



Localiza&co

2023 Sustainability Report

Employees at
Localiza Labs BH,
opened in 2023



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Message from Management

We commemorate the important occasion of Localiza&Co.'s 50th anniversary in 2023.

Another chapter in our history, with considerable achievements and major challenges. Driven by a highly engaged team and solid management in People and Culture, we have also made progress in the post-business combination integration process, fine tuning our internal practices and procedures, already yielding significant gains in productivity and efficiency in cost and expense management.

Even in a challenging scenario, with high interest rates, credit restrictions and the release of the Provisional Measure for the Popular Car, we have maintained the evolution of our operations.

We have boosted the increase in the volume of cars sold and lowered the average fleet age with the expansion of our used vehicle sales network. We also recorded solid growth in demand for fleet management and cars by subscription, underlining the success of Localiza Meoo. We continue to act with excellence and innovation, gearing our actions towards caring for our customers, to simplify their mobility journeys.

We were successful in re-establishing the revenue level related to carve-out¹ in just two quarters. At the end of the second quarter, we announced a R\$4.5 billion follow-on public offering, which allowed us to invest in increasing our fleet, expanding our branches and investing in new technology. The significant demand after the announcement mirrors the trust placed in us by our shareholders.

In the year, we had consolidated net revenue of R\$28.9 billion, adjusted EBIT of R\$6.9 billion and adjusted net profit of R\$2.5 billion, with a ROIC spread of 4.1 p.p. in relation to the cost of debt after tax. With regard to the outlook for the balance sheet, we continued to show improvements in our debt ratios, closing the year with net debt/EBITDA at 2.78x and net debt/fleet value at 0.56x.

Another important milestone was the start of our first own operation outside Brazil. The country chosen was Mexico, and by the end of the year we already had ten branches in the country's main airports, over a thousand vehicles in our fleet and an NPS at excellent level.

In 2023, we also continued moving forward in connectivity. We ended the year with around 430,000 cars connected by telemetry (technology detailed [here](#)), of which more than 200,000 have been enabled for Localiza Fast (Digital

Pickup), a technological solution that allows the car to be picked up without going through the service desk, in order to improve the experience of car rental customers.

We were also delighted to be recognized as Company of the Year in Exame magazine's ranking of the Biggest and Best. This achievement is a direct result from the commitment of each member of the green-blooded team, made up of more than 20,000 employees who contribute to delighting customers on a daily basis.

This team, through the "L&CO Way of Being", participated in the evolution of our culture, continuing to capture synergies from the business combination between Localiza and Locamerica.

Aware of this inspiring team, in 2023 we continued our efforts in structuring recruitment, development and retention actions to increase the number of women and black people in leadership positions. Complementing the action fronts of the Diversity and Inclusion Program, we created the 50+ Group, designed to promote the inclusion of people aged over 50, fighting ageism and boosting multigenerational teams.

In the social transformation pillar, the Instituto Localiza celebrated two years leading and supporting projects that have had a positive impact on more than 20,000 people across the country, ensuring access to vocational

¹ Divestment made in 2022, with the sale of vehicles, due to the business combination.

education and promoting the productive inclusion of young people. During the year, we donated R\$4.8 million to social development through private social investment. At the same time, we launched our Corporate Volunteering Program, whose actions benefited around 3,600 people.

With a view to combating climate change, we continue to prioritize actions that prevent or reduce atmospheric emissions. For the second year running, 100% of the energy used on our platform came from renewable sources and for the third year running we received a gold seal in our Greenhouse Gas (GHG) inventory from the GHG Protocol. With a fleet comprised of more than 650,000 cars, 95% of which are flex-fuel, we use ethanol, which emits up to 90% less CO2 than gasoline, and we encourage our customers to do the same.

We have completed the Climate Risk Assessment study, which will be the basis for developing climate mitigation and adaptation strategies, both in the medium (2030) and long term (2050).

Thanks to these actions, our Carbon Disclosure Project (CDP) score went up from a D to a B.

We inaugurated Localiza Labs, our new innovation center in Belo Horizonte (MG), following the best sustainable practices in the construction of the building, which received the LEED Platinum environmental certification seal - the highest level of this certification. We also

inaugurated a Localiza Labs center in Curitiba (PR), a city that is home to Mobi7's headquarters and is an important technology talent hub.

In terms of governance, Localiza&Co's responsible and transparent actions have placed us among the 40 companies with the best corporate reputation, and we have also won first place among the most responsible companies in terms of ESG in the mobility sector. Both recognitions were awarded by Merco.

Our Board of Directors is made up of 62.5% independent members and 25% women. Additionally, we have created and implemented the position of Lead Independent Director (LID) on our Board, reinforcing the Board's independent work.

Regarding the fight against corruption, we achieved ISO 37001 recertification for the fourth consecutive year, covering the companies resulting from the business combination. Adhering to our culture of integrity, transparency and compliance, we had a total of 94.1% of eligible employees trained in the Code of Conduct.

Despite the challenges, we have conquered hurdles and solidified lessons acquired, reinforcing our dedication to excellence. I am grateful for each employee's effort, the faith of our shareholders, and the partnership of our clients. We think that these factors constitute the fuel for us to continue our sustainable growth, creating wealth



and a beneficial influence on the world and people. We are focusing on simplifying and enchanting in order to attain our goals together to get there.

Thanks and enjoy your reading!

Bruno Lasansky
CEO

About the report

GRI 2-3 | 2-14

We deliver the 2023 Sustainability Report to all of our stakeholders, reaffirming Localiza&Co's dedication to openness and creating shared value. This report updates them on our progress in the areas of economic and financial development as well as environmental, social, and governance. We go over the company's primary procedures and initiatives for the period of January 1, 2023, to December 31, 2023, in depth in each chapter.

Published for the 7th consecutive year, this publication follows global standards and benchmarks for sustainability reporting, and is structured on the basis of the Global Reporting Initiative (GRI) methodology, as well as the standards of the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD). We have also included the United Nations (UN) Sustainable Development Goals (SDGs), prioritized by the company. As the business combination with Locamerica has been solidified, the reporting of indicators contains the results of the first full year of the integrated company.

This report was published on May 20, 2024 and has been analyzed and approved by the Executive Sustainability Committee and the Governance, Nomination and Sustainability Committee¹, and has also been validated by the Board of Directors - which assures that the information is in line with our strategy and materiality.

Along the report, you will find some pro forma data, those data whose result assumes the business combination with Locamerica. Whenever they are used, they will be flagged.

CONTACT

If you have any questions, suggestions or require further information, please contact us by e-mail at: sustentabilidade@localiza.com

¹ The name of the committee, formerly the Governance and Sustainability Committee, was updated in 2024 to the Governance, Nomination and Sustainability Committee and the updated name will be used throughout this report.



Through the chapters and subchapters, GRI standard indicators are referred to with the symbol "GRI XXX-X" pointing to the subject being reported. The full index can be found on the [page 76](#).
More info: globalreporting.org



Reporting on the priority information for the sector, we have also highlighted the indicators with the symbol "SASB XXXX".
The full index can be found on [page 84](#).
More info: sasb.org



For the third year in a row, we have continued to improve our reporting on the management of atmospheric emissions and climate change risks in accordance with the TCFD recommendations.
The full index can be found on [page 85](#).
More info: fsb-tcfd.org

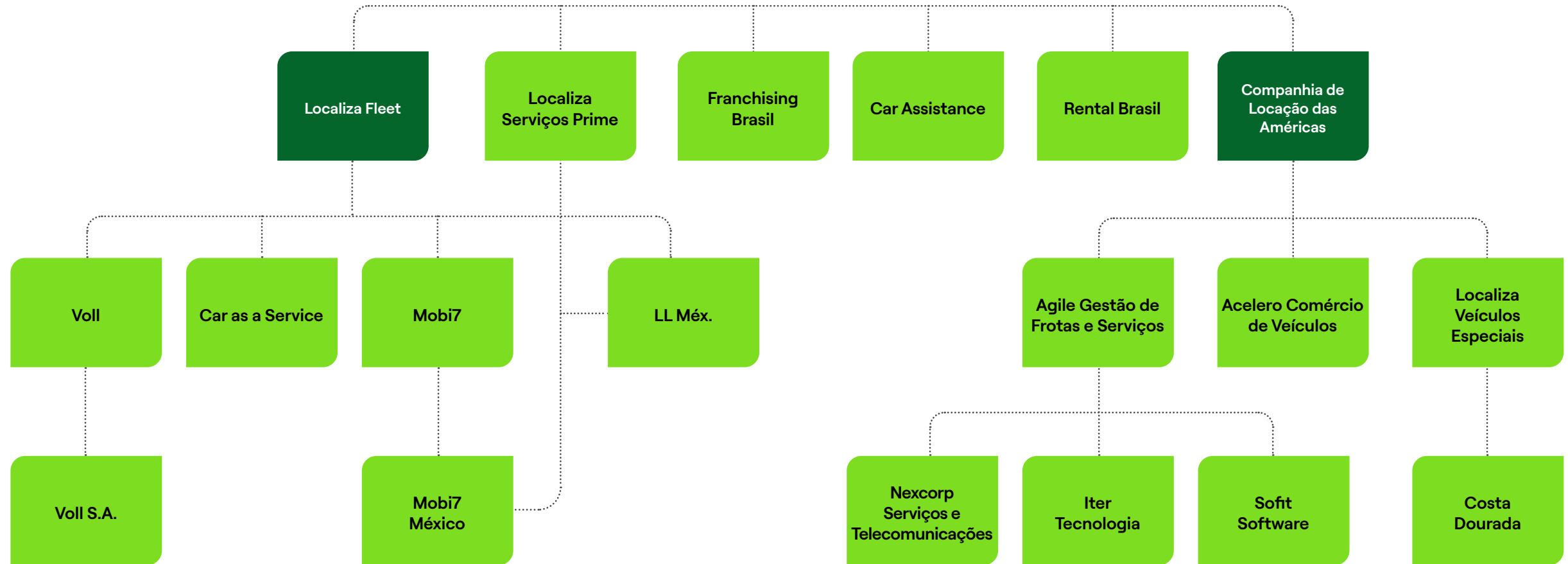


Continuing our commitment as a signatory to the Global Compact's Universal Principles, we have adapted this publication to the 2030 Agenda, which is designed to achieve the 17 SDGs proposed by the UN. The full map linking our content to the priority SDGs can be found on [page 86](#).
More info: odsbrasil.gov.br

GRI 2-2

The information disclosed includes the operations of all the companies¹ that make up Localiza&Co²:

Localiza&co



¹ Locamerica Comercial S.A., Locamerica Rent a Car S.A. and Locamerica Franquias S.A. incorporated to Companhia de Locação das Américas S.A. and CarSale Tecnologia e Comércio de Veículos Ltda and Car Rental Systems S.A. incorporated to Localiza Fleet S.A., during 2023.

² In the case of exceptions, data coverage will be informed throughout the Report, according to the indicator's specificity.

2023 highlights

World class governance



Engaged leadership

ESG targets in the C-Level management contract, with a direct impact on their variable compensation.



Anti-corruption

The Company maintained its ISO 37001 certification, extended to companies resulting from business combination.



Code of Conduct

We trained 94.1% of eligible employees on the Code of Conduct (+7p.p. vs. 2022).



Succession

We made progress on the Board succession with the addition of two independent directors.



Independence

We created and implemented the position of Lead Independent Director (LID) on the Board of Directors.



ESG on the Board

Continuous monitoring of ESG issues by the Board of Directors.



Environmental Policy

Publication of the Environmental Policy to ensure the Company's compliance.



Data security

We have improved the Transparency Portal and internal training on privacy, data protection and information security.

Sustainable Mobility



CDP

B grade in the Carbon Disclosure Project (CDP) climate change questionnaire.



Climate risk assessment

Conclusion of the Climate Risk Study.



100% renewable energy

100% of the energy used on our platform comes from renewable sources.



Ethanol use

100% of flex-fuel cars were fueled in-house with ethanol, which represented over 5,000 tCO₂e of emissions avoided.



Biofuels

Increase in the percentage of ethanol refueling in all business segments.



Offsetting emissions

Extension of Neutraliza to Fleet Management, offsetting over 67 thousand tCO₂ (scope 3) on the Platform in 2023 vs over 14 thousand tCO₂ in 2022.



Gold Seal

Greenhouse Gas (GHG) Inventory Gold Seal by the GHG Protocol for the 3rd consecutive year.



Carbon credits

Since 2019, we have offset scopes 1 and 2. In the last cycle (2022), they were neutralized with the purchase of 36,000 tCO₂e of credits from the Jari Amapá REDD+ project.



Conscious construction

Launch of the "Sustainable Stores" project at Localiza Seminovos. There are already 8 units built using recycled plastic blocks.



LEED

LEED "platinum" certification for the new Localiza Labs building, and "gold" category for the corporate headquarters, both in Belo Horizonte (MG).



Dry cleaning

With dry cleaning, we save 86 million liters of water.

Social Transformation



Strategic leadership

We have exceeded our internal target of moving women and black people into strategic leadership positions.



50+ Group

Rollout of the 50+ group with the aim of promoting the inclusion of professionals aged over 50, combating ageism and boosting multigenerational teams.



Autoescola Xtraordinária

Launch of Autoescola Xtraordinária to promote a more inclusive transit system: training of driving schools and funding of the licensing process for 30 people with intellectual disabilities, in partnership with the Mano Down Institute.



100% Female Zarp Branch

Launch of the Zarp branch with 100% female staff and special conditions for women to become app drivers.



Instituto Localiza

We totaled 20,000 people impacted by the 93 projects carried out in all regions of the country, with the support of Instituto Localiza.



Volunteer Program

Volunteer Program launched, involving 216 employees and 1,300 hours of solidarity, donation of time and knowledge, impacting over 3,000 people.



Youth on the Move

Through the Instituto Localiza, we held the 1st Youth on the Move Meeting, which brought together 100 people, including managers from social organizations and young people from all over Brazil, to discuss the future of social mobility for young people.



Scholarships

My Future is Tech: distribution of more than 300 free scholarships to underrepresented groups in the technology sector.

Awards and recognition

Business

- Recognized as Company of the Year and sector highlight by Exame’s Best and Biggest award;
- Among the 25 most valuable brands in Brazil according to the Interbrand ranking;
- Among the most valuable brands in Brazil, ranking 16th according to Brand Finance;
- Winners in the Transportation, Logistics and Logistics Services sector in Exame’s Best of ESG ranking;
- ESG Top-Rated Companies by Sustainalytics – ESG Top Industry, ESG Regional Top Rated;
- Merco’s overall ranking among the 40 companies with the best corporate reputation and among the 70 most responsible in ESG terms (1st place in the mobility sector);
- Among the 100 Most Influential Companies in Mobility in 2023 by O Estado de São Paulo;
- Iconic Brands by Kantar;
- 4th Most Valuable Brand in Brazil by IstoÉ Dinheiro (124% increase in value in one year);
- Winners of the 2023 Reclame Aqui award in three categories: 9th time in Car Rental (Localiza), 7th time in Car Dealerships and Stores (Localiza Seminovos), 2nd time in Subscription Vehicles (Localiza Meoo);
- Highlight in the 2023 Valor Inovação Brasil award, rising three places to the top of the ranking of the most innovative companies in the transport and logistics sector;
- Best 50 2023 ESG Top-Rated Companies by OTC Markets Group (OTCQX) – the only Brazilian company in the ranking.
- Institutional Investor ranking in the categories: best CEO, CFO, IR program, IR professional, IR team and website;
- Merco’s ranking of leaders with the best business reputation – 61st place Eugênio Mattar, 64th place Bruno Lasansky;



Ludmilla Braga
Customer Experience Analyst (Localiza Meoo) and Corporate Trainee 2022



Awards and recognition

- For the 5th time, we were awarded the Excellence in Franchising Seal by the Brazilian Franchising Association;
- Best car rental company by O Melhor de São Paulo – Folha de São Paulo;
- Popai Award in the Trade Marketing and Marketing Actions category with the “a gente aluga” campaign by The Led;
- Caio Award by Eventos Magazine – 2nd place in the Medium-Sized Scenographic Stand and Environment Projects category, Outra Praia Agency, Estande Sustentável Localiza Rent a Car case, and 3rd place in the Social Responsibility Event category, Outra Praia Agency, XTraordinários Client Localiza Rent a Car case;

Citizen Company

- Women in Leadership in Latinamerica Award by WILL;
- Best companies for interns in Brazil according to Best Internship Experiences (BIE) – 14th position;
- For the second year running, among the Best Companies for LGBTQIA+ People to work for, by Human Rights Campaign Foundation (HRC); Among the 100 most attractive companies for talent according to Merco, and a highlight in the “Mobility Services” sector;
- Among the 100 most attractive companies for talent according to Merco, and a highlight in the “Mobility Services” sector;
- Garota Tecnológica Program, developed by Localiza Labs in partnership with Instituto Localiza, was recognized as one of the five best volunteer actions in Brazil by the Minas Gerais Corporate Volunteering Committee (CMVC)..

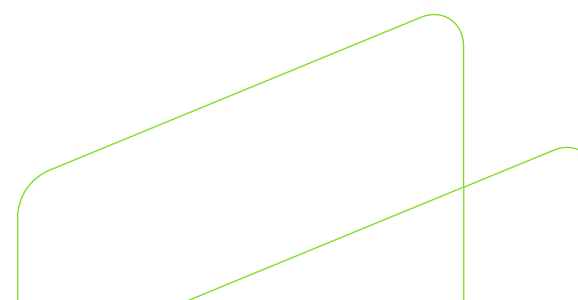
Indexes (B3)

- **IGPTW** –
 - Listed in the IGPTW ETF, which focuses on companies with the best people management practices, ranked 9th in the Large Companies category (over 10,000 employees);
 - Among the best companies to work for in Minas Gerais – ranked 6th;
 - Among the best companies to work for in Brazil with over 10,000 employees – ranked 9th.
- **ICO2** – Listed in the Carbon Efficient Index for the 4th consecutive year.
- **IDIVERSA** – We joined Latin America’s first diversity-focused index, which brings together companies that stand out in terms of diversity in Brazil.
- **ELAS11** – Participation in the Safra Women in Leadership ETF, which replicates the Teva Women in Leadership Index.

Indicators Center

| | 2021 (Localiza) | 2022 (pro forma) | 2023 |
|--|--------------------|---------------------|-----------|
| BUSINESS | | | |
| Total fleet size | 488,235 | 591,041 | 657,612 |
| Car Rental fleet size (RAC) | 294,188 | 331,445 | 347,287 |
| Average fleet age (RAC) in months | 13,90 | 15,90 | 12,60 |
| Fleet Management fleet size (GF) | 194,047 | 259,596 | 309,059 |
| Average fleet age (GF) in months | 20,30 | 19,90 | 18,30 |
| Mexico fleet size | 0 | 0 | 1,266 |
| Total cars sold in Used Cars | 92,845 | 141,189 | 221,379 |
| Total number of branches in Brazil | 681 | 522 | 537 |
| Total number of own branches abroad (Mexico) | 0 | 0 | 10 |
| Total number of franchised branches abroad | 202 | 172 | 165 |
| % flex-fuel vehicles | 91.90% | 93.90% | 94.40% |
| % electrified vehicles | 206 | 2,287 | 2,765 |
| FINANCIAL | | | |
| Net revenue (R\$ million) | 10,901.30 | 21,591.70 | 28,902.60 |
| Net profit (R\$ million) | 2,043.70 | 2,745.30 | 2,477.80 |
| EBITDA (R\$ million) | 3,697.50 | 8,370.20 | 10,676.20 |

| | 2021 | 2022 (pro forma) | 2023 |
|--|---------|---------------------|---------|
| CORPORATE GOVERNANCE | | | |
| % members belonging to underrepresented groups on the Board of Directors | 33..30% | 25..00% | 37..50% |
| % independent members of the Board of Directors | 16..66% | 62..50% | 62..50% |
| % women on the Board of Directors | 16..66% | 12..50% | 25..00% |
| ETHICS, INTEGRITY AND TRANSPARENCY | | | |
| Eligible employees trained in the Code of Conduct | 98.00% | 87.00% | 94.10% |
| Employees trained in Anti-Bribery and Anti-Corruption | 85.00% | 85.35% | 81.32% |
| Confirmed corruption cases | 0 | 1 | 0 |
| Total complaints received on the Whistleblower Hotline | 645 | 1,559 | 1,845 |
| Total disciplinary measures applied | - | 408 | 354 |



| | 2021 | 2022 (pro forma) | 2023 |
|--|------------|---------------------|------------|
| ATMOSPHERIC EMISSIONS | | | |
| Scope 1 GHG emissions (tCO ₂ e) | 21,779.59 | 36,222.68 | 30,374.69* |
| Scope 2 GHG emissions (tCO ₂ e) market-based | 0 | 0 | 0 |
| Scope 2 GHG emissions (tCO ₂ e) location-based | 2,649.93 | 992.75 | 948.31* |
| Scope 3 GHG emissions (tCO ₂ e) | 495,795.52 | 768,520.35 | - |
| Scope 3 emissions offset (Neutraliza) (tCO ₂ e) | - | 14,000 | 67,000 |
| WASTE¹ | | | |
| Total waste generated (t) | - | - | 794,62 |
| Hazardous waste generated (t) | - | - | 390,56 |
| Non-hazardous waste generated (t) | - | - | 404,05 |
| Reused waste (t) | - | - | 59,91 |
| Recycled waste (t) | - | - | 344,14 |
| Total waste diverted from disposal (t) | - | - | 404,05 |
| Waste sent for final disposal / discarding (t) | - | - | 45,42 |

| | 2021 | 2022 (pro forma) | 2023 |
|---|--------------|---------------------|------------|
| ENERGY | | | |
| Total energy consumption within the organization (GJ) | 75,626 | 82,529 | 99,377 |
| Energy consumed from renewable sources (GJ) | 26,300 | 35,458 | 67,695 |
| Energy consumed from non-renewable sources (GJ) | 49,326 | 47,071 | 31,682 |
| Clean energy offset by I-REC (GJ) | - | 14,400 | 20,000 |
| Energy intensity (GJ) | 0.1549 | 0.1396 | 0.1511 |
| WATER AND EFFLUENTS | | | |
| Liters of water saved by dry cleaning | + 55 million | 80 million | 86 million |
| % of cars cleaned with dry cleaning | 61.00% | 62.30% | 51.00% |
| Water intensity (m ³) | 0.48 | 0.47 | 0.53 |
| SAFETY AND INNOVATION | | | |
| % of fleet cars connected by telemetry | 59.00% | 73.00% | 77.00% |
| % of vehicle models evaluated by NCAP | 16.80% | 19.12% | 24.60% |

* Preliminary values for the 2023 inventory.

¹ The categories for the year 2023 were detailed in order to improve the maturity of the report.

| | 2021 | 2022 (pro forma) | 2023 |
|---|---------|---------------------|----------|
| EMPLOYEES | | | |
| Total employees | 12,223 | 17,493 | 20,661 |
| % women in the workforce | 46.50% | 44.30% | 43.70% |
| % of employees covered by collective agreements | 98.75% | 98.81% | 97.97% |
| Hiring rate | 31.00% | 36.00% | 40.54% |
| Termination rate | 24.00% | 25.00% | 25.06% |
| Total number of employees who underwent training at Universidade Localiza | - | + 15,000 | + 20,000 |
| Total training hours | 196,000 | 295,000 | 387,000 |
| % of eligible employees who received performance evaluation | 91% | 100% | 100% |
| Number of women who have taken parental leave | 210 | 275 | 349 |
| Parental leave return rate (women) | 99.00% | 99.00% | 80.65% |
| Parental leave retention rate (women) | 100.00% | 86.00% | 73.11% |
| Number of men who have taken parental leave | 195 | 177 | 245 |
| Parental leave return rate (men) | 99.00% | 96.00% | 99.60% |
| Parental leave retention rate (men) | 99.00% | 77.00% | 82.72% |

| | 2021 | 2022 (pro forma) | 2023 |
|---|---------------|---------------------|--------------|
| DIVERSITY | | | |
| % women in strategic leadership positions | 27.30% | 26.90% | 29.10% |
| % women in leadership | 50.00% | 47.00% | 46.88% |
| % of employees self-declared black | - | 50.54% | 50.28% |
| % employee perception on leadership commitment to D&I | above P90 | above P90 | above P90 |
| % favorability on diversity and inclusion | 96.00% | 94.00% | 95.00% |
| SUPPLIERS | | | |
| Total direct suppliers | + 9,000 | - | + 12,000 |
| Total transactions with direct suppliers (R\$) | + 7.6 billion | - | + 23 billion |
| Total indirect suppliers | + 700 | + 1,500 | + 2,000 |
| Total transactions with indirect suppliers (R\$) | - | + 1.7 billion | + 2 billion |
| INSTITUTO LOCALIZA | | | |
| Supported projects | 24 | 49 | 93 |
| People benefited | - | 12,100 | 20,000 |
| Total donations (R\$) | 2.7 million | 3.6 million | 4.8 million |
| Total in Incentive Laws (R\$) | 1.5 million | 1.9 million | 1.6 million |
| Volunteering activities | - | - | 30 |
| Employees who took part in volunteering activities | - | - | 216 |
| People benefited by volunteer work | - | - | 3,643 |

Who we are

GRI 2-1 | 2-6 | SASB TR-CR-000.C

Founded in 1973 in the city of Belo Horizonte (MG), Localiza began operations with a fleet of six used and financed VW Beetles. At the end of the 1970s, it expanded its business, reaching several cities and states in Brazil. Learn more about our history on the [timeline](#).

Localiza has had exponential growth over the years and has distinguished itself among publicly traded enterprises. Exame magazine recognized it as company of the year in the nation in 2023, the year it celebrated its 50th anniversary.

Throughout this trajectory, we have nurtured our passion for our clients and cared for our inspiring people, seeking extraordinary results and long-term relationships, always guided by trust and ethics.

Over time, we have changed and our culture has evolved: it is now called the L&CO Way and reflects our essence, our way of being, the values and behaviors practiced throughout the Company. This was a major milestone in 2023, a process conceived by many people, in a collaborative and multidisciplinary way.

To simplify, to amaze. To get there.



People that inspire

We foster and treasure our team, encouraging high performance;

We genuinely watch for each other, and enjoy the journey together;

We ramp up as one, in trust and open exchange, owning up to the final call.



Customer that we love

We prioritize our clients and cultivate long-term bonds;

We amaze by prioritizing the uncomplicated and unforeseen;

We put forth from our customer's needs, and evolve from experimentation.



Results that are remarkable

We breed remarkable value, through long-term vision;

We do more with less, increasing productivity;

We make our mark, contributing towards a more sustainable, diverse and inclusive world.



Ownership mentality

We act boldly, fiercely and within a mindset of humility

We make agile decisions and act responsibly upon our autonomy

We search restlessly for excellence in simplicity

Ethics and trust | We do the right thing and care of our reputation

At the close of 2023, we had:

- 20,661 employees;
- over 657,000 own vehicles in the fleet;
- 616 owned and franchised branches in Brazil;
- 10 own branches in Mexico;
- 86 franchised branches abroad in five countries: Argentina, Ecuador, Paraguay, Colombia and Uruguay;

Our business

GRI 2-29

In our first full year as Localiza&Co, we put a lot of focus on capturing the synergies of the business combination with Locamerica, making significant progress in systems integration and team engagement. Moreover, we continue to constantly improve our ecosystem to bring the best mobility alternatives based on customer needs, such as the advancement of digital solutions and our telemetry management.

We continue to operate on two major fronts: Car Rental and Fleet Management, both supported by the Used Car division, which in turn is responsible for asset demobilization.






347,287 own cars


616 owned and franchised agencies in Brazil

10 own branches in Mexico

86 franchised agencies in 5 other South American countries

309,059 vehicles in the rental fleet, including light vehicles, subscription cars, heavy vehicles, agro vehicles and special vehicles





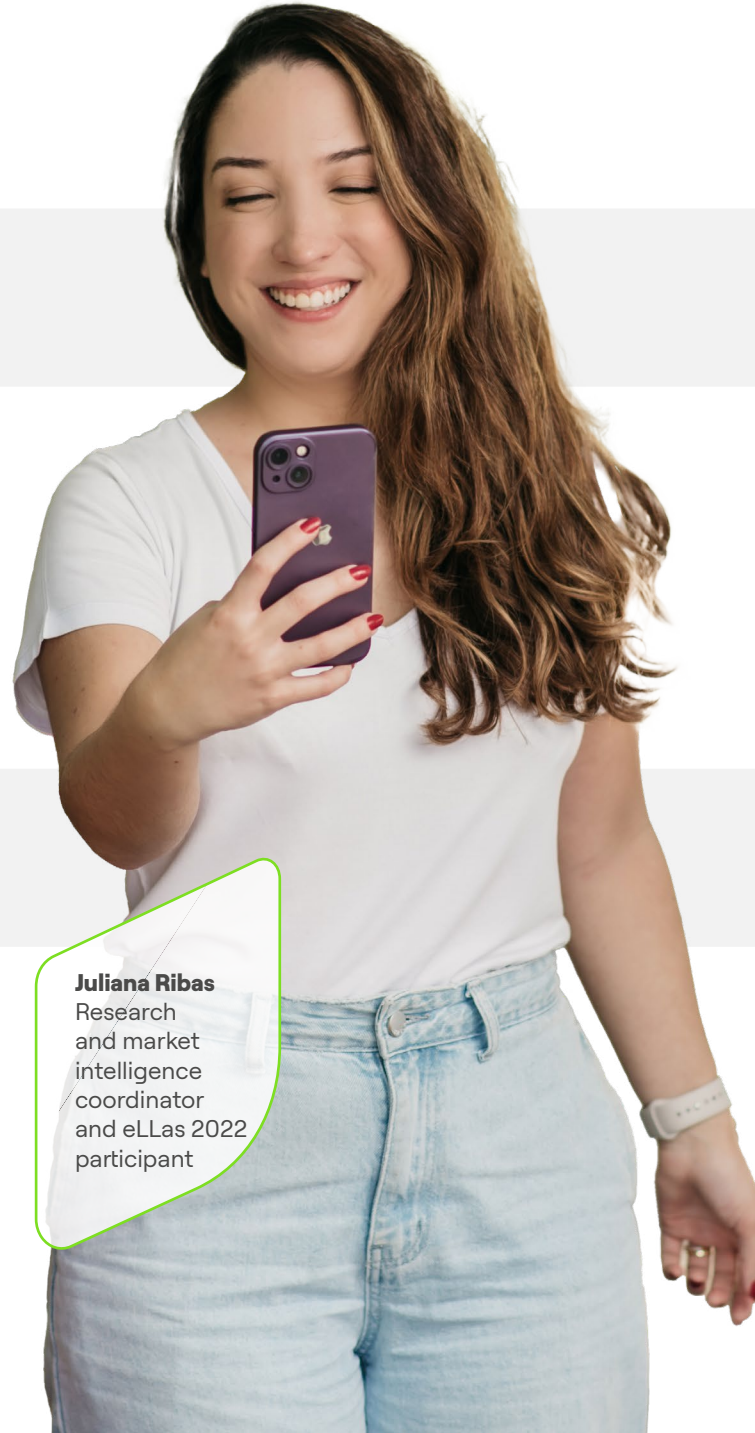
221,379 cars sold in the last year

215 Localiza Seminovos stores

107 Brazilian cities

Telemetry solutions

Expansion to Mexico



Juliana Ribas
 Research and market intelligence coordinator and eLLas 2022 participant

Rent a Car

The Rent a Car division offers daily and monthly rental services for individuals and companies. We have several models to meet each client’s needs, including insurance companies. This business front is also responsible for franchising the brand in several South American countries.

In 2023, we made great strides towards integrating this division, such as working on the new brand in digital and starting to implement it in the agencies, as well as

playing a leading role in the adoption of biofuels in the market and sustainability actions in the agencies.

We continue to follow our customers’ journey closely while transforming their service experience. As a result, we have maintained our NPS at a level of excellence over the last three years, increasing by 1 p.p. compared to 2022.

Expansion to Mexico

In 2023, we started our activities in Mexico, our first own operation outside Brazil. We opened branches at the main airports in Mexico City and Cancún, as well as in the cities of Monterrey (NL), Los Cabos (BCS) and Mérida (YUC). Approximately 1,000 vehicles are available to customers and, in just a few months, we have reached the level of excellence in the Net Promoter Score (NPS) methodology.

We also obtained the best rating for our car rental service on digital travel platforms (Google, Expedia and Booking).

Over 300 new employees were hired and, to reinforce our commitment to diversity and inclusion, 44% of leadership positions were held by women.



Marina Zukovski
Branch
Supervisor and
Supervisory
Trainee 2022

Zarp

Launched in 2021, Zarp is our car rental brand with an exclusive focus on app drivers. With it, drivers can count on a number of benefits at no extra cost: up-to-date car documentation, servicing and overhaul, insurance, 24-hour emergency assistance and a spare car. In addition, our Zarp customers get discounts at a range of merchants such as pharmacies, restaurants and grocery stores. Drivers can also count on the Zarp Pit Stop, which offers workshops exclusively for this public.

What's more, the partnership between Zarp and Uber, coupled with the development of technologies by Localiza&Co, means that drivers leave our agencies qualified to drive.

Using telemetry, we provide data-based management to encourage safe and conscientious driving (find out more

about Telemetry [here](#)). Drivers have access to weekly driving scores to encourage best practices and those with the highest ratings are rewarded with benefits (such as fuel vouchers and eligibility to advance in our loyalty program).

In 2023, 99.6% of our Zarp cars were connected to telemetry technology.

We also have an exclusive benefit for this public with a discount on fuel for filling up cars. Continuing on our path of encouraging the use of biofuels, we saw an increase in ethanol refueling compared to 2022, contributing to a reduction in atmospheric emissions. Finally, in 2023, we created Zarp Carro Próprio (Own Car), which makes it easier for app drivers to buy or exchange their own car at competitive prices.



100% Female Zarp Branch

The app driver market is largely male. With this in mind, we created the first 100% female Zarp branch, a space for women to talk to women, an exercise in sorority that encourages more women to enter the segment. Additionally, the branch serves customers of all genders.

In addition, we try to tackle the main barriers to empowering and expanding the universe of female drivers, especially with special conditions in mind to ensure access to credit, if necessary, which is available in all our units.



Image symbolizing the Heavy vehicles division

Fleet Rental

The division is responsible for fleet management and long-term rentals, generally from 24 to 72 months, for individuals and companies. To meet our clients' mobility needs, we offer light, heavy, agro and special vehicles (such as ambulances and police cars).

Based on three pillars - cost predictability, employee satisfaction and increased productivity - we optimize our customers' resources, taking care of vehicle maintenance and offering 24-hour support.

To contribute to traffic safety, we offer free management training to develop staff and drivers, including safety training (Verde Vida). We also carry out consultancy, driving profile analysis and actions to reduce consumption and accidents.

We also offer the telemetry service, which provides real-time data on fleet vehicles to aid decision-making, and we deliver centralized information through the MyFleet system, exclusive to Localiza&Co.

The software is being improved and should make significant advances next year.

We believe in the power of biofuels to reduce atmospheric emissions. That is why we are developing projects with our customers to use ethanol, along with raising awareness of the positive impact of choosing this fuel, which has resulted in a substantial increase in the use of ethanol by customers participating in the project.

In the last two years, we have sustained our NPS at an excellent level, increasing by 1 p.p. compared to the previous year.

Localiza Meoo

Created in 2020, it is our subscription car rental product that offers plans of up to 48 months for individuals and small and medium-sized companies. Localiza Meoo is a comprehensive and innovative solution, saving money compared to owning your own car by excluding the costs of registration, insurance, documentation, preventive maintenance and IPVA. We also offer customers a benefits club and special discounts for referring friends.

Over the last year, we have made progress in the customer experience. We have fine-tuned processes and touchpoints and achieved greater maturity in digital solutions, such as the development of technologies to increase self-service. We maintain our goal of delighting customers over the long term, through innovative solutions such as Meoo.

Heavy vehicles

Following the business combination in 2022, we now offer this product to companies wishing to rent trucks and trailers.

We offer consultancy to help choose the best asset for the customer's operation, which includes managing fines and documentation. We also offer complementary rental services, such as preventive and corrective maintenance plans, tire management, fleet protection plans, robust monitoring systems and 24-hour assistance.

We also have a 0 km fleet, 100% customizable and with high technology to reduce pollutant emissions. In Brazil, in 2023, we had the regulation updating the maximum pollutant limits for diesel vehicles to Euro 6, which reduces emissions by an average of 75% and, on the Heavy Vehicles division, we made progress in incorporating Euro 6 trucks into our base.

We have also made progress in the use of telemetry in this division, integrating knowledge from other areas to continue innovating in the creation of a more sustainable and safer future.



Used Cars

The Used Car division is its own sales network for vehicles used in the Car Rental and Fleet Management divisions.

At the end of the contracts, our decommissioned vehicles are sold to end consumers or dealers. This maximizes the asset recovery value, reduces the depreciation of the cars and allows for net investment in fleet renewal.

Economic-Financial Result

Macroeconomic scenario

With a more constrained credit market and higher borrowing rates in the start of 2023, financial costs increased. Uncertainty surpassed optimistic expectations for the economy's development. Further causes that kept inflation and interest rates high were the conflicts in Eastern Europe and the Middle East, as well as the aftereffects of the COVID-19 epidemic.

In June 2023, Provisional Measure No. 1,175 (MP) was announced, which reduced the price of new cars by up to R\$120,000, resulting in decreases in value ranging from R\$2,000 to

R\$8,000. With an initial focus on individuals, the lower price of new cars had an impact on the sale prices of Used Cars and on the fleet renewal process.

In late June, the Provisional Measure was extended to include "legal entity" buyers, which allowed us to resume our car buying pace. However, the recovery in new car prices was not reflected in a proportional increase in used car prices.

In the second half of the year, restricted credit, still high interest rates and high fees for financing cars resulted in consumers being less able to buy cars.

Within this context, we have evolved in the search for productivity gains and cost reductions, using technology and optimizing our operations. We continue to focus on pricing rentals, optimizing our portfolio, managing costs, growing our used car sales capacity and innovating.



Localiza
Branch

2023 performance

GRI 201-1

We started the year with growth in Car Rental. In just two quarters, we recovered the revenue level for carve-outs. The Fleet Rental Division sped up the pace of growth in both corporate fleet rental and subscription car rental.

We continue to move forward in the process of capturing synergies from the integration. The focus on our clients was reflected in the excellent NPS ratings. We continued to grow in the second quarter, creating value and continuing to be disciplined in our capital allocation, despite the fact that Provisional Measure 1,175 directly impacted our results, especially in the Used Car division.

In June 2023, the company announced a public offering of shares (Follow-on) in the total amount of R\$4.5 billion, with demand multiple times greater than the size of the offering, reflecting the trust placed in the company by shareholders. The funds from the share offering helped to increase

competitiveness in the search to capture opportunities in the market.

The third quarter brought an improvement in Car Rental demand and robust growth in Fleet Management, with the number of daily rental rates up by 25.5% year-on-year, with an emphasis on fleet outsourcing and subscription cars. We also started operating in Mexico.

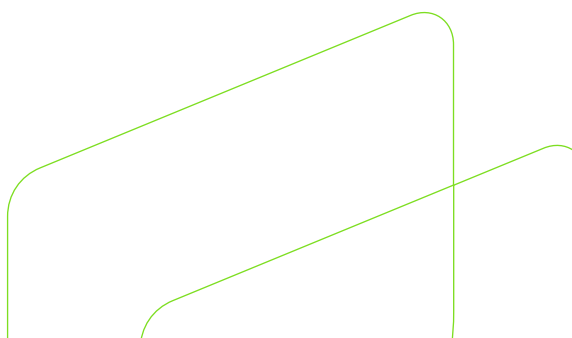
The last quarter saw significant growth in revenue and improvements in cost efficiency in Car Rental and Fleet Management, partly offsetting the impact on Used Cars and leading to growth in net income for the period, compared to the previous year.

We closed the year showing our ability to adapt to market challenges. The initiatives focused on the search for operational efficiency resulted in significant progress,

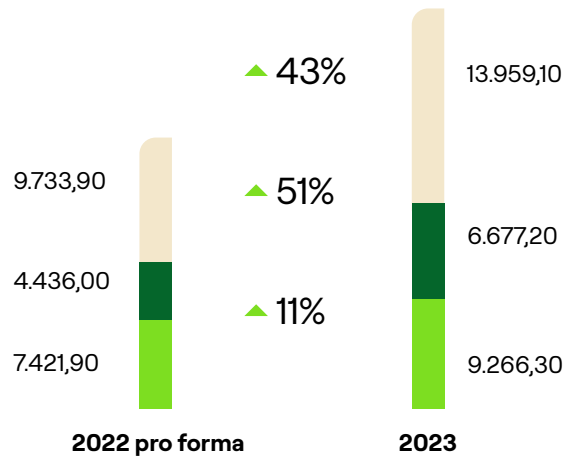
reflected in the evolution of financial results. Despite the carve-out effects, we achieved consolidated net revenue of R\$28.9 billion, representing growth of 33.9%.

We recorded an adjusted EBITDA of R\$10,676.20 million, a 30% increase over the previous year which reflects the effectiveness of the strategies implemented to boost business profitability. As for adjusted net profit, we reached the R\$2.5 billion mark.

We ended the year with a fleet of 657,612 cars, a net increase of 11.3% on the previous year. Also, the expansion of the Used Car network, the expansion of Localiza FAST (digital vehicle pick-up) and the success of Localiza Meoo (subscription car), reflect our commitment to offering innovative and efficient solutions, in line with the needs of the market and our customers' expectations.

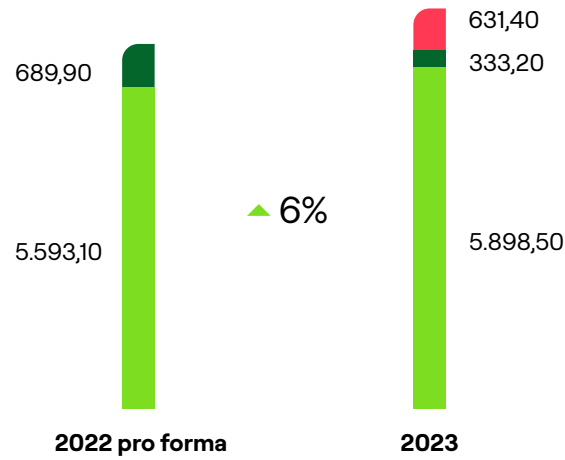


Net Revenue (R\$ million)



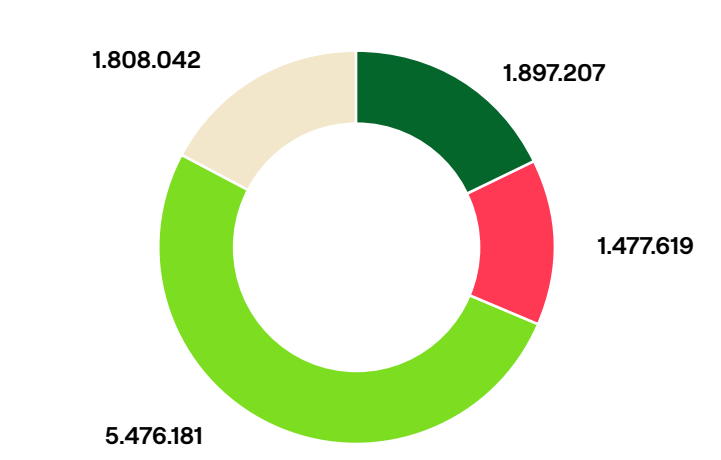
- Car Rental
- Fleet Management
- Used Cars

EBIT (R\$ million)



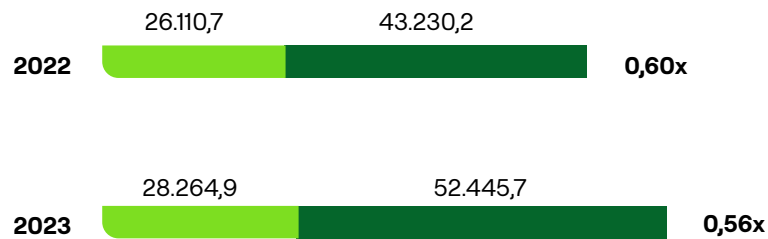
- EBIT
- Business combination adjustments
- Provisional Measure Adjustments

Distribution of Added Value (Dva) (R\$ thousand)



- Personnel
- Taxes, Fees and Contributions
- Equity Remuneration
- Third-Party Capital Remuneration

Net debt vs. fleet value (R\$ million)



- Net debt
- Fleet value

R\$ 28.902.284 - R\$ 10.654.097 = R\$ 18.248.187

Total value generated Total value distributed Total value withheld

Sustainable Strategy

GRI 2-22

In 2023, in addition to consolidating our integration and capturing synergies, we revisited our purpose, updating it in line with the Company's new moment: **simplify and delight so you can get there**. This update reflects not only our quest for extraordinary results, creating value with a long-term vision and increasing productivity by doing more with less, but also our contribution to a more sustainable, diverse and inclusive world.

This commitment to sustainability goes beyond words; it is rooted in our objectives, values and actions, in line with the United Nations' 2030 Agenda. Mirroring this comprehensive vision, the sustainability program is based on generating shared value and innovation to perpetuate our practices.

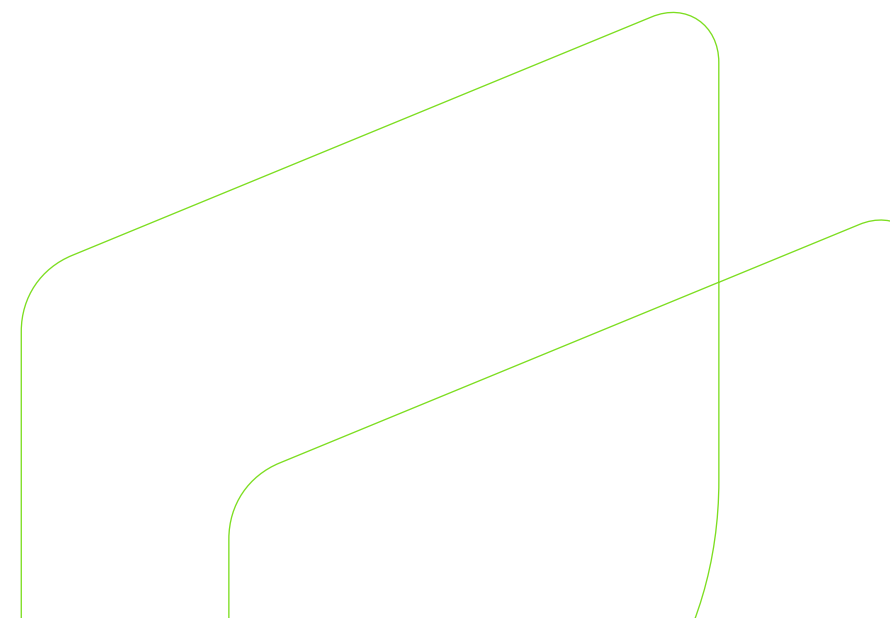
Our sustainable strategy is in line with the corporate strategy, with the active participation of the Board of Directors. Through the Governance, Nomination and Sustainability Committee, which is in charge of validating and monitoring the strategy, the directors monitor environmental, social and governance issues on a regular basis.

By also including climate change, water, waste and energy management, traffic safety, and racial and gender equity targets in the management contracts of the executive board, we have strengthened the engagement of the strategic leadership. These targets now have a direct impact on the group's variable compensation.

It is worth mentioning that we continue to act consistently on all material topics, but we prioritize the following fronts:

- **Atmospheric emissions:** we have exceeded 650,000 cars in our fleet. We understand our impact and the challenges faced by society as a result of climate change. We reaffirm our commitment to mitigating and offsetting these effects. That's why, in 2023, we continued to refuel our fleet with ethanol and to make progress in the use of renewable energies, concluding the Climate Risk Study that considers all Localiza&Co physical units and offsetting the remaining direct emissions.
- **Diversity and Inclusion:** we account for more than 20,000 employees. We believe in diverse teams, where

there is respect and genuine care among people. Where different perspectives complement each other to generate the best solutions. Our ambition is to contribute to a fairer and more equal society, because it is the right and just thing to do. We're very proud of what we've built so far, but confident and humble that we still have a long way to go. Our priority, in the last year and the next, is to increase the participation of women and black people in strategic leadership positions.

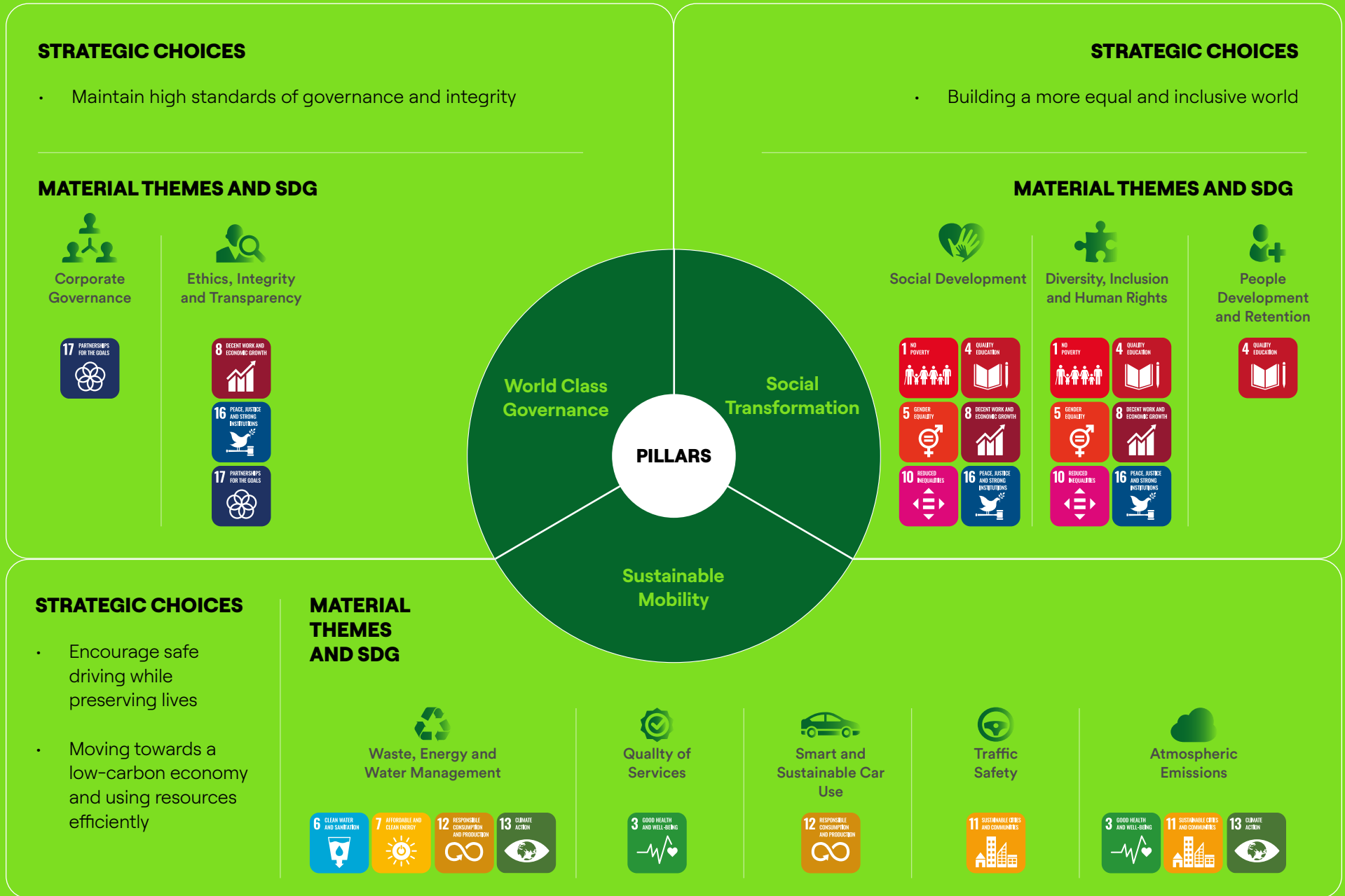


Materiality

GRI 3-1 | 3-2 | 3-3

In 2021, Localiza&Co's Board of Directors carried out an ESG diagnosis in order to identify the risks and opportunities of the business and define the Company's material themes.

At the time, ten material themes were defined and organized into three main pillars: World Class Governance, Sustainable Mobility and Social Transformation. Every three years we review our materiality matrix.





SOCIAL CAPITAL

- Relationships with communities, suppliers, customers and investors
- Solid network of partners with 99.9% local suppliers
- Instituto Localiza
- Launch of the Volunteer Program



MANUFACTURED CAPITAL

- 657,612 cars in the fleet
- 616 branches in Brazil
- 86 franchised branches abroad in five countries: Argentina, Ecuador, Paraguay, Colombia and Uruguay
- Expansion to Mexico



NATURAL CAPITAL

- Climate strategy based on measurement, reduction, compensation, engagement and adaptation
- Climate risk matrix
- Dissemination of sustainability among our stakeholders



FINANCIAL CAPITAL

- R\$ 28.902,30 em receita líquida
- Follow-on total de R\$ 4,5 billion
- Início da operação própria no México



HUMAN CAPITAL

- over 20,000 green-blooded employees
- Creation of the 50+ affinity group
- Increased representation of women in strategic leadership positions
- Benefits, merits and promotions, prioritizing recruitment and internal development
- Implementation of development programs by the Localiza University



INTELLECTUAL CAPITAL

- Localiza Labs, with projects aimed at learning, innovation and customer satisfaction
- Investments in technology and telemetry

How we create value

Through our sustainability strategy and our material themes, we are constantly striving to generate value for all our stakeholders.



- over 20,000 people impacted by Instituto Localiza
- 93 social development projects
- NPS level of excellence
- 1,220 volunteer hours and over 3,000 people benefited

- 10 branches and over 1,000 cars in Mexico
- Cars from our fleet have already passed through 97% of Brazilian municipalities
- LEED Platinum certification for the Localiza Labs corporate office (BH)

- 100% clean energy consumption by 2023
- over 67 thousand tons of CO2e offset with Neutraliza (scope 3)
- over 37 thousand tons of CO2e direct emissions offset (scope 1)
- Gold Seal in the GHG Protocol
- We continue to be listed on B3's Carbon Efficient Index (ICO2)

- 43% growth in net revenue
- 6% growth in EBIT

- One of the ten best companies to work for according to GPTW
- Six structured affinity groups: gender equity, race, LGBTI+, people with disabilities, migrants and people in refuge, and 50+
- 48.71% women in leadership, 29.10% in strategic leadership

- 77% of Business Applications in the Cloud
- 40% faster delivery of new features to customers
- Apps with an average rating of 4.76 on Google Play and App Store
- 387 thousand hours of training by Localiza University

Sustainable Mobility

By hovering over the icons in the image opposite, you can learn more about Localiza&Co's initiatives to build the present and future of sustainable mobility.



Suzana Fagundes,
executive director,
presenting the
ESG agenda at
the L&CO leaders'
meeting

ESG Social
Ambient
Social
Governance

World class governance



Ethics, Integrity and Transparency

GRI 2-23 | 2-24 | 205-1 | 205-2

Driven by transparency, equality and compliance, Localiza&Co's management model is recognized by the market. We are among the 50 companies with the best corporate reputation and among the 70 most responsible in terms of ESG in the overall ranking, coming 1st in the mobility sector, according to the Corporate Reputation Business Monitor (MERCOR). According to the same organization, our founding partner and Chairman of the Board, Eugênio Mattar, and our Chief Executive Officer (CEO), Bruno Lasansky, are among the 70 most reputable leaders in Brazil.

The first full year following the consolidation of the business integration was largely marked by the standardization of our practices, which contributed to capturing synergies in structure.

We have an Integrity Program, made up of a set of policies, procedures and guidelines that are crucial to maintaining an ethical and transparent corporate environment in all our relationships. We also have an integrity due diligence procedure, which lays down the scope and criteria for assessing the risks of those who have dealings with L&CO.

We constantly carry out communication and training initiatives for our employees. We prioritize actions to prevent, detect and handle situations relating to integrity in the corporate environment.

Last year, we carried out 32 communication actions on the Policies and Procedures of the Anti-Bribery and Anti-Corruption Management System, covering 100% of employees and senior management.

By December 2023, 94.1%⁴ of eligible employees had been trained in the Code of Conduct, which guides employees' attitudes in internal relationships with customers, franchisees, suppliers, partners, communities and other stakeholders. Details of the training carried out can be found on the next page.

Confirming Localiza&Co's commitment to continuous improvement in practices and controls to combat acts of corruption and bribery, since 2020 our Anti-Bribery and Anti-Corruption Management System has been certified by ABNT NBR ISO:37001.

In 2023, the Company secured its re-certification in ISO 37001, extended to the companies resulting from the business combination, confirming the quality of its actions in the fight against bribery and corruption, always in line with its culture of integrity, transparency and compliance.

To strengthen our commitments, we are signatories to the:

- The Business Pact for Integrity and Against Corruption, an initiative of the Ethos Institute in partnership with the United Nations Development Program (UNDP), the World Economic Forum, the Brazilian Global Compact Network and Patri Government Relations & Public Policy. The principles aim to promote a more honest and ethical marketplace;
- UN Global Compact, since 2017, making our engagement with the 2030 Agenda and all the guiding principles of a sustainable company public, inserting 13 Sustainable Development Goals (SDGs) into our business strategy.



MORE INFO

Access our Code of Conduct and other similar policies [here](#).

⁴ Data considering eligible employees (L&CO Brasil employees hired until 09/2023).

TRAINING ON ANTI-BRIBERY AND ANTI-CORRUPTION

| Functional Category/Regions | Midwest | Northeast | North | Southeast | South | Grand Total |
|-------------------------------|------------|--------------|------------|---------------|--------------|---------------|
| Executive Board | | | | 3 | | 3 |
| Board of Directors | | 1 | | 65 | 3 | 69 |
| Management | 34 | 74 | 21 | 500 | 67 | 696 |
| Leadership/ Coordination | 11 | 27 | 7 | 495 | 28 | 568 |
| Technical/ Supervision | 166 | 429 | 143 | 3,708 | 451 | 4,897 |
| Administrative Administrative | 40 | 151 | 36 | 2,161 | 130 | 2,518 |
| Operational | 394 | 1,027 | 250 | 5,015 | 810 | 7,496 |
| Trainee | | 1 | | 12 | 2 | 15 |
| Apprentice | 21 | 66 | 13 | 390 | 53 | 543 |
| Interns | | | | 48 | | 48 |
| Undetermined | | | | | | |
| Grand Total | 666 | 1,776 | 470 | 12,397 | 1,544 | 16,853 |

TRAINING ON THE CODE OF CONDUCT

| Functional Category/Regions | Midwest | Northeast | North | Southeast | South | Grand Total |
|---------------------------------------|------------|--------------|------------|---------------|--------------|---------------|
| Executive Board | | | | 6 | | 6 |
| Board of Directors | | 1 | | 65 | 3 | 69 |
| Management | 34 | 73 | 21 | 499 | 67 | 694 |
| Leadership/ Coordination | 11 | 27 | 7 | 495 | 28 | 568 |
| Technical/ Supervision/ Supervisão | 166 | 427 | 144 | 3,696 | 449 | 4,882 |
| Administrative | 40 | 151 | 36 | 2,148 | 130 | 2,505 |
| Operational | 393 | 1,018 | 248 | 4,989 | 811 | 7,459 |
| Trainee | | 1 | | 12 | 2 | 15 |
| Apprentice | 22 | 65 | 13 | 387 | 52 | 539 |
| Interns | | | | 48 | | 48 |
| Undetermined | | | | | | |
| Grand Total | 666 | 1,763 | 469 | 12,345 | 1,542 | 16,785 |

Industry associations

GRI 2-28

In order to keep abreast of issues that impact the sector and public policies, we carry out investigations through our institutional area and with the support of an external consultancy. However, most of the initiatives to propose changes come from institutions that we follow, such as the National Association of Vehicle Rental and Fleet Outsourcing Companies (ANAV), the Brazilian Association of Listed Companies (ABRASCA), the Applied Tax Studies Group (GETAP) and the Brazilian Institute of Corporate Governance (IBGC).

We also take part in and support organizations that operate in the Localiza&Co segment:

- ANAV - National Association of Vehicle Rental Companies;
- ABLA - Brazilian Association of Vehicle Rental Companies;
- GETAP - Applied Tax Studies Group;
- ABRASCA - Brazilian Association of Publicly Held Companies;
- MBC - Brazil Competitive Movement;
- IBGC - Brazilian Institute of Corporate Governance;
- ACMINAS - Commercial and Business Association of Minas;
- Esfera Brasil.

Whistleblower Hotline

GRI 2-25 | 2-26

Created in 2012, the Company's [Whistleblower Hotline](#) has been standardized among the combined companies. It can be accessed by all of Localiza&Co's stakeholders (such as employees, suppliers, customers and investors). It operates 24 hours a day, by telephone (with calls from Brazil), via the web or email.

Operated by a specialized external company, its purpose is to receive anonymous or identified reports of unethical and/or illegal situations, in addition to receiving complaints of non-compliance with the Code of Conduct or internal policies and procedures. It can also be used to answer questions and solve ethical dilemmas. The Channel is structured to protect both the whistleblower and the reported, so that the complaint is followed up by means of a registration protocol.

Next, we provide more details on the complaints received through our channel over the last year. We highlight the disciplinary measures applied, including, in addition to these, the implementation and review of controls and procedures, mitigating actions, and reorientation and behavioral development actions.

In addition to the Whistleblower Hotline, we have other reporting tools, such as Reclame Aqui, which is based on consumer reviews. On this channel, we have the highest reputation (RA1000) and an average score of 8.7/10. Additionally, when carrying out major construction work, as in the case of the Localiza Labs building, we have communicated with and listened to the neighboring community. Furthermore, we make available, widely publicized, a contact telephone number and e-mail address for general demands, doubts, complaints or suggestions.



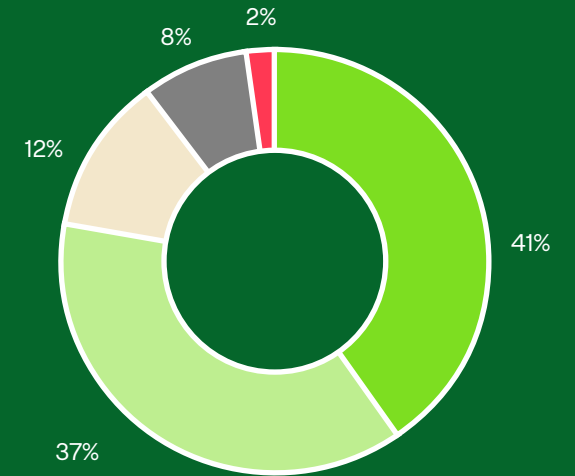
We received **1,845** complaints in 2023

Complaints by type

| | |
|---|-----|
| Failure to comply with internal procedures and policies | 30% |
| Moral harassment..... | 30% |
| Conflict of interest..... | 8% |
| Violation of labor, safety and occupational health laws | 5% |
| Fraud..... | 4% |
| Discrimination | 3% |
| Cars – misuse of the fleet | 3% |
| Other* | 17% |

* Other: Sexual harassment; Discrimination; Improper collection and payment; Retaliation; COVID-19: Non-compliance with preventive measures..

Completion status



354 disciplinary measures applied

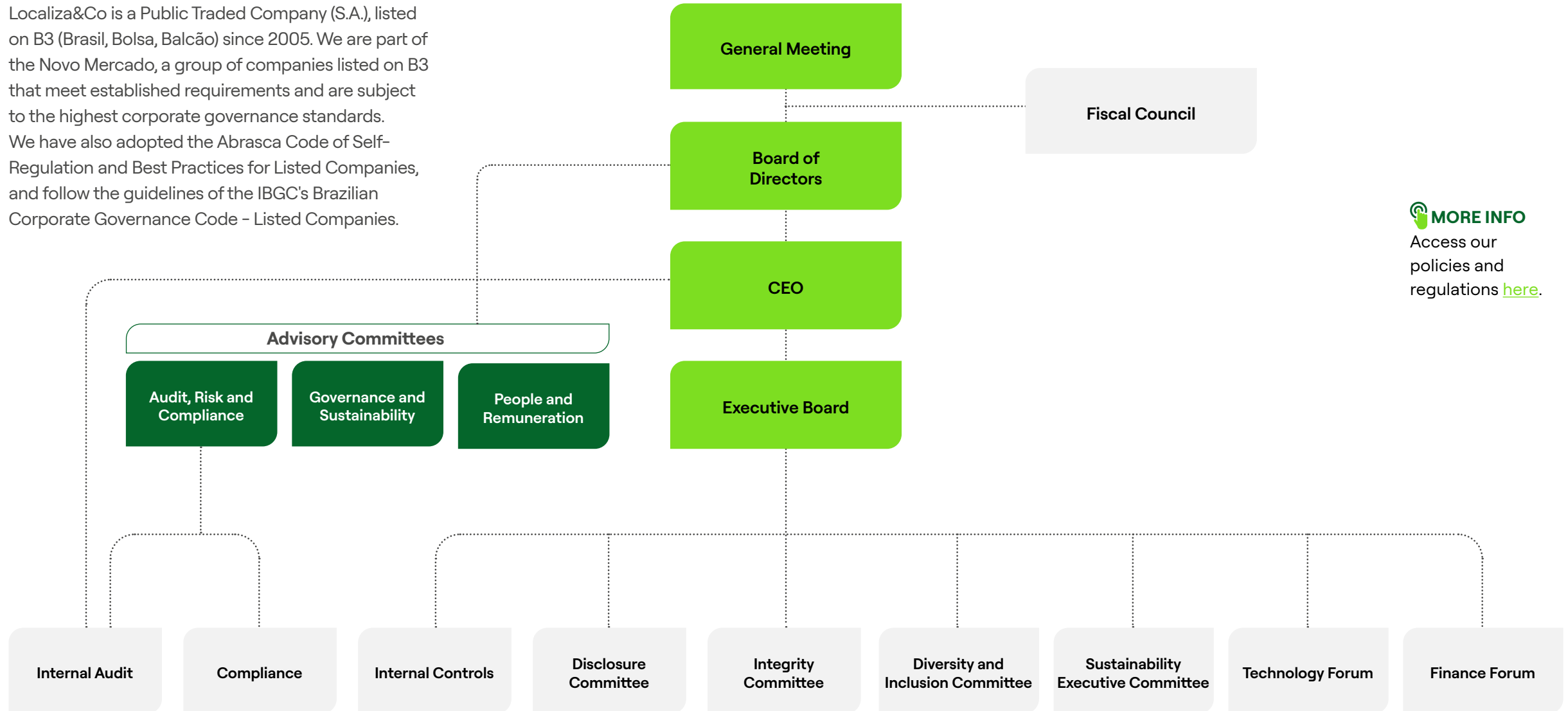
| | |
|---|-----|
| Dismissal without just cause | 151 |
| Dismissal for just cause..... | 75 |
| Suspension | 09 |
| Verbal and written warnings..... | 34 |
| Disqualification of suppliers and partners..... | 85 |

- Valid / Partially valid
- Invalid
- Out of scope
- Insufficient data
- Inconclusive

Corporate governance

GRI 2-1 | 2-9 | 2-13 | 2-15

Localiza&Co is a Public Traded Company (S.A.), listed on B3 (Brasil, Bolsa, Balcão) since 2005. We are part of the Novo Mercado, a group of companies listed on B3 that meet established requirements and are subject to the highest corporate governance standards. We have also adopted the Abrasca Code of Self-Regulation and Best Practices for Listed Companies, and follow the guidelines of the IBGC's Brazilian Corporate Governance Code - Listed Companies.



MORE INFO
Access our policies and regulations [here](#).

Board of Directors

GRI 2-9 | 2-10 | 2-11 | 2-12 | 2-18 | 405-1

The Board of Directors (BD) is our highest corporate governance body. It is responsible for guiding business guidelines and policies, as well as monitoring strategy.

The BD has stepped up its action in response to the challenges of the business scenario and post-business combination integration. There were 39 meetings throughout 2023, compared to 29 in 2022 and 15 in 2021, with agendas focused on strategic planning, with 97% of board members attending these meetings.

The year 2023 was a year when the succession process for the Board of Directors continued, with the Lead Independent Director (LID)¹ starting to work and changes to the Committees' composition. New directors arrived as a result of the joint process of evaluating the Board of Directors and analyzing the skills matrix, with a robust integration and onboarding plan, assisted and monitored by the Board of Directors. The LID's role at Localiza&Co is institutionalized and its duties are defined in the Regulations of the Board of Directors, available at [here](#).

With regard to diversity, the Company retains the primary intention of ensuring diversity of skills, always in line with the organization's challenges, but also addressing generational, gender and sexual orientation issues.

¹ LID – Lead Independent Director – An independent director appointed by an absolute majority of the other directors, to support the Chairman of the Board in all governance matters as a neutral element, ensuring that the agenda of this management body also reflects the independent directors' views.



Entrance hall of the Localiza&Co headquarters in Belo Horizonte (MG)

The Board's Dialogue with Investors

GRI 2-29

In addition to the ongoing interaction initiatives between the Investor Relations (IR) team and the Executive Board, since 2021 the Board has started a process of direct dialog with a significant portion of shareholders. As a result, it has been possible to answer questions related to governance and sustainability practices, and to take shareholders' demands and expectations into account when making business decisions and proposals at General Meetings.

The Board has already held four engagement cycles with the Company's shareholders, in which views on ESG issues were shared and the most relevant proposals were submitted to the General Meetings.

As a result of these efforts, throughout 2023 and early 2024, Localiza&Co's engagement actions will have involved shareholders holding approximately 40% of the Company's share capital.

Evaluation of the Board of Directors

GRI 2-18

Since 2018, the BD has carried out an annual evaluation, facilitated by a specialized and independent external consultancy, covering the Board itself and its Advisory Committees. Every two years - and prior to the election of directors - this evaluation is carried out in full, including the individual evaluation of the directors, and dealing with the performance of the Board and the Advisory Committees in greater depth.

The process includes the use of custom questionnaires and interviews with quantitative and qualitative analysis. Based on the results, the Governance, Nomination and Sustainability Committee studies the need to renew the board and the requirements for choosing possible new members.

In the intermediate years, such as 2023, the evaluation is simplified, focusing on the implementation of previous recommendations and the identification of new issues. The process includes interviews with board members and executives.

The 2023 evaluation covered the following aspects:



1. The implementation of the succession plan for the Board of Directors;



2. The functioning of the new composition of the Board of Directors, with the inclusion of new competencies;



3. The independent performance of directors;



4. The practices of the Board Advisory Committees, based on the recommendations of the previous year;



5. Improvement of ESG practices and knowledge;



6. Investor engagement initiatives and the introduction of the Lead Independent Director (LID).

It is important to point out that this whole process of evolving the Company's governance has been closely monitored by its founders, who are still present in the composition of Localiza&Co's share capital, together with the Board of Directors. This stance reflects the founders' confidence in the value of the business and in the way the Company is run without them having effective control over it. In practice, the position of the founders validates the robustness of Localiza&Co's corporate governance.

Advisory Committees

GRI 2-17

Aiming to monitor specific Company issues, we closed 2023 with three Committees advising the Board of Directors and the other three advising the Statutory Executive Board.

Localiza&Co's governance model is designed so that these bodies support the BD in delivering its mission. Each Committee regularly reports on the topics discussed and the actions recommended for consideration by the entire Board.

BD's Committees now have four members each (previously, there were three members on each), with Paulo Antunes Veras and Pedro de Godoy Bueno, both independent directors, standing out as coordinators of the People and Remuneration Committee and the Governance, Nomination and Sustainability Committee, respectively. All members are non-executive.

To reinforce Localiza&Co's governance structure, two executive forums were created - the Technology and Innovation Forum and the Finance Forum. It is important to mention that the BD takes advantage of the learning resulting from these forums with the participation of an observer director in each of them - Paulo Antunes Veras in the Technology and Innovation Forum and Eugênio and/or Luis Fernando Porto in the Finance Forum.

AUDIT, RISK AND COMPLIANCE COMMITTEE

| Tasks | Members | Gender | Independent |
|---|----------------------------------|--------|-------------|
| Recommend and monitor the independent audit, as well as the services provided. Analyze the financial opinions and reports, the accounting principles, the sufficiency of the internal control structure, the handling of complaints through the Whistleblower Hotline, the risk management systems and the Integrity Program. Periodically review the policies, regulations and procedures relevant to the Committee. | Maria Leticia de Freitas Costa | F | Yes |
| | Adriana Waltrick dos Santos | F | Yes |
| | Sérgio Augusto Guerra de Resende | M | No |
| | Estela Maris Vieira de Souza | F | Yes |

PEOPLE AND REMUNERATION COMMITTEE

| Tasks | Members | Gender | Independent |
|---|-----------------------------|--------|-------------|
| Proposing people management policies to the Board of Directors, such as the remuneration and benefits policy, performance evaluation, profit sharing and the stock option program, as well as general personnel management policies. Discuss the attraction and retention strategy. Monitor institutional programs, the evaluation process and training programs. | Paulo Antunes Veras | M | Yes |
| | Luis Fernando Memoria Porto | M | No |
| | Artur Noemio Grynbaum | M | Yes |
| | Renata Sawchuk Moura | F | Yes |

GOVERNANCE, NOMINATION AND SUSTAINABILITY COMMITTEE

| Tasks | Members | Gender | Independent |
|---|-------------------------------|--------|-------------|
| Supporting the Board of Directors in the selection and nomination of people who may be candidates for the Board - including the construction, development and monitoring of the Succession Program - Committees and the General Meeting. Promoting best corporate governance practices. Formulating ESG target guidelines and indicators, prioritizing the most relevant themes for the business, and defining initiatives to make consistent and strategic progress in sustainability actions. | Pedro de Godoy Bueno | M | Yes |
| | Eugênio Pacelli Mattar | M | No |
| | Artur Noemio Grynbaum | M | Yes |
| | Oscar de Paula Bernardes Neto | M | Yes |

Advisory Committees

These bodies provide support to the Committees that advise the BD, and to the Executive Board and the CEO.

EXECUTIVE SUSTAINABILITY COMMITTEE

| Tasks | Members | Gender |
|--|------------------------|--------|
| Advising the Board of Directors and the Executive Board on all aspects related to sustainability. Identifies and deals with issues that represent risks or a relevant impact for the company, ensuring compliance with best practices. Approves standards and procedures, as well as proposing campaigns on environmental issues. It implements the strategy defined by the Governance and Nomination Committee, and its members are re-elected or replaced annually, taking into account the progress of the ESG agenda for the following year. | Suzana Fagundes | F |
| | Daniel Guerra Linhares | M |
| | Antônio Augusto | M |
| | Emerson Ferreira Gomes | M |
| | Fernando Vilela | M |
| | Marcelo Dantas | M |
| | Nora Lanari | F |
| | Cynthia Tamura | F |
| | Fernanda Cotta | F |

INTEGRITY COMMITTEE

| Tasks | Members | Gender |
|---|------------------------------------|--------|
| Ensuring and spreading respect for the Company's ethical premises and values, ensuring that they are complied with. Monitoring and reviewing policies and the Code of Ethics and Conduct. Monitoring the progress of complaints and recommending the application of disciplinary measures. Drawing up opinions on unanticipated ethical dilemmas. | Suzana Fagundes | F |
| | Daniel Guerra Linhares | M |
| | Eugenia Maria Rafael de Oliveira | F |
| | João Hilário de Ávila Valgas Filho | M |
| | Ludmila de Almeida Linhares | F |

DIVERSITY AND INCLUSION COMMITTEE

| Tasks | Members | Gender |
|---|----------------------|--------|
| Working on all themes involving issues of diversity and inclusion, such as: gender, age, disability(ies), race/color, sexual orientation, gender identity, culture, education and intellectual development, lifestyles, religion, social class, among others. Ensure that these themes are included in the Company's culture and day-to-day activities. | Suzana Fagundes | F |
| | Daniel Linhares | M |
| | Cynthia Tamura | F |
| | Tatiana Denadai | F |
| | Rebeca Pittella | F |
| | Fernando Vilela | M |
| | Kelly Dauanny | F |
| | Cristina Chaves | F |
| | Ricardo Borges | M |
| | Tagiane Guimarães | F |
| | Guilherme Fiorenzano | M |
| | Jairo Barbosa | M |

DISCLOSURE COMMITTEE

| Tasks | Members | Gender |
|---|------------------------------------|--------|
| Analyzing and approving documents, information and economic and financial communications that must be sent to the Brazilian Securities and Exchange Commission (CVM), ensuring that the information is clear, correct and timely. | Rodrigo Tavares Gonçalves de Sousa | M |
| | Bruno Sebastian Lasansky | M |
| | Breno Campolina | M |
| | Elvio Lupo Neto | M |
| | Flávio Mergener Salles | M |
| | João Hilário De Ávila Valgas Filho | M |
| | Nora Lanari | F |

Fiscal Council

Localiza does not have a permanent Fiscal Council. However, the Company values open and constant dialog with its shareholders and, in interactions with the market, has understood that the installation of the Fiscal Council is a recurring request. Within this context, Localiza currently has an installed and active Fiscal Council, for a one-year term, made up of three members and their three respective alternates.

COMPOSITION OF THE FISCAL COUNCIL

| Name | Position | Gender |
|-----------------------------------|------------------|--------|
| Antônio de Pádua Soares Pelicarlo | Sitting member | M |
| Carla Alessandra Trematore | Sitting member | F |
| Marcia Fragoso Soares | Sitting member | F |
| Guilherme Bottrel Pereira Tostes | Alternate member | M |
| Juliano Lima Pinheiro | Alternate member | M |
| Roberto Frota Decourt | Alternate member | M |

Statutory Board

GRI 202-2

The Statutory Board is responsible for managing Localiza&Co's business, ensuring compliance with the law and the Bylaws as well as ensuring compliance with the resolutions taken at General Meetings. In addition, this body is responsible for preparing and executing the budget, contracting loans and financing, and disclosing operational financial performance, while also managing the Company's impacts on society and the environment.

The members are also responsible for approving internal instructions and regulations, implementing the Risk Management Policy and the Integrity Program, ensuring its annual evaluation and any necessary reviews.

In 2023, Localiza's Statutory Board was composed of eight members, elected by the Board of Directors, for a unified term of one year, with re-election allowed and 100% of the top leadership hired locally (residents in Brazil).

COMPOSITION OF THE EXECUTIVE BOARD

| Name | Position | Gender |
|-------------------------------------|--|--------|
| Bruno Sebastian Lasansky | Chief Executive Officer | M |
| Rodrigo Tavares Gonçalves de Sousa | Chief Financial Officer and Investor Relations Officer | M |
| Breno Davis Campolina | Fleet Rental Executive Director | M |
| Elvio Lupo Neto | Rent a Car Executive Director | M |
| Flávio Mergener Salles | Used Car Executive Director | M |
| João Hilário de Ávila Valgas Filho | Operations Executive Director | M |
| Marco Túlio de Carvalho Oliveira | M&A and Heavy Vehicles Executive Director | M |
| Suzana Fagundes Ribeiro de Oliveira | Diretora Executiva Jurídica e de Relações Institucionais | F |

Management Remuneration Policy

GRI 2-19 | 2-20

Our Remuneration Policy is the document that defines criteria to ensure a fair remuneration structure that is compatible with the functions and risks inherent to each position, aligning the individual interests of the Directors with those of the Company. In order to compare internal remuneration standards, we are advised by independent consultants who specialize in the subject.

The Board of Directors' remuneration is fixed and monthly, in line with the market and based on the duties, responsibilities and time commitment of the directors, and not linked to short-term results. Directors who are part of internal advisory committees, regardless of the number, as members or coordinators, are remunerated, respectively, with an additional 25% or 50% of their fixed monthly remuneration. Directors appointed to the Lead Independent Director (LID) position are paid an additional 25% of their monthly remuneration.

As far as the Executive Board is concerned, remuneration is made up of a fixed and a variable portion, plus benefits and long-term incentive plans. Moreover, the achievement of individual targets and ESG targets complements remuneration.

MORE INFO

Learn more about the remuneration of each body in the Policy, available [here](#).

Risk Management

Always attentive to market and business risks, our goal is to adopt and monitor preventive, prospective and proactive risk control practices through operational and financial processes in a standardized and formalized manner. The governance areas are responsible for reporting ongoing cases, status and action plans to the Board of Directors' advisory committees.

Following the consolidation of the business combination and the review of the anti-bribery and anti-corruption risk matrix, in 2023 we updated our Risk Management and Internal Controls Policy, approved by the Board of Directors. The document is the tool used by the governance areas (Internal Audit, Internal Controls and Compliance) to set up controls and monitoring procedures, in addition to identifying and analyzing risks that may affect the Company.

Last year, we completed the climate risk assessment study, which was broken down into a socio-environmental risk matrix. We made progress on this front with our internal understanding of the threats, defining better models and advancing our position on the theme.

Localiza&Co's risk management is divided into six stages:



MORE INFO

Visit our [Risk Management and Internal Controls Policy](#).

Privacy and data protection

Over the past few years, we have evolved our practices related to information security and personal data protection to ensure compliance with the General Data Protection Law (LGPD) and best privacy practices.

The LGPD steered the creation of our [Privacy and Personal Data Protection Policy](#), which establishes internal guidelines to ensure that all personal data and information under the Company's responsibility is protected.

As part of information transparency and security, we have adapted the collection of cookies on our websites and landing pages and implemented a process for evaluating critical suppliers and operators of personal data on behalf of L&CO.

We have also made available the Privacy Portal, which provides information on how personal data is used at

Localiza&Co, reinforcing our commitment to secure data processing. It is worth noting that we only store data for the purpose for which it was collected. Additionally, the portal allows direct communication with the holders of personal data, enabling them to enjoy their rights, such as requesting access, deletion and asking questions. Employees have access to the Transparency Portal, which gathers the procedures and documentation related to their privacy rights and how to act when processing personal data in the course of their duties.

As a result of the business combination, in 2023 we standardized practices, expanded programs, increased the maturity level in privacy and data protection, and strengthened integration with the Cyber Security division. **As a result, we have received no complaints from regulatory agencies about breaches of customer privacy.**

As in previous years, Information Security continued to help monitor and enforce internal processes to ensure our alignment with best market practices. To raise employee awareness, Localiza&Co has an annual communication calendar, as well as mandatory and optional annual knowledge trails on privacy, data protection and information security.

As a complement, cybersecurity matters are discussed at the Technology and Innovation Forum with the participation of a BD member and are also monitored by the Audit, Risks and Compliance Committee.

Localiza Labs
building in Belo
Horizonte (MG)

Sustainable Mobility



Climate Change

GRI 2-4 | 305-1 | 305-2 | 305-3 | 305-5 | TCFD Governance 1, 2 | Strategy 1, 2, 3 | Risk Management 1, 2, 3 | Metrics and goals 1, 2, 3

In 2022, we began analyzing climate risks to incorporate them into Localiza&Co's strategy. Since then, we have followed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The analysis' first stage, completed in the same year, was to carry out a risk diagnosis by collecting data from different areas. As a result, we identified 33 physical risks and 21 transition risks, as well as seven opportunities for the Company. Opportunities were mapped taking into account the categories suggested by the TCFD: energy source, markets, resilience and products and services. The first three had the highest number of opportunities, with two each, and the last with one.

The Rent a Car, Used Car and Operations businesses were included, encompassing 724 Localiza&Co units nationwide, including the units from the business combination.

Physical Risks



Strong winds



Landslides



Storms



Floods



Meteorological Drought



Increase in insurance costs



Interruption in electricity supply



Interruption and delay of operations



Damage to infrastructure and equipment



Reduced demand for car rental



Conflicts over water use



Damage to unit vehicles



Failure to ensure water quality



Reduced water availability



Difficulty accessing the units



Risk to employee and customer integrity



Increased costs with alternative water source

Transitional Risks



Market



Reputational



Regulatory / Legal



Technological



Failure to adopt climate change adaptation strategies aimed at ensuring operational resilience



Mudanças nas preferências dos consumidores por produtos mais sustentáveis



New obligations relating to regulatory changes



Contractual changes in insurance services



Increase in the price of biofuels (ethanol)



Rising fossil fuel prices



Not keeping up with new low-carbon technologies



Local rating downgraded by credit rating agencies



Increased electricity costs

In 2023, we finished the climate risk study and, based on this, we drew up a climate risk matrix prioritizing critical situations, using the same guidelines as the corporate risk matrix. To measure the physical and transition risks, we used the probability of occurrence (based on data and studies of global climate events) and the business impact scale (with three dimensions and four levels of impact). Once this stage is complete, we proceed to integrate the climate risk matrix into the corporate risk matrix, as well as into internal risk management and decision-making processes.

We have also started to analyze the estimated financial impacts of the risks, depending on each asset's criticality. We considered evaluating and proposing strategic climate recommendations based on the TCFD for risk management and the governance structure. Based on the results of the Climate Risk Matrix, physical and transition risks, the Company is evaluating how to develop actions to adapt critical units to future climate conditions, as well as how to structure the recommendations to advance the climate strategy.

Climate strategy:

As part of our commitment to mitigating the impacts generated, we have expanded our strategic pillars, which now guide our initiatives. They are:

1. Measure: the key to evaluating the effectiveness of the actions implemented and adjusting what is necessary to ensure greater impact and efficiency. We review what has been previously determined on the basis of a robust system for measuring and managing emissions, audited by a third party.

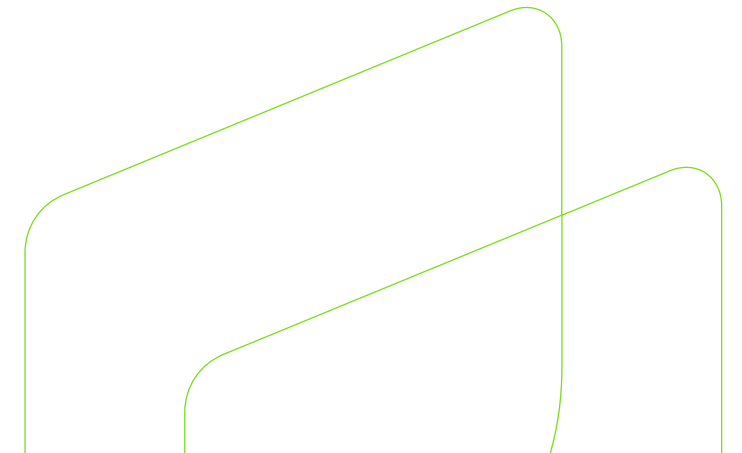
2. Reduce: is our priority. We are continuing to develop and implement solutions and technologies aimed at reducing emissions in the short, medium and long term. These include encouraging the use of ethanol, advancing the injection of clean energy, making hybrid and electric vehicles available to customers and niche markets, and diverting waste from landfills.

3. Offset: an important means of mitigating the impacts of remaining emissions. We buy carbon credits from projects with a high level of governance and a

positive impact on the environment, contributing to the preservation of our biodiversity. We continue to offset direct GHG emissions (Scopes 1 and 2) and part of our customers' emissions (Scope 3) through Neutraliza.

4. Engage: crucial to achieving our goals. We need a joint effort and everyone's collaboration to move forward on this front. Our priority is to act by educating, influencing and cooperating with our stakeholders to increase ethanol use.

5. Adapt: important for a broader view of climate change and for planning solutions to adapt our business model and processes to this scenario.



For the fourth year running, we remained on the B3 Carbon Efficient Index (ICO2), which brings together companies that adopt practices to tackle climate change and encourages the control of GHG emissions among companies listed on the stock exchange.

We also published our GHG inventory for the fifth consecutive year in the Public Emissions Registry, the third with external verification, and received the Gold seal from the GHG Protocol..

Progress at CDP



We made progress in our annual reporting to CDP's climate change questionnaire, achieving a B score in 2023.

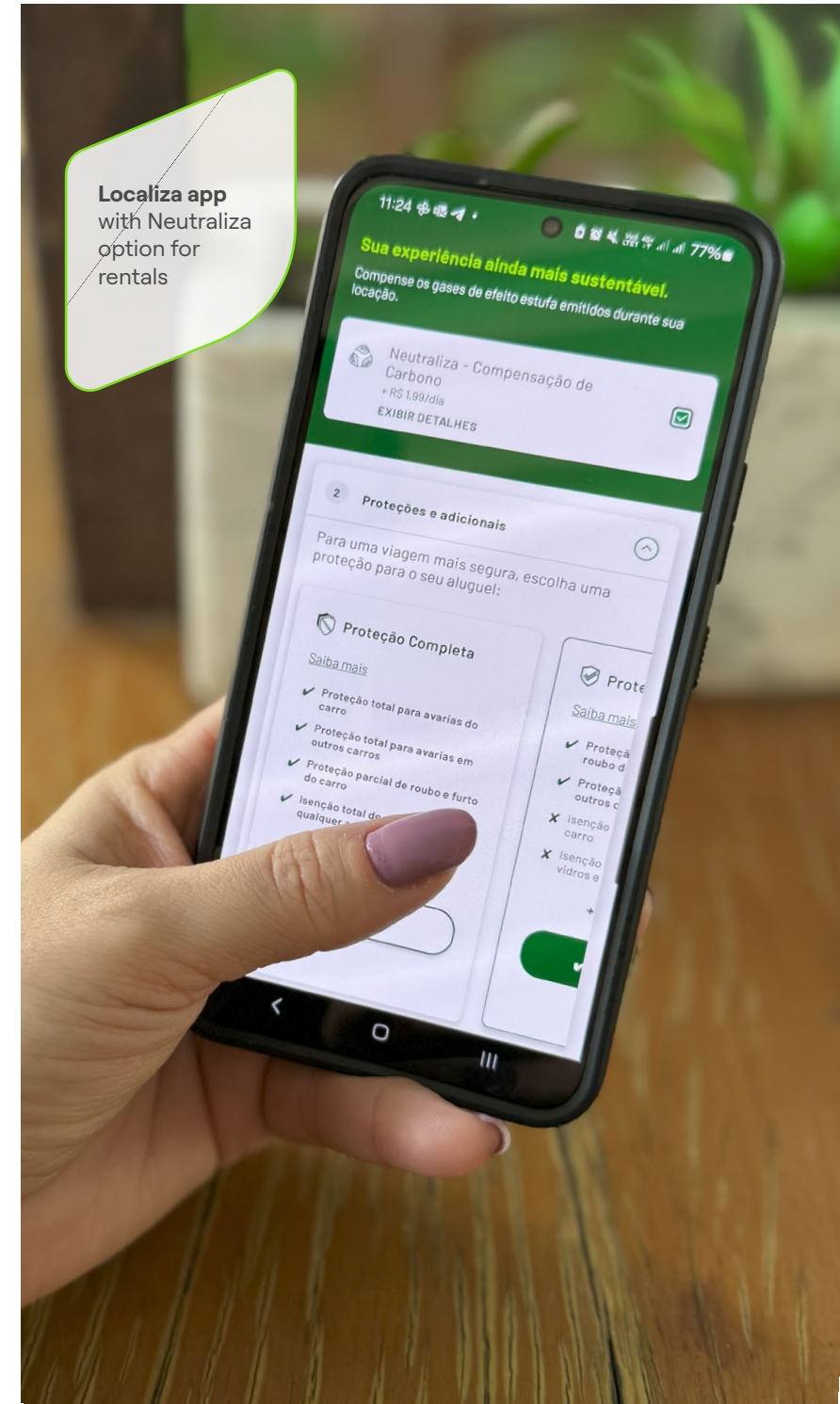
Neutraliza (carbon neutralization)

Our product, launched in 2022, for offsetting and mitigating greenhouse gases (GHG) in the vehicles used by our customers (Scope 3) has been consolidated over the last year. To broaden our scope, we have extended this solution to all channels in the Rent a Car division and to Fleet Rental customers.

Customers are invited to offset their emissions and can opt for an additional payment of R\$1.99 per day for daily contracts or R\$0.99 per day for monthly contracts, all of which will be used to purchase carbon credits.

We offset **67 thousand tCO₂** in 2023, **nearly five times** more than in 2022 (14 thousand ton CO₂).

Localiza app with Neutraliza option for rentals



When comparing scopes 1 and 3 for the years 2021 and 2022, it is possible to notice a substantial increase in emissions, which can be associated mainly with the increase in fleet and operation due to the business combination.

It should also be noted that the 2022 Sustainability Report presented a preview of the 2022 inventory and some of the figures were fine-tuned after the publication of this document, so this year's publication contains updated and corrected data for the 2022 period. Likewise, the data for 2023 is a preview of the year, since the inventory has not yet been finalized and may vary slightly compared to the GHG inventory that will be published later (access the [Public Emissions Register](#)).

For the third year running, we have maintained our partnership with the Ekos Institute in the Climate Commitment Program to offset GHG emissions. The initiative operates through calls for proposals, ensuring the selection of projects that generate carbon credits, based on clear socio-environmental transformation criteria.

SCOPE 1 EMISSIONS (TCO2 EQUIVALENT)

| Members | 2021 | 2022 (pro forma) | 2023 |
|-----------------------|------------------|------------------|------------------|
| Mobile Combustion | 7.333,67 | 13.958,60 | - |
| Stationary Combustion | 16,15 | 37,15 | - |
| Fugitives | 14.088,33 | 22.226,92 | - |
| Grand Total | 21.438,15 | 36.222,67 | 30.374,69 |

SCOPE 2 EMISSIONS (TCO2 EQUIVALENT)

| Members | 2021 | 2022 (pro forma) | 2023 |
|--|-----------------|------------------|---------------|
| Purchase of electricity - location-based | 2.649,93 | 992,75 | 948,31* |
| Purchase of electric energy - market-based | - | 0 | 0* |
| Grand Total | 2.649,93 | 992,75 | 948,31 |

SCOPE 3 EMISSIONS (TCO2 EQUIVALENT)

| Members | 2021 | 2022 (pro forma) | 2023 |
|---|-------------------|-------------------|----------|
| Fuel and energy-related activities not included in Scopes 1 and 2 | - | 10.458,54 | - |
| Waste generated in the operation | 103,69 | 83,20 | - |
| Business trips | 891,48 | 1.643,81 | - |
| Employee commuting (home-work) | 672,29 | 2.306,90 | - |
| Leased goods (the organization as lessor) | 494.093,32 | 754.013,68 | - |
| Franchises | 34,74 | 14,24 | - |
| Grand Total | 495.795,52 | 768.520,37 | - |

* A preview of the inventory was published in the 2022 Sustainability Report. The data for 2022 is updated and corrected in this table. Likewise, the data for 2023 are initial figures and may change.

REDD+ Jari Amapá Project

Located in the Jari Valley in Amapá, and with the presence of several Conservation Units (UCs) in the surrounding area, the REDD+ Jari Amapá Project acts as an ecological corridor for the region's preserved areas. By generating and selling carbon credits, this economic development model combines activities that value the forest and low-impact forest management.

The project benefits biodiversity by playing an important role in the conservation of endangered species, which are protected thanks to the area's preservation. Focusing on the community, technical training and capacity building are offered in rural production, agricultural and forestry techniques, as well as topics of interest to the family to make production and income generation viable. As far as the climate is concerned, measures are

being taken to reduce deforestation through satellite monitoring and regular patrols.

The project's proposers are Biofílica and Grupo Jari, and the main international forestry project certification standards: Verified Carbon Standard and Climate, Community & Biodiversity Standards are considered.

We have amplified our potential for generating value by linking carbon neutrality to a forest conservation project, thus contributing to one of the greatest socio-environmental challenges: payment for forest environmental services.

In 2023, we used 36,000 carbon credits to neutralize direct emissions (scope 1) relating to the last cycle, in 2022.



MORE INFO

Learn more about the initiative [here](#).

Biofuels

Ethanol plays an important role in reducing and controlling emissions from our fleet. Biofuel emits around 89% less greenhouse gases when produced from sugar cane compared to gasoline, according to the American Energy Planning Agency (EIA).

Based on this data, we believe that ethanol is one of today's key solutions for reducing CO₂ in the light transport sector. Therefore, over the last year, we have prioritized initiatives related to this biofuel in our sustainability agenda.

In 2023 alone, we consumed over 25 million liters of ethanol internally in the first fill-ups and refueling of flex-fuel cars. This prevented the emission of around 35,000 tons of CO₂ compared to gasoline.

We have also acted as a vector for influencing the market to consider ethanol consumption. We make customers and employees aware of its benefits, create incentives for Zarp customers and reinforce our policy of always filling flex-fuel cars with ethanol.

Furthermore, the corporate market has increasingly recognized biofuel as a viable and scalable solution for light vehicles. Consequently, several companies have improved their guidelines and policies to encourage ethanol use in leased cars. Through surveys and monitoring carried out with our customers throughout the year, we found that the percentage of ethanol refueling also grew in all business segments.

Waste, Energy and Water Management

Waste, energy and water management is one of the most important issues for the Company, since our operations, both at the branches and administrative headquarters, make use of these natural resources. Therefore, we strive to optimize internal use, considering the proper disposal of waste, the adoption of clean energy and the implementation of water management practices.

Waste

GRI 306-1 | 306-2 | 306-3 | 306-4 | 306-5

During vehicle life, the activities associated with preparation and maintenance create a number of different types of waste, including oil contaminants, plastic parts, tires, metal parts, paints, aerosols and other materials.

To reduce our impact, we look for solutions that avoid disposing of waste in landfills and promote its reduction and circularity. Among the initiatives we have implemented, we have invested in the recovery of bumpers and headlights, with the aim of increasing the useful life of these and other vehicle parts. We have also established partnerships with reverse logistics projects for batteries and automotive glass, tire recycling and the oil re-refining process. In these projects, in 2023, we recycled over 85,000 tires and re-refined over 422,000 liters of lubricating oil collected from partners.

At the corporate level, we have carried out selective collection of recyclable waste and, last year alone, over 19 tons of paper, plastic and metal from the corporate units and over 344 tons from the operational units were sent for recycling.

WASTE GENERATED

Amount of waste generated and disposal, considering Rent a Car (RAC) and Fleet Rental (GF) operations

| Items consumed | Unit | Destination | Quantity |
|--------------------------|-------|-------------------|----------|
| Contaminated | kg | Co-processing | 18,845 |
| Tires | Unit | Reverse Logistics | 86,036 |
| Oil | Liter | Re-refining | 422,945 |
| Paper, plastic and metal | Tons | Recycling | 363.14 |
| Organic waste | Tons | Composting | 59.91 |



Giovane Luciano
Operations and Partnerships Supervisor and Supervisory Trainee 2022

Waste in Operation

We began our partnership with GreenPlat in 2021 in order to manage our operation's waste and ensure alignment with our sustainability principles. This platform enables the approval of suppliers, transporters and waste recipients, in compliance with environmental licenses, training and other relevant documentation. It also allows us to search for new solutions to divert waste from landfills, including monitoring the reverse logistics process and proper disposal. Committed to transparency, the use of this platform grants us traceability, resulting in greater document control and data reliability.

Moreover, the Belo Horizonte (MG) headquarters has an organic waste composting partner that managed almost 60 tons of this type of waste last year, resulting in organic fertilizer.

In 2023, we generated 827.97 tons of waste (434.96 tons non-hazardous and 393.00 tons hazardous). Out of the total non-hazardous waste, 59.91 tons were sent for composting and 363.14 tons were recycled, both outside the Company and diverted from disposal. Apart from these, 11.91 tons were incinerated. With regard to

hazardous waste, we properly sent 31.06 tons of contaminated solids (oil filters, air filters, tow and PPE) for co-processing, contributing to cement production. We sent 359.50 tons of oil for re-refining, and 2.44 tons were incinerated.

For better reporting compared to previous years, we opted to group waste that is disposed of together, in order to ensure synergy between the figures and the documents for disposing of the materials.



Stores built with recycled plastic blocks

In 2023, we built **eight** Localiza Seminovos stores using over 20 tons of recycled plastic, converted into building blocks. These blocks are not only light, resistant and modular, but they are also acoustically and thermally efficient, which reduces electricity consumption.

With this approach, we can cut the use of steel by 90%, avoid waste (waste from the construction process) and even reduce construction time by 70%. What's more, this type of building emits 90% less CO2 than a similar masonry model, contributing to a low-carbon economy. In terms of occupational safety, the

construction has less chance of accidents.

This is an example of our efforts towards more sustainable, economically viable and scalable solutions.

Energy

GRI 302-1 | 302-3 | 302-4

In keeping with our efforts to reduce GHG emissions, we have focused on three strategic priorities for the Company's energy supply: the generation of solar energy on the roofs of eligible branches, the use of energy credits from our three solar farms (MG, RJ and PE) and the purchase of energy on the free market and in the distributed generation marketplace. Although 93% of all the electricity produced in the country in 2023 came from hydroelectric plants, wind farms, solar farms and biomass plants, which are considered renewable sources, we have no way of tracking what was injected into our units that access the captive energy market. For this portion of the remaining energy consumed by local utilities, we acquire renewable energy certificates (I-RECs).

Consequently, in 2023, 100% of the energy used by Localiza&Co came from renewable sources.

The year saw the completion of solar panel installations in eligible branches. Approximately 200 branches generate or benefit from the energy generated by these panels.

Furthermore, we made progress in the energy marketplace by implementing shared distributed generation. Through existing solar power plants, we receive energy with no need for physical intervention

in our stores. Cerca de outras 200 filiais e unidades operacionais foram beneficiadas, resultando na injeção de quase dois milhões de kWh.

We have also increased our participation in the free energy market, prioritizing clean and renewable sources. Last year, around 1.4 million kWh of clean energy was injected into our subsidiaries through the free market.

With this, we have injected over eight million kWh of clean energy for consumption in our branches, representing an increase of over 60% compared to 2022.

Energy Intensity¹

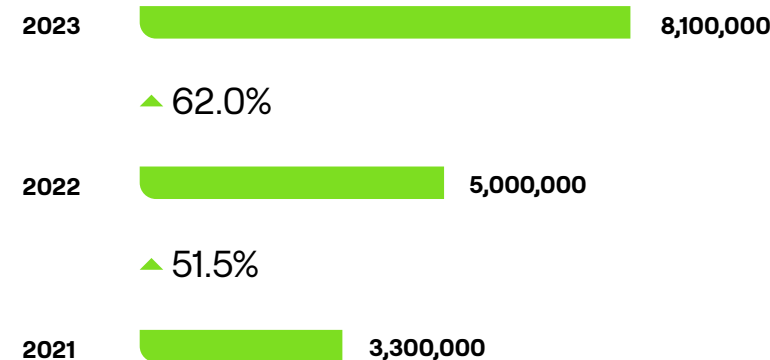
0.1511 GJ
by end-of-period fleet

ENERGY CONSUMED

| | 2021 | 2022 | 2023 |
|----------------------------------|-----------|-----------|-----------|
| Fuels from renewable sources | 26,300 GJ | 35,458 GJ | 67,695 GJ |
| Fuels from non-renewable sources | 49,326 GJ | 47,071 GJ | 31,681 GJ |
| Energy intensity | 0.1549 GJ | 0.1396 GJ | 0.1511 GJ |

Due to fleet and operations expansion, there was no reduction in energy consumption in 2023. However, thanks to the progress of initiatives, we have increased the use of fuels from renewable sources and reduced the consumption of non-renewable fuels.

Annual History – Clean Energy Injection in Branches (kWh)



¹ To calculate energy efficiency, the end-of-period fleet was used, including only Localiza's businesses, as well as the other energy data.

Water

GRI 303-1 | 303-2 | 303-3 | 303-4 | 303-5

Most of the resource is used to clean fleet vehicles, while the rest is used for cleaning property and common use at branches, such as drinking fountains, changing rooms, toilets and pantries, both for employees and customers.

Water is mainly collected by the local utilities themselves. In some branches, as an alternative solution, water is collected from underground wells. Disposal, on the other hand, follows all applicable environmental legislation and its respective requirements.

As far as managing the theme is concerned, in 2023 we focused our efforts on expanding and continuously improving the dry cleaning technique, as well as revising the method used to monitor the type of wash. This monitoring is now done by vehicle, license plate by license plate, which has resulted in more accurate data.

We have continued the dry cleaning of vehicles at our Rent a Car branches, and have started a pilot project to extend it to Used Cars. This technique reduces the average amount of water used from a conventional jet wash by 48 liters to an average of 300 ml. **This meant savings of 86 million liters of water last year, equivalent to the volume of 34.4 Olympic-sized swimming pools of**

water. Moreover, we use products supplied by approved brands, most of which are biodegradable, preventing damage to people's health and the environment.

In 2023, we closed the year having dry cleaned 51% of the total Rent a Car division.

Most of our stores carry out both dry cleaning and jet washing, and all those that carry out traditional washing have environmentally appropriate structures, with containment grids and water and oil separators. Our employees and suppliers also undergo technical hygiene training to ensure safe, quality and effective work.

To improve the customer experience, we offer the "Guaranteed Cleaning" product in the Rent a Car division. This add-on brings convenience to customers by hiring the cleaning of the vehicle at the time the contract is signed. By purchasing it, customers also end up opting for a more sustainable solution, since most of the cleaning carried out is dry.

Still on the water management front, we saw an initial improvement in water efficiency at 150 branches, following the installation of flow reducers in bathrooms



and changing rooms, and the standardization of double-action buttons on sanitary sinks. These standards have already been adopted since the opening of new stores. The expectation is this will lead to a reduction of approximately 30% in water consumption (excluding consumption for washing cars).

WATER INTENSITY¹

| | 2021 | 2022 | 2023 |
|--|------|------|------|
| Water captured/fleet end of period (m ³) | 0.48 | 0.47 | 0.53 |

¹To calculate water intensity, the end-of-period fleet was used, including only Localiza's businesses, as well as the other water data.

Smart and Sustainable Use of Cars

As one of the largest and most comprehensive mobility platforms in the world, we continually invest in technology and innovation for our fleet. Our cars are always made available in excellent mechanical condition, guaranteed by preventive and corrective maintenance (when necessary).

With a view to using cars sustainably and safely, we use technologies that provide real-time data to speed up decision-making and improve the customer experience. Over the last year, we have made progress on several fronts, maturing our processes and becoming even more robust.

To ensure the efficiency and control of operations, processes and resources used, as well as the correct management of waste, we continued to internalize some stages and created Pit Stops (referred to in the last report as "Maintenance Centers") and Deactivation Centers (DCs).

We pay close attention to our clients' and service providers' needs, keeping open communication through satisfaction surveys. With the results, we understand their expectations and are able to meet them in the best possible way. The figures also allow us to calculate the satisfaction NPS, which has remained at a level of excellence.



Employee
walking through
the courtyard of
the RAC branch
in Confins (MG)

Telemetry

Last year, we expanded our fleet's connectivity through telemetry and we are getting closer to having a 100% connected fleet.

By the end of 2023, we had around 430,000 vehicles connected by telemetry, accounting for more than 65% of the fleet.

In 2020, after acquiring Mobi7, our telemetry solution, we started monitoring our fleet in real time. What's more, the business combination brought in other companies in this line: Softit, Getrak and Iter, and the synergies between them are being carefully evaluated.

There are more than 950 million kilometers monitored every month, and over 1.6 trillion business rules processed thanks to the sensors installed in our vehicles. Through them, information such as speed, acceleration, braking and location can be monitored, ensuring greater safety for our customers.

Telemetry provides us with access to a wealth of relevant information. With the data collected, it is possible to draw up and implement robust action plans on different fronts, such as reducing CO₂ emissions, optimizing the fleet, reducing the number of accidents and traffic violations, as well as reducing operating and vehicle recovery costs.

By the end of 2023, we have reduced:

95% of the cost to recover stolen vehicles;

80% recovery time for stolen vehicles;

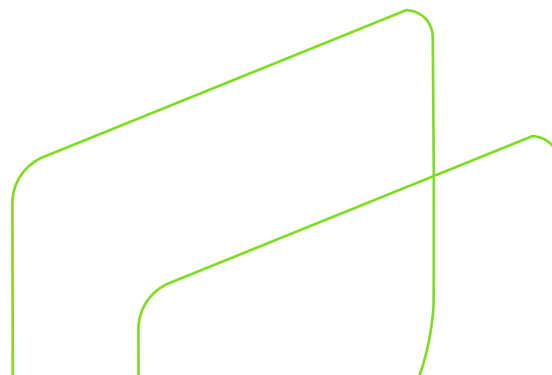
50% of accidents at Zarp.

Furthermore, in 2023, we started extending telemetry to heavy vehicles.

Telemetry projects

In 2023, we developed pilot projects to push forward our solutions, enhance the customer experience and continuously improve L&CO's operations.

- **CAN bus:** We have started a pilot to connect the vehicles' CAN bus (data visible on the dashboard such as RPM, odometer, fuel level and consumption, among others). From this data, we will be able to identify additional information to the previous versions of telemetry used and we expect to bring even more benefits to our customers. A good example is that the customer will have a clearer view of the running performance of each vehicle in their operation, a front that can be combined with driving behavior analysis and economic driving training.
- **Smart branch:** the Company's internal platform in which all vehicles that are not with customers are shown in real time. That way, we can identify inconsistencies and improve operational efficiency, as well as increasing fleet safety.





High value creation



Greater asset protection



Fleet management



Customer enchantment



Customer service



Smart logistics



Process automation



Rental with Digital Pickup

Traffic Safety

We are absolutely committed to promoting safer traffic. In 2023, we kept investing in promoting best practices among our customers and employees. Our Traffic Safety Program has impacted different audiences at Localiza&Co, such as Zarp drivers and Fleet Rental clients.

In May, we held the Yellow May Campaign: a whole week of programs for a more conscious traffic. We had the participation of 314 L&CO employees, as well as 5,651 customers who took part in livecasts and lectures.

To engage drivers in safer driving and encourage best practices in traffic, we have developed a mathematical model through telemetry that maps the driving profile. This enables us to monitor driver behavior, carry out preventive actions and reduce accidents. This service is available for two publics: Zarp customers and Fleet Rental customers – light vehicles.

For Zarp drivers, we offer the Defensive Driving program, which awards points based on the driver's driving profile. The less unsafe driving the driver does, the better his/her weekly results will be and, if he/she achieves four consecutive "green" scores, he/she will be rewarded with a fuel voucher.

To assist Fleet Rental customers with traffic safety, we have the Verde Vida (Green Life) program. Through this program, training and development courses are offered to teams and drivers through Frotas Experience, an online platform. At no extra cost, the program is optional but highly encouraged.

In conjunction with this first solution, we use telemetry to monitor the indicators for the respective fleet. With these results, it becomes possible to draw up action plans on topics where there is room for improvement.



Collision detection

Machine Learning model developed to identify collisions related to fleet vehicles using telemetry. As soon as an impact occurs, the trackers identify the collision and notify our call centers.

As a result, even if we are not close to the scene, we can identify accidents, contact the customer before they call the Company, find out if the accident victim is okay and, if necessary, take them in and direct them. Moreover, we can analyze what caused the collision, whether there was bad driving behavior, for example, and identify possible fraud attempts.

In 2023, we improved and expanded the collision detection algorithm, as well as its use, in order to minimize the impact of accidents and contribute to traffic safety.

NCAP

SASB TR-CR-250a.1

We monitor the performance of the vehicles in our fleet through the Latin New Car Assessment Programme (NCAP), an automotive safety assessment program that applies the methodology used by Euro NCAP. This program carries out crash and resilience tests, pedestrian protection and safety assistance and child protection systems. Based on the results obtained, vehicles receive a score and are classified

in terms of safety.

Used as an indicator by the industry, its purpose is to evaluate and disseminate information on vehicle safety in Latin America and the Caribbean. This ensures that our vehicles are in proper working conditions and can be used as safely as possible.

PERCENTAGE OF VEHICLE MODELS EVALUATED BY NCAP WITH AN OVERALL SAFETY RATING OF FIVE STARS, BY REGION

| Region | %NCAP5 |
|--------------------|---------------|
| Midwest | 22.60% |
| Northeast | 28.70% |
| North | 22.30% |
| Southeast | 22.90% |
| South | 25.60% |
| Grand Total | 24.60% |



Innovation

Localiza&Co's first year after the business combination brought several technological challenges and opportunities, resulting from the natural added complexity. We have reduced risks in innovation, increased security through internally developed tools and evolved our systems' reliability. We are also more connected with generative artificial intelligence to improve customer and employee experience. We also renewed the digital Used Car channel.

Five years ago, we started using agile methodologies at Localiza Labs, giving our projects greater flexibility and adaptability. With productivity gains, the methodology was taken to several areas and gradually became part of the Company's culture.

Currently, 80% of our systems run in the cloud, and by the end of 2024 this proportion will reach 100%. This transition will result in improved performance, as well as reducing environmental impact with lower energy demand and less technological waste.

Localiza Fast

Localiza Fast is our fully digital car rental service, in which all the steps are carried out online and autonomously: no need to go to the service desk or stand in line. All you have to do is make your reservation in advance via digital means (website and app).

In partnership with Mobi7, we have developed a Bluetooth-low-energy device that enables direct pairing with the cell phone. This means that when the customer approaches the vehicle and pairs it, the car is unlocked. Currently, some branches operate with a large number of cars in Fast, such as Congonhas and Garulhos airports (SP).

In late 2023, we had over 200,000 vehicles enabled in Fast, double the number from the previous year, proving the solution to be robust and scalable.

Vai Por Mim

Innovating in a wide variety of ways for the Company's stakeholders, we launched a platform with tourism and car content called Vai Por Mim. It generates personalized itineraries, using artificial intelligence, with tips on tours, restaurants and tourist attractions for individuals and companies.

For companies, the platform adds new opportunities for travel agencies. The itineraries created can be customized with the company's visual identity and delivered in digital or printed format. Professionals can thus increase their work routines, discover new partners and devote more time to business strategy and planning.



MORE INFO

[Click here](#) and experience our platform (portuguese only).

Localiza Labs

Localiza Labs is the technology and data science laboratory of Localiza&Co. Designed to contribute innovative solutions with the support of technology.

Together with the corporate and business departments, we are enabling solutions such as the subscription car (Localiza Meoo), rental for app drivers (Zarp Localiza) and the expansion of 100% digital rental (Localiza Fast).

#MeuFuturoÉTech

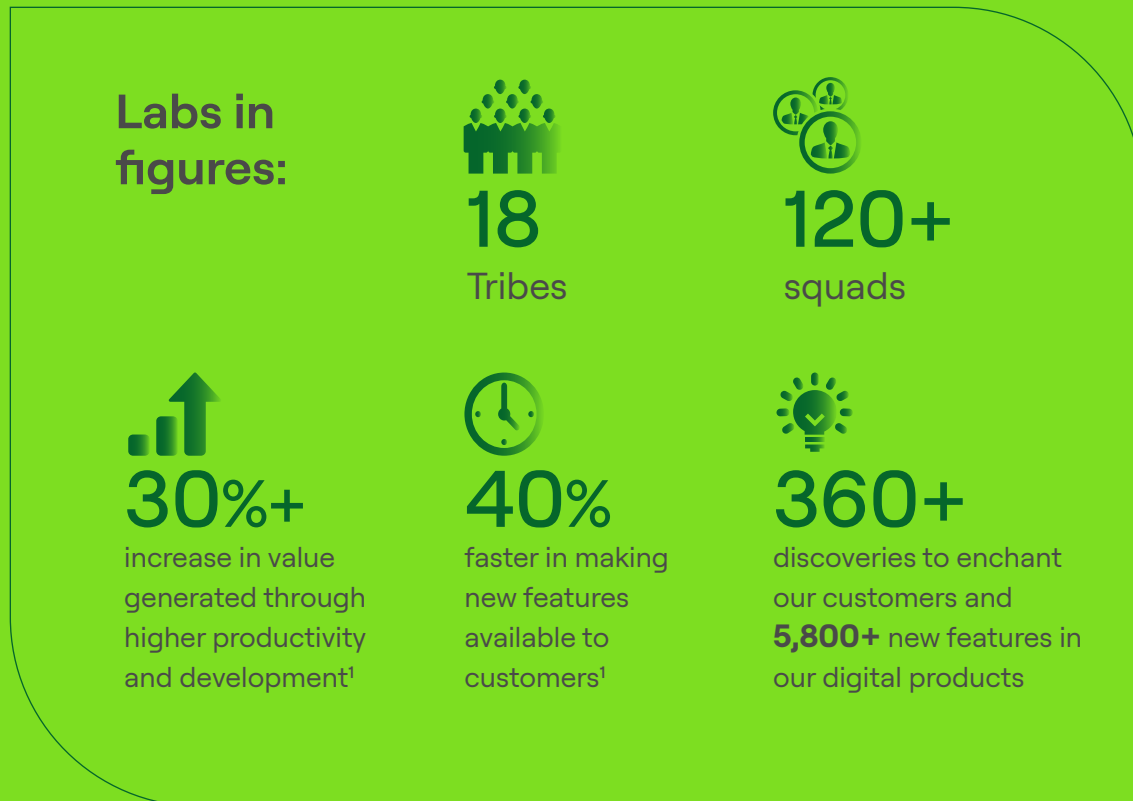
In 2020, we created the **#MeuFuturoÉTech** program to encourage people to develop professionally in the technology market. We offer free, high-quality training for young talents, helping to minimize the shortage of professionals in the area.

Level one, "Discover the AWS Cloud", introduced the fundamental concepts of cloud computing. It featured six hours of online/recorded content, over 21,000 people enrolled, over 20,000 certificates, 33,800 hours of total study and 4.6 out of 5 satisfaction points (average of content + teaching).

The entire journey is closely monitored by Localiza Labs leaders, aiming to train professionals for a promising market, while at the same time training people to join the Company. The program has already offered online training to over 30,000 people in Brazil in partnership with technology companies.

Level two, "Talent Cloud Pro", currently underway, is a professional introductory course in cloud programming for high school graduates from public institutions. There are 300 hours of recorded content and over a thousand scholarships available for the 23/24 cycle. As of the last update, in January 2024, there were more than 300 students in training using the scholarships.

In 2023, another edition was held, this time in partnership with AWS (Amazon Web Services), with the aim of increasing diversity, equity and inclusion in technology. **We hope to train 20,000 people by the end of 2024, offering training at two levels.**



¹ Data compared to 2022.



**Carlos Penido
and Daniele
Lima**
Localiza Labs
employees

Localiza Labs in Belo Horizonte (MG)

In November 2023, we inaugurated Localiza Labs, a new innovation hub located near our headquarters. This space is open to the Company's technology and innovation professionals, as well as hosting roundtables, meet-ups, technology actions, events and other initiatives that promote the development, training and integration of the local community. With capacity for approximately 1,000 people, the hub offers over 600 workstations and 410 collaborative seats.

Aligned with sustainability in all our initiatives, the building has photovoltaic energy generation, water reuse and selective collection of materials. Following the best sustainable practices in civil construction, the project was awarded the LEED - Leadership in Energy

and Environmental Design - Platinum environmental certification seal, i.e. at its highest level. The space is the second building in Belo Horizonte (MG) to be awarded this seal.

The inauguration was attended by representatives of public authorities and featured a whole week of programming focused on technology. There were four days of events, over 20 hours of content, around 500 participants a day, 2,910 views on live broadcasts, activations and talks with partners. Several specialist companies such as Amazon Web Services (AWS), Google, Datadog|Delfia, Alura, StackSpot Zup, Framework and CrowdStrike took part in the panels and talks on the tech scene in Brazil.

Localiza Labs in Curitiba (PR)

With the intention of continuing to create environments that promote innovation and creativity, as well as connections for our employees, we have opened the Localiza Labs innovation hub in Curitiba (PR). The capital was recognized as one of the most promising innovation ecosystems in the world in the Global Startup Ecosystem Report ranking and as the world's smartest city, according to Fira Barcelona. Also, because Mobi7 (a company acquired in 2020) is headquartered in the city, we have a high concentration of technology talent in the region.

The facility has a structure of 104 workstations and over 200 collaborative seats for technology professionals from Localiza Labs and Mobi7, as well as other Company teams. This provides the teams with an environment conducive to collaboration, exchange of experiences and continuity in the creation of innovative mobility solutions aimed at simplifying and enchanting customers and employees.

Deusdeth do Carmo, Vilaci Maria, Edilene Andrade, Marly Jesus and Lucienne Camargo

Social Transformation



Team Profile

GRI 2-7 | 2-8 | 202-1 | 405-1 | 405-2

With an owner's attitude and passion for our customers, Localiza&Co's green-blooded team is made up of more than 20,000 people who inspire and transform.

Our employees have development opportunities, performance evaluations, flexible working hours, benefits and health care, as well as a culture that embraces diversity and inclusion.

20,661
Employees

9,023
women

11,638
men



43,68%



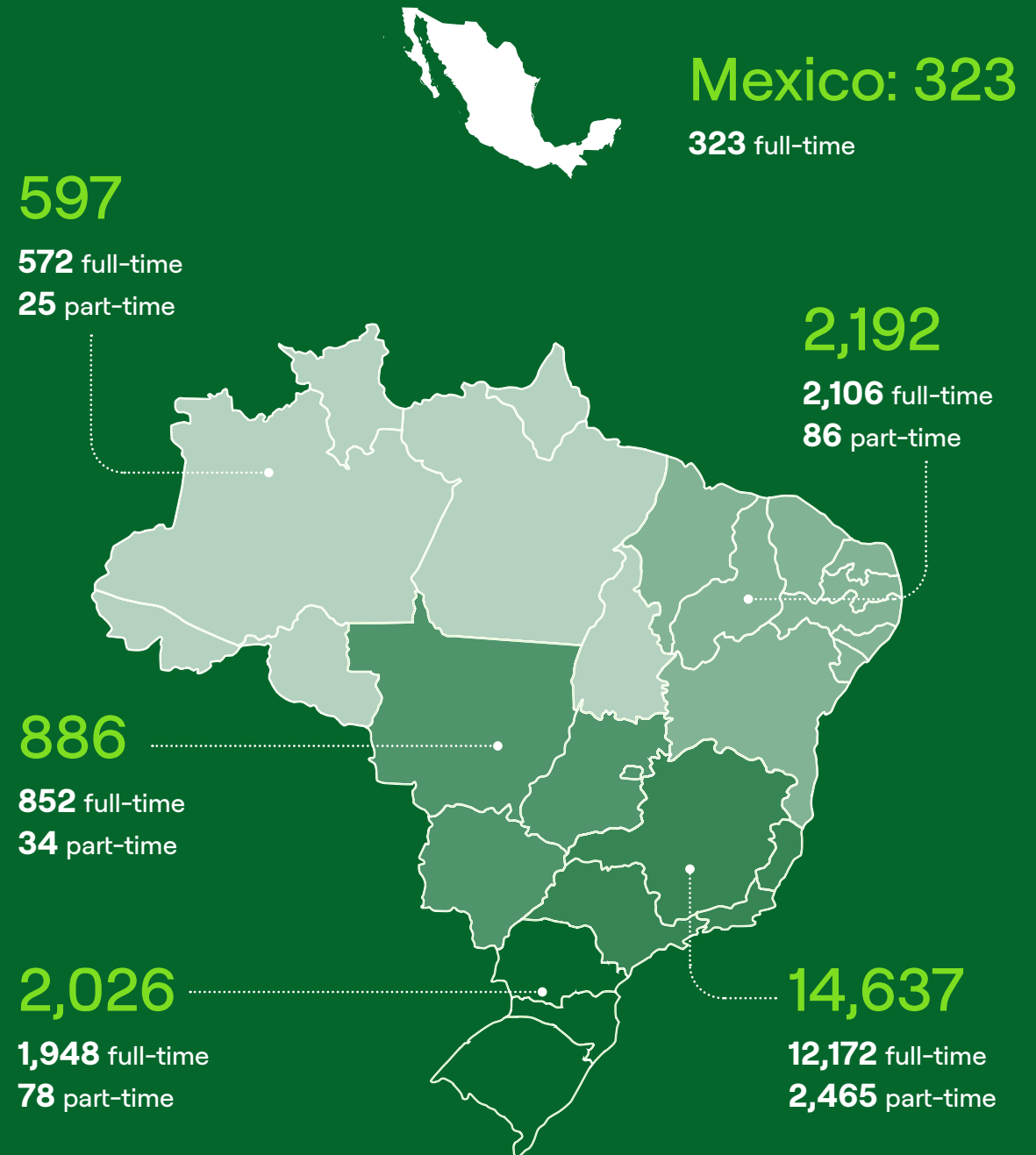
56,32%

7,098 full-time
1,925 part-time

10,875 full-time
763 part-time



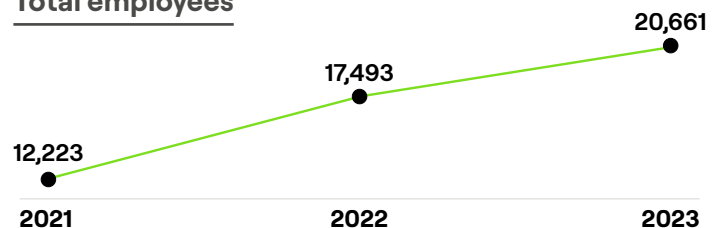
We have 511 outsourced workers on the IT and administrative fronts.



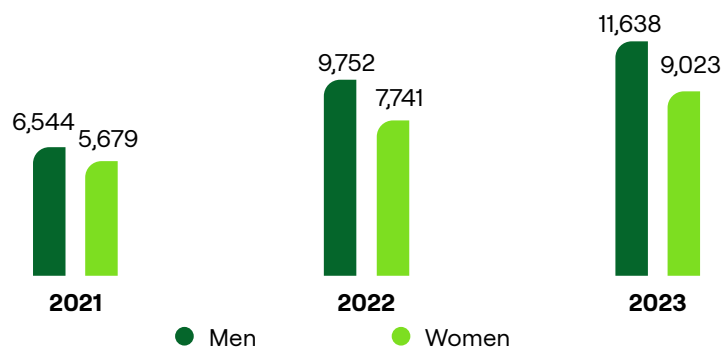
48.71% women in leadership, 29.1% in strategic leadership⁸.

In recent years, we have significantly expanded the team of green-blooded employees, as shown in the graph that follows. In 2023, we saw a higher representation of men due to the expansion of the maintenance units and the increase in the Used Car units, two sectors with a higher male predominance.

Total employees



Representation of men and women



⁸ Strategic Leadership is made up of Senior Managers, Directors and Executives. This figure does not include ITER/Getrak and Mexico because they have different structures.

RATIO BETWEEN SALARY AND REMUNERATION OF WOMEN AND MEN

| Functional category | Base salary | Average remuneration |
|--------------------------|-------------|----------------------|
| | Ratio | Ratio |
| Executive | 89% | 87% |
| Director | 97% | 100% |
| Management | 96% | 92% |
| Leadership/ Coordination | 87% | 90% |
| Technician/supervision | 86% | 87% |
| Administrative | 107% | 107% |
| Operational | 106% | 105% |
| Trainee | 101% | 101% |
| Apprentice | 101% | 101% |

| Variation between the lowest wage and the minimum wage by gender (R\$) | Women | Men |
|--|-------------|-------------|
| Lowest salary paid by the Company | RS 1,320.00 | RS 1,320.00 |
| Minimum wage determined by legislation or union | RS 1,320.00 | RS 1,320.00 |

- The company has class-based salary policies, each of them having a minimum and maximum range.
- Different seniorities were considered in each category. The difference between the seniority of men and women can lead to a distortion in the proportion.
- The ratio represents the value of the average salary/remuneration of female employees in the category by the value of the average salary/remuneration of male employees in the same category.
- Remuneration represents, aside from salary, the additional earnings that the employee earns during the year, such as bonuses, profit sharing (PLR), benefits, among others.
- Due to the recent start of operations in Mexico and the difference in the exchange rate, the country's employees are not yet included in this indicator. Employees of the ITER and Getrak companies are also not included in the remuneration indicators.

People Learning, Development and Retention

GRI 401-1 | 401-2 | 401-3

In our first year as a combined company, we evolved our culture with the creation of the “L&CO Way”. Furthermore, business growth required us to hire more employees to join the green-blooded team.

We offer a robust benefits package¹, which includes Medical and Dental Assistance, telemedicine, Life Insurance, transportation vouchers, a gym membership (Gympass), a discount club, and a variety of aids such as childcare, home office, meals, food and, for permanent employees, private pensions.

Since 2021, we have implemented different working hours models. In the operational units, subsidiaries and branches, we have adopted the face-to-face model. For the office, we opted for the mixed model. For Localiza Labs, we have adopted the home office model. Employees working in the latter two units also enjoy flexible working hours, with a time window for clock-in and clock-out.

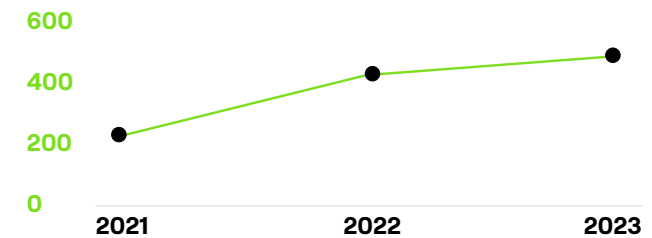
We continue to invest in developing and retaining talent, monitoring careers through mentoring, conversations with the Internal Consulting team and annual performance evaluations (find out more [here](#)). We constantly review salaries and benefits, as well as having robust development plans with national and international training, made possible by the Universidade Localiza.



Stephanie Pimenta
Meoo product analyst, intern 2022 and corporate trainee 2023

Still in relation to the L&CO team, we saw another year of progress in the operational productivity indicator (EBITDA/Employee), growing by 10% over the previous year. This advance reflects the Company’s and its employees’ ability to capture efficiencies throughout the car journey, even in a challenging scenario. Besides the challenges of integration, factors such as still high interest rates and lower credit availability continue to pose resistance in the used car market, with car depreciation and financial expenses more than offsetting the operating gains achieved. For 2024, we will continue to focus on (i) pricing rent to restore return levels and (ii) advancing systems integration, capturing opportunities for efficiency and productivity, maintaining our growth trajectory with value generation.

EBITDA/Employee



¹ The benefits described apply to all our businesses, except L&CO Mexico, Iter and Getrak, which have their own remuneration and benefits policies.

HIRING

EMPLOYEES HIRED BY GENDER

| | Number of hires | Hiring rate |
|--------------|-----------------|---------------|
| Women | 3,238 | 35.89% |
| Men | 5,126 | 44.05% |
| Total | 8,364 | 40.48% |

EMPLOYEES HIRED BY REGION

| | | |
|--------------|--------------|---------------|
| North | 333 | 55.78% |
| Northeast | 889 | 40.56% |
| Midwest | 508 | 57.34% |
| Southeast | 5,334 | 36.44% |
| South | 932 | 46.00% |
| Mexico | 368 | 113.93% |
| Total | 8,364 | 40.48% |

EMPLOYEES HIRED BY AGE GROUP

| | | |
|-----------------------|--------------|---------------|
| X < 30 years old | 3,840 | 58.41% |
| 30 < X < 50 years old | 4,190 | 32.23% |
| X > 50 years old | 334 | 30.78% |
| Total | 8,364 | 40.48% |

TERMINATIONS*

EMPLOYEES WHO LEFT THE COMPANY BY GENDER

| | Number of terminations | Termination rate |
|--------------|------------------------|------------------|
| Women | 3,227 | 35.76% |
| Men | 1,950 | 16.76% |
| Total | 5,177 | 25.06% |

EMPLOYEES WHO LEFT THE COMPANY BY REGION

| | | |
|--------------|--------------|---------------|
| North | 240 | 40.20% |
| Northeast | 623 | 28.42% |
| Midwest | 342 | 38.60% |
| Southeast | 3,311 | 22.62% |
| South | 620 | 30.60% |
| Mexico | 41 | 12.69% |
| Total | 5,177 | 25.06% |

EMPLOYEES WHO LEFT THE COMPANY BY AGE GROUP

| | | |
|-----------------------|--------------|---------------|
| X < 30 years old | 1,913 | 29.10% |
| 30 < X < 50 years old | 3,032 | 23.32% |
| X > 50 years old | 232 | 21.38% |
| Total | 5,177 | 25.06% |

* In previous years, the dismissal rate was reported as the "turnover rate".

Hiring and termination rates are calculated as the ratio between the number of employees hired or terminated (voluntarily or involuntarily) and the total number of employees at the end of the Company's period, in each of the categories.

Parental leave

For all L&CO employees and their dependents who are pregnant, we offer the Pregnancy Support Program. This program provides regular follow-up with guidance on prenatal care, safe pregnancy and baby care.

Furthermore, since 2021 we have been part of the Citizen Company Program, extending maternity leave from 120 days (provided for by legislation) to 180 days and paternity leave from five days (provided for by legislation) to 20 days. Also, moms who have had babies and work in the mixed mode can opt for the home office until the child is one year old, while dads can do the same until the baby is six months old.

At the Company's headquarters in Belo Horizonte (MG), we also have a lactation area.

| | Men | Women |
|---|--------|--------|
| Employees who were entitled to take advantage of the leave | 11,638 | 9,023 |
| Employees who took leave | 245 | 349 |
| Employees who should have returned after leave | 249 | 372 |
| Employees who returned to work after their leave ended | 248 | 300 |
| Employees who would complete 12 months after returning from leave in 2023 | 191 | 238 |
| Employees who have completed 12 months after returning from leave in 2023 | 158 | 174 |
| Return rate | 99.60% | 80.65% |
| Retention rate | 82.72% | 73.11% |

Learning and development

GRI 404-1 | 404-2

Universidade Localiza (UL)

We believe that, in order to create the future we want, we must invest more and more in a culture of continuous and robust learning, as a foundation to support the L&CO team. Based on this commitment, the University works to boost employee development, with learning initiatives that promote a connection with our L&CO Way and our strategy, encouraging continuous learning, leadership, innovation and career mobility. In 2023, we built learning experiences that prioritized L&CO's strategy, aligned with the culture of lifelong learning, and connected both to the education model we believe in and to market trends.

Our model is segmented into two profiles - leaders and non-leaders - each eligible for two Learning Journeys - Essential and Complementary. These Journeys are made possible through synchronous and asynchronous, virtual and online offerings - the latter within our digital learning platform, which is increasingly accessible and relevant to all our audiences. It's worth noting that, apart from the Essential Journey, participation in all the initiatives made possible by UL takes place through leading roles - in other words, the employee chooses to take part.

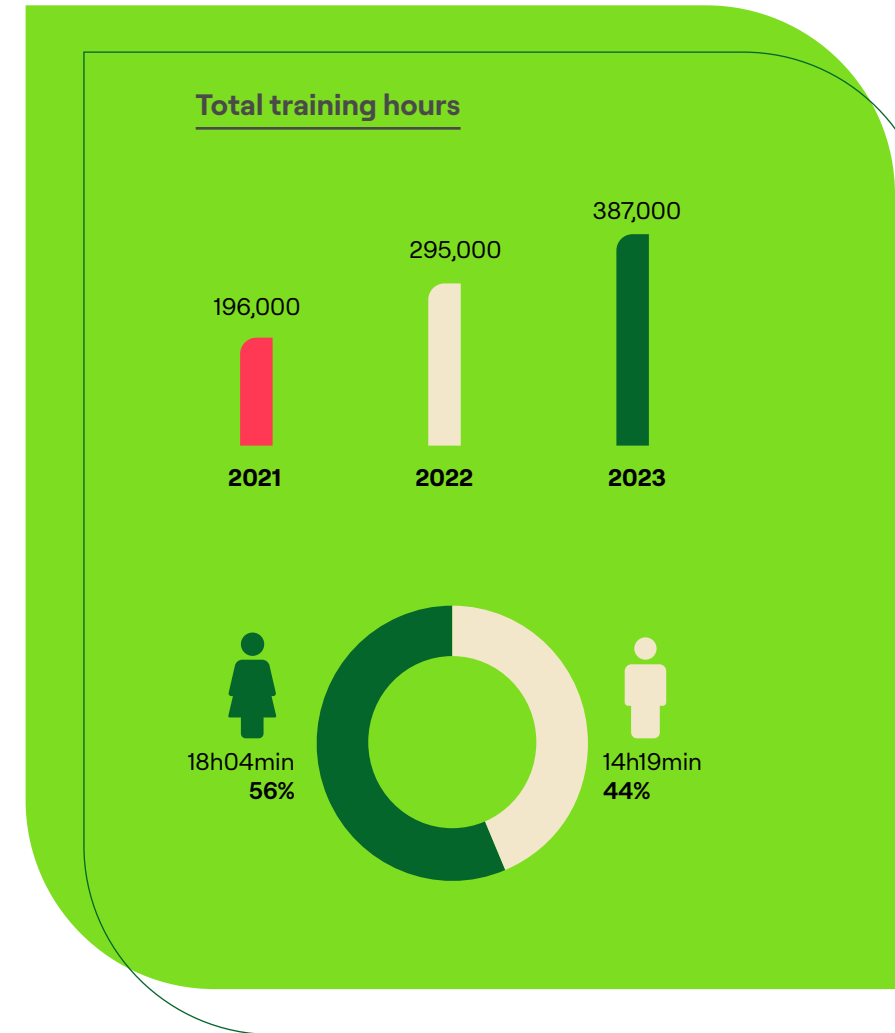
Here are some of our indicators:

NPS evaluated by employees about the online portfolio: 95

Total investment in Apprenticeships by 2023: R\$ 19,525,294.00

Over 2,900 pieces of content are available in various formats: podcasts, articles, videos, e-learning courses, webinars, training sessions, trails, workshops and much more.

Over 20,000 people trained.



AVERAGE HOURS OF CONTENT CONSUMED

| Functional category | Women | Men | Average hours of formal training |
|---------------------|--------------|--------------|----------------------------------|
| Non-leaders | 16:35 | 13:46 | 14:58 |
| Leaders | 27:08 | 17:12 | 22:01 |
| Total | 18:04 | 14:19 | 15:55 |

To provide learning activities for all of the Company's stakeholders, the University has also dedicated time and expertise to designing and implementing initiatives aimed at the general public, leaders and non-leaders. Here are the main highlights of 2023:

Initiatives for the general public

In 2023, we promoted the Learning Festival, Career Week and Book Club, and enhanced our open podcast channel on Spotify.

The Festival addressed the digitalization of the learning experience, attracting over six thousand participations;

At Career Week, which was held in two editions, the aim was to work on career topics linked to the evolution and growth of the L&CO team, and had approximately 9,000 participants.

The Book Club, with more than 400 participants, explored "Atomic Habits" by James Clear - a book recommended by the Company's top management.

Initiatives for non-leaders

We implemented the Professional Training of the Future, which aimed to boost employee development in the skills of the future through a modular course dedicated to reskilling¹ and upskilling² in people leadership, process leadership and self-leadership. **Two editions** were held, each with **two groups**. Interested employees went through a selection process, and in total over 700 employees were included.

Initiatives for Leaders

The New Leaders Immersion is a three-day training course for new leaders who have been hired and promoted, aimed at their first management position at L&CO. In 2023, eight groups were held, with the participation of 309 new leaders;

Corporate Training aims to develop the Company's key skills, in line with Localiza&CO's strategic drivers and vision for the future. For Executives, it takes place through the Executive Program, involving professors from global universities;

Specific Training provides highly personalized learning that supports leaders in their Individual Development Plans. This includes the Trekker Journey, for C-levels; the Executive MBA and the Executive Development Program, for senior leadership; and mentoring training, diversity programs and ITL specializations, for other leaders.;

The International Missions provided learning experiences for C-levels in major global institutions. Highlights include:

- Google Executive Summit, an immersion at Google's headquarters in which ten Functional Directors took part, with topics on culture, leadership, innovation and the future, led by the Google team and professors from Stanford University. In the closing livestream of the Learning Festival and in episodes of the UL podcast, the Directors shared the main insights of this experience;
- Advanced Management Programme, in partnership with INSEAD. Two of our executives spent 30 days immersed in relevant topics on strategy, leadership, innovation and much more.

¹ Reskilling means retraining an employee in new skills.

² Upskilling means improving skills so that the person can perform better in their current position.

Still on Learning and Development Strategies, L&CO has Development Programs for specific audiences. Starting with entry-level programs such as Young Apprentices, Internships, Corporate Trainees and Supervisory Trainees:

Young Apprentice

Its mission is to ensure the development of more than 680 young apprentices who work at Localiza&CO, together with the educational institution, with the young person working directly in the assignment area, as well as having a learning trail focused on professional growth.

Internships

The program aims to attract young students in the market who, for 12 months, go through a learning path in multidisciplinary projects to fast-track their development and contribute to the growth of our businesses. In 2023, in its 7th edition, we had 76 participants and an NPS of 95% in the program.

Corporate Trainee

Aimed at recent graduates, the program is in its 4th edition registered an NPS of 88%, with the main objective of increasing Localiza&Co's potential leadership capacity, with immersion in our businesses, work on strategic projects, mentoring with top leadership, job rotation in our operations and a unique development journey throughout the program. In 2023, we had nine participants, including Brazilians and Argentinians.

Supervisory Trainee

It aims to train and develop participants who have graduated within five years to become supervisors, focusing on operations throughout Brazil and preparing them to take on long-term strategic positions in the field. In 2023, in its 3rd edition, we tripled the number of openings compared to the previous edition, with 30 new participants.

Apart from the entry programs, our employees' career acceleration process is enhanced by internal programs, such as Oxigênio, and those focused on our commitment to diversity, such as eLLas, eLLas+ and Pluraliza:

- **Oxigênio:** is intended to recognize high-performance analysts, promoting their development and boosting their careers within their areas of expertise. In 2023, we started the 6th edition of the program, with 35 new members.
- **eLLas and eLLas+:** To increase female representation at L&CO, we concluded the first edition of eLLas, with 25 women who are in their first or middle leadership positions, and started the first edition of eLLas+, focused on senior leadership, with 12 participants. The learning trails, customized for each audience, consist of training to develop soft and hard skills and topics related to gender equity, individual mentoring with senior leadership, group or individual coaching and the development of a strategic project.
- **Pluraliza:** program aims to train and develop black and brown analysts in order to boost the careers of professionals with great potential. Lasting 12 months, the program includes mentoring, content to develop skills, meetings with leaders and group follow-up by specialized consultants. In 2023, we concluded the first edition of the program involving 18 people.

Performance Evaluation

GRI 404-3

Every year, we evaluate our employees' performance in order to improve their skills and competencies, as well as to develop their gaps.

100% of eligible L&CO employees¹⁰ received performance evaluation in 2023.

The performance cycle begins with the drafting of the Management Contract, which is made up of collective and individual targets, broken down to the last level of leadership and mirrored to the teams. Both are drawn up based on the development of the Company's strategic planning. As a complement, we carry out the L&CO Way Assessment, based on the behaviors described in our values, in two formats: 90° and 360°, respectively adopted for employees and leaders.

The Management Contract score and the L&CO Way Evaluation make up the result of the performance evaluations, which are taken to the Career Committee, where several analyses are carried out, using the 9box matrix methodology for calibration, if necessary. Finally, we carry out formal feedback, at which time leader and mentee discuss the evaluations, align expectations in the role and direct career and development by drawing up the Individual Development Plan (IDP).

The Career Committee is at the head of the evaluations and keeps track of the best evaluated people in the Company, which allows them to be recognized with merits and promotions.

| | 2021 | 2022 | 2023 |
|--|-------|-------|-------|
| Employees promoted | 1,435 | 2,027 | 2,628 |
| Employees recognized by L&CO's merit program | 894 | 1.130 | 1,479 |

The performance evaluation consists of two stages:



¹ Trainees, apprentices, third parties, temporary workers, employees on leave (except maternity leave) and employees hired after September 30 of the reporting year are not eligible for the performance evaluation.

Diversity, Inclusion and Human Rights

GRI 3-3 | 405-1

Contributing to a more sustainable, diverse and inclusive world is one of Localiza&Co’s values, and we make this happen through our Diversity and Inclusion Program, launched in 2020. Our aspiration with the Program is to create an environment of respect, welcome, fairness and inclusion, developing high-performance teams that celebrate and are strengthened by their differences. The program is structured around robust governance, guided by the Diversity and Inclusion Committee, which reports to the Executive Board.

In this third year of the program, we have continued our evolution in processes, training, practical and structuring actions that enhance equal opportunities for historically minority or underrepresented groups, i.e. groups that still have fewer opportunities and less representation in society and organizations. Our governance has affinity groups working on **gender equity, race, LGBTI+, migrants and people in refuge, people with disabilities**

and, launched in 2023, the 50+ group. Voluntarily, participants come together to work for the development of the theme internally. Each group is made up of a leader, a co-leader, volunteers and allies. In 2023, we had 841 employees enrolled in affinity groups.

In 2023 and 2024, our priority has been to increase the representation of women and black people in strategic leadership positions. This ambition has become a target in the senior management contract, which is directly reflected in variable remuneration. Among the actions taken, we implemented intentional recruitment and made it compulsory to include women and black people on the recruitment short-list for strategic leadership positions. Also noteworthy are the eLLas and Pluraliza programs, mentioned in the Learning and Development chapter.



Weverton Ferreira, Filipe Cardoso and Luana Alcantra
all participants in Pluraliza 2022

We are part of B3’s IDIVERSA, the first diversity-focused index in Latin America, which brings together companies that stand out in terms of diversity in Brazil.

Diversity is also present in L&CO’s operations in Mexico, with a higher representation of women than the industry average.

For another year, we carried out our organizational climate survey and consolidated the positive results: 90% employee participation and 95% favorability in the diversity and inclusion area.

The diversity theme is one of the points with the best evaluation. The result of the question that assesses the perception of employees in relation to L&CO’s commitment to the issue has a score above P90 (10% of the companies with the highest results).

When we analyzed the organizational climate of the public belonging to the six prioritized groups, we found no relevant deviation compared to the other groups, which indicates that the program has been successful. Also, through partnerships and adherence to public forums and commitments, we have improved our practices and managed to contribute to boosting the performance of other companies and even public policies. We are signatories to the following institutions:

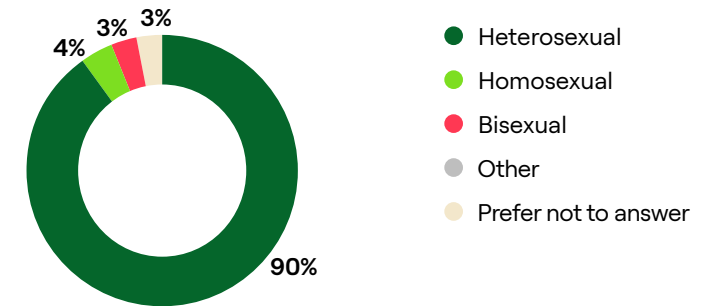
- Business and LGBTI+ Rights Forum - “10 Corporate Commitments to Promoting LGBTI+ Rights”;
- UN Women - responsible for the “Women’s Empowerment Principles”;

- Business with Refugees Forum - represents the commitments of the “Business with Refugees Forum Values”;
- Business Coalition for Racial and Gender Equity - has 20 commitments to equity from its members.

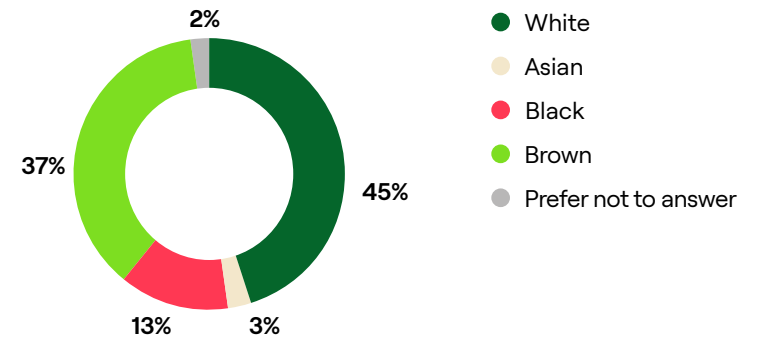
TEAM DIVERSITY GRI 405-1

| Functional category | Gender | | Age | | |
|--------------------------|---------------|---------------|------------------|-----------------------|------------------|
| | Men | Women | X < 30 years old | 30 < X < 50 years old | X > 50 years old |
| Executive | 91.67% | 8.33% | 0.00% | 69.23% | 30.77% |
| Director | 79.41% | 20.59% | 0.00% | 77.61% | 22.39% |
| Management | 65.53% | 34.47% | 5.00% | 85.53% | 9.47% |
| Leadership/ Coordination | 61.30% | 38.70% | 9.11% | 84.90% | 5.99% |
| Technician/supervision | 59.66% | 40.34% | 24.59% | 71.60% | 3.81% |
| Administrative | 36.86% | 63.14% | 40.14% | 57.05% | 2.81% |
| Operational | 60.99% | 39.01% | 31.28% | 61.94% | 6.78% |
| Trainee | 56.41% | 43.59% | 74.36% | 25.64% | 0.00% |
| Apprentice | 38.27% | 61.73% | 100.00% | 0.00% | 0.00% |
| Total Average | 61.12% | 38.88% | 31.61% | 59.28% | 9.11% |

EMPLOYEE DIVERSITY BY SEXUAL ORIENTATION¹



EMPLOYEE DIVERSITY BY RACE¹



¹ Information from the Diversity Census, which had 90% participation.

Xtraordinária Driving School

In 2023, we launched Autoescola Xtraordinária, a project that fosters social inclusion in traffic by encouraging people with Down syndrome and other intellectual disabilities to obtain their National Driver's License (CNH). Our role as a Citizen Company is to help ensure that more people have the access and opportunity to become drivers, achieving autonomy and benefiting society in general.

This is a clear example of the innovative culture that runs throughout L&CO. The idea came from employees who, realizing that few people with intellectual disabilities had driver's licenses, suggested the project be created. We then developed the certification course for driving schools in partnership with the Mano Down Institute.

The certified spaces now have appropriate materials (content presented in capital letters) and professionals trained in the learning process for this audience. To take part, students need to be literate and be within a

certain range on the cognitive impairment grading test carried out by the Mano Down Institute. Having passed these criteria, students are referred by Localiza&Co to the nearest certified driving school.

As an incentive, we sponsored the first 30 licenses. In the first 24 hours, we closed four classes and 120 enrolled. The project began in Belo Horizonte (MG), but has since expanded to seven states plus the Federal District, with over 30 certified driving schools.

The communication campaign, developed and signed by the Company's in-house team, was awarded a prize at the Creation Club Festival 2023, winning in the Business (Creation) category. The piece is a video that tells Laura Simões' story of getting her driver's license. You can check out the video and more information about the project [here](#).



Care for the Community

We work to foster social development in the locations where Localiza&Co is present, together with groups and communities that are relevant to the Company's ecosystem. To this end, we have the Instituto Localiza, which partners with social organizations and promotes technical education, entrepreneurship and the productive inclusion of young people in socio-economic vulnerability, in areas such as technology, tourism, gastronomy and the automotive chain in all Brazilian regions.

In 2023, the Institute's activities were also reinforced by the Company's employees, who worked on several projects through the Corporate Volunteering Program launched that year.

Through tax incentive laws ("Elderly Fund", "Sports Fund", "Federal Sports Law" and "Federal Cultural Incentive Law"), the Company invested R\$4.1 million in sports education, cultural and rights defense projects, as well as events for institutions such as Sistema Divina Providência, Instituto Mano Down, Instituto Inhotim, Olympico Clube, Serviço de

Tecnologia Alternativa, Fa. vela, Club Atlético Paulistano, Instituto Lincoln Raso, Instituto Maratonas, Instituto Esporte e Educação, Instituto de Pesquisas em tecnologia e Inovação, as well as projects and events such as Taste 2024, Gil e Tempo and Som Clube.

Also in the social development axis, by means of partnerships, care and fostering the development of its suppliers, Localiza&Co contributes to increasing the positive impact of its activities.



Youth on the Move event at Labs BH

Disseminating Good Practices

GRI 2-6 | 203-1 | 203-2 | 204-1 | 308-1

L&CO's suppliers have a key role to play in the context of our operations, and are integrated into the different parts of the business. In this relationship, we ensure compliance with quality standards and alignment with our purpose and values. Only by doing so are we able to deliver a service of excellence to our customers.

Our supply chain is comprised of direct and indirect suppliers: the direct suppliers are the automakers and partners responsible for maintaining the cars, such as

repair shops, bodywork and painting, and vehicle cleaning. Indirect suppliers, in turn, are linked to consumables and fixed assets, such as operational, corporate, construction and technology assets.

We have over 12,000 direct suppliers in Brazil and over 2,000 indirect suppliers, with a turnover exceeding R\$23 billion and R\$2 billion respectively in 2023.

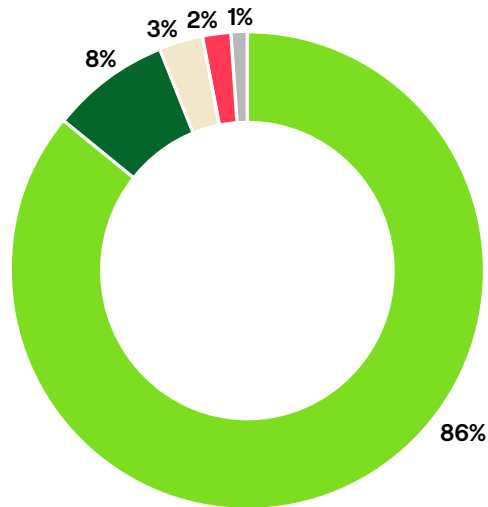
Supplier management is based on contractual clauses that encourage best supply practices, according to L&CO. We set clear expectations about what is expected and what is not, as well as building relationships with a long-term

vision, making our Code of Conduct available to partners. We also prioritize suppliers close to the branches, with the aim of boosting the local economy and contributing to the region’s social development. It also means business efficiency, faster fleet repair and delivery times, a reduction in GHG emissions and fuel consumption, and a lower risk of fines, theft and accidents.

We also carry out analyses to assess the suppliers’ degree of dependence on the Company, taking proactive measures to mitigate any forms of excessive dependence. This approach is applied to all partners, reflecting L&CO’s monitoring and commitment to responsible management of business relationships.

The increase in suppliers in the Southeast is exclusively due to the business combination. In addition, 99.9% of the purchasing budget was allocated to hiring local suppliers (Brazil).

Indirect suppliers distributed by Brazilian region



- Southeast
- South
- Northeast
- Midwest
- North

Green Blood Supplier Award

GRI 2-29

Through our supplier relationship management program, launched in 2022, we evaluate business partners quarterly on the following pillars: contract compliance, quality, service, innovation and technology, and financial and price management, as well as ESG practices, included in 2023.

The answers to the evaluation generated a score that makes up the Supplier Performance Index (IDF). In turn, partners who reach a certain level are invited to an event called the “ Green Blood Supplier Award”, which celebrates the partnership and recognizes L&CO’s best suppliers. The awards are divided into activity categories.

The Program also includes the monitoring of supplier development through action plans, and has a public notice published on the Company’s internal portal.

Since the program began in 2022, 228 suppliers have participated and 1,352 assessments have been carried out.



Fornecedor #SangueVerde 2023
Programa de Relacionamento e Gestão de Fornecedores Localiza&CO

Instituto Localiza

GRI 2-29 | 203-2 | 413-1 | 413-2

Instituto Localiza is a non-profit social organization founded in 2021. The initiative is designed to **unite people for social transformation** and believes in the power of the collective to build solutions in line with the aspirations of Brazilian youth, so that they may attain autonomy and quality of life, transforming their paths, those of their families and their communities.

In 2023, the 93 projects carried out benefited approximately 20,000 people, an increase exceeding 60% compared to 2022. In total, R\$4.8 million of our own resources were donated to the projects carried out in partnership with social organizations across Brazil.

MORE INFO

For more information, see [Instituto Localiza's 2023 Activity Report](#) (portuguese only).

Apart from financial resources, we also invested in the institutional strengthening of partner organizations, offering ten modules of conversation rounds, which reached around 200 participants. The modules covered topics such as LGPD, communication, accountability, fundraising, project development, managing people and financial resources, and strengthening networks and partnerships.

The Institute keeps up a permanent model of dialogue with the social organizations it supports, partners and young people, so that they can evolve in their joint initiatives, including: social networks, reaction evaluations, meetings, conversation rounds and surveys to gauge expectations and needs. In 2023, it also held the 1st Youth on the Move Meeting - Dialogues Edition, a moment to discuss ways of advancing the agenda for social mobility among Brazilian youth.

We also looked closely at the community surrounding the Company's headquarters in Belo Horizonte (MG), building, by



listening to local leaders, an agenda that includes training young people, social entrepreneurs, managers of nano, micro and small businesses to enhance their entrepreneurial initiatives or better prepare them for job vacancies, including at Localiza&Co.

To align all its actions, the Institute, in accordance with its governance model, relies on the support of its own Executive Board and the guidance of its Board of Directors.

Here are some of the projects we carried out in 2023:

Encontro Juventude em Movimento (Youth on the Move event)

Aiming to promote active listening with young people and partner organizations, in 2023 we held the 1st Youth on the Move - Dialogues Meeting. Over two days, we brought together 100 representatives of Civil Society Organizations (CSOs) and youth from all regions of the country, totaling 12 hours of activities, including lectures and collective discussions.

The meeting made it possible to identify strengths, weaknesses and proposals for increasing the role of young people and opportunities for their productive inclusion. Because of its relevance and contribution, the event achieved an NPS of 93.

By the end of 2023, we launched the 2nd Youth on the Move call for proposals, which will allocate R\$2.5 million to projects focused on creative economy initiatives and technical training.

Garota Tecnológica (Technological Girl)

Following on from the success of last year's program, we are continuing the collaboration between the Localiza Labs women's team and the Instituto Localiza to boost education in technology. This program is aimed at young female students, from the 1st to the 3rd year of high school, enrolled in public schools.

In 2023, we had the joy of seeing 15 students complete the Tech Girl program, representing another year of achievements and learning.

Na Rota Social (in The Social Route)

The program aims to train residents of the neighborhoods and villages near our headquarters for the job market, offering opportunities at the Company and its partners.

Held in conjunction with L&CO's Reservations Center, the

classes are taught by 15 of the Company's volunteer employees who provide content focused on the customer service segment.

Out of 37 graduates in 2023, seven had the opportunity to provide services for Localiza&Co.

Comunidade Empreendedora (Entrepreneurial Community)

In 2023, through a partnership with Sebrae Minas, we implemented the Entrepreneurial Community program to promote entrepreneurship in the communities of Vila Nova Cachoeirinha and the surrounding area, close to our headquarters in Belo Horizonte (MG). We selected 34 entrepreneurs who, in total, underwent 406 hours of training and individualized consultancy.

There were both face-to-face and online modules in the program, divided between business acceleration content. In the first half of 2024, all participants underwent individual online mentoring and the six entrepreneurs who presented the best pitches also had the experience of individual in-depth mentoring.



Lenice Felix e Karina Jamar Localiza&Co employees and Instituto Localiza volunteers in action in the Comunidade Léo

Corporate Volunteering Program

Inspired by the engagement of green-blooded employees in social causes, and through an extensive listening process with Localiza&Co's leaders and professionals, in August 2023 we launched the Corporate Volunteering Program.

We implemented a platform for managing the program and invested in two pillars of action: mentoring and educational activities for young people served by partner organizations; and an internal call for proposals for our volunteers to work with CSOs.

We had 945 volunteers registered on the platform, 216 of whom actively participated, resulting in 3,643 beneficiaries in initiatives in all Brazilian regions.

Internal Call for Volunteers "Come to Add":

Through our internal call for volunteers, 29 initiatives proposed by #SangueVerde employees received R\$4,000 (each) from Instituto Localiza for actions in the areas of food, infrastructure, the environment, culture and the arts.

Natal em Rede (Christmas on Network)

We promoted the adoption of 458 letters from children in the communities of Belo Horizonte (MG) and São Paulo (SP). Our volunteers took part in four actions to deliver the presents.

Moreover, in partnership with companies from the 2030 Rede, 40 volunteers took part in the proposed action in Cidade dos Meninos (Divine Providence in Ribeirão das Neves), bringing affection, fun, art and storytelling to the children of the community.



Attachments

Content map

GRI Content Summary

| GRI STANDARDS | CONTENT | REFERENCE (PAGE)/DIRECT ANSWER |
|---|--|---|
| GENERAL DISCLOSURES | | |
| The organization and its reporting practices | | |
| 2-1 | Organizational details | <p>More information about the Company, whose legal name is LOCALIZA RENT A CAR S.A., is available on pages 15 and 32.</p> <p>The business combination between Localiza and Locamerica was effectuated on July 1, 2022. On July 31, 2023, it was deliberated and approved in an Extraordinary General Meeting of Localiza Fleet the incorporation of CarSale Tecnologia e Comércio de Veículos Ltda., its wholly-owned subsidiary, with all its assets and liabilities becoming part of its parent company from this date. The report was issued at book value by a specialized company.</p> <p>On July 31, 2023, Locamerica’s Extraordinary General Meeting resolved and approved the incorporation of Locamerica Comercial S.A., its subsidiary.</p> |
| 2-2 | Entities included in the organization’s sustainability reporting | <p>On September 1, 2023, Localiza Fleet’s Extraordinary General Meeting resolved and approved the incorporation of Car Rental Systems S.A., its wholly-owned subsidiary.</p> <p>On December 31, 2023, the Extraordinary General Meeting of Companhia de Locação das Américas resolved and approved the incorporation of Locamerica Rent a Car S.A., its wholly-owned subsidiary, with all its assets and liabilities becoming part of its parent company as of that date.</p> <p>Information on the entities included is on page 6.</p> |



| GRI STANDARDS | CONTENT | REFERENCE (PAGE)/DIRECT ANSWER |
|-------------------------------|---|---|
| 2-3 | Reporting period, frequency and contact point | Page 5. |
| 2-4 | Restatements of information | <p>The business combination with Locamerica was considered from the second half of 2022. Therefore, information prior to this period is reported as data from the company Localiza, with the exception of the data that considers the 2022 proforma period (i.e. brings the result assuming the business combination with Locamerica since 01/01/2022).</p> <p>In addition, the GHG inventory data for 2022 has been updated in line with that published in the Public Emissions Registry.</p> <p>Also, the size of the rental fleet, reported in 2022 as the final fleet instead of the average size, has been reformulated.</p> |
| 2-5 | External assurance | There were none. Despite this, the information provided in this report is reviewed by multidisciplinary employees, representing different departments of the business and different organizational levels. |
| Activities and workers | | |
| 2-6 | Activities, value chain and other business relationships | Pages 15 and 71. |
| 2-7 | Employees | Page 60. |
| 2-8 | Workers who are not employees | Page 60. |
| Governance | | |
| 2-9 | Governance structure and composition | Pages 32, 33 and 36. |
| 2-10 | Nomination and selection of the highest governance body | Page 33. |
| 2-11 | Chair of the highest governance body | Page 33. |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Page 33. |
| 2-13 | Delegation of responsibility for managing impacts | Page 32. |



| GRI STANDARDS | CONTENT | REFERENCE (PAGE)/DIRECT ANSWER |
|---|---|--|
| 2-14 | Role of the highest governance body in sustainability reporting | Page 5. |
| 2-15 | Conflicts of interest | Page 32. |
| 2-16 | Communication of critical concerns | Critical concerns are reported to the Audit, Risks and Compliance Committee, which reports directly to the Board of Directors. Four meetings were held in 2023, where the department reported on the status of activities, reported concerns and approved action plans to mitigate potential risks. The number of concerns raised and the nature of the issues are confidential to the business. |
| 2-17 | Collective knowledge of the highest governance body | Page 36. |
| 2-18 | Evaluation of the performance of the highest governance body | Pages 33 and 34. |
| 2-19 | Remuneration policies | Page 38. |
| 2-20 | Process to determine remuneration | Page 38. |
| 2-21 | Annual total compensation ratio | The ratio of the annual remuneration of the highest paid individual to the average of the other employees was 54.66 in 2023. For the calculation, we considered: salary adjusted for workload + ATS + variable remuneration + PLR + ILP. |
| Strategy, policies and practices | | |
| 2-22 | Statement on sustainable development strategy | Page 24. |
| 2-23 | Policy commitments | Page 29. |
| 2-24 | Embedding policy commitments | Page 29. |
| 2-25 | Processes to remediate negative impacts | Page 31. |
| 2-26 | Mechanisms for seeking advice and raising concerns | Page 31. |
| 2-27 | Compliance with laws and regulations | No significant non-compliance cases were recorded during the reporting period. |



| GRI STANDARDS | CONTENT | REFERENCE (PAGE)/DIRECT ANSWER |
|-------------------------------|---|--|
| 2-28 | Membership associations | Page 30. |
| Stakeholder engagement | | |
| 2-29 | Approach to stakeholder engagement | Pages 34, 72 and 73. |
| 2-30 | Collective bargaining agreements | (97.97%) of employees are covered by collective bargaining agreements. For the remainder (2.63%), without a union or without a collective bargaining agreement signed by the representative union, Localiza applies advance adjustment and grants benefits in accordance with its internal policy. |
| MATERIAL TOPICS | | |
| 3-1 | Process to determine material topics | Page 25. |
| 3-2 | List of material topics | Page 25. |
| 3-3 | Management of material topics | Page 25. |
| SPECIFIC STANDARDS | CONTENT | REFERENCE (PAGE)/DIRECT ANSWER |
| ECONOMIC DISCLOSURES | | |
| Economic Performance | | |
| 201-1 | Direct economic value generated and distributed | Page 22. |
| Market Presence | | |
| 202-1 | Ratio between the lowest wage and the local minimum wage, broken down by gender | Page 60. |
| 202-2 | Proportion of board members hired from the local community | Page 38. |



| SPECIFIC STANDARDS | CONTENT | REFERENCE (PAGE)/DIRECT ANSWER |
|--------------------|---------|--------------------------------|
|--------------------|---------|--------------------------------|

Indirect Economic Impacts

| | | |
|-------|---|-----------------|
| 203-1 | Infrastructure investments and services supported | Page 71. |
| 203-2 | Significant indirect economic impacts | Pages 71 and 72 |

Procurement Practices

| | | |
|-------|---|----------|
| 204-1 | Proportion of spending on local suppliers | Page 71. |
|-------|---|----------|

Anti-corruption

| | | |
|-------|---|---|
| 205-2 | Communication and training on anti-corruption policies and procedures | Page 29. |
| 205-3 | Confirmed cases of corruption and actions taken | During the period, we had no confirmed cases of corruption. We reaffirm that Localiza&Co has a keen eye on the subject and takes appropriate measures whenever necessary. |

Anti-competitive Behavior

| | | |
|-------|---|-----------------|
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | There was none. |
|-------|---|-----------------|

ENVIRONMENTAL DISCLOSURES

Energy

| | | |
|-------|--|----------|
| 302-1 | Energy consumption within the organization | Page 49. |
| 302-3 | Energy intensity | Page 49. |
| 302-4 | Reduction of energy consumption | Page 49. |

Water and Effluents

| | | |
|-------|---|---|
| 303-1 | Interactions with water as a shared resource | Page 50. |
| 303-2 | Management of water discharge related impacts | Page 50. |
| 303-3 | Total water withdrawal | In 2023, we have captured around 260 megaliters of water. |



| SPECIFIC STANDARDS | CONTENT | REFERENCE (PAGE)/DIRECT ANSWER |
|--|---|--------------------------------|
| 303-4 | Total water discharge | Page 50. |
| 303-5 | Total water consumption | Page 50. |
| Emissions | | |
| 305-1 | Direct (Scope 1) GHG emissions | Page 42. |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Page 42. |
| 305-3 | Other indirect (Scope 3) GHG emissions | Page 42. |
| 305-5 | Reduction of GHG emissions | Page 42. |
| Waste | | |
| 306-1 | Waste generation and significant waste-related impacts | Page 47. |
| 306-2 | Management of significant waste-related impacts | Page 47. |
| 306-3 | Total weight of waste generated in metric tons | Page 47. |
| 306-4 | Total weight of waste diverted from disposal in metric tons | Page 47. |
| 306-5 | Total weight of waste directed to disposal in metric tons | Page 47. |
| Supplier Environmental Assessment | | |
| 308-1 | New suppliers that were screened using environmental criteria | Page 71. |

| SPECIFIC STANDARDS | CONTENT | REFERENCE (PAGE)/DIRECT ANSWER |
|--|--|---|
| SOCIAL DISCLOSURES | | |
| Employment | | |
| 401-1 | Total number and rate of new employee hires and rate of employee turnover, by age group, gender and region | Page 62. |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Private pensions and co-participation in health plans are benefits granted only to permanent employees. |
| 401-3 | Parental leave | Page 62. |
| Training and Education | | |
| 404-1 | Average hours of training per year per employee | Page 64. |
| 404-2 | Programs for improving employee skills and career transition assistance | The LocalizaPrev pension plan is available to all employees who have an employment relationship with Localiza for at least 90 (ninety) days from the date of admission, except for interns and apprentices. In 2023, the benefit was unified for all L&CO employees. Learn more on page 64. |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | Page 67. |
| Diversity and Equal Opportunity | | |
| 405-1 | Diversity of governance bodies and employees | Pages 33, 60, 68 and 69. |
| 405-2 | Ratio of basic salary and remuneration of women to men | Page 60. |
| Non-discrimination | | |



| SPECIFIC STANDARDS | CONTENT | REFERENCE (PAGE)/DIRECT ANSWER |
|---|--|---|
| 406-1 | Incidents of discrimination and corrective actions taken | During the period, we recorded 15 cases of discrimination, all of which had remedial plans implemented and the results analyzed. However, in order to guarantee the confidentiality of our internal channels and processes, we will keep the details confidential. We reaffirm that Localiza has a keen eye on the subject and takes appropriate measures whenever necessary. |
| Freedom of Association and Collective Bargaining | | |
| 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | We have a structure dedicated to ensuring freedom of association, with specific procedures for the subject. Management of the topic is the responsibility of the Union Relations area under the Rewards and Welfare Board. |
| Child Labor | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | None. We evaluate our partners according to the legal requirements and have contracts with clauses related to labor, civil and labor liability. |
| Forced or Compulsory Labor | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | None. We evaluate our partners according to the legal requirements and have contracts with clauses related to labor, civil and labor liability. |
| Local Communities | | |
| 413-1 | Operations with engagement, impact assessments and development programs focused on the local community | Page 73. |
| 413-2 | Operations with significant – actual and potential – negative impacts on local communities | No significant negative impacts on local communities resulting from our operations were identified. |
| Customer Privacy | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer datas | We have received no complaints and have had no cases of customer data loss. More information on page 40. |



SASB Content Summary

| SASB INDICATOR | DESCRIPTION | REFERENCE (PAGE)/DIRECT ANSWER |
|----------------|--|---|
| TR-CR-250a.1 | Percentage of rental fleet vehicles rated by NCAP programs with an overall 5-star safety rating, by region | Page 55. |
| TR-CR-250a.2 | Number of vehicles recalled | At the close of 2023, we found that 2,862 cars in our fleet had undergone 3,035 recalls, according to the campaigns published by the automakers. |
| TR-CR-410a.1 | Rental day-weighted average rental fleet fuel economy, by region | We continue to develop the metrics for calculating this indicator based on studies by the International Finance Corporation (IFC) and principles linked to sustainability, and we will have more robust reporting in the next cycle. |
| TR-CR-410a.2 | Fleet utilization rate | We totaled 78.6% for Rent a Car (RAC) and 95.6% for Fleet Rental (GF), excluding cars in activation and deactivation. The calculation was based on our own fleet of 657,612 vehicles at the end of the year. |
| TR-CR-000.A | Average vehicle age | Considering the average age of the operational fleet, we have 12.6 months for Rent a Car (RAC) and 18.3 months for Fleet Rental (GF). Considering the cars sold, we have a total of 28.3 months for Rent a Car (RAC) and 36.5 for Fleet Rental (GF). |
| TR-CR-000.B | Total available rental days | We totaled 161,053 rental days at the end of the year, of which 75,219 were for Rent a Car (RAC) and 85,834 for Fleet Rental (GF). |
| TR-CR-000.C | Average rental fleet size | At the end of 2023, our average fleet totaled 451,364 vehicles, of which 211,525 for Rent a Car (RAC) and 239,839 for Fleet Rental (GF). And, correcting the data reported in 2022 (final fleet instead of average size), we totaled 405,625 vehicles, of which 212,795 for Rent a Car (RAC) and 192,830 for Fleet Rental (GF). |

TCFD Content Summary

| TCFD INDICATOR | DESCRIPTION | REFERENCE (PAGE)/DIRECT ANSWER |
|---------------------|--|--------------------------------|
| Governance 1 | Describe the board's oversight of climate change-related risks and opportunities | Page 42 |
| Governance 2 | Describe management's role in assessing and managing climate change-related risks and opportunities | Page 42 |
| Strategy 1 | Climate change-related risks and opportunities the organization has identified over the short, medium, and long term | Page 42 |
| Strategy 2 | Impact of climate change-related risks and opportunities on the organization's businesses, strategy, and financial planning | Page 42 |
| Strategy 3 | Resilience of the organization's strategy, taking into consideration different climate change-related scenarios, including a 2°C or lower scenario | Page 42 |
| Risk management 1 | Organization's processes for identifying and assessing climate change-related risks | Page 42 |
| Risk management 2 | Organization's processes for managing climate change-related risks | Page 42 |
| Risk management 3 | How processes for identifying, assessing, and managing climate change-related risks are integrated into the organization's overall risk management | Page 42 |
| Metrics and goals 1 | Metrics used by the organization to assess climate change-related risks and opportunities in line with its strategy and risk management process | Page 42 |



Social Development, Page 71



Traffic Safety, Page 54

Innovation Page 56



Our Employees Page 60

Social Development Page 71



Our Employees Page 60

Social Development Page 71



Environmental Agenda Page 42



Environmental Agenda Page 42



Localiza&Co Page 15

Ethics and Governance Page 29

Our Employees Page 60

Social Development Page 71



Our Employees Page 60

Social Development Page 71



Environmental Agenda Page 42

Traffic Safety, Page 54

Innovation Page 56



Environmental Agenda Page 42

Traffic Safety, Page 54

Innovation Page 56



Environmental Agenda Page 42



Ethics and Governance Page 29

Our Employees Page 60

Social Development Page 71



Ethics and Governance Page 29

Social Development Page 71

Credits

Coordination

Sustainability Management

Editorial Project: writing, consulting and translation

Ricca Sustentabilidade

Graphic Project: layout, design and illustrations

Ricca Sustentabilidade

Collaboration

This report has been prepared using the valuable contributions of our team. We express our heartfelt gratitude to everyone.

Learn +

Be sure to check out more information and details at:

[Sustainability](#)

[Bylaws, Code of Conduct, Policies and Regulations](#)

[Whistleblower Hotline](#)

[Instituto Localiza Activity Report 2023 \(portuguese only\)](#)

Localiza&co