

An aerial photograph of a highway interchange with multiple lanes and ramps. A yellow rectangular box is overlaid on the right side of the image, containing the text 'ANNUAL REPORT 2018'.

ANNUAL  
REPORT  
2018

 arteris

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# ABOUT THIS REPORT

**GRI 102-1  
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Since 2006, Arteris S.A. has annually reported on its operational, economic, social and environmental performance, and contextualized the results achieved. As such, this publication is an important relationship and connection tool between the Company and its stakeholders.

**GRI 102-54**

Aiming to improve the report, for the first time, this publication formally adheres to the standards of the Global Reporting Initiative (GRI): Core Option. The indicators are shown throughout the report and the complete list can be seen on page 63.

**GRI 102-45  
102-50  
102-56**

The content refers to the activities of the holding company and its concessionaires for the period between January 1 and December 31, 2018 and, to ensure the accuracy of the information, financial data was verified by Deloitte Touche Tohmatsu Auditores Independentes. All other data was internally verified, having received approval from the Executive Board.

**GRI 102-53**

Information and questions pertaining to the content of this document may be sent to [arteris@arteris.com.br](mailto:arteris@arteris.com.br), or through phone +55 11 3074-2404. Suggestions are welcome and important for the improvement of this communication.

Enjoy your reading!

<sup>1</sup> Global Reporting Initiative (GRI) indicators do not consider Vianorte, whose operations were discontinued during the year.



# MATERIALITY

GRI 102-46  
102-48  
102-49  
103-1

GRI 102-40  
102-42

The content of this report reflects the material topics identified throughout the year in a process that involved representatives from the various areas and hierarchical levels of the Company, in addition to priority stakeholders, identified based on strategy and impacts of the business: specialists (NGOs, press, consultants, and academia); public sector (public agencies, regulatory agencies, and highway patrol); trade associations; shareholders; and partners.

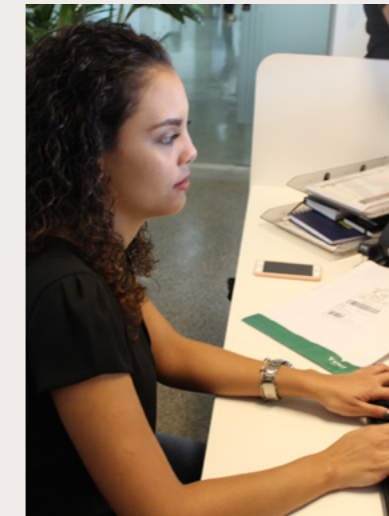
GRI 102-43

The first phase—which took into account institutional documents and documents from controlling agencies, trade studies and assessments of companies from the same sector—identified 20 topics, which, in a subsequent phase, were prioritized through internal workshops and online surveys with more than 100 employees, as well as external audiences. In addition, in order to further detail priority topics, qualitative interviews were held with specialists and representatives from each audience.

As a result, Arteris' leaders validated five material sustainability themes and two cross-cutting themes.

GRI 102-44  
102-47

# MATERIAL AND CROSS-CUTTING THEMES



## INTEGRITY

- Ensure integrity in relationships with all stakeholders.
- Demonstrate best practices in governance.
- Expand the assessment and risk control mechanisms.

## GROWTH AND PROFITABILITY

- Foster regional development.
- Create value for the business
- Seek new projects with profitability.
- Offer safe and efficient mobility.

## PEOPLE

- Ensure that the professional journey of employees results in value: for the business and for society.

## SAFETY

- Provide an environment of excellence and high standard in safety for all workers.
- Transform society, strengthening the culture of safe mobility.

## RELATIONSHIPS AND DIALOGUE

- Strengthen the dialogue and relationship with society.
- Propose and promote public debate on strategic issues for the business.
- Promote environmental management with focus on reducing impacts and identifying opportunities.

## CROSS-CUTTING THEMES

### Innovation and technology

- Manage all pillars from a truly innovative standpoint

### Social impact

- Connect social actions to the business strategy



# IDENTITY

**GRI 102-6**  
**102-7**

Arteris is 100% dedicated to the operation, improvement, expansion, and maintenance of nearly 3,400 km of highways connecting the states of São Paulo, Minas Gerais, Paraná, Rio de Janeiro, and Santa Catarina. With gross revenue of BRL 4.1 billion, the company is one of the largest in this sector in Brazil.

**GRI 102-2**  
**102-45**

The operations involve the control of nine concessions, four of which at state level and five at federal level (see page 12), in addition to the company Latina Manutenção, which provides maintenance and signage services, and which is being demobilized since 2017, with termination planned for 2019.

**GRI 102-5**

Controlling interest is held by Participes en Brasil S.L., whose shares are divided between the companies Abertis Infraestructuras S.A., a global leader in highway management in 14 countries in Europe, America and Asia; and Brookfield Motorways Holdings SRL, a global company that invests in high-quality, long-term real assets.



GRI 102-16

# MISSION, VISION, AND VALUES



## VALUES

- *Respect for life:* We watch over the safety of our employees and users.
- *Integrity:* We act with ethics, transparency, and respect for the rules.
- *Sense of ownership:* We encourage people to take responsibility. We persist in pursuing excellent and effective results. We are committed to quality results.
- *Proactivity:* We seek to encourage our employees to have creative and daring attitudes in search of new solutions.
- *Collaboration:* We act collaboratively, respecting and involving the people necessary in decision-making.
  - *Sustainability:* We believe in the sustainability of our business through respect for our people, resources, and the environment.
  - *Meritocracy:* We value our employees, developing professionals and recognizing the best performers based on meritocratic principles.

# SHAREHOLDING STRUCTURE

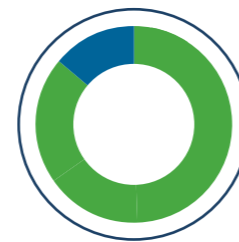
## PARTICIPES EN BRASIL S.L

- 51%** Abertis Infraestructuras S.A
- 49%** Brookfield Motorways Holdings SRL



## ARTERIS

- 82.03%** Participes en Brasil S.L
- 17.07%** Brookfield Aylesbury



## MISSION

*To contribute important actions toward the development of the infrastructure necessary for Brazil's sustainable growth, managing road concessions with excellence and long-term vision, in order to add value to our users, employees, the government, communities in the regions where we operate, and investors.*



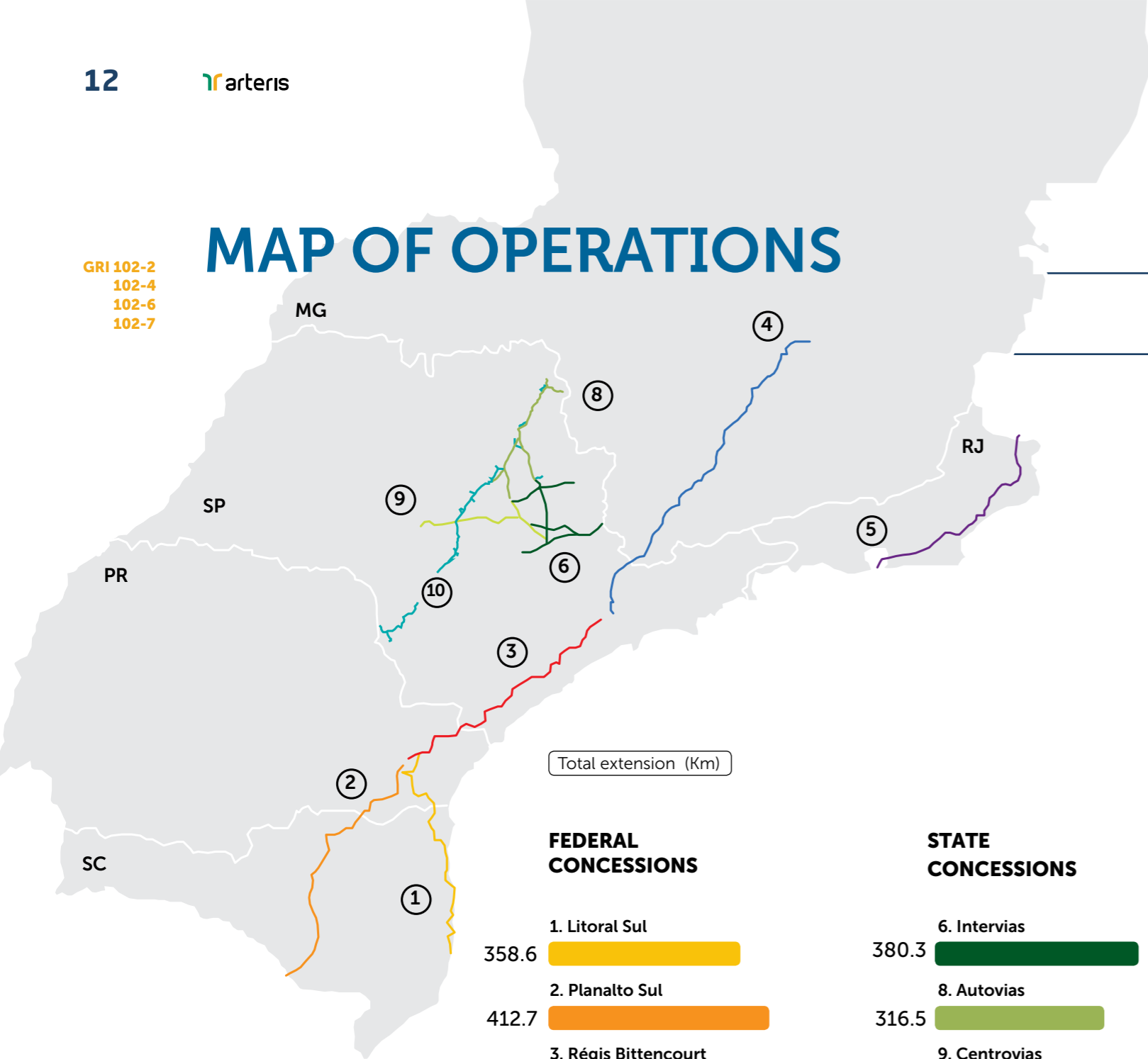
## VISION

*To be part of the history of Brazil's infrastructure, as a benchmark in the road concessions sector.*

For more information, visit [www.arteris.com.br](http://www.arteris.com.br).

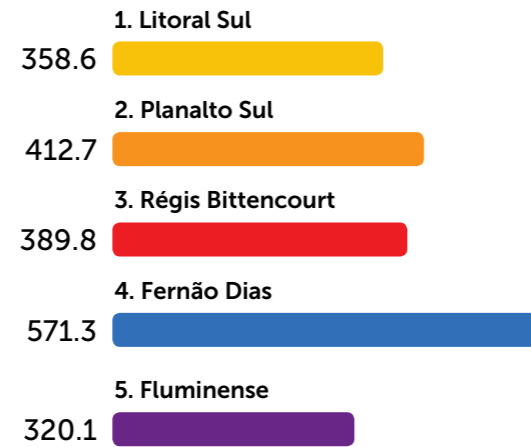
# MAP OF OPERATIONS

GRI 102-2  
102-4  
102-6  
102-7

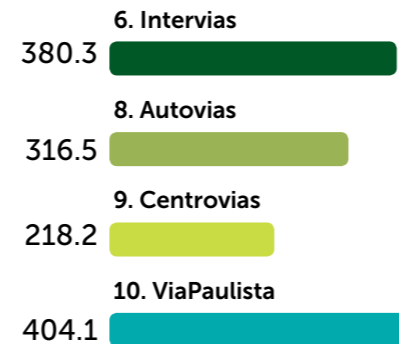


Total extension (Km)

### FEDERAL CONCESSIONS



### STATE CONCESSIONS



# HIGHLIGHTS OF THE YEAR

GRI 102-10

- Termination of the concession term for Vianorte, which, for 20 years, invested BRL 1.6 billion in road works, services, and expansion of the road system in the macro-region of Ribeirão Preto, in upstate São Paulo.
- Full approval for ViaPaulista's three toll plazas without any failure—something unprecedented within the São Paulo State Concession Program.
- Initial submission of the ViaPaulista investment plan and completion of the works to widen the stretch at Serra do Cafezal, on Régis Bittencourt.
- 27-year loan agreement with BNDES in the amount of BRL 3.6 billion and interest rate IPCA + 6.42%.
- Fifth issue of debentures by Intervias, in the amount of BRL 800 million, divided into four series, namely: 1st with cost of CDI (Interbank Deposit Certificate) + 0.47%, payment of semiannual interest and maturity on May 15, 2020; 2nd with cost of CDI + 0.90%, payment of semiannual interest and maturity on May 15, 2023; 3rd with cost of CDI + 1.35%, payment of semiannual interest and maturity on May 15, 2025; and 4th with cost of IPCA + 6.76%, payment of semiannual interest and maturity on May 15, 2025.
- Four concessions among the 20 best highways in the country, according to the 22nd edition of the survey by the National Transportation Confederation (CNT - Confederação Nacional do Transporte).
- Reduction of 46% in the fatality rate in the concessions, considering the periods between 2011 and 2020, in line with the United Nations Decade of Action for Road Safety.
- Beginning of the construction of the first green overpass on federal highways in Brazil.
- Issue of Promissory Notes at Régis Bittencourt in the amount of BRL 600 million.

<sup>2</sup> Except for ViaPaulista concessions, due to the short time of operation; and Vianorte, given the expiration of the agreement.



# MESSAGE FROM THE PRESIDENT

GRI 102-14

The year 2018 was intense for us, at Arteris. Amid the challenging political and economic scenario, we maintained our investment program in new works and maintenance of the stretches under concession and we adopted initiatives in search of gains in operational efficiency and in costs.

Although the period showed signs of recovery in the economy, reflected on the traffic on our concessions, extraordinary events such as the truck drivers' strike, the end of collection for lift axles and the termination of the Vianorte concession agreement had a negative impact on our toll revenues, down 3.4% compared with 2017. As a result, cash generation, measured by Adjusted EBITDA, also recorded a drop in the year (-5%), totaling BRL 1.7 billion.

Even in this challenging context, we continue to dedicate great effort to investments—a total of BRL 1.8 billion in projects such as the completion of the works to widen the stretch in Serra do Cafezal, delivery

of the initial set of interventions in ViaPaulista and implementation of LED lighting in the stretches managed by the Litoral Sul and Fernão Dias, among others.

As a result of initiatives and investments, four of our concessionaires were featured among the 20 best highways in the country, according to the 22nd edition of the survey by the National Transportation Confederation (CNT - Confederação Nacional do Transporte). It is also worth noting that the average reduction in the number of fatalities has reached the 46% mark, a result in line with the United Nations Decade of Action for Road Safety 2011-2020, which aims to cut in half the number of road accidents with victims throughout the world during this period.

The operating and financial performance and the investments made in the period increased our indebtedness by 14%. Even so, the debt profile remained compatible and adequate to the nature of our business. The associated costs are competitive and appropriate for investments in infrastructure.

I assume the leadership of Arteris at a special moment for Brazil, in which investments in infrastructure will be an important vector for the resumption of economic activities and generation of jobs. In this scenario, we are motivated by the support of shareholders who believe in the country's growth potential and in the opportunities for new highway concessions. Thus, in the first months of 2019, we work to optimize our operations, organizational structure and corporate and management activities. In addition, regulatory debates relevant to the business are the focus of our actions.

We started this new cycle prepared to take advantage of the opportunities to create value in the sector, with increasingly integrated management, operational efficiency gains and reinforcement of the pillars that sustain our business: engaged employees, road and work safety, respect for the environment and adequate return to our investors.

**ANDRE DORF**





# INTEGRITY

GRI 103-1  
103-2  
103-3

FOR ARTERIS, INTEGRITY IS A PREMISE THAT PERVADES ALL OF THE COMPANY'S ACTIVITIES AND IS SET OUT IN ANTI-CORRUPTION CONTROL MECHANISMS, POLICIES AND PRACTICES.

## INTEGRITY MANAGEMENT

GRI 205-2  
412-2

GRI 102-16

Arteris has in place a sound Integrity Program and, in 2018, proceeded with the work to strengthen compliance practices and ethical principles that guide the activities. Thus, in the year, an online training program was completed for 100% of the staff concerning the Code of Ethical Conduct, which is an internal document intended to guide behavior standards to be adopted while performing activities and in the relationship with external audiences

GRI 205-1

The course agenda also involved training all employees on the Anti-corruption Policy. Company leaders and directors were the first to receive in-person training, with subsequent replication to the other professionals. Another novelty was the first edition

of Semana da Integridade (Integrity Week), which addressed issues such as anti-corruption, conflict of interest and mobbing. Using digital resources, all concessionaires were involved and had the chance to share knowledge and experience about the aspects covered. Participants were asked to write phrases about the meaning of integrity.

Winning phrase:

*"To be upright is to be whole. Not allowing corrupt attitudes, however immaterial they may seem, to steal a part of you, turning you into another being, unrecognizable through your own eyes!"*

Débora Galvão, Tollbooth Operator at Fluminense

**GRI 102-17**

The proper use of the Confidential Channel was especially addressed during the Integrity Week and in internal campaigns throughout the year. Using this tool, employees and external audiences can report suspected violation of internal rules, such as the Code of Ethical Conduct and Brazilian laws. The reports are consolidated by an independent company—which ensures the confidentiality of the whistleblower, if so desired—and submitted to the Compliance Committee, which convenes monthly to investigate the reports. In 2018, a total of 267 reports were registered.

**GRI 205-1**

Furthermore, the internal compliance rules were improved with the publication of the Standards for the Prevention of Conflict of Interest and Interaction with the Public Sector. In addition, an internal portal was created to record interactions with public agents. As such, employees now must complete a form via the intranet to record meetings and interactions with public authorities. In addition to facilitating the work of the executives in managing these relationships, this new resource protects the Company and its employees by ensuring that records of all interactions remain filed for an indefinite period of time.

**GRI 102-12**

The commitment to integrity was externally endorsed through the adherence of the company's headquarters and of its concessionaires to the Business Pact for Integrity and Against Corruption, an initiative by Instituto Ethos to bring together companies to end bribery and corruption. As a result of the policies and measures implemented, the Company received an overall score of 8.2, while the average for the organizations that adhered to this commitment is 6.7.

More information at [www.arteris.com.br/institucional/integridade](http://www.arteris.com.br/institucional/integridade)

**GRI 102-17 CONFIDENTIAL CHANNEL**  
0800 721 0741  
arteris@canalconfidencial.com.br  
www.canalconfidencial.com.br/arteris

- GRI 102-16 INTERNAL RULES RELATED TO ARTERIS'S INTEGRITY PROGRAM**
- Code of Ethical Conduct
  - Compliance Standard
  - Anti-Corruption Policy
  - Rules for Gifts, Presents, and Hospitality
  - Anti-Corruption Due Diligence Procedure (new)
  - Standard for Prevention of Conflict of Interest (new)
  - Standard for Interacting with the Public Sector (new)



# TECHNOLOGY AND INTEGRITY IN FAVOR OF MANAGEMENT

For a better prior assessment in the selection of partners, at the beginning of the year, Arteris adopted an anti-corruption due diligence to identify partners who could pose a risk for the operations. For 2019, key suppliers and partners will undergo online training.

**GRI 102-18**

## GOVERNANCE STRUCTURE

Arteris has in place a solid corporate governance structure that contains practices that are in line with irrefutable models adopted in Brazil and abroad.

### GENERAL ASSEMBLY

- Convenes ordinarily once a year and, extraordinarily, whenever summoned.
- Chaired by a shareholder chosen by the attendees, who chooses a secretary to assist.
- Its role is to elect or remove members of the Board of Directors; establish remuneration for directors and board members; among other decisions intended for Company development
- Each common share is entitled to one vote in collegiate decisions.

**GRI 102-24**

### BOARD OF DIRECTORS

- Convenes quarterly or whenever summoned by the Chairperson or by the majority of its members.
- Comprised of a minimum of five and a maximum of eleven members—all with two-year terms, and possibility of reelection.
- Its role is to approve strategic business guidelines, as well as to elect, oversee, and remove members of the Executive Board; among other duties.
- Decisions require 75% approval from members.

**GRI 102-32**

**GRI 102-20**

**ADVISORY COMMITTEES**

- The committees convene according to demand, prior to meetings of the Board of Directors.
- Comprised of representatives from the Executive Board and of shareholders.
- The committee discusses recommendations on topics to be addressed by board members.
- Four committees: Investments and rebalancing; Mergers and acquisitions; Finance; and Audit and compliance.

All responsibilities and composition of the Board of Directors, the Supervisory Board, and the Executive Board are detailed on the Investor Relations website ([ri.arteris.com.br](http://ri.arteris.com.br)) and in the Company's Bylaws (also available on the website).

GRI 405-1

**EXECUTIVE BOARD**

- Convenes whenever necessary, as convened by any of the members.
- Comprised of a minimum of two and a maximum of seven members—all with a one-year term, reelection permitted.
- Its role is to ensure that the deliberations of the General Assembly and of the Board of Directors are properly executed in order to achieve the planned results.

**SUPERVISORY BOARD**

- Non-permanent body, whose installation and responsibilities comply with Brazilian Corporation Law (Law No. 6,404/76).

GRI 102-11

# RISK MANAGEMENT

Arteris defines Risk Management guidelines, cascaded to the main corporate processes, as ratified in 15 policies addressed to all subsidiaries.

At the beginning of each Performance Management Cycle, the different scenarios are analyzed and the impacts of potential risks are assessed in order to implement the appropriate measures to reinforce containment or mitigation. These measures make up the Strategic Radar, with 30 tactical initiatives monitored and followed through management meetings.

The methodology to prioritize and manage risks is based on Failure Mode and Effect Analysis (FMEA), adopted by ISO/TS 16949, and takes into account how a risk can occur, as well as its impact to the business. Thus, risks are prioritized and classified into families based on the likelihood of occurrence, severity, and the control mechanisms for prevention and mitigation—all measured through numerical parameters.

The company's risk management model is currently being integrated into a single risk matrix—to be consolidated and supported by new Control Standards and by a Risk Management and Policy (currently under internal approval)—which will allow for a uniform methodology used to gauge and prioritize risks—common to the entire Group and specific for each concession.

**CHALLENGES, OPPORTUNITIES, AND INITIATIVES**

	Challenges and opportunities	Objectives	Tactical initiatives
<b>Safety</b>	Increased traffic	Safe operation	Implementation of the Integrated Corporate Management System
<b>Growth and profitability</b>	Increasingly demanding users and regulators	Operational excellence	Modernization and standardization of road maintenance processes and road conservation
	Technological advances in electronic collection	Growth	Follow-up and assessments of opportunities
	Recovery of toll traffic and improvement of the macroeconomic scenario		
	Interruption of collection for lift axles		
	Time limit for concessions		Monitoring of regulatory processes
	Search for increased revenue in the area of the domain		Increase in ancillary revenue, through marketing of services in the area of the domain
	Financial risks arising from the growth of operations and financing process of investments, interest rates and fluctuating exchange rates, and ratings	Optimization of investments	Innovation to reduce capital costs
	Financial risks arising from unforeseen operating costs and higher than revenue from tariffs	Rebalancing	Collaborative initiatives to identify requests with strong potential for rebalancing
<b>Ethics</b>	Risk of lack of alignment with internal rules	Adherence to the strictest standards of corporate governance	Intensification of the internal and external audit process Implementation of the Integrity Program
<b>People</b>	Difficulty in retaining talents	People development and management	Revision and improvement of processes and norms concerning people management





# GROWTH AND PROFITABILITY

GRI 103-1  
103-2  
103-3

YEAR AFTER YEAR, THE GROUP'S INVESTMENTS HAVE CONTRIBUTED TO TRANSFORMING THE REALITY OF THE ROADS UNDER CONCESSION, CONTINUOUSLY IMPROVING THEIR TRAFFIC CONDITIONS, CONVENIENCE AND SAFETY, WHILE SEEKING A POSITIVE RETURN TO ITS SHAREHOLDERS.

## INDUSTRY OUTLOOK

According to the Brazilian Association of Highway Concessionaires (ABCR - Associação Brasileira de Concessionárias de Rodovias), in 2018, the number of vehicles on Brazilian highways under private concession dropped 1.9% compared with the previous year. Considering the traffic of light vehicles alone, such as passenger cars, this reduction was of 2.7% in the same period, reflecting a slow recovery in the financial budget of families in a scenario of limited opportunities in the job market. At the end of 2018, the survey PNAD Contínua, disclosed by IBGE, indicated that nearly 12.2 million people were unemployed in the country at the end of the year.

Conversely, traffic of heavy vehicles, such as trucks and tractor trailers, grew 0.4% in the same period—a small variation mainly due to the truck drivers strike and blocking of highways that occurred in the last 10 days of May. This small growth is in line with the industry performance which, according to IBGE, ended 2018 with an increase of only 1.1%, at a pace below the one observed in 2017 (2.5%).

Specifically for the state of São Paulo, the overall rate was stable in the year if compared with 2017, resulting from an increase of 1.6% in the number of heavy vehicles, which offset a reduction of 0.5% in light vehicles.

GRI 203-1

## MAIN INVESTMENTS

The year was marked by the termination of the concession term of Vianorte, which for 20 years had been responsible for the administration of 236.6 kilometers of highways in the Ribeirão Preto macro-region, in upstate São Paulo. Throughout this period, a total of BRL 1.6 billion was invested in works, services and expansion of the highway system, among other improvements that placed highways SP-330, SP-322, SP-325 and SP-328 among the best in the country. Arteris collaborated with the new administrator of the stretch in order to ensure perfect maintenance of operations for users during the transition process installed by the Regulatory Agency of Delegated Public Transport Services of the State of São Paulo (ARTESP - Agência de Transportes do Estado de São Paulo).

On the other hand, ViaPaulista was the first to obtain, within São Paulo State's Concession Program, full approval of three toll plazas without any type of failure. Approval by ARTESP was granted to the units in Boa Esperança do Sul, Jaú, and Coronel Macedo after months of work, in a project that involved the

technology, traffic, collection, operations, engineering and works teams. The efforts were initiated immediately after winning the auction for a section of Rodovia dos Calçados in the state of São Paulo, which crosses 35 municipalities in the regions of Franca, Batatais, Ribeirão Preto, Araraquara, São Carlos, Jaú, Barra Bonita, and Itaí. Only six months were necessary between the environmental license required to begin construction of the structures and their approval. Considering the acquisition of much of the equipment and facilities to begin the test phase, BRL 140 million were invested (see page 26).

The works to widen the stretch in Serra do Cafezal, at Régis Bittencourt (BR-116), between the municipalities of Jujutiba (SP) and Miracatu (SP) were completed in 2018. Notable among the structures delivered are two turnaround junctions and runaway truck ramp for eventual cases of loss of brakes. (See page 28).

In all, throughout the year, Arteris invested BRL 1.8 billion in its highways, BRL 600 million of which were geared to construction works and BRL 1.2 billion to maintenance.

GRI 203-1

## HIGHLIGHTS OF THE OPERATIONS

In the period, the most relevant works in which the Company invested are:



### CENTROVIAS

In 2018, Centrovias completed the implementation of the highway complex on SP-225, at the city of Itirapina (SP). The investment included more than 9 km of frontage roads, 6 km of bike lanes and sidewalks, a footbridge, a turnaround junction at KM 94, and lighting.



### AUTOVIAS

In 2018, Autovias completed the third pavement recovery cycle, with an investment of BRL 251 million, to offer better traffic conditions and greater comfort and safety to users. All pavement markings in these stretches, such as painting of lines, were also renovated. The stretches covered were: Antônio Machado Sant'Anna (SP-255), with 80.4 kilometers between Ribeirão Preto and Araraquara; Engenheiro Thales de Lorena Peixoto Júnior (SP-318), with 44.6 kilometers between Rincão and São Carlos; Anhanguera (SP-330), with 78 kilometers between Santa Rita do Passa Quatro and Ribeirão Preto; Cândido Portinari (SP-334), with 88 kilometers between Ribeirão Preto and Franca; and Engenheiro Ronan Rocha (SP-345), with 25.5 kilometers between Franca and Itirapuã.



## VIAPAULISTA

In November 2018, ViaPaulista celebrated one year ahead of the lot that corresponds to part of Rodovia dos Caçados, which connects the city of Araraquara to the cities of Jaú, Avaré, Botucatu, and Itaporanga, in upstate São Paulo, bordering the state of Paraná. In this period, investments totaled BRL 140 million and involved complete overlays, corrected depressions, sealed cracks, and elimination of pavement/shoulder drop-offs. ViaPaulista also installed more than 61,000 m of fences, recovered and implemented 12,000 m of drainage equipment and recovered 5,000 m of guardrails, among other initiatives.

Aiming to expand the operations of ViaPaulista, as of next year, a comprehensive work project will be initiated. In total, 275 km of highways will be widened within 10 years, with investments of approximately BRL 1.8 billion, considering all phases. The first region that will benefit is in the stretch between kilometer 83+200m and 147+300m of Hwy. Comandante João Ribeiro de Barros (SP-255), between the cities of Araraquara and Jaú.

## FERNÃO DIAS

Fernão Dias completed the work to adapt the highway system at the fiscal inspection station and industrial district at km 949, on the border between the states of São Paulo and Minas Gerais, which aims to enhance safety of users and employees of the fiscal station and carriers. At Km 874, in the city of Estiva (MG), lighting was installed to improve driver visibility, deployment of glare screens near footbridges, and installation of sidewalks. In the city of Contagem (MG), an underpass at km 477 of BR-381 was completed five months ahead of schedule—this was possible thanks to the use of vibratory pile drivers and precast concrete parts, instead of using concrete cast on-site. The concessionaire also invested nearly BRL 1.4 million in new tow truck equipment, capable of towing loads up to 15,000 kg. In addition, BRL 5.39 million was invested to install LED lamps to replace sodium vapor or mercury lamps, providing better visibility for users who travel at night.



## PLANALTO SUL

The works to increase the capacity of the BR-116 stretch between Curitiba (PR) and Mandirituba (PR) and the third lanes performed in Santa Cecilia (SC), already show another scenario to drivers, with greater fluidity, safety and reduced travel time. In 2018, more than BRL 20 million was invested in adding third-lanes, benefiting strategic municipalities such as Lages. In the municipality of Mafra, 5.3 kilometers of additional lanes were completed, from km 9.6 to km 16. The concessionaire also invested in improvements of pavement, containment works in Serra do Espigão and protection and safety elements.

## FLUMINENSE

During the year, Arteris Fluminense maintained an intense pace of works to widen Highway BR-101/RJ between the cities of Rio Bonito and Campos dos Goytacazes. The work includes widening 176.6 kilometers, of which 126.3 were completed in 2018. Other improvements were made to the highway, with the completion of the correction of route between kilometer 93+600m and 101+900m (8.3 km), ready in October, in addition to six footbridges and two interchanges, still ongoing. Work was initiated for wildlife crossings (34 structures) and a green overpass at kilometer 218.

## INTERVIAS

In order to provide greater safety to users and surrounding population, attract companies for the economic development of the region, and facilitate traffic, Intervias invested BRL 136 million in two important widening projects, to be completed in 2019. The first, on Highway Engenheiro João Tosello (SP-147), 15.9 km between the cities of Engenheiro Coelho and Limeira, in addition to two underground passages, three overpasses, two concrete bridges (East and West), and other structures. On Highway Wilson Finardi (SP-191), two sections were widened: from kilometer 49+700m to 52+700m, in Araras; and from kilometer 70+200m to 74+721m, in Rio Claro—in addition to the implementation of other structures, such as an interchange at kilometer 70+900m, an underground passage and a concrete bridge.





### RÉGIS BITTENCOURT

Régis Bittencourt concentrated its focus on the works to recover pavement of the old roadways in Serra do Cafezal, between km 361 and 357, on the northbound roadway to São Paulo; and between km 348 and 354, on the southbound roadway to Curitiba. In July, two new turnaround junctions were opened for traffic; one at km 351, from the southbound to the northbound roadway, and the other at km 352, from the northbound to the southbound roadway. In August, a runaway truck ramp was opened at km 353, to the right of the southbound roadway, near the city of Miracatu (SP). The structure was developed to allow eventual runaway vehicles to enter a gravel arrester box.

The concessionaire also resumed works for the construction of an interchange at km 17.5, connecting the cities of Colombo, Pinhais and Curitiba. The project included the construction of an additional trench, parallel to the existing trench, which will add access ramps to frontage roads (in both directions between kilometers 16.2 and 17.5). Completion is planned for the beginning of 2019.

### LITORAL SUL

Litoral Sul inaugurated, at the end of December 2017, a bridge over the Bela Cruz River, on the northern frontage road of BR-101/SC, in the city of Itapema (at km 147.2). A total of BRL 1.6 million was invested in the construction work, which directly benefits 60,000 drivers every day in traffic between the districts of Centro and Canto da Praia. In 2018, the concessionaire initiated a new phase of the works to renovate six bridges built over 40 years ago on BR-101/SC, in the cities of Joinville, Araquari, and Itajaí. The works focused on the structural reinforcement and on increasing the capacity of the bridges, which now have shoulders. BRL 200 million was invested in pavement conservation, signage, installation of approximately 200 km of lighting in three highways under concession between the cities of Curitiba and Florianópolis. The system uses LED lighting, which provides greater visual comfort and safety for users.

# INVESTMENTS IN INFRASTRUCTURE TO DEVELOP THE COUNTRY

Four concessionaires managed by Arteris—three state highways (Autovias, Centrovias and Intervias) and one federal highway (Arteris Fernão Dias)—ranked among the 20 best highways in Brazil in the 22nd edition of the Survey by the National Transportation Confederation (CNT - Confederação Nacional do Transporte). The survey took into account pavement, signage, route, and support infrastructure (such as operating bases and service stations), among other aspects.

Fernão Dias was the concessionaire with best performance compared with the previous year, advancing seven positions and ranking 14th. In September, highway BR-381 connecting the cities of São Paulo and Belo Horizonte and managed by the concessionaire, had already been featured in the 2018 Accident Atlas, promoted by the Volvo Traffic Safety Program (PVST - Programa Volvo de Segurança no Trânsito), based on criteria set out by the Federal Highway Patrol.

Centrovias, with the stretch of SP-225 between the cities of Bauru and Itapirina (SP), was again voted the third-best highway in the country. With the connection between the cities of Limeira and São José do Rio Preto (SP) of highway SP-310, the concessionaire jumped from 16th to 7th in the ranking.

Autovias and Intervias maintained the fourth-place for the administration of SP-330, between São Paulo and Uberaba (MG). Autovias, also responsible for sections of SP-255, SP-318, SP-334 and SP-345, ranks eighth, with 100% of its highway network included among the 10 best highways in the country.

Ranking 16th and 17th are again highways managed by Intervias with sections of SP-215, between São Carlos and Casa Branca, SP-352 between Itapira and the border with the state of Minas Gerais, and SP-191 between Rio Claro and Mogi Mirim, respectively.

This recognition is a result of investments made in the last 10 years (over BRL 20 billion) and reflects the continuous improvement in the quality of the highway network, safety and traffic conditions for users.

## NEW BUSINESS

A new bidding cycle prepared by the National Land Transportation Agency (ANTT - Agência Nacional de Transportes Terrestres) and state agencies is being evaluated by Arteris. This is because, at federal level, at least eight concessions are expected to be renewed within the Investment Partnership Program (PPI - Programa de Parcerias de Investimentos). In aggregate, the projects total 2,400 km of highways, whose revenues yield approximately BRL 2 billion per year.

GRI 102-7

## FINANCIAL RESULTS

### TOLLED TRAFFIC AND AVERAGE FARE

Arteris total volume of toll traffic in 2018 was 651.5 million vehicle-equivalents, a 2.9% reduction compared with 2017. This variation reflects the end of the Vianorte concession and the non-charging of lift axles, which directly impacted the number of axle-equivalents on highways. Without these effects, the company would have registered an increase of 1.4% in the number of vehicle-equivalents.

The average consolidated fare practiced by the Company at its toll plazas was BRL 4.33, representing a slight reduction of 0.5% compared with the average fare in 2017. On comparable bases (disregarding Vianorte), the average fare had an increase of 10.1% in 2018.

The average fare practiced by state concessions was BRL 7.76, a reduction

of 0.5% in relation to the average fare practiced in 2017. On the other hand, the average consolidated fare for the federal concessions was BRL 3.10, or 6.5% higher over the same period.

### GROSS REVENUE FROM SERVICES

In 2018, Arteris gross revenue was BRL 4.1 billion, an amount 12% lower than the revenue recorded in the previous year. This variation results from a smaller volume of revenue from works as a result of the completion of large projects in recent years.

#### BREAKDOWN OF GROSS REVENUE FROM SERVICES (%)

	2018	2017
Toll	69	68
Construction	30	31
Other	1	1

### OPERATING COSTS AND EXPENSES

Costs and expenses (less depreciation and amortization) totaled BRL 2.6 billion, 9% less than in 2017, mainly due to the completion of the works at Serra do Cafezal. Costs and expenses with cash effect totaled BRL 924.6 million, a reduction of 0.2% over the same period, demonstrating that the Company is operating efficiently even with the beginning of the ViaPaulista operations. The result reflects the gains with the Núcleo de Soluções (Solutions Center), a structure implemented in the previous year that concentrates the administrative processes in Ribeirão Preto (SP).

### EBITDA AND ADJUSTED EBITDA

Operating income measured by EBITDA was BRL 1.3 billion, 19.1% lower than in 2017. Without taking into account the effect of the provision for maintenance, the reduction was 5%, with an adjusted EBITDA of BRL 1.7 billion and a margin of 64.6%. This variation reflects the truckers strike in the month of May; the suspended collection for lift axles on state concessions; the expiration of the Vianorte contract; and the increase in the account for provisions for maintenance as a result of the expiration of some state concessions.

<sup>3</sup> EBITDA Margin considers net operating revenue, less revenue from construction.



#### EBITDA AND ADJUSTED EBITDA (IN THOUSANDS OF REAIS)

	2018	2017	Varição
Net operating revenue	3,855,646	4,406,011	-12.5%
Costs and expenses (less depreciation and amortization)	(2,601,066)	(2,854,475)	-9.0%
EBITDA <sup>1</sup>	1,254,580	1,551,536	-19.1%
EBITDA Margin (%)	48.0	57.4	-9.4 p.p.
(+) Provision for highway maintenance	432,660	224,654	92.6%
Adjusted EBITDA <sup>2</sup>	1,687,240	1,776,190	-5.0%
Adjusted EBITDA Margin (%)	64.6	65.7	-1.1 p.p.

<sup>1</sup> EBITDA is not a measure used in accounting practices and does not represent the cash flow for the periods in question, and should not be considered as an alternative to cash flow as an indicator of liquidity. EBITDA has no standardized meaning and therefore cannot be compared to the EBITDA of other companies.

<sup>2</sup> Considers the adjustments related to reversal of provisions for road maintenance (accounting pronouncement ICPC 01). The Company understands that adjusted EBITDA is the best representation of its operating cash generation since the provision for maintenance is a significant item that has no cash effect in the income statement for the fiscal period.



### FINANCIAL RESULT

The 26.7% growth in financial expenses between 2017 and 2018, combined with the exchange variation on foreign currency loan, resulted in a negative financial result 33.5% worse (BRL 514.5 million) compared with 2017, when the Company recorded a negative result of BRL 385.3 million.

### NET INCOME

In 2018, the Company recorded a consolidated net loss of BRL 189.1 million compared to a profit of BRL 246.9 million in 2017. Despite the recovery in the economy and the adjustments in fares above inflation, this variation can be explained by the noncash effects arising from the account for provisions for maintenance resulting from the approaching expiration of some state concessions and by an increase in the account for depreciation and amortization resulting from major projects delivered by the Company, such as the works on Serra do Cafezal in December 2017, which are amortized linearly and not by traffic. In addition, there was a truck drivers strike in the month of May, which resulted in the suspension of charges for lift axles in unloaded heavy vehicles on state concession roads, which will be rebalanced in the future.

### INDEBTEDNESS

The Company's net debt totaled BRL 6 billion, a 14% increase over 2017. Arteris relies on long-term resources granted by the National Bank for Economic and Social Development (BNDES) to finance federal concession investment programs. By December 31, 2018, approximately BRL 4.1 billion had already been disbursed referring to this line of credit, leaving a balance to be utilized of BRL 620.5 million. In 2018, the following also occurred: the 5th issue of debentures by Intervias, in the amount of BRL 800 million, divided into four series; contracting of a loan in foreign currency from The Bank of Nova Scotia, totaling USD 50 million, with an interest rate of 3.7% and maturing in 24 months; and issue of promissory notes in the concessionaire Régis Bittencourt in the amount of BRL 600 million at a cost of 107% of the CDI and maturing on June 27, 2020.

More information on debts can be found in the Administration Report, available at [ri.arteris.com.br](http://ri.arteris.com.br).

#### INDEBTEDNESS (IN THOUSANDS OF REAIS)

	2018	2017	Variation (%)
<b>Gross debt</b>	<b>7,193,512</b>	6,092,736	18.1
Short term	1,092,444	1,069,235	2.2
Long term	6,101,068	5,023,501	21.5
<b>Cash Position</b>	<b>1,156,555</b>	802,365	44.1
Cash and cash equivalents	1,038,259	698,941	48.5
Related financial investments <sup>1</sup>	118,296	103,424	14.4
<b>Derivative position adjustment</b>	<b>8,921</b>	1,862	379.1
<b>Net debt</b>	<b>6,028,036</b>	5,288,509	14.0

<sup>1</sup> Short and long term.

### VALUE ADDED DISTRIBUTION (VAD)

GRI 201-1

In 2018, Arteris generated a consolidated value added of BRL 955 million. This revenue stems from services rendered (BRL 4.1 billion), less costs related to concession and construction, materials and consumer goods, outsourced services, and depreciation and amortization (BRL 2.3 billion), plus dividends, capitalized interest, and other financial income (BRL 141.7 million).

#### VALUE ADDED DISTRIBUTION (%)

- 19.4% Retained earnings
- 29.1% Personnel and payroll charges
- 21.8% Taxes, fees, and contributions
- 68.5% Financial expenses, leases, and others



### OUTLOOK

Given the contractual rebalancing negotiated with the relevant entities—after the delivery of important projects in recent years, and the beginning of the collection by ViaPaulista, whose estimated results are expected to exceed as early as in the first years the amount collected in the

beginning of the Vianorte operation—, the Company is forecasting a better financial result for the coming year, in line with the increase in traffic on the highways, reflected by the expectation of economic and industrial activities to resume.





# PEOPLE

GRI 103-1  
103-2  
103-3

**ARTERIS GUIDES THE DEVELOPMENT OF ITS EMPLOYEES SO THAT THEIR PERSONAL AND PROFESSIONAL GROWTH CAN DRIVE THE GROWTH OF THE BUSINESS. RETAINING TALENT AND ENGAGING THE INTERNAL AUDIENCE ARE AMONG THE COMPANY'S PRIORITIES.**

The year 2018 was marked by efficiency gains and advances to a management model of people and processes that is increasingly more modern and digital. In line with the search for continuous improvement, the transactional activities, part of which associated with the internal rendering of services, were allocated to the Solutions Center, in Ribeirão Preto (SP), with greater synergy in performing the functions. The customer service teams—toll free (0800) and Ombudsman's Office—were also fully integrated into the structure and were unified to serve the entire Group. In this way, new functions emerge in the 0800 structure, with career opportunities available to the internal audience.

Another innovation in the year was the creation of a digital recruitment tool, to be launched in 2019 and whose development had the support of the concessionaires in relation to the necessary skills for the various functions. The technology has a geolocation and artificial intelligence feature, which will facilitate, in the recruitment processes, the prioritization of applicants from the surroundings of the operations, with positive impacts on the local development and quality of life of employees. It will also allow professionals working in the recruitment processes to dedicate time to other activities that are strategic for the Company's development, acting as consultants in people management.

Efforts were also geared toward adjusting to the new labor legislation, with the creation of a Committee on Labor Relations—formed by employees from human resources and legal department —aimed at greater transparency and effectiveness in the trade union negotiation conducted in the period. An example among the changes is the comp time negotiation, which is now individual, with greater flexibility for Arteris and employees.

Specific recognition actions at the concessionaires were also carried out successfully, such as meetings with the managing directors, and leaders making nightly visits to the bases of operation.

# ENGAGEMENT

The engagement survey "Sua Palavra Tem Valor" ("Your Word Counts") was conducted in 2018, for the third consecutive year, to measure the work climate based on the identification of the positive and strong points in the relationship between the Company and employees. It was a sample survey that revealed advances in comparison with the previous cycle: engagement was at 88%, or 8 p.p. higher than in 2017 and 3 p.p. higher than the goal established for the period, of 85%. Other highlights were:



In line with the previous year, the results of the recognition program called "Values Award" were announced, where professionals appoint employees who represent the institutional values. In all, 77 employees were awarded. For 2019, the campaign will be replicated, including an assignment to the winners: to disseminate the Company's principles to other people in the Group.

To encourage pride of belonging, employees were invited to share achievements and deliverables, such as the widening of Highway Régis Bittencourt. The actions included a film session in which the teams watched the screening of a Discovery Channel documentary about Serra do Cafezal. In all, the activity impacted more than 5,000 employees, in all concessionaires.



GRI 103-2  
103-3  
404-2

# TRAINING AND DEVELOPMENT

Arteris continuously invests in providing training actions and, in 2018, the Company improved its university of corporate education, which started to operate in a fully digital platform. In the new design, it was renamed Universidade Arteris de Desenvolvimento (UAD - Arteris University of Development) and included more resources for employee training and management of internal knowledge. With its current approach, the UAD has learning trails linked to the critical competencies of each of the functions.

In this way, UAD aims to strengthen the learning culture at Arteris, empowering employees to manage their own professional development, manage their career growth opportunities, with effective contributions to the sustainability of the business.

In order to strengthen concepts and the economic-financial culture, managers and senior management have undergone training in this topic offered in partnership with Fundação Instituto de Pesquisas Contábeis, Atuariais e Financeiras (FIPECAFI).

In all, 121,869.5 training hours were provided to employees in 2018.

GRI 404-1

**AVERAGE NUMBER OF HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY**  
GRI 404-1

	Homens	Mulheres
<b>Directors</b>	599.5	182.5
<b>Managers</b>	7,716.31	2,000.36
<b>Other</b>	56,986	54,384.8
<b>Total</b>	65,301.8	56,567.7



## PERFORMANCE EVALUATION

The Company has in place potential and performance evaluation committees, through which 100% of the leaders were evaluated in 2018 and acculturated in the practice of "cultivating talents," reinforcing the promotion of leadership and meritocracy. The reviews are considered for promotions, and the process will be the basis for the formal adoption of a succession plan.

All employees receive feedback on the activities performed and undergo individual performance evaluation processes, with overall and individual goals linked to the company's strategy, and the results are reflected in their variable pay. In 2018, goals totaled 23,413, an average of 4.3 per employee.

In 2019, Arteris will adopt a new performance evaluation methodology, with an individual development plan linked to the UAD and with more quantitative performance weightings. The process will also be reinforced with the intensification of the 70/20/10 methodology, in which 70% of the learning results from personal experiences, acquired in the professional routine; 20% from contact with other employees and leaders; and 10% from courses.

GRI 103-2  
103-3  
404-3

## COMMUNICATION

The Intranet, launched in 2017 to strengthen integration among employees and promote integrated communication, was improved in the year. The goal is for the portal to be increasingly recognized as a corporate social platform in which employees can easily find relevant information. With this proposal, directors recorded and posted videos on the Intranet throughout the year, highlighting relevant aspects of the business and reducing the communication barriers between the teams.

Other innovations included the launch of an Intranet app, now accessible by smartphones from any location and at any time and, at Régis Bittencourt, on a trial basis, a suggestion channel called "Time de Melhorias" ("Improvement Team") was introduced. This pilot project results from a suggestion made in the climate survey.

With a focus on communication, the Company also has a print newspaper (three editions in 2018), digital newsletter, press releases (144 in the year), physical bulletin boards (194 in the year) and a Corporate TV (with 118 articles aired in 2018).

More than  
**2,700**  
DOWNLOADS DO APP

**138**  
POSTS

**76**  
NEWS REPORTS  
PUBLISHED

Average of  
**3,600**  
DAILY VIEWS  
(62% BY CELL PHONE)

GRI 401-2

## COMPENSATION AND BENEFITS

Arteris's job position and salary policy is reviewed annually, following market practices, in order to attract and retain employees and contribute to the Company's competitiveness and good work climate. The benefits offered aim at the quality of life of employees and are extended to the family members of the teams. In this

sense, the Arteris Educational Incentive Program continued in 2018, through which the Company began to subsidize, in 2017, undergraduate courses for family member of the professionals.

In the year, 144 employees took maternity and paternity leaves, of which 49 were men and 95 were women— with 100% return and retention.

GRI 401-3

## STAFF

GRI 102-8  
102-41  
401-1  
405-1

At the end of 2018, Arteris had 4,607 employees<sup>4</sup>—2,482 men and 2,125 women—all covered by a collective bargaining agreement. In the period, the ratio of employees by gender was more balanced due to the beginning of the demobilization of Latina, which had a larger ratio of men in the staff. The turnover rate for the year was 2.56%.

<sup>4</sup> Considers employees with open-ended agreements..

### INFORMATION ON EMPLOYEES, BY GENDER AND REGION GRI 102-8

	Men	Women
North	0	0
Northeast	0	0
Southeast	1,921	1,645
Midwest	4	2
South	557	478
<b>Total</b>	<b>2,482</b>	<b>2,125</b>

### INFORMATION ON EMPLOYEES, BY CONCESSIONAIRE GRI 102-8

	2018	2017	2016
Arteris (Holding)	387	236	159
Autovias	261	280	301
Centrovias	262	269	265
Intervias	434	439	409
ViaPaulista	207	0	0
Litoral Sul	601	692	696
Planalto Sul	309	330	328
Fluminense	435	453	469
Fernão Dias	736	773	772
Régis Bittencourt	557	597	601
Vianorte	1	249	276
Latina Manutenção	1,470	977	417
<b>Total</b>	<b>5,746</b>	<b>5,295</b>	<b>4,607</b>

## CORPORATE VOLUNTEERING

Since 2011, the Company has created opportunities for employees to voluntarily donate skills, knowledge and, above all, time in favor of the communities in which the concessionaires are located. As a return, these professionals gain invaluable experiences for personal and professional growth.

One of the main initiatives of the Volunteer Program is the project called Lacre Amigo Arteris, which mobilizes employees, volunteers, family members, road users, trades, partners, Project School students, and other partner institutions and companies in the collection of aluminum pull tabs from beverage cans to trade for wheelchairs. Between 2011 and 2018, the project helped donate more than 500 wheelchairs.

### TOTAL NUMBER OF EMPLOYEE HIRES AND TERMINATIONS BY AGE GROUP GRI 401-1

	Hires	Terminations
Below 30	476	505
From 30 to 50	508	1,092
Over 50	47	199

### TOTAL NUMBER OF EMPLOYEE HIRES AND TERMINATIONS BY GENDER GRI 401-1

	Hires	Terminations
Men	498	1,134
Women	533	662

### TOTAL NUMBER OF EMPLOYEE HIRES AND TERMINATIONS BY REGION GRI 401-1

	Hires	Terminations
North	0	0
Northeast	0	0
Southeast	803	1,374
Midwest	0	1
South	228	421



# SAFETY

GRI 103-1

ONE OF THE PRIORITIES FOR ARTERIS IS TO SEEK ZERO FATALITIES AND LEAD THE DEBATE FOR THE DEVELOPMENT OF JOINT AND STRUCTURED ACTIONS ON SAFETY, REINFORCING THE CULTURE OF SAFE MOBILITY WITHIN SOCIETY.

## ROAD SAFETY

GRI 102-12  
103-1  
416-1

REDUCTION IN THE FATALITY RATE IN THE CONCESSIONS

**60%**  
FLUMINENSE

**60%**  
PLANALTO SUL

**57%**  
RÉGIS BITTENCOURT

**54%**  
FERNÃO DIAS

One of the focus points of the Arteris Safety Culture is geared toward users. The main driver, in this sense, refers to the Decade of Action for Road Safety 2011-2020, subscribed by the Company. This is a United Nations (UN) initiative to prevent traffic accidents—the third leading cause of death in the 30-44 age bracket in the world. Brazil ranks fifth among the countries with the highest number of traffic-related deaths. To this end, Arteris has set the goal of cutting in half the number of fatalities on its concessions, considering the period between 2010 and 2020. In 2018, this consolidated indicator was 46%. Four of the nine concessionaires have met the goal: Fluminense (60%),

Planalto Sul (60%), Régis Bittencourt (57%) and Fernão Dias (54%). In the following decade, from 2020 to 2030, the Company should again pursue a reduction of 50% from the result to be registered in 2020, always with a view to zero road fatalities.

Arteris also actively collaborates with the São Paulo Traffic Safety Movement, created in 2015 by the São Paulo State government, in partnership with municipalities and state agencies, such as the São Paulo State Department of Traffic (DETRAN - Departamento Estadual de Trânsito de São Paulo) and the Department of Public Safety. The Company is the only group of highway concessionaires that contributes to the development of the project.

<sup>5</sup> Except for ViaPaulista concessions, due to the short time of operation; and Vianorte, given the expiration of the agreement.

In order to manage this topic internally, the Company has in place the Strategic Accident Reduction Group (GERAR - Grupo Estratégico de Redução de Acidentes), formed by a multidisciplinary team, whose objective is to ensure that safety is in the focus of day-to-day management of operations. To work closer to the operation, each concessionaire has a local GERAR group; each group shares initiatives and replicates best practices.

In 2018, under the Abertis Road Safety Program, independent road safety audits were completed in all concessions, based on the methodology of the International Road Assessment Programme (iRAP). Conducted with the support of an international consultancy, the purpose of the work is to map risks in the infrastructure of the highways, in order to propose actions for improvement. The audits will guide strategic decisions made by the concessionaires for future projects.

Another outstanding initiative was the campaign called Serra Segura (Safe Mountain), carried out in partnership with Brazil's Federal Police. The initiative involves the inspection of trucks in order to verify their safety conditions.

All units also fulfilled an intense agenda of awareness-raising campaigns and actions for traffic safety. In 2018, there were more than 130 actions and more than 28,000 people served. One of the main achievements was the 5th Arteris Forum: Safety, Innovation and Mobility. The event, geared to professionals working in the area, had 10 themed panels and was attended by representatives of companies such as Abertis, Google, Waze, Mercedes-Benz, Localiza, Telefônica, Itaú and Natura, startups such as TruckPad and RoutEasy, Highway Patrol Chiefs, Arteris Directors and other specialists.

More than simply discussing topics related to road safety, the purpose of the event was to point out trends, in order to prepare the sector for future challenges. One of the main topics refers to the H-WIN technology, which can weigh trucks without reducing speed. Throughout the year, Planalto Sul conducted a pilot project for weighing trucks at up to 100 kilometers per hour, and only vehicles that are detected with weight above the limit are sent to the weigh station. The purpose of the methodology is to improve flow and, consequently, provide greater fluidity to all users.

Due to its relevance, the Forum totaled more than 400 participants, in addition to 27,000 people impacted by the coverage of the event on social networks. The content of the forum was later shared on a customized channel in the Estadão Portal ([sponsored.estadao.com.br/arteris](https://sponsored.estadao.com.br/arteris)).

## INNOVATIONS FOR SAFER TRAFFIC

Road maintenance and works also rely on technologies for the safety of employees and users. One of the highlights, in this sense, was the adoption of telemetry systems in the Fluminense fleet. From sensors installed in the various systems—such as clutch, brakes and fuel consumption—the data collected is sent to an on-board computer, which transforms this data into radio signals and sends it to the system. The innovation allows for full monitoring of all operational vehicles (vehicles for inspections, light and heavy tow trucks, fire fighting, and ambulances) and their drivers, aiming for operational safety and recognition of best practices.

Another innovation implemented in 2018 was the Slow Traffic Alert System at Intervias. The technology identifies points of congestion on the highway and sends alerts, through traffic lights installed at strategic points, for drivers to slow down.

## WORKPLACE SAFETY

GRI 103-2  
103-3

Every year, Arteris has intensified efforts in workplace safety, at all hierarchical levels. The goal is to keep operational teams and managers focused on the same objective: to make everyone aware of the risks associated with their activities. In this sense, several actions undertaken in the course of 2018 highlight the Company's commitment to this topic.

In July, for example, Arteris leaders participated in the 1st Abertis Latin American Seminar on Occupational Health and Safety and Traffic Safety, dedicated to sharing of experiences between managers and specialists of the Abertis companies in Latin America. The main objective of the event was to reinforce the culture of safety across the Group.

At the event, virtual reality training was presented, such as the pilot project at Régis Bittencourt, which reproduces milling activities (technique applied to restore pavements by grinding down one or more layers) and resurfacing, with the same conditions professionals will later face in real-life situations.

Another notable innovation was the use of board games in scale for training in highway signage—intended to gradually reduce accidents. By the end of the year, employees had received more than 90,000 training hours.

GRI 403-1

In addition, all professionals are represented in the Internal Accident Prevention Commissions (CIPAS), which define plans for improvement and organize the Internal Integrated Week for Prevention of Workplace Accidents (SIIPAT). An annual event, SIIPAT promotes activities to prevent accidents and raises awareness of participants on



topics related to health and well-being. The main topic of the 2018 edition was zero tolerance for accidents.

Another relevant work during the year was the review of the 20 critical tasks of the Occupational Safety System, with the support from an international consultancy (URM Consulting, from Canada). Within the framework of the initiative, each Managing Director of the Group was responsible for reformulating from two to three tasks and, to this end, they relied on the support of multidisciplinary teams and on the area of Work Safety. Senior managers and leaders of the companies retained to provide services and construction work on the highways also participated in this work, which demonstrates that, at Arteris, safety is the responsibility of all those involved in everyday and special activities.

Senior management also implemented the Guidelines for Safe Work (OTS - Orientações para o Trabalho Seguro), which consist of active safety management audits in road works and services. During the year, there were 163 inspections with the presence of directors and specialists.

GRI 403-2

More information can be found on page 61.

In 2018, a total of 3.19 lost time accidents per million hours worked were recorded—a reduction of 18% over the previous year. However, three fatal accidents with contractors were reported. The issue was addressed through in-depth investigations and analyses on the causes of the occurrences and improvements in safety instructions.

One such improvement consists in the use of empty vehicles as protective barriers against run-over accidents. This resource was listed in the Daily Plan for Work Safety (PDST), a document drawn up based on global guidelines from shareholders. All employees and contractors who are part of the work teams on the highways were trained for the preparation of the PDST.

Cases of noncompliance with the safety guidelines, rules and instructions are formally notified, and repeated misconduct or ineffective actions may result in suspension of the service agreement and ban from participating in future bids.

At the end of the year, together with all Abertis companies, the Company conducted a survey on the culture of safety, called #SmartRisk. Based on the results, to be consolidated in 2019, it will be possible to guide actions to reinforce best practices in management of workplace safety.





# RELATIONSHIPS AND DIALOGUE

GRI 103-1

ARTERIS IS COMMITTED TO PROMOTING PUBLIC DISCUSSIONS ON STRATEGIC TOPICS FOR THE BUSINESS AND THE INDUSTRY. STRENGTHENING THE RELATIONSHIP WITH STAKEHOLDERS IS COMMON PRACTICE AMONG ALL GROUP COMPANIES, ESPECIALLY IN MATTERS RELATED TO THE OPERATION AND THE SOCIAL AND ENVIRONMENTAL DEVELOPMENT OF THE SURROUNDINGS.

# REGULATORY BODIES AND TRADE ASSOCIATIONS

GRI 102-13

In Brazil, the model for the concession of public services to the private sector is governed by Law No. 8,987 (2/13/1995), which allows the Federal Government, as well as states and municipalities, to delegate services of public interest, in whole or in part, through competitive bidding.

At state level, the contracts are entered into with the Government of the State of São Paulo, and the operations are supervised by the Regulatory Agency of Delegated Public Transport Services of the State of São Paulo (ARTESP - Agência Reguladora de Serviços Públicos Delegados de Transporte do Estado de São Paulo). Federal concessionaires are regulated by the National Land Transport

Agency (ANTT - Agência Nacional de Transportes Terrestres) and act in accordance with the contractual requirements agreed upon with the Federal Government.

In order to lead debates that involve the sector, Arteris is a member of the Brazilian Association of Highway Concessionaires (ABCR - Associação Brasileira de Concessionárias de Rodovias) and of the Brazilian Association of Infrastructure and Heavy Industries (ABDIB - Associação Brasileira da Infraestrutura e Indústrias de Base). It is also the only company in the segment that attends meetings of the São Paulo Traffic Safety Movement, an initiative of the São Paulo State Government.

## SUPPLIERS

GRI 103-1  
103-2  
103-3  
102-9  
408-1  
409-1  
412-3  
414-1  
414-2

In 2018, Arteris entered into commercial agreements with 2,211 companies, including manufacturers of inputs for the operations, vendors of office supplies, service providers and technical consulting firms. The company demands from its suppliers the same upright conduct it requires of its employees. Therefore, all contracts cover human rights clauses and are in compliance with the law. In addition, our supplier partners sign a statement attesting to their commitment to not hiring child labor and not using slave labor. In the case of any irregularity, the company is notified and its payments may be suspended until the situation is rectified—with a risk of contractual termination in the event of recurrence.

GRI 412-3

In order to ensure transparency in the relationship with this audience, the procurement process is conducted on an online platform in which proponents register their data, which are subsequently analyzed in order to reduce costs and risks for the Company. In 2018, the pre-evaluation phase for hiring was improved with anti-corruption due diligence (see page 19).

For large projects, the Procurement Department has technical support from the Engineering team, which renders the selection even more assertive. The projects are also tendered in comprehensive lots in order to attract companies with better qualifications. Furthermore, concentrating projects on fewer partners optimizes processes and reduces time spent on inspections and evaluations.



During the year, the strategy of the federal concessionaires to communicate through Twitter proved to be efficient for streamlined communication of occurrences in traffic —especially during the truck drivers' strike, in the last ten days of May, when the profile of Régis Bittencourt, for example, was among the most accessed in the country, even by the national press, to update the main news portals. That month alone, the profile gained 782 new followers. For comparison purposes, in the previous month, it had gained 98. In the future, the tool will also be adopted by the state concessionaires.

The year was also marked by the consolidation of the partnership between Arteris and Waze, one of the world's leading traffic and navigation apps. Through the initiative, both users and employees of the concessionaires can send alerts to the Waze interface, which are quickly and effectively verified and resolved by the Operational Control Centers (CCOs - Centros de Controle Operacionais). The historical information from the app made it possible to prepare a heat map indicating the points with the highest occurrence of accidents or congestion, giving a more assertive guidance for action plans.

In addition, the traditional channels for requesting service, such as the Ombudsman's Office, were maintained, through which compliments, suggestions, reports and complaints are received. The contacts received are verified in order to guide actions for internal improvements, correct deviations and problems in management of operations. In 2018, the channel recorded 34,445 contacts, including requests for information, compliments, complaints and questions.

Services are made possible due to a structure that includes more than 100 tow trucks; 90 ambulances for first respondents and rescue; 72 water trucks and semi trucks used to combat fire outbreaks; and 33 units dedicated to rescuing animals; in addition to 70 traffic inspection vehicles and 4 cone placement and retrieval trucks.

## USERS

GRI 102-43

In order to advance the movement to digitize the relationship with users, in 2018, the Company published a new institutional website ([www.arteris.com.br](http://www.arteris.com.br)), which concentrates all posts on social networks and contains information about the concessionaires, strengthening communication with the audiences. The website receives, on average, more than 2,100 visitors every day.

### ARTERIS ON SOCIAL NETWORKS

-  **FACEBOOK**  
[www.facebook.com/ArterisOficial](http://www.facebook.com/ArterisOficial)
-  **LINKEDIN:**  
[www.linkedin.com/company/391591](http://www.linkedin.com/company/391591)
-  **INSTAGRAM:**  
[www.instagram.com/arterisbr](http://www.instagram.com/arterisbr)
-  **TWITTER:** @arteris\_oficial  
**LITORAL SUL:** @arteris\_ALS  
**PLANALTO SUL:** @arteris\_APS  
**FLUMINENSE:** @arteris\_AFL  
**RÉGIS BITTENCOURT:** @arteris\_ARB  
**FERNÃO DIAS:** @arteris\_AFD

GRI 102-43  
103-2  
103-3  
413-1

# COMMUNITIES

Arteris believes education is the main driver of a safer traffic, especially in communities close to operations. As a result, the company strengthened, within the framework of the School Project, the relationship with 136 units of the public school system and of the Association of Parents and Friends of People with Intellectual Disability (APAE - Associação de Pais Amigos dos Excepcionais) in São Paulo, Rio de Janeiro, Minas Gerais, Paraná and Santa Catarina. For 17 years, the initiative has trained teachers to nurture in students their rights and duties as citizens and social interaction, transforming youths into ambassadors for a more civilized and safe traffic. The teaching materials that support the activities are also available in Braille and in the Brazilian Sign Language, for the hearing impaired, which help to further disseminate the key messages.

Between September 18 and 25 alone, during the National Traffic Week, sponsored by the National Traffic Council (CONTRAN - Conselho Nacional de Trânsito), nearly 850 actions were supported in the schools benefitted by the project, including lectures, games, scavenger hunts, theater plays, cultural competitions, hikes and other initiatives in order to raise awareness among participants on their role for the safety of all.

Nearly 75 students participating in the School Project were also present in the third edition of the Arteris Youth Forum for Traffic Safety, whose objective is to give voice to the youths and encourage them to help improve the public policies in their communities. The event was broadcast live on the Arteris Facebook page and viewed, thanks to this resource, by users in Brazil, Mexico, Portugal, Australia, France and Ukraine.

Another highlight in the year was Viva Comunidade, an event that also aims to raise awareness among communities about traffic safety and takes to this audience a day full of cultural, health and wellness activities, and services. In 2018, more than 13,000 people benefited from all Arteris state and federal concessionaires.

In order to plan the Group's awareness programs, as well as other educational initiatives for target audiences, the Company engaged in an effort to understand, based on numbers and statistics, the specificities of each of the regions served, in order to strengthen the relevance of the actions undertaken by the concessions.

A significant advance was achieved in terms of managing incentive funds. In this sense, a Sponsorship Committee—composed of the Presidency, Communication and Integrity areas, and representatives of the concessionaires—began the selection process for the projects to be funded based on an internal sponsorship rule, which will be communicated to the external stakeholders in the form of policy as of next year. The goal is to invest in initiatives with potential to generate positive social impact in the regions served. Notable among the initiatives are:



## BOLSHOI THEATER SCHOOL IN BRAZIL

Considered a cultural heritage of humanity by the United Nations Education, Science and Culture Organization (UNESCO), the institution is one of the world's leading ballet and opera companies and has, in the city of Joinville (SC), the only unit outside Russia – which is supported by Arteris and supports, at no cost, more than 200 students aged between 9 and 20 in basic and technical courses in classical and contemporary dance.

## GURI PROJECT

Supported by the Department of Culture and Creative Economy of the State of São Paulo, this initiative is considered the largest Brazilian social and cultural program and offers, outside school hours, courses on music initiation, lutherie, choral singing, technology in music, strummed string instruments, stringed instruments, wind instruments, keyboards and percussion, to more than 49,000 students between the ages of 6 and 18.

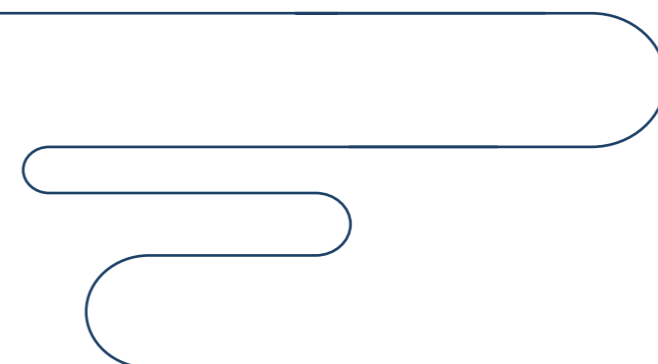


## JUNTA&VAI

Sports event supported by Arteris, on September 23, in Joinville (SC), which gathered approximately 750 participants in 4-km and 8-km running events, as well as a 4-km walk, and "Corridinha Kids," (running event for kids) from 50 meters to 200 meters depending on their age. All runners and supporters were invited to contribute with the donation of pop tabs from aluminum cans to the Lacre Amigo program (see page 41).

## ANNIE, THE MUSICAL

Show based on the comic strip "Little Orphan Annie," which tells the story of an 11-year-old girl who lives in an orphanage managed by the amusing Miss Hannigan. Among the considerations for the action, in order to promote social inclusion, Arteris distributed free tickets to the low-income population, NGOs and schools.



GRI 103-2  
103-3  
304-2

# THE ENVIRONMENT

Arteris has in place an Environmental Management System to standardize and conduct activities in compliance with the applicable legislation and to minimize its environmental impacts. In 2018, in order to certify the system in the latest version of ISO 14001:2015, all coordinators were trained to act as internal auditors. The objective is for the concessionaires to be compliant with the indicators required for certification and, to this end, a pilot program, with external audit, was carried out at Fluminense. With the same focus and in line with continuous improvement, the implementation schedule of an Integrated Management System will begin in 2019, with the Road Safety, Occupational Safety, Health and Safety, Environment and Quality standards.

A global environmental oversight agreement, drawn up the previous year, was also signed in the year for comparative analysis on the performance of each concessionaire, with standardization of best practices and preventive procedures.

The Golden Rules for Environmental Protection, which determine minimum measures to be adopted by all employees and third parties, were contractually endorsed in the year, reflecting on internal engagement with this topic. Through this formal definition and awareness-raising and capacity-building actions (which will be continuous), professionals at all hierarchical levels should be aware of how tasks should be conducted in order to be environmentally compliant.

Another important fact was the obtaining of a preliminary permit for the stretch of SP 255 km 83+200m to 147+300m and 155+770m to 179+600m of ViaPaulista, with an Environmental Impact Study and Report (EIS/EIR). The process was completed in just 10 months.



GRI 103-2  
103-3

## WILDLIFE PROTECTION

In 2018, the Company began construction of the first green overpass in Brazil on federal highways for wildlife crossing. Under development at Fluminense, (Highway BR-101 RJ/ North), the structure will be 54 meters long and 20 meters wide and will be covered with plants and trees native to the Atlantic Rainforest, selected by the Chico Mendes Institute for Biodiversity Conservation (ICMbio), as well as access ramps and hedges measuring two meters in height. The works will require investments of BRL 9 million, making safer the crossing of the local wildlife over the highway. The green overpass will connect the Poço das Antas Biological Reserve, one of the main habitats of the golden Lion Tamarin— species threatened with extinction and endemic to the region—to the Igarapé farm, forming green corridors to connect isolated forest fragments. Thus, it will also allow for gene flow among wild populations.

To protect local wildlife, in addition to the green overpass, Arteris will build four fixed concrete structures and six metal structures, connecting trees (canopy crossings) from one end of the highway to the other. In addition, the project includes 15 underground passageways and nine passageways in dry spans of the bridges.

Wildlife care is an ongoing practice at Arteris. At the end of 2018, the Company had more than 250 wildlife crossings along the entire stretch under concession. Also, the Company periodically invests in installation of fences and guide screens so that animals may move safely, without running into traffic.

The Arteris University of Development will also provide specific training for traffic inspectors to properly identify, report and send for treatment the animals struck by vehicles. As a result, the Company will rely on more accurate data, based on which it will be possible to develop more efficient solutions.

GRI 103-2  
103-3

## BIODIVERSITY

Reforestation activities follow the legal requirements and, in some cases, exceed them. An example is the compensatory planting for the construction work of the Florianópolis Ring Road, whose environmental recovery project includes replacement of species that are not native, such as pine trees, which could hinder the development of the ecosystem. The initiative relied on a study by an NGO specializing in forest restoration, so that planting, in a preservation area in the State Park of Serra do Tabuleiro, be carried out with species that are native to the region, for renovation and enrichment of the soil and of the local flora. The project has been in place for six years and will reach an area larger than the compensation planned and required by IBAMA.

Another highlight is the area covered by the Reserva Particular do Patrimônio Natural (RPPN) Papagaio-de-peito-roxo (Private Reserve of Natural Heritage Vinaceous-Breasted Amazon), which has approximately 77,000 native tree seedlings, in addition to an area of 100 hectares of conserved forest at Fazenda Valle do Ribeira, city of Bocaiúva do Sul (PR).

## GRI 103-2 103-3 MATERIALS, WASTE AND EFFLUENTS

The preparation of a waste disposal plan for both waste generated by the Company's own activities and collected by the concessionaires, began in 2018. Through this plan, Arteris will correctly map the waste accumulated, whose destination will comply with the National Solid Waste Policy and consider the reduction of Greenhouse Gas emissions, in addition to prioritizing small local suppliers to provide social gains. The plan is expected to be in place in all concessionaires as early as in 2019. This topic was also highlighted in the Junho Verde (Green June) campaign, which featured tips from

the character called Re, as well as the dissemination of best practices in communication aimed at employees, users and communities.

The Company's actions also extend to effluents. The success case of Litoral Sul, for the adoption of effluent treatment through root zone, was extended to Fluminense, with minor changes due to differences in species and climate among the concessionaires. The result, however, is the same: discharge of effluents under the right conditions into the environment after undergoing a natural filtration system.

## GRI 302-1 ENERGY

Energy consumption in Arteris's companies amounted to 6,595,893 giga joules (GJ) in 2018, of which 6,486,596 GJ correspond to the use of renewable and non-renewable fuels and 109,297 GJ, to electricity.

### FUEL CONSUMPTION IN 2018 (IN GJ)

	Diesel <sup>1</sup>	Ethanol	ARLA 32 <sup>2</sup>	Gasoline <sup>3</sup>	Oil	Natural Gas	Total
Centrovias	846,738.25	708,148.19	20,548.14	3,194.53	0	0	1,578,629.11
Fernão Dias	944,503.14	141,683.27	13,743.64	352,920.48	1,295.46	0	1,454,145.99
Fluminense	14,651.55	0	249.73	9,719.21	0	0	24,620.49
Intervias	457,012.85	183,507.84	0	10,638.72	0	0	651,159.41
Litoral Sul	775,089.47	228.29	18,454.95	505,744.31	0	2,851.74	1,302,368.76
Planalto Sul	11,131.17	10,283.05	0	8,537.54	0	0	29,951.76
Régis Bittencourt	11,912.47	50,046.49	0	184,376.82	0	0	246,335.78
ViaPaulista	162,540.58	424,226.32	2,460.76	2,633.27	0	0	591,860.93
Autovias	297,940.98	302,645.94	0	6,937.16	0	0	607,524.08
<b>Total</b>	<b>3,521,520.46</b>	<b>1,820,769.39</b>	<b>55,457.22</b>	<b>1,084,702.04</b>	<b>1,295.46</b>	<b>2,851.74</b>	<b>6,486,596.31</b>

<sup>1</sup> Common Diesel and common S10 Diesel.

<sup>2</sup> Nitrogen Oxides (NOx) Liquid Automotive Reducing Agent

<sup>3</sup> Regular gasoline and premium gasoline.

## GRI 103-2 103-3 303-1 303-3 WATER

In 2018, the Company's concessionaires consumed 206,581.57 m<sup>3</sup> of water. Most of the volume is supplied by local distributors. Some units also abstract surface and/or groundwater—always in compliance with environmental legislation and with the criteria granted by the license obtained from the relevant public agency. Planalto Sul also has in place a rainwater harvesting and storage project for later reuse in operations.

### WATER CONSUMPTION BY SOURCE IN 2018 (in m<sup>3</sup>)

	Surface water	Groundwater	Rainwater harvested and stored	Supply by local utility company	Total
Centrovias	1,461	0	0	1,090	2,551
Fernão Dias	15,402.55	0	0	4,708	20,110.55
Fluminense	41	18,089	0	3,461.22	21,591.22
Intervias	0	0	0	1,213	1,213
Litoral Sul	0	0	0	11,452	11,452
Planalto Sul	176.80	40,482	82,158	1,780	124,596.80
Régis Bittencourt	0	21,322	344	2,178	23,844
ViaPaulista	0	0	0	801	801
Autovias	0	0	0	422	422
<b>Total</b>	<b>17,081.35</b>	<b>79,893</b>	<b>82,502</b>	<b>27,105.22</b>	<b>206,581.57</b>

### ELECTRICITY CONSUMPTION IN 2018 (IN GJ)

Centrovias	7,040
Fernão Dias	27,755
Fluminense	13,618
Intervias	8,179
Litoral Sul	20,257
Planalto Sul	11,365
Régis Bittencourt	10,977
ViaPaulista	1,303
Autovias	8,803
<b>Total</b>	<b>109,297</b>

## AGREEMENTS AND PARTNERSHIPS

In 2018, the novelty was the approval of the Technological Development Resource (RDT - Recurso de Desenvolvimento Tecnológico) for the Grass Growth Control project, which will be initiated in 2019 with UNESP in the city of Jaboticabal. This is the first project related to environmental issues with approval from the RDT for Arteris. All concessionaires establish enter into agreements with entities and veterinarians to treat and rescue wild animals found on highways. There are also partnerships established with universities and research institutes.

## SOCIAL AND ENVIRONMENTAL COMMITMENT

The Company has in place social and environmental initiatives with ten indigenous communities around the Florianópolis Ring Road. In 2018, the initiatives, agreed upon with FUNAI, included the improvement of access points, for example, for ambulances to reach the villages; photography courses and donation of cameras to promote the handicraft articles made by the communities; and supply of construction materials for building houses of prayer.

# GRI ATTACHMENT

## OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS **GRI 304-1**

<b>Autovias</b>	Information not available.
<b>Centrovias</b>	Information not available.
<b>Intervias</b>	Stretch of the highway, between km 60+000 and km 64+500 of SP 191, approximately two kilometers from the Edmundo Navarro de Andrade State Forest; stretch of the highway, between km 88+500 and km 93+400 of SP 215, adjacent to the Porto Ferreira State Park; stretch of the highway, between km 59+500 and km 74+721 of SP 191, within the Environmental Protection Area (APA) Rivers Piracicaba and Juqueri-Mirim; stretch of the highway (km 240+500) of SP 330, 3.8 from Vassununga State Park; and stretch of highway, between km 135+000 and km 146+000 of SP 147, up to 3 kilometers from the Environmental Protection Area (APA) Corumbatai/Botucatu/Tejupá (Corumbatai Perimeter).
<b>ViaPaulista</b>	None.
<b>Planalto Sul</b>	None.
<b>Fluminense</b>	Operation of highway BR-101/RJ within União Biological Reserve, starting at km 183+260m and ending at km 190+560m; Poço das Antas Biological Reserve, starting at km 214+120m and ending at km 218+120m and Environmental Protection Area (APA) of the São João River, starting at km 188+580m and ending at km 258+500m; and in the vicinity of the Poço das Antas Biological Reserve, buffer zone starting at km 207+300m and ending at km 234+300m.
<b>Fernão Dias</b>	Operational bases and toll plazas at km 23.
<b>Régis Bittencourt</b>	Operational base at km 343 North; Toll plaza and operational base at km 370+400m North.
<b>Litoral Sul</b>	None.

## HABITATS PROTECTED OR RESTORED **GRI 304-3**

<b>Autovias*</b>	Informação não disponível.
<b>Centrovias*</b>	Informação não disponível.
<b>Intervias*</b>	Informação não disponível.
<b>ViaPaulista*</b>	Informação não disponível.
<b>Planalto Sul</b>	Iguaçu River Environmental Protection Area (APA), Foz do Rio Maurício Wildlife Refuge and João José Teodoro da Costa Neto Municipal Natural Park.
<b>Fluminense</b>	União Biological Reserve (from km 183+260m to km 190+560m); Poço das Antas Biological Reserve (from km 214+120m to km 218+120m); Environmental Protection Area (APA) of the São João River (from km 188+580m to km 258+500m and from km 207+300m to km 234+300m).
<b>Fernão Dias</b>	Felisberto Neves Municipal Natural Park (from km 493+140m to km 495+900m); Environmental Protection Area (APA) Igarapé (from km 515+450m to km 519+370m); APA Rio Manso (from km 529+515m to km 530+300m and from km 543+700m to km 546+720m); Mata do Cedro Ecological Station (from km 577+100m to km 578+715m); APA Fernão Dias (from km 908+820m to km 949+999m); APA Piracicaba / Juqueri-Mirim ÁREA-II (from km 000+000m to km 021+030m); APA Cantareira System (from km 000+000m to km 071+680m); Cantareira State Park (from km 067+315m to km 071+680m, from km 071+680m to km 076+480m and from km 076+480m to km 082+000m); and Itapetinga State Park (from km 069+150m to km 072+350m).
<b>Régis Bittencourt</b>	Environmental Protection Area (APA) Serra do Mar (from km 329 to km 383.9); Jacupiranga Mosaic (from km 508 to km 568), APA Guaraqueçaba (from km 1 to km 20); Environmental Protection Area of Irai (from km 75 to km 81).
<b>Litoral Sul</b>	State Environmental Protection Area (APA) of Irai (from km 75+164m to km 80+262m BR 116/PR); Metropolitan State Forest (from km 80+482m to km 84+116m BR 116/PR); State Environmental Protection Area of Piraquara (from km 84+739m to km 90+594m BR 116/PR); State Environmental Protection Area of Guaratuba (from km 638+100m to km 682+000m BR 376/PR) and Serra do Tabuleiro State Park (from km 234+600m to km 241+200m BR 101/SC).

\* Restoration actions are restricted to planting seedlings and recovering areas on private and public properties, provided by their owners or public agencies.

## IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS **GRI 304-4**

<b>Autovias*</b>	Information not available.
<b>Centrovias*</b>	Information not available.
<b>Intervias*</b>	Information not available.
<b>ViaPaulista</b>	Species threatened with extinction: cedrela fissilis (cedrela fissilis vell), white-striped warbler (myiothlypis leucophrys); Vulnerable species: zeyheria tuberculosa (zeyheria tuberculosa (vell.) bureau); Spanish cedar (cedrela odorata), cariniana legalis, cougar (puma concolor), giant anteater (myrmecophaga tridactyla), big-headed rice rat (euryoryzomys russatus), Amazonian motmot (momotus momota), black-bellied antwren (formicivora melanogaster); Near threatened species: Azara's agouti (dasyprocta azarae), black capuchin (sapajus nigritus), Atlantic titi (callicebus personatus), rusty-margined guan (penelope superciliaris temminck); Least concern species: oecomys catherinae.
<b>Planalto Sul</b>	Critically endangered species: cougar (puma concolor), brown howler monkey (alouatta guariba), red brocket (mazama americana) and Paraná pine (araucaria angustifolia); Endangered species: vinaceous-breasted amazon (amazona vinacea), Amazonian white-tailed trogon (trogon viridis), ocelot (leopardus pardalis), cedar (cedrela fissilis vell), xaxim (dicksonia sellowiana hook), marfim (balfourodendron riedelianum), casearia paranaensis sleumer (casearia paranaensis), Brazilian sassafras (ocotea odorifera), podocarpus lambertii; Vulnerable species: margay (leopardus wiedii), southern tiger cat (leopardus tigrinus), water opossum (chironectes minimus), jelly palm (butia yatay), ocotea catharinensis (ocotea catharinensis mez), ocotea porosa, myrcia tenuivenosa, gleditsia amorphoides; Near threatened species: neotropical otter (Lontra longicaudis); Least concern species: greater naked-tailed armadillo (cabassous tatouay) and ocotea puberula.
<b>Fluminense</b>	Species threatened with extinction: purple-winged ground-dove (claravis geoffroyi), mimoides lysithous harrisianus, black-headed berryeater (carpornis melanocephala); Vulnerable species: maned sloth (bradypus torquatus), Fluminense swallowtail (parides ascanius), cougar (puma concolor), margay (leopardus wiedii), white-necked hawk (amadonastur lacernulatus), salvadori's antwren (myrmotherula minor), band-tailed antwren (myrmotherula urosticta) and ochre-marked parakeet (pyrrhura cruentata); Near threatened species: maned wolf (chrysocyon brachyurus), white-eared parakeet (pyrrhura leucotis); Least concern species: ocelot (leopardus pardalis mitis); Endangered species: golden lion tamarin (leontopithecus rosalia) and red-browed amazon (amazona rhodocorytha).
<b>Fernão Dias</b>	Vulnerable species: oncilla (leopardus tigrinus), giant anteater (myrmecophaga tridactyla); Near threatened species: maned wolf (chrysocyon brachyurus), margay (leopardus wiedii), European rabbit (oryctolagus cuniculus); Least concern species: black howler (alouatta caraya), brown howler monkey (alouatta guariba), jaguarundi (herpailurus yagouaroundi), ocelot (leopardus pardalis), cougar (puma concolor), porcupine (coendou spinosus), muscovy duck ( Cairina moschata), crab-eating fox (cerdocyon thous); nine-banded armadillo (dasypus novemcinctus).
<b>Régis Bittencourt</b>	Critically endangered species: howler monkey (alouatta guariba); Vulnerable species: red-spectacled amazon (amazona pretrei), South American tapir (tapirus terrestris), channel-billed toucan (ramphastos vitellinus), howler monkey (alouatta clamitans), vinaceous-breasted Amazon (amazona vinacea), cougar (puma concolor); Near threatened species: neotropical otter (Lontra longicaudis), margay (leopardus wiedii), rusty-barred owl (strix hylophila) and blue-bellied parrot (triclaria malachitacea).
<b>Litoral Sul</b>	Vulnerable species: brown howler monkey (alouatta guariba clamitans), southern tiger cat (leopardus guttulus), margay (leopardus wiedii), neotropical otter (Lontra longicaudis) and jaguarundi (puma yagouaroundi).

\* Concessionaires Autovias, Centrovias and Intervias do not yet monitor this indicator.

**HAZARDOUS WASTE (TONS) GRI 306-2**

	Reuse	Recycling	Composting	Recovery, including energy recovery	Incineration (mass burn)	Underground injection of waste	Landfill	On-site storage	Other	Total
Autovias <sup>4</sup>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Centrovias <sup>4</sup>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Intervias <sup>4</sup>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
ViaPaulista	0	0	0	0	0	0	0	0	0	0
Planalto Sul	0	0	0	0	0	0	21.65	0	0.03 <sup>1</sup>	21.68
Fluminense				0.40						
Fernão Dias	0	0	0	0	5.18	0	1.51	0	0	6.69
Régis Bittencourt	0	5.20	0	0	0	0	19.26	0	0	24.46
Litoral Sul	0	0	0	0	0	0	403.93	0	30.38 <sup>2</sup>	434.3 <sup>1</sup>

<sup>1</sup> Autoclave.<sup>2</sup> 6.72 tons for wastewater treatment and 23.66 tons for coprocessing.<sup>3</sup> Data for Autovias, Centrovias and Intervias are not available because outsourced companies are responsible for the disposal of waste from these concessionaires.**NON-HAZARDOUS WASTE (TON.) GRI 306-2**

	Reuse	Recycling	Composting	Recovery, including energy recovery	Incineration (mass burn)	Underground injection of waste	Landfill	On-site storage	Other	Total
Autovias <sup>4</sup>	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Centrovias <sup>4</sup>	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Intervias <sup>4</sup>	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
ViaPaulista	0	49.28	0	0	0	0	8.04	43.58	8.06 <sup>1</sup>	108.97
Planalto Sul	0	1.93	0	0	0	0	265.50	0	9.16 <sup>2</sup>	274.66
Fluminense	0	183.61	0	0	20.72	0	1,039.48	0	0	1,243.81
Fernão Dias	0	180.6	0	0	0	0	0	0	0	180.6
Régis Bittencourt	761.25	466.85	0	0	0	0	0	0	0	1,228.10
Litoral Sul	-	3.60	0	0	0	0	2,235.15	0	124.51 <sup>1</sup>	2,363.26 <sup>3</sup>

<sup>1</sup> Wastewater treatment.<sup>2</sup> Coprocessing.<sup>3</sup> Does not consider 28,005.73 m<sup>3</sup> sent to City Administration (reuse).<sup>4</sup> Data for Autovias, Centrovias and Intervias are not available because outsourced companies are responsible for the disposal of waste from these concessionaires.**TYPES OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND NUMBER OF WORK-RELATED FATALITIES<sup>1</sup> GRI 403-2**

	Men	Women
Type of injury	160	28
Rate of injury <sup>2</sup>	5,05	0,88
Rate of lost days <sup>3</sup>	218.49	19.18
Rate of absenteeism <sup>4</sup>	432.24	180.01
Number of fatalities	3	0

<sup>1</sup> Includes company employees and contractors.<sup>2</sup> Number of injuries\*1,000,000/total number of hours worked.<sup>3</sup> Number of lost days\*1,000,000/total number of hours worked.<sup>4</sup> Number of days absent from work\*1,000,000/total number of hours worked.

GRI 102-55

# GRI CONTENT INDEX

Disclosures	Pages/Answers	Omissions
102-1: Name of the organization	3 and 67	
102-2: Activities, brands, products, and services	9 and 12	
102-3: Location of headquarters	67	
102-4: Location of operations	12	
102-5: Ownership and legal form	3 and 9	
102-6: Markets served	9 and 12	
102-7: Scale of the organization	9, 12 and 30	
102-8: Information on employees and other workers	40	
102-9: Supply chain	50	
102-10: Significant changes to the organization and its supply chain	13	
102-11: Precautionary Principle or approach	20	
102-12: External initiatives	18 and 43	
102-13: Membership of associations	49	
<b>Strategy</b>		
102-14: Statement from senior decision-maker	14	
<b>Ethics and integrity</b>		
102-16: Values, principles, standards, and norms of behavior	9, 17 and 18	
102-17: Mechanisms for advice and concerns about ethics	18	
<b>Governance</b>		
102-18: Governance structure	19	
<b>Stakeholder engagement</b>		
102-40: List of stakeholder groups	5	
102-41: Collective bargaining agreements	40	
102-42: Identifying and selecting stakeholders	5	
102-43: Approach to stakeholder engagement	5, 50 and 52	
102-44: Key topics and concerns raised	6	
<b>Reporting practice</b>		
102-45: Entities included in the consolidated financial statements	3 and 9	
102-46: Defining report content and topic Boundaries	5	
102-47: List of material topics	6	
102-48: Restatements of information	5	
102-49: Changes in reporting	5	
102-50: Reporting period	3	
102-51: Date of most recent report	August 2018.	
102-52: Reporting cycle	3	
102-53: Contact point for questions regarding the report	3 and 67	
102-54: Claims of reporting in accordance with the GRI Standards	3	
102-55: GRI content index	62	
102-56: External assurance	3	

TOPIC-SPECIFIC DISCLOSURES	Pages/Answers	Omissions
<b>Economic performance</b>		
103-1: Explanation of the material topic and its Boundary	7 and 23	
103-2: The management approach and its components	23 to 33	
103-3: Evaluation of the management approach	23 to 33	
201-1: Direct economic value generated and distributed	33	
<b>Anti-corruption</b>		
103-1: Explanation of the material topic and its Boundary	7 and 17	
103-2: The management approach and its components	17 to 21	
103-3: Evaluation of the management approach	17 to 21	
205-1: Operations assessed for risks related to corruption	17 and 18	
205-2: Communication and training about anti-corruption policies and procedures	17	
205-3: Confirmed incidents of corruption and actions taken	None.	
<b>Anti-competitive behavior</b>		
103-1: Explanation of the material topic and its Boundary	7 and 17	
103-2: The management approach and its components	17 to 21	
103-3: Evaluation of the management approach	17 to 21	
206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None.	
<b>Materials</b>		
103-1: Explanation of the material topic and its Boundary	7 and 49	
103-2: The management approach and its components	54 and 56	
103-3: Evaluation of the management approach	54 and 56	
301-1: Materials used by weight or volume	Information not available.	The Company does not yet monitor this indicator.
301-2: Recycled input materials used	Information not available.	The Company does not yet monitor this indicator.
301-3 Reclaimed products and their packaging materials	Information not available.	The Company does not yet monitor this indicator.
<b>Energy</b>		
103-1: Explanation of the material topic and its Boundary	7 and 49	
103-2: The management approach and its components	54	
103-3: Evaluation of the management approach	54	
302-1: Energy consumption within the organization	56	
<b>Water</b>		
103-1: Explanation of the material topic and its Boundary	7 and 49	
103-2: The management approach and its components	54 and 57	
103-3: Evaluation of the management approach	54 and 57	
303-1: Water withdrawal by source	57	



Biodiversity	Pages/Answers	Omissions
103-1: Explanation of the material topic and its Boundary	7 and 49	
103-2: The management approach and its components	54 and 55	
103-3: Evaluation of the management approach	54 and 55	
304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	58	
304-2: Significant impacts of activities, products, and services on biodiversity		The implementation of a highway can disrupt ecological corridors due to the fragmentation of native vegetation, causing changes in the micro-climate and in the solar radiation index, which affect the dynamics of the ecosystem. Consequently, roadkills of wildlife may also occur. Compensation of these impacts and how to mitigate these risks are described on page 54 of this report.
304-3: Habitats protected or restored	58	
304-4: IUCN Red List species and national conservation list species with habitats in areas affected by operations	59	
<b>Effluents and waste</b>		
103-1: Explanation of the material topic and its Boundary	7 and 49	
103-2: The management approach and its components	54 and 56	
103-3: Evaluation of the management approach	54 and 56	
306-2: Waste by type and disposal method	60	
<b>Employment</b>		
103-1: Explanation of the material topic and its Boundary	7 and 35	
103-2: The management approach and its components	34 to 41	
103-3: Evaluation of the management approach	34 to 41	
401-1: New employee hires and employee turnover	41	
401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	39	
401-3: Parental leave	39	
<b>Labor management relations</b>		
103-1: Explanation of the material topic and its Boundary	7 and 35	
103-2: The management approach and its components	34 to 41	
103-3: Evaluation of the management approach	34 to 41	
402-1: Minimum notice periods regarding operational changes		Minimum notice period not required for operational changes.

Occupational health and safety	Pages/Answers	Omissions
103-1: Explanation of the material topic and its Boundary	7 and 43	
103-2: The management approach and its components	46 and 47	
103-3: Evaluation of the management approach	46 and 47	
403-1: Workers representation in formal joint management– worker health and safety committees	46 and 47	
403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	47 and 61	
403-3: Workers with high incidence or high risk of diseases related to their occupation		There are no activities with high risk for specific diseases.
<b>Training and education</b>		
103-1: Explanation of the material topic and its Boundary	7 and 35	
103-2: The management approach and its components	37 and 38	
103-3: Evaluation of the management approach	37 and 38	
404-1: Average hours of training per year per employee	37	
404-2: Programs for upgrading employee skills and transition assistance programs	37	
404-3: Percentage of employees receiving regular performance and career development reviews	38	
<b>Diversity and equal opportunity</b>		
103-1: Explanation of the material topic and its Boundary	7, 17 and 35	
103-2: The management approach and its components	17 and 34	
103-3: Evaluation of the management approach	17 and 34	
405-1: Diversity of governance bodies and employees	20 and 40	
<b>Freedom of association and collective bargaining</b>		
103-1: Explanation of the material topic and its Boundary	7 and 35	
103-2: The management approach and its components	34 to 41	
103-3: Evaluation of the management approach	34 to 41	
407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		None.
<b>Child labor</b>		
103-1: Explanation of the material topic and its Boundary	7, 17 and 50	
103-2: The management approach and its components	17 to 21 and 50	
103-3: Evaluation of the management approach	17 to 21 and 50	
408-1: Operations and suppliers at significant risk for incidents of child labor	50	
<b>Forced or compulsory labor</b>		
103-1: Explanation of the material topic and its Boundary	7, 17 and 50	
103-2: The management approach and its components	17 to 21 and 50	
103-3: Evaluation of the management approach	17 to 21 and 50	
409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	50	

Human rights assessment	Pages/Answers	Omissions
103-1: Explanation of the material topic and its Boundary	7, 17 and 50	
103-2: The management approach and its components	17 to 21 and 50	
103-3: Evaluation of the management approach	17 to 21 and 50	
412-2: Employee training on human rights policies or procedures	17	
412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	50	
<b>Local communities</b>		
103-1: Explanation of the material topic and its Boundary	7 and 49	
103-2: The management approach and its components	52 and 53	
103-3: Evaluation of the management approach	52 and 53	
413-1: Operations with local community engagement, impact assessments, and development programs	52	
<b>Supplier social assessment</b>		
103-1: Explanation of the material topic and its Boundary	7, 17 and 50	
103-2: The management approach and its components	17 to 21 and 50	
103-3: Evaluation of the management approach	17 to 21 and 50	
414-1: New suppliers that were screened using social criteria	50	
414-2: Negative social impacts in the supply chain and actions taken	20	
<b>Customer health and safety</b>		
103-1: Explanation of the material topic and its Boundary	7 and 43	
103-2: The management approach and its components	43 to 45	
103-3: Evaluation of the management approach	43 to 45	
416-1: Assessment of the health and safety impacts of product and service categories	43 to 45	
<b>Socioeconomic compliance</b>		
103-1: Explanation of the material topic and its Boundary	7 and 17	
103-2: The management approach and its components	17 to 21	
103-3: Evaluation of the management approach	17 to 21	
419-1: Non-compliance with laws and regulations in the social and economic area	None.	

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102-3  
102-53

# CORPORATE INFORMATION

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Marti Carbonell Marcaro  
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Sebastian Mena Morales  
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Flavia Lucia Matioli Tãmega  
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*Engineering and Implementation Director*  
Eliana Rosa Parra Cachuf  
*Director of Organization & People*  
Flavio Leite Mesquita  
*Director of Implementation*  
Marcio Protta  
*Director of Institutional Relations*  
Marcelo Afonseca  
*Director of Regulatory Affairs*

## Operations Department

André Bianchi  
*Director of Operations for Regional Offices Autovias and ViaPaulista*  
Nelson Bossolan  
*Director of Operations for Regional Offices Intervenias and Centrovias*  
Luciano Louzane  
*Director of Operations for Regional Office Fernão Dias*  
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*Director of Operations for the Southern Region (Régis Bittencourt, Planalto Sul and Litoral Sul)*

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