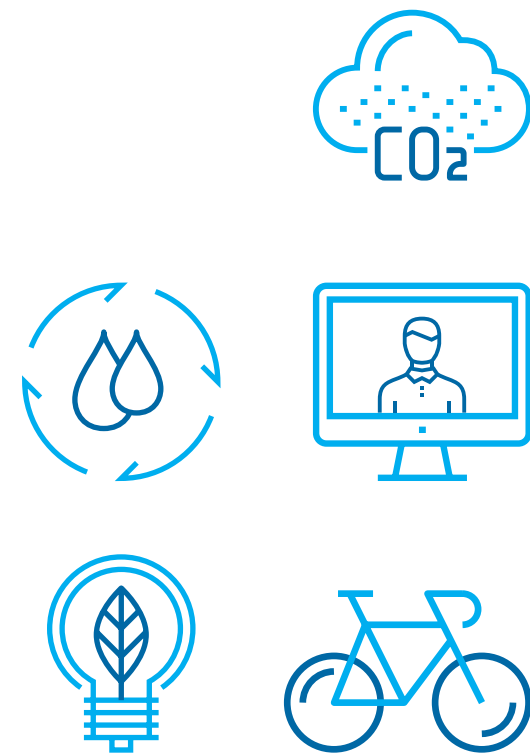


ENVIRONMENTAL PERFORMANCE



We monitor the environmental initiatives of the Algar group, identifying synergies between the companies and expanding the results. In 2017, **47 initiatives** were mapped. Many of them now have financial impact metrics that supplement the view of the social and environmental impacts, while enabling a more assertive choice of the investments to be made.

The initiatives are implemented by each company's Environmental Committee, and subsequently monitored by representatives of the Group's Sustainability area. We strengthen and develop the competencies of the Committee members by holding workshops on sustainable procurement, carbon footprint and water footprint.

The period between 2016 and 2017 saw a drop of 69% in the investments intended for environmental efficiency as a result of having concluded the **energy optimization** works. In recent years we have invested heavily in infrastructure, resulting in efficiency in energy generation, distribution and consumption. Worthy of note among the improvements is the installation of the **biomass-powered boiler** at Algar Agro, thanks to investments of R\$ 15 million.

Here are some of our environmental initiatives

- **Monitoring of greenhouse gas emissions** from the Group's operations;
- **Treatment of solid waste** for reuse or proper disposal;
- Holding meetings via videoconferencing to **substitute travelling**;
- Eco-efficient buildings that prioritize use of **solar energy**;
- Substitution of gasoline with **ethanol** for the vehicle fleet in the south of Brazil (Telecom);
- **Reduction in consumption** of 235 boxes of paper towels and 895 boxes of disposable cups purchased (Algar Tech);
- System for **collecting and reusing water** from the air conditioning equipment for secondary use at the Campinas Unit (Algar Tech);
- Use of **electric bicycles** for internal transportation of employees (Rio Quente Group);
- Management of Natural Resources and Recovery and Monitoring of the **Areas of Permanent Preservation** (Rio Quente Group);
- **Production** of chlorine, for application in swimming pools, from iodine-free salt (Rio Quente Group).

See further information about our environmental actions at the Algar Institute [website](#).