

# People who inspire

GRI 103-1, 103-2, 103-3

A professional journey characterized by care, development, recognition, diversity and inclusion with a team that inspires and transforms

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

IN THIS CHAPTER

- > DIVERSITY AND INCLUSION
- > PROFESSIONAL DEVELOPMENT





**The Localiza People Management area has a permanent commitment to delight our employees. This is why it employs modern, agile management techniques to create a welcoming environment that strengthens the power of our value “People who inspire and transform”.**

**In frank expansion, we are motivated to attract and maintain talent, because we believe that developing the entire team is the basis for our growth and for a sustainable operation.**



We make every effort to ensure that this journey is inspiring and transformational from the moment an employee is recruited, through succession and career development processes, until their retirement. We invest in an organizational culture that values inclusion and diversity. In 2019, we established our 2022 People Commitment to make Localiza an even more admirable company based on the quality, agility and simplicity of the services it provides for each employee.

We progressed in the Localiza Culture project, an initiative begun in 2018 to reinforce and update our values and way of being, preparing us for the challenges of the future. In 2019, a Culture Committee was established. For 2020, the plan is to establish measurements for the evolution in the attributes of the Localiza Culture.

As a result of these initiatives, we achieved a favorability rating of 80 points in our climate survey. This enabled us to reach our target, which

is incorporated into the contracts of Localiza leaders, as well as being one of the indicators monitored by the Sustainability Committee, linked with the material topic Professional Development and Growth.

During the year, we proceeded with our **Intern Program** which, for the first time ever employed gaming as an innovation in the selection of interns. The 418 candidates took virtual tests based on RPG gaming models. The finalists participated in the Localiza Experience, developed in *Escape Room* format, a type of game in which a group of people either have to escape or solve a mystery within a specific time frame. The new tools helped to identify candidates' competencies and values. A total of 74 new interns were selected.

In 2019, we launched the Localiza **Trainee Program** using a blind selection process, which means there were no restrictions in terms of educational background, educational institution or age. From among 14,000 candidates, we selected 17 people, of whom 13 were female. Included in the group were two Localiza employees whose performance earned them the opportunity to develop professionally.

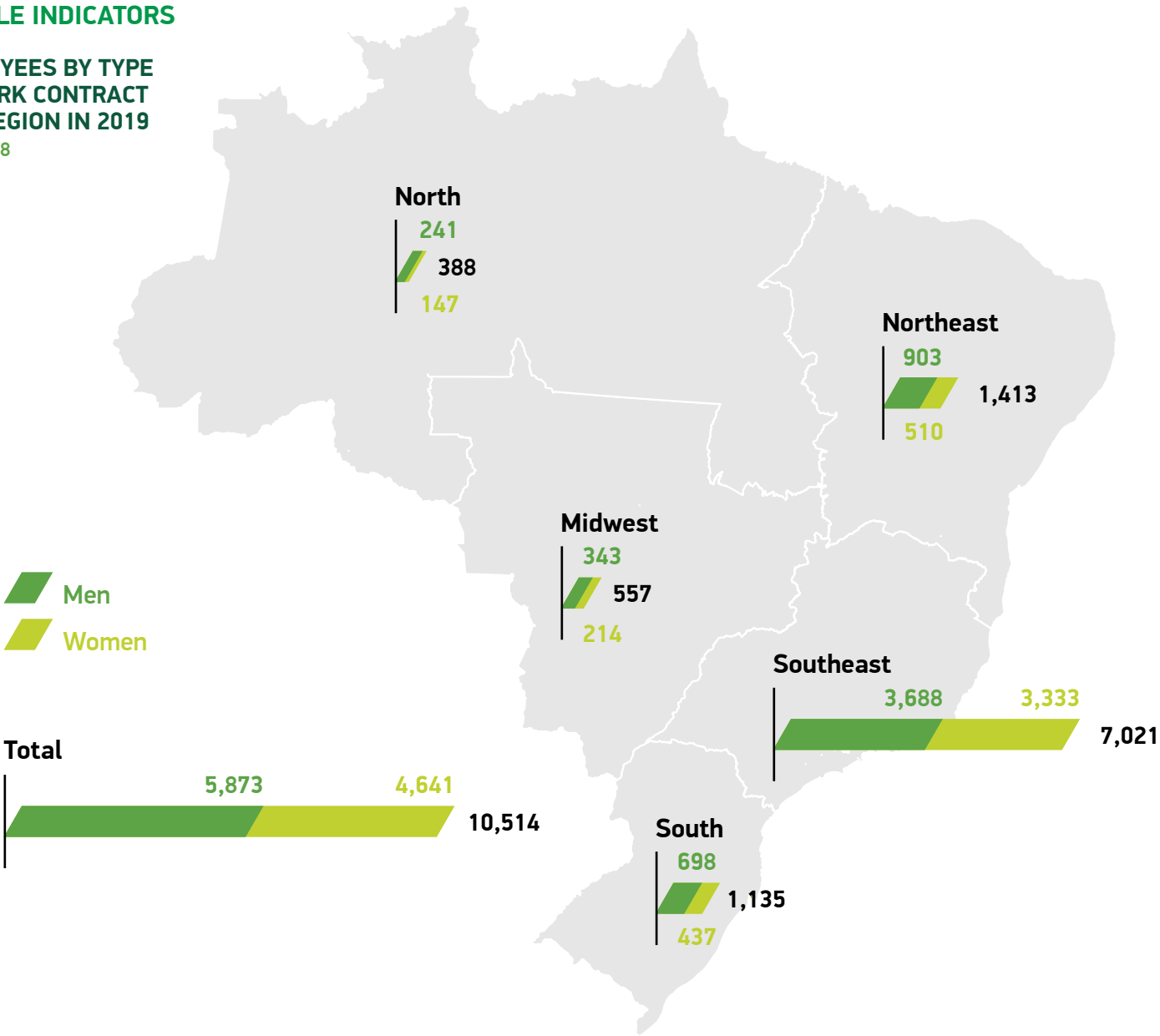
The program was designed so that the trainees undergo integration into the company in the first six months. This involves talks, courses and job rotations, enabling them to get to know different company areas and locations. In the second half of the year, they will be allocated to a specific area in the company in accordance with their affinities and vocation. During this time they will engage in the development of specific strategic projects with mentoring from company leaders.

To facilitate hiring, we also creating a new career webpage based on the concept **Live the Localiza Experience**, with a talent bank comprising the more than 45,000 candidates who apply for jobs at Localiza every year.

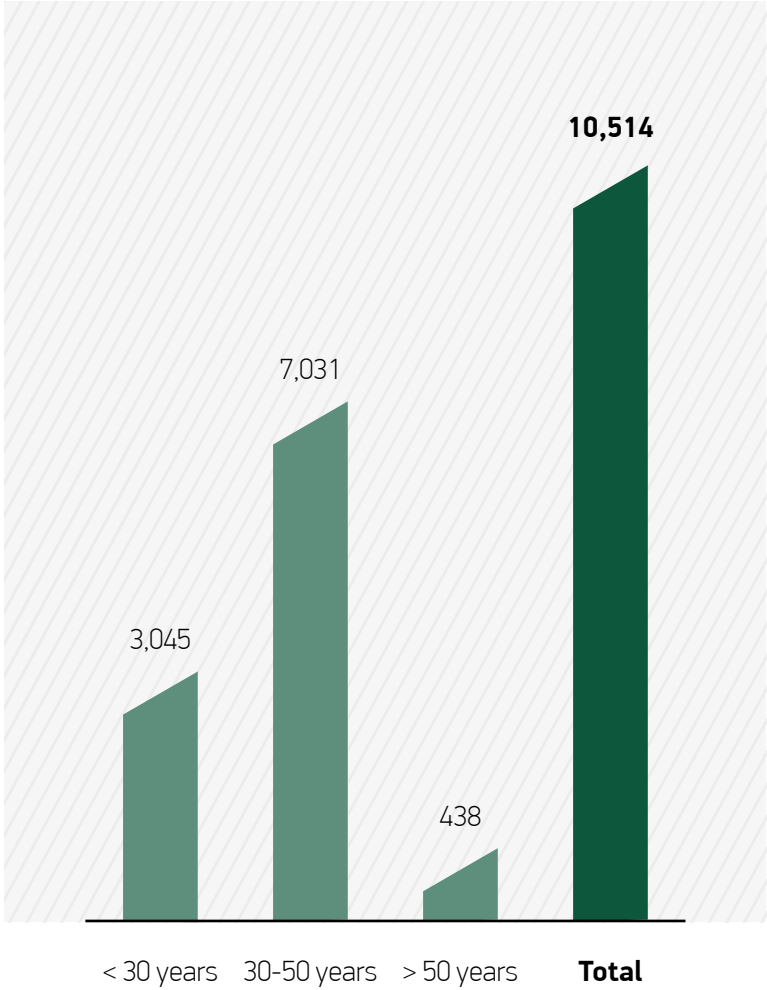
We ended 2019 with 10,514 employees, an increase of 29.4% over the previous year.

PROFILE INDICATORS

EMPLOYEES BY TYPE OF WORK CONTRACT AND REGION IN 2019  
GRI 102-8

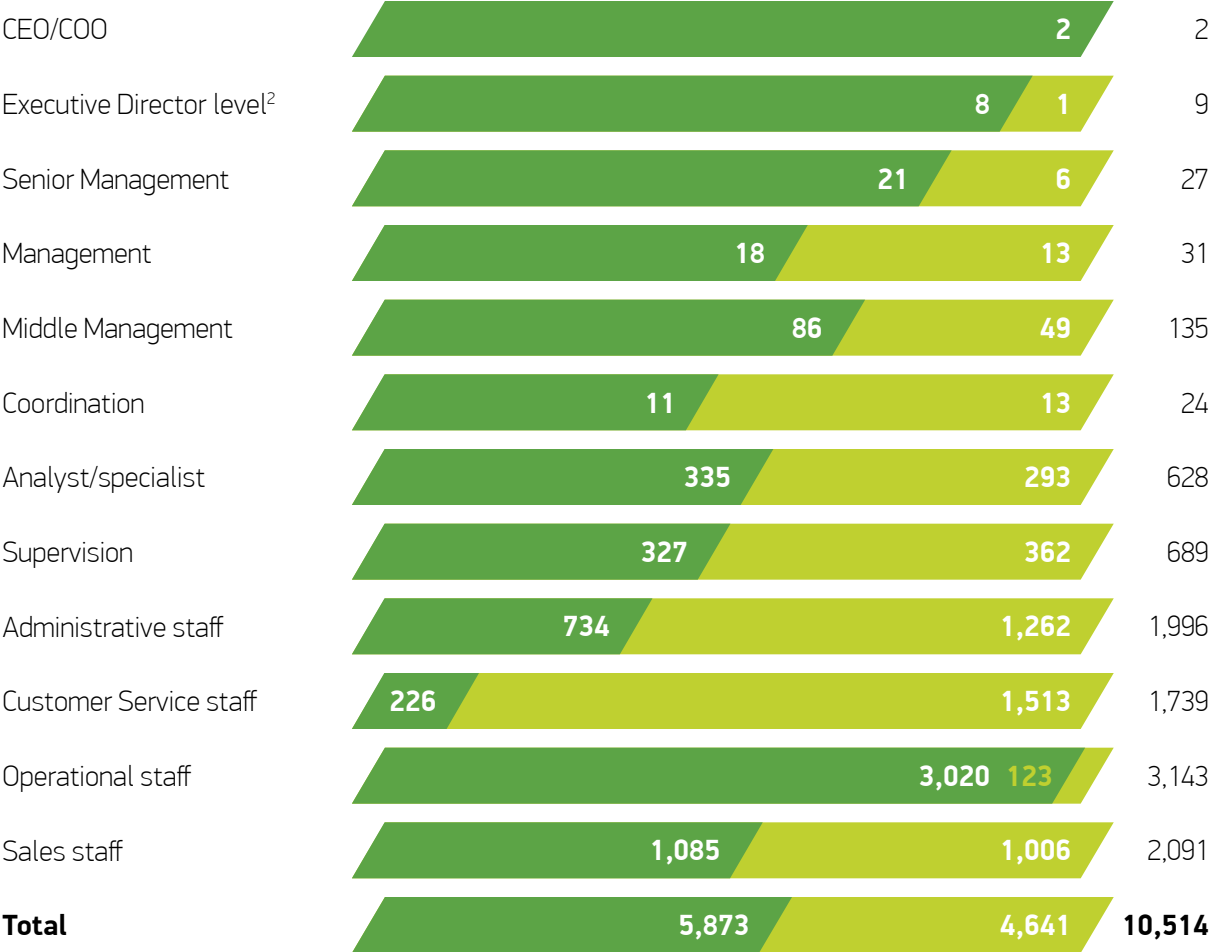


EMPLOYEES BY AGE GROUP IN 2019 GRI 102-8



EMPLOYEES BY FUNCTIONAL CATEGORY AND GENDER IN 2019<sup>1</sup> GRI 102-8

Functional categories



 Men  
 Women

<sup>1</sup> All employee contracts are permanent.  
<sup>2</sup> The statutory directors are those allocated in the company's administration. The term executive director is used internally for the highest positions (including the statutory directors) hierarchically subordinate only to the CEO and COO.





TURNOVER

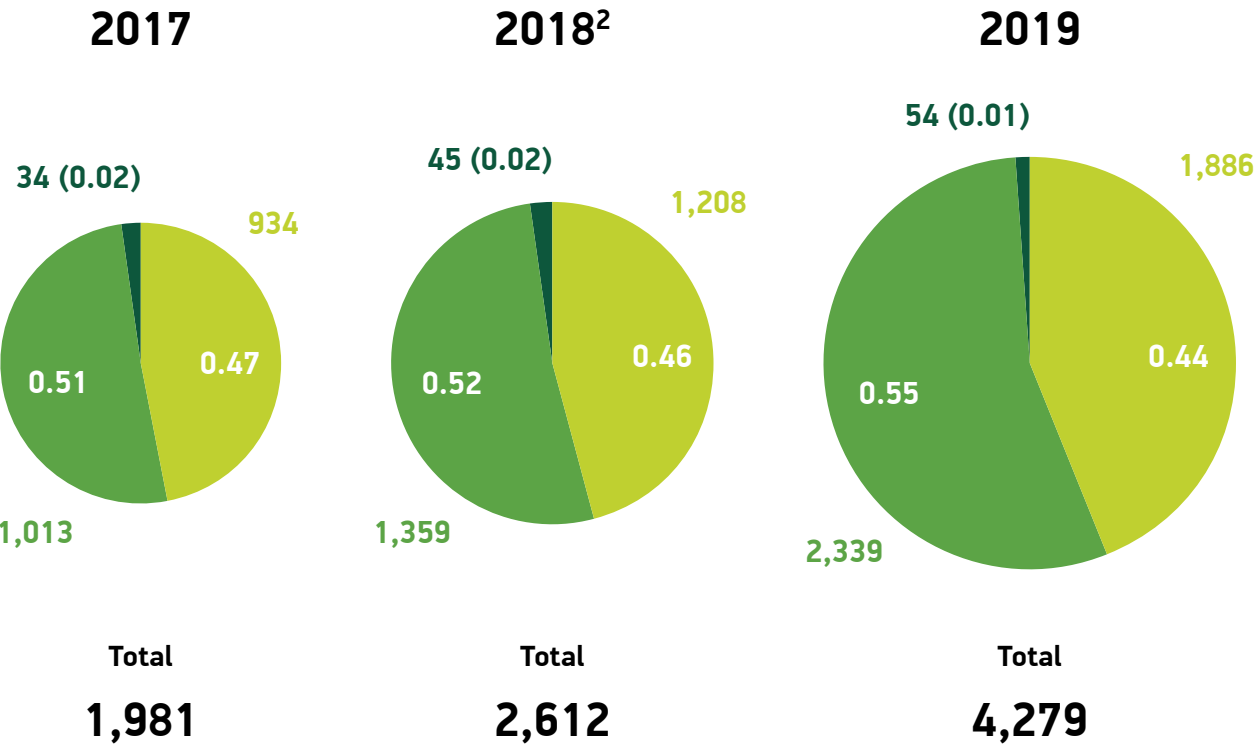
With two peaks in hiring directly related to the seasonality of the tourism segment, our segment has a higher number of hires and terminations than other sectors. By means of transparent selection processes, we hire personnel to meet the increased demand

in the high season. These workers are not necessarily maintained at the end of these seasons. However, regardless of the type of hiring, we prioritize merit. In fact, employee retention targets are linked with executive bonus payments.

NEW EMPLOYEE HIRES AND TURNOVER RATES

EMPLOYEES HIRED BY AGE GROUP<sup>1</sup> GRI 401-1

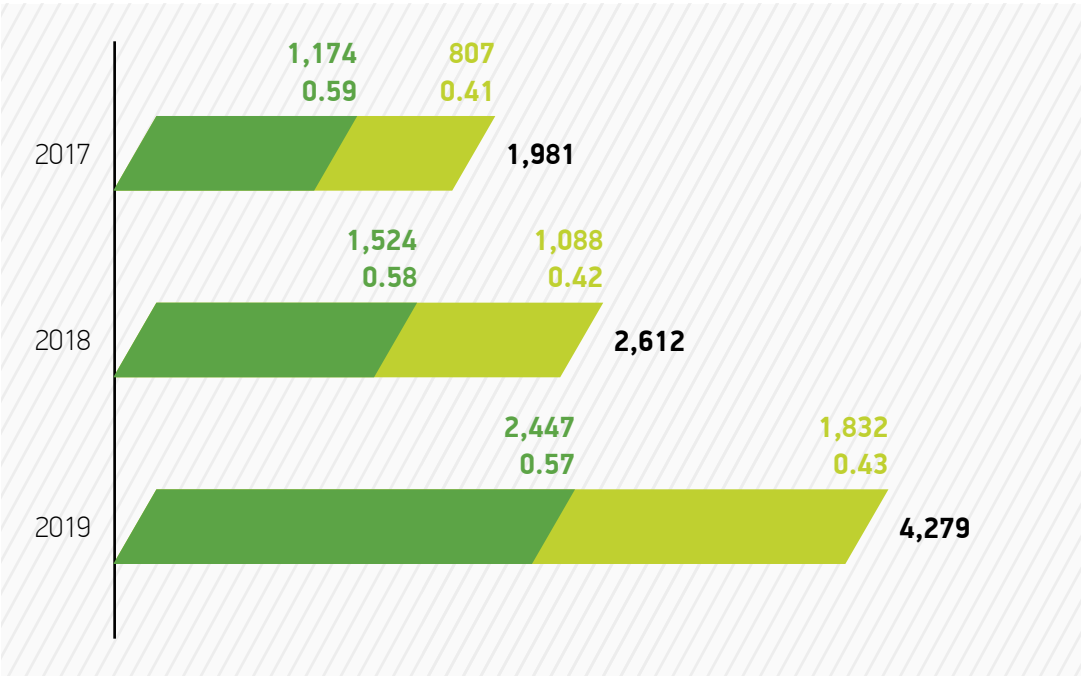
- < 30 years
- 30-50 years
- > 50 years



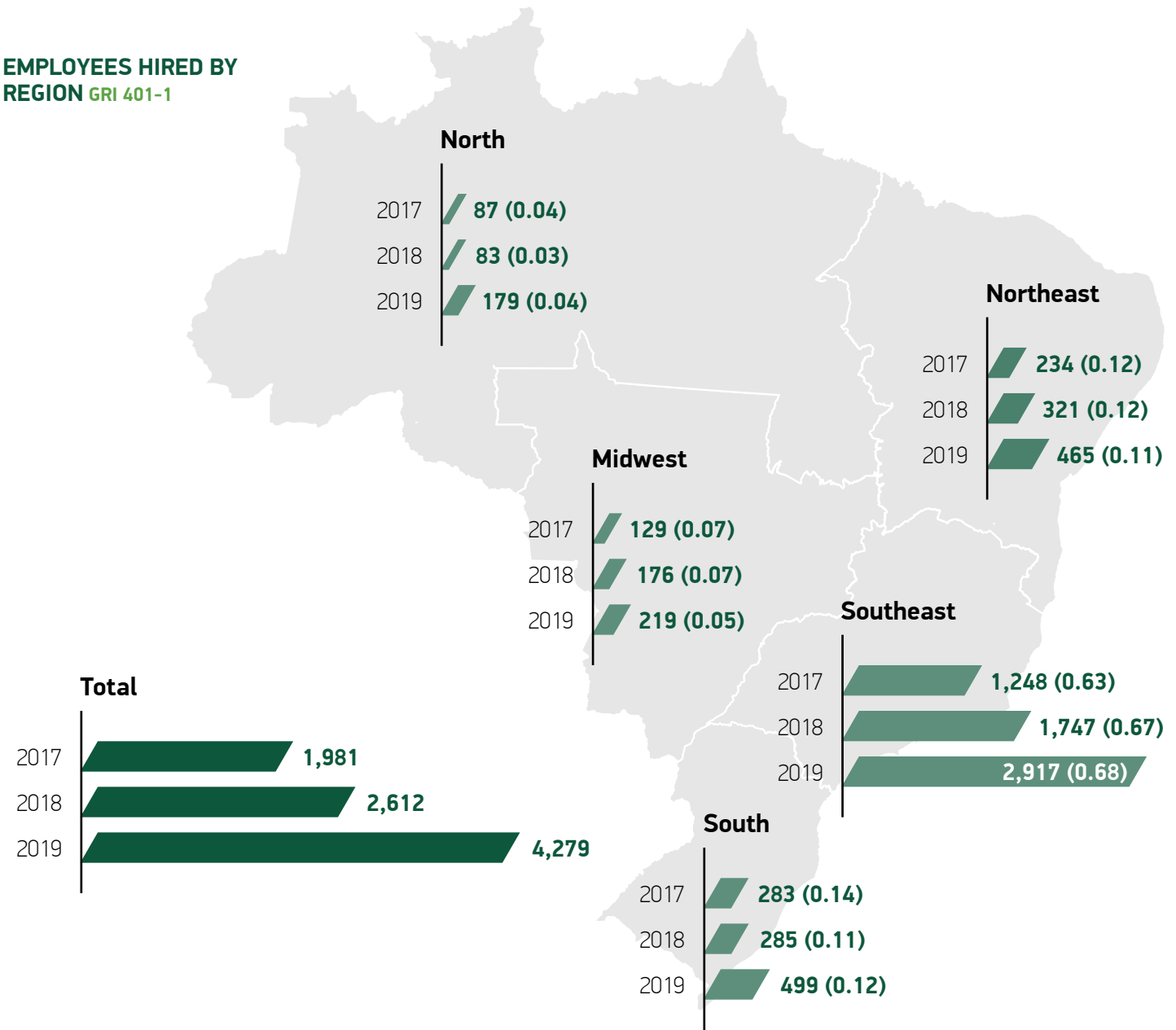
<sup>1</sup> The number of employees does not take into account interns, apprentices, board and statutory board members.  
<sup>2</sup> The data were restated.

EMPLOYEES HIRED BY GENDERGRI 401-1

Men  
Women



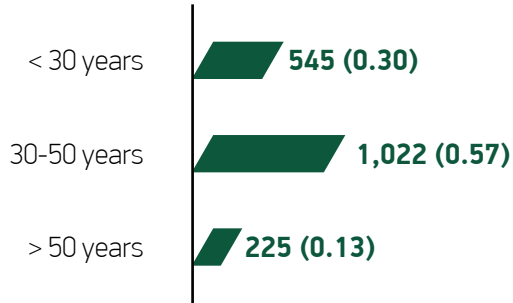
EMPLOYEES HIRED BY REGION GRI 401-1



EMPLOYEES WHO LEFT THE COMPANY IN 2019 GRI 401-1

Total 1,792

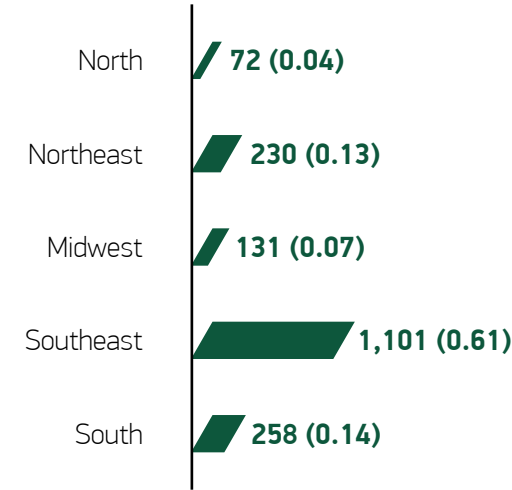
By age group



By gender

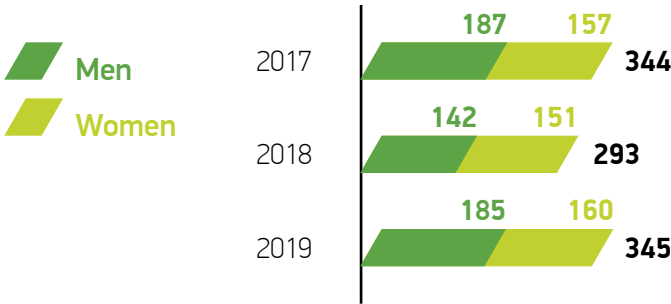


By region

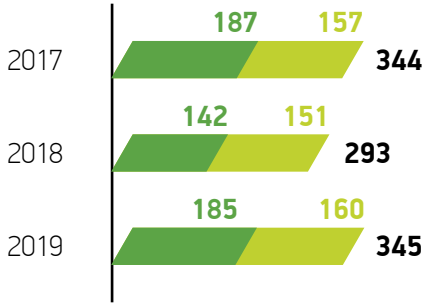


MATERNITY AND PATERNITY LEAVE GRI 401-3

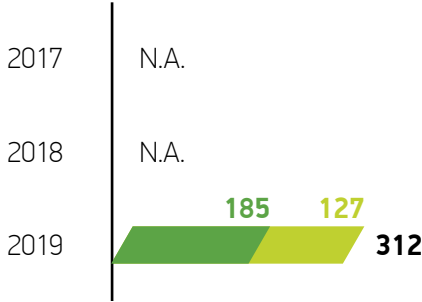
Employees who were entitled to leave



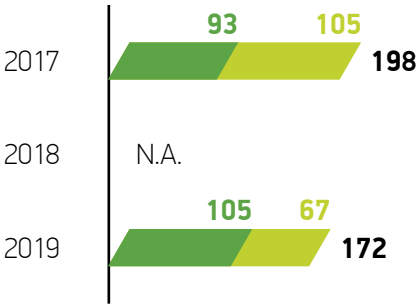
Employees who took leave



Employees who returned to work after the end of leave



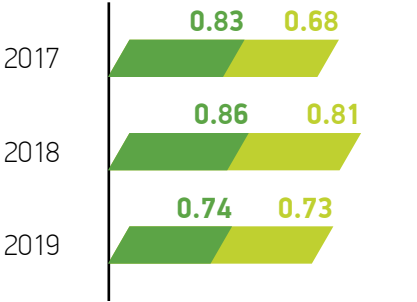
Employees who returned to work after the end of the leave and were still employed 12 months after returning



Return rate



Retention rate





## Retirement

Localiza offers a private pension plan to complement the state social security system (INSS).

The percentage contribution varies from 1% to 5%, according to the employee's position. Operational employees, for example, make a contribution to the private pension plan equivalent to 1% of their salary. The company's matching contribution is the same percentage as the employees, that is, if the employee pays 1%, the employer also pays 1%; for employees who make a contribution of 5%, the employer also contributes 5%. At the end of 2019, 8% of the work force were participating in the complementary private pension plan, a benefit which is not provided for members of the Board of Directors and the Fiscal Council.

GRI 201-3

## Localiza Kids

Around 650 children of Localiza employees, between the ages of 1 and 12 years, commemorated Children's Day at the company's head office in Belo Horizonte on October 10 and 11. With both fun and learning, the main theme of the event was technology, addressing questions such as taking care with online games and the use of messaging applications and social networks.

The children of employees working in the branches received a digital puzzle, with a focus on innovation, play and learning. The goal was to help parents and children from two different generations to experience the digital transformation Localiza is undergoing and to learn to appreciate different viewpoints.





# DIVERSITY AND INCLUSION

GRI 103-1, 103-2, 103-3

## We increased the percentage of women in all middle and senior leadership positions.

It is Localiza’s understanding that promoting diversity, inclusion and creating a multicultural environment is the company’s duty, a commitment that will drive positive impacts for the team and for the business, reflecting the fairer society that we are targeting.

This is why we have a heterogeneous work force, made possible by our commitment to offering equal career opportunities for everyone, based on merit and transparency.

In line with the principles of the Sustainable Development Goals (SDG 5), we recognize the importance of increasing female participation in

leadership positions, which is why we proactively seek to develop women’s careers. In 2019, for example, we organized a room for breast feeding in our head office to facilitate the return to work for women ending their maternity leave. These mothers are also accompanied by a doctor and a nurse who provide guidance on pumping and storing milk and feeding the child, among other factors.

There were other significant advances in terms of equality during the year: we elected women both to the Board of Directors and to the Board of Executive Officers.

### DIVERSITY IN THE GOVERNANCE BODIES

#### INDIVIDUALS ON THE BOARD OF DIRECTORS BY GENDER GRI 405-1

	2017	2018	2019
Men	87.5%	85.7%	85.7%
Women	12.5%	14.3%	14.3%

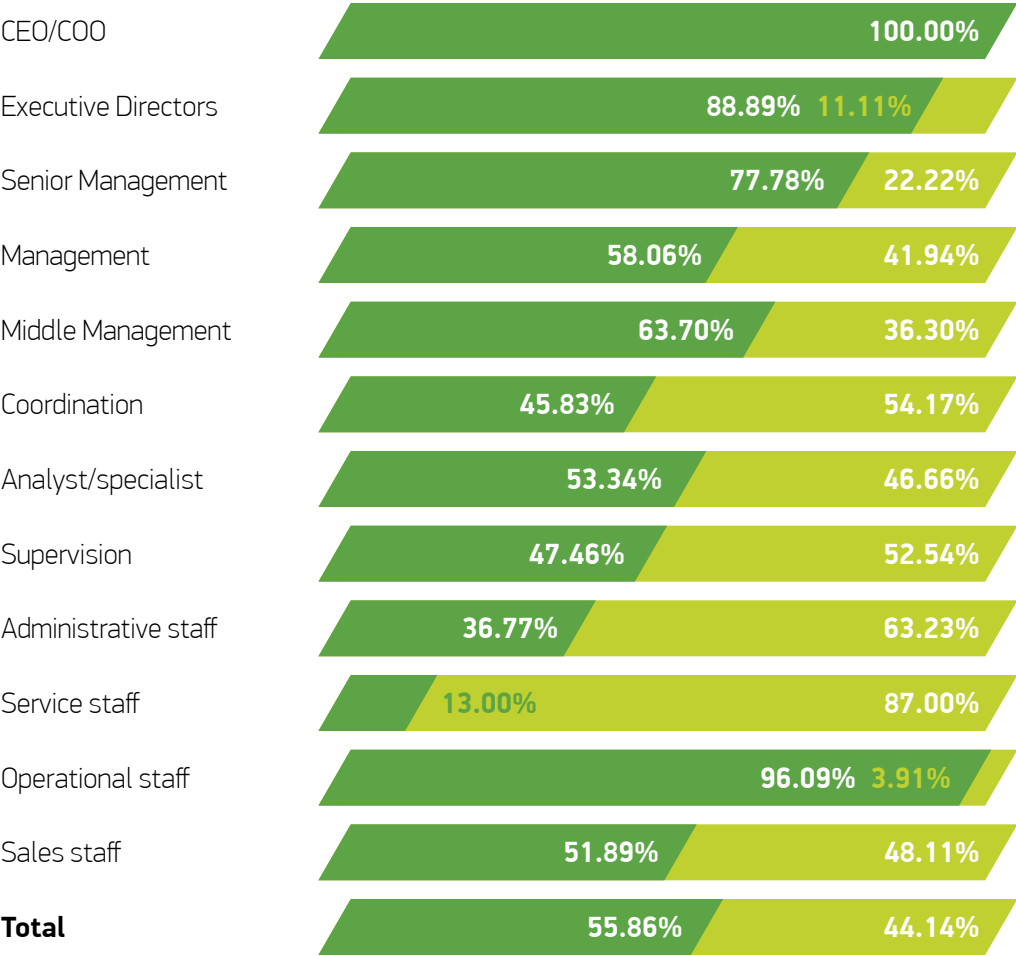
#### INDIVIDUALS ON THE BOARD OF DIRECTORS BY AGE GROUP GRI 405-1

	2018	2019
< 30 years	0.00%	14.3%
From 30 to 50 years	14.3%	14.3%
> 50 years	85.7%	71.4%



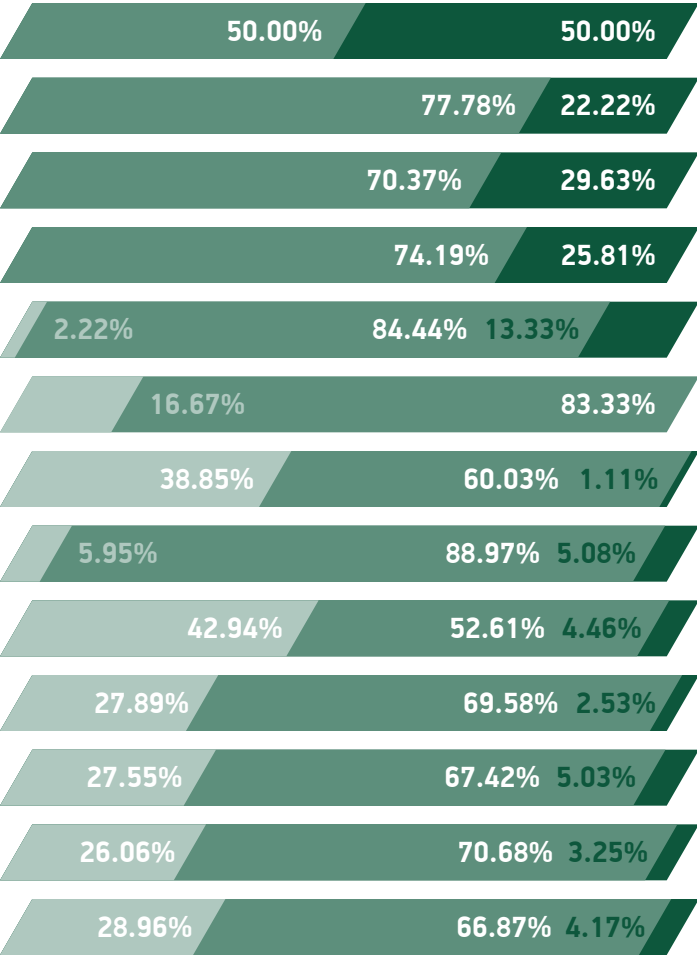
PERCENTAGE OF EMPLOYEES BY FUNCTIONAL CATEGORY AND GENDER GRI 405-1

Men Women



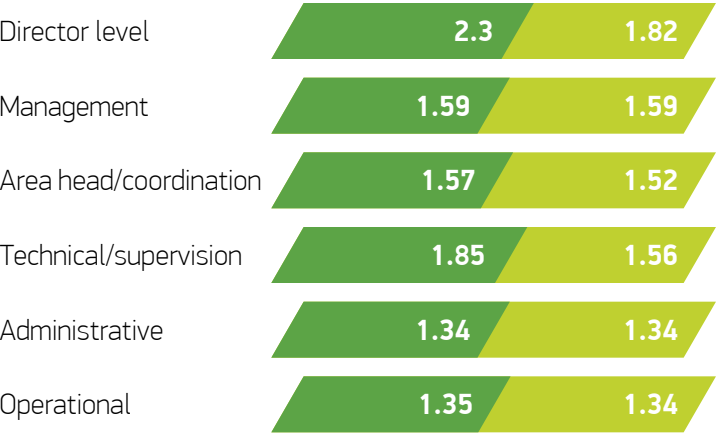
PERCENTAGE OF EMPLOYEES BY FUNCTIONAL CATEGORY AND AGE GROUP IN 2019 GRI 405-1

< 30 years 30-50 years > 50 years



RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN IN EACH FUNCTIONAL CATEGORY GRI 405-2

Men Women



Localiza’s actions to promote diversity transcend the question of gender. All of the People (Human Resources) area teams underwent training in Diversity and Inclusion during the course of 2019, with emphasis on identifying and overcoming covert bias, a key factor for a team responsible for championing and developing this aspect in the company. In 2019, we also promoted a campaign to promote flexibility in the Style Guide with the motto “We want you the way you are”. The message was designed to value people, individuality and diversity.



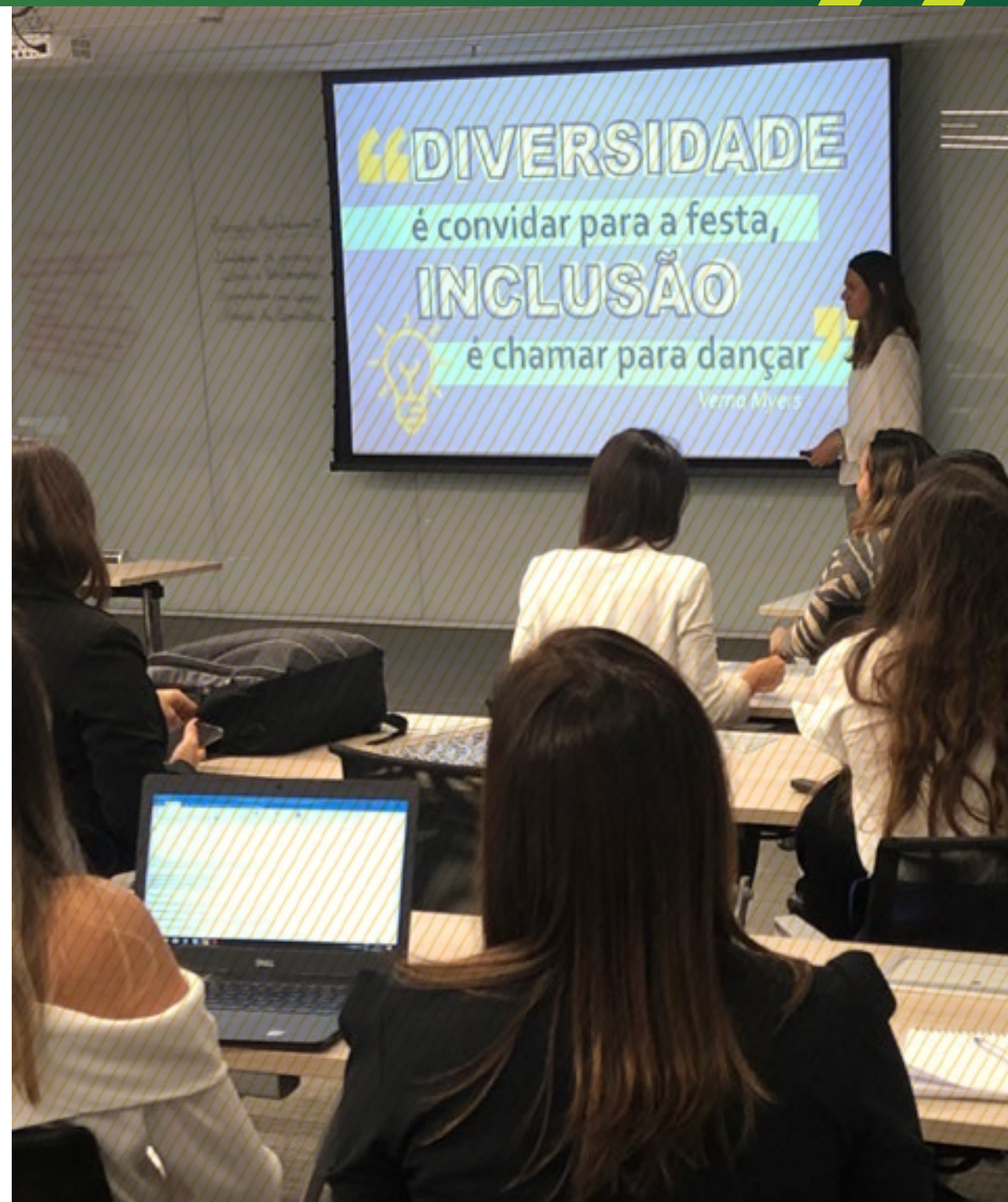
Furthermore, we have implemented a number of different inclusion programs in recent years which have motivated the work force, incorporating greater empathy into the workplace and improving results. These are:

**Immigrant Hiring Program** – Consolidated by means of partnerships with NGOs that provide shelter and support for refugees, hiring under this program also involves the evaluation of the competencies and skills required for the position to be filled. Candidates are submitted to the same merit-based criteria as other employees, the differential being that immigrants who are hired receive help to overcome cultural and linguistic difficulties. We ended 2019 with 117 immigrants in our work force. These represented 19 nationalities, including citizens from Senegal and the Republic of Haiti.

**Inclusion Program** – We promote the inclusion of disabled people in the Localiza work force, training them with a view to contributing to their development and career in the company. In 2019, the work force had a total of 400 people with physical, hearing, visual or intellectual impairments, an increase of 11.73% over the 358 disabled employees in the team at the end of 2018. Localiza already had employees with Down Syndrome on the work force. In 2019, we hired two individuals with Autism Spectrum Disorder.

**Apprentice Program** – This program is for young people from low-income families aged from 15 to 18 years. The candidates selected are monitored by a partnering institution that evaluates their school performance and their family and professional context. They participate in workshops covering subjects such as financial education, business communication, public presentations and the Localiza business area. The goal is to prepare them to enter the labor market, either working for Localiza or for another organization. There were 152 youngsters in the Localiza apprentice program in 2019.

**People area teams undertake diversity training**







“

I was born into a big family in the south of Senegal. I am married and I have a nine-year old son, who has a disease that causes anaemia and requires constant medical accompaniment. Because of financial difficulties I had to give up studying Philosophy at university and I came to Brazil in July 2013, without speaking a word of Portuguese, but armed with a lot of hope. I managed to get a job as a painter in Rio Grande do Sul, but then the crisis broke out, and I was dismissed. An African friend invited me to go to Joinville, where I took part in a selection process at Localiza. I was approved in the interviews and was hired as a car cleaner. I’ll never forget that day. I was really happy because the salary and benefits meant that I would be able to save money. For my holidays in 2017, I was able to visit my family in Senegal. Localiza came into my life and changed everything. I still hope to be able to bring my son over here. I believe that Localiza and I have a lot in common: we are both determined to bring about a brighter future. I am very grateful and am fully dedicated to achieving all my targets. Deep down inside we know everything is going to work out well, and Localiza is showing me how.”

**Papa Mady Diop**, 33 years, recruited under the Immigrant Hiring Program. Papa took part in an internal contest aimed at reinforcing the Localiza values and culture. As one of the finalists, he was selected to speak at the company’s largest internal event, the Annual Convention for all leaders and sales teams, held in 2019.



## Greater diversity in 2020

In addition to seeking to increase the number of hires among the consolidated programs (immigrants, disabled and apprentices), Localiza plans to develop new inclusion programs and fronts in 2020.

One of these involves hiring more people with Autism Spectrum Disorder, specifically for positions in the Information Technology (IT) area, within the Inclusion Program for the disabled.

Another project being planned is Mature Talents, aimed at hiring people aged over 50 years of age.

There is also a plan in the customer service area that will create opportunities for prisoners undergoing rehabilitation, conducted in partnership with the convict support body APAC (Associação de Proteção e Assistência aos Condenados).

## EQUALITY IN REMUNERATION GRI 102-35, 102-36

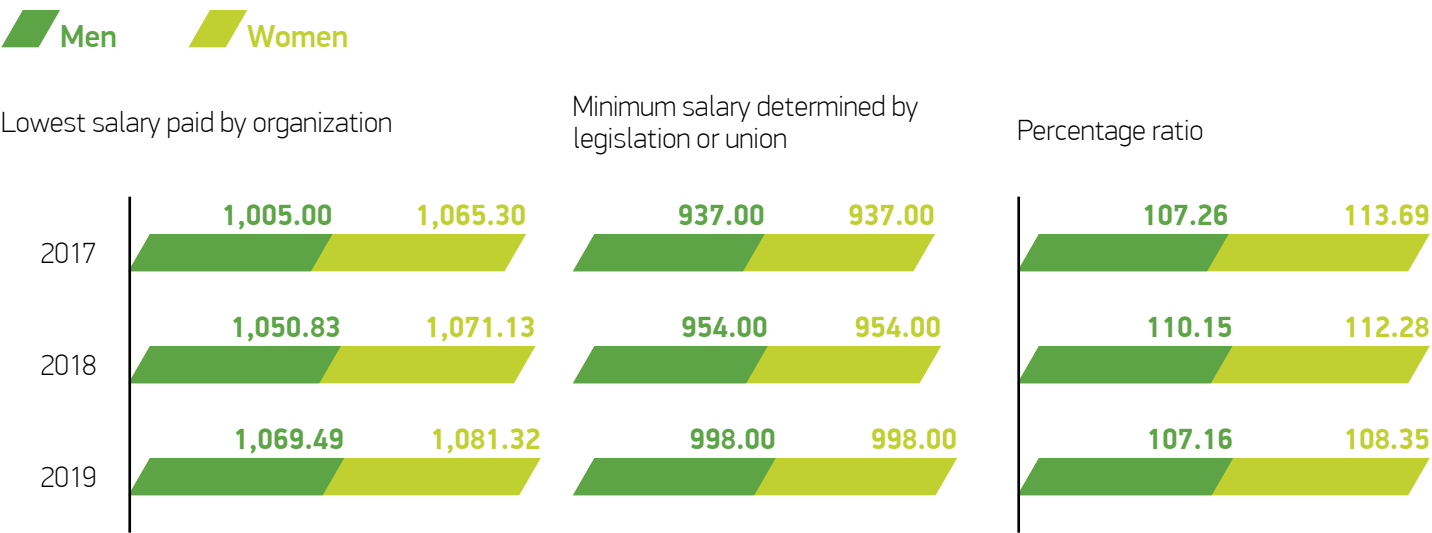
One of the company’s principles is to recognize our employees’ performance. We conduct periodic salary surveys to assess the competitiveness of remuneration at Localiza compared with the market based on job assessment methodology, and we update our policies in accordance with these. In isolated cases, more in-depth studies may be carried out

We have an Internal Remuneration Policy approved by senior management. The compensation of our Board of Directors comprises a fixed component in accordance

with the attributions, responsibilities and the time demanded of each member, and is not linked with results. Additionally Board members receive fees for coordinating and/or participating in committees, but they do not receive variable remuneration and benefits.

The monthly remuneration of our employees consists of a base salary, a length of service award, guaranteed minimum or commissions, fixed salary, monthly bonus and campaigns, with some of these components being exclusive to determined positions.

## RATIO OF LOWEST SALARY TO MINIMUM SALARY BY GENDER (R\$) GRI 202-1



# PROFESSIONAL DEVELOPMENT

GRI 103-1, 103-2, 103-3

Developing our employees is one of the principal concerns of our company, which places its people at the center of the operation. The development programs for Localiza staff are the responsibility of the Selection and People Development management area. There were advances on all fronts in 2019.

In the **Intern Development Program**, we offer an internal and external training program to promote the development of technical and behavioral competencies.

The **Oxygen Program**, aimed at higher level employees who are not leaders but whose performance is considered superior, involved technical and behavioral training to accelerate the careers of staff members

fully aligned with our culture. In 2019, R\$ 67,000 was invested in providing 104 hours of training. As a result, all the 18 participants were promoted, 45% of them to coordination roles. In 2020, the program will be reviewed in order to offer a more robust development package to individuals who want to stand out in their areas of activity. The program will also give greater weight to the role played by leaders, both as the persons responsible for nominating candidates and for providing support during the course of the program. **GRI 404-2**





## CONSTANT MEASUREMENT

In pursuit of continuous improvement, our policy stipulates that all training courses should be measured by means of a questionnaire filled out by the employee at the end of each program.

In 2019, the major highlight in the area was the launch of the **Localiza University** in April. This is a corporate education platform the purpose of which is to drive the development of employees, connecting culture and strategy and stimulating learning, a proactive mindset, innovation and career mobility. It is segmented into the four pillars of the Localiza culture:

**Customer:** it reinforces the value “Customers are our passion”, oriented to developing focus on the customer and on the market;

**People:** this reinforces the value “People who inspire and transform”, with an emphasis on visionary leadership, strategic management and integrated performance;

**Results:** this component underscores the value “We are driven by extraordinary results”, covering the competencies excellence in results, sense of urgency in innovation and productivity, processes and costs. It also provides the training necessary for employees to exercise their function;

**Trust and ethics:** actions and training focused on a culture of compliance and ethics.

**10,166** people developed by the Localiza University in 2019

**66,473** courses concluded

**95%** satisfaction rate with the new platform

**More than R\$ 13.4 million** invested in developing people

## Learning Journeys

To better meet our employees’ expectations regarding professional development, in 2019 we launched the Learning Journeys project. This is an educational model that enables the employee to follow different learning paths within the Localiza University, depending on his/her interests, professional maturity and career level. The journeys take into account the diversity of employee profiles, stimulate a proactive mindset and reinforce the company’s learning culture. These are:

- > **Essential Journey:** this is necessary for induction into the company and culture, as well as for the activities involved in the function. Everyone who is admitted to the company or promoted to a new job is assigned to this course.
- > **Complementary Journey:** this is a program for managers when they elaborate their individual development plan during the annual performance review with a view to improving the competencies required for the function and for career aspirations.
- > **Corporate Journey:** for all employees, with the objective of disseminating strategic questions for the company.
- > **Open Courses:** Online and face to face training courses and self-development measures that are available in the Localiza University for all employees.



AVERAGE HOURS OF TRAINING  
PER YEAR, PER EMPLOYEE GRI 404-1

By gender	2019
Men	3.74
Women	4.67
Total	4.15
By functional category	2019
Director level	3.19
Management	6.25
Area head/coordination	3.95
Administrative	4.17
Trainees	36.00
Total <sup>1</sup>	4.32

<sup>1</sup> Apprentices were not accounted for, which explains why the number is different from the total per gender.



Performance review GRI 404- 3

All permanent employees are evaluated annually in relation to their competencies and their targets. For both evaluations, managers provides the employee with feedback. They then jointly elaborate the employee’s individual development plan, which is to be executed during the year. The plan encompasses training to reinforce strengths and/or to develop areas that require improvement in accordance with the evaluation.

Additionally, there are mandatory training programs for all employees entering the company covering compliance, safety and the Localiza culture and values.

In 2019, 100% of the company’s employees were engaged in the performance management process.



# HEALTH AND SAFETY

GRI 103-1, 103-2, 103-3, 403-1, 403-4

We believe that in order for our employees to inspire and to transform, as well as to develop professionally, they need to be safe and healthy and to enjoy quality of life.

For this reason, we are compliant with the legislation and safety standards for our activity, which is classified at the lowest level of work-related risks in accordance with the national NR4 Economic Activity Classification List.

The company manages employee health and safety in partnership with the Internal Accident Prevention Commission (CIPA in the Portuguese acronym). Our goal is to preserve the health and physical integrity of the work force by the creative and participative promotion of open dialogue and awareness among directors, managers and other employees, aimed at the continuous improvement of working conditions.

## SHARED MANAGEMENT

We adopt a democratic approach, ensuring that all suggestions for improvements in employee occupational health and safety raised in the monthly meetings are noted in the minutes and presented to the leaders involved, valuing transparency and open dialogue.

This committee, which represents 74.2% of the work force, comprises employees from different positions, such as supervisors, clerks, attendants, nurses, occupational safety technicians and coordinators.

Furthermore, we fully respect the collective agreements and conventions that govern labor relations between employees and the company, 80% of which contain clauses related to occupational health and safety. These are some examples of the items governed by such clauses: medical certificates, uniforms, PPE, medical examinations, workplace accidents, minimum hygiene and health conditions.

Health and safety management is monitored by means of indicators such as the absenteeism rate, check-ups conducted, healthcare programs, accidents, occupational health and environmental risk prevention programs, with support from a third-party company to manage healthcare plans, among others.



HEALTH AND SAFETY INDICATORS

TYPES OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND NUMBER OF WORK-RELATED FATALITIES GRI 403-2

Injuries with and without leave by gender	Men	Women
Injury rate	56.10	43.90
Occupational disease rate	1.00	0.00
Lost days rate	58.60	41.30
Absenteeism rate	0.00	0.00
Fatality rate	0.00	0.00

TYPES OF INJURY

Bruising	Cuts	Distensions	Excoriations	Strains	Fractures	Superficial trauma	Contusions	Sprains
37%	6.1%	19.5%	17.1%	1.2%	15.9%	1.2%	1.2%	1.2%

EMPLOYEE HEALTH AND SAFETY RATES PER REGION

Injuries with and without leave by region	Midwest	Northeast	North	Southeast	South
Injury rate	4.87	12.19	1.21	59.75	21.95
Occupational disease rate	0.00	0.00	1.00	0.00	0.00
Lost days rate	7.86	11.63	0.65	56.06	22.45
Absenteeism rate	0.00	0.00	0.00	0.00	0.00
Fatality rate	0.00	0.00	0.00	0.00	0.00







**Geferson Pereira, Isabela Guarieiro and Gleice Vilarim, winners of the 1<sup>st</sup> edition of the Mobilize Challenge**

## Quality of life

We encourage employees to develop healthy habits. This is done through the Live Better Program, comprising a series of initiatives aimed at promoting health and quality of life. In 2019, we offered employees Gympass, a platform of gymnasiums offering diverse kinds of physical activity at a price significantly below market rates.

We also launched the Mobilize Challenge to encourage employees to participate in physical activities. We had excellent results in the 1<sup>st</sup> edition of this challenge, engaging more than 460 employees, 173 of whom had previously led a sedentary lifestyle. The total number of days of physical activity was over 11,000.

We also organized a talk during Yellow September for the Brazilian suicide prevention campaign. This was given by the psychologist and art educator Pedro Ramos, who practices systemic therapy. The presentation was designed to help participants to understand their feelings and to live a more balanced life. Other practices which have been in place for longer include vaccination campaigns for employees with a 50% subsidy.