central-conteudos/anuario-estatistico/2019/anuario-2019-fatores-de-conversao.pdf>.





## Water consumption

**The rational use of water resources is a priority at SIMPAR**, which engages with its subsidiaries in managing the issue so that they adopt effective solutions, like systems for reuse. Seven branches and stores already use **closed cycle treatment systems** – after treatment, the water already used for washing and other processes return to the operation. Another good example is Movida, which is gradually installing dry washing at its operations. And the Intermodal unit has installed a system for capturing, treating and reusing rainwater at its new administrative facilities. In addition, several Vamos and Movida operations have looked into the feasibility of setting up **sustainable branches in which water efficiency is factored in right from when the projects are conceived**.

In 2020, the Group consumed 392,67095 megaliters of water – without catchment in water-stressed areas – an increase of 2.33% over the previous year, both on account of the cleanliness protocols imposed by the pandemic, and the growth of the company. For 2021, the target is a 5% reduction over consumption in 2020. The breakdown, by subsidiary, is available in the [GRI Exhibits](#). [GRI 303-5](#)

### Water consumption [GRI 303-5](#)

	2018	2019	2020
<b>Total water consumption (Ml - megaliter)<sup>1</sup></b>	349.192	383.73	392.67

1. The data cover the operations of JSL, Movida, Vamos, CS Brasil, and Original Concessionárias. BBC Leasing & Conta Digital is not monitored because its operations are located on shared sites and home-office. The data are obtained from reports of each company's water bills paid, downloaded from the SAP. The amount spent per company is divided by the national average cost per m3 of treated water. The result obtained is divided by 2, thereby separating the costs of water treatment from the removal and treatment of sewage.

## Waste management

GRI 306-3 | 306-4 | 306-5

At the end of 2020, approval was on-going of a **specific waste management** project intended for installing a specific tool for mapping compliance with legislation, as well as the production of data that would enable better quality data and information. This will make it possible **to increase the revenue generated from commercializing the materials**. As a result of this project, the company aims to expand the Landfill Zero program already in place at the administrative headquarters and at the Intermodal.

Operating in accordance with the National Policy for Solid Waste and the requisites of NBR 12.235 standard that governs the storage of hazardous solid waste, SIMPAR through its subsidiary companies generated 6,075,59 metric tons of waste, the greater portion (40.6%) being automotive batteries, and 16.4% domestic/organic waste. Although this figure represents a **global reduction of 59.7% in waste generated in relation to 2019**, the actual results from waste management are not conclusive, because they require enhancements in data management and collation the data across all Group operations. Besides the management project, new requirements from the legislation will contribute, in this respect, by setting up Online MTR at all branches, a requirement of Ibama valid nationwide. The change will enable us to obtain more precise inventories about the volume of waste disposed of. The breakdown, per company, is available in the [GRI Exhibits](#).

### Waste generated, by composition<sup>1</sup> (t) GRI 306-3

	2019	2020 <sup>2</sup>
OLUC (Used Lubricating Oil)	467.44	411.97
Unserviceable used tires	1,610.60	1,028.16
Automotive batteries	5,156.48	2,809.33
Paper/cardboard/plastic	181.46	32.74
Metals	1,032.19	1,001.60
Class I Waste - Contaminated	396.72	505.58
Domestic/organic	2,745.54	1,135.87
<b>Total</b>	<b>11,590.43</b>	<b>6,925.25</b>

1. Data only available for JSL (paper/cardboard/plastic, wood, contaminated and domestic/organic waste). Used lubricating oil (all companies, except BBC Leasing & Conta Digital) and tires, metals and batteries (JSL and CS Brasil).

2. The data of JSL were obtained from the SAP. The data of the other companies were estimated based on the generation and the administrative headquarters in Mogi, on account of the employee headcount, since the KPI for waste management at that site is expressed as kg/employee/day. We do not yet have complete data for all the companies of the Group.

In 2020, approximately **83.6% of waste was not earmarked for final disposal**, having been reused, recycled or recovered in another manner. That is why there are several operations: lubricating oil is intended

In 2020, approximately **83.6% of waste** was not earmarked for final disposal.

for the re-refining process, returning to the market as synthetic lubricating oil; flat batteries are sent to the manufacturer for recovery, then reintroduced into the market after reconditioning; parts, empty packaging, cloths and PPE contaminated with oil, grease, solvents and other hazardous projects are earmarked for the blending and co-processing in cement factory kilns; used tires are first evaluated for the possibility of recovery (retreading), then reintroduced into the chain, while those that are unserviceable are sent for destruction and the recycling of their components (rubber and steel) with properly certified companies; while all metal waste generated is sent to companies that produce metal alloys. Common recyclable materials are sent to recycling companies and reintroduced into market as inputs for producing new paper, cardboard and plastic items.

In 2019, hazardous waste accounted for 68% of the total generated. In 2020, it accounted for 53.8%, a result partially explained by the restrictions imposed by pandemic, which reduced the number of vehicles under maintenance at the Group's dealerships (Original/Vamos). The same thing happened at **Movida, which registered a reduction in the volume of rentals and, consequently, in the number of changes of oil and other parts.**

Waste not destined for disposal (metric tons - t), by type<sup>1</sup> GRI 306-4

		2019	2020 <sup>2</sup>
Hazardous waste	Used Lubricating Oil (OLUC)	467.44	411.97
	Automotive batteries	5,156.48	2,809.33
	Waste contaminated with grease, oils, solvents, etc.	396.72	505.58
	<b>Total hazardous waste</b>	<b>6,020.64</b>	<b>3,726.88</b>
	Unserviceable used tires	1,610.60	1,028.16
Non-hazardous waste	Metals	1,032.19	1,001.60
	Paper/cardboard/plastics	181.46	32.74
		<b>2,824.25</b>	<b>2,062.50</b>
<b>Total</b>	<b>8,844.89</b>	<b>5,789.38</b>	

1. Data only available for JSL (paper/cardboard/plastic, wood, contaminated and domestic/organic waste). Used lubricating oil (all companies, except BBC Leasing & Conta Digital) and tires, metals and batteries (JSL and CS Brasil).  
 2. The data of JSL were obtained from the SAP. The data of the other companies were estimated based on the generation and the administrative headquarters in Mogi, on account of the employee headcount, since the KPI for waste management at that site is expressed as kg/employee/day. We do not yet have complete data for all the companies of the Group.

Between 2019 and 2020, there was **a drop of 41.4% waste sent for disposal**, the result of the restrictions imposed by the context of the pandemic, since a significant portion of the employees started working from home office and/or were temporarily relieved of their duties. Furthermore, there was a reduction in the employee headcount. The data, by company, is available in the [GRI Exhibits](#).

Waste destined for disposal (t), by type<sup>1</sup> GRI 306-5

	2019	2020
Domestic/organic	2,745.54	1,135.87
<b>Total</b>	<b>2,745.54</b>	<b>1,135.87</b>

1. The data cover the operations of JSL, Movida, Vamos, CS Brasil, and Original Concessionárias. The generation and disposal of waste from BBC Leasing & Conta Digital is not yet monitored. In 2019, the data were only available for JSL (paper/cardboard/plastic, wood, contaminated and domestic/organic waste). In 2020, used lubricating oil covers all companies, except BBC Leasing & Conta Digital. Tires, metals and batteries include JSL and CS Brasil. The disposal of all waste was burial in landfills.

From 2020 to 2019, the **volume of waste destined for disposal dropped by 41.4%**