

Policy:	No.: 03
Risk Management Policy	Approved on: 08/09/2017
Prepared by: Ludmila Linhares	Approved by: Board of Directors
Department: Compliance	Date of last update: 06/26/2025

1. Purpose:

This Risk Management Policy (“Policy”) aims to ensure the adequacy of, and establish guidelines for, the compliance of Localiza Rent a Car S.A. and its subsidiaries (“Localiza”) with the corporate governance guidelines set forth in the Company’s bylaws, Law No. 6,404/76, as well as the applicable standards issued by the Brazilian Securities and Exchange Commission (“CVM”), the Listing Rules of the Novo Mercado segment of B3 S.A. – Brasil, Bolsa, Balcão, the guidelines and principles described in the Company’s Code of Conduct, the COSO (Committee of Sponsoring Organizations of the Treadway Commission) ERM framework (“COSO ERM”), as well as with market best practices and other applicable regulations.

2. Target audience and scope:

This Policy applies to the Officers and Employees of Localiza and its subsidiaries, regardless of their hierarchical level, whether in Brazil or abroad.

3. Guidelines:

Localiza is firmly committed to fostering a risk-aware organizational culture, promoting transparency in reporting, strengthening employee engagement with the control system, and encouraging open communication.

This Risk Management Policy (“Policy”) aims to establish the principles and responsibilities that ensure effective risk management, while promoting integrity, transparency, organizational resilience, and the creation of sustainable value.

The risk management and internal control systems must encourage all employees to monitor and oversee operational processes in a preventive, forward-looking, and proactive manner to control risks. The dissemination of the concept of risk is essential for employees to carry out their activities in a way that fosters a risk management culture and broadens collective understanding of how their decisions and behaviors can affect the organization’s objectives.

3.1 Risks to be protected against:

The Company seeks to protect itself against at least the following categories of risks:

- ❖ Strategic risks: those associated with decision-making that may result in a substantial loss of the Company's economic value or have a negative impact on the Company's reputation, credibility, or brand in the market and the communities where it operates;
- ❖ Financial risks: those associated with (i) the Company's financial and accounting operations; (ii) the issuance of incomplete, inadequate, inaccurate, or untimely financial, managerial, regulatory, tax, statutory, and sustainability reports; (iii) a deterioration in clients' payment capacity that significantly affects the Company's financial ability (Credit Risk); (iv) changes to or elimination of regional and/or sectoral tax incentives; (v) the possibility that cash flows are not effectively managed to maximize operating cash generation and to manage the risks and returns specific to financial transactions (Liquidity Risk); (vi) devaluation of credit contracts resulting from the deterioration in the borrower's risk rating; (vii) reductions in earnings or compensation; (viii) volatility in interest rates and other macroeconomic indicators; and (ix) raising and investing financial resources in a manner inconsistent with established policies;
- ❖ Legal/Regulatory risks: those associated with changes in regulations and actions by regulatory agencies that may significantly affect the Company's ability to manage its business. They may include potential changes in labor or tax laws, among others, that could adversely affect costs and compromise the Company's competitiveness in the markets where it operates. These risks are also associated with the imposition of legal and/or regulatory penalties resulting from non-compliance with laws, regulations, the Code of Conduct, and/or the Company's policies;
- ❖ Operational risks: the occurrence of losses resulting from failures, deficiencies, or inadequacies in internal processes, people, and systems, as well as from external events such as natural disasters, fraud, strikes, and terrorist acts;
- ❖ Technological risks: those associated with cyber attacks, including attempts to compromise the confidentiality, integrity, or availability of data or computer systems, as well as failures, unavailability, or obsolescence of equipment and production or manufacturing facilities, and of computerized systems for control, communication, logistics, and operational management, which may impair or prevent the continuity of the organization's regular activities across its entire production and value chain (customers, suppliers, partners, and operational units). They may also be associated with internal or external errors or fraud, specifically within IT and technology systems, affecting the accurate capture, recording, monitoring, and reporting of transactions or positions.

3.2 Risk management steps:

The Company's risk management will be carried out through the following steps:

- ❖ Contextualization: understanding the internal and external factors that influence the organization's objectives and shape the Company's risk profile;
- ❖ Risk Identification: consists of defining the set of events, whether external or internal, that may impact Localiza's strategic objectives. This process will take place at least every three years;
- ❖ Risk Analysis: involves examining the origin of events, causes, consequences, and the probability of these consequences materializing;
- ❖ Risk Appetite and Tolerance: involves defining and formalizing the acceptable exposure limits for each identified risk, linking them to the strategic objectives through the establishment of key risk indicators (KRIs);
- ❖ Risk Assessment: entails evaluating the potential impacts should a risk materialize, taking into account both financial and non-financial consequences, in alignment with the impact and likelihood scales established by Localiza;
- ❖ Risk Treatment: involves defining the treatment to be adopted considering the following actions, according to the Company's level of risk appetite – avoid, mitigate, share, or accept.
- ❖ Risk Monitoring: involves ensuring the effectiveness and adequacy of internal controls and obtaining information that provides improvements in the risk management process. It must be carried out based on the established key risk indicators (KRIs);
- ❖ Information and Communication: clearly and objectively communicating the results of all steps of the risk management process to all stakeholders, contributing to understanding the current situation and the effectiveness of action plans;
- ❖ Reporting: periodic reporting of risks to Management.

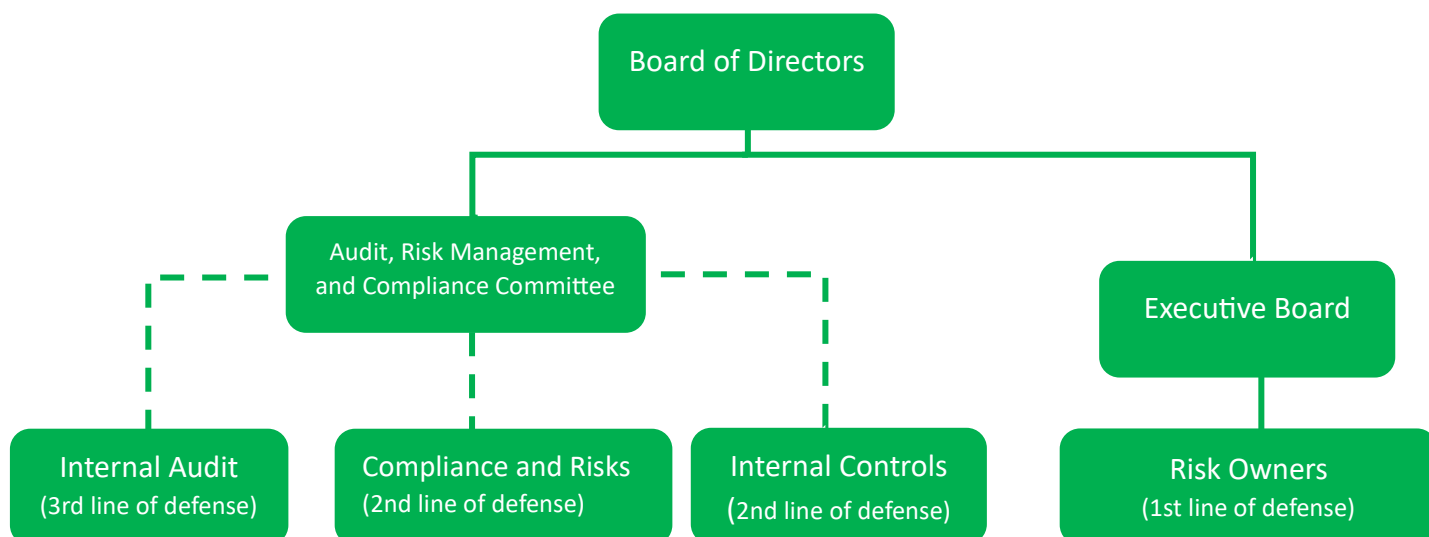
4. Roles and Responsibilities:

The effectiveness of the Company's Risk Management System is founded on the clear definition and coordinated execution of the roles and responsibilities of all structures involved, in accordance with the Three Lines Model of Governance.

The first line of defense, made up of operational areas and managers, is responsible for directly handling risks within their activities by taking the necessary measures to prevent and control them. The second line, which includes the Internal Controls and Compliance departments, provides support and oversight by setting guidelines, guiding employees, and monitoring risks in a structured manner. Finally, the third line, represented by Internal Audit, conducts independent assessments to make sure processes and controls are properly implemented.

The integrated efforts of all these structures strengthen the Company's risk management and support safer, more sustainable decision-making.

Localiza's risk management structure is organized according to the flow below:



4.1 Internal Controls:

The Company will maintain an Internal Controls department responsible for managing operational and process risks, with the following responsibilities:

- ❖ Develop the Annual Process Mapping Plan in accordance with the strategies defined by Management, including establishing the frequency of control reviews and effectiveness tests;
- ❖ Analyze and evaluate the Company's internal process flows, following the adopted methodology, identifying needs and opportunities for process improvements aimed at mitigating risks that exceed the Company's risk appetite;
- ❖ Develop, together with the relevant areas, action plans for each control deficiency ("GAP") identified in the mapping of the Company's internal process flows, in accordance with the COSO ERM 2017 methodology;
- ❖ Keep the mapped flows and processes continuously updated according to the COSO ERM 2017 methodology through ongoing follow-up of processes and subprocesses;
- ❖ Keep Management informed about the progress of the process evaluation plan by reporting any identified control deficiencies, action plans, and the implementation status of previously defined action plans related to the evaluated processes, through periodic reports; and

- ❖ Conduct continuous process monitoring by expanding control assessments proactively and ensuring the detection of anomalies for evaluation and remediation.

4.2 Internal Audit:

The Company will maintain an Internal Audit department independent of the internal controls area, which will have the following main responsibilities:

- ❖ To develop the Company's Annual Internal Audit Plan in accordance with the strategies defined by Management and the Audit, Risk Management, and Compliance Committee, and define the use of models, methodologies, and tools required for internal auditing;
- ❖ Audit compliance with Policies, Procedures, and internal standards, as well as the application of laws, normative instructions, and other legal provisions, through audit tests that assess the effectiveness and efficiency of internal controls;
- ❖ Operate through a risk-based approach, prioritizing areas, processes, and critical topics according to their level of exposure and strategic relevance to the Company;
- ❖ Plan the department's activities aligned with the strategic objectives and defined risk appetite, aiming to contribute to value creation, continuous improvement of internal controls, and the strengthening of corporate governance;
- ❖ Contribute to improvements in the Company's processes and internal controls by reporting identified deficiencies to Management;
- ❖ Propose actions to mitigate identified risks and improve processes, with the aim of fostering a more resilient, efficient organization aligned with the Company's strategic objectives;
- ❖ Audit activities for compliance with requirements of applicable legislation by evaluating internal controls related to information generated for the Company's Financial Statements;
- ❖ Periodically evaluate the Company's risk management process through analyses that verify compliance with corporate guidelines, the effectiveness of implemented controls, and adherence to best practices in corporate governance and risk management; and
- ❖ Prepare and periodically submit to the Audit, Risk Management, and Compliance Committee reports on the execution of the Annual Internal Audit Plan, covering the audited areas, the main risks identified, control deficiencies, and the status of action plans, in order to support the monitoring of risk exposure and the effectiveness of the Company's internal controls.

4.3 Compliance:

The Company will maintain an independent Compliance department, with a strategic focus on promoting corporate integrity, preventing legal and reputational risks, and strengthening an ethical culture at all organizational levels. This department will be responsible for:

- ❖ Implementing and monitoring the Integrity Program – ensuring the effective application of internal guidelines and policies, in compliance with applicable laws and with the ethical and transparency principles that govern the Company's conduct;
- ❖ Reporting to Management the analyses related to the monitoring of the Integrity Program, with the aim of highlighting areas of concern, identified improvements, and any violations of the Code of Conduct, Policies, or other procedures related to the Integrity Program;
- ❖ Developing the Communication Plan and Training Plan related to the Integrity Program in order to promote a culture of compliance through training initiatives and support to business areas in interpreting and applying internal policies, procedures, standards, and external regulations, thereby strengthening risk prevention and management by process owners;
- ❖ Managing the Reporting Channel, ensuring the receiving, recording, and proper handling of reports, safeguarding the confidentiality of information, protecting good-faith whistleblowers from retaliation, and enforcing appropriate accountability in confirmed cases, in accordance with established consequence management procedures;
- ❖ Promoting and supporting process improvements and developing actions to enhance the Integrity Program, including based on the results of investigations from the Reporting Channel; and
- ❖ Ensuring the effectiveness of the Integrity Program through monitoring indicators that will be reported periodically to Management.

The Compliance department will report regularly to the Audit, Risk Management, and Compliance Committee, ensuring transparency, traceability, and effectiveness in the implementation of actions under its responsibility.

4.4 Corporate Risk Management

The Company will keep Corporate Risk Management under the responsibility of the Compliance department, with a strategic and independent role to ensure proper monitoring and reporting of risks to Management. The department will be responsible for the following areas of focus:

- ❖ Ensure the management and review of the corporate risk matrix, in coordination with the other areas of the Company, to guarantee the proper

identification, analysis, and treatment of market, strategic, operational, and compliance risks;

- ❖ Keep the risk indicators (KRIs) up to date for reporting and monitoring by the appropriate governance levels;
- ❖ Coordinate the steps of the risk management process;
- ❖ Prepare the Risk Management Policy and keep it up to date; and
- ❖ Ensure the effectiveness of corporate risk management.

4.5 Audit, Risk Management, and Compliance Committee:

The Audit, Risk Management, and Compliance Committee, a permanent statutory body, will report directly to Localiza's Board of Directors and will have the following responsibilities, pursuant to its Internal Regulations:

- ❖ Evaluate and recommend to the Board of Directors the approval of the Risk Management Policy and its updates, as well as monitor compliance with it;
- ❖ Oversee the activities of the Internal Audit, Internal Controls, and Compliance departments with respect to the Company's risk management;
- ❖ Evaluate and monitor the effectiveness of the Company's internal control framework and its risk management, control, and governance processes, presenting any improvement recommendations it deems necessary;
- ❖ Evaluate and monitor the Company's risk exposures, providing guidelines to ensure proper risk management;
- ❖ Evaluate and recommend to the Board of Directors the approval of the Corporate Risk Matrix, as well as the risk monitoring indicators (KRIs) and the Company's risk appetite, on a periodic basis; and
- ❖ Analyze the Management report, financial statements, quarterly information, the reference form (and its updates), and the information disclosed to the market (Earnings Release), making any recommendations that it deems necessary.

4.6 Board of Directors:

In addition to the responsibilities and duties outlined in its Regulations, Localiza's Board of Directors must:

- ❖ Approve the Company's Risk Management Policy and its future revisions; and
- ❖ Assess whether Management is adopting the necessary controls to manage risk;
- ❖ Approve the Corporate Risk Matrix, as well as the risk indicators (KRIs) and the Company's risk appetite, on a periodic basis;
- ❖ Assess and monitor the Company's risk exposure.

4.7 Executive Boards:

In addition to other responsibilities outlined in its Regulations, the Executive Board must:

- ❖ Implement the strategies and guidelines of the Company approved by the Board of Directors;
- ❖ Act directly in the management of risks within their area, prioritizing the identification, assessment, treatment, and monitoring of risks;
- ❖ Ensure the implementation of action plans defined for the treatment of risks;
- ❖ Report to Compliance any information related to their activities that may impact risk and compliance management;
- ❖ Timely notify Compliance of any unidentified risks, whether new or existing;
- ❖ Comply with the action plan aligned with the Internal Audit, Internal Controls, and Compliance departments, and implement it according to the priorities defined therein;
- ❖ Propose the Company's risk indicators (KRIs) and risk appetite, ensuring that the strategic objectives approved by the Board of Directors are met by reducing the Company's level of exposure;
- ❖ Promote a risk-aware culture throughout the Company;
- ❖ Provide accurate, complete, and sufficient information for analysis;
- ❖ Suggest, evaluate, implement, and monitor actions aimed at reducing risk exposure under their responsibility.

5. Clarification of Queries:

Any situations, exceptions, and/or clarifications regarding the application of this Policy can be addressed with the Legal Department at compliance@localiza.com.

Instances of non-compliance with this Policy and the Bylaws must be immediately reported or communicated to the immediate leader or the Legal Department.

6. Reporting Channel:

The Reporting Channel is the tool provided by Localiza for receiving reports of violations of the Code of Conduct, internal policies and procedures, or current legislation. It is available at ri.localiza.com/governanca/programa-de-integridade-e-canal-confidencial/.

Localiza will not allow retaliation of any kind against a good-faith whistleblower or against anyone who provides information, documents, or cooperates in the investigation of a report. For additional information on the operation of the Reporting Channel, please refer to the Procedure for Whistleblower Reporting and Non-Retaliation, available at ri.localiza.com/governanca/estatuto-politicas-e-regimentos/.

7. Duration:

This Policy will come into effect on the date of its approval by the Board of Directors and shall remain valid for three (3) years or until otherwise decided.

Any changes to this Policy must be approved by the Board of Directors, in accordance with the Company's established document approval procedures.

8. Revision history:

Date	Main changes
08/09/2017	Preparation of the Risk Management and Internal Controls Policy.
06/15/2023	Revision of the Policy for layout adjustment and redefinition of roles and responsibilities among governance areas.
06/26/2025	Revision of the Policy for compliance with CVM regulations and B3 Novo Mercado requirements: (i) Inclusion of a new guideline, (3.1) Risks to be Protected Against, describing risk categories; (ii) Enhancement of guideline (3.2) Risk Management Steps, including the following categories: (a) contextualization, (b) risk appetite and tolerance, and (c) reporting; (iii) Enhancement of the Roles and Responsibilities section, with a review of the activities of each governance structure focusing on activities related to risk management.

9. References:

Category	Description
Laws and Regulations	<ul style="list-style-type: none"> ❖ Law No. 6,404/74 ❖ CVM Resolution No. 80/2022 ❖ B3 Novo Mercado Regulation
Code of Conduct	<ul style="list-style-type: none"> ❖ Code of Conduct – Our way of being and acting Localiza&Co.
Policies	<ul style="list-style-type: none"> ❖ Anti-Bribery and Anti-Corruption Policy.
Procedures	<ul style="list-style-type: none"> ❖ Conflict of Interest Procedure; ❖ Integrity Due Diligence Procedure; ❖ Procedure for Whistleblower Reporting and Non-Retaliation.
External References	<ul style="list-style-type: none"> ❖ ABNT ISO 37001 standard.

10. Definitions and concepts:

Term	Definition
Officers	Members of the Board of Directors, Fiscal Council, Advisory Committees and Executive Board.
Employees	Employees and interns, whether in Brazil or abroad.
COBIT	IT management practices designed to develop, organize, and implement information management and governance strategies.
COSO	A framework for corporate risk management.
Integrity Due Diligence	A procedure for analyzing information and documents with the predetermined purpose of learning more about third parties and their representatives with whom Localiza intends to engage and interact, in order to identify and mitigate potential risks.
Earnings Release	Earnings release.
GAP	A term that refers to the difference between what is expected or planned and what is actually happening.
Business Partners	Individuals or legal entities with whom Localiza maintains a formalized relationship through agreements, partnerships, cooperation agreements, or similar instruments, who are neither Suppliers nor Franchisees.