

## Wilson Sons releases its Sustainability Report 2022 on environmental, social and governance actions

The initiatives include advances in the management of risks and opportunities in the climate agenda and the building of more sustainable tugboats



*Wilson Sons report cover features a photo of Salvador Container Terminal*

Wilson Sons, a leader in port and maritime logistics in Brazil, released its Sustainability Report 2022 on Friday, May 5th, describing the company's actions that demonstrate its commitment to the transparency of environmental, social and governance (ESG) practices. The initiatives include advances in the management of risks and opportunities in the climate agenda as well as the construction and operation of tugboats with more sustainable technologies. The company was one of the best-scoring corporations in Standard & Poor's (S&P) Global Corporate Sustainability Assessment. S&P is a prestigious risk rating agency and an international reference in the recognition of good ESG practices.

The company (Ticker PORT3), listed in the Novo Mercado segment of the Brazilian Stock Exchange (B3), which requires the highest standards of governance, reported figures of its resilience in a scenario of imbalances caused by the pandemic in global logistics chains. Net revenue rose 6.2% last year, compared to 2021, amounting to BRL 2.3 billion, driven by the performance of the towage and logistics divisions.

Wilson Sons works intensively to reduce CO<sub>2</sub> emissions and optimise the logistics chain, which is key to the sustainable development of Brazil, since 90% of the country's trade flow uses sea transport. This represents over 25% of the Brazilian

GDP. Maritime transport is less harmful to the environment in terms of greenhouse gas emissions compared to road and rail. Cabotage transport is 44% less carbon intensive than rail and 81% less than road transport, responsible for more than 60% of cargo transport in Brazil.

“The release of this sustainability report is another step towards the increasingly consistent communication of Wilson Sons' economic, environmental, social and governance performance. Our resilient financial and operating performance strengthens our long-term commitment by creating value for our stakeholders. Therefore, we value people's safety, protection of the environment and the communities where we operate,” says Fernando Salek, CEO of Wilson Sons.

The company states that, in 2022, despite the challenging scenario caused by logistics bottlenecks and geopolitical conflicts that impacted the industry worldwide, its container terminals — in Rio Grande do Sul and Bahia — handled more than 900 thousand TEUs (twenty-foot equivalent units). The fleet of tugboats, the largest and most modern in the country, performed around 55,000 port manoeuvres thus being the leader in towage services in Brazil.

### **World-class safety**

Guided by the Global Reporting Initiative (GRI) standards, the company's 2021 report was awarded at the ESG Reporting Awards 2022 — Best Sustainability Reporting — as the company with the best report in the services category, performing better than other global corporations.

The new report presents the company's top ten sustainability topics. They include “Emissions and Climate Change;” “Occupational health and safety;” “Ethics, transparency and integrity;” “Energy;” “Socioeconomic impact on the community;” “Water and waste resources;” and “Impacts on aquatic ecosystems.”

Last November, Wilson Sons ranked in the top quintile of the transport and transport infrastructure industry in S&P Global's Corporate Sustainability Assessment of 2022. The company is in a select group of the best positioned companies from all over the world, which represents 15% of the total. The assessment has become the basis for several ESG indices over the past two decades.

In an effort to reduce carbon emissions, the company manages environmental risks and opportunities. The initiatives reflect the commitment to generating socio-environmental value for the conservation of the ecosystems where it is present. The company's risk committee evaluates the strategies and models used in integrated risk management. It periodically assesses and monitors the risks to which the company is exposed, such as climate, socio-environmental, technological and regulatory risks, prioritising resources to respond to these risks.

In fighting climate change, Wilson Sons' board follows the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, an initiative dedicated to promoting corporate transparency on the subject and supporting the assessment and pricing of risks and opportunities related to climate change. The company has responded to the TCFD pillars and annually seeks to advance maturing its climate-related actions and communications. The company's board

is responsible for the system of internal controls to ensure robust corporate governance. The audit and risk committee assists the board in monitoring the effectiveness of these internal controls and risk management policies.

In the 2022 report, the company states that it is “world class” in safety. Last year, it posted a lost-time injury frequency rate of 0.45 incidents per million hours of work, outperforming the international benchmark. And the year ended with “zero fatal or serious accident” among its 3,920 direct employees. The company also received an award from the Great Place to Work (GPTW), in the Great Companies to Work For category (based in Rio de Janeiro).

“Incorporating sustainability issues into the port industry management is strategic and instrumental in the companies’ business survival, as economic performance will increasingly depend on the balance of all themes. There is a growing demand from clients, investors, shareholders, financiers, civil society organisations, employees, consumers, regulatory authorities, from society as a whole, for all stages of the production chain regarding environmental, social and governance issues,” says Monica Jaén, director of Sustainability at Wilson Sons.

## **Decarbonizing the energy mix**

Wilson Sons has been pursuing opportunities to decarbonize its energy mix. The company is committed to proactively publishing its Greenhouse Gas (GHG) Emissions Inventory in the public register of the Brazilian GHG Protocol Program. In 2022, Wilson Sons received, for the second consecutive year, the Golden Seal in the GHG Protocol Program, which attests to the accuracy and traceability of emissions reported by an independent audit.

At the container terminals, for example, Wilson Sons reduced the carbon intensity of its operations by 20% (kgCO<sub>2</sub>/TEU) by reorganising the layout of the Salvador Container Terminal yard and prioritising equipment with cleaner energy. The company's Towage Operation Centre (COR), in Santos (São Paulo), optimises navigation routes along the Brazilian coast and helps reduce fuel consumption on the company's 81 tugs. The Towage unit, responsible for most of the group's CO<sub>2</sub> footprint, reduced its emissions by 2%, mainly due to lower diesel consumption by the tugs going to dry-dock and special operations.

Last year, the fleet incorporated the tugs "WS Centaurus" and "WS Orion", the most powerful and sustainable in the country, with more than 90 tons bollard pull. The tugs are part of a project of six new tugboats being built at Wilson Sons shipyards in Guarujá (São Paulo), the first in Brazil meeting the International Maritime Organisation's Tier III standard. At the end of last month, the third tug in this project, "WS Rosalvo", also started operating in the Port of Açu (Rio de Janeiro).

The new hydrodynamic design improves hull efficiency and consumes up to 14% less fuel, thus reducing greenhouse gas emissions. There is also a reduction of at least 70% of nitrogen oxide, helping to improve the air quality in the ports. This standard is only required in emission controlled areas, such as in some regions of North America and Europe, and has been voluntarily adopted by Wilson Sons.

## **Carbon Disclosure Project (CDP)**

Wilson Sons is a member of the Carbon Disclosure Project (CDP), an international non-profit organisation that is relevant in the mitigation of climate change. In 2022, it attained a "B" score in the climate change questionnaire in the maritime transport segment, performing better than in the previous assessment ("C" score), mainly due to better management of risks and opportunities following the TCFD methodology.

“We need to grasp every opportunity to further reduce our emissions and support the low-carbon economy. “We will continue to pursue world-class infrastructure performance while maintaining the safety of our operations, and consistently seek opportunities to leverage our market position, reflecting the resilience of our business model and the versatility of our services to challenge and transform the shipping business for the benefit of all our stakeholders toward an increasingly more sustainable future,” says Salek.

## **About Wilson Sons**

Wilson Sons is the largest port-shipping logistics operator in Brazil, with over 185 years of experience. The company operates across Brazil and offers complete solutions to more than 5,000 clients, including shipowners, importers and exporters, the offshore energy industry, renewable energy projects, agribusiness corporations, and other players in different businesses. Learn more at: <https://www.wilsonsons.com.br/en/>

Check out Wilson Sons Sustainability Report at:

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