

2016 ANNUAL REPORT



Entender para Atender



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Message from Management



2016 was marked by challenges in Brazil. Despite the a recessionary economic environment, we recorded a Consolidated Gross Revenue of R\$7.4 billion, 13% higher than in 2015, which proves yet again the value of our diversified portfolio – services, customers and economic sectors – confirming the Company’s resilience, as well as our ability to execute.

G4-1

In 2016, JSL turned 60. Throughout these six decades, the Company has built a consistent growth trajectory, based on meeting the clients’ needs through innovative, customized solutions, always aimed at offering the best cost-benefit and seeking to perpetuate the business relationship between them. As a consequence, JSL remains a leader¹ in its segment in the domestic market, which is constantly developing, with bases that have allowed it to take advantage of business opportunities.

JSL Logística operates in more than 16 sectors of the economy and has more than 400 clients. In 2016, the segment had a Consolidated Net Revenue of R\$4.2 billion, 5% higher than the previous year, and Net Revenue from Services of R\$3.9 billion, 6% up on 2015.

The diversification of our services, in addition to expanding our experience in the most diverse processes, also strengthens the resilience of our results. It is worth mentioning that the largest client corresponds to 8% of Logística’s revenue from services in several contracts, and the largest sector accounts for about 13% of this revenue.

Gross Revenue from the Sale of Assets was R\$311.6 million at JSL Logística in 2016, in line with the previous year, confirming our liquid asset base, despite the country’s recession. In 2016, we closed New Long-Term Contracts in the total amount of R\$819 million, which demonstrates the trust placed in JSL and our capacity to add value to the client’s business.



Movida posted a Consolidated Net Revenue of R\$1.9 billion, an increase of 56% supported by an innovative model focused on client’s service and a modern technology platform. Throughout 2016, Movida RAC increased its number of daily rentals by 62%, from 5.1 million in 2015 to 8.2 million in 2016, and occupancy rate growth from 64.8% in 4Q15 to 74.5% in 4Q16. It also delivered the highest average monthly

revenue per operational average fleet in the sector, which totaled R\$1,805 in 4Q16, 6% higher than in 4Q15. With a focus on the profitability of the operation, GTF’s average monthly revenue increased from R\$1,151 in 4Q15 to R\$1,271 in 4Q16, up 10%. In the used cars segment, with the opening of 36 stores throughout the year, Net Revenue totaled R\$1.0 billion, an increase of 76% in the annual comparison.

¹Source: Transporte Moderno magazine, November 2016.



In 2016, the Dealerships posted a total net revenue of R\$835.5 million, a reduction of 17% compared to 2015. The drop in sales volume reflected the unfavorable economic scenario in the period, as this segment is complementary to other businesses.

A JSL Leasing recorded a Net Revenue of R\$28.2 million in 2016, an increase of R\$22.8 million, mainly due to the higher number of operations in the period, from 122 in 2015 to 569 in 2016, as we are building a company that offers financial and operational leasing in a solid and sustainable way, with a focus on the complementarity of our business.

A JSL Consolidated recorded total costs and expenses of R\$6.2 billion in 2016, 15% up on 2015. This variation is mainly related to Movida and the final stage of building the foundations for its continuous development, which involved the opening of RAC and Used Cars stores, as well as fleet expansion. The increase in costs and expenses is also related to adjustments in some of our operations in the logistics segment, as a consequence of the country's recession, despite the growth in revenues in the last 12 months.



Consolidated EBITDA reached R\$1.1 billion and EBITDA margin was 19.7%, 1.8 p.p. lower, due to the pressure on expenses with non-recurring items, mainly in 4Q16.

We reported a Net Loss of R\$183.2 million in 2016 and R\$150.4 million in 4Q16, impacted by the following extraordinary non-recurring events in the last quarter:

- (i) operating expenses arising from the adjustments in purchase prices of certain companies and write-off of goodwill on investments, among others, in the total gross amount of R\$82.7 million;
- (ii) financial expenses due to adjustments in purchase prices of certain companies in the gross amount of R\$39.9 million.

However, we highlight the improvements in the Company's operating cash flow and its resilience during the period: Free Cash Flow to the Firm increased R\$337 million when compared to 2015, totaling R\$269 million in the year.

To sustain our growth in 2016, our gross capex was R\$2.5 billion, 44% of which in asset renewal and 56% in expansion. The R\$251 million increase compared to the investments made in 2015 is mainly due to Movida's fleet expansion, which grew from 52,723 in 2015 to 64,223 cars in 2016, and the opening of 27 RAC service points and 36 Used Cars stores in of the year. In line with our strategy of diversifying the client portfolio in Logística, we have invested 74% in expansion.

Therefore, through an even more complete service portfolio for our clients, we not only generated additional revenues in the current year, but will do in the coming years as well. Movida ended 2016 well positioned to enable growth that will contribute to a new strategic cycle for its business development and the continuity of JSL's strategic planning.

Due to higher capex, gross debt totaled R\$6.3 billion, remaining in line with the R\$6.3 billion recorded on December 31, 2015.





Also in 2016, Standard & Poor's Global Ratings assigned its "BB" global scale corporate credit rating to JSL S.A., and Fitch Ratings assigned its "BB" global scale corporate credit rating and "AA-(bra)" national scale rating to JSL S.A., with rating outlook revised to stable. According to S&P, "the rating reflects the company's position as one of the largest logistics service providers in Brazil, with diversification into light vehicle rental and fleet management". For Fitch, "the revision of the outlook to stable reflects JSL's business resilience, underpinned by the company's improving operating cash flow generation despite the recession in Brazil".

Over these 60 years, we have consolidated a strong culture with talented people, building a unique business model that offers customized services to meet the clients' specific needs, adding value and optimizing processes in each stage of the services provided so that clients can focus on their own businesses. These factors are essential to the Company's future.

JSL provides services to more than 400 customers, who help to generate new opportunities, seeking synergies in their logistic chains. We believe that the Company has a lot more to

develop in the next few years, as logistics needs are constantly evolving and clients are seeking to optimize their processes and increase their productivity.

We remain committed to the ten principles of the Global Compact, adopting and encouraging positive practices related to human rights, decent work conditions, the environment and anti-corruption actions, as can be observed in the information reported herein. Through the Julio Simões Institute, we benefit more than 41,000 people in 2016, with actions focused on the Company's surrounding communities, strengthening safety in the country's main roads and qualifying people for work in the logistics sector.

We believe that 2016 was a proof of the resilience of our revenues, as well as JSL's credibility with our shareholders, creditors, customers and other stakeholders. The Brazilian economic scenario proved to be quite challenging for several industries, resulting in increased competitiveness and more condensed operating margins. As a result, the industries sought to optimize their logistics resources, creating business opportunities for JSL.

We began 2017 with Movida's successful initial public offering, raising R\$600 million, which strengthens our capital structure. After relevant investments for its development since its acquisition three years ago, Movida occupied a leading position and consolidated its position as the second largest company in the RAC sector in Brazil.

This year, the focus will be on the profitability of the operations and we believe there is potential for the capture of added value through projects aimed at operational improvements, as well as the completion of the stage of building the foundations for Movida's sustained development and its consequent process of consolidation of the Used Vehicle stores and new RAC channels, together with a deceleration of the group's net investments.

Profitability will be ensured by the work of our employees, with whom we share a vision of business ownership, guided by our values and strategic goals. We will continue to focus on the excellence of our operations, adapting our structure and adjusting our operation in order to improve our clients' productivity and the profitability of our business.

We would like to thank our employees for their commitment, the trust and support of our investors, shareholders, financial institutions, suppliers, clients, who we are very proud to serve, and everyone who helps us achieve our goals.

Thank you,

Fernando Antonio Simões
CHIEF EXECUTIVE OFFICER OF JSL S.A.



Message from Management	2016 Highlights	About the Report	Materiality Matrix	JSL	Corporate Governance	Economic Performance	Social Performance	Environmental Performance	GRI G4 Content Index	Glossary	Financial Statements	Credits
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Main
highlights and
indicators for 2016

In another year of achievements, despite the challenging domestic economic environment, we present below our biggest highlights of 2016. ^{EC1}

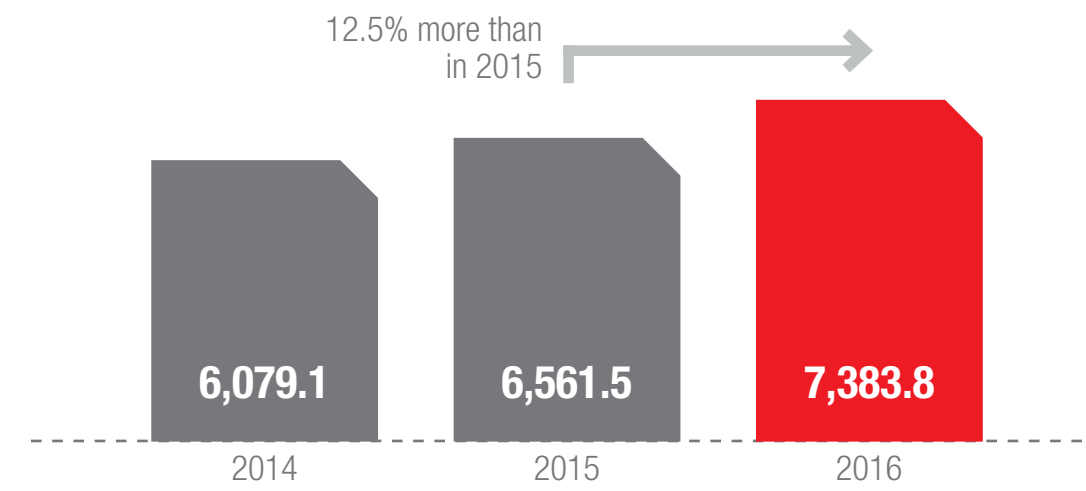
<p>Record Total Gross Revenue of R\$7.4 billion, AN INCREASE OF 13% in 2016</p>	<p>Consolidated EBITDA of R\$ 1.1 billion, 3% down on 2015</p>	<p>Acquisition of QUICK aimed at sectoral and geographic diversification</p>	<p>JSL was awarded the 2016, TRANSPARENCY TROPHY from ANEFAC – FIPECAFI – Serasa Experian</p>	<p>Conclusion of the building of Movida's foundations, which consolidated its position as the second largest company in the RAC sector in the country, with solid pillars for a new business cycle. For this purpose, Movida ended 2016 with 183 RAC stores, 59 Used Vehicles stores and a fleet of 64,223 vehicles</p>	<p>Throughout 2016, Movida RAC increased its number of daily rentals by 62%, from 5.1 million in 2015 to 8.2 million in 2016</p>
<p>Net investment of R\$ 1.1 billion, 35% of which was allocated to JSL Logística, 63% to Movida and 2% to JSL Concessionárias</p>	<p>Free Cash Flow to Firm of R\$269 million</p>	<p>Issue of the second Agribusiness Receivable Certificate (CRA) in the amount of R\$ 200 million for 3 years</p>	<p>JSL is elected the best company in the transportation sector in the special edition of Exame Magazine's 2016 Best and Biggest</p>	<p>Movida, in line with its unique service and constant innovation values, always thinking about the customer, was recognized as being the customer's favorite choice and was awarded by Rentalcars the "Customer Favorite Awards"</p>	<p>Subsequent Event: Movida raised R\$ 600 million through an IPO in February 2017, improving its capital structure</p>



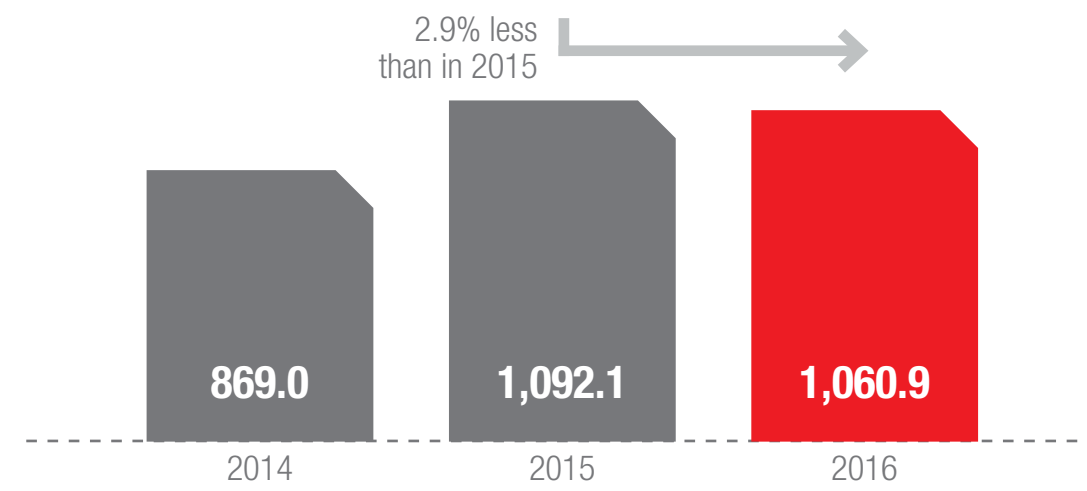
MAIN INDICATORS

G4-9

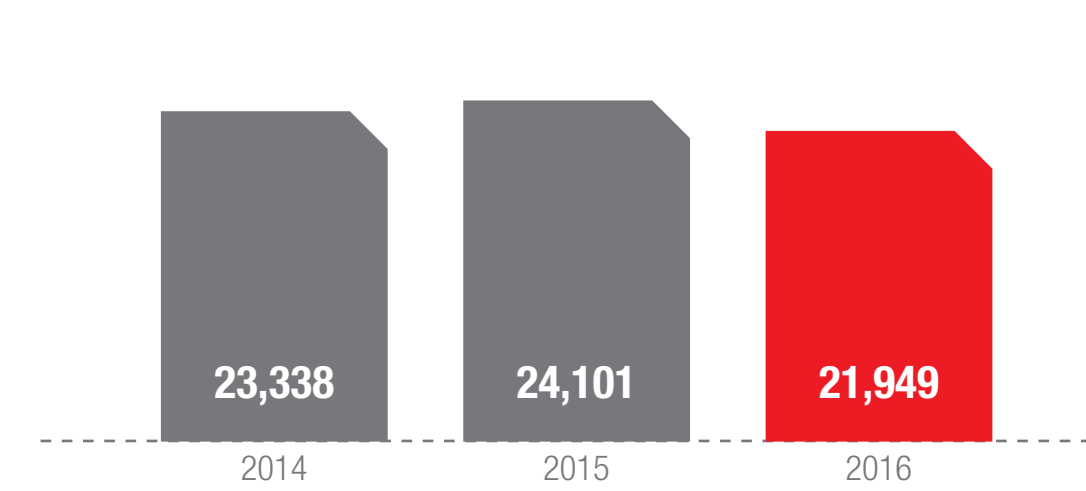
Consolidated Gross revenue (R\$ million)



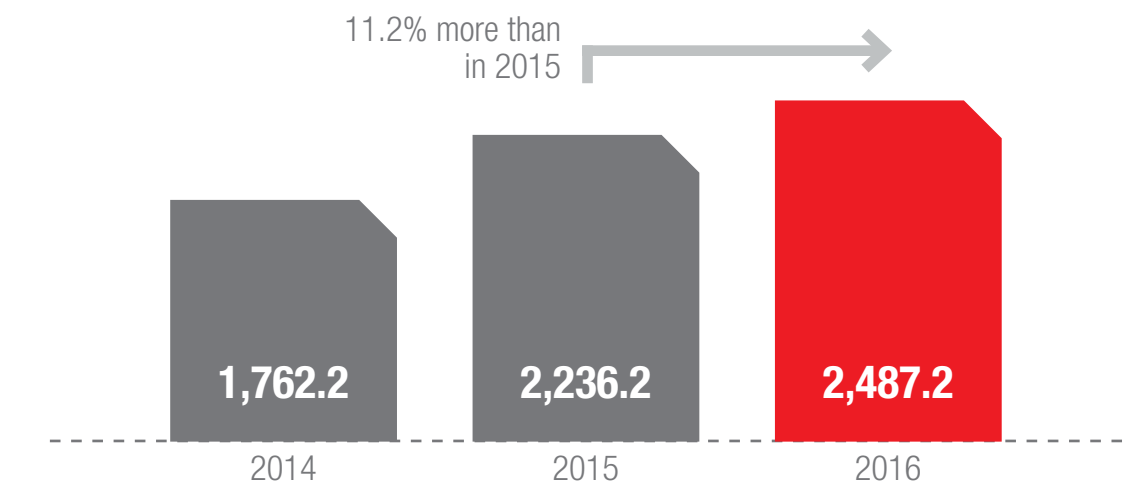
Consolidated EBITDA (R\$ million)



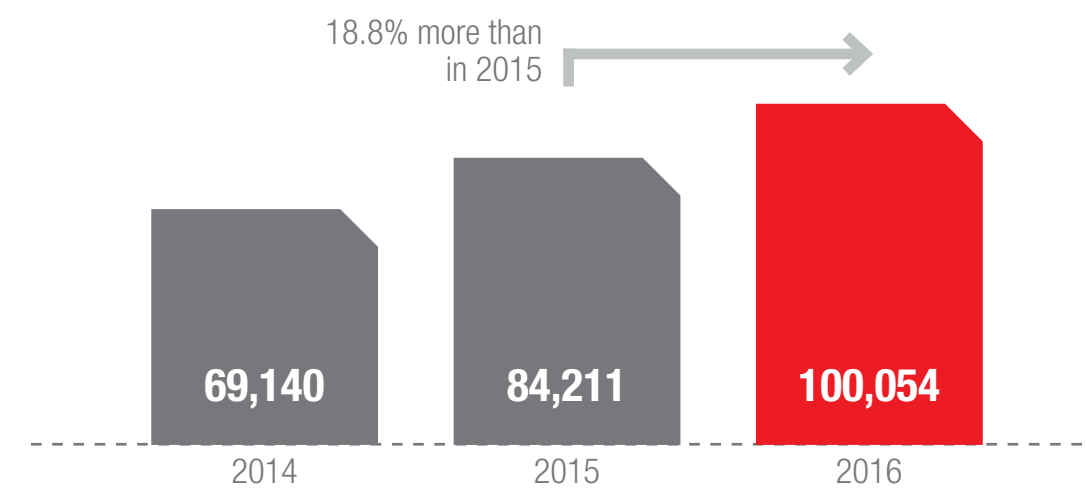
Employees:



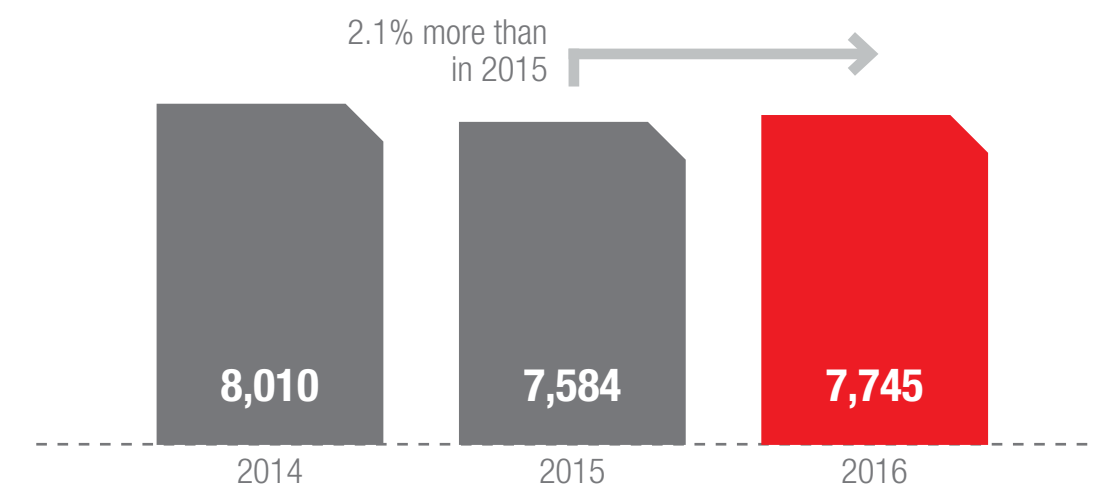
Consolidated gross investment (R\$ million)



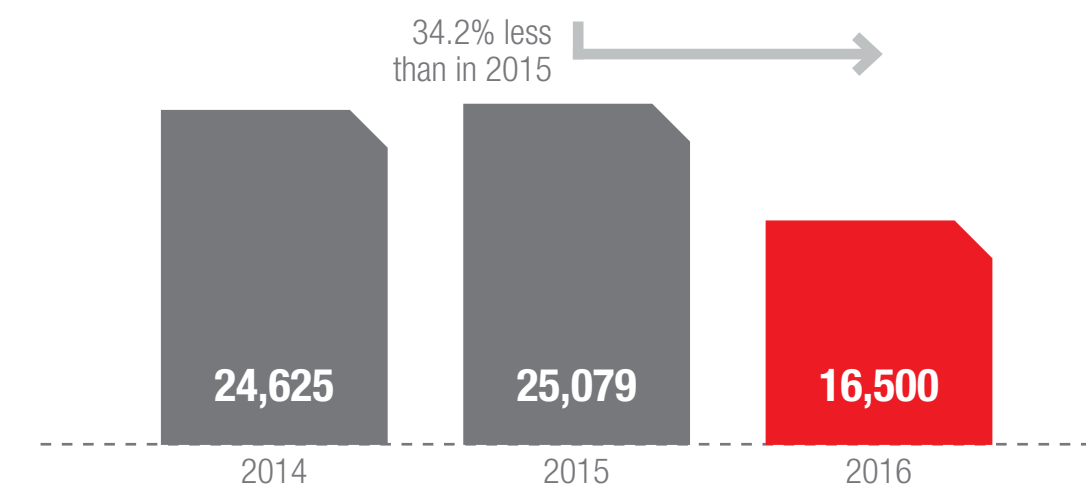
Total assets (un)



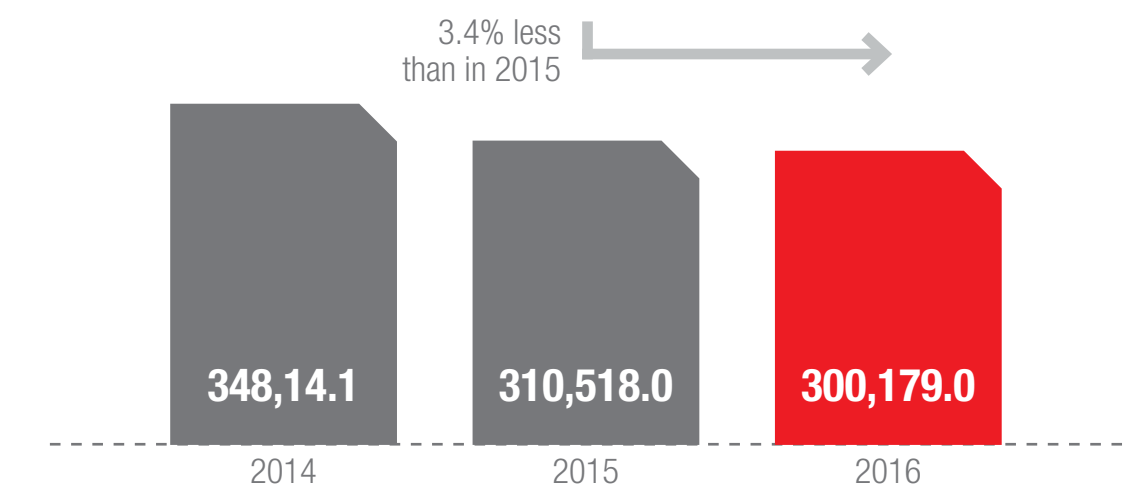
Heavy vehicles



Trained employees (un)



Emission (tCO₂e)



About the Report





G4-18, G4-28, G4-29, G4-30, G4-31, G4-32, G4-33

We are proud to present JSL’s seventh Annual Report, published annually. Based on the Global Reporting Initiative (GRI) methodology, following the G4 guidelines, based on the “Essential” option, we present our business model, strategy, management practices, as well as environmental, social and economic and financial information for 2016, including updates until the release date of this material.

The content was defined after a consultation with our main stakeholders in order to collect the most relevant topics to be reported. With this, a Materiality Matrix was developed, as presented below.

The businesses covered in this report include all of our operations and are the same as listed in the Financial Statements, highlighting the influence of each of the businesses in JSL’s performance. The scope of the sustainability indicators mostly refers to JSL Logística’s and Movida’s operations, which concentrates our service provision, and, therefore, the largest share of social and environmental impacts. The consolidation of the financial results includes JSL Logística, Movida, JSL Concessionárias de Veículos and JSL Leasing,

considering the elimination of the operations between the businesses.

Possible significant changes regarding the data reported in previous years and changes in the basis of calculation or in the methods to measure indicators are also highlighted throughout the text.

The economic and financial information follows International Financial Reporting Standards (IFRS) and are presented based on the 2016 financial statement, audited by PricewaterhouseCoopers. We have chosen not to conduct the external assurance of this report, which is elaborated with the support of a specialized consulting firm. The operating data is presented based on internal management controls and the areas’ specific measurement systems, which are periodically validated by their respective executive officers.

Aware of the importance of concise communication of corporate results, we present the financial and non-financial information in a unified manner, keeping pace with the discussions on the development of Integrated



JSL’s 7th Annual Report presents
our business model, strategy
 and other highlights for 2016.

Reporting proposed by the International Integrated Reporting Council (IIRC).

For more information related to the 2016 Annual Report, please e-mail us at: ri@jsl.com.br.

This report and previous versions were produced in Portuguese and English and are available for download on our website: ri.jsl.com.br.



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Materiality Matrix



G4-18, G4-19, G4-20, G4-21, G4-24, G4-25, G4-26, G4-27

To define the content of this report (and its respective GRI indicators), in 2017, we conducted a structured consultation process with our stakeholders², which resulted in the elaboration of our Materiality Matrix. Therefore, we were able to identify the most relevant topics to the organization and our stakeholders, also taking into consideration the definition of the main issues and economic, social and environmental impacts related to our business.

ENGAGEMENT TOOL

The tool we used to map the topics that make up our materiality matrix was an online consultation based on the GRI guidelines, on research on topics relevant to the sector, on JSL's 2015 Annual Report content and on the Company's strategic concepts.

The elaboration process considered three main themes – Economic and Financial and Management performance and Social and Environmental performance –, each covering seven subjects, which were classified from the most relevant (1) to the least relevant (7).

This allowed us to know the opinion of JSL and its stakeholders on 21 different subjects.

DEFINITION OF STAKEHOLDERS

In order to define the stakeholders consulted in the materiality matrix, we elected those considered to be strategic for our business, such as investors, partner institutions, the media, suppliers, employees, clients and financial institutions. This selection was based on the impact of the Company's activities, products and services on these groups, as well as their expectations, interests and capacities. This engagement provides tools for improving effectiveness in the Company's decision-making process, helping to ensure long-term relations.

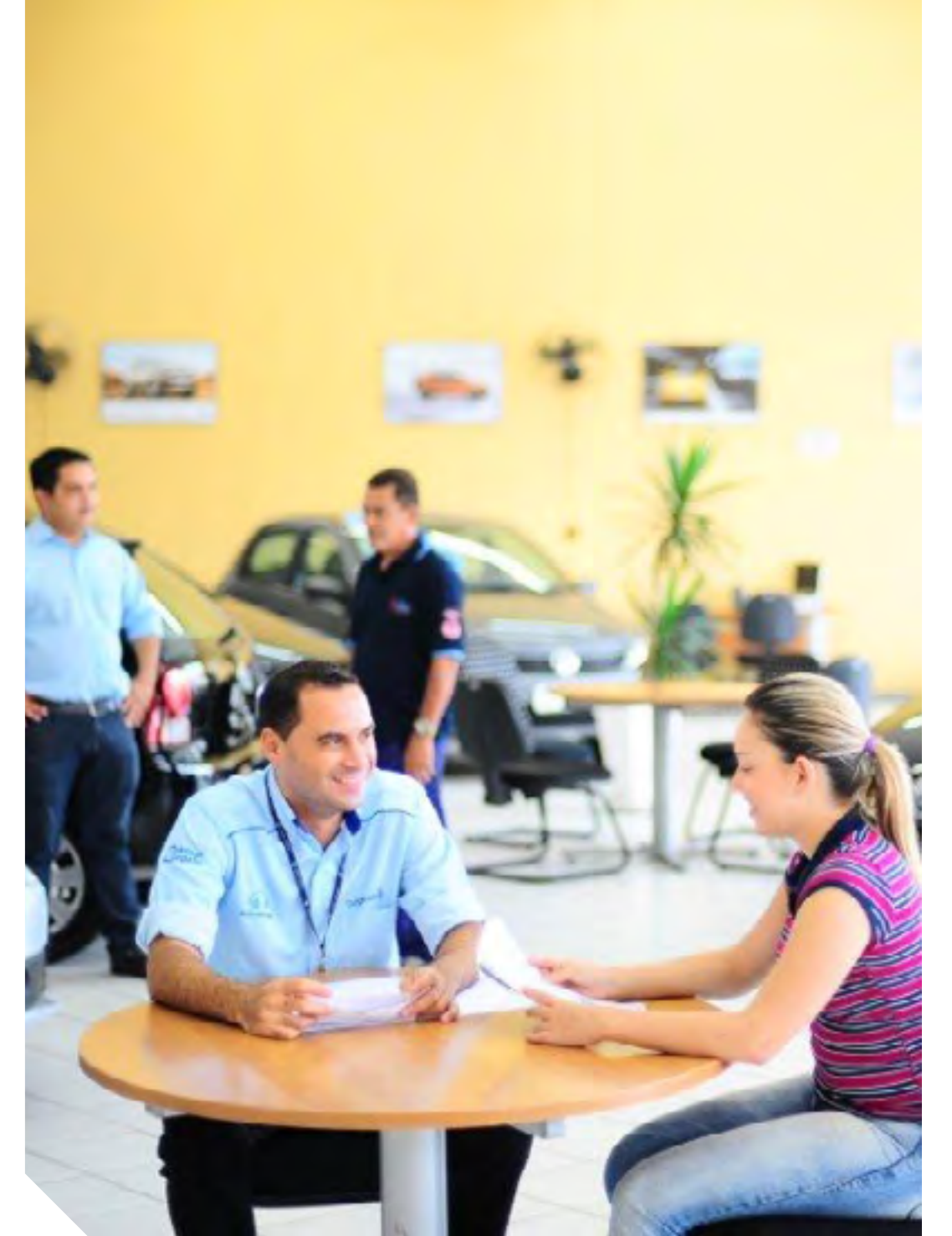
MATERIAL TOPICS

With the results obtained from the consultation with different stakeholders, it was possible to draw up a chart showing the four most relevant topics, according to the

stakeholders and JSL's senior management, distributed in three themes and their respective subjects, as follows:

- **Economic and Financial and Management Performance:** Financial Results, Corporate Governance;
- **Environmental Performance:** Energy Efficiency;
- **Social Performance:** Suppliers.

After the elaboration of the Materiality Matrix, a survey of all GRI indicators related to the identified material topics was conducted, as well as the definition of indicators that we consider important for our business. From this process, the indicators included in this report were established.





Themes	Material topics	Limit of the material topics
Economic and financial and management performance	Financial results	Material within and outside the organization
Economic and financial and Management performance	Corporate Governance	Material within and outside the organization
Environmental performance	Energy Efficiency	Material within and outside the organization
Social Performance	Suppliers	Material within and outside the organization

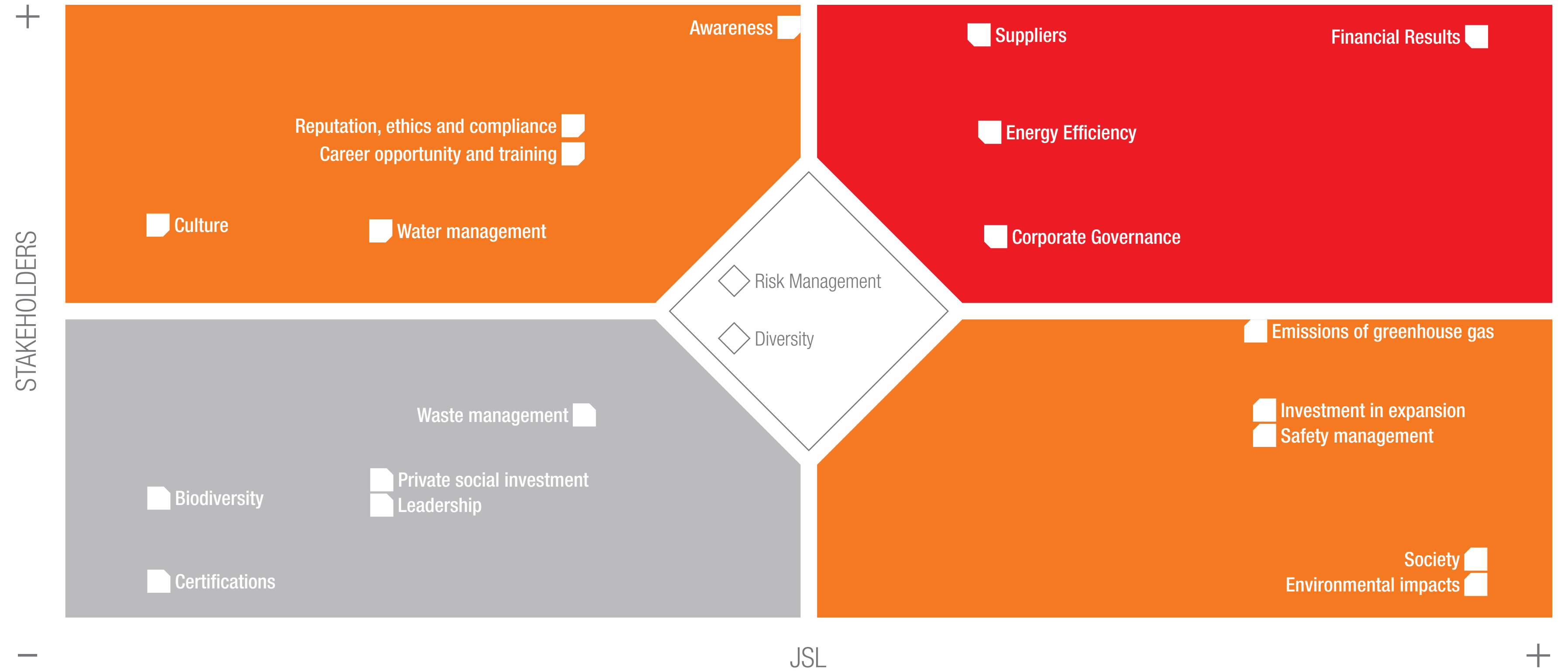
² Acronym in English to "interested parties"

 Most material topics for JSL and its stakeholders.

 Topics of medium materiality for JSL and its stakeholders.

 Topics for which priority is seen differently by JSL and its stakeholders, pointing out the need for an analysis.

 Least material topics in the report at the moment for JSL and its stakeholders.





MATRIX OF ASPECTS AND IMPACTS

EC8

Impacts	Economic		Environmental		Social	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Positive	Expansion of investments (branches)	Attraction of new investments	Recycling of lubricant oil	Reduction of incorrect waste disposal	Generation of jobs	Generation of indirect jobs
	Contracting of local services and products	Dynamization of local economy	Consumption of low sulfur fuel	Reduced emission of white smoke	Professional training	Professional qualification
	Investments in social, cultural and sport initiatives		Fleet renewal (euro 5)	Efficient fuel consumption/ Lower emission levels	Investments in social, cultural and sports initiatives	Local development
	Increase in public revenue	Economic development	Development of special vehicles (rodotrem)	Reduction of CO ₂ emissions	Increase in public revenue	Improvement of the quality of life
Negative	Expansion of operation	Demand for infrastructure and public services	Increase in CO ₂ emissions	Change in air quality	Increase in traffic of heavy vehicles	Increase in the risk of accidents
	Heavy use of highways		Consumption of lubricant oil, grease, tires, water, electricity	Depletion of natural resources	Disturbances to the population due to the operations	Noise pollutions and increase in local traffic
	Reduction of labor during decommissioning	Changes to the local economy	Disposal of contaminated lubricant oil, grease and effluents	Pollution of soil and water	Reduction of labor during decommissioning	Increase in unemployment

USL



60 YEARS OF HISTORY AND HARD WORK

G4-3, G4-4, G4-6, G4-7, G4-8

Embarking on the path of development with dedication and perseverance is one of JSL's drivers. In 2016, the Company completed 60 years, celebrating a history of entrepreneurship and many achievements. We continue to hold a leading position in the logistics market, presenting greater solidity and credibility in all businesses every year, which reinforces the complementation between our various products and services. Our pace and speed are constant and we are always focused on diversifying our business and finding new opportunities.

This story began in 1956, when Mr. Julio Simões founded the current JSL S.A. (BM&FBovespa: JSLG3). Since then, we have been offering new solutions to the needs of a constantly developing market, having achieved top position in its segment.

The dream of a young Portuguese immigrant who left his land in search of a better future became reality and it was far greater than what he imagined it to be.



knowledge of the market, being the company with the broadest portfolio of logistics services in Brazil.

“Understand to Serve” continues to define JSL’s main goal, something that is at the roots of the Company’s history and the values of Mr. Julio Simões, who, in the 50’s in Mogi das Cruzes, Greater São Paulo, took the first steps towards the consolidation of the Company, with great effort, courage, hard work and attention to opportunities.

We currently have more than 21,949 employees and have business relations with more than 400 clients in 16 sectors of the economy, and, despite the many challenges in the country’s current political and economic climate, we continue to work hard and develop in order to meet and understand our clients.

With operations all over the national territory (20 Brazilian states) and three other Mercosur countries, we provide high added value services, from cargo transportation to total outsourcing of logistics chains, always prioritizing integrated, flexible, customized and agile work.

With continued attention to the differences between the businesses and the clients’ specific demands, we have built a complete logistics solutions portfolio over the years, offering them in an integrated and customized way for each company. Our services cover all stages of logistics, from the initial stage, such as inbound logistics management, to the end of consumption, reaching reverse logistics.

The JSL group currently has more than 100,000 operating assets. Our portfolio of services includes Movida’s

activities, a car rental company for individuals and corporations, which ended 2016 with 183 RAC stores, 59 used vehicle dealerships and 64,223 cars.

In addition, the Company currently sells its assets through 16 JSL used heavy vehicles stores.

In an independent, but complementary manner, the Company has 30 JSL Concessionárias stores of light and heavy vehicles, which helps it maintain one of the youngest fleet in the country, and count on JSL Leasing, created to offer financial and operational leasing.

In 2016, we concluded the process of implementing the SAP system in JSL Logística. From the use of this tool, we started the automation of processes in several areas such as Finance, Purchasing, Accounting,



among others; traceability and monitoring of management information; reduction of deadlines and other initiatives. With this new system, it was possible to guarantee and improve management efficiency and decision-making processes within the Company.

With all this, it is very clear that our performance and leadership in the Brazilian market is a tangible result of our capacity and ability to plan, implement and operate customized services, following the needs and particularities of each client.

We continue to build our diversification policy and make fast structural adjustments, where necessary, which means greater agility to get through difficult times, while maintaining the focus on the sustainability of our development.

At the Julio Simões Heritage and Cultural Center, located in our administrative headquarters in Mogi das Cruzes, you can learn more about the history of the group's companies. The important legacy left by the entrepreneur is preserved by the Company, which has worked to ensure excellence in business man-

agement, always seeking to follow the best practices of the market.

Courage, opportunity and growth are just some of the characteristics that permeate JSL's daily operations and of all those that are part of its achievements and challenges. We believe that this young and enterprising spirit will continue for many years, making our results even more lasting and profitable.

JSL'S 60TH ANNIVERSARY CELEBRATION

The Company's anniversary celebrations began in December 2015, at the managers' annual meeting, with the theme JSL 60 years. The launch of a book with the Company's history since its foundation, highlighting the actions performed in those six decades. Three thousand copies of the book were printed and delivered to employees who have been working for the Company for more than 15 years, as well as clients and financial institutions. A commemorative stamp was also used in our graphic materials, the Company's website and the entrance of the Intermodal Logistics Center (CLI).

In 2016, the Julio Simões Institute also celebrated its 10-year anniversary. In its first decade of existence, the organization created and developed social projects that have improved the lives of thousands of people, residents of Mogi das Cruzes and the surrounding commu-

nities where we operate, as well as the drivers working on Brazilian roads. In total, up to June 2016, almost 360,000 people benefited, among them children, adolescents, adults and the elderly.

MAIN SERVICES



Provision of Logistic Services through four business lines: Dedicated Services to the Supply Chain; Management and Outsourcing of Fleets and Equipment; Passenger Transportation and General Cargo Transportation;



Vehicle rental with activities of RAC (Rent a Car) and GTF (Management and Outsourcing of Fleets);



Sale of vehicles: through the network of vehicle dealerships (Original Volkswagen, Fiat Ponto, Ford Avante) or the Used Vehicle stores;



Offer of financial and operational leasing with JSL Leasing.



Timeline

1950

- After the purchase of the first truck, Julio Simões began transporting agricultural produce from Mogi das Cruzes to Rio de Janeiro.
- 1956: Julio began to serve Suzano, a company in the paper and pulp industry from a neighboring city.
- 1958: The Company already had a fleet of five vehicles.

1960

- 1962: Establishment of the Company's first administrative headquarters in Mogi das Cruzes.
- 1964: Transportadora Julio Simões Ltda. opened its first subsidiary in the port city of Santos (SP).

1970

- 1970: Acquisition of Transcofer, a company three times larger, operating in the heavy cargo transportation sector, specialized in the steel segment.
- 1972: New facilities at Avenida Saraiva to accommodate the fleet of 42 trucks – which remains the Group's main address.



1980

- 1980: Beginning of light vehicle leasing and bus charter services for the transportation of employees to strengthen the diversification of services.
- 1982: The Company began a business relationship with Gerdau, another large client in the steel sector.



1990

- 1995: Entry into the vehicle sales market, with the purchase of Original, a Volkswagen dealership. Since then, other dealerships of different brands have joined the group.
- 1997: obtained the ISO 9001 certification.
- 1998: obtained, through bids, the concession of public transportation of passengers.
- 1998: First fleet outsourcing contract in the urban cleaning sector, offering almost 100 garbage trucks to the city hall of Rio de Janeiro.
- 1999: Acquisition of Transcel.

2000

- 2008: Acquisition of Lubiani Logística, company specialized in heavy goods transportation.
- 2009: Urban cleaning services (under the name of Stralu) and public transportation services (Transcel) were consolidated in one operation with the creation of CS Brasil (Companhia de Serviços). Julio Simões became a Joint-Stock Company and renamed Julio Simões Logística S/A.



Timeline

2010

- Public listing of JSL on BM&FBovespa's Novo Mercado segment, adopting the highest corporate governance level.



2012

- Start of the logistics operations of MAN-RJ.
- Merger of SIMPAR Concessionárias to expand the resale channel of the used assets.

2013

- Acquisition of Movida Rent a Car, a car rental company.



2014

- Start of JSL Leasing operations.
- Beginning of the screening process of suppliers based on social and environmental criteria.
- The Company became a signatory of the Global Compact.
- Entry in BM&FBovespa's 2015 Corporate Sustainability Index (ISE).

2015

- JSL named the best company in the transportation sector according to Exame Magazine's Best and Biggest award.
- Start of the operations of Movida Seminovos.



2016

- JSL celebrated its 60-year history of hard work and achievements.
- Acquisition of Quick Logística.
- JSL was again named the best company in the transportation sector according to Exame Magazine's Best and Biggest award.
- Begin the process of Movida's public listing.



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AWARDS AND RECOGNITIONS IN 2016



Transparency Trophy: awards those companies with the most transparent financial statements in Brazil. Divided into three categories, the analysis of the companies is conducted by master's degree and doctorate students at the University of São Paulo, based on the financial statements



Exame Magazine's 2016 Best and Biggest: JSL named the best company in the transportation sector according to Exame Magazine's 2016 Best and Biggest.



INBRASC Award 2016: best road transport in the Brazilian Institute of Supply Chain Award.



Saber Viver Certificate: for the collaboration in the social development of the Barra do Riacho region in Aracruz, State of Espírito Santo.



PERC 2015 – Supply Chain Relationship Excellence Program: winner in the “Customer service: Services and Logistics” category.



MISSION, VISION AND VALUES

MISSION To provide services and logistics solutions, through a dedicated workforce, generating value for our clients and shareholders, and contributing to the development of the communities where we operate.

VISION Maintain our position as the leading logistics operator in the market, offering the broadest range of services and innovative solutions, which are recognized for their excellence and are aligned with the clients' needs; to be recognized for the professionalism of our management; to become a benchmark in the utilization and commercialization of assets.

VALUES

- **Client:** Understand and serve, to ensure a long-term relationship.
- **People:** They make all the difference in our business.
- **Hard work:** You don't build anything without it.
- **Simplicity:** objective in our actions, to ensure agility.
- **Profit:** indispensable for growth and perpetuation.

BUSINESS AND MARKETS SERVED

G4-4, G4-6, G4-8, G4-13

LOGISTICS

With a business model based on the commitment to understand the clients' needs to serve in a customized and unique way, JSL Logística offers practical and specific solutions, always seeking to innovate and continuously improve our processes in order to increase productivity.

Our business was built on four main foundations:

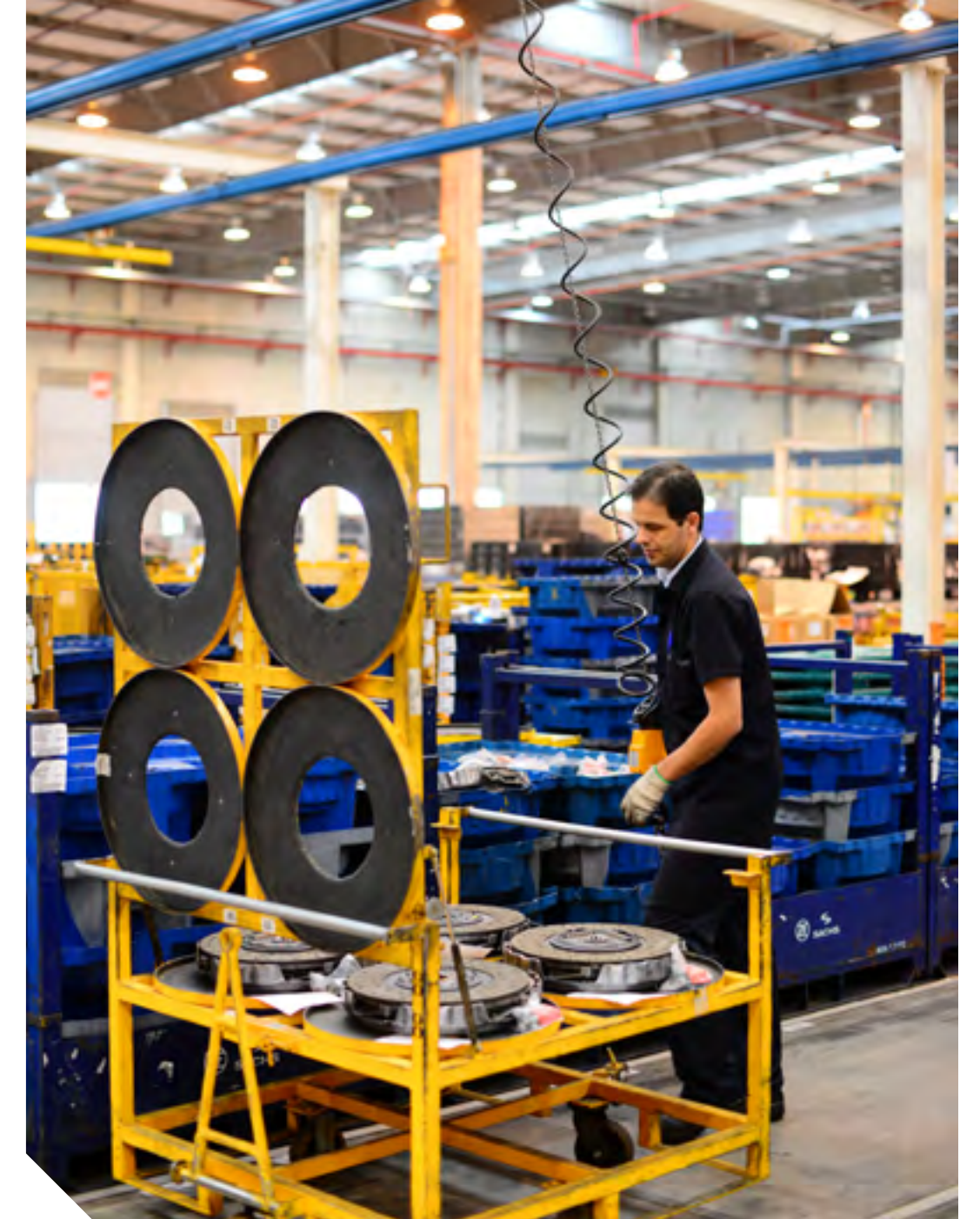
- **Dedicated Services to the Supply Chain:** integrated logistics projects; management of information throughout the logistics chain; inbound logistics management; internal logistics (product handling and inventory management); reverse logistics; warehousing and urban distribution, among others;
- **Fleet Management and Outsourcing and Equipment:** rental of machinery and equipment; rental of light vehicles with services; rental of heavy vehicles with or without services; and other personalized services;

- **Passenger Transportation:** bus charter services to transport clients' employees; municipal public transportation arising from public bids;
- **General Cargo Transportation:** transportation of raw materials or finished products from point A to point B".

This integration and the attention to the particularities of each client provides the maintenance of long-term relationships, which, combined with the diversified services offered, allows the identification of cross-selling opportunities, contributing to the Company's organic growth. JSL Logística relies on an extensive portfolio of services and clients' diversification: the biggest client accounts for 8% of service revenues and the largest sector accounts for 13% of this revenue.

These factors mitigate risks and expand growth opportunities.

Our business model ensures that each project is managed in an exclusive way, taking into consideration the operational assumptions of contracts signed. Each contract is part of a cycle that begins with project pricing, followed by the financed purchase of specific assets. In the first stage, the necessary resources, including facilities, personnel and assets, are put in place. Next, the provision of services begins, generating cash flow. At the end of the contract, which can vary between 2 and 10 years, the asset used is sent to one of the 16 Used Vehicles stores to be sold, considering its estimated residual value.



JSL BUSINESS

1 PRICING AND EXECUTION OF CONTRACT

“Understand to serve”

- Pricing
- Structure of contracts



2 ASSET FINANCING AND ACQUISITION

Strong bargaining power

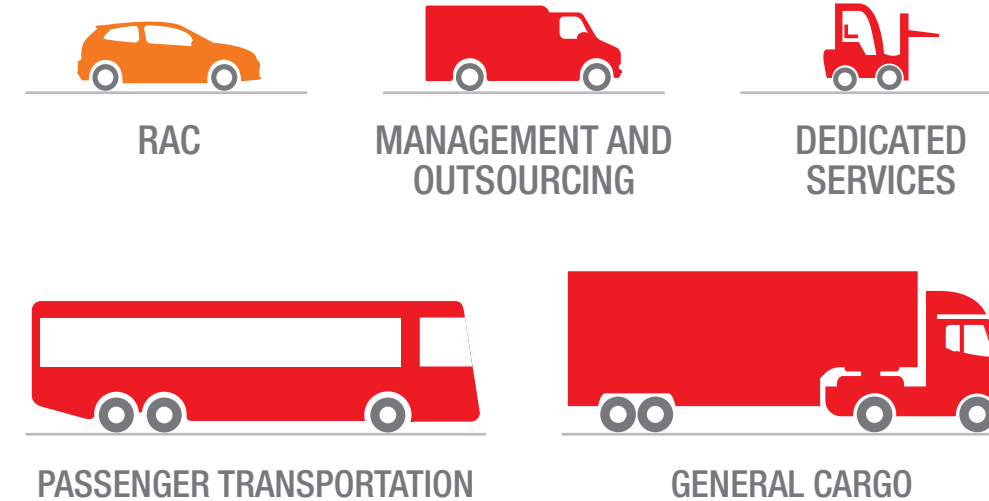
- CAPEX pegged to the contract: safe cash generation
- Safe cash generation
- Gain of scale in acquisition
- Use of specific lines



3 PROVISION OF SERVICES

Broadest portfolio of services

- Customer and industry diversification
- Cross-selling opportunities



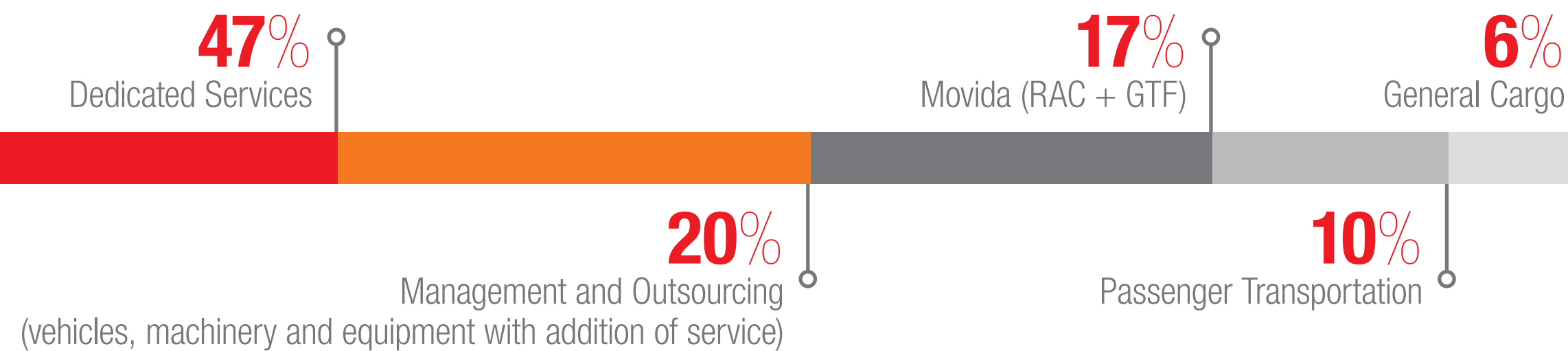
4 SALE OF ASSET AT THE END OF THE CONTRACT

Maximizing the value of sale

- Used car dealerships
- Dealership network
- Improved buying and selling process



BREAKDOWN OF GROSS REVENUE FROM SERVICES BY BUSINESS LINE (2016)



The Company operates in 20 Brazilian states and 3 other Mercosur countries (Argentina, Chile and Uruguay, with permission to travel through Venezuela). JSL's Brazilian subsidiaries are leaders in their segments and operate in several sectors of the economy: Agriculture, Food, Automotive, Capital Goods, Consumer Goods, Electricity, Paper and Pulp, Public, Chemical, Services, Steel and Mining and Municipal Transportation, among others.



MOVIDA

Movida, with innovation, dynamism and a youthful spirit, is responsible for consolidating rent a car and Fleet Management and Outsourcing activities, operating guided by its excellence in customer service culture, in order to perpetuate and strengthen the relationship between them and the Company. One of Movida's objectives is to expand its operations by searching for new markets, based on technological growth and innovative services, ensuring and consolidating its space in the vehicle rental market.

In December 2016, Movida had more than 64,000 vehicles, 49,135 of which in RAC activities, and 15,088 in GTF activities. In the renewal period, Movida sold the vehicles used in its operations through one of the 59 Movida Seminovos stores, as well as other sales channels.

We began 2017 with Movida's successful initial public offering, raising R\$600 million, which strengthens

our capital structure. After relevant investments for its development since its acquisition three years ago, Movida occupied a leading position and consolidated its position as the second largest company in the RAC sector in Brazil.

RENT A CAR

Among Movida's range of activities, it offers daily, monthly and annual light vehicle rental services for individuals and corporates. Movida closed 2016 with 183 stores in main Brazilian cities and airports, prioritizing agility and technological facilities for its customers.

In this activity, Movida values customer service, offering advantages such as: a 27-hour daily rental period, personalized services for corporate clients, a diversified new fleet, Carbon Free rentals (which neutralizes carbon emissions through the planting of trees), CD player or USB port

in all the categories, Movida WiFi, GPS, easy collection of the car directly at the VIP parking floor at Congonhas Airport through Movida Express, protections included in daily rentals, 24/7 assistance, unlimited mileage, young rental for those over 19 years old and the Movida Move Você Loyalty Program. Reservations can be made through its specialized call center, its website and applications for mobile phones for all platforms and social networks.

FLEET MANAGEMENT AND OUTSOURCING (GTF)

In this category, Movida operates with long-term car rental contracts, mostly over 12 months, with corporate clients. The service comprises the study of the sizing of the vehicle fleet, from acquisition and rental to maintenance and replacement of damaged vehicles. To manage these services, it offers support documentation and online management reports that provide transparency and



agility. Clients can opt from various contractual arrangements, including additional services such as corrective and preventive maintenance, insurance, tire replacement, replacement vehicles for the maintenance period, the option to purchase the vehicle at the end of the contract, as well as a variety of vehicle brands and models.





JSL CONCESSIONÁRIAS DE VEÍCULOS

This is an independent and highly complementary operation, as it expands the capillarity in the distribution of light and heavy assets, provides better residual value at the moment of sale and contributes to the Company's strategy by identifying the best moment for selling used vehicles and buying new ones. At the end of 2016, its authorized dealership network comprised 30 stores of brands such as Volkswagen, MAN, Fiat and Ford, in seven Brazilian states, responsible for selling new and used light and heavy vehicles for individuals and corporations.

JSL LEASING

Offers financial alternatives to facilitate access to trucks, buses, cars, machinery and equipment. In synergy with JSL's business, JSL Leasing takes advantage of commercial opportunities related to logistics activities, such as the sale of Logistics' or Dealerships' assets, through the offer of financial and/or operational leasing for the acquisition of vehicles and equipment.

ACQUISITION OF QUICK LOGÍSTICA

Seeking to improve and expand its activities, JSL acquired Quick Logística on February 15, 2016, which provides transportation, warehousing, inventory management, scheduled or cycle counting, picking and distribution services. The company, which has a strong presence in Brazil's Midwest region, operates in the food, hygiene, cleaning, textile, pharmaceutical and chemicals sectors. The acquisition of Quick Logística was a strategic decision for the sectorial and geographical diversification of JSL's activities.



- +220** Subsidiaries in 20 Brazilian States and 4 Countries: Brazil, Argentina, Chile and Uruguay (JSL Logística)
- 21,949** Direct employees (all companies)
- +100,000** Assets: 64,000 Movida and 36,000 JSL Logística.
- 14** Distribution centers in Brazil
- 1** (CLI) Intermodal Logistics
- 1** Dry Port and 1 REDEX
- 183** Movida – Car rental stores
- 105** Own stores:
 - 17 Light Vehicle Concessionaires
 - 13 Heavy Vehicle Concessionaires
 - 59 Light Used Vehicle (Movida)
 - 16 Heavy Used Vehicles (JSL Logística)



CERTIFICAÇÕES



ISO 9001:2008 - Quality Management System

The requirements of this certification are directed to customer service, product and service delivery, seeking to ensure a satisfactory level of service quality and continuous improvement.



ISO 14001:2004 – Environmental Management System

This certification ensures compliance with regulations regarding environmental aspects and impacts generated by the Company's activities, such as transportation of non-hazardous products using its own fleet and third parties.



SASSMAQ - Safety, Health, Environmental and Quality Evaluation System

The requirements of this certification are focused on the reduction and prevention of accidents in the transportation of chemicals, solid and liquid, hazardous and non-hazardous and packaged products.



BRC Global Standard for Food Safety – Business Assurance

BRC establishes the standards regarding the receipt, storage and dispatch of food products at controlled and room temperature, as well as personal care products, in order to ensure consumer safety.

ASSOCIATIONS OR PARTNER INSTITUTIONS

G4-15, G4-16

JSL participates in several associations or is a partner of institutions with the aim of acting more directly in multiple projects that contribute to the improvement of the quality of life in the world and the promotion of discussions in the sector in which it operates. Some examples include:

- “Na Mão Certa” (On the Right Track) Program, an initiative of the World Childhood Foundation
- Global Plan of the UN decade of Action
- Global Compact
- “Empresa Amiga da Criança” (Child-Friendly Company) Seal
- ABRASCA (Brazilian Association of Publicly-Held Companies)
- ABTI (Brazilian Association of International Transportation)
- ABAV (Brazilian Association of Travel Agencies)
- ABRACORP (Brazilian Association of Corporate Travel Agencies)
- ABLA (Brazilian Association of Rental Companies)
- ACAV (Brazilian Association of MAN Concessionaires in Latin America)

Only Movida participates in the ABAV, ABRACORP and ABLA associations, and only JSL Concessionárias is directly connected to ACAV.



Corporate Governance

All of the Company's relationships are grounded on ethical principles, based on the commitment to follow the best governance practices, valuing transparency, accessibility and equality of information for all stakeholders. We also have corporate mechanisms aimed at ensuring compliance with laws and regulations, acting in a preventive way through effective risk monitoring and adequate management of internal processes.

For this purpose, JSL is managed by its Board of Directors and Board of Executive Officers, which also have the support of a Fiscal Council, installed at the request of minority shareholders, as well as an Ethics and Compliance Committee, which aims to monitor the compliance of our operations with laws, internal policies and ethical standards, allowing the continuous improvement of the Company's processes and sustainability, reporting directly to the Board of Directors. Therefore, our governance model follows the main guidelines of the Brazilian Institute of Corporate Governance (IBGC) and adopts, among others, the following principles and policies:

- Exclusive issuance of common shares;
- "One share, one vote" policy, that is, each share or quota must entitle its owner to one vote;
- Contracting of one of the "Big Four" audit companies to issue an independent audit report on the Company's financial statements; the Company does not contract services not related to audit.
- By-Laws must clearly define how the General Meeting is convened; the powers of the members of the Board of Directors and the Board of Executive Officers; the procedure for voting, electing, dismissing members of the Board of Directors and Management and their term of office;
- Disclosure of annual management reports in a transparent manner;
- By-law provision prohibiting the access to information and right to vote to board members in situations of conflict of interests;
- The public tender offer that results in the transfer of control must be addressed to all shareholders, who will have the option of selling their shares under the same conditions as the controlling shareholder, including participation in the control premium, if any;

- The Company's Board of Directors is composed of 5 members.

As a result this work, the Company's shares have been listed in the Novo Mercado² segment of the BM&FBovespa since April 2010, adopting the highest level of corporate governance of the Brazilian stock exchange. The listing regulations of this market segment attest to a differentiated standard, as they increase shareholder's rights and enhance the quality of information provided by companies and promote agility to determine the resolution of corporate conflicts. In 2016, we maintained the actions of our Compliance Program. We launched our New Code of Conduct, with specific guidelines for relationships with public entities. We also created the Compliance Line, which provides guidelines on compliance in the corporate environment, and a new fully independent and outsourced Reporting Channel, directly reporting to the Board of Directors.

³ Novo Mercado is Bovespa's listing segment that includes companies committed with the highest corporate governance levels. For further information, access: <http://www.bmfbovespa.com.br>

CORPORATE STRUCTURE

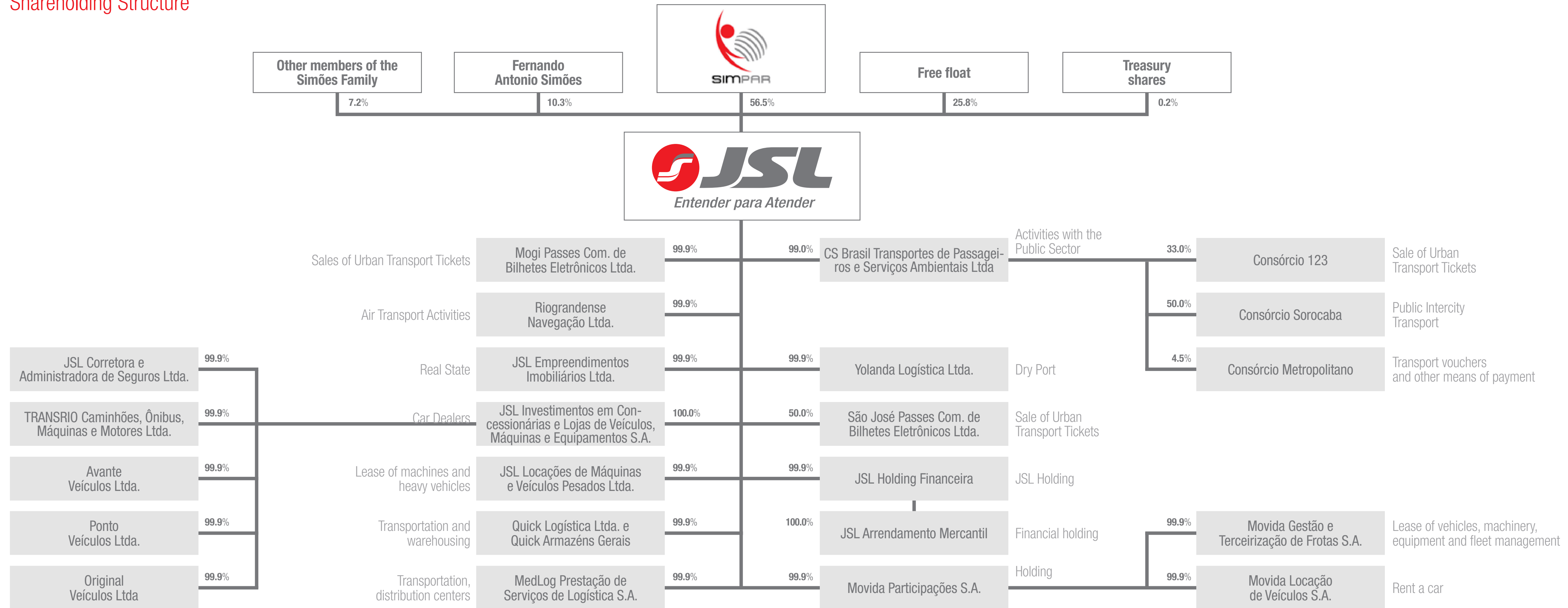
G4-12, G4-13, G4-17, G4-22

JSL's corporate structure is composed of large companies, which contribute to generate new business opportunities for the group. In order to structure them as independent business units that generate synergies among each other, creating additional value in each of the new companies, we have been working on a corporate reorganization project. The corporate reorganization will lead to greater clarity in the presentation of results and understanding of the business units; reduction of funding costs for investments in specific segments and attraction of investors interested in different business units; decentralization and increased focus on each of the companies, keeping the benefits of JSL management; improvement of the capital structure and generation of shareholder value.

The chart below shows JSL's current corporate structure. All activities performed by logistics business lines are concentrated in JSL S.A. Proportionate ownership interests in the voting and total capital stock of its subsidiaries are indicated in percentage points in the following page.



Shareholding Structure



- Data-base: December / 2016 (*) SIMPAR S.A. has a shareholders Mr. Fernando Antonio Simões with 52% of the voting capital, and Mr. Julio Eduardo Simões, Ms. Jussara Elaine Simões, Ms. Solange Maria Simões Reis and Ms. Marita Simões, with 12% of its voting capital each.



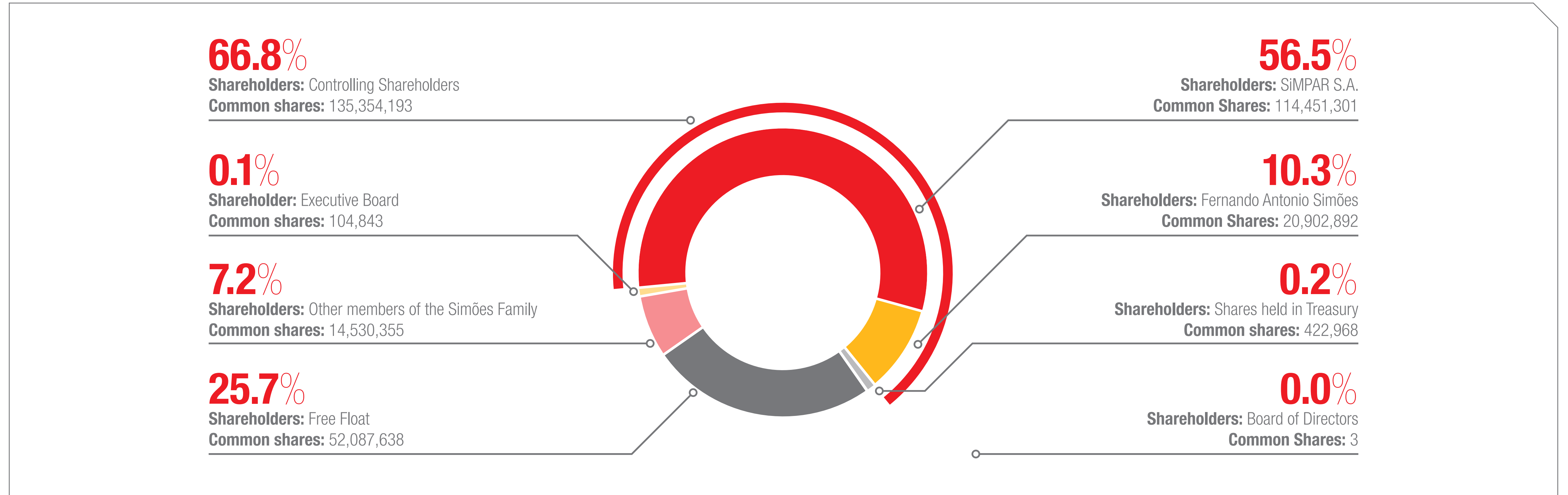
Subsidiaries

CS Brasil	Services of urban and highway transportation of passengers; public municipal cleaning; garbage collection and transportation; rental, management and maintenance of vehicles, machinery and equipment; sale of light and heavy vehicles, new and used machinery and equipment; in addition to the assessment of the scenario of opportunities for operation in the infrastructure sector.
Consórcio Sorocaba	Municipal urban public transportation services in the city of Sorocaba.
MogiPasses – São José Passes Consórcio 123 – Consórcio Metropolitano	Issue, sale and re-issue of transport tickets and e-tickets of automated public transport tariff collection systems.
Riograndense	Non-operational company whose purpose is to provide people and cargo waterway transportation services.
Yolanda	Terminal operation customs of the Porto Seco, located in Recife – PE, with general warehousing activities, distribution of materials, packaging and packaging of cargo, and air, road and sea cargo transportation.
JSL Empreendimentos	Purchase and sale of assets and properties, rental and management of assets and properties and interest in real estate projects and real estate development.
JSL Holding Financeira	This company holds stakes, as a partner or shareholder, in the capital of financial institutions and other institutions authorized to operate by the Brazilian Central Bank.
JSL Investimentos em Concessionárias e Lojas de Veículos	Network of light and heavy vehicle dealerships of the Volkswagen, Volkswagen/MAN, Fiat and Ford brands. It consolidates the companies JSL Corretora e Administradora de Seguros; Transrio Caminhões, Ônibus, Máquinas e Motores; Avante; Ponto and Original.
Movida Participações S.A.	This company holds stakes, as a partner or shareholder, in other companies in Brazil or abroad (“holding”). Through its subsidiaries, it conducts rent a car (RAC) and fleet management and outsourcing (GTF) activities.
JSL Locações de Máquinas e Veículos Pesados Ltda.	Lease of heavy vehicles, machinery and equipment with or without drivers; and provision of management services, management and fleet maintenance (preventive and corrective).
Quick Logística Ltda. e Quick Armazéns Gerais	Transport, warehousing, inventory management, and distribution services.
Medlog Prestação de Serviços de Logística S.A.	Transport, storage and distribution of pharmaceutical products.



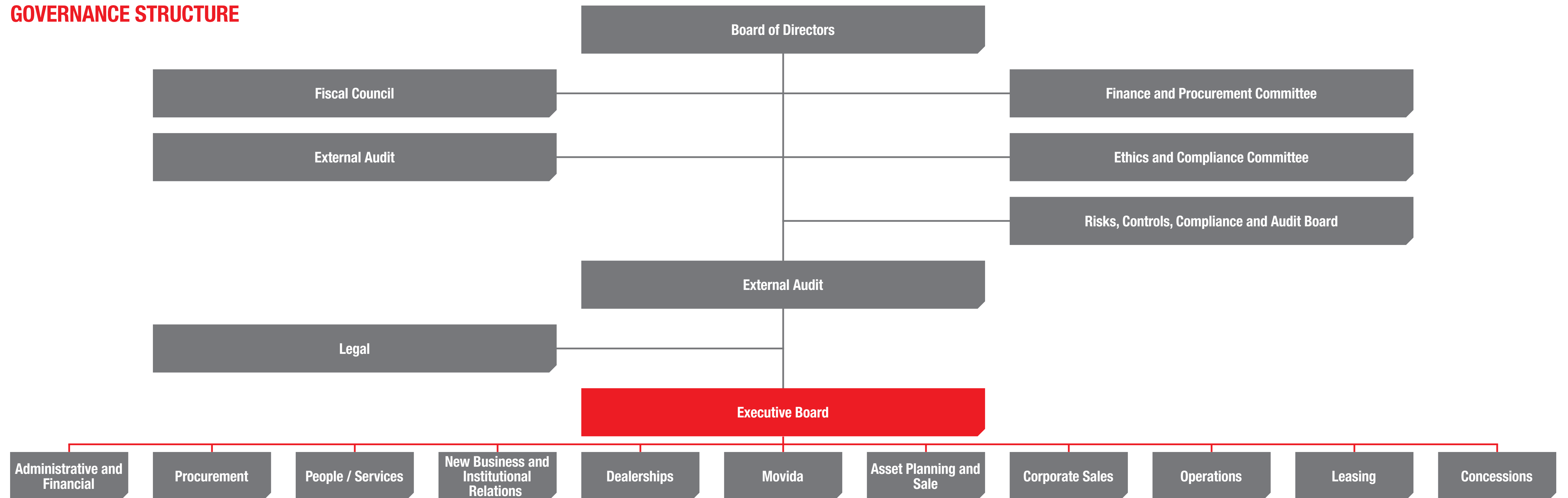
OWNERSHIP BREAKDOWN – JSLG3

The table below indicates the number of common shares held by JSL's shareholders.



Data base: 29/12/2016

GOVERNANCE STRUCTURE



BOARD OF EXECUTIVE OFFICERS

JSL's Board of Executive Officers is composed of one Chief Executive Officer, one Chief Financial and Investor Relations Officer and four Executive Officers, who are elected by the Board of Directors and meet weekly. The Board of Executive Officers is responsible for the management and operation of the business through practical actions, in accordance with the guidelines established by the Company's General Meeting or Board of Directors. The targets take into consideration the definitions of the Company's strategic planning, such as the financial results under the responsibility of the management and the Company's overall financial results, as well as operational indicators.

Therefore, the Board of Executive Officers represents the general management of the business, valuing its operational, economic, social and environmental performance. Its members define and monitor strategies and targets, in accordance with the Board of Directors' resolutions and deliberate on the application of resources in compromising, abdicating, granting rights, acknowledging debts, making agreements or entering into commitments.

Executive Board	Position	Date of last election	Term
Fernando Antonio Simões	Chief Executive Officer	09/13/2016	2 years
Denys Marc Ferrez	Administrative, Finance and Investor Relations Officer	09/13/2016	2 years
Fábio Albuquerque Marques Velloso	Officer	09/13/2016	2 years
Adriano Thiele	Officer	09/13/2016	2 years
Eduardo Pereira	Officer	09/13/2016	2 years
Flávio José Sales	Officer	09/13/2016	2 years

Note: A brief description of the curriculum of each member of the Board of Executive Officers is available at JSL's investor relations: http://ri.jsl.com.br/conteudo_pt.asp?idioma=0&conta=28&tipo=30643

BOARD OF DIRECTORS

Responsible for the overall direction of the Company's business, the Board of Directors is composed of five members, of whom two are independent. The Board meets ordinarily, on a quarterly basis, at the end of every quarter, and extraordinarily whenever necessary. Decisions are taken by majority vote. Recommendations and suggestions to the Board by stakeholders can be made through the Investor Relations area.

The Board is responsible to control and supervise the Company's economic, social and environmental performance, providing guidance on business strategies, in order to maximize shareholders' return; define the policies and establish strategies for conducting business; define policies and set business strategies; guide the implementation of the growth strategy and general business orientation; authorize operations involving any type of derivative financial instrument and the contracting of financial mechanisms pegged to foreign currency; issue securities; define the performance goals of the Board of Executive Officers and its members' compensation; elect and/or dismiss Board members, oversee the activities of the Officers; and review the Management Report and its accounts.

Members of the Board of Directors	Position	Date of last election	Term
Adalberto Calil	Chairman	04/27/2017	2019 Annual General Meeting
Fernando Antonio Simões	Director	04/27/2017	2019 Annual General Meeting
Fernando Antonio Simões Filho	Director	04/27/2017	2019 Annual General Meeting
Álvaro Pereira Novis	Independent Director	04/27/2017	2019 Annual General Meeting
Augusto Marques da Cruz Filho	Independent Director	04/27/2017	2019 Annual General Meeting

Note: A brief description of the curriculum of each of the members of the Board of Directors is available at JSL's investor relations website: http://ri.jsl.com.br/conteudo_pt.asp?idioma=0&conta=28&tipo=30643



FISCAL COUNCIL

The Fiscal Council is a non-permanent body, independent from the Company's Management and external audit. It is composed of three members and their respective alternates, elected at the Shareholders' Meeting for a one-year term of office. It meets ordinarily on a quarterly basis, and extraordinarily whenever necessary. The Fiscal Council is responsible to oversee the activities of the management, review and express an opinion on the financial statements, and report its findings to the shareholders.

In addition, its members shall report to the management bodies and to the general meeting any mistakes, fraud or offenses they may discover, suggesting measures to ensure the protection of the Company's interests.

Fiscal Council	Position	Date of last election	Appointed by	Term
Luiz Augusto Marques Paes	Sitting member	04/27/2017	Controlling shareholder	2018 Annual General Meeting
Luciano Douglas Colauto	Sitting member	04/27/2017	Controlling shareholder	2018 Annual General Meeting
Célio de Melo Almada Neto	Sitting member	04/27/2017	Minority shareholders	2018 Annual General Meeting
Marcio Alvaro Moreira Caruso	Alternate member	04/27/2017	Controlling shareholder	2018 Annual General Meeting
Marcos Sampaio de Almeida	Alternate member	04/27/2017	Controlling shareholder	2018 Annual General Meeting
Tomás Junqueira de Camargo	Alternate member	04/27/2017	Minority shareholders	2018 Annual General Meeting

Note: A brief description of the curriculum of each member of the Board of Executive Officers is available at JSL's investor relations: http://ri.jsl.com.br/conteudo_pt.asp?idioma=0&conta=28&tipo=30643



FINANCE AND PROCUREMENT COMMITTEE

The Financial and Procurement Committee does not have decision-making powers, and is responsible to support the Board of Directors in the analysis and decisions related to the financial and purchasing areas. It is composed of one Executive Officer and two members of the Board of Directors, one of whom is independent, acting as the coordinator.

ETHICS AND COMPLIANCE COMMITTEE

The Ethics and Compliance Committee's purpose is to advise the Board of Directors and the Board of Executive Officers on the compliance, dissemination and updating of the Code of Conduct and the Company's internal regulations. In addition, it must analyze, apply disciplinary measures, recommend and monitor preventive actions for cases of non-compliance with national legislation, especially the Anti-Corruption Law and other laws prohibiting bribery, fraud, offering or receiving undue advantage. To this end, the committee evaluates the efficiency and effectiveness of the Integrity Program's legal requirements, in order to establish a culture of compliance, promoting the



mitigation and prevention of risks and damages to the business. The Committee meets monthly and reports to the Board of Directors.

SUSTAINABILITY COMMITTEE

The Sustainability Committee, based on our annual strategic planning, establishes guidelines, objectives and targets to ensure JSL's growth and sustainable development in the coming years. In this sense, the committee evaluates social and environmental risks and opportunities, such as those caused by climate change, air emissions, use of natural resources and social impacts.



ETHICAL CONDUCT

S03

For JSL, ethics is the basis for an honest and responsible work environment, and is expressed in the simplicity of relations with stakeholders, in respect for others, in the quality of services provided, and the commitment to the Company's social and environmental financial performance.

Therefore, the Company has clear policies and codes, which guide the performance of all its business units. The Internal Audit and Compliance areas conduct risk assessments related to corruption and/or non-compliance with the Code of Conduct in all of the Company's branches and subsidiaries, based on the work performed or through the reports received by the complaint channel. The data is included in reports that are discussed monthly by the senior management at the Ethics and Compliance committee's meetings, which is also reported to the Board of Directors quarterly.

From these assessments, the appropriate measures are according to the current legislation and the competence and responsibility of each entity involved in each process.

Following the guidelines of the Anti-Corruption Law and the recommendations of the Comptroller General's Office (CGU) in order to structure an effective Integrity Program, in 2015, the Company implemented a comprehensive compliance program that, in addition to preventing corruption in the public environment, seeks to ensure security throughout the regulatory environment in the business of all of companies in the group.

In 2016, the Company created a new board, responsible for risk management, internal controls, compliance and internal audit. Following the best practices of corporate governance in order to maintain the independence and transparency of the processes, this new board reports directly to the Board of Directors.

We also started an extensive ethics and compliance Training Program that trained more than 1,640 executives and managers of the Company who will be the multipliers for all teams. Additionally, all employees of all the companies in

the group will receive training in a comprehensive and segmented way, on ethics and compliance within the mandatory training of each activity.

It is worth pointing out that every new employee of any company in the group undergoes an integration process, in which they receive instructions on the codes, policies and other guidelines and procedures that the Company follows. Subjects such as preventing and combating corruption, transparency and business ethics are also discussed at corporate events at the end of each year.

In order to make it even more comprehensive, the Company's Anti-Corruption Policy has been broken down into four new policies: Relationship with Public Authorities Policy; Public Bidding Process Policy; Donations and Sponsorship Policy; Gift, Entertainment and Hospitality Policy.

In the second phase of the Compliance Program, which will begin in the first half of 2017, new actions

will be implemented, such as managing compliance with key business partners, suppliers, sales representatives, public agencies and clients, as well as the dissemination of the culture of compliance within the Company, through specific training and other means of communication.

Movida's Risk Management, Control and Compliance Committee will be established in 2017, and its performance will be fundamental for the monitoring and compliance of processes related to the subject. The Committee will be directly linked and will respond to Movida's Board of Directors, and will meet with the Board whenever necessary, but at least every six months.

All these initiatives are consolidating new processes within the Company, ensuring a **solid ethics and compliance structure**. In the long-term, JSL expects to be a benchmark for other companies in this area.

NEW CODE OF CONDUCT

HR2, HR3, HR5, HR6, S03, S04, S05

Our Code of Conduct, aimed at guiding the conduct of its direct or indirect employees in a transparent manner and based on ethical principles, was updated in 2016.

Based on the JSL's values, the Code summarizes our management practices and provides guidance on the relationship with stakeholders, including guidelines on the internal working environment, safety, harassment and conflict of interest. It also involves aspects related to the integrity of information and legislation, clarifying the Company's positioning regarding corruption, relationship with public agents, favoring of suppliers, child and forced labor, moral harassment, among others. The 2016 update includes new information on the gifts, entertainment and hospitality policy; relationship with the public sector; donations and sponsorships; Compliance responsibilities at JSL; and the new Ethics and Compliance Committee.

All employees received the new Code of Conduct and a Pocket Guide to facilitate consultation.

NEW REPORTING CHANNEL

With the aim of further strengthening our Corporate Governance, regulatory compliance actions and ethical conduct in the corporate environment, the new channel also contributes to the prevention and reduction of the impacts caused by fraud, corruption and deviations. The channel is available to all shareholders to report any irregularities related to the infringement of the current legislation, the Company's Code of Conduct or other corporate guidelines, and to submit recommendations to the governance bodies.

Under the responsibility of an outsourced company, the channel is independent and complaints can be made anonymously 24 hours a day, seven days a week, by telephone, post or e-mail, ensuring secrecy and confidentiality of all reports. Reports can be monitored through the provision of the service protocol number.





COMPLIANCE LINE

Created in 2016, it is a channel available to clarify doubts and provide guidance on ethics in the workplace. The Compliance Line has two service channels managed by the Compliance area: an e-mail address and a toll-free number.

RISK MANAGEMENT, CONTROL AND COMPLIANCE POLICY

Created in 2016, the new policy aims to establish controls and procedures to clarify the Company's guidelines on risk management, internal controls and compliance to employees and third parties (suppliers, service providers, business partners and advisors). With this policy, we seek to ensure the effective monitoring of our controls and procedures, in order to prevent the occurrence of mistakes, unlawful activities and/or fraud, to mitigate their impacts, as well as to re-evaluate, whenever necessary, the matrix of the risks that may affect the Company. Initially, the

new policy applies to Movida's business processes and operations, but it will be implemented in the other companies of the group.

RISK MANAGEMENT

G4-14, EC2

Risk management is part of the Company's annual planning and it is discussed when we identify potential risks related to our business, defining goals and action plans with the objective of preventing and mitigating possible impacts. With this, we are able to mitigate financial losses, environmental and reputational damages, from preventive and corrective measures, ensuring agility and security in the decision-making process.

The key risks identified in JSL's management are related to operational, social and environmental, credit and image aspects. We work hard to minimize possible external impacts on our business, as well as the impacts that our actions can cause on society

and the environment. In this sense, we have structured areas such as Health, Safety and Environment, Integrated Management, Legal, Asset Management, Claims and Compliance Management, as described in this report.

We pay close attention to the risks and opportunities related to climate change and monitor regulatory changes regarding air emissions, including restrictions to the volume of emissions. These changes can affect our activities, but they can also become opportunities. The low average age of our fleet, for example, could help gain new contracts by reducing our client's indirect emissions.

We also maintain efficient and active crisis management in relation to unexpected adverse events, with a specific committee that monitors and generates information in case of situations that may impact the Company's image. Therefore, we try to foresee possible critical situations by ensuring that all key points are handled assertively and promptly, taking accurate and timely decisions.

Economic Performance



SECTOR SCENARIO

Although 2016 was a challenging year, JSL continued to adapt to its clients' new demands, as well as to the reduction of the country's economic activity. In this scenario of recession, clients are looking for even more innovative and customized solutions to increase their productivity.

As evidence that the economic instability reached companies in the transportation sector as a whole in 2016, 58.8% of those who participated in the "2016 Economic Expectations of Transportation Companies" survey, conducted by the National Transportation Confederation (CNT), had to reduce the total number of travel and at least 37.4% of the companies in the sector lowered the number of vehicles in operation in 2016. Furthermore, 60.1% of them saw a reduction in their gross revenue and 74.6% had an increase in operating costs.

The sale volume of vehicles also dropped during the year. Based on data from the Brazilian Vehicle Manufacturers' Association (Anfavea) in January 2017, vehicle licensing in 2016 declined 20.2% compared to

2015, to 2.1 million units sold. Auto production also fell 11.2% in the period.

Car rental companies accounted for 13.7% of car sales, according to the 2016 Yearbook of the Brazilian Association of Car Rental Companies (ABLA). In December 2016, the Brazilian sector's fleet totaled 853,000 light vehicles, with an average age of 19.5 months, distributed in 7,455 car rental companies in the national territory, which recorded total revenue of R\$16.3 billion.

For 2017, Anfavea expects growth in licensing, production and exports of light and heavy vehicles and machinery. The CNT also projects a more promising scenario for next year, as 47.7% of the companies expect to increase their gross revenue and 48.8% believe that the performance of the economic activity will be better. The Company plays a strategic role in integrating and supporting Brazil's development, and therefore is believed that the opportunities for the sector will increase in the coming years, given needs of the country.

OPERATING PERFORMANCE

In 2016, JSL posted Consolidated Gross Revenue of R\$7.4 billion, a record for the Company and 12.5% up on 2015, confirming the resilience of the business and its continued growth, as per detailed information in the table presented on page 40.

JSL Logística and Movida generated record Gross Revenue from Services of R\$5.2 billion in 2016, 11.4% up on 2015. Revenue from the Sale of Assets came to R\$1.3 billion in 2016, 52.1% higher than in the previous year.

In the same period, Total Gross Revenue of JSL Concessionárias de Veículos was R\$903.3 million, 16.7% down on 2015, while JSL Leasing posted total revenue of R\$28.5 million.



JSL Logística and Movida generated record Gross Revenue from Services

of **R\$ 5.2 billion** in 2016, 11.4% up on 2015.



Gross Revenue (R\$ million)	2015	2016	Chg. 2016x2015
JSL Consolidated ¹	6,561.5	7,383.8	+12.5%
Services ²	4,699.0	5,234.4	+11.4%
Sale of Assets ²	887.5	1,349.5	+52.1%
Dealerships	1,083.8	903.3	-16.7%
Leasing	5.5	28.5	+418.2%

¹ Consolidated results, considering the elimination of the operations between JSL Logística, JSL Concessionárias de Veículos, Movida and Leasing.

² Consolidated results, considering the elimination of the operations between JSL Logística and Movida.



JSL LOGÍSTICA

In 2016, JSL Logística posted Gross Revenue from Services of R\$4.4 billion. The business lines with the highest value added remained robust, with Dedicated Services and Management and Outsourcing jointly representing 80.3% of Gross Revenue from Services, 8.3% up on 2015.

Revenue from Same Contracts – RSC⁴ posted a downturn of 1.0%. This year, we celebrated new Contracts that will total a global revenue of R\$819 million.

At the end of the period, Revenue from Asset Sales totaled R\$311.6 million.

In 2016, Service Costs came to R\$3.2 billion, or 82.3% of the year Net Service Revenue, a 1.3 percentage point increase over 2015, mainly due to the increase in costs with Independent Contractors and

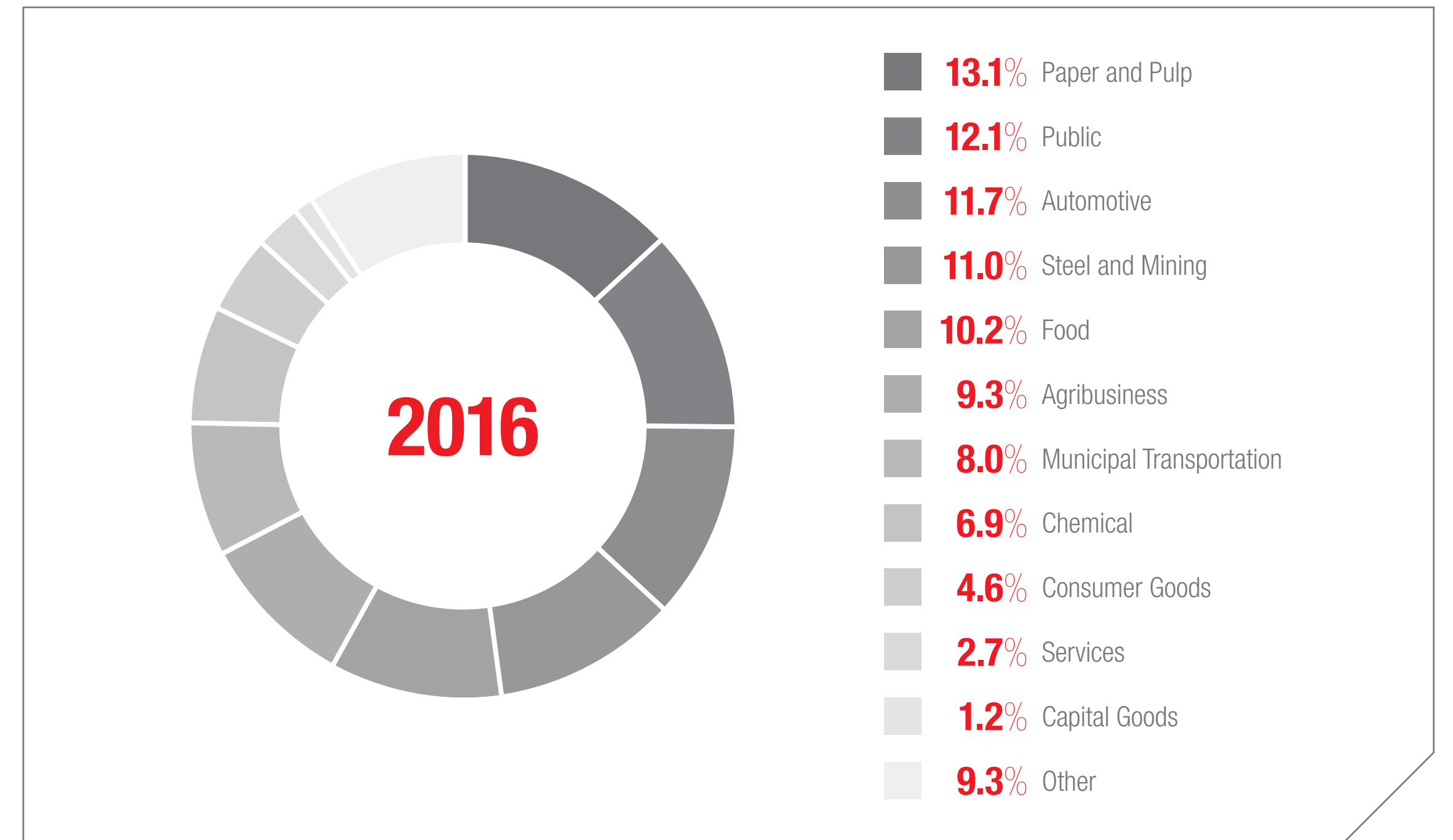
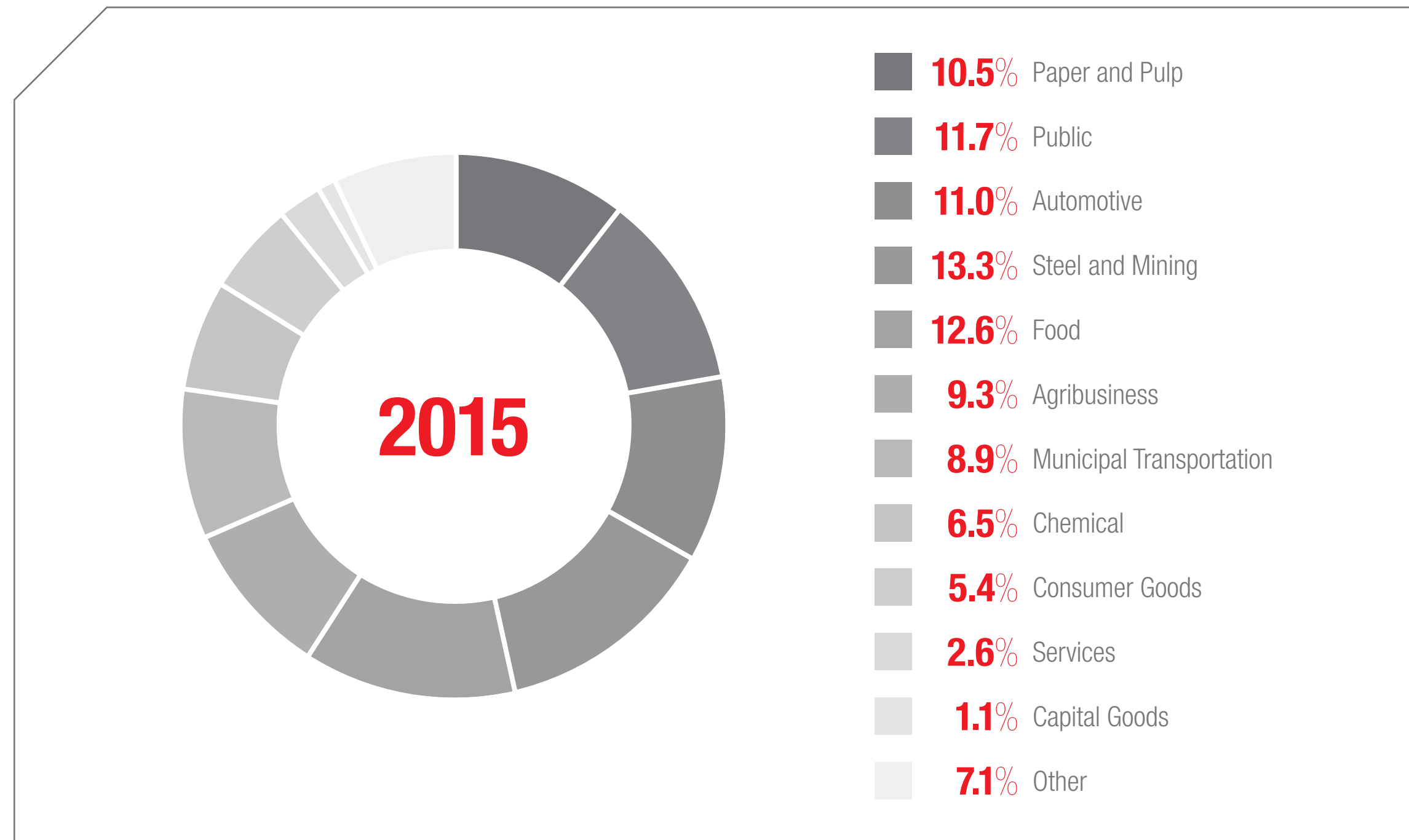
Third Parties; Parts, Tires and Maintenance; Depreciation and Other Costs, which were partially offset by the reduction in Costs with Personnel and with Fuel and Lubricants.

The Costs from the Sale of Assets totaled R\$293.7 million in 2016, a downturn of 8.4% in the year.

Gross Revenue (R\$ million)	2015	2016	Chg. 2016x2015
Gross revenue from Services	4,112.0	4,407.2	+7.2%
Dedicated services	2,286.7	2,477.2	+8.3%
Management and Outsourcing	979.5	1,060.8	+8.3%
Passenger Transportation	528.8	519.4	-1.8%
General Cargo Transportation	257.5	288.9	+12.2%
Other	59.5	61.0	+2.5%
Gross revenue from sale of Assets	322.9	311.6	-3.5%
The usual sale of Assets	310.9	311.6	+0.2%
Sales of Assets with Management	12.0	-	-100.0%
Total Gross Revenue	4,434.9	4,718.8	+6.4%

⁴ Considers revenue from existing contracts in both comparison periods.

BREAKDOWN OF GROSS REVENUE FROM SERVICES BY ECONOMIC SECTOR IN 2016



MOVIDA

Movida, with innovation, dynamism and a youthful spirit, is responsible for consolidating rent a car and Fleet Management and Outsourcing activities, operating guided by its excellence in customer service culture, in order to perpetuate and strengthen the relationship between them and the Company. One of Movida's objectives is to expand its operations by searching for new markets, based on technology and innovative services, ensuring and consolidating its space in the vehicle rental market.

In December 2016, Movida had more than 64,000 vehicles, 49,849 of which in RAC activities, and 14,226 in GTF activities. In the renewal period, Movida sold the vehicles used in its operations through one of the 59 Movida Seminovos stores, as well as other sales channels.

We began 2017 with Movida's successful initial public offering, raising R\$600 million, which strengthens our capital structure. After relevant acquisitions for its deve-

lopment since its acquisition three years ago, Movida occupied a leading position and consolidated its position as the second largest company in the RAC sector in Brazil.

In 2016, Movida recorded Total Gross Revenue of R\$1.9 billion, composed of Gross Revenue from Services of R\$892.5 million and Gross Revenue from the Sale of Assets of R\$1.0 billion, 76.2% higher than in 2015, highlighting the 9.6 p.p. increase in the RAC occupancy rate, which closed the year at 74.5%.

Movida's Costs came to R\$1.4 billion at the end of 2016, 33% of which refers to the Cost of Sales and Services. The increase compared to the previous year was mainly due to: fleet expansion by 11,500 vehicles and the opening of 27 RAC stores, contributing to an upturn in expenses with documentation, rental and personnel, and expansion in costs with GTF contract commissioning and decommissioning.

Gross Revenue (R\$ million)	2015	2016	Chg. 2016x2015
Gross Revenue from Services	652.1	892.5	+36.9%
Gross Revenue from Sales of Assets	589.1	1,037.9	+76.2%
Total Gross Revenue	1,241.2	1,930.4	+55.5%



JSL CONCESSIONÁRIAS DE VEÍCULOS

JSL Concessionárias recorded Total Gross Revenue of R\$903.3 million in 2016, R\$543.0 million of which from light vehicles, R\$155.0 million from heavy vehicles, R\$17.1 million from financing and insurance and

R\$188.3 million from After Sales. The 16.7% decline over 2015, reflects the unfavorable market conditions and the consequent reduction in the number of vehicles sold.

Gross Revenue (R\$ million)	2015	2016	Chg. 2016x2015
Light vehicles	637.0	543.0	-14.8%
Heavy vehicles	226.7	155.0	-31.6%
F&I	20.1	17.1	-15.0%
After Sales	200.0	188.3	-5.9%
Total Gross Revenue	1,083.8	903.3	-16.7%

JSL LEASING

From January to December 2016, JSL Leasing performed 569 credit transactions. Total Gross Revenue totaled R\$28.5 million in 2016, an increase of 418.2% when compared to the R\$5.5 million recorded in 2015.



FINANCIAL HIGHLIGHTS

Financial Highlights (R\$ million)	2015	2016	Chg. 2016x2015
Total Net Revenue ¹	5,989.9	6,739.4	+12.5%
Total Cost ¹	(4,852.6)	(5,442.1)	+12.1%
Total Gross Profit ¹	1,137.4	1,297.4	+14.1%
Gross Margin ¹	19.0%	19.3%	+0.3 p.p
Operating Expenses before the Financial Result	(553.9)	(798.6)	+44.2%
Operating Result	583.5	498.8	-14.5%
Net Financial Result	(516.2)	(748.3)	+45.0%
Total Net Result	46.8	(183.2)	-
Total Net Margin	0.8%	-2.7%	-3.5 p.p.
Total EBITDA ¹	1,092.1	1,060.9	-2.9%
Logística	835.1	793.8	-4.9%
Movida	244.2	269.1	+10.2%
Car Dealerships	15.5	(9.4)	-160.6%
Leasing	(2.8)	13.3	-
Total EBITDA Margin ²	21.5%	19.7%	-1.8 p.p.
Logística ²	22.9%	20.5%	-2.4 p.p.
Movida ²	39.1%	31.4%	-7.7 p.p.
Car Dealerships	1.5%	-1.1%	-2.6 p.p.
Leasing	-51.9%	47.2%	-
EBITDA-A Total	1,966.5	2,350.0	+19.5%

¹ Consolidated Results (considers the elimination between Logística, Movida, Car Dealerships and Leasing).

² Calculated based on the Net Service Revenue.

Total Net Revenue of JSL Consolidated was R\$6.7 billion in 2016, an increase of 12.5% over 2015, comprising R\$4.2 billion from JSL Logística, R\$1.9 billion from Movida, R\$835.5 million from JSL Concessionárias de Veículos, and R\$28.2 million from JSL Leasing.

The Company's Total Costs came to R\$5.4 billion in 2016, 12.1% up on 2015, comprising R\$3.5 billion from JSL Logística, R\$1.4 billion from Movida, R\$680.6 million from JSL Concessionárias, and R\$21.2 million from JSL Leasing.

Therefore, the Total Gross Profit came to R\$1.3 billion in 2016, moving up by 14.1% over 2015, with a gross margin of 19.3%, 0.3 p.p. up.

In 2016, Operating Expenses amounted to R\$798.6 million, representing 11.8% of net revenue, 2.6 p.p. higher than the previous year. This increase is mainly related to Movida's growth and the opening of 36 Used Vehicles stores during the year, which have not yet reached their highest operating level.



The consolidated Net Financial Result was an expense of R\$748.3 million in the year, 45.0% up on 2015. This variation is mainly driven by the increase of R\$648 million in the average net debt balance, 14% higher than in the previous year, primarily reflecting Movida's growth (fleet expansion and new RAC and Used Vehicles stores).

We reported a Net Loss of R\$183.2 million in 2016, impacted by the following extraordinary non-recurring events in the last quarter:

- Operating expenses arising from the adjustments in purchase prices of certain companies and write-off of goodwill on investments, among others, in the total gross amount of R\$82.7 million;
- Expenses due to adjustments in purchase prices of certain companies in the gross amount of R\$39.9 million.

EBITDA totaled R\$1.1 billion, 2.9% down on 2015. "EBITDA-A or EBITDA Added⁵", which is a more accurate representation of cash flow than traditional EBITDA, totaled R\$2.3 billion in 2016, 19.5% up.



⁵ It is EBITDA plus the residual costs associated with the sales of fixed assets, which do not represent operational cash disbursements, as they are merely an accounting representation of the write-off of assets at the time of sale.

DEBT

Indebtedness (R\$ million)	2015	2016	Chg. 2016x2015
Cash and Investments	1,686.6	1,043.2	-38.1%
Bank Gross Debt and Capital Markets – Short Term	814.3	1,196.9	+47.0%
Bank Gross Debt and Capital Markets – Long Term	4,895.0	4,552.6	-7.0%
Total Bank Gross Debt and Capital Markets	5,709.3	5,749.5	+0.7%
Total Bank Net Debt and Capital Markets	4,022.7	4,706.3	+17.0%
Confirming payable (Automakers) – Short Term	625.2	551.4	-11.8%

The Company's corporate net debt totaled R\$5.3 billion in December 2016, 13.1% higher than in 2015, closely related to investments amounting to R\$2.5 billion in the period.

Total net debt at the close of 2016 was 69.4% pegged to the CDI, 21.7% to pre-fixed rates, 7.1% to the TJLP long-term interest rate, 1.5% to the SELIC rate and 0.3% to the IPCA.

The net debt over EBITDA ratio stood at 5.0x in December 2016, compared to 4.3x in December 2015. The Company's leverage, measured as the net debt indicator plus the confirming payables over EBITDA-A, totaled 2.2x in December 2016 (2.0x if the funds from Movida's IPO are taken into account) an improvement in relation to the 2.4x in December 2015.

VALUE ADDED FOR DISTRIBUTION

EC1

In 2016, the Company distributed R\$3.2 billion, an increase of 12.5% compared to the previous year, R\$1.4 billion of which was intended for personnel and R\$1.3 billion for interest and rent.



INVESTMENTS

The Company's investments are tied to new and current clients. At the end of 2016, JSL invested R\$2.5 billion, 56% of which in business expansion and 44% in renewal. The investment in expansion is mainly composed of R\$521.6 million allocated to JSL Logística and R\$859.0 million to Movida. The renewal is related to R\$181.1 million allocated to JSL Logística, R\$896.3 million to Movida and R\$27.6 million to JSL Concessionárias de Veículos. Revenue from the Sale of Assets came to R\$1.4 billion, totaling a net capex of R\$1.1 billion in the year.

The expansion capex of JSL Logística partially contributes to the revenue and the cash flow in the year it is executed, and contributes in full when the contract matures, after twelve months of its signing. Regarding Movida, most investments in expansion went to the fleet, composed of highly liquid assets, with low average age.

CAPITAL MARKET

JSL's shares are listed on BM&FBOVESPA's Novo Mercado segment, adopting the highest level of corporate governance of the Brazilian stock exchange, and are included in the Special Corporate Governance Stock Index (IGC) and the Special Tag Along Stock Index (ITAG), confirming our management capacity, which is in line with best practices of the market. In addition, since January 2013, JSLG3 is also included in the BM&FBOVESPA Small Cap Index (SMLL).

On December 29, 2016, the Company's shares appreciated by 24.7% compared to December 30, 2015. On that same date in 2016, the Company had a total of 202,500,000 shares, priced at R\$8.98, of which 202,077,032 are outstanding and 422,968 are treasury shares. During the year, the Company canceled 8,500,000 shares held in treasury.



Social Performance



JSL is always searching for the possibilities to strengthen ties and build long-lasting relationships. Therefore, we elected clients, employees, suppliers, the media and investors as strategic stakeholders of our business. By encouraging constant and open dialogues with all of them, we have been able to improve and expand our activities with simplicity, as well as ensuring engagement and improving management processes, fostering more qualitative and more sustainable relationships.

EMPLOYEES

G4-10, EC6, LA1, LA3, LA6, LA8, LA9, LA12, HR2

“People” is one of the pillars that ensures the continuous development of our business. Therefore, we value the people who contribute to the Company’s achievements and overcome challenges. Our employees work hard and determined to exceed clients’ expectations and spare no efforts to achieve every goal and objective.

The logistics industry is traditionally pulverized and fragmented, so we are committed to the motivation

and development of our professionals by offering continuous training based on our vision, mission, values and policies, sharing our Understand to Serve organizational culture, which also allows us to attract and retain the best talent. Policies, processes and specific guidelines establish the drivers of the management of our employees, focusing on the alignment of practices with our principles.

Our employees are key components of this great gear and fundamental to achieving the goal of generating added value for all our stakeholders. Simplicity is key in reaching these goals, translated in the objectivity in the actions, ensuring speed, especially on clients’ demands.

To manage our employees, we rely on the Code of Conduct and the Labor and Human Relations Policy, that establish their rights and responsibilities. These documents ensure the freedom of association and collective bargaining, and condemn child and forced labor and discrimination, reiterating the Company’s commitment to the Declaration of Human Rights and international labor standards. In

addition, we have the Reporting Channel, a tool that helps to prevent potential abuses against these rights, as described in detail in item 6.3 of this report.

For the evolution of our activities, we seek to standardize practices among operations, enabling a more agile and integrated management, based on a transparent communication. Through the internal communication channels, the teams receive information by e-mail, bulletin boards, campaigns, newspaper, the JSL TV and intranet, as well as monthly results meetings for the alignment between Senior Management and Operations Managers, who share the organizational strategy with all teams.

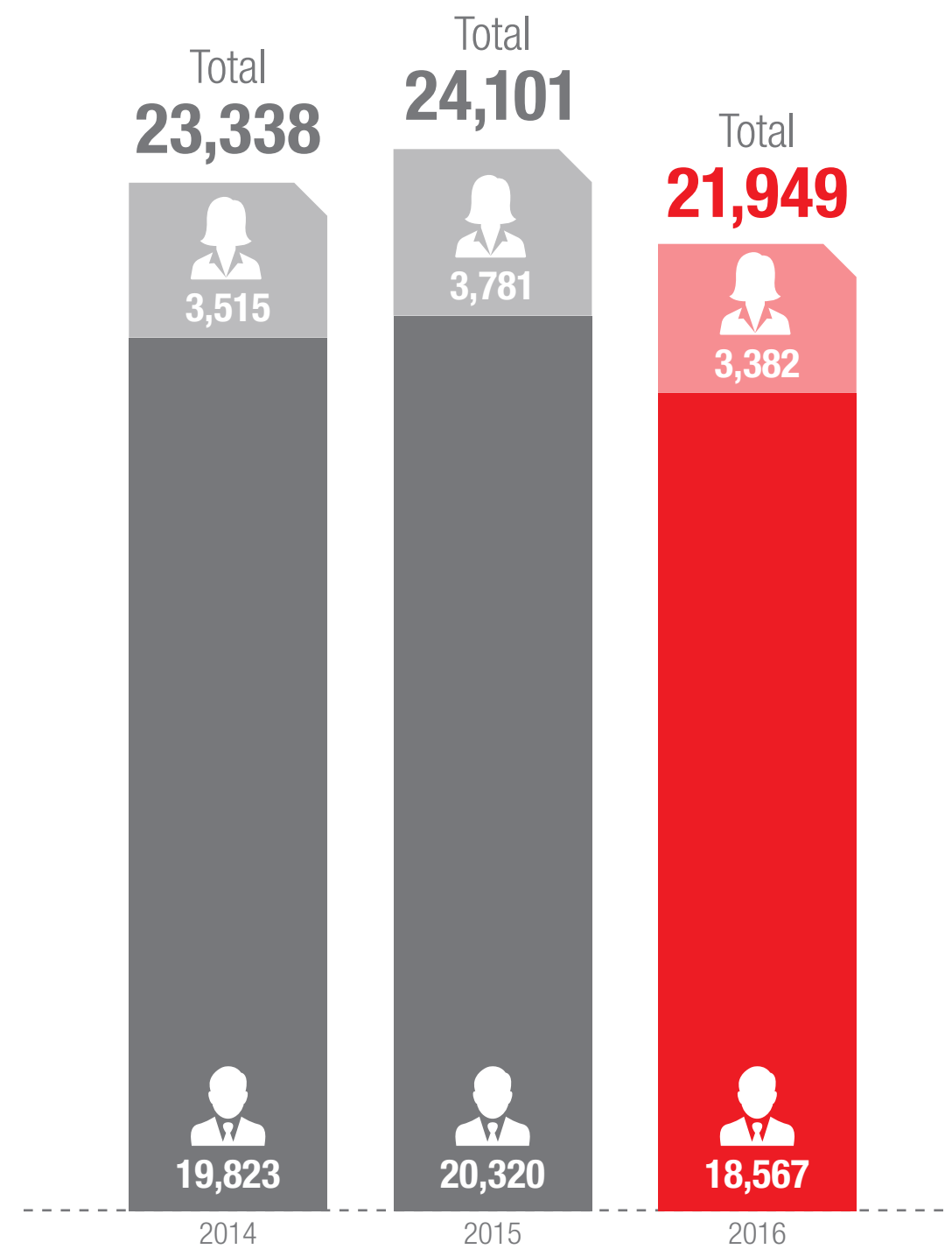
We closed 2016 with 21,949 own employees, among them 3,382 women (15% of the team) and 18,567 men (85% of the team). In 2015, we had 24,101 own employees and the reduction was mainly due to the closure of Consórcio Unileste. Full-time employees (on permanent and temporary contracts) totaled 21,082 employees, and part-ti-

me employees (on permanent and temporary contract) totaled 867.

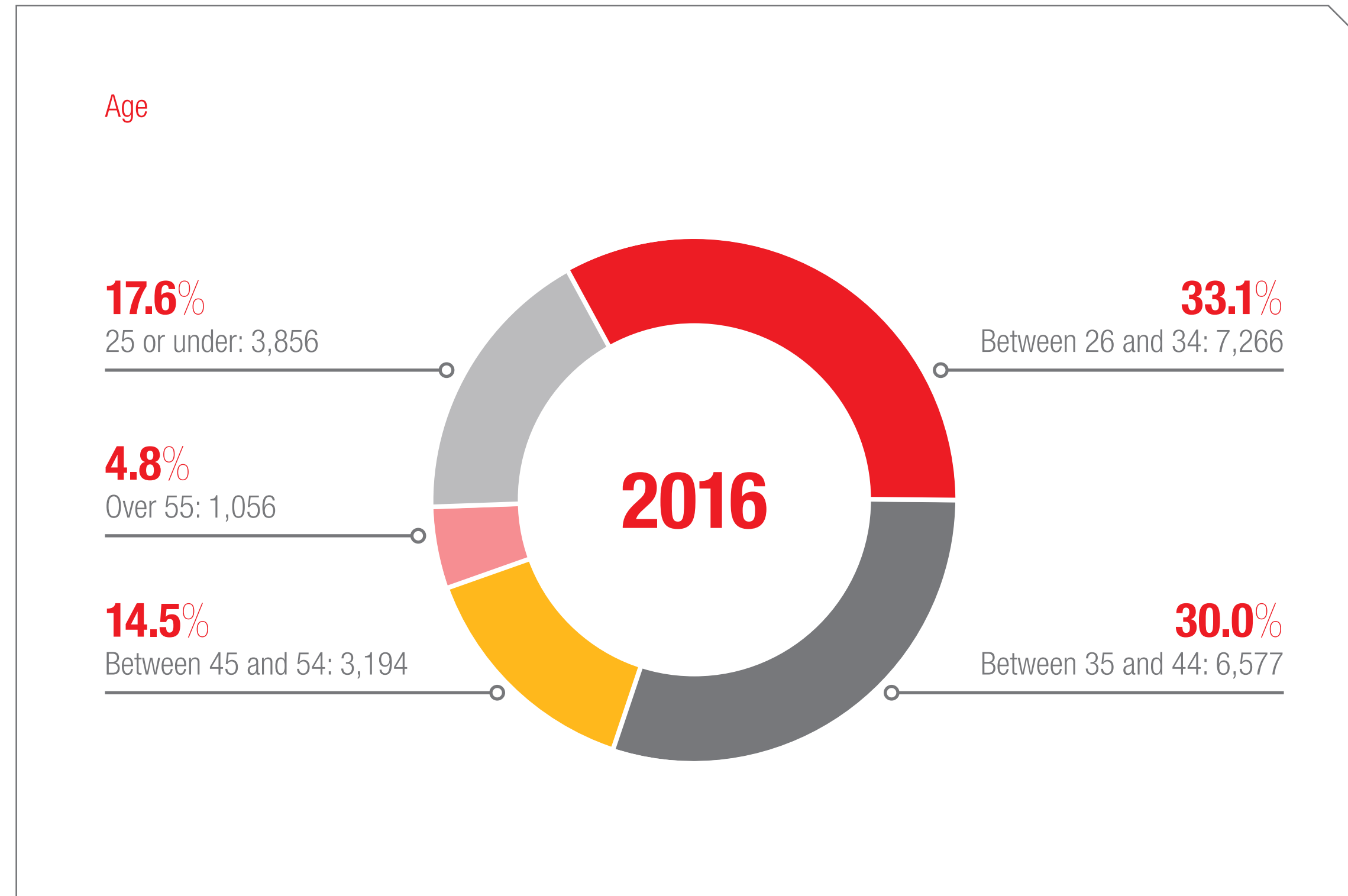
Most of the employees are located in the Southeast region, aged between 26 to 34 years old, and the occupied positions are mostly in the operational functional category.



Gender



Age



Employees by employment contract and gender ^{G4-10}

Own Employees	2016	
	Permanent	Temporary
Men	17,964	603
Women	3,041	341
Total	21,005	944

Employees by type of unemployment and gender ^{G4-10}

Own Employees	2016	
	Full-time	Part-time
Men	18,088	479
Women	2,994	388
Total	21,082	867



Own employees, by age group and gender G4-10

Age	2015		2016	
	Total	Men	Women	Total
25 or under	4,495	2,838	1,018	3,856
Between 26 and 34	8,067	5,935	1,331	7,266
Between 35 and 44	6,790	5,781	796	6,577
Between 45 and 54	4,749	2,997	197	3,194
Over 55		1,016	40	1,056

Own employees, by age group and gender G4-10

Region	2015		2016	
	Total	Men	Women	Total
Midwest	1,695	1,525	201	1,726
Northeast	1,970	1,616	260	1,876
North	1,882	1,674	205	1,879
Southeast	17,051	12,143	2,492	14,635
South	1,503	1,609	224	1,833

Employee per job category and gender G4-10

Job category	2015		2016	
	Total	Men	Women	Total
Management	1,851	980	843	1,823
Commercial	788	610	214	824
Operational	21,462	16,977	2,325	19,302

*Note: In 2015, the age group "over 45" was measured and, in 2016, it was changed to "between 45 and 54" and "over 55"



COMPENSATION AND BENEFITS

EC5, LA1, LA2, HR4

The compensation policy reflects the best practices of the market, and is periodically reviewed by salary surveys. It guarantees equality of compensation between genders and ethnic groups, valuing the professional merit to the position held. Based on collective bargaining and in accordance with the labor legislation, the minimum wage is guaranteed, with no distinction of gender. The lowest salary for men and women is equivalent to the national minimum wage, in the amount of R\$880.00.

The benefit policy, together with the retention plan and the market differential, seeks to meet our Employees' needs. The Company conducts frequent analyzes and market comparisons in order to guarantee that benefits are compatible with current practices. It is important to mention that communication between unions and employees is free.

Benefits LA2

	Full-time employees	Part-time/temporary employees
Life Insurance	Yes	Yes
Healthcare plan	Yes	Yes
Disability and disability coverage	Yes	Yes
Paternal leave	Yes	Yes
Pension plan	No	No
Shareholding plan	Yes	No
Transport and meal vouchers (or cafeteria)	Yes	Yes
Profit sharing (PLR)	Yes	Yes
School kit and birth kit	Yes	Yes
Delivery of toys and food baskets on Christmas	Yes	Yes
Staple food baskets (based on collective agreement)	Yes	Yes

In 2016, 9,578 employees (84% men and 16% women) were hired, 7,491 of which are permanent employees and 2,087 temporary employees. In the same year, 68.7% of JSL's general managers were hired in the communities where they operate.

Employee turnover and absenteeism are challenges for the logistics industry. Therefore, JSL's People Management department adopts different tools to retain its talents, such as: evaluation regarding employees' adaptation to the Company's culture, evaluation regarding their experience after 45 and 80 days, as well as pre and post termination interview, which has the purpose of identifying the reasons that influenced employees' voluntary resignation, in order to improve management processes. JSL also offers bonuses for time of service and participation in strategic projects.



In 2016 JSL's average monthly turnover came to 2.11. This indicator is monthly monitored at the results meeting by operation, with direct attention of the Senior Management. We prioritize internal recruitment for new positions and encourage the hiring of relatives, with the aim of bringing people together and increase family income.

Every month, JSL holds the "Momento JSL" event with the Passenger Transportation operational team, in order to understand employees' demands and to deepen the knowledge of Company's guidelines and policies. In cases of non-compliance with JSL's culture, a HR specialized team works directly with the respective management to understand the case and share best practices. During the year, 11,420 employees participated in the Momento JSL.

Regarding paternity leave, in 2016, 488 employees benefited, 471 of which returned to work. Also, 131 women took maternity leave, 114 of which returned to work.

Employees hired by age group, region and type of contract LA1

	Permanent Contract		Temporary Contract	
	Total new hires	%	Total new hires	%
Gender				
Men	6347	84.73	1720	82.41
Women	1144	15.27	367	17.59
Total	7491	100.00	2087	100.00
Age	Total new hires	%	Total new hires	%
25 or under	1862	24.86	768	36.80
Between 26 and 34	2733	36.48	650	31.15
Between 26 and 44	2078	27.74	455	21.80
Between 45 and 54	695	9.28	161	7.71
Over 55	123	1.64	53	2.54
Total	7491	100.00	2087	100.00
Region	Total new hires	%	Total new hires	%
Midwest	621	8.29	1247	59.75
Northeast	447	5.97	104	4.98
North	428	5.71	48	2.30
Southeast	4849	64.73	643	30.81
South	1146	15.30	45	2.16
Total	7491	100.00	2087	100.00





Employees disconnected by age group, region and type of contract LA1

	Permanent Contract		Temporary Contract	
Gender	Total terminations	%	Total terminations	%
Men	8345	84.17	1520	82.38
Women	1570	15.83	325	17.62
Total	9915	100.00	1845	100.00
Age	Total terminations	%	Total terminations	%
25 or under	1845	18.61	693	37.56
Between 26 and 34	3445	34.75	529	28.67
Between 26 and 44	2790	28.14	419	22.71
Between 45 and 54	1338	13.49	147	7.97
Over 55	497	5.01	57	3.09
Total	9915	100.00	1845	100.00
Region	Total terminations	%	Total terminations	%
Midwest	764	7.71	1069	57.94
Northeast	547	5.52	95	5.15
North	447	4.51	66	3.58
Southeast	7368	74.31	595	32.25
South	789	7.96	20	1.08
Total	9915	100.00	1845	100.00

Maternity and paternity leave LA3

Gender	Total number of employees entitled to leave	Total employees who took leave	Total number of employees who returned from leave	Employees who remained in the position 12 months after returning from leave	Employees who returned from a maternity/paternity leave and remained in the Company 36 months after returning from leave	Retention rate %	Return rate %
Men	18,567	488	471	295	10	2,950	3.48
Women	3,382	131	114	51	14	364.29	12.98
TOTAL	21,949	619	585	346	24	1,441.67	5.49

QUALITY OF LIFE

The “Ligado em Você” (Connected to You) program is focused on the well-being of our employees and their families. The program’s team clarify doubts related to personal and social issues, offering psychosocial and psychological support, in addition to assisting with matters relating to the working environment, with great participation and satisfaction of employees.

The program also offers home and hospital visits, to escort employees to medical appointments, and provide social, psychological and legal assistance to people with special needs, pregnant women, victims of traffic accidents, drug addicts and their families.

Contact is made through the program’s toll-free number (0800 77 35 333), by e-mail canalgente@jsl.com.br or from referral of the manager.

“Ligado em Você” Program

	2014	2015	2016
Matters relating to work / Ombudsman’s office	825	1,529	1,147
Information about benefits and financial advice	178	48	45
Personal and social issues	1,013	879	814
Health-related visits	684	749	991
TOTAL	2,700	3,205	2,997



HEALTH AND SAFETY

LA5, LA6, LA8, LA9, LA12

The Company is aware of the importance of safe operations throughout all its activities, as its businesses work across 16 sectors of the economy and most of its staff are allocated at external client premises as well as on the road. To strengthen the engagement of our employees with the need for a safe environment, we structure training and refresher programs, as well as education, training, counseling and prevention campaigns.

These initiatives address issues such as defensive driving, operational safety procedures, fighting drug use, alcoholism and overuse of stimulants, services to people with special needs and sexually transmitted diseases.

In line with the prevention and awareness work carried out by the People Management department, between 50% and 75% of employees participated in the Internal Commission for Accident Prevention (CIPA) in 2016.

We address several topics related to health and safety covered in agreements with trade unions:

Health and safety topics covered in formal agreements with trade unions LA8	%
Personal Protective Equipment	90
Safety commissions and employee health management	90
Participation of employees' representatives in health and safety inspections, audits and accident investigation	90
Training and Education	5
Complaint mechanisms	85
Periodical inspections	90

Note: The criteria used for the above data was the approximate percentage of the total agreements which include clauses in their questioned topics such as Personal Protective Equipment (PPE) use clauses, Specialized Service for Engineering Safety and Occupational Medicine (SESMT), among others.

We are firmly committed to reduce accidents through traffic education and prevention training and campaigns. Between 2015 and 2016, the monthly personal injury rate fell by 18%, thanks to efforts such as the replacement of tools used by the Passenger Transportation maintenance team, improvements in the traffic signs of operating areas, conducting safety workshops, the Standard Employee Program (where employees are rewarded for good behavior), leadership and risk perception training, as well as the more attentive monitoring of the operating activities carried out by the Health, Safety and Environment (HSE) area.

Since 2015, we have worked with the Accident Management System, which has tools to identify the cause of accidents and create an action plan, with a Corporate team responsible for monitoring the investigations on accident causes, analyzing them and guiding preventive measures. We monitor accidents on a daily basis and keep a monthly record, reported to the Sustainability Committee, which analyzes property damage and personal injury indicators, both inside and outside the Company's facilities.



These are some important initiatives that reflected on the presented result:

- Risk Perception Training within maintenance and operations areas;
- Greater monitoring of operational processes by the HSE area;
- Safety and Environment meetings with operational managers to define operational actions to mitigate the causes of accidents.

Health and safety rates by gender - own employees LA6	Total	Men	Women
Injuries			
Injury Rate (IR)	100.00	93.10	6.90
Number of Injuries	116	108	8
Lost days			
Lost Days Rate (LDR)	100.00	95.32	4.68
Number of days lost	1283	1223	60
Absenteeism			
Absenteeism Rate (AR)	4.83	4.82	4.87
Days scheduled to work	482867	408474	74393
Fatalities			
Number of fatalities	0	0	0





Health and safety rates by gender - own employees	Total	Southeast	South	North	Northeast	Midwest
Injuries						
Injury Rate (IR)	100.00	92.23	1.73	1.73	1.73	2.58
Number of Injuries	116	107	2	2	2	3
Lost days						
Lost Days Rate (LDR)	100.00	93.37	2.34	2.41	0.23	1.65
Number of days lost	1283	1198	30	31	3	21
Absenteeism						
Absenteeism Rate (AR)	4.83	5.03	2.93	8.48	5.66	3.77
Days scheduled to work	482867	321959	40326	413380	41272	37972
Fatalities						
Number of fatalities	0	0	0	0	0	0

MAIN CAMPAIGNS

Esquina Segura: safety guidance to all public transport users and other residents on the importance of respecting traffic signs and the use of pedestrian lanes.

Velocidade: campaign focused on guiding JSL's employees and service providers, emphasizing and monitoring compliance with speed limits, the risks involved when these limits are infringed, and the establishment of internal goals. The campaign is carried out in all JSL's business units, which contributed to an 18% reduction in the number of personal accidents resulting in leave in 2016.

Carnaval: campaign focused on raising awareness of JSL's employees and service providers on traffic risks during carnival days, with recommendations for some necessary actions and behavior specific to the festive period.

Segurança Não Tira Férias: campaign focused on guiding JSL's employees and service providers when driving during holiday season, indicating the importance of the attention to pedestrians, rainy season and other traffic peculiarities during this period.

Campanha Digo Sim à Segurança: lectures that address safety issues in the execution of the work, procedures and operational standards with all employees, in addition to raising awareness about Behavior, Health, Hygiene and Home Economics. The campaign was carried out in the forestry units and billboards were used in an area with greater movement of people.

OCCUPATIONAL SAFETY TRAINING

In 2016, 8,101 employees participated in training promoting the protection of the lives and health of employees and service providers and ensuring a healthy and safe work environment.

Training topics and actions: compliance with all Safety and Environment legal requirements applicable to JSL, definition of internal procedures to establish common standards, demonstration of competencies in Safety and Environment so that all employees and contractors know their responsibilities and put them in practice.





TRAINING AND DEVELOPMENT

LA9, HR2

Attract and stimulate the creativity of our professionals is part of the Company's own development, which continues to encourage and facilitate the professional improvement of all employees. The more trained and skilled, the better the performance of their services within the Company.

In 2016, over 16,500 trainees attended the courses we offered, about 327,000 hours, resulting in 19.8 hours of training on average per participant. JSL has rooms for computer training and auditoriums equipped with high resolution projectors and other technological resources.

The Company offers courses, lectures and training to meet the needs of employees in all areas. A specific program content and a workload are defined for each function, that is, the training for a truck driver is different from the course offered to a bus driver.

Motivational courses for managers are focused on encouraging commitment, creativity, determination, discipline and dedication.

In addition to the support of external consultancies, many courses are taught by our own instructors, covering administrative and operational issues such as

Defensive Driving, Fog Safety, Fire Fighting, Driving Economically, Home Economics, 5S, Customer Service, Labor Legislation for People with Disabilities, First Aid, Quality, among others.

In 2016, 10,250 employees participated in training related to Human Rights.

The Continuing Education Program (PEC) covers all the Company's categories of drivers, operators and maintenance teams (fleet, outsourced and third party employees), and its main focus is to reduce the number of accidents, qualifying drivers, lower turnover, as well as encourage motivation and reduce operating costs. The program prioritizes drivers, as they correspond to the largest number of employees within our staff.

Training hours	Number of trained employees	Number of hours	Average training hours
Job Category			
CEO	1.00	14.00	14.00
Executives	24.00	346.00	14.42
Manager	223.00	2,323.27	10.42
Administrative	4,822.00	44,830.69	9.30
Operator	11,019.00	264,510.42	24.00
Interns	1.00	1.00	1.00
Apprentices	469.00	15,251.19	32.52
Total	16,559.00	327,276.57	19.76
Gender			
Men	14,170.00	300,694.85	21.22
Women	2,389.00	26,581.72	11.13
Total	16,559.00	327,276.57	19.76

Total number of employees who participated in training related to human rights (specifically, or as a subject within other Companies' training courses)	Total number of hours of training related to human rights	% of employees who participated in training
10,250	72,207	46.70



Employees by gender, job category, age and minority groups LA12

	Management	Commercial	Operational	Total
Number of employees	1,823	824	19,302	21,949
Age				
>50	94	92	1,879	2,065
30 to 50	885	546	11,573	13,004
<30	844	186	5,850	6,880
Gender				
Men	980	610	16,977	18,567
Women	843	214	2,325	3,382
African Brazilians				
Men	457	270	10,166	10,893
Women	335	84	1,009	1,428
People with disabilities				
Men	4	4	293	301
Women	0	0	136	136

Groups responsible for Corporate Governance LA12

	Board of Directors	Fiscal Council	Executive Board	Total
Number of employees	4	3	25	32
Age				
>50	3.00	1.00	9.00	13
30 to 50	0.00	2.00	16.00	18
<30	1.00	0.00	0.00	1
Gender				
Men	4.00	3.00	22.00	29
Women	0.00	0.00	3.00	3



CLIENTS

PR5

In 60 years of history, we have been encouraging JSL's culture of "Understand to Serve" in all our relationships. Being at the client's service is the base for the accomplishment of our actions and projects, and we always strive for excellent care and focus on process optimization. The Company offers customized solutions that add value to production chains, and are the strong point of these long-term relationships.

With services performed in an integrated and flexible manner, we prioritize transparency, speed, specific solutions and mutual trust in our operations. Such practices strengthen the relationships with clients, enabling them to exceed their expectations.

Our structure and operational management are focused on promoting fast decision-making processes, with an administrative structure that supports the entire operating base. Always seeking the quality of the services provided and the continuous improvement of processes, the Company has been reaching greater agility in responding to requests and understanding more clearly the needs of our clients. Periodically, we conduct

satisfaction surveys in order to meet our clients' opinion and expectations, and to increasingly improve the services we provide.

In 2016, JSL Logística's satisfaction survey was conducted through e-mail and telephone by the Integrated Management area. JSL Logística's satisfaction index increased from 81.4% in 2015 to 88% in 2016. The survey evaluated services such as: Automotive (97%), Forestry (93%), Urban Cleaning (100%), Leasing of Trucks (84%), Mining (91%) and Passenger Transportation (87%).

We also conducted an e-mail survey with Movidá's customers in order to evaluate the satisfaction level of the services provided. In 2016, Movidá's satisfaction index was the same as in 2015, that is, 95%.

Satisfaction Index	2015	2016
JSL Logística	81,4%	88,0%
Movidá	95,0%	95,0%

SUPPLIERS

G4-12, EN32, LA14, HR4, HR5, HR6, HR10, SO9, EC9

JSL's service provision activities are aimed at the generation of shared value and attention to responsible practices in the value chain. The commitment to the environment and occupational health and safety, as well as engagement with human rights, are key elements in its relationship with suppliers.

As the Company operates throughout Brazil, we have established partnerships with suppliers from several segments, mainly in the heavy assets, light assets, fuel, tires and maintenance parts sectors.

In a logistics chain, many suppliers may be exposed to risks, such as environmental contamination, slave or forced labor and child labor, labor-intensive work, among others. Therefore, by the end of 2013, we implemented the screening process for suppliers that represented 70% of JSL's purchases, and in 2014 we extended this figure to 80%. In 2015, this percentage increased to 85%, with the agenda concluded in 2016.

With the implementation of the SAP management system, we are redefining the screening process criteria base, which will start from February 2017.

Taking into account these approved suppliers, we identify the critical nature and impacts of each one within our supply chain. Based on specific criteria, the suppliers are screened and receive score and classification, according to the region of operation. Therefore, information on quality and management, environment, health and safety and social responsibility are collected.

Key suppliers must adopt a Social and Environmental Commitment Term, confirming that they are aware of JSL's guidelines and attesting to the agreement with several items that ensure the best practices of corporate governance, human rights, labor, social security and environmental legislation. We also request the presentation of certifications such as ISO 9001, ISO 14001, OHSAS 18001, SA8000 and NBR 6001.



For other suppliers, the management and governance practices policy is presented in all purchase orders and contracts. The Company contracted 121 new suppliers, 118 of which were evaluated based on social, labor, environmental and human rights criteria, that is, 97.52%.

A procurement team is continuously dedicated to the management of suppliers and the assistance of hired companies. To do so, it relies on several tools such as the Procurement Policy, qualification and screening form, social and environmental criteria matrix, social and environmental commitment term, social clause in purchase orders and the Code of Conduct.

Suppliers and service providers who do not comply with the Company's Procurement Policy or Code of Conduct may be excluded from its relationship framework.

Hired suppliers

2014	2015	2016
12,247	12,247	11,666

Aimed at boosting the local economy and development, the Company prioritizes local hires in case of equal trading conditions, an initiative encouraged by Julio Simões since JSL was created. In 2016, the financial volume of purchases was R\$2,078.9 million, and 59.22% was made with local suppliers (suppliers who are in the same state of the branch that is making the purchase).

In 2016, with the implementation of the SAP system, the work structure of the supply area underwent some changes, promoting the standardization of data, better precision in the information recorded, inclusion of indicators of volumes and deadlines and productivity per buyer. These improvements provided greater agility in the decisions and adjustments in the daily flow of activities, as well as increased visibility of all hires.

Many reports can now be extracted with real-time data and the information is more integrated across the Company's departments. The SAP system also enhanced the control and monitoring of purchasing activities with suppliers, measuring purchase and

and delivery orders in hours, therefore contributing to cost reduction and management improvement.

SOCIETY

G4-15, S01

Responsible for JSL's private social investment in the communities where it operates, the Julio Simões Institute carries out projects run by the Company or partnering with other institutions. The aim of these projects is to improve the lives of communities, especially those in the areas where JSL has operations related to the provision of Dedicated Services, Fleet Management and Outsourcing, Passenger Transportation and General Cargo Transportation.

In 2016, the Institute directed approximately R\$1.9 million for projects through tax incentive laws, more than in 2015 and 2014, when it had allocated R\$1.6 million and R\$1.8 million, respectively. The number of people benefited was 41,599 in 2016, 54,309 in 2015 and 57,038 in 2014.

The Institutes works in a network, supporting other organizations with recognized performance, therefore increasing their potential. In addition, it promotes several campaigns for the entire JSL Group, such as the Clothes Collection Campaign (for donations to institutions) and the Gincana Social (Social Festival).

The Julio Simões Institute's mission is to promote actions and knowledge that improve safety in road transportation and that qualify human capital in the logistics sector, and its vision is based on the commitment to become a benchmark in good safety practices in professional road transportation and sustainable development.





EMPRESA AMIGA DA CRIANÇA (CHILD-FRIENDLY COMPANY)

Our commitment is to support and develop social initiatives for the benefit of children and adolescents. Most of these initiatives are directly or indirectly implemented by the Julio Simões Institute.



Julio Simões Heritage and Cultural Center

The Julio Simões Heritage and Cultural Center, located in our administrative headquarters in Mogi das Cruzes, introduces the Company's origins and shares our culture with all our stakeholders, through photographs and documents of the Simões family, boards relating the most important events in its history, and a replica of the first truck bought by Julio Simões in the 1950s. Mr. Julio Simões' life mixes in with JSL's history and growth. In 2016, the Center received 7,324 visitors.

Pela Vida (For Life) Program

Focused on the health and safety of trucks and bus drivers, the purpose of this program is to raise awareness of the importance of basic healthcare to improve quality of life and road safety. Focused on the health and safety of trucks and bus drivers, the purpose of this program is to raise awareness of the importance of basic healthcare to improve quality of life and road safety.

Health services were conducted by nurses and included: blood pressure measurement, vision test and measurement of BMI and abdominal circumference. In addition, drivers received guidance on safety issues.

The program was running for five years, and more than 85,000 attendances were carried out. In recognition of the actions performed during this period, the program received the Whirlpool Sustainability Award. In 2016, 5,614 people benefited from the program until October, when its activities were paused for reformulation and improvement.

The program was suspended in October 2016 for internal reassessment and identification of possible improvements.



Na mão certa

NA MÃO CERTA (ON THE RIGHT TRACK)

Since 2007, we have been signatories to the "On The Right Track Pact", an initiative of the NGO Childhood Brasil. Based on these principles, the Julio Simões Institute plans actions that fight child and adolescent sexual exploitation on Brazilian highways.





▪ **Você quer? Você Pode! (Do you want it? Come and get it!) project**

Focused on the education of human capital, the project encourages the development of students in municipal public schools in the city of Mogi das Cruzes, presenting the story of outstanding entrepreneurship and achievement of our founder Julio Simões.

Implemented by the Julio Simões Heritage and Cultural Center and supported by JSL and the Institute, the project has benefited 4,728 students in 2016, 753 more than in the previous year.

The project aims to inspire children and young people to strive for their own ideas and reinforce the value of education and work for personal and professional growth.

▪ **Julio Cidadão (Julio Citizen) Project**

Created in 2007 in partnership with the NGO “Canto Cidadão”, the project aims to encourage corporate volunteering and the exercise of citizenship, and offers specific training for JSL’s employees interested in becoming “clown doctors”. In 2016, the project benefited 3,400 people.



▪ **Gincana Social (Social Festival)**

Created in 2012, the Gincana Social campaign promotes a volunteer culture within JSL. All our employees and their families are invited to participate in the campaign, which encourages the integration between employees, the Company and the community through collection and donation activities and events in NGOs or public spaces. In 2016, 715 people, including employees, family members and friends, got involved in the project, and 46 institutions benefited from the donation of 11,961 hygiene products and 16,841 school materials.

▪ **Natal de Emoções (Christmas of Emotions)**

Created in 2016, the project benefited 23 institutions and donated 3,636 toys.



In 2016, JSL supported **several projects** in the areas of culture, health and sports through incentive laws in Brazil.



Environmental Performance



EN31

The environmental issue is a daily discussion within our activities. We continually reaffirm our commitment to reduce impacts and protect the environment in our operations, which directly influence the decision-making process of our business. As well as pursuing opportunities to optimize natural resources, we manage the consumption of water, materials and waste in our units.

In 2016, we allocated R\$1.8 million to investments and expenses in environmental protection.

This amount was allocated to several actions carried out in our branches, such as compliance with environmental licensing conditions to meet legal requirements, initiatives aimed at raising employee awareness about the importance of environmental preservation, Movida's Carbon Free program, changes in our garages to make them more sustainable, among others.

ENERGY EFFICIENCY AND EMISSIONS

EN3

In line with the Brazilian National Plan on Climate Change, we believe it of vital importance to encourage energy efficiency in the transportation sector. We therefore promote initiatives that help minimize the environmental impact of our operations, including the rational use of fuel, lubricant recycling and emission inventory.

In 2016, we carried out several initiatives aimed at reducing energy consumption and promoting energy efficiency, such as replacing conventional lightbulbs with LED bulbs at the administrative headquarters; the use of fuel with low sulfur content, reducing white smoke emissions and increasing lubricants' useful life; the use of deflectors; defensive driving and eco-driving training; the use of special vehicles, increasing occupation and, consequently, reducing CO₂ emissions, such as B-trains and others.

Our electricity consumption in 2016 was 38,546,170.49 KWh and in 2015, 22,077,550.00 KWh.

EMISSIONS

EN15, EN16, EN19

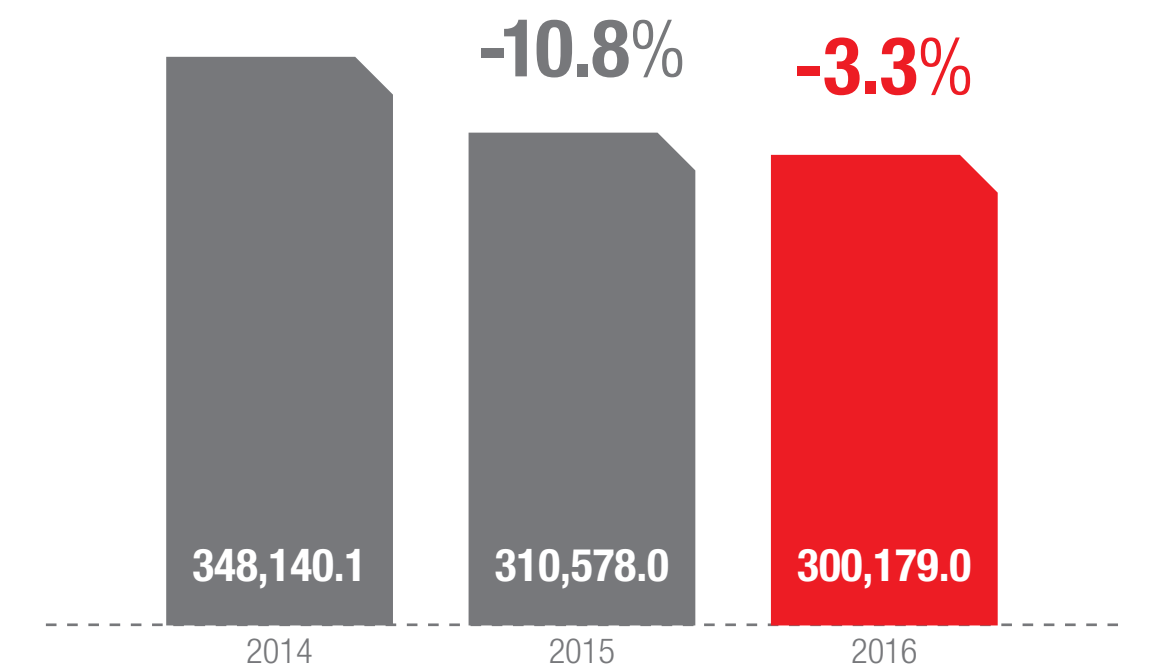
Based on the Emission Inventory and in line with the GHG Protocol guidelines, a tool internationally used to understand, quantify and manage emissions of greenhouse gases, the Company was able to manage and improve the efficiency of its emissions. Direct and indirect emissions from all our operations totaled 300,179.0 t CO₂eq in 2016 (In 2015, emissions totaled 310,578.0 t Co₂eq).

It is worth highlighting that most of our greenhouse gas emission is originated by movable sources, and in 2016, as in the previous year, there was no emission of substances that deplete the ozone layer this year (reference amounts in Global Warming Potential – GWP).

Given our diversified service portfolio, emissions are monitored by operation and consolidated by business sector and client, taking into consideration the differences between each business. This monitoring helps us

improve and intensify our commitment to emission efficiency. Considering the Company's robust growth in the coming years, we have been working hard to increase emission efficiency and help reduce global warming and develop the logistics sector in a sustainable manner.

GHG emissions (t CO₂eq)



CARBON FREE

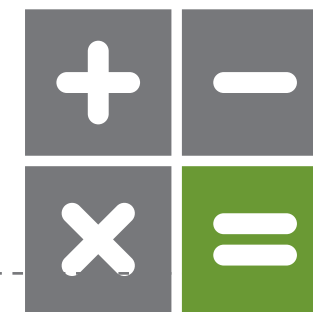
The Carbon Free program, which reduces emissions by planting trees, has been offered to Movidá's clients since 2011, demonstrating the Company's concern about climate change. The client can opt for the program when renting a vehicle, paying an additional fee in daily rental prices, which will be allocated to the program's neutralization actions. Movidá makes a financial contribution for each adhesion, sharing the responsibility. In 2016, 7,529,305 km were driven within the initiative, and 7,828 trees will be planted in order to neutralize these emissions.

In 2016, gross direct greenhouse gas emissions reached 1,389.0 tons of CO₂eq, higher than the 986.7 t CO₂eq in 2015. This variation is due to fleet expansion and increased number of clients' adhesion to the Carbon Free Program.

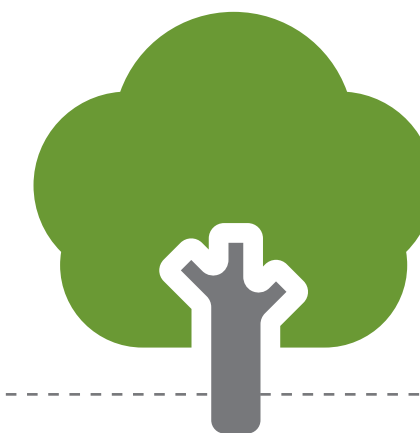
The initiative aims to neutralize the CO₂ equivalent to that emitted during the rental period by planting trees in Brazilian territory, in partnership with SOS Mata Atlântica. As forests capture CO₂, they help reduce its concentration in the atmosphere, fighting global warming and the greenhouse effect. The partnership has further consolidated our responsibility regarding environmental protection.



You choose the Carbon Free option.



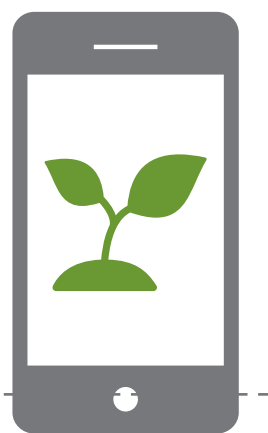
The emission of CO₂ is calculated for your locality.



The amount of CO₂ emitted is translated into number of trees.



Trees are planted in the Brazilian territory.



You monitor the growth and planting of your trees through the internet.



WATER

EN8, EN10

We are aware to the fact that a possible water crisis can impact our operations and increase water bills, or even generate operational problems. Therefore, we prioritize the monitoring of water consumption and installed water treatment plants and reused water stations in operations where consumption is more meaningful.

The Company always monitors water consumption in vehicle maintenance garages in order to identify opportunities to optimize the use and/or bottlenecks that may increase consumption.

In 2016, we consumed 249,774 m³ of water, and reused water accounted for 7.82% of the consumption in the garages.

The lower use of reused water compared to previous years was influenced by the reduction in our heavy vehicle fleet and the need for maintenance in water meters. Aiming at raising awareness of the efficient use of water among our employees and contractors, we disclose campaigns to reduce water consumption through our communication channels.

Total volume of water consumed by source	EN8	m ³
Groundwater		18,117.00
Municipal water supply or other water services		231,657.00
Total		249,774.00

Obs.: consumo referente às nossas garagens.

EN10	Water consumption m ³	Reused water consumption m ³	Reused water percentage %
	231,657.00	18,117.00	7.82

Obs.: para o volume de água utilizado foram consideradas leituras mensais dos hidrômetros das nossas principais garagens e verificação de contas de água quitadas. As estações de reuso possuem um hidrômetro no qual realizamos o controle da água reutilizada.

MATERIALS AND WASTE

EN1, EN23, EN25

In line with the National Solid Waste Policy, we control and monitor the wear of tires and the consumption of lubricants and diesel, the main inputs of our operations and also those with the highest pollution potential. Guided by Waste Management procedures, we also progressively manage the adequate disposal of tires and lubricants, reducing the environmental impact of our operations.

Renewable material EN1	2015	2016
Material	volume/weight	volume/weight
Etanol (Liters)	-	6,763,159
Non-renewable materials		
Tires (Units)	23,300	58,186
Oil (Liters)	1,200,000	1,388,599
Diesel (Liters)	70,200,000	63,308,955

Note The number of tires reported in 2015 refers to heavy vehicles. In 2016, we considered the consumption of light and heavy vehicles tires.

The spillage of lubricants, washing and storage water and the final disposal destination of tires are especially important issues in our activities and, therefore, receive specific treatment.

In 2016, 98,150 kg of hazardous waste were transported, comprising the waste from the Poá and Mogi das Cruzes garages and the Intermodal Logistics Center.

Total weight of waste by type and disposal method EN23

Oil, Used Oil (L)	313,050.00	Recycling, Re-refined
Tires	23,027	Recycling - through reuse of the tire in the cement sector, in shoe manufacturing, rubber seal and flooring for multisport courts

Note: Extraction and final destination of the oil by third parties. Data referring to JSL S.A. and CS Brasil.

BIODIVERSITY

EN11, EN26

The significant green area of 32,150.0 km² in the Intermodal Logistics Center, in Itaquaquecetuba, São Paulo, is an important space for the preservation of local biodiversity. This is our branch with the greater vegetation cover, as the other units are located in urban centers or inside clients' facilities. For example, Movidia does not occupy protected areas or areas of high biodiversity value because it is located in urban areas.

In the Itaquaquecetuba region, we also have a 18,117 km² Permanent Preservation Area (APP), located in Bacia de Esgotamento do Ribeirão Perová, in the Alto do Tietê basin, an area of high biodiversity value, totaling 58,333.69 km².

In addition, this region receives water rural and periurban areas with small watercourses that drain into the Tietê River. Considering that the area affected by our operations' effluent disposal is 48,578.7 m³, we installed Wastewater Treatment Plants (ETE) to treat effluents generated by vehicle washing and maintenance. After the treatment, we analyze the water to check whether it complies with the standards set forth by environmental agencies.

The area described above serves a landscaping purpose and offers several benefits to the population: reduction of pollution through oxygenation, softening noise pollution with the reduction of city noise, due to the absorption of sun rays, reduction of wind, providing shadow, shelter to the existing fauna, influence on the water balance and increase of the urban space's visual and ornamental value.



GRI G4

Content Index



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ORGANIZATIONAL PROFILE				
G4-3	Name of the organization			17
G4-4	Primary brands, products, and services			17
G4-5	Location of the organization's headquarters			87
G4-6	Countries where the organization operates and where its main operations are located			17
G4-7	Nature of ownership and legal form			17
G4-8	Markets served			17
G4-9	Scale of the organization			9
G4-10	Total number of employees		6	48, 49 and 50
G4-11	Percentage of total employees covered by collective bargaining agreements	100% of JSL's employees are covered by collective bargaining agreements.	3	
G4-12	Description of the organization's supply chain			28
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain			28
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IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents			28
G4-18	Process for defining the report content and the Aspect Boundaries			11
G4-19	List all the material aspects identified in the process for defining report content			13

Indicator	Description	Observation	Global Compact (Principles)	Page of the report
G4-20	Aspect boundary within the organization			13
G4-21	Aspect Boundary outside the organization			13
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements			28
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	There was a change in the emission inventory, conducted by Consultoria Ambio (formerly carried out by the Brazilian Foundation for Sustainable Development – FBDS): it now considers the division of 4 companies of the Group (JSL, CS Brasil, Movida and 'Nova S.A'). The previous inventory was divided by Logística's segments, not including Concessionárias and Movida. Despite a potential increase in emissions, we understand that a more comprehensive inventory report to stakeholders is essential to our business.		
STAKEHOLDER ENGAGEMENT				
G4-24	List of stakeholder groups engaged by the organization			13
G4-25	Basis for identification and selection of stakeholders with whom to engage			13
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process			13
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns			13
REPORT PROFILE				
G4-28	Reporting period (such as fiscal or calendar year) for information provided			11
G4-29	Date of most recent previous report (if any)			11
G4-30	Reporting cycle (such as annual, biennial)			11
G4-31	Contact point for questions regarding the report or its contents			11 and 87
G4-32	GRI Content Index for the chosen option			11 and 72
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Indicator	Description	Observation	Global Compact (Principles)	Page of the report
GOVERNANCE				
G4-34	Governance structure			28
ETHICS AND INTEGRITY				
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics		10	28
CATEGORY: ECONOMIC				
G4-DMA	Management approach			39 to 46
DESEMPENHO ECONÔMICO				
G4-EC1	Direct economic value generated and distributed			8 and 46
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change			37
MARKET PRESENCE				
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation		6	51
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation		6	48
INDIRECT ECONOMIC IMPACTS				
G4-EC8	Significant indirect economic impacts, including the extent of impacts			15
PROCUREMENT PRACTICES				
G4-EC9	Proportion of spending on local suppliers at significant locations of operation			62
CATEGORY: ENVIRONMENTAL				
G4-DMA	Management approach			67 to 70
MATERIALS				
G4-EN1	Materials used by weight or volume		7 / 8	70
ENERGY				
G4-EN3	Energy consumption within the organization		7 / 8	67
WATER				
G4-EN8	Total water withdrawal by source		7 / 8	69

Indicator	Description	Observation	Global Compact (Principles)	Page of the report
G4-EN10	Percentage and total volume of water recycled and reused		8	69
BIODIVERSITY				
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		8	70
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	In 2016, there were no significant impacts in areas of high biodiversity value. There is no data regarding Movida's area, since its activities is located only in urban areas.	8	
EMISSIONS				
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)		7 / 8	67
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)		7 / 8	67
G4-EN19	Reduction of greenhouse gas (GHG) emissions		8 / 9	67
G4-EN20	Emissions of ozone-depleting substances (ODS)	In 2016, there was no emission of gases controlled by the Montreal Protocol.	7 / 8	
EFFLUENTS AND WASTE				
G4-EN23	Total weight of waste by type and disposal method		8	70
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention ² Annex I, II, III, and VIII, and percentage of transported waste shipped internationally		8	70
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff		8	70
COMPLIANCE				
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	In 2016, the Company did not receive any non-monetary sanctions or significant fines.	8	
OVERALL				
G4-EN31	Total environmental protection expenditures and investments by type		7 / 8 / 9	67
SUPPLIER ENVIRONMENTAL ASSESSMENT				
G4-EN32	Percentage of new suppliers that were screened using environmental criteria		8	62



Indicator	Description	Observation	Global Compact (Principles)	Page of the report
ENVIRONMENTAL GRIEVANCE MECHANISMS				
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	In 2016, the companies of the JSL Group did not receive complaints about environmental impacts through formal grievance mechanisms.	8	
CATEGORY: SOCIAL - LABOR PRACTICES AND DECENT WORK				
G4-DMA	Management approach			48 to 62
EMPLOYMENT				
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region		6	76
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation		6	51
G4-LA3	Return to work and retention rates after parental leave, by gender		6	54
LABOR/MANAGEMENT RELATIONS				
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	The minimum prior notice for employees and their elected representatives before the implementation of important operational changes is four weeks. The prior notice period and the provisions for consultations are specified in collective bargaining agreements.	3	
OCCUPATIONAL HEALTH AND SAFETY				
G4-LA5	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs	The percentage of total workforce represented in the Internal Commission for Accident Prevention (CIPA) was 50% to 75% in 2016.		55
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of workrelated fatalities, by region and by gender			55
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	JSL's current activities do not generate risks of specific diseases.		
G4-LA8	Health and safety topics covered in formal agreements with trade unions			55
TRAINING AND EDUCATION				
G4-LA9	Average hours of training per year per employee by gender, and by employee category		6	48, 55 and 59
DIVERSITY AND EQUAL OPPORTUNITY				



Indicator	Description	Observation	Global Compact (Principles)	Page of the report
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity		6	48, 55 and 61
SUPPLIER ASSESSMENT FOR LABOR PRACTICES				
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria			62
LABOR PRACTICES GRIEVANCE MECHANISMS				
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	In 2016, 2,630 labor claims were filed. From this total, 1,403 had been addressed during the period covered by the report, and 1,227 had been resolved during the period covered by the report.		
CATEGORY: SOCIAL - HUMAN RIGHTS				
G4-DMA	Management approach			36, 48, 51, 59 and 62
INVESTMENT				
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		1	36, 48 and 59
NON-DISCRIMINATION				
G4-HR3	Total number of incidents of discrimination and corrective actions taken	The Company did not register any incidents of discrimination in 2016.	6	36
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights		3	51 and 62
CHILD LABOR				
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor		5	36 and 62
FORCED OR COMPULSORY LABOR				
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor		4	36 and 62
SECURITY PRACTICES				
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	In 2016, 50 employees (32.05% of the team) from the Occupational Safety and Property Security area underwent human rights training.	1	



Indicator	Description	Observation	Global Compact (Principles)	Page of the report
ASSESSMENT				
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	100% of JSL's operations are subject to human rights impact assessments, and the HR department is responsible to ensure, through meetings with branch managers, termination interviews, control of complaints and fines on the issue, that operations are being performed in compliance with the guidelines of JSL's Human Rights Policy and the Code of Conduct.	1	
SUPPLIER HUMAN RIGHTS ASSESSMENT				
G4-HR10	Percentage of new suppliers that were screened using human rights criteria		2	62
HUMAN RIGHTS GRIEVANCE MECHANISMS				
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	In 2016, the Company did not receive complaints regarding human rights.	1	
CATEGORY: SOCIAL - SOCIETY				
G4-DMA	Management approach			35, 36, 62 and 63
LOCAL COMMUNITIES				
G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs		1	63
ANTI-CORRUPTION				
G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified		10	35 and 36
G4-S04	Communication and training on anti-corruption policies and procedures		10	36
G4-S05	Confirmed incidents of corruption and actions taken		10	36
PUBLIC POLICY				
G4-S06	Total value of political contributions by country and recipient/beneficiary	In 2016, the Company did not make any donations to political parties.	10	
ANTI-COMPETITIVE BEHAVIOR				
G4-S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	The JSL Group does not face any legal actions for anti-competitive, anti-trust and monopoly practices.		
COMPLIANCE				
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	In 2016, the Company has not received significant fines and non-monetary sanctions, considering any sanctions which represents risk of material impact on the performance of its regular activities.		
SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY				



Indicator	Description	Observation	Global Compact (Principles)	Page of the report
G4-S09	Percentage of new suppliers that were screened using criteria for impacts on society			62
GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY				
G4-S011	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	In 2016, the Company did not receive any complaints about impacts on society submitted through formal complaint mechanisms.		
CATEGORY: SOCIAL - PRODUCT RESPONSIBILITY				
G4-DMA	Management approach			62
CUSTOMER HEALTH AND SAFETY				
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Non-Compliance - External Audits ISO 9.001: 11 (related to product quality and customer service) ISO 14.001: 3 (related to the environmental management system) BRC: 13 (specific food storage certification) URSA (Understanding the Responsible Sourcing Audit): 13		
PRODUCT AND SERVICE LABELING				
G4-PR5	Results of surveys measuring customer satisfaction			62
MARKETING COMMUNICATIONS				
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	In 2016, the Company did not register any incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship.		
CUSTOMER PRIVACY				
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	In 2016, the Company did not receive substantiated complaints related to the violation of customers' privacy and loss of customer data.		
COMPLIANCE				
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	In 2016, the Company has not received significant fines and non-monetary sanctions, considering any sanctions which represents risk of material impact on the performance of its regular activities.		





Glossary

JSL
Entender para Atender

- **BRC:** British Retail Consortium Global Standards for Food Safety, certification specific for storage of food.
- **Cross-selling:** A practice that involves the selling and provision of additional products and services to existing customers.
- **EBITDA:** According to CVM Circular 1/2005, EBITDA represents earnings before financial items, income taxes and social contribution, minority interest, depreciation and amortization. EBITDA is not a measure as defined by the accounting practices adopted in Brazil. It does not represent cash flow for the periods represented and should not be considered a substitute for net income or cash flow as an indicator of the Company's liquidity. Moreover, there is no standard definition of EBITDA and our definition may not be comparable with those used by other companies.

- **EBITDA-A or Added EBITDA:** represents EBITDA plus the residual costs associated with the sale of fixed assets, which do not represent operational cash disbursements, as they are merely an accounting representation of the write off of assets at the time of sale. Hence, the management believes that EBITDA-A is a more suitable measurement than the traditional EBITDA as an approximate representation of cash flow generation that reflects a company's ability to honor its financial obligations. Eliminations: Offsetting of the amounts inherent to the operations between JSL Logística, JSL Concessionárias and Movida with a null effect on JSL's consolidated figures.

- **Management and Outsourcing or Management and Outsourcing of Fleets/Equipment:** Management and outsourcing services provided by JSL through fleets of both light and heavy vehicles, including aggregated services for the fleet, as well as machinery and equipment.

- **IPO:** From English "Initial Public Offering", the IPO acronym refers to the initial public offering.

- **JSL Concessionárias de veículos or Dealerships** Merged into JSL in February 2012, it is a holding company that owns a network of dealerships for light vehicles and heavy vehicles, and an insurance brokerage. The light vehicle dealerships belong to the Volkswagen, Fiat and Ford brands and the heavy vehicle dealership is under the MAN brand. It consolidates Original Veículos Ltda., Avante Veículos Ltda., Ponto Veículos Ltda., Transrio Caminhões, Ônibus, Máquinas e Motores Ltda., Vintage Corretora e Administradora de Seguros Ltda.

- **JSL Locações Ltda. or Fleet Management and Outsourcing (GTF)** – Leasing of vehicles, machinery and equipment, with or without drivers, and fleet management and maintenance services.

- **JSL Logística** – includes the results of JSL's logistics operations, as well as Schio's.

- **EBITDA Margin** – The ratio between EBITDA (with a positive or negative impact from the Sale of Assets) and Net Revenue from Services (excluding revenue from the Sale of Assets).

- **Movida Participações S.A. or Movida** – Consolidates all the rent a car (RAC) activities operated by Movida Rent a Car Ltda., as well as fleet management and outsourcing (GTF) activities conducted by JSL Locações Ltda.

- **Movida Rent a Car Ltda. or RAC** – The consolidation of information relating to Movida Ltda. and APTA Ltda., companies acquired in December 2013 and which provide daily, monthly and annual light vehicle rental services to individuals and companies.

- **Schio or Rodoviário Schio** – a company merged into JSL in December 2011 and the country's leader in temperature controlled products, with revenue of R\$444.0 million in 2011.



Financial Statements



Asset (In thousands of Reais)

	Consolidated	
	12/31/2016	12/31/2015
Current		
Cash and cash equivalents	585.920	951.166
Marketable securities	457.300	725.095
Accounts receivables	1.021.422	1.007.831
Inventories	164.626	199.270
Taxes recoverable	95.600	178.817
Prepaid expenses	12.891	28.290
Related parties	-	-
Dividends receivable	-	-
Available-for-sale assets (fleet renewal)	331.249	226.336
Other receivables	47.692	54.238
	2.716.700	3.371.043
Non-current		
Marketable securities	-	10.376
Derivative financial instruments	36.037	72.921
Accounts receivables	108.356	15.792
Taxes recoverable	62.468	23.518
Judicial deposits	120.704	42.309
Judicial deposits	31.438	15.635
Related parties	76	410
Concessionaire capitalization fund	52.642	54.921
Other receivables	6.035	9.542
	417.756	245.424
Investments	1.179	1.535
Property and equipment	5.386.719	4.764.262
Intangible assets	346.029	361.790
	5.733.927	5.127.587
Total assets	8.868.383	8.744.054

Liabilities and equity (In thousands of Reais)

	Consolidated	
	12/31/2016	12/31/2015
Current liabilities		
Borrowings	888.916	526.829
Suppliers financing	551.359	625.195
Debentures	142.242	126.794
Finance lease	165.716	160.719
Trade payables	992.368	505.199
Floorplan vehicles	28.387	33.982
Labor liabilities	179.418	163.687
Tax liabilities	51.968	52.983
Accounts payable	151.377	120.374
Advances payable	29.101	83.747
Dividends and interest on capital	-	11.106
Related parties	1.782	1.017
Income tax and social contribution	11.528	3.625
	3.194.162	2.415.257
Non-current liabilities		
Borrowings	2.957.220	3.213.632
Debentures	1.406.375	1.487.751
Finance lease	189.017	193.606
Derivative financial instruments	12.223	1.459
Tax liabilities	2.701	1.805
Provision for judicial and administrative litigation	73.712	43.354
Deferred income tax and social contribution	197.088	269.451
Accounts payable	226.896	97.866
	5.065.232	5.308.924
Equity		
Share capital	660.395	660.395
Capital reserves	14.060	8.789
Treasury shares	(3.741)	(54.133)
Carrying value adjustments	4.634	4.634
Revenue reserves	-	400.167
Accumulated losses	(66.359)	-
	608.989	1.019.852
Non-controlling interests	-	21
Total equity	608.989	1.019.873
Total liabilities and equity	8.868.383	8.744.054



DRE (In thousands of Reais)

Consolidated

	12/31/2016	12/31/2015
Net revenue from services rendered and sale of assets used in services rendered	6.739.417	5.989.912
(-) Cost of services rendered	(4.152.988)	(3.974.936)
(-) Cost of sales of assets used in services rendered	(1.289.069)	(877.618)
	(5.442.057)	(4.852.554)
(=) Gross profit	1.297.360	1.137.358
Selling and administrative expenses	(670.353)	(510.134)
Tax expenses	(13.822)	(9.584)
Other operating income (expenses), net	(114.402)	(34.256)
Equity in the results of investees	-	71
Profit before finance income and costs	498.783	583.455
Finance income	240.589	250.799
Finance costs	(988.842)	(767.032)
(=) Profit (loss) before income tax and social contribution	(249.470)	67.222
Taxes and contributions on income	(21.844)	(13.924)
Deferred tax assets/liabilities	88.140	(6.536)
(=) Profit (loss) before non-controlling interests	(183.174)	46.762
Non-controlling interest	-	1
Profit (loss) for the year	(183.174)	46.763



DFC (In thousands of Reais)	Consolidated	
	12/31/2016	12/31/2015
Cash flows from operating activities		
Profit (loss) before taxes	(249.470)	67.222
Adjustments to reconcile profit with cash provided by operating activities		
Depreciation / amortization (Note 33)	547.187	508.626
Cost of sales of assets used in services rendered	1.289.069	870.464
Equity in the results of investees (Note 14)	-	(71)
Losses on fair value of derivative financial instruments (Note 34)	107.067	(64.744)
Provision/reversal for legal and administrative claims	63.413	40.373
Provision for loss on ICMS (Note 8)	27.600	-
Estimated losses on doubtful accounts (Note 5)	68.409	15.403
Adjustment to present value of acquisition of Quick	(10.277)	-
Gains from business combination (Note 1.1)	(62.178)	-
Estimated inventory losses (Note 6)	204	1.249
Provision for losses from vehicle theft (Note 15)	7.768	-
Share-based payments	6.914	2.593
Interest and monetary variations on borrowings	570.511	653.180
Impairment	34.813	-
Adjustments to reconcile profit with cash provided	2.650.500	2.027.073
Decrease (increase) in assets		
Marketable securities	278.171	118.074
Trade receivables	(174.564)	(34.430)
Inventory	34.440	93.468
Taxes recoverable	43.416	(13.854)
Related parties	334	(343)
Judicial deposits	(78.395)	1.866
Other receivables	9.792	12.832
Prepaid expenses	17.678	(4.664)

DFC (In thousands of Reais)	Consolidated	
	12/31/2016	12/31/2015
(Decrease) increase in liabilities		
Trade payables	487.169	208.175
Trade payables (Floorplan)	(5.595)	(22.331)
Labor and tax liabilities	(11.988)	11.842
Accounts payable and advances	128.915	(4.182)
Related parties	765	492
Changes in current and non-current assets and liabilities	730.138	366.945
Cash provided by operating activities	3.131.168	2.461.240
Judicial and administrative claims paid	(33.055)	(42.150)
Income tax and social contribution paid	(13.116)	(1.467)
Interest paid on borrowings, debentures and other liabilities	(591.742)	(654.358)
Acquisition of operating property and equipment	2.493.255	1.763.265
Cash flows from investing activities		
Quick Logística investment acquisition	(25.953)	-
Incorporation of subsidiary's cash (Note 1.1)	259	-
Capital contribution / (Write-off of investment)	-	-
Dividends received (Note 14.1)	-	-
Advances for future capital increase	-	-
Acquisition of property and equipment	(1.794.325)	(1.014.630)
Intangible assets	(9.971)	(5.977)
Net cash used in by investing activities	(1.829.990)	(1.020.607)
Cash flows from financing activities		
Buyback of treasury shares (Note 27.2)	(34.603)	(61.854)
Dividends paid	(208.701)	-
Result from derivatives	5.740	-
Interest on equity paid	-	(17.205)
Increase in borrowings	689.594	851.243
(Decrease) in borrowings	(1.480.541)	(935.723)
Net cash used in financing activities	(1.028.511)	(163.539)
Net increase (decrease) in cash and cash equivalents	(365.246)	579.119
Cash and cash equivalents		
At the beginning of the year	951.166	372.047
At the end of the year	585.920	951.166
Net increase (decrease) in cash and cash equivalents	(365.246)	579.119

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G4-5, G4-31

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