



TAKING CARE *OF PEOPLE*



TAKING CARE OF PEOPLE

GRI 103-2, 103-3: 202, 401

Localiza is committed to creating a “wowing” experience for our employees through a modern and efficient management approach and a welcoming work environment. In February 2020, for example, we launched a flexible work program that allows employees to flexibly schedule their working hours within a range of 7 a.m. to 8 p.m.

As part of our efforts to expand and make our operations more sustainable, we work to create an engaging journey for employees—including training and career development.

We have drawn on one of our values, “People who inspire and transform,” to define the ideal employee profile for our company. And we have continuously invested in a corporate culture that fosters inclusion, diversity and respect. In 2020,

We take care of each of our employees with a sense of responsibility, nurturing and empathy

following the outbreak of the novel coronavirus pandemic, putting our organizational philosophy into practice became more important than ever.

Taking care of the health, well-being and safety of our employees became a top priority, all the more so with the expansion of our workforce—our headcount grew by 7% in the year, from 10,514 employees in 2019 to 11,328 in 2020.

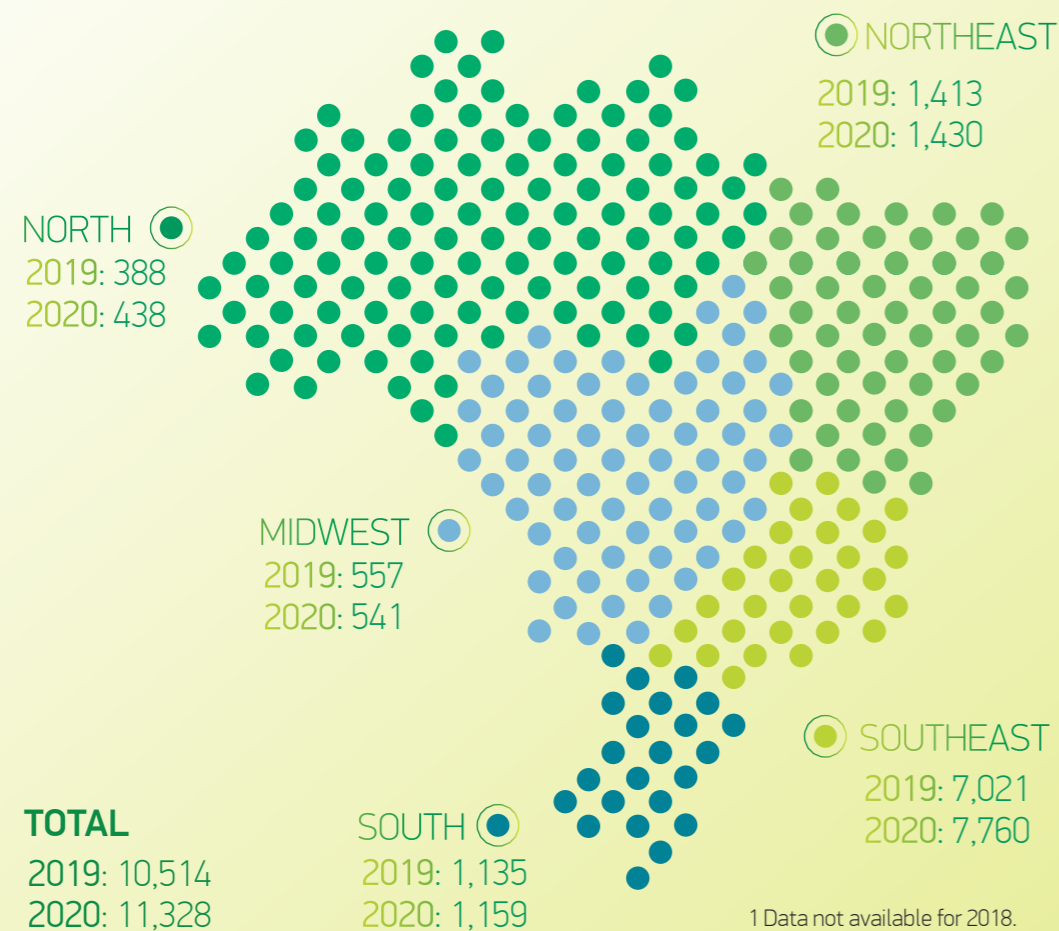
We believe the difficult times we are experiencing demand that we devote special attention and care for our employees. We take care of each of our employees with a sense of responsibility, nurturing and empathy. And we will continue this journey of partnership and collaboration, guided by the principles of recognition, strength and innovation.

As one of the outcomes from our management approach, the results from our 2020 organizational climate survey were highly positive. We had a 92% response rate and a 5 percentage-point improvement in favorability, which placed us among the top 10% of companies for organizational climate results as ranked by Korn Ferry, the independent consultants engaged for the survey. Localiza’s approach to retaining talents, reducing turnover and setting entry-level salaries is perfected on a continuing basis.

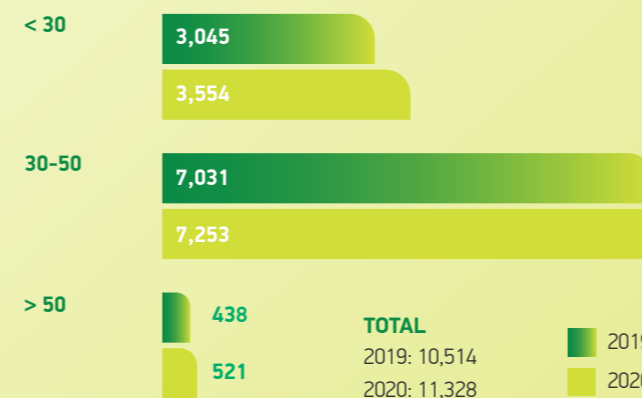


EMPLOYEE PROFILE GRI 102-8

WORKFORCE BY REGION¹



EMPLOYEES BY AGE GROUP¹



MEMBERS OF GOVERNANCE BODIES

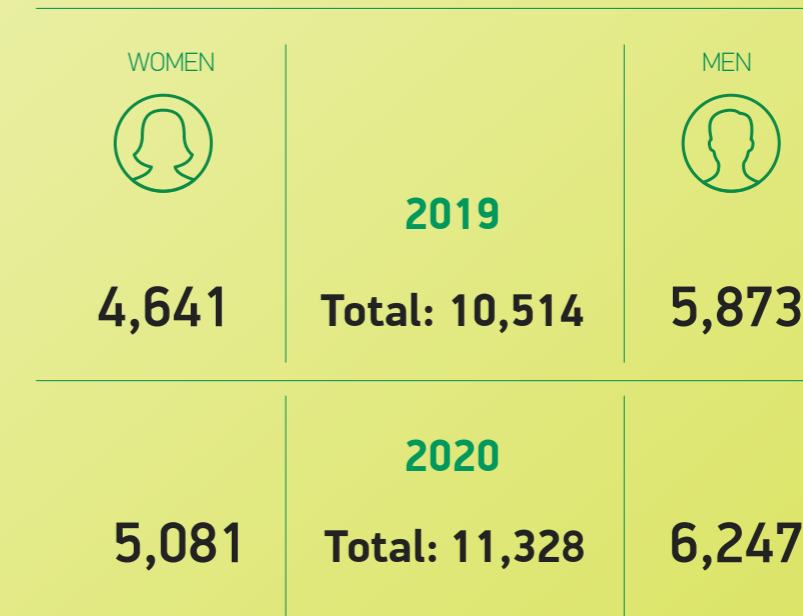
BOARD OF DIRECTORS



WORKFORCE BY CATEGORY¹

	2019		2020	
	Men	Women	Men	Women
Executive Board	10	1	10	1
Middle Management	39	19	145	58
Head/coordinator	97	62	200	107
Technical/supervisor	662	655	1,463	979
Administrative	734	1,262	950	2,134
Operational	4,331	2,642	3,475	1,789
Trainees	0	0	4	13
Total	10,514		11,328	

WORKFORCE BY EMPLOYMENT CONTRACT AND GENDER^{1, 2}



¹ Data not available for 2018.
² All contracts are for an indefinite term. The database includes apprentices and interns.

RATIO OF STANDARD ENTRY-LEVEL WAGE COMPARED TO LOCAL MINIMUM WAGE, BY GENDER (R\$) GRI 202-1

	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
Entry-level wage paid by the organization	1,050.83	1,071.13	1,069.49	1,081.32	1,080.62	1,080.62
Minimum salary as established by legislation or the relevant union	954.00	954.00	998.00	998.00	1,045.00	1,045.00
Percent ratio	110.15	112.28	107.16	108.35	103.41	103.41

TURNOVER GRI 401-1

TURNOVER BY REGION^{1,2}

	2019		2020	
	No.	Rate	No.	Rate
Midwest	131	0.24	171	0.32
Northeast	230	0.16	427	0.30
North	72	0.19	112	0.26
Southeast	1,101	0.16	1,841	0.24
South	258	0.23	336	0.29
Total	1,792	0.17	2,887	0.25

¹ Data not available for 2018.

² Data for 2018 and 2019 has been restated for consistency with the calculation method used for the 2020 figures. In this method, new hire and turnover rates are calculated by dividing the total number of new hires in each category by the grand total number of employees.

EMPLOYEE HIRES BY AGE GROUP¹

	2018		2019		2020	
	No.	Rate	No.	Rate	No.	Rate
< 30	1,208	0.55	1,886	0.62	1,743	0.49
30 - 50	1,359	0.24	2,339	0.33	2,011	0.28
> 50	45	0.11	54	0.12	69	0.13
Total	2,612	0.32	4,279	0.41	3,823	0.34

¹ Data for 2018 and 2019 has been restated for consistency with the calculation method used for the 2020 figures. In this method, new hire and turnover rates are calculated by dividing the total number of new hires in each category by the grand total number of employees.

EMPLOYEE HIRES BY GENDER¹

WOMEN	2018	MEN
1,088 Rate: 0.31	Total: 2,612 Rate: 0.32	1,524 Rate: 0.33
1,832 Rate: 0.39	2019 Total: 4,279 Rate: 0.41	2,447 Rate: 0.42
1,568 Rate: 0.31	2020 Total: 3,823 Rate: 0.34	2,255 Rate: 0.36

TURNOVER BY GENDER^{1,2}

WOMEN	2019	MEN
671 Rate: 0.14	Total: 1,792 Rate: 0.17	1,121 Rate: 0.19
1,099 Rate: 0.22	2020 Total: 2,887 Rate: 0.25	1,788 Rate: 0.29

¹ Data not available for 2018.

² Data for 2018 and 2019 has been restated for consistency with the calculation method used for the 2020 figures. In this method, new hire and turnover rates are calculated by dividing the total number of new hires in each category by the grand total number of employees.

EMPLOYEE HIRES BY REGION¹

	2018		2019		2020	
	No.	Rate	No.	Rate	No.	Rate
Midwest	176	0.36	219	0.39	161	0.30
Northeast	321	0.30	465	0.33	479	0.33
North	83	0.34	179	0.46	161	0.37
Southeast	1,747	0.32	2,917	0.42	2,616	0.34
South	285	0.32	499	0.44	404	0.35
Total	2,612	0.32	4,279	0.41	3,823	0.34

¹ Data for 2018 and 2019 has been restated for consistency with the calculation method used for the 2020 figures. In this method, new hire and turnover rates are calculated by dividing the total number of new hires in each category by the grand total number of employees.

TURNOVER BY AGE GROUP^{1,2}

	2019		2020	
	No.	Rate	No.	Rate
< 30	545	0.18	992	0.28
30 - 50	1,022	0.15	1,781	0.24
> 50	225	0.51	114	0.26
Total	1,792	0.17	2,887	0.25

¹ Data not available for 2018.

² Data for 2018 and 2019 has been restated for consistency with the calculation method used for the 2020 figures. In this method, new hire and turnover rates are calculated by dividing the total number of new hires in each category by the grand total number of employees.

PARENTAL LEAVE GRI 401-3

	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
Employees entitled to parental leave	4,671	3,524	5,873	4,641	6,247	5,081
Total	8,195		10,514		11,328	
Employees who took parental leave	142	151	185	160	181	183
Total	293		345		364	
Employees who returned to work after parental leave ended	N.D.	N.D.	185	127	181	128
Total	N.D.		312		309	
Employees who returned to work after parental leave ended that were still employed 12 months after their return to work	N.D.	N.D.	105	67	159	64
Total	N.D.		172		223	
Return rate	1.0	1.0	0.99	0.80	1.0	1.0
Retention rate	0.86	0.81	0.74	0.73	0.88	0.61



OUR PANDEMIC RESPONSE

GRI 103-2, 103-3: 403



Taking care of the health and well-being of our employees, customers and suppliers has always been a priority for Localiza. In 2020, we closely followed developments during the COVID-19 pandemic, and took prompt measures to provide a safer work environment for all employees. We created a committee to design health and safety strategies for employees, their families, customers and business partners. As a first step, all eligible corporate, sales and call-center employees were assigned to work from home, and we implemented best-practice COVID-19 safety measures for employees at car-rental locations. For employees unable to work from home due to the customer-facing nature of their activities, we implemented stringent safety measures including social distancing and hygiene rules and protocols and physical adaptations, as well as providing support and assistance.

During the pandemic, we also created initiatives and programs to improve quality of life for our employees, including:

TAKING CARE OF YOURSELF – A dedicated channel for providing updates about the novel coronavirus, including information about our internal initiatives, pandemic developments and services available to employees.

TELEMEDICINE – Employees and their dependents can contact a 24/7 telemedicine service to ask questions about COVID-19 or any other illness, at any time and from anywhere in the country. If an employee or a family member comes down with symptoms, they can start a conference call session to receive advice.

- Within the **Acolher Program**, we provided legal, financial and psychological support to approximately 500 employees.
- Through **telemedicine**, we prevented nearly 3,000 employees from having to go to a clinic to see a doctor.
- We distributed more than **30,000 masks** and leaflets about our protocols to protect front-line employees.
- At car-rental locations, we made **safety a priority** and implemented a number of related process adaptations.
- **Fleet**: we created a car cleaning and hygiene protocol using products proven to kill the coronavirus, and a list of 12 key contact surfaces for thorough cleaning. Each car is now cleaned at three different steps in the customer's interaction with our team.
- **Infrastructure**: we distributed masks, redesigned queue layouts to accommodate social distancing, implemented occupancy rules for service desk rooms, installed acrylic counter partitions and provided alcohol gel dispensers at strategic locations.
- **Vans**: we installed alcohol dispensers, placed seat markings restricting the number of passengers, and drivers received a supply of alcohol to disinfect the vehicle after each trip.
- **Check-in**: keys and car papers were disinfected with alcohol before delivery to the customer, and office equipment was disinfected at the beginning and end of each work shift.

DISCOUNT CARD – Employees have special cards they can use to receive discounts of as much as 80% at several drug-store chains throughout Brazil.

WELLNESS SURVEYS – We have conducted weekly wellness surveys to assess how well our employees are adapting to remote working and ask them about their physical and psychological health.

COMPANY CARS – During the pandemic, we provided company vehicles to all employees who were unable to work from home. This allowed them to commute to and from work without running the risk of becoming infected with COVID-19 when using public transportation. We also provided parking for employees who were required to work on-site.

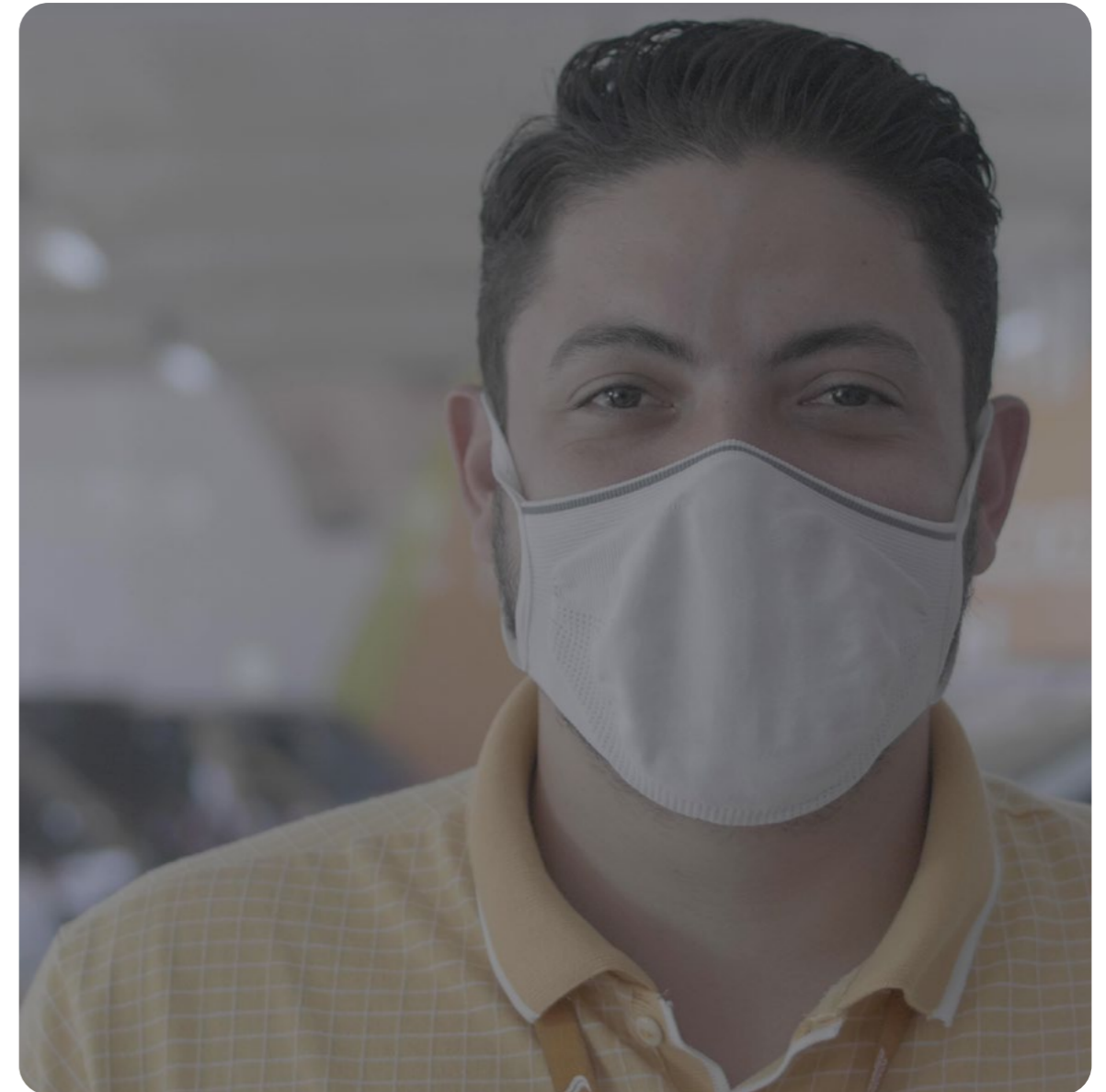
ACOLHER PROGRAM – Created to provide financial, legal and psychological counseling to employees. The service is confidential and available 24/7 for employees/dependents who have registered with our health insurance plan.

HEALTH INSURANCE EXTENSION – Employees who were terminated in 2020 were able to use their health insurance plan for an additional three months.

FINANCIAL SUPPORT – We offered interest-free loans to employees experiencing financial stress due to unexpected expenses during the pandemic. The loan amount was one salary per employee, or proportional to the number of months they had worked in 2019. All employees were eligible for the loans, except the Executive Board.

ON-SITE PHYSICIAN – A physician was available on a daily basis at our headquarters to assist employees returning to work.

Localiza was alert to employees' needs, helping them through the pandemic



DIVERSITY, INCLUSION AND HUMAN RIGHTS

GRI 103-2, 103-3: 405, 406, 412

We are a company of more than 11,000 people! That in itself makes us a richly diverse organization. Each of us has our own life story, background, traits and opinions—which make us unique. We recognize that we, as a society, have a long way to go in this area to promote an inclusive, welcoming and equal-opportunity culture. In short: our aspiration is to be an increasingly diverse, high-performance, confident team with a sense of belonging and company pride.

In 2020, this led us to create an even more robust and participatory Diversity and Inclusion Program, with a well-structured governance system. The program was launched in a live-stream event with our CEO, COO and

other executives, reaffirming Localiza’s commitment to diversity. During the event, we also introduced our affinity groups and the representatives for the five priority diversity fronts: gender equity, LGBTI+, people with disabilities, migrants and refugees, and race.

As part of our Organizational Climate Survey, we assessed our performance on Diversity and Inclusion by asking the following question: “Is Localiza committed to creating a work environment that embraces diversity (race/color, gender, sexual orientation, people with disabilities)?”. In 2019 this question received an 87% favorability rating; in 2020 the rating improved by 8 percentage points to 95%.



WORKFORCE DIVERSITY (PERCENT) GRI 405-1

EMPLOYEE CATEGORY, BY GENDER	2019		2020	
	MEN	WOMEN	MEN	WOMEN
Executive Board	90.91%	9.09%	90.91%	9.09%
Middle Management	67.24%	32.76%	71.43%	28.57%
Head/coordinator	61.1%	38.99%	65.15%	34.85%
Technical/supervisor	50.27%	49.73%	59.91%	40.09%
Administrative	36.77%	63.23%	30.80%	69.20%
Operational	62.11%	37.89%	66.01%	33.99%
Trainees	0.00%	0.00%	23.53%	76.47%
Total	55.86%	44.14%	55.15%	44.85%

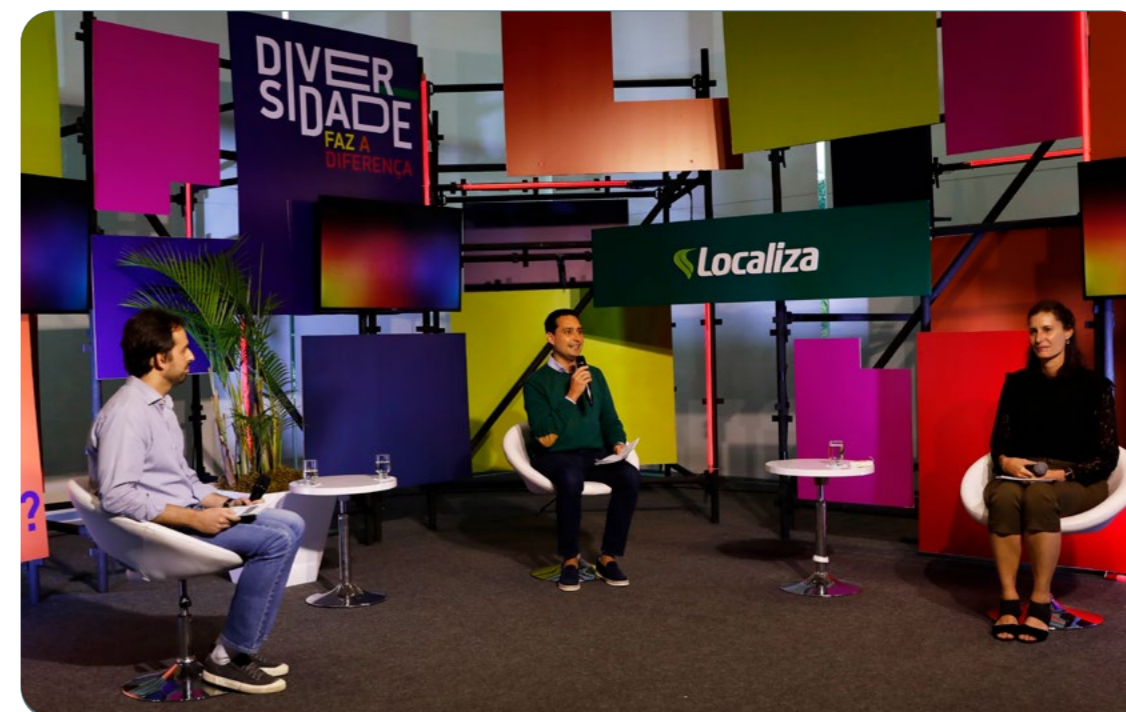
WORKFORCE DIVERSITY (PERCENT) GRI 405-1

EMPLOYEE CATEGORY AND AGE GROUP	2019			2020		
	< 30	30 - 50	> 50	< 30	30 - 50	> 50
Executive Board	0%	75%	25%	0%	63.64%	36.36%
Middle Management	1.85%	76.54%	21.60%	1.97%	76.85%	21.18%
Head/coordinator	5.66%	88.30%	6.04%	4.89%	86.97%	8.14%
Technical/supervisor	18.84%	78.20%	2.96%	21.66%	74.77%	3.56%
Administrative	42.80%	53.59%	3.61%	45.91%	49.71%	4.38%
Operational	29.90%	66.16%	3.94%	29.88%	65.81%	4.31%
Trainees	0.00%	0.00%	0.00%	100%	0.00%	0.00%
Total	29.84%	66.17%	3.99%	31.37%	64.03%	4.60%

Under our remuneration management policy, positions are assessed on the level of complexity and scope of duties. A salary band is then established for each job level, preventing gender disparities. The fewer women in some categories, however, can affect the average compensation ratio. C-level positions, for example, involve varying scopes of duties and complexity, with men currently holding the most complex positions.

In addition to diversity of expertise and backgrounds, our Board of Directors is diverse in gender, age and sexual diversity. Around 30% of the Board represents one of the five priority diversity fronts in our Program (gender equity, LGBTI+, people with disabilities, migrants and refugees, and race).

[Click here to watch a video with highlights from our Diversity Program launch event!](#)



DIVERSITY OF GOVERNANCE BODIES GRI 405-1

BOARD OF DIRECTORS BY GENDER	2018	2019	2020
Men	85.7%	85.7%	80%
Women	14.3%	14.3%	20%

BOARD OF DIRECTORS BY AGE GROUP			
Age Group	2018	2019	2020
< 30	0.00%	14.3%	0%
30 - 50	14.3%	14.3%	40%
> 50	85.7%	71.4%	60%

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN GRI 405-2

EMPLOYEE CATEGORY AND AGE GROUP	2019			2020		
	MEN	WOMEN	RATIO	MEN	WOMEN	RATIO
Executive Board	1.59	1.59	0.99	1.60	1.59	0.99
Middle Management	1.57	1.52	0.91	1.67	1.52	0.91
Head/coordinator	1.85	1.56	0.87	1.74	1.53	0.87
Technical/supervisor	1.34	1.34	1.00	1.34	1.34	1.00
Administrative	1.35	1.34	0.99	1.34	1.33	0.99
Operational	1.41	1.41	1.00	1.41	1.41	1.00
Trainees	1.41	1.41	1.00	1.41	1.41	1.00

We address prejudice and discrimination on five fronts: gender equity, LGBTI+, people with disabilities, migrants and refugees, and race

PARTICIPATORY DEVELOPMENT

To better structure and strengthen the Program, in 2020 we created a Diversity and Inclusion Committee sponsored by our Chief People Officer, Daniel Linhares, our Chief Legal Officer, Suzana Fagundes, and eight other members.

The Diversity and Inclusion Committee is responsible for monitoring activities, programs and any instances of discrimination relating to our five priority fronts: gender equity, LGBTI+, people with disabilities, migrants and refugees, and race.

In 2020 the Committee developed strategies for the Program and each priority front. To build further traction, our approach has been designed to embed diversity across all areas of the business, in our way of doing business, and in our culture. And to achieve this, the Diversity and Inclusion Program has been developed as a collective, multi-stakeholder effort. Within this rationale, we organized an affinity group for each of the five chosen priority topics.

These groups discuss ways to ensure people are respected without distinction of any kind; provide insights and information to inform decision-making; and develop action plans to implement the strategy outlined by the Committee. At the end of the year, more than 500 employees had signed up to actively participate in our Diversity and Inclusion Program.



Each group consists of a leader, a co-leader, volunteers and allies. Leaders and co-leaders are appointed in a careful selection process, while positions as volunteers or allies are available to any person looking to participate. Only the group leader is required to be a representative of the relevant diversity category. For example, the leader of the People with Disabilities affinity group is required to be a person with a disability, or close to one. To join in any other role within the group, a person can be an ally and not necessarily a representative of the cause.

In 2020 the affinity groups met to develop an action plan that was approved by the Committee for implementation in 2021. The plan outlines more than 40 actions in different areas, including: recruiting and selection, communications and culture, training, development, benefits, and employee experience.

FRONTS OF ACTION

GENDER EQUITY – Localiza—our company name is a feminine noun in Portuguese—has addressed this topic for several years now, marking the month of March with initiatives to raise awareness about affirmative action and practices related to gender equity. Currently, 45% of our employees and 50% of our leadership team are women. One of the future challenges for the Diversity and Inclusion Committee, and for the Gender Equity affinity group specifically, is to create mechanisms to support employee development and retention, and ultimately increase the number of women in senior leadership positions. The following are some of our gender-related initiatives in 2020:

- We launched a podcast, called “Mondays for Her”, featuring businesswoman Luiza Helena Trajano and other representatives from Grupo Mulheres do Brasil, an organization sponsored by Localiza that is leading an initiative to support women’s entrepreneurship in Brazil.
- We organized a pregnancy workshop to discuss topics related to mother and infant health, with participants including a physician, a nurse, a psychologist and a Personnel Consultant from Localiza.
- During our Pink October breast cancer awareness campaign, we reminded employees that they are eligible for mammograms without copayments through their health insurance plan.

LGBTI+ – In 2020 Localiza joined the Forum on Business and LGBTI+ Rights. The forum was created in 2013 when a group of companies signed a letter outlining ten related commitments. **GRI 102-12**

IMMIGRANTS AND REFUGEES – In 2016, Localiza implemented a program for hiring migrants or people arriving in Brazil as refugees, in a partnership with NGOs supporting these communities. Program participants were assessed against the same merit-based criteria as for other employees, but received support to overcome cultural and language barriers. As part of our Trainee Program 2020, we also amplified our initiatives to attract candidates from other countries, resulting in three new hires from Argentina. We ended 2020 with 134 migrants of 22 different nationalities in our workforce, most of whom arrived in Brazil as refugees from vulnerable countries. 63% came from Haiti.

PEOPLE WITH DISABILITIES – In 2020 we also continued our program for hiring and inclusion of people with disabilities. We currently have 351 employees with physical, hearing, visual and intellectual disabilities in our workforce.

RACE – We aren’t *mulattos*. We aren’t *morenos*. We aren’t the “color of sin”. We’re black! Under this slogan, on November 20—Black Awareness Day—we ran a campaign to encourage discussion about structural racism in Brazil and about ways to build a non-racist society. **[Click here to view a video of the campaign!](#)**



INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN GRI 406-1

CASES OF DISCRIMINATION	2018	2019	2020
Incident reviewed by the organization	17	5	6
Remediation plans being implemented	0	0	0
Number of incidents reviewed for which remediation plans have been implemented, with results reviewed through routine internal management review processes	4	0	1
Incident no longer subject to action (resolved or closed)	13	0	5
Total	17	5	6

PROFESSIONAL DEVELOPMENT

GRI 103-2, 103-3: 404

We want to be admired for providing a high-quality, efficient and nurturing environment for each employee, enabling us to attract and train a team that can make a difference both in their work and in their communities. Reflecting the importance we attach to this topic, Employee Development and Retention is listed as the number one topic in our materiality matrix.

More than ever, we are working to build an organizational culture of recognition and motivation, to inspire and transform people. One of the ways we achieve this is by investing in training and capacity building.

The Localiza University, for example, supports the development of our employees, helps to connect our culture to our strategy, and catalyzes learning, leadership, innovation and career mobility. University programs are segmented into four learning profiles:

- **LEADERSHIP:** programs designed to train Localiza's leadership team.
- **INDIVIDUAL EMPLOYEES:** training programs for analysts and specialists.
- **BUSINESS:** training for customer-facing, commercial and operations employees.
- **PROFESSIONALS:** courses for office assistants and administrative employees.

In 2020, classroom-based courses were migrated to an online format, increasing the volume, quality and scale of the University's training offering. The digital migration resulted in an offering of more than 400 available courses on the platform, which were attended by 10,327 people, increasing the University's reach while attaining a training satisfaction rate of 97%. This was thanks to the platform's increased accessibility and enhanced online education materials.

VALUE-CREATING PROGRAMS GRI 404-2

As part of our goal to develop employees who are aligned with our way thinking and doing businesses, we have continued to invest in several important programs, such as:

- **LEADERSHIP TRAINING** – In 2020, we continued to conduct performance assessments of our leadership team to identify and retain top-performing talents. We have developed a dedicated training program for employees in leadership positions, including lectures, videos and workshops .
- **INTERNSHIP PROGRAM** – This program is targeted to university students in different fields, with an offering of internal and external training courses that help them to develop both hard and soft skills. We ended 2020 with a total of 75 interns.
- **TRAINEE PROGRAM** – The program continued to accept all candidates regardless of their educational background, institution or age. We selected 18 people out of 15,000 candidates, three of whom were born in Argentina. During the





Localiza’s Digital Talents program helps to train entry-level professionals and illustrates the importance we attach to employee development in our strategy

first six months, trainees were inducted into the company through lectures, courses and job rotation to learn about our different departments. In the second semester, they were assigned to work in a specific department, where they were mentored by our leadership in developing projects.

- **YOUNG APPRENTICE PROGRAM** – We select youth from low-income communities, aged 15 to 18, to participate in the program. A partner organization provides support, assesses their school achievement and their situation at home, and follows their professional development. We organize workshops about subjects such as speaking in public, financial education and business communications. The goal of the program is to prepare participants to join our workforce or the broader job market. We had a total of 101 apprentices at year-end 2020, having hired 37 and promoted 9 during the year.

DIGITAL TALENTS PROGRAM

Launched in 2020, Digital Talents helps to train professionals to support the accelerated growth of our Technology department. The program was created to make the company a more agile, modern and innovative organization by building know-how, increasing productivity and creating value as part of our technology strategy.

The program works on two fronts: training software developers to build internal coding expertise; and training product owners, or professionals with the skills to develop product strategies and manage our digital transformation work fronts.

Developer training is provided in partnership with the Trybe coding school, where students attend a one-year course. But six months into the course, they will already have the

AVERAGE HOURS OF TRAINING PER YEAR GRI 404-1

WOMEN	2019	MEN
4.67	Total: 4.15	3.74
10.64	2020	
	Total: 9.26	8.13

BY EMPLOYEE CATEGORY	2019	2020
Executive Board	3.19	9.90
Middle Management	6.25	15.12
Leaders/coordinators	3.95	13.42
Administrative ¹	4.17	9.94
Operational		6.69
Trainees	36	35.68
Total	4.32	9.26²

¹ Includes Operations employees in 2019.

² The higher number of training hours in 2020 reflects incentives and initiatives to encourage employees to take ownership of their career development.

Employees are assessed annually on their skills and against targets

skills for entry-level roles in the job market. In 2020 we hired four students after six months of training and, after completing the remaining six months of the course, all four were promoted to software developers following a performance assessment.

We started a new class in December 2020, with eight students who will spend the same six-month period working at Localiza as part-time software development assistants, on four-hour shifts. Since the program began, all program participants have subsequently been hired as employees.

Our product owner training program in 2020 included a range of courses on hard and soft skills, including business skills relevant to Localiza, communication skills, careers, strategic projects and technical training. The 2020 edition was a six-month program from September 2020 to March 2021, attended by six participants from the Internship Program.

PERFORMANCE ASSESSMENT GRI 404-3

Each year, employees with indefinite employment contracts are assessed on their skills and against targets. After receiving feedback, they work with their manager to prepare a development plan for the next 365 days. The development plan includes any required mandatory training on compliance, safety and the Localiza culture. In 2020, performance assessments—which help to enhance employee development and Inform career plans—were conducted in a 100% online format, with full employee participation.

