

An aerial photograph of a coastal road and water, overlaid with a green gradient. The road is a two-lane highway with a yellow center line, curving along a rocky coastline. A single car is visible on the road. The water is a deep blue, and the surrounding land is covered in green vegetation and grey rocks. The image is decorated with several thin, light green lines and circular shapes, some of which are partially cut off by the edges of the frame. The text 'SUSTAINABILITY REPORT 2020' is written in white, with 'SUSTAINABILITY' in a bold, sans-serif font and 'REPORT 2020' in a smaller, italicized sans-serif font.

SUSTAINABILITY *REPORT 2020*

The Localiza logo consists of a stylized white icon followed by the word 'Localiza' in a bold, italicized, sans-serif font. The icon is a white shape that resembles a stylized 'L' or a wave, with a curved top and a straight bottom. The text is white and stands out against the green background.

Localiza

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FOREWORD



MESSAGE FROM THE CEO

GRI 102-14

A STORY OF LEADERSHIP AND RESILIENCE

2020. A year that will inevitably leave an indelible mark on each of us. In both our personal and professional lives, and in our family and business lives, 2020 showed us the remarkable ability that people have for transformational change. The ability to quickly reinvent ourselves amid a global pandemic. Suddenly, the mobility we took for granted—walking the streets, planning our next trip, or visiting our family—was reduced to a world of screens. At Localiza, a company that is helping to build the future of mobility, our prompt response to the novel coronavirus pandemic was supported by a team of capable leaders and a strongly customer-, people- and results-oriented culture.

Localiza's previous report, written with the COVID-19 pandemic already in full swing, provided a transparent account of our pandemic response. Under the leadership of a quickly assembled crisis committee, we addressed five priority fronts: protecting our employees, taking care of our customers, ensuring business continuity, maintaining our financial health, and making a positive contribution to society.

We spared no effort to keep our more than 11,000 employees safe and to provide needed physical and

mental-health support for them and their dependents. Protecting our customers was also top of mind in all our processes, ensuring safe mobility with excellence and superior care. We made sure each of our car rental locations and Seminovos stores was well prepared or, if necessary, temporarily closed to protect the health and well-being of our customers and employees. We strengthened our cash position while keeping our eye on the future and making further progress in innovation. We also continued to fulfill our role as a corporate citizen, one that I am especially proud of.

Localiza donated approximately R\$ 16 million to several initiatives, mostly toward mitigating the effects of the pandemic on the healthcare system, small and medium-sized businesses, and vulnerable communities. These contributions placed Localiza as one of the top 60 corporate givers in Brazil in the year, as ranked by **Forbes**.

To support our role in promoting social development, in 2020 we formally approved the creation of the Localiza Institute, which will begin activities in 2021. The Institute's primary focus area will be providing skills-building and entrepreneurship support for



“Taking care of people is about valuing them for who they are. It's about learning from, respecting and embracing differences.”



We were successfully certified to ISO 37001, which attests to the quality of our anti-bribery efforts and our culture of integrity, transparency and compliance

socially and economically vulnerable youth, equipping them with education as a tool for social mobility and transformation.

Another significant milestone on the social front was the launch of a robust Diversity and Inclusion Program that will work on five main fronts: gender equity, LGBTI+, migrants and refugees, race, and people with disabilities. Working collaboratively, these five affinity groups have more than 500 volunteer members. As one of the Program's first initiatives, we became signatories of the Forum on Business and LGBTI+ Rights. Taking care of people is about valuing them for who they are. It's about learning from, respecting and embracing differences. It's about strengthening our commitment as a corporate citizen, and leading the changes we want in society.

In 2020, even with many of our employees working from home throughout most of the year, we amplified our internal employee development efforts through the Localiza University, reaching almost twice the average number of training hours per person. Externally, we awarded education grants for training in technology-related fields. This connected the social benefits of education and employability to our need for professionals in these fields. And even in such a challenging year, we made significant strides as an organization from our employees' perspective, reaching a climate survey score 5 points higher than in the previous year—which places us among the top 10% of companies for organizational climate results as ranked by Korn Ferry.

On the environmental front, we continued to neutralize the emissions generated by our operations in 2019 (Scopes 1 and 2), as reported in our emissions inventory in 2020, and we pledged support for the Climate Commitment Program, an initiative that works to engage and inspire the private sector to achieve climate responsibility. This has been a key focus of our ESG strategy, as we recognize the need for a collective effort to minimize climate impacts and risks for all of humanity. We also progressed on deploying solar power in our operations, with 106 locations now harnessing this clean source of energy.

In Governance, we celebrated another milestone as we successfully obtained certification to ISO 37001, attesting to the quality of our anti-bribery efforts and our culture of integrity, transparency and compliance. As part of these efforts, 95% of our employees were trained on our Code of Ethics and Business Conduct in the year.

On the financial front, we were fortunate in our decision to reinforce our cash position with new borrowings rather than accelerating the disposal of our decommissioned fleet at a time when car sales were depressed. We are now benefiting as surging prices on new cars are cascaded to used cars, resulting in lower depreciation. We continued to pursue our future-looking plans and to invest in important programs such as Localiza Meoo, a subscription mobility model; and Localiza Labs, a technology and innovation laboratory that

will enhance our capabilities for developing new solutions that exceed customers' expectations. In 2020 Localiza also announced the combination of our operations with Unidas, a transaction that can be transformational for the car rental industry and create a lot of value for stakeholders.

The deal is pending approval from the Brazilian antitrust authority, CADE, and other conditions precedent.

Our activities in the year were orchestrated by and coordinated between our executive team and our green-blooded employees, and supported by Localiza's robust culture and the solid values we live by. We are navigating this globally turbulent period with daring, courage, leadership, passion, transformation, transparency, prudence, innovation and lots of value creation!

Even with all the adverse impacts from the COVID-19 pandemic, for our company and for me personally, this year will be remembered for the collective effort and the transformational change that a highly talented team was able to achieve, both within the company and in our communities. In 2021 I stepped down as CEO with a sense of mission accomplished and the confidence that Bruno Lasansky, who succeeded me from his role as COO on April 28, 2021, will build on the previous years' legacy as part of a carefully planned transition, supported by a solid Corporate Governance structure. I have now been appointed as chairman of the Board, succeeding Oscar Bernardes, who has been a great partner in this journey and has been named to the newly created role of Deputy Chairman.

I am very proud of what we have built so far, together. Yes, together, as nothing of significance is achieved as a solo endeavor. I have been accompanied in this journey by admirable professionals. People I have learned from, who inspire me and whom I also seek to inspire on a daily basis. Much has been done, but we believe we are just beginning and that, by working together, Localiza will continue to be a positive force for transformation.

Here's to a strong restart post-pandemic.

Eugênio Mattar*
CEO

**After serving as Chief Executive Officer (CEO) of Localiza from 2013 through 2020, Eugênio Mattar stepped down on April 28, 2021 to take on the role of Chairman of the Board of Directors. The Board appointed Bruno Lasansky to succeed him as CEO. This information was communicated to the market through a Company Notice on February 25, 2021.*



ABOUT THIS REPORT

The 2020 Localiza Sustainability Report provides an account of our economic, environmental, social and governance performance from January 1 to December 31, 2020, in line with best practices in reporting and transparency. The report has been prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards—an internationally recognized framework for corporate reporting—and includes Sustainability Accounting Standards Board (SASB) disclosures related to our sector.

GRI 102-50, 102-54

This report aims to provide shareholders, customers, employees, partners and suppliers with information on our financial performance and development and our ESG (environmental, social and governance) performance in the year. The chapters of this report have been structured around our values and purpose, and our new material topics as revisited in 2020.

The information in the report and in our financial statements covers the operations of all Localiza Group companies, including: Localiza Fleet S.A., Rental Brasil Administração e Participação S.A., Localiza Serviços Prime S.A., Car Assistance Serviços de Administração de Sinistros S.A., Localiza Franchising Brasil S.A, Localiza Franchising International S.R.L., Car Rental Systems S.A., MOBI7 Tecnologia em Mobilidade S.A. and MOBI7 Sociedad de Responsabilidad Limitada de Capital Variable (MOBI7 México). **GRI 102-45**



ANY SUGGESTIONS OR REQUESTS FOR FURTHER INFORMATION ABOUT THIS REPORT CAN BE ADDRESSED BY EMAIL TO **SUSTENTABILIDADE@LOCALIZA.COM**
GRI 102-53



ESG ASSESSMENT

GRI 102-21, 102-29, 102-42, 102-43, 102-46, 102-49

The table on the following page presents Localiza's new materiality matrix as reported in our Sustainability Report 2019. As a prerequisite for GRI-compliant sustainability reports, we conducted a materiality review with support from rpt.estrategia, a consulting firm we engaged to carry out a comprehensive ESG assessment and develop our new materiality matrix.

The process began with a review of our stakeholder map to identify the stakeholders Localiza interacts with on a structured and regular basis. This list was then prioritized to identify the stakeholders that would be surveyed as part of the materiality review process.

In this first, **identification** step, in addition to listing and prioritizing stakeholders, we conducted an industry benchmarking assessment to list the key ESG topics relevant to our sector, based on both national and international references such as the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). This assessment informed the subsequent stakeholder survey.

The second step was the **stakeholder survey**, in which we elicited the views of internal stakeholders through 13 interviews with executives and directors at Localiza, and external stakeholders, through interviews with customers and experts. The external stakeholder survey also included online questionnaires sent to the stakeholders prioritized in the previous step, including representatives from sectors

such as: the financial market, travel agencies and partners, the media and trade associations, customers, suppliers, franchisees, employees and insurers. We received a total of 2,026 questionnaire responses. **GRI 102-40**

This was followed by the **analysis** step, in which the views of each stakeholder group on ESG aspects were weighted according to the methodology, and compiled into a matrix of internal and external perspectives. This yielded a list of nine material topics.

The last phase was **validation**, in which the survey methodology and results were validated by Localiza's Sustainability Committee and Governance Committee based on criteria such as risk, opportunity and business strategy. During the assessment, we decided to include waste, water and energy management as an additional topic which we believe is significant in our operations, and we adjusted the topic descriptions for ease of communication.

In addition to the material topics, our leadership team also approved an assessment of the Sustainable Development Goals (SDGs) that are most closely related to our business strategy and our new material topics.





MATERIALITY

GRI 103-1

Based on the assessment on ESG aspects, Localiza’s operating context and future vision, and our approach to mitigating impacts and sharing value with stakeholders, the material topics were grouped into three structural pillars:

Sustainable Mobility; Education and Entrepreneurship for Social Transformation; and a World-Class Culture and Governance. Learn more about the topics within each pillar in the table below.

PILLAR	TOPIC/DESCRIPTION	STAKEHOLDERS	GRI DISCLOSURES	POSITIVELY IMPACTED SDGS
SUSTAINABLE MOBILITY	AIR EMISSIONS Reducing direct and indirect emissions of greenhouse gases (GHG) and pollutants is both a responsibility and a commitment for our business. Preparing our business for, and helping to mitigate, the impacts from climate change will require sound strategies, action and transparency around this topic.	<ul style="list-style-type: none"> Trade associations Media Leadership team Financial market 	302-1, 302-3 305-1 to 305-5 305-7	
	WASTE, ENERGY AND WATER MANAGEMENT Vehicle servicing waste is inherent to our business. Ensuring compliant and more sustainable waste management to mitigate impacts is extremely important for us. Similarly, enhancing water stewardship and the use of renewable energy sources is essential in minimizing impacts from our operations.	<ul style="list-style-type: none"> Trade associations Leadership team 	302-1, 302-3	
	ROAD SAFETY Vehicles are our business. Preventive vehicle maintenance and fleet optimization, and user awareness campaigns, are crucial in improving road safety and minimizing accident risks.	<ul style="list-style-type: none"> Customers Suppliers Franchisees Leadership team Suppliers 		
	QUALITY OF SERVICE Providing reliable, high-quality, best-in-class services is key to our business success. Monitoring and enhancing customer satisfaction, with a focus on health and well-being, safety, and product quality, are a way to strengthen the reputational attributes of our brand and to inform progress in technology deployment, asset preservation, and transparent service.	<ul style="list-style-type: none"> Trade associations Customers Suppliers Media Suppliers 	416-2	
	SMART AND SUSTAINABLE MOBILITY Tracking and adopting industry trends helps to move our business into the future. Some of the industry trends we have identified include hybrid and electric vehicles, efforts to promote responsible consumption, sustainable mobility, connectivity, smart cities and roads, and the expansion of vehicle leasing.	<ul style="list-style-type: none"> Travel agencies Trade associations Customers Media Financial market Partners 		



PILLAR	TOPIC/DESCRIPTION	STAKEHOLDERS	GRI DISCLOSURES	POSITIVELY IMPACTED SDGS
EDUCATION AND ENTREPRENEURSHIP FOR SOCIAL TRANSFORMATION	EMPLOYEE DEVELOPMENT AND RETENTION Training and developing our employees to increase satisfaction and minimize turnover are two important levers for Localiza. Providing internal growth opportunities and implementing sound employee policies are key to attracting and retaining talents.	<ul style="list-style-type: none"> Trade associations Franchisees Employees Media Leadership team 	102-41 401-1 404-1, 404-2, 404-3 407: management approach	
	DIVERSITY, INCLUSION AND HUMAN RIGHTS Providing equal opportunity is especially important in building an increasingly diverse team with a heightened sense of company pride. Inclusion and human rights principles underpin our efforts to expand accessibility in our facilities, hire more people with disabilities (PwDs), and create a more equitable organizational environment in terms of leadership positions and pay.	<ul style="list-style-type: none"> Trade associations Employees Media Leadership team Insurance companies 	202-1 401-3 405-1, 405-2 406-1 410-1 412-1, 412-2, 412-3	
	SOCIAL DEVELOPMENT Corporate social responsibility programs and initiatives, including volunteering and private social investment, help us to connect to society. Other dimensions within this topic include supporting jobs, local development and the professionalization of value chains.	<ul style="list-style-type: none"> Trade associations Suppliers Franchisees Media Suppliers Insurance companies 	202-2 203-1, 413-1, 413-2	
WORLD-CLASS CULTURE & GOVERNANCE	ETHICS, INTEGRITY AND TRANSPARENCY Putting our Code of Conduct into practice requires clearly articulated policies on ethics, as well as a culture of integrity and transparency. This topic also includes aspects such as information security and data privacy, anti-corruption practices, transparency in dealing with government officials, and executive remuneration.	<ul style="list-style-type: none"> Travel agencies Suppliers Franchisees Leadership team Partners Suppliers 	205-1, 205-2, 205-3 206-1, 207-1 307-1 415-1 418-1 419-1	
	CORPORATE GOVERNANCE As part of our approach to good governance at Localiza, we work to continually improve risk management practices, implement good compliance practices, and maintain a governance structure that supports independent and transparent decision-making. Effective accountability about our public commitments and internationally recognized certifications are also key dimensions within this topic.	<ul style="list-style-type: none"> Franchisees Leadership team Financial market Insurance companies 	102-18, 102-22, 102-23, 102-24, 102-28, 102-45	

Ten material topics across three pillars inform decision-making at Localiza



2020 AT A GLANCE

CORPORATE

292,000+ fleet vehicles

11,200+ employees

Present in 370 Brazilian municipalities

Launched our ME00 car subscription service

FINANCIAL

R\$ 10.3 BILLION in net revenue

R\$ 2.47 BILLION in EBITDA

R\$ 1+ BILLION in Net Income

ESG

ENVIRONMENTAL

OFFSET SCOPE 1 AND 2 emissions from our operations in 2019

Named to the **B3 CARBON EFFICIENT INDEX (ICO2)**

PARTNERED WITH the Climate Commitment Program

SOCIAL

Around **R\$ 16 MILLION** in donations across areas such as culture, social initiatives, health and education

ORGANIZATIONAL CLIMATE SURVEY: among the top 10% (P90) of companies for organizational climate results as ranked by Korn Ferry

Launched **DIGITAL TALENTS**, an employee training program that will accelerate technology adoption and innovation at Localiza

Created a **DIVERSITY AND INCLUSION PROGRAM** with a structured, more robust and participatory governance structure

GOVERNANCE

Announced a planned **BUSINESS COMBINATION** with Unidas

A RENOVATED BOARD with new independent directors, greater diversity and new expertise

CERTIFIED TO ISO 37001, attesting to the quality of our anti-bribery efforts

Created and installed a **GOVERNANCE AND NOMINATIONS** Committee to advise the Board of Directors and exercise oversight of sustainability and ESG matters



AWARDS & RECOGNITION

Localiza has been recognized for the solid values we have lived by throughout our history as a company. This was equally true in 2020. Despite the many challenges we faced in the year, we were presented with important awards in recognition of our strength, resilience and responsiveness in supporting employees, customers and society while continuing to pursue growth and value creation.

CORPORATE CITIZENSHIP

- **40th place for ESG performance as ranked by Sustainalytics**
- **58th among the Top 100 Corporate Givers in Brazil, as ranked by *Forbes Brazil***
- **Revelo Award** as one of the Top 3 Most Attractive 500+ Companies, presented by Revelo
- **Great Place to Work** certification from Great Place to Work Brazil
- **EcoVadis Gold Rating**, an internationally recognized CSR rating awarded to companies that are advancing sustainable development

BRAND AND REPUTATION

- **1st place in the Car Rental category of the Marcas Mais awards**, organized by *Estadão* and Troiano Branding
- **15th place in BrandZ Brazil's Most Valuable Brands** list, developed by Kantar
- **23rd place in the Top 25 Most Valuable Brazilian Brands** ranking, published by Interbrand
- **33rd among the Top 50 Most Valuable Brazilian Brands**, as ranked by Brand Finance

GOVERNANCE

1st place in Latin America across all categories of Institutional Investor's Executive Team ranking, including:

- **Best ESG** (environmental, social and governance) metrics
- **Best Investor Relations Program**
- **Best Analysts Day**
- **Best IR Professional**
- **Época 360° Awards**, presented by business magazine *Época Negócios*: first place for Corporate Governance, second for Innovation, fourth in the Services category, and 51st in the overall ranking

INNOVATION

- **19th place in the 100 Top IT Innovators 2020** list published by IT Mídia
- **2nd place in the Transportation and Logistics category** and 41st overall in business newspaper *Valor Econômico's* Most Innovative Brazilian Companies list

QUALITY

- **1st place in the Services category** of the Empresas Mais awards, organized by newspaper *O Estado de S.Paulo*
- **International Franchise Certificate 2020** in the Mega category, awarded by the Brazilian Franchising Association (ABF)
- **Best customer service** in the Car Rental and Car Dealership categories, as ranked by Reclame Aqui
- **Best Car Rental Company** in the Os Melhores awards presented by the Automotive classifieds Section of *O Estado de S.Paulo*
- **Best Car Rental Company** in the Mobility awards organized by *O Estado de S.Paulo*



ABOUT *LOCALIZA*



ABOUT LOCALIZA

Founded in 1973 in the city of Belo Horizonte, Minas Gerais, southeastern Brazil, Localiza Rent a Car S.A. is a Brazilian company that began as a car rental agency with a fleet of six VW Beetles. Our history as a company has been one of pioneering, daring entrepreneurship, and leadership. We have pursued sustainable growth by investing in quality and excellence in service, and innovation initiatives that have set our brand apart in the car rental industry. Today, we have become the market-leading car rental company in Brazil and South America, as well as operating in the Fleet Rental segment. **GRI 102-1, 102-2**

In our 48 years of operation, we have built a successful track record with several important milestones, including the launch of our geographic expansion strategy (1979); the creation of our franchising business (1983); our internationalization (1992); the establishment of our Fleet Rental business (1997); our listing on B3 (2005); and the launch of the Localiza Sustainability Program (2017). [Learn more in our timeline.](#)

With a workforce of more than 11,000 employees at year-end 2020, the Localiza platform—including franchisees in Brazil and internationally—had a total of 610 car-rental locations in 407 cities in Brazil and four other Latin American countries: Argentina, Colombia, Ecuador and Paraguay. Of these locations, 540 were in Brazil—including 442 operated by Localiza and 98 by franchisees—and 70 were in other countries. **GRI 102-4, 102-6, 102-7**

Localiza's values guide our business conduct and express our strengths. As part of a process to evolve our ESG strategy, in 2021 we reformulated Localiza's corporate purpose statement to: "Building the future of sustainable mobility with you." **GRI 102-16**



PURPOSE

Building the future of sustainable mobility with you.



VALUES

- Our customers, our passion
- People who inspire and transform
- Driven by extraordinary results

OUR PARTNERSHIP

WITH HERTZ COMES TO AN END

GRI 102-10

In the second half of 2020, Localiza and our parent company, Car Rental Systems S.A., announced to shareholders and the broader market the termination of our Brand Cooperation and Referral Agreements with The Hertz Corporation and Hertz Systems, Inc. In practical terms, the Hertz brand is being carved out and the Localiza brand maintained, and the international referral agreement is being terminated. The decision was made by mutual agreement and, after

signing the termination agreement, we redirected our efforts to other strategic focus areas.

The Termination Agreement provides for a transition period of at least six months, and has been approved by the US court responsible for the court-supervised reorganization of Hertz, which The Hertz Corporation applied for on the date it signed the termination agreement.

It is important to note that, throughout the transition, we continued to process bookings and maintained our quality of service to customers.

OUR BUSINESSES

POTENTIAL BUSINESS COMBINATION

WITH UNIDAS GRI 102-10

As part of our purpose of building the future of mobility, in 2020 we started what will potentially be an important new chapter in the history of Localiza. We signed a merger agreement with Unidas to create an even stronger, more solid and admired company that consistently delivers the best solutions for customers.

We will seek to leverage our combined expertise, management best practices and credibility to drive increasingly strong performance, growth and value creation for our different stakeholders. The business combination, if successfully implemented, will deliver benefits such as integration of state-of-the-art technologies, platforms and innovation capabilities, a more diversified portfolio of services and solutions, and increased access to car-rental services.

The deal was approved by general meetings at each company on November 12, 2020, but is still pending approval from the Brazilian antitrust authority, CADE, following a review that was still ongoing at the time of writing this report. Should the business combination move forward, we will set up an integration committee with representatives from the two companies, including their CEOs. The integration process will follow a staged, ethical and prudential approach to harness the best in each of the two companies, while respecting the corporate values and culture of each.

At the heart of our business model is an integrated platform with two core divisions: Car Rental and Fleet Rental, alongside Seminovos, an adjacent division that supports increased efficiency. The platform benefits from gains a scale and synergies, with a fleet of more than 292,000 vehicles suited for different segments and occasions, for both individual and business customers.

CAR RENTAL

Localiza offers daily and monthly car rental options to a customer portfolio that includes insurers (for use as replacement cars), travel agencies, the public sector and ride-hail drivers, which became a new business segment in 2014.

Our fleet offers car models suited for different customer requirements, including economy, intermediate, executive, utility, luxury and armored cars. We also offer extras such as chauffeurs, baby seats and GPS systems.

In 2020 we demonstrated our resilience and ability to adapt to continue to serve our customers amid the pandemic, ending the year with 610 rental locations, including 540 in Brazil (442 operated by Localiza) and 70 in other Latin American countries (operated by franchisees).

The Car Rental division is also responsible for franchising the Localiza brand in Brazil and Latin America. This includes granting and managing franchises and brand usage rights in defined geographies.





To build strong relationships with and support the success of our franchisees, we work to effectively transfer know-how and to manage quality of service through our business management system, training, instruction guides, development visits and an advisory board.

In 2020, we assisted our franchisees by reducing advertising fees and extending our own 24-hour hygiene and health protocols to their locations. Localiza's strategy of assigning internal sales representatives to assist franchises with smaller market potential has been an important tool to increase efficiency and productivity at these locations.

At year-end 2020, our franchise network had 14,168 vehicles, 98 rental locations in Brazil and 70 in other countries.

FLEET RENTAL

Offering long-term rentals, usually 24 to 36 months (but potentially ranging from 12 to 48 months), our Fleet Rental segment provides services tailored to customers' needs and requirements. We conduct individual assessments to inform the best size and type of fleet that will best suit each customer's requirements. Localiza then manages the entire process including vehicle purchases, customization, rental, maintenance and replacement of damaged and/or end-of-life vehicles.

Our expertise provides cost savings and greater control, productivity and security for corporate customers. Fleet rental helps corporate customers to reduce their asset holdings and focus on their core business.

We also offer real-time fleet tracking as well as auto repair services provided by a country-wide network of approved repair shops and tow truck services. Fleet Rental customers have access to a dedicated customer service network, including a call center and online customer service.

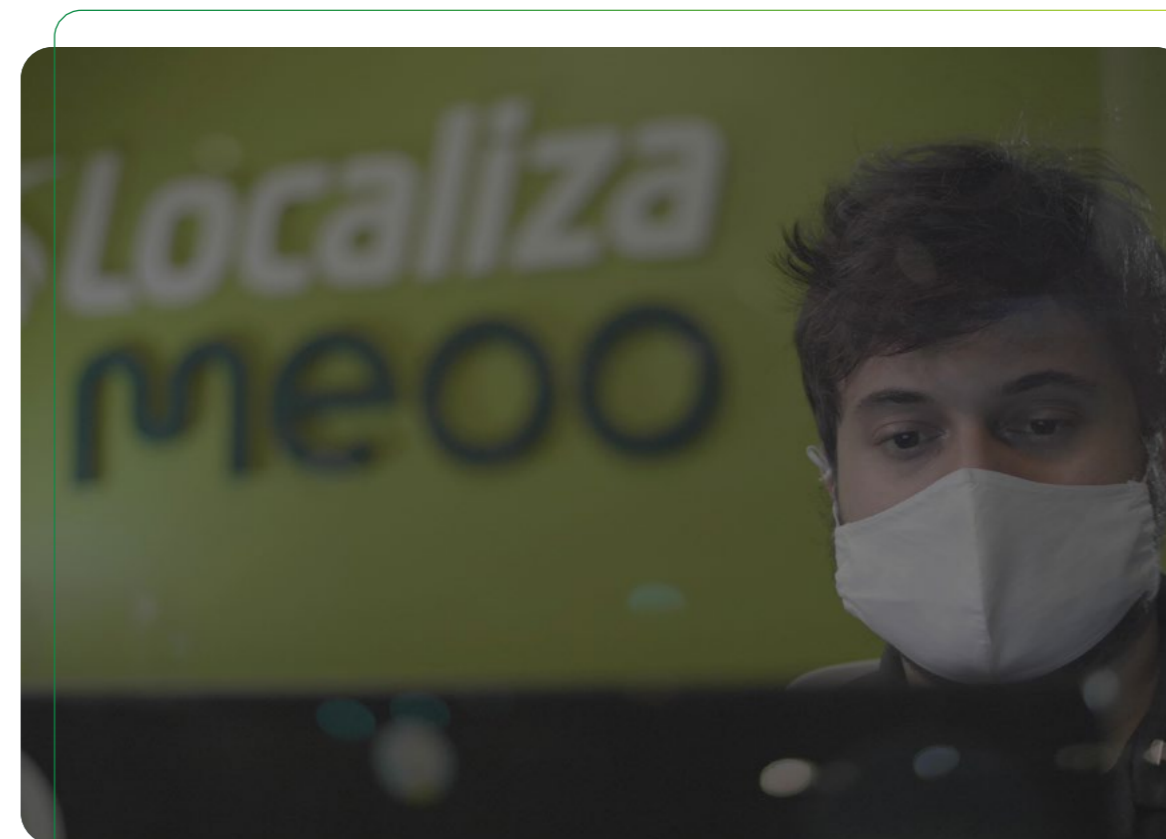
LOCALIZA MEOO

In 2020 we launched an innovative car subscription service designed to make life easier for our customers while opening a new avenue for growth. Localiza Meoo is a new mobility solution—a new way of having a car—that offers 30% savings and has been designed around the needs of individual and small-business customers.

Created for a society that increasingly values access over ownership, the new business offers all the advantages of owning a brand-new, customized, connected and safe vehicle, with the added bonus of having an exclusive benefit club providing hotel discounts and luggage protection.

The service offers customers a choice of six car styles (economy, intermediate, executive, SUV, utility and premium) and allows them to customize their subscription including vehicle color, model, type of engine and other items. In addition to security, Localiza Meoo offers a range of other benefits, such as:

- **A NO-HASSLE EXPERIENCE** – We handle vehicle licensing and all the paperwork. Customers can also choose the date, time and how their car will be delivered, whether at home or



SOCIAL CONTRIBUTION

Every new Localiza Meoo car subscription is matched with a donation to education programs, such as providing internet access as part of the Gerando Falcões project in socially vulnerable communities. As a corporate citizen, we recognize our inherent role in building a better, fairer and less unequal society. Localiza Meoo subscriptions generated R\$ 68,000 in donations to social programs since the new service was launched in September 2020.



to a partner location. While waiting for their new car, customers can elect to use a provisional car in the same category as their subscription.

- **PEACE OF MIND** – We offer a 24/7 emergency service and handle all needed vehicle servicing and repairs.
- **COST SAVINGS** – Customers can travel with their family or on business in a brand-new car without the cost of purchasing a new vehicle. With subscription terms of up to 48 months and subscription mileages of up to 4,500 km per month, Localiza Meoo can provide cost savings of up to 30% compared to owning a car. Customers have zero expenses on vehicle servicing, documentation, insurance and incidents such as theft or vehicle seizures. They can also enjoy their car without having to worry about loss of value, depreciation or even selling the car, which often comes with a high risk of nonpayment, uncertain pricing and other risks. The money they save with their Localiza Meoo subscription can be used to start a new business, fund a dream, or pay for a necessity.
- **TRANSPARENCY** – Customers have an exclusive, secure and practical mobile app they can use to view their subscription details, make servicing appointments, manage drivers and fines, view their benefit club information and make referrals to win discounts on their invoice.



SEMINOVOS

In parallel to our Car Rental and Fleet Rental divisions, we operate a Seminovos business to sell vehicles that have been decommissioned for fleet renewal. With extensive market expertise (including know-how, controls and processes), highly engaged teams and a deep understanding of our customers, we are able to optimally sell our decommissioned fixed assets in a way that supports inventory turnover and reduces depreciation. The Seminovos segment sold 135,490 cars in 2020, at 130 stores.

SUSTAINABLE STRATEGY

Sustainability is integral to our business strategy—as expressed in our purpose of “building the future of sustainable mobility with you”—and trust and ethics are cornerstones of our business success.

We have an organization-wide Sustainability Committee with representatives from different departments. This committee reports directly to the Board’s Governance Committee on initiatives within our Sustainability Program, ensuring we are following best practices.

These practices include those promoted by the United Nations Global Compact, of which we are a signatory. As a member of the Global Compact Network Brazil, we are committed to supporting the Sustainable Development Goals (SDGs) for 2030 and actively participate in several thematic working groups. [GRI-102-12](#)

In 2020 we conducted an ESG Assessment that analyzed our business, practices and processes to identify our material topics and which of the 17 SDGs and 169 targets we can support most effectively. The table on the right lists the sustainable development goals most closely connected to our material topics:

SDG	TARGET	MATERIAL TOPIC
1 NO POVERTY	1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than US\$ 1.90 a day	Social Development
3 GOOD HEALTH AND WELL-BEING	3.6: By 2030, halve the number of global deaths and injuries from road traffic accidents	Road safety
4 QUALITY EDUCATION	4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	Employee development and retention Social Development
5 GENDER EQUALITY	5.1: End all forms of discrimination against all women and girls everywhere 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	Diversity, inclusion and human rights
7 AFFORDABLE AND CLEAN ENERGY	7.2: By 2030, increase substantially the share of renewable energy in the global energy mix	Waste, energy and water management
8 DECENT WORK AND ECONOMIC GROWTH	8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors 8.6: Substantially reduce the proportion of youth not in employment, education or training	Social Development
11 SUSTAINABLE CITIES AND COMMUNITIES	11.6: By 2030, reduce the adverse <i>per capita</i> environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	Air emissions
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Waste, energy and water management
13 CLIMATE ACTION	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Air emissions
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5: Substantially reduce corruption and bribery in all their forms 16.6: Develop effective, accountable and transparent institutions at all levels	Ethics, Integrity and Transparency



SUPPLIER MANAGEMENT **GRI 102-9**

Localiza focuses closely on ESG aspects in our supply chain. When onboarding new suppliers, we conduct assessments to ensure they meet the technical and documentation requirements for the relevant activity. Where necessary—for example, for suppliers engaged in activities at our locations with the potential to impact the environment—we request evidence that the relevant supplier is compliant with environmental and labor regulations, including training certificates and risk management and accident prevention plans. Our goal is to ensure our supply chain operates in compliance with legal and regulatory requirements and, as a result, creates social and environmental value. We manage sustainability in our supply chain through contractual clauses that provide legal security, ensure supplier activities are compliant with social and environmental standards, and foster good practices and the development of enduring business relationships.

We prioritize suppliers located near our car-rental locations to support local economies and social development in our communities. Selecting local vehicle-repair suppliers has the added advantage of increasing business efficiency by reducing servicing times and the risks of fines, accidents and car robbery in long car carrier trips. When purchasing supplies, the procurement team at our headquarters requests quotes from local suppliers. This not only stimulates the economy in the relevant neighborhood or city, but also shortens delivery times and minimizes freight costs and emissions.

In addition, our integrity program policies require that contracts with intermediaries include anti-bribery clauses and that these suppliers sign a Statement of Commitment to the Localiza Integrity Program, declaring that they understand and undertake to adhere to the relevant standards. As part of the integrity program, the Compliance and Ethics function provides training and conducts periodic due diligence on third-party intermediaries.

VALUE CHAIN **GRI 102-13**

Localiza works to ensure the sustainability of the business by pursuing not only financial results but also value creation and distribution to shareholders and other stakeholders. To this end, we actively participate as members of organizations that advocate for and support the development of our industry and broader society. In 2020 we were members of the following organizations:

- **ABRASCA** – Brazilian Association of Listed Companies
- **ANAV** – Brazilian Association of Car Rental and Fleet Rental Companies (with a seat on the Board and several committees)
- **GETAP** – Applied Tax Research Group
- **IBGC** – Brazilian Institute for Corporate Governance

Sustainable mobility

Localiza

Solar Power 2
3 solar farms (MG, RJ and PE) generate more than 1.7 million KWh of electricity annually, supplied to 59 Localiza sites

Fueling with biofuels
99% of our fleet uses ethanol, a fuel that generates less CO2 emissions than gasoline

Corporate Citizenship
More than R\$ 16 million donated in 2020, largely to help mitigate the effects from the pandemic on communities

Digital Talents program
Support for professional training and access to technology

ME00
An innovative car subscription service that provides cost savings of up to 30% compared to owning a car. For each new subscription, we make a donation to education projects

Diversity, inclusion and human rights
Localiza has five affinity groups: gender equity, LGBTI+, race, people with disabilities, and migrants and refugees

Less waste
Waste segregation and composting at our headquarters (food leftovers from cafeterias are composted into fertilizer for our grounds)

Solar Power
47 car rental locations and stores supplied with solar power from rooftop photovoltaic power plants

Dry washing
Implemented in 2015, dry washing has reduced average water consumption per wash from 30 liters to 200 ml

Servicing
High-quality preventive maintenance with compliant disposal of servicing waste

The Localiza Institute
Newly created to provide skills-building and entrepreneurship support for socially and economically vulnerable youth

Less carbon
We annually offset the direct emissions from our operations (Scopes 1 and 2)

Used car sales
Improve asset turnover and help to reduce depreciation



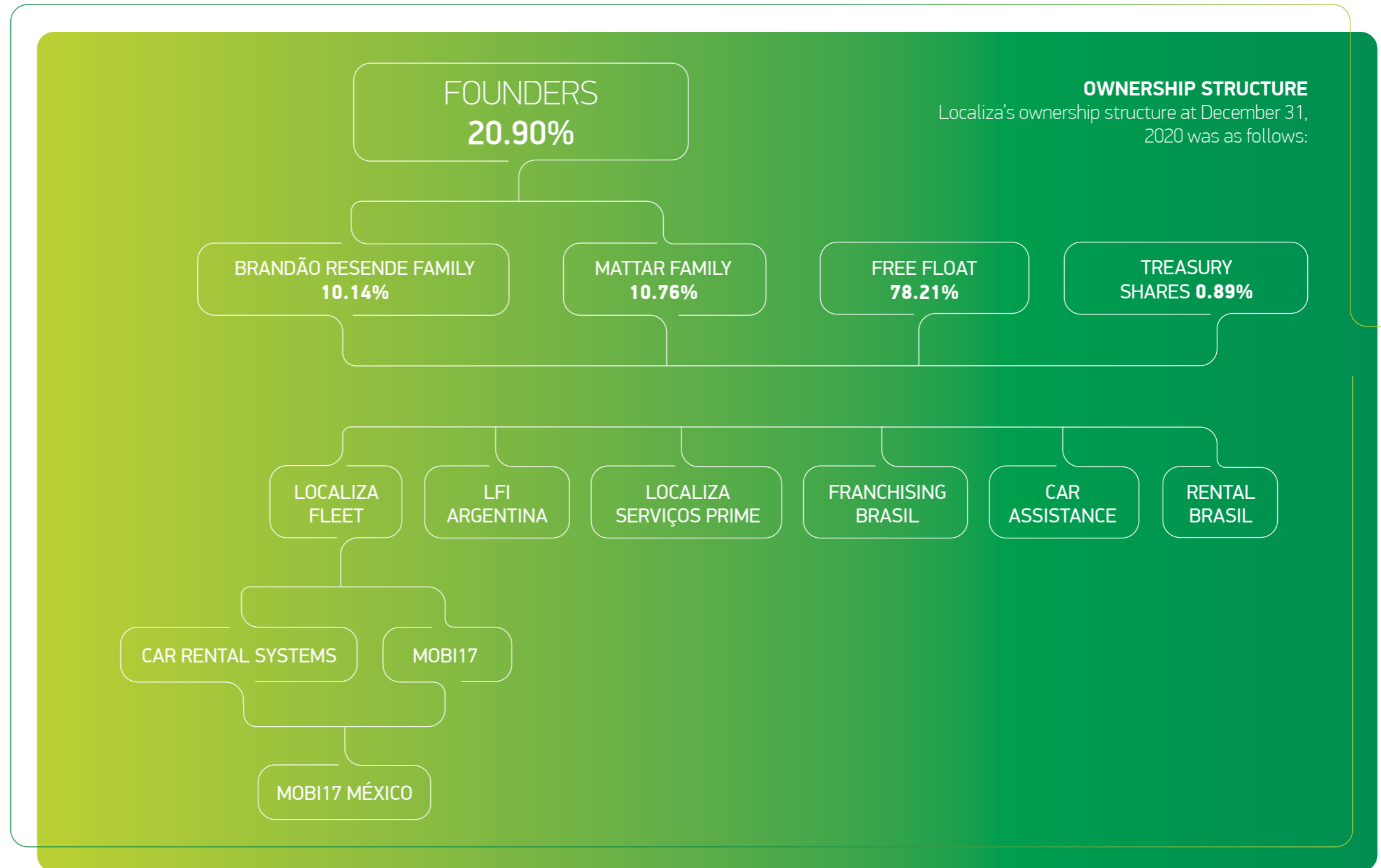
ETHICS *AND GOVERNANCE*



ETHICS AND GOVERNANCE

Localiza is recognized in the market for our best-practice corporate governance structure, underpinned by the following key pillars: transparency toward all stakeholders, compliance, equity and accountability. Not coincidentally, two of our nine material topics relate to governance: Topic 3 – Ethics, Integrity and Transparency; and Topic 5 – Corporate Governance. Our governance model is one of the key strengths in our approach to ESG. The value that the market puts on our management practices has inspired us to also evolve further in the other two—social and environmental—aspects of ESG.

As a corporation listed on B3 since 2005, Localiza’s shares (RENT3) are traded on *Novo Mercado*, a listing segment requiring enhanced corporate governance practices. We have also adopted the ABRASCA Listed Company Self-Regulation Code and Good Practices, and follow the recommendations in the Brazilian Institute of Corporate Governance (IBGC) Code of Best Practices. [GRI 102-5](#)



STRUCTURE AND GUIDELINES

GRI 102-18, 102-19, 102-20, 102-25

The high standards of management we adhere to are embodied by a governance structure consisting of a Board of Directors (BoD) with six members, including five independent members; a Statutory Executive Board; and three advisory committees (Audit, Risk Management and Compliance; Governance and Nomination; and People and Remuneration) that assist the Board of Directors in oversight, analyses and decision-making. The CEO is supported by two advisory committees (Ethics and Sustainability) and the CFO by one committee (Disclosures). **GRI 102-18**

Our [Corporate Governance Guidelines](#) are available on Localiza's [Investor Relations website](#). Details about the members of our Board of Directors, Executive Board and Committees, including their education backgrounds and biographies, are available [here](#). **GRI 102-22, 102-27**

BOARD OF DIRECTORS

As our highest governance body, the Board of Directors (BoD) is responsible for establishing general guidelines and business policies, and championing our values, principles and purpose. As part of its duties, the BoD directs, oversees and monitors the activities of executive officers, and selects, engages and replaces independent auditors. It is also the role of the BoD to pursue a continuous sustainability agenda at Localiza. **GRI-102-26, 102-31**

Under our [bylaws](#), as most recently approved in an Extraordinary General Meeting on April 23, 2020, the Board of Directors is composed of a minimum of six and a maximum of eight members elected by the General Meeting for a unified and renewable term of two years. The members of

the BoD—which must have diverse backgrounds and expertise—include a Chairman and a Deputy Chairman (if elected). **GRI-102-24**

PERFORMANCE ASSESSMENT

The Board of Directors and its members are annually assessed on their performance, individually and as a body, by independent consultants. Individual assessments cover aspects such as knowledge about the business, the level of engagement in discussions, and attendance and subjects put forward for discussion in Board meetings. As a body, the Board is assessed on aspects such as the quality, quantity and variety of information received about strategic matters, the activities of advisory committees, and the development of long-term strategy. **GRI 102-28**

Learn more about the operation of Localiza's Board of Directors and its [Rules of Procedure](#), available on our Investor Relations website.

STATUTORY EXECUTIVE BOARD

Localiza's Statutory Executive Board is responsible for overall business management. It has a minimum of four and a maximum twelve officers appointed by the Board of Directors, all of whom must be resident in Brazil. The Executive Board ended 2020 with ten members (one more than in the previous year), including the CEO, the Chief Financial and Investor Relations Officer, and eight other officers.

Localiza's culture and governance structure are recognized as being world-class and a benchmark in our market

Learn more about the operation of Localiza's Executive Board and its [Rules of Procedure](#), available on our Investor Relations website.

COMMITTEES

In 2020 our management structure included seven subject-matter advisory committees. Three of these committees advise the Board of Directors under their own [Rules of Procedure](#), as follows:

AUDIT, RISK MANAGEMENT AND COMPLIANCE COMMITTEE –

With a composition of three independent members at December 31, 2020, the duties of the Audit, Risk Management and Compliance Committee include monitoring the effectiveness and activities of the independent auditors, and expressing an opinion on the quality of the financial statements, the soundness of accounting principles, and the effectiveness of the internal control structure. This Committee is also responsible for monitoring strategic risks and exercising oversight of the Compliance and Ethics function.

PEOPLE AND REMUNERATION COMMITTEE – The People and Remuneration Committee advises the Board of Directors on remuneration policies, performance assessments, the profit-sharing program, our stock option program, and general



people management policies. At December 31, 2020 the Committee had a composition of three members, including two independent members. **GRI 102-35, 102-36**

GOVERNANCE AND NOMINATION COMMITTEE – With a composition of three members at December 31, 2020, the Governance and Nomination Committee is responsible for promoting and overseeing the implementation of good governance practices and business strategy related to ESG and other topics.

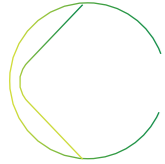
Other advisory committees include the Ethics and Sustainability committees, supporting the CEO. The **Ethics Committee** is composed of five members (including one independent member) and is responsible for ensuring our ethical principles and values are upheld, continuously disseminated and strictly adhered to.

With a composition of nine members, including three executive officers, the duties of the **Sustainability Committee** are to identify, address and monitor sustainability-related risks which could materially impact our business, our long-term results, our relations with customers and employees, and our reputation. In 2020 we further evolved our sustainability governance structure with the addition of three separate work fronts under the Sustainability Committee, each responsible for one of the ESG dimensions. Each front is headed by a member of senior management, and has an executive officer as a sponsor.

The **Disclosures Committee** reports to the Chief Financial and Investor Relations Officer and has a composition of up to 15 members. Its duties include reviewing draft filings and other financial information required to be submitted to the Brazilian Securities Commission (CVM).

BOARD CREDENTIALS

SUMMARY OF BOARD MEMBERS' EXPERTISE AND CREDENTIALS		Eugênio Pacelli Mattar	Oscar de Paula Bernardes Neto	Irlau Machado Filho	Maria Letícia Costa	Paulo Antunes Veras	Pedro de Godoy Bueno
Experience	Experience as CEO/Chairperson	Yes	Yes	Yes	Yes	Yes	Yes
	International Experience	Yes	Yes	Yes	Yes	Yes	Yes
	Organizational and Cultural Transformation	Yes	Yes	Yes	Yes	Yes	Yes
	New Business Models/Innovation	Yes	Yes	Yes	Yes	Yes	Yes
	Business to Consumer	Yes	Yes	Yes	Yes	Yes	Yes
Industry expertise	Automotive	Yes	Yes	Yes	Yes	Yes	Yes
	Financial	Yes	Yes	Yes	Yes	Yes	Yes
	Mobility	Yes	Yes	Yes	Yes	Yes	Yes
	Retail	Yes	Yes	Yes	Yes	Yes	Yes
	Technology	Yes	Yes	Yes	Yes	Yes	Yes
	Consumer goods	Yes	Yes	Yes	Yes	Yes	Yes
	Healthcare	Yes	Yes	Yes	Yes	Yes	Yes
	Strategy	Yes	Yes	Yes	Yes	Yes	Yes
Subject Matter Expertise	Finance and Accounting	Yes	Yes	Yes	Yes	Yes	Yes
	Risk Management	Yes	Yes	Yes	Yes	Yes	Yes
	Corporate Governance	Yes	Yes	Yes	Yes	Yes	Yes
	Marketing and Communications	Yes	Yes	Yes	Yes	Yes	Yes
	Operations	Yes	Yes	Yes	Yes	Yes	Yes
	Sustainability	Yes	Yes	Yes	Yes	Yes	Yes
	Talent Management	Yes	Yes	Yes	Yes	Yes	Yes
	IT	Yes	Yes	Yes	Yes	Yes	Yes
	Innovation and Digital Transformation	Yes	Yes	Yes	Yes	Yes	Yes



CONTINUOUS IMPROVEMENT IN GOVERNANCE

Localiza has always strived to develop and implement governance practices exceeding those generally adopted in the market. In 2018, with our share ownership structure now highly diversified, we implemented a three-year program to further strengthen our governance practices and enhance the efficiency of the Board of Directors. This was one of several integrated initiatives to prepare Localiza for the gradual withdrawal of our founding shareholders from executive positions and from the Board of Directors, in order to build a strong governance culture underpinned by an “ownership” mentality. As part of this process, in February 2021 we announced the succession of then-CEO Eugênio Mattar by Bruno Lasansky, with Mattar taking on the role of Chairman of the Board of Directors.

Over a three-year period, we implemented 10 governance projects with support from specialist consultancies, including three assessments of the Board of Directors and its members. These assessments generated 60 recommendations, of which 49 have been fully implemented and the remainder are currently in the process of being implemented. In addition, a risk management project, advised by a specialist consultancy, was implemented in 2020 as part of the agenda of the Audit, Risk Management and Compliance Committee.

These initiatives and projects have all helped to improve the functioning of the Board of Directors by revisiting policies and practices to perfect the decision-making process. The results from these efforts can be seen in recent performance assessments.

The governance improvement program has continued in 2021 with our first shareholder engagement exercise, led by the Board of Directors, to identify areas needing to be better addressed and/or communicated.

RISK MANAGEMENT

GRI 102-15

Localiza’s Board-approved *Risk Management and Internal Controls Policy* provides guidance on monitoring and auditing corporate, operational and financial processes. It establishes a formalized, standard approach to implementing and monitoring preventive, prospective and proactive risk management practices.

Governance functions (Internal Audit, Internal Controls and Risk Management, and Compliance and Ethics) are responsible for reporting to the Board of Directors’ advisory committees on risk management processes and the status of action plans, among other matters **GRI 102-30**

Localiza’s approach to risk management essentially consists of six steps:

- **IDENTIFICATION** – Determining what external or internal events could impact Localiza’s objectives, including those related to intangible assets.
- **ANALYSIS** – Determining risk sources, causes, consequences, and the likelihood of those consequences occurring.
- **ASSESSMENT** – Assessing the impacts in the event that a risk materializes, including financial or other consequences, whether or not they are quantifiable.

Localiza uses
a six-step risk
management process

- **ACTION** – Determining which of the following actions should be taken: avoid, mitigate, share or accept.
- **MONITORING** – Ensuring the effectiveness and adequacy of internal controls, and compiling information to support improvements to the risk management process. Risk management processes are monitored through continuous, independent audits and on-site visits to car-rental locations to observe how risk management is carried out on the ground.
- **INFORMATION AND COMMUNICATION** – Clearly and objectively communicating to all stakeholders the results from each step in the risk management process, and the status and effectiveness of action plans.



DATA PROTECTION GRI 103-2, 103-3: 418

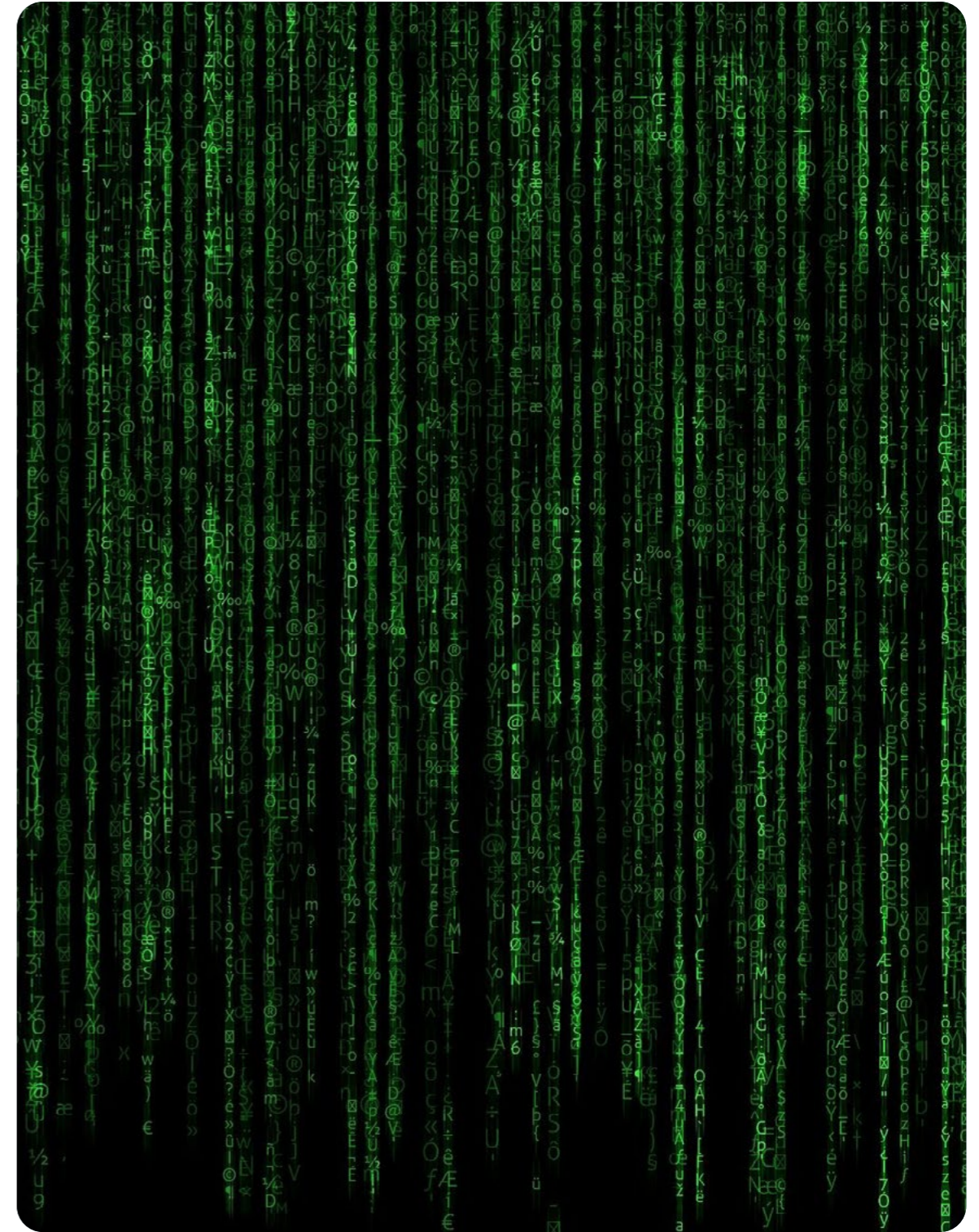
Localiza's senior leadership team works to ensure that employees understand the importance of customer privacy and data protection, and the risks in the event of any data breach involving employee or customer data. As part of this, we have implemented a Data Privacy and Data Protection Policy and related internal procedures, and have provided all departments with training on best practices in handling and storing personal data. The Policy outlines privacy requirements to ensure that all personal data that we handle is protected in accordance with the Brazilian General Data Protection Regulation (BR GDPR) and other applicable regulations. This is crucial to upholding the trust of our customers and other people who share information with us, our reputation, and our standards of ethics.

Localiza has also created a Privacy Portal featuring information such as the personal data we use at the company, and providing a direct channel for communication with data subjects, as part of our commitment to transparency and to securing the information that data subjects share with us. The platform allows data subjects to exercise their right to access, delete, edit or otherwise modify their data, and to ask questions about the operation of Localiza's data protection and data privacy system. A dedicated channel has been created for employees, called the Transparency Portal, containing procedures and documentation about how to exercise their rights and ensure compliance with the BR GDPR when handling personal data as part of their duties. Our executives and

employees are committed to data privacy and protection as an imperative for business continuity, and those in management positions attend meetings, lectures and training to ensure they have a consistent understanding of the main risks involved in their activities.

To help disseminate a culture of data privacy at Localiza, in February 2020 we ran an information security campaign with a video series in which each episode featured a real-world situation involving a data protection risk, and employees could choose how the story ended. We also installed a software program on employees' computers that classifies documents as either public, internal, restricted or confidential. These measures have helped to mitigate risks and raise employee awareness about the importance of handling data securely and in accordance with best practices, improving their understanding of data privacy and protection and avoiding any misinterpretations.

An Information Security campaign provided pointers on data protection



COMPLIANCE AND ETHICS PROGRAM

GRI 102-16, 102-17, 103-2, 103-3: 205, 206, 419

Ethics has always been integral to our way of doing business at Localiza, and has helped to build trust with our employees, investors, customers, suppliers and other stakeholders. Our Integrity Program, with a set of related standards and training, serves as a guidepost to keep us on the right path.

In August 2020 we launched our new [Code of Conduct](#), which maintained its essence but is now written in more casual, reader-friendly, plain language. The 52-page document describes ethical and conflict-of-interest dilemmas, and how to solve them. It stresses the importance of integrity in our business relationships, and contains an affirmation statement at the end that has been signed by 95% of employees, all but those who were on leave. We are now following up on the remainder of employees to ensure that all have signed their affirmation of the Code.

Another 34 procedures and policies within Localiza's Anti-bribery and Anti-corruption Management System were reviewed during the year. We then provided targeted training on the subject to raise employee awareness about conduct that constitutes bribery or corruption and will not be tolerated at Localiza. This helped to align all employees about conduct that can damage the company's and their own reputation.

To reinforce employees' understanding of the conduct expected of them, several internal communications campaigns were launched to disseminate Localiza's Code of Conduct and Confidential Hotline, our Anti-Bribery and Anti-Corruption Goals, and anti-corruption awareness days. On May 2, for example, activities were organized to mark Global Ethics Day. On National Money Laundering Prevention Day—October 29—we organized a campaign to explain money laundering practices. We showed the different ways money-laundering is used to conceal the sources of illicitly-obtained money, and stressed the importance of preventing money laundering through our Compliance and Ethics Program. A communications campaign was also run on International Anti-Corruption Day, December 9.

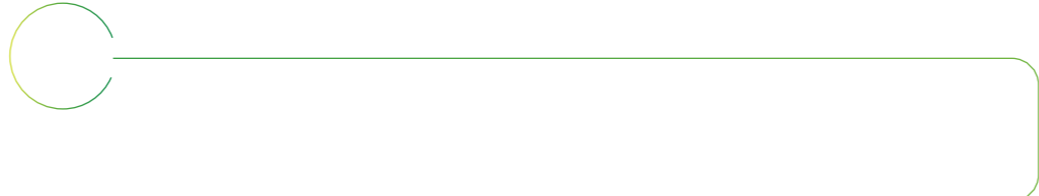
Our Integrity Program provides standards and training that serve as guideposts to keep us on the right path



Código de Conduta
Nosso jeito de ser e agir Localiza

Localiza

In 2020 we received certification to **ISO 37001 – Anti-Bribery Management Systems**, attesting to the quality of our anti-bribery and anti-corruption efforts. The certification body assessed our practices for preventing, detecting and dealing with bribery and corruption issues within the corporate environment. The elements of an anti-bribery management system include control activities and procedures, tone from the top, reputational risk assessments, training, and reviews of legal obligations. A well-managed organization is expected to have a compliance policy supported by appropriate management systems to assist it in complying with its legal obligations and commitment to integrity. **GRI 103-2, 102-3: 205**



EMPLOYEES WHO HAVE RECEIVED COMMUNICATIONS AND TRAINING ON ANTI-CORRUPTION, BROKEN DOWN BY REGION¹ GRI 205-2



TOTAL

2019		2020	
Informed	Trained	Informed	Trained ²
10,322	9,661	10,781	10,414
100%	93.59%	100%	96.60%

¹The changes in Code of Conduct training figures reflect employee turnover and the 1% of employees who are on leave indefinitely.

² Our senior management's commitment supported a three percentage-point improvement in total employees trained in 2020.

NORTH

2019		2020	
Informed	Trained	Informed	Trained ²
383	367	680	567
100%	95.82%	100%	96.62%

NORTHEAST

2019		2020	
Informed	Trained	Informed	Trained ²
1,377	1,308	1,077	1,024
100%	95.82%	100%	96.62%

SOUTHEAST

2019		2020	
Informed	Trained	Informed	Trained ²
6,911	6,421	7,205	6,976
100%	92.91%	100%	96.82%

MIDWEST

2019		2020	
Informed	Trained	Informed	Trained ²
541	513	764	736
100%	94.82%	100%	96.34%

SOUTH

2019		2020	
Informed	Trained	Informed	Trained ²
1,110	1,052	1,055	1,021
100%	94.77%	100%	96.78%

EMPLOYEES WHO HAVE RECEIVED COMMUNICATIONS AND TRAINING ON ANTI-CORRUPTION, BROKEN DOWN BY EMPLOYEE CATEGORY GRI 205-2

CATEGORY	INFORMED	NO.	%
EXECUTIVE BOARD		39	100
MIDDLE MANAGEMENT		348	100
HEAD/COORDINATOR		82	100
TECHNICAL/SUPERVISOR		558	100
ADMINISTRATIVE		3,311	100
OPERATIONAL		6,430	100
TRAINEES		17	100
TOTAL		10,785	100

CATEGORY	TRAINED	NO.	%
EXECUTIVE BOARD		39	100
MIDDLE MANAGEMENT		345	99.13
HEAD/COORDINATOR		70	99.10
TECHNICAL/SUPERVISOR		553	99.10
ADMINISTRATIVE		3,266	98.64
OPERATIONAL		6,115	95.10
TRAINEES		17	100
TOTAL		10,414	96.56

¹The changes in Code of Conduct training figures reflect employee turnover and the 1% of employees who are on leave indefinitely.

CONFIDENTIAL HOTLINE

GRI 102-17, 103-2, 103-3: 406

Employees, customers, franchisees, investors and other stakeholders can report any concerns via our confidential hotline. They are encouraged to report any violations of our values, Code of Conduct, policies and procedures or any laws and regulations. The confidential hotline is operated by an independent firm and can be contacted by telephone (both in Brazil or from other countries), online or by email. After filing a report (on an identified basis or anonymously), whistleblowers receive a case number they can use to track the progress of the investigation by the Internal Audit function. They can also include additional information about the case.



TAKING CARE *OF PEOPLE*



TAKING CARE OF PEOPLE

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

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

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

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

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

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

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

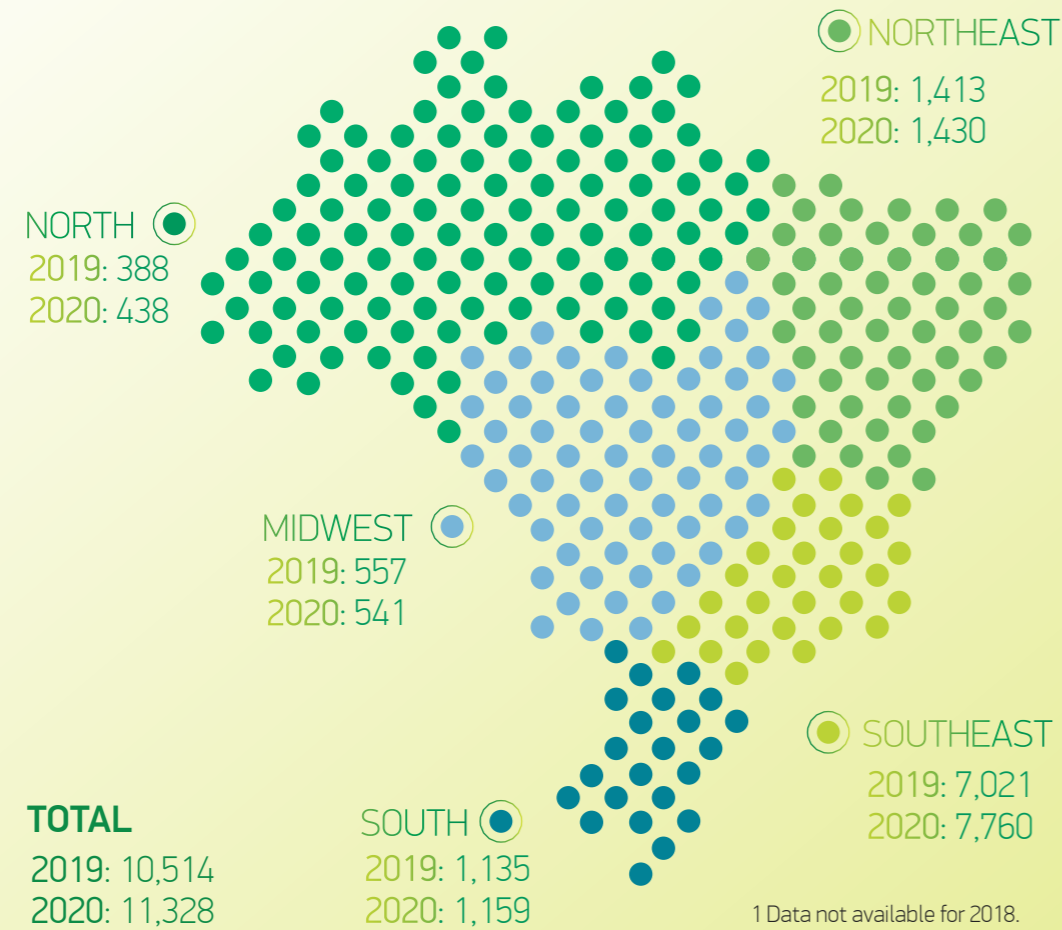
We believe the difficult times we are experiencing demand that we devote special attention and care for our employees. We take care of each of our employees with a sense of responsibility, nurturing and empathy. And we will continue this journey of partnership and collaboration, guided by the principles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

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

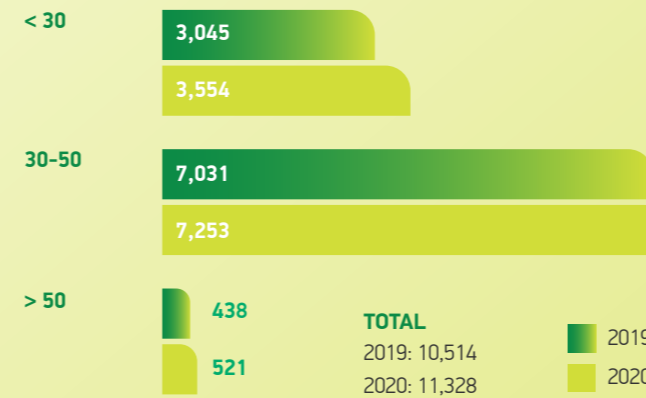


EMPLOYEE PROFILE GRI 102-8

WORKFORCE BY REGION¹



EMPLOYEES BY AGE GROUP¹



MEMBERS OF GOVERNANCE BODIES

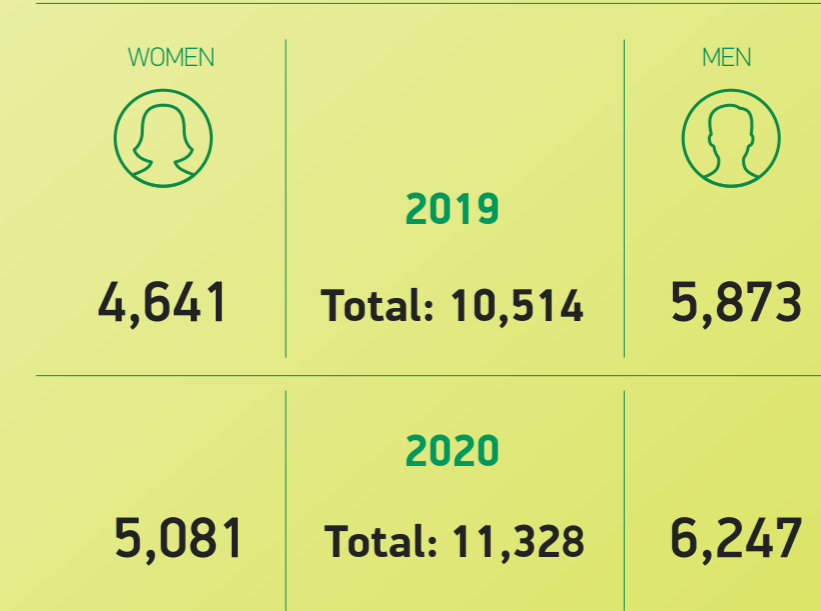
BOARD OF DIRECTORS



WORKFORCE BY CATEGORY¹

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

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



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

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

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

TURNOVER GRI 401-1

TURNOVER BY REGION^{1,2}

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

¹ Data not available for 2018.

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

EMPLOYEE HIRES BY AGE GROUP¹

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

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

EMPLOYEE HIRES BY GENDER¹

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

TURNOVER BY GENDER^{1,2}

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

¹ Data not available for 2018.

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

EMPLOYEE HIRES BY REGION¹

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

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

TURNOVER BY AGE GROUP^{1,2}

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

¹ Data not available for 2018.

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

PARENTAL LEAVE GRI 401-3

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



OUR PANDEMIC RESPONSE

GRI 103-2, 103-3: 403



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

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

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

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

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

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

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

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

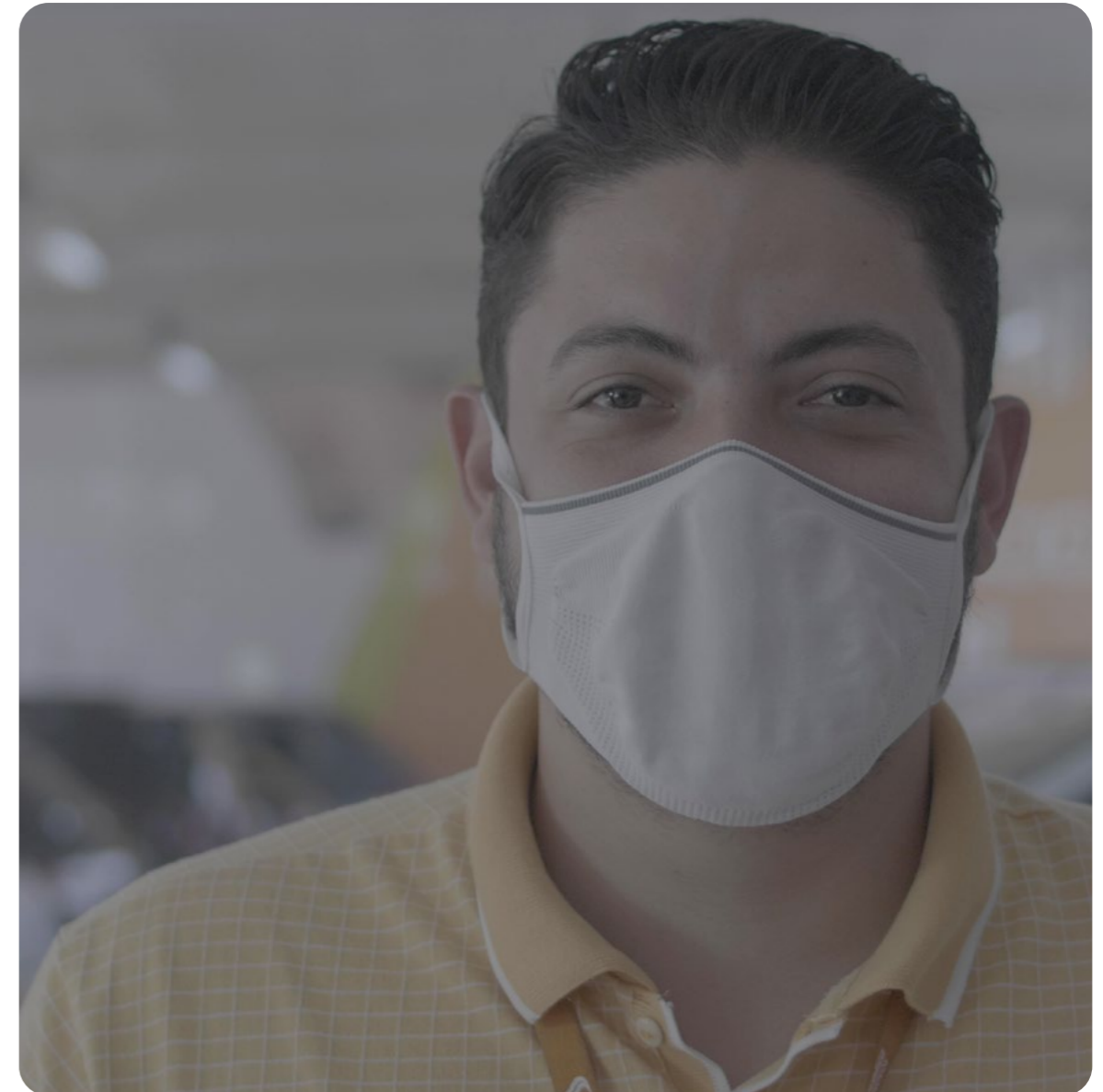
ACOLHER PROGRAM – Created to provide financial, legal and psychological counseling to employees. The service is confidential and available 24/7 for employees/dependents who have registered with our health insurance plan.

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

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

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

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



DIVERSITY, INCLUSION AND HUMAN RIGHTS

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

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

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

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

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



WORKFORCE DIVERSITY (PERCENT) GRI 405-1

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

WORKFORCE DIVERSITY (PERCENT) GRI 405-1

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

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

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

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



DIVERSITY OF GOVERNANCE BODIES GRI 405-1

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

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

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

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

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

PARTICIPATORY DEVELOPMENT

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

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

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

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



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

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

FRONTS OF ACTION

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

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

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

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

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

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



INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN GRI 406-1

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

PROFESSIONAL DEVELOPMENT

GRI 103-2, 103-3: 404

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

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

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

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

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

VALUE-CREATING PROGRAMS GRI 404-2

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

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





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

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

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

DIGITAL TALENTS PROGRAM

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

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

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

AVERAGE HOURS OF TRAINING PER YEAR GRI 404-1

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

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

¹ Includes Operations employees in 2019.

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

Employees are assessed annually on their skills and against targets

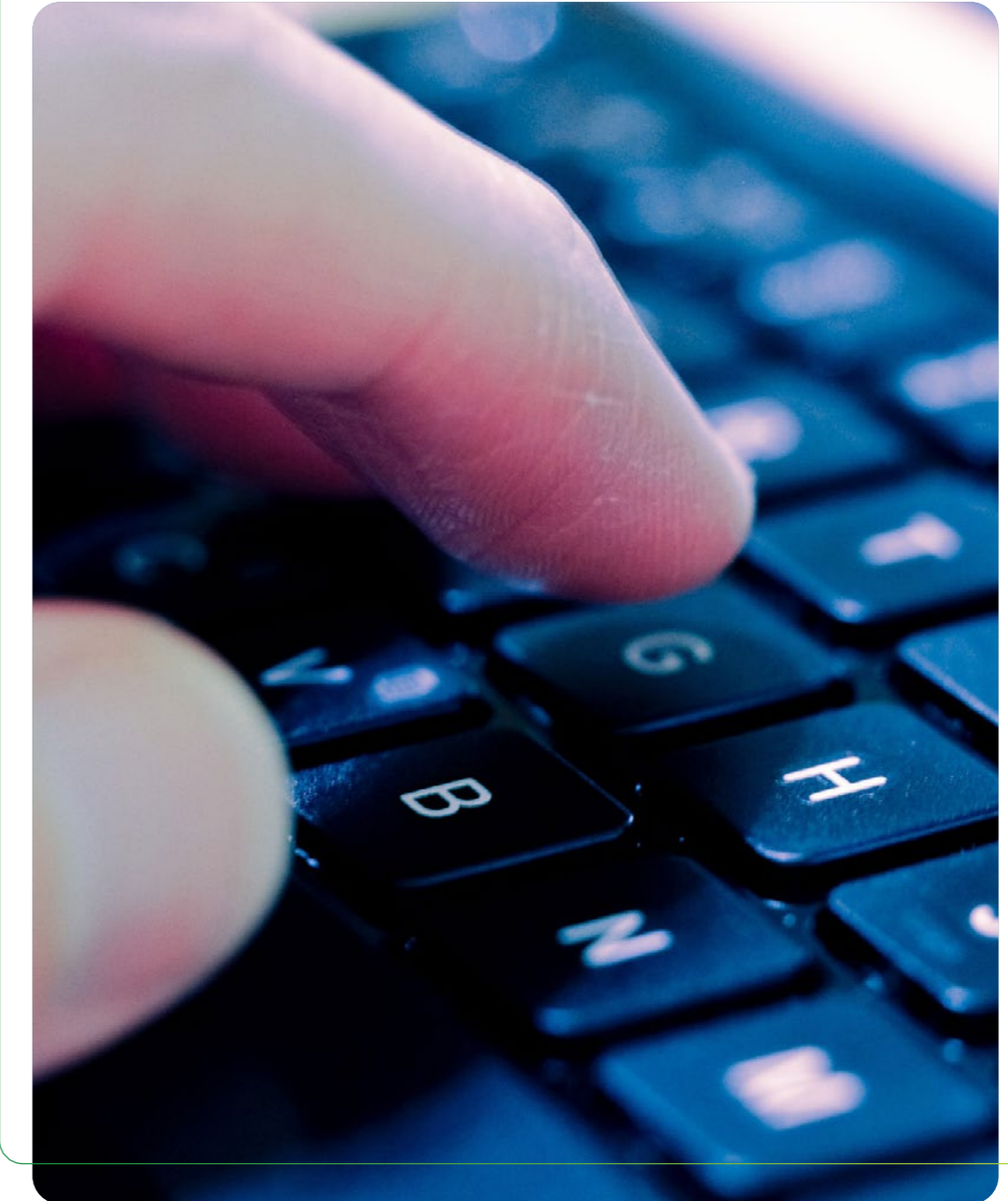
skills for entry-level roles in the job market. In 2020 we hired four students after six months of training and, after completing the remaining six months of the course, all four were promoted to software developers following a performance assessment.

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

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

PERFORMANCE ASSESSMENT GRI 404-3

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



CUSTOMERS ARE *OUR PASSION*

CUSTOMERS ARE OUR PASSION

GRI 103-2, 103-3: 416, 418

One of our key values since our foundation has been that “customers are our passion.” We work to cultivate lasting relationships and invest in quality of service, innovation and technology to consistently exceed our customers’ expectations.

This has put us at the leading edge of global trends in our industry, and has positioned us as a leader in developing solutions that delight and build loyalty with customers using our services. Localiza ended 2020 with 11.4 million customers in the Car Rental division only. And even in such an unprecedented year because of the pandemic, our Net Promoter Score (NPS) stood at the same level as in the previous five years and within the excellence range of 75 to 100, for both car rental and fleet rental. This was achieved through strong dedication and by listening to customers.

GRI 102-44

ROAD SAFETY

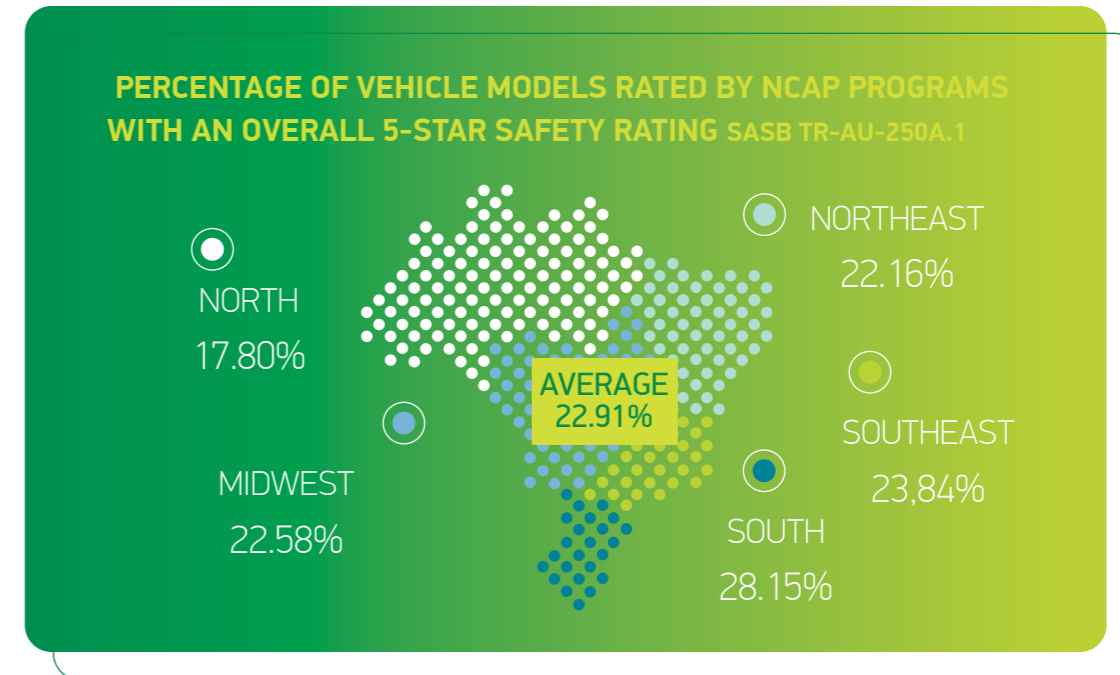
The safety of our customers is one of our priorities. When we think about mobility, road safety is always a key concern. In 2020, although the pandemic meant that many roads were often empty and had only light traffic, we did not neglect our commitment to raising awareness about road safety, alongside our coronavirus safety measures. Localiza’s fleet is new and well-maintained, which helps to reduce both emissions as well as traffic accidents caused by mechanical failure.

In addition, we implement initiatives that are tailored to our different customer profiles and segments to raise awareness about road safety and defensive driving. We regularly organize partnerships, lectures and training on road safety. In 2020, our **Yellow May** campaign again reached both internal and external audiences and included a game in which users could publish social media posts about road safety.

In the Fleet Rental division, communications materials were sent on a monthly basis to raise road-safety awareness among users. We provided online training on vehicle servicing and road safety, and 507 employees from seven corporate customers attended Localiza’s online course on defensive driving. In addition, our consulting service addressed traffic safety directly with 79 customers (representing more than 22,500 vehicles), by monitoring fleet performance on road safety indicators. We have made consistent progress each year and want to contribute to reducing accident rates in Brazil.

NCAP

Gaining customer satisfaction in the car rental sector means ensuring that vehicles are in good working condition and customers know how to drive them safely. As a way to quantify vehicle safety, in October 2010 the International Automobile Federation (FIA), International Consumer Research & Testing and the Gonzalo Rodriguez Memorial Foundation (GRMF) launched the Latin New



Car Assessment Program (Latin NCAP), a framework for assessing car safety. The initiative is supported by the Inter-American Development Bank (IDB) and uses a methodology modeled after the Euro NCAP. The program tests the active and passive safety features of new cars sold in Latin America and the Caribbean.

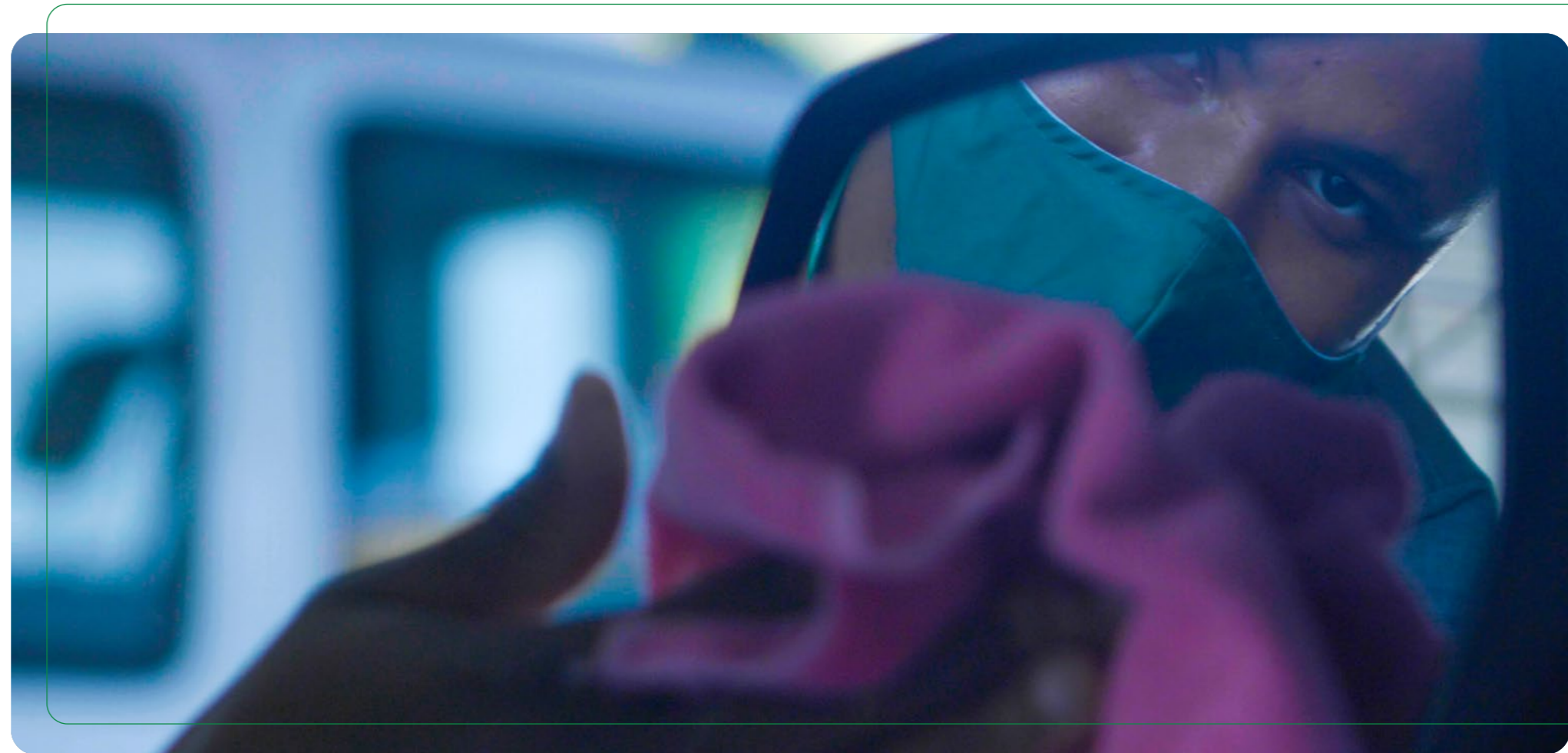
A NEW DIMENSION OF SAFETY

In 2020, our safety awareness efforts gained a whole new dimension, with the novel coronavirus pandemic requiring us to direct efforts to ensure and prioritize the safety of our customers in a way that went beyond road safety. We strictly followed the sanitary safety protocols published by the authorities of each municipality and state in which we operate, as well as implementing other additional measures.

Our car-rental locations were kept closed during lockdowns, and we reopened them on a phased schedule to protect our employees and customers to the fullest extent possible. This, combined with an efficient crisis management system, enabled a quick rebound in sales and car rentals, and we ended the year with 15 new Localiza-operated car rental locations and seven new stores all of which were opened under appropriate sanitary safety protocols. **Read more in the chapter, *Together against the coronavirus***

The pandemic required greater flexibility and awareness of customers' needs, and this led to temporary changes to some of our procedures. As one of these changes, we launched a service that delivers vehicles safely to customers' home, preventing them from having to come to a car rental location and expose themselves to virus transmission.

We introduced a more flexible car-rental policy, and suspended the collection of fines or additional fees from customers for canceling or modifying their reservations without advance notice. In addition, we temporarily exempted customers from check-out fees. From March 16 to April 30, customers could pick up a vehicle at a car-rental location and return it at any other location in Brazil without extra fees.



These measures were taken out of a sense of social responsibility for helping to contain the spread of the virus and offering customers a safe, personal transportation service that saves lives by allowing customers to share vehicles only with people within their household.

During the early months of the pandemic, health professionals in Brazil were offered three days' free rental of class C cars (economy with air conditioning), as well as free flights from airline Gol. They were only charged for insurance, fees and any requested extras.

PARTITIONS FOR RIDE-HAIL DRIVERS

In 2020, we provided ride-hail drivers with 5,000 free flexible polycarbonate partitions fitted to the front-seat headrests of their vehicles. These partitions reduce airflow between the driver and passengers as a way to help prevent coronavirus transmission. Localiza paid the costs of installation at 65 approved repair shops in 19 cities throughout Brazil, supporting the business continuity of our partners and the car rental value chain.

QUALITY AND INNOVATION



We have increasingly invested in quality of service and innovation to ensure we continue to wow our customers and exceed their expectations. All Localiza car-rental locations offer only vehicles that are in excellent mechanical and working condition. We strictly follow OEM maintenance and servicing recommendations, at less than the typical 10,000 kilometer service intervals.

We follow all vehicle maintenance and servicing requirements and recommendations, and perform all inspections required by local traffic authorities. We also ensure our operations are compliant with the Brazilian Civil Code, the Consumer Protection Code, and the Brazilian Traffic Code.

Localiza's Customer Service department measures customer satisfaction with vehicle maintenance through NPS surveys and internal online satisfaction surveys, in which customers reply to a questionnaire about our car rental services. The team is also responsible for compiling and documenting positive and negative customer feedback, and forwarding complaints and suggestions in a prompt and integrated manner. All customer concerns are documented by our customer help desk and fleet manager channel to ensure they are promptly addressed.

Where items requiring improvement are reported through these different channels, we implement action plans and management procedures to address the needed improvements and mitigate customer complaints. We also provide feedback to the customer as promptly as possible, letting them know that we listen to them and value their opinions.

In addition to customer satisfaction surveys, we also perform surveys of our fleet suppliers, with a goal of providing them with as good an experience as we provide to our external customers. These surveys inform improvements in services, new tools and other innovation that positively impacts their day-to-day activities.

We also work to maintain and expand our communications channels and contact points, and enhance the role that consultants play in developing long-term relationships.

Decommissioned cars are serviced and detailed to high standards of quality before being offered for sale at Localiza Seminovos, ensuring optimal vehicle performance and safety.

INVESTING IN TECHNOLOGY

Localiza's Technology department operates under a highly integrated model to develop mobility solutions efficiently and in line with our values. In 2020 alone, we tripled our technology team as well as investing in state-of-the-art software and systems to drive growth and support the adoption of agile project management methodologies. Our goal is to increase customer intimacy and streamline customers' day-to-day routines.

LOCALIZA LABS – To crown and further our innovation efforts, in 2020 we launched Localiza Labs, a mobility tech laboratory. With a staff of 700 people, Localiza



Labs will accelerate new ways of working through agile methodologies such as squads (72 in total) and tribes (9 in total). The program has also partnered with Órbi Academy to provide education grants for tech professionals and students.

In its first year of operation, Localiza Labs delivered highly significant results: we reformulated the Localiza mobile app and website, with a more than 100% improvement in the customer experience on these channels; we restructured Localiza Seminovos' digital channels; we built new digital channels for Localiza Meoo; and we transformed our interactions with our more than 10,000 suppliers through digital channels that can create value in their day-to-day operations.

We were the first car rental company in Latin America to adopt Google **Business Message**, an app that allows customers to find car-rental locations and Seminovos stores on Google Maps, make reservations, and ask questions and request instructions using our chatbot. Artificial intelligence and algorithms help to make chat conversations natural-sounding and fluent. This system covers the entire car rental process, providing near-human, high-quality service to customers.

Another tool that gained further traction in 2020 was our **Enterprise WhatsApp** channel for reservations and customer support. Since it was first launched in June 2018, at least 981,000 customer contacts have been handled through this channel, in an optimally user-friendly and convenient process.

Investments in technology and innovation have helped to connect us more closely to customers and improve our routines and processes

Throughout the year, we maintained and expanded digital programs developed in previous years, such as **Localiza Fast**, a fully digital system that allows customers to skip the check-in counter to speed up the rental process. The entire check-in process is done using a mobile app and, once completed, the customer can go directly to a specified car zone to pick up their car. In 2020, car rentals using Localiza Fast increased by 6.8% compared to 2019.

We also expanded **Localiza Pass by ConectCar**, a digital toll, drive-thru and parking payment system that was previously available only in some major cities, and in 2020 was expanded to our entire fleet at our 540 car-rental locations, in all Brazilian states. Through a partnership with the ConectCar network, the system provides coverage on all Brazilian toll roads and at least 900 parking lots and drive-thru locations.

VEHICLE TRACKING

With our acquisition of Mobi7 Tecnologia em Mobilidade S.A. in March 2020, we have expanded our capabilities to offer innovative products for mobility and fleet monitoring. The potential synergies between the two businesses were a key factor in the decision to conclude the deal. We believe the acquisition will create added business value by enhancing efficiency and technological solutions using telemetry to more effectively track, monitor and optimize our fleets. Mobi7 has maintained its organizational structure and, through integration with Localiza's business platform, will expand the footprint and scalability of its operations.

Dynamic, integrated and real-time management of services and vehicle routes, generating cost savings and productivity, is an added competitive differentiator we now offer our business customers.

The system allows fleet managers to fully manage their fleets, identify optimal routes and monitor calls on customers. The system generates data such as the number of calls on customers, how many were off-schedule, and which customers were prioritized.

It also provides detailed information on driver routines, including driving profiles, mileage covered, fueling data, and real-time rescheduling to promptly and efficiently respond to customer requests.

PERFORMANCE *IN THE YEAR*

 Localiza

PERFORMANCE IN THE YEAR

Each quarter, Localiza reports financial information that investors, shareholders and market analysts can use to evaluate our business. These reports are publicly available in the [Results Center](#) section of our Investor Relations website. Localiza has policies in place on capital expenditure and indebtedness, derivatives and providing guarantees and sureties, which provide guidance on financial management. Our financial control and planning function reviews and assesses our results of operations on a monthly basis.

Looking back on our year at Localiza is an opportunity to highlight our company's strength and adaptability in such an unprecedented and challenging year. After a promising start to the year, in the second quarter—in the immediate aftermath of the pandemic—our results of operations were significantly affected, as were those of most Brazilian companies.

But through agility, innovation, resource optimization and the positive mindsets of our high-performance team, we successfully turned around the poor first-quarter results and delivered excellent performance in 3Q20 and 4Q20, ending the year with net positive consolidated annual results.

MACRO-ECONOMIC OVERVIEW

The coronavirus pandemic devastated the global economy in 2020, and Brazil was equally affected by business restrictions, shelter-in-place orders, falling household income and temporary postponement of public and private investments and projects.

The manufacturing industry was initially the hardest hit due to the steep fall in demand and the resulting slowdown in production. Next to be hit were services sectors such as hospitality, leisure, culture, transportation and other sectors that depend on physical customer flows.

These factors were exacerbated by a high unemployment rate of 13.6%, rising inflation (4.52%) and the weakening of the Brazilian real to R\$ 5.50 against the US dollar at year-end. Brazil's GDP also contracted by 4.6% in the year. The country recorded economic growth in some months, but only in digital retail, which expanded at a large scale to serve customers who were homebound due to sheltering in place or working remotely.



FINANCIAL PERFORMANCE

GRI 103-2, 103-3: 201

We had ambitious growth plans in 2020. And while the pandemic compelled us to make many adjustments, our integrated and diversified platform provided the resilience to weather the constraints on mobility. We ended the year with Localiza back on its journey toward future ambitions and positing significant results, exceeding R\$ 1 billion in net income. Our Fleet Rental business continued to grow, with minimal impacts from the pandemic. The Car Rental business, despite the complex conditions throughout the year, performed strongly in 1Q20, with only incipient impacts at the onset of the pandemic in late March. The business was affected by falling prices and volumes in 2Q20, but recovered in 3Q20 and resumed growth year on year, although with prices still on a downward trend. Year-end performance, in 4Q20, was strong, with growth in both rental volumes and rates. The rapid turnaround demonstrated strong adaptability and resilience, and helped to increase employee and investor confidence.

Consolidated net revenue grew 1.1% year-over-year. Net rental revenues increased by 5.3%, with a 3.2% increase in the Car Rental division, the hardest hit by the pandemic, and a 12.0% increase in the Fleet Rental division. Net revenue from Seminovos was down 1.6% from 2019, with an 8.4% reduction in sales volumes as a result of stores being shut down between March and April, at the height of the



pandemic, and the lower volumes available for sale in the fourth quarter. Average sales prices, however, increased 7.4% in the year, on the back of higher prices on new cars.

Net income exceeded
R\$ 1 billion in 2020

STRATEGIC INITIATIVES THAT DROVE STRONG PERFORMANCE IN THE YEAR

- **NEW BUSINESSES** – Localiza Meoo and subscription cars for individual and business customers have created new avenues for growth.

- **CRISIS MANAGEMENT COMMITTEE** – We set up a crisis management committee in March that delivered important results across five main fronts: taking care of our employees, customers, operations, liquidity and society.

- **LOCALIZA LABS** – Localiza's technology and innovation laboratory is accelerating our digital transformation and expanding our capabilities to internally develop new solutions.

- **A QUICK TRANSITION TO REMOTE WORKING** – In addition to protecting the health of our employees, the shift to remote working helped to reduce costs on facilities maintenance and office equipment at our headquarters and offices; electricity; cleaning products; telecommunications and other overheads.

- **PRODUCTIVITY** – We implemented PEG methodology to measure productivity, engagement and team management. We were proud to find that our employees—who inspire and transform—delivered high levels of productivity despite having migrated from on-site to remote working.

- **COST SAVINGS** – We revisited our costs and expenses and prioritized essential or transformational expenditure.



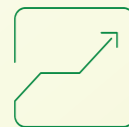
- **CASH BOOST** – We obtained new borrowings rather than accelerating the disposal of our decommissioned fleet at a time when car sales were depressed. This later paid off as surging prices on new cars were cascaded to used cars, resulting in lower depreciation.

- **FLEET REDUCTION** – In response to the pandemic, we decided to reduce our fleet to generate cash and deleverage the business in 2020.



FINANCIAL RESULTS (R\$ MILLION)

	2018	2019	2020	CHANGE 2019/2020
Total net revenue	7,895.7	10,195.6	10,307.6	1.1%
Car and fleet rentals	3,385.3	3,988.9	4,198.5	5.3%
Used car sales	4,510.4	6,206.7	6,109.1	-1.6%
EBIT	1,254.6	1,489.6	1,801.7	21.0%



OPERATING RESULTS

AVERAGE FLEET UTILIZATION RATE	2018	2019	2020	CHANGE 2019/2020
Car rental	97,245	128,718	140,151	8,9%
Fleet Rental	42,321	53,029	59,244	11,7%

SEMINOVOS

	2018	2019	2020	CHANGE 2019/2020
Points of sale	107	123	130	5,7%
Cars sold	111,279	147,915	135,490	-8,4%

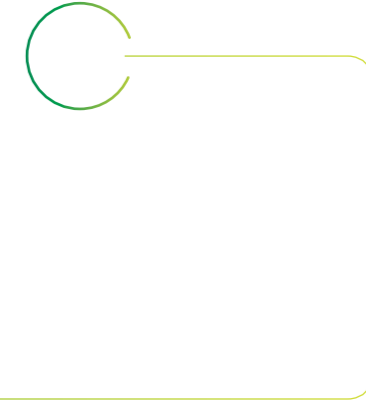
CARS PURCHASED AND SOLD

	2018	2019	2020	CHANGE 2019/2020
Cars purchased	165,421	223,534	109,379	-51,1%
Cars sold	111,279	147,915	135,490	-8,4%

DISTRIBUTION OF ADDED VALUE (R\$ MILLION) GRI 201-1

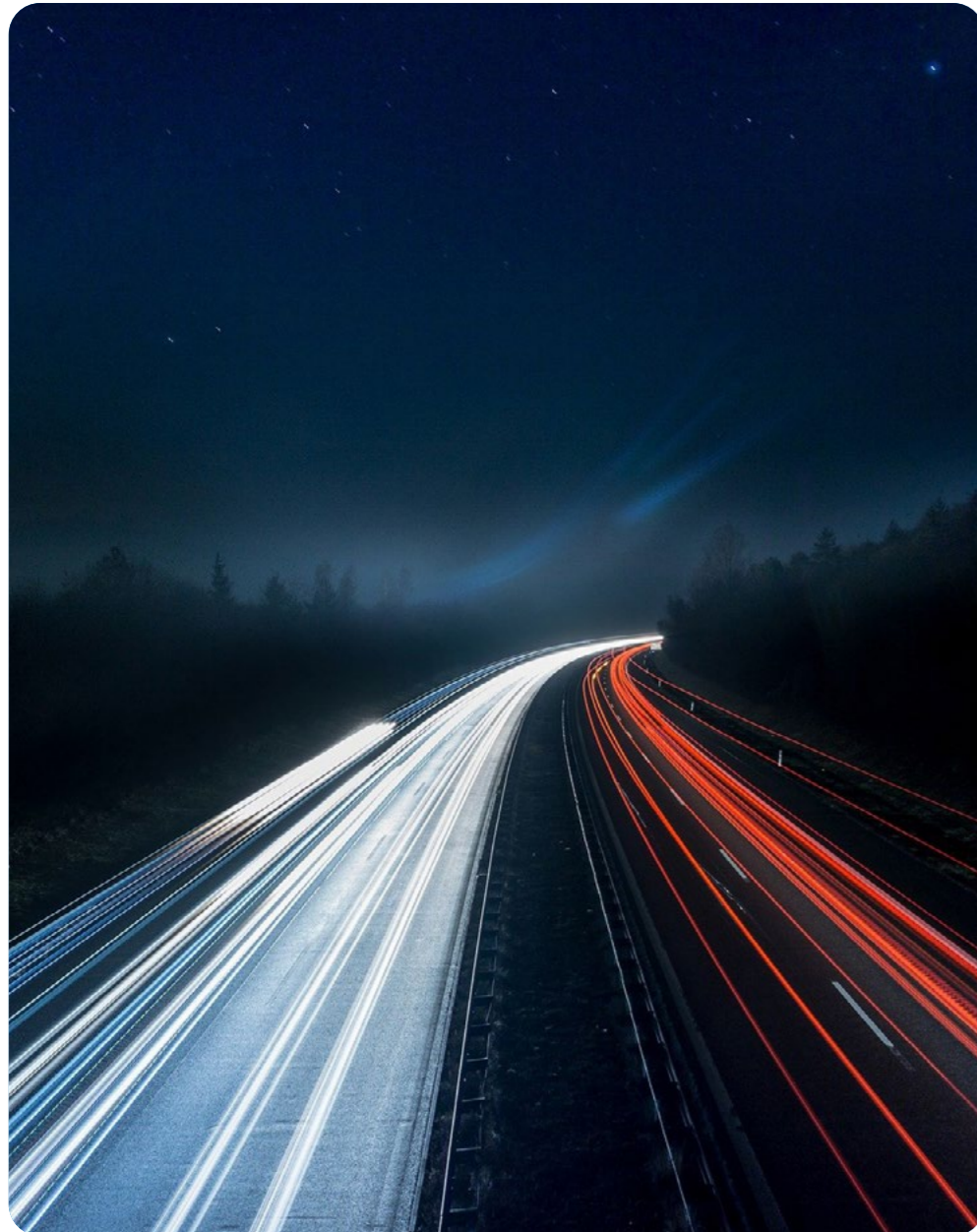
	2018	2019	2020	CHANGE 2019/2020
TAXES, CHARGES AND CONTRIBUTIONS				
Federal	398,5	468,7	493,5	5,3%
State	13,8	168,9	192,7	14,1%
Municipal	38,2	53,8	37,7	-29,9%
Total	569,6	691,4	723,9	4,7%
PERSONNEL				
Direct compensation	483,5	572,8	686,7	19,9%
Benefits	98,9	113,7	141,6	24,5%
FGTS	34,3	40,5	46,3	14,3%
Other	10,4	10,5	12,0	14,3%
Total	627,0	737,5	886,6	20,2%
INTEREST ON THIRD-PARTY CAPITAL				
Interest	536,8	630,0	512,4	-18,7%
Real-estate rent	182,2	71,4	71,2	-0,3%
Other rent	21,0	25,7	28,2	9,7%
Total	740,1	727,1	611,8	-15,9%
PAYOUTS ON EQUITY				
Interest on equity	178,9	291,0	261,2	-10,2%
Dividends	-	-	18,1	-
Retained earnings	480,3	542,9	768,9	41,6%
Total	659,2	833,9	1.048,2	25,7%
Added value distributed and retained	2.595,9	2.990,0	3.270,5	9,4%

SOCIAL AND ENVIRONMENTAL LEGACY



SOCIAL AND ENVIRONMENTAL LEGACY

GRI 103-2, 103-3: 203, 203-1, 413, 413-1



In 2020 Localiza made important progress on social and environmental issues such as climate change and carbon emissions, two of our focus areas.

We received positive ESG ratings from several agencies: Localiza was the only company in Latin America to make Sustainalytics' list of the 50 companies with the lowest ESG ratings in January 2021. With an ESG risk rating of 8.5, we were classified as having a negligible risk for financial impacts from environmental, social and governance factors, and were the top-ranked company in the transportation sector. We were also awarded an MSCI ESG rating of AA.

These ratings recognize our progress on sustainability and the significant social and environmental initiatives we implemented in the year. As part of these initiatives, we:



- provided around R\$ 16 million in donations to social programs and to support the pandemic response across three fronts: the healthcare system, vulnerable communities and small- and medium-sized businesses (including those in our supply chain);



- provided consistent support to several charities, such as the Gerando Falcões network;

- launched a robust diversity and inclusion program;



- offset direct carbon emissions from our operations;

- partnered with the Instituto Ekos Climate Commitment Program;



- fueled approximately 99% of our fleet with ethanol, when fueled by Localiza; and



- installed new solar power systems and expanded dry-washing.

EDUCATION & ENTREPRENEURSHIP FOR SOCIAL TRANSFORMATION

To support our strategic social investment initiatives, in 2020 we took initial steps in setting up the newly founded Localiza Institute, with a primary focus on providing skills-building and entrepreneurship support for socially and economically vulnerable youth. The Institute will begin activities in 2021, as in 2020 the team was needed to support initiatives as part of the pandemic response.

With a governance structure aligned with best practices in the third sector, the Institute has its own Executive Board and Board of Trustees, and in 2020 launched a survey of internal and external stakeholders to inform the development of its strategic plan. After identifying needs and challenges in target sectors, the Institute has positioned itself as an organization that works shoulder-to-shoulder with at-risk communities to achieve social transformation with them.

The new Institute represents another important step for Localiza in managing social issues involving external stakeholders, and delivers on our commitment to corporate citizenship and to increasingly integrating sustainability aspects into our management. Our aspiration is that, in addition to delivering value for the business, the Institute's initiatives will increasingly create social value for society.



SOCIAL DEVELOPMENT

Alongside programs fostering social and economic development, we contribute to society through donations that support culture, social initiatives, healthcare, education and other causes. These donations amounted to a total of R\$ 16 million in 2020. Of this amount, R\$ 6.8 million was in tax-deducted funds provided to previously selected eligible and reputable organizations with a proven record. The amounts of tax-deducted funding, the relevant tax incentive laws, and the organizations and projects benefited in 2020 were as follows:

- **ROUANET ACT (R\$ 3.8 MILLION)** – Association for Brazil-Japan Scientific and Technological Cooperation (ACCTBJ); Instituto Inhotim; Arte Projeto Promoções Ltda.; Matilha Conteúdo e Imagem Ltda.; Instituto Cultural Corpo; Fundação Inimá de Paula; and Instituto Cultural Filarmônica.
- **CHILDREN AND YOUTH FUND (R\$ 0.9 MILLION)** – Belo Horizonte Municipal Fund for the Rights of Children and Adolescents and Ribeirão das Neves Municipal Fund for the Rights of Children and Adolescents.
- **ELDERLY PERSONS ACT (R\$ 0.9 MILLION)** – Belo Horizonte Municipal Fund for the Elderly.
- **SPORTS INCENTIVE ACT (R\$ 0.7 MILLION)** – Minas Tênis Clube and Instituto Gabriel Medina.
- **PRONAS/PWD (R\$ 0.5 MILLION)** – Association of Parents and Friends of Children with Special Needs (APAE) in Pará de Minas and Associação Pestalozzi de Atílio Vivacqua.



Of our R\$ 16 million in donations in 2020, R\$ 9.2 million were tax-deducted

MOBILIZA CHALLENGE

Launched in 2019 to encourage employees to get more exercise, the Mobiliza Challenge was adapted in 2020 to include a social dimension due to the pandemic. This year's prize was a cash donation for charities named by the three top-ranked competitors. This provided an opportunity for employees to not only maintain a healthy exercise routine while working at home, but also support at-risk communities.



NON-TAX-DEDUCTIBLE DONATIONS

We gave a total of approximately R\$ 9.2 million in non-tax deducted donations in 2020, primarily to:

- **JUNIOR ACHIEVEMENT MINAS GERAIS:** an organization that encourages and develops at-risk youth and adults to enter the job market;
- **ASSOCIAÇÃO ÓRBI CONECTA:** a collaborative space for innovation and entrepreneurship;
- **CIDADE DOS MENINOS SÃO VICENTE DE PAULO:** an organization that helps at-risk youth in the Metropolitan Area of Belo Horizonte;
- **MINAS GERAIS STATE INDUSTRY FEDERATION (FIEMG);**
- **FUNDAÇÃO BENJAMIN GUIMARÃES:** the foundation sponsoring Hospital da Baleia, which operates referral centers in Minas Gerais;
- **INSTITUTO MILLENIUM:** an organization that engages in advocacy for public-interest issues, especially the democratic values and principles that underpin national development;
- **MOVIMENTO BEM MAIOR:** a non-profit organization that supports and connects social-impact initiatives in Brazil;



- **MOVIMENTO GERANDO FALCÕES:** a social organization that works to improve quality of life in low-income communities in Brazil; and
- **SANTA CASA DE MISERICÓRDIA DE BELO HORIZONTE.**

In addition to implementing measures to protect the health and well-being of our employees during the pandemic, we also helped to mitigate the impacts from the sanitary and economic crisis in Brazil. Despite the financial headwinds in the second quarter of 2020, we continued to support our communities with donations that exceeded those in previous years. These donations were part of the R\$ 9.2 million in non-tax-deducted funds.

GOOD FRIDAY

On November 27, to mark Black Friday, we organized a special initiative that donated 15% of contract proceeds that day to NGO Gerando Falcões. The donation supported the creation of a project, called “Children at School”, that will benefit more than 10,000 families. The initiative, dubbed “Good Friday”, was organized under the theme #WeCreateOpportunities, and is aligned with Localiza’s aspiration to help change people’s lives and reduce social inequalities.

DONATIONS FROM MARCH TO DECEMBER 2020

ACTION FRONT	INSTITUTION	INITIATIVE	AMOUNT
Healthcare	FIEMG	Construction of a hospital to treat COVID-19 patients in partnership with FIEMG, Mater Dei, MRV, Andrade Gutierrez, Banco Inter, Banco BMG and Barbosa Mello Construtora.	R\$ 2.0 million
	Movimento Bem Maior	Donation of medical supplies and equipment to National Healthcare System hospitals and to the Emergency Healthcare Fund, in a partnership with BSocial and Instituto para o Desenvolvimento do Investimento Social (IDIS).	R\$ 0.7 million
	Santa Casa de Misericórdia de Belo Horizonte	Ward/floor renovations at the Santa Casa BH Hospital to accommodate new beds for COVID-19 patients.	R\$ 0.6 million
	Several hospitals in MG	Donation of 10 ventilators to National Healthcare System hospitals in Belo Horizonte.	R\$ 0.3 million
	Hospital da Baleia	Donations to purchase personal protective equipment for physicians treating COVID-19 patients.	0.02 million
	Minas Gerais Government	Vehicles on loan for healthcare and security activities.	Loan cars
	Health Professionals	Three days' free rental of class C cars (economy with air conditioning) for health professionals, who also received free flights from airline Gol.	Loan cars
Small and medium-sized enterprises (SMEs)	Movimento Bem Maior	2020 Stimulus Project, supporting small and medium-sized enterprises affected by the COVID-19 pandemic.	R\$ 2.5 million
At-risk communities	Gerando Falcões	Food vouchers for vulnerable communities, including communities surrounding Localiza's headquarters.	R\$ 1 million
	Other institutions	Emergency relief for communities affected by the COVID-19 pandemic.	R\$ 0.3 million
APPROXIMATE TOTAL			R\$ 7.42 million

“Movement for Good” Challenge: to help to provide relief to communities throughout Brazil, in November 2020 we invited Localiza employees to name institutions in their communities that had been impacted by the pandemic, and suggest ways to mitigate those impacts. Following a selection process by the Corporate Citizenship Committee and a vote by employees, ten initiatives were selected, including four in the North, four in the Northeast, two in the Midwest and one in the Southeast.

GREEN MINDSET

GRI 103-2, 103-3: 307

Environmental stewardship is integral to our management approach. We recognize our role in society and work to ensure we use natural resources efficiently. In practical terms, we achieve this by using energy and water efficiently, developing renewable energy sources, compliantly disposing of waste materials, managing and neutralizing greenhouse gas (GHG) emissions and disseminating sustainable practices among our employees and in our supply chain.

Although our main business activity does not require environmental licensing under Brazilian federal regulations, we monitor environmental compliance in supporting activities at some sites, such as car washing,



oil changes and fueling. This way we ensure that these activities are performed in an environmentally compliant manner.

In 2020, Localiza became the first company in the car rental industry to be named to the B3 Carbon Efficient Index and the first to publish greenhouse gas emissions inventories in the Public Emissions Registry of the Brazilian GHG Protocol Program. The B3 Carbon Efficient Index encourages companies listed on the Brazilian stock exchange to manage and control their greenhouse gas (GHG) emissions. Initiatives such as these are especially important at a time when climate change is profoundly affecting the environment around the world.

As a constituent of the ICO2 index, we transparently report on emissions from our operations and use the data provided by B3 and the GHG Protocol to inform mitigation solutions. Localiza sees sustainability as not only a one-time project, but a continuous process of evolving our practices and culture, on which we have made consistent progress. An example of this is our program to offset greenhouse gas emissions.

EMISSIONS

GRI 102-11, 103-2, 103-3: 305

Our segment is directly a source of carbon emissions and, for this reason, this has always been among our focus areas. We believe that this is a constant effort that needs to be addressed transparently and using a technically sound approach.

Emissions inventory data are managed using a robust emissions management platform, called Climas, supplied by a specialist consultancy. Our strategies to mitigate emissions are validated by the Sustainability Committee.

In addition to continuously improving our reporting practices, in 2020 we pledged support for the Instituto Ekos Climate Commitment Program, which aims to engage the private sector in initiatives around climate responsibility.

GRI 102-12

In 2020 we offset the Scope 1 and 2 carbon emissions from our operations in 2019, or approximately 20,000 metric

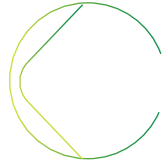
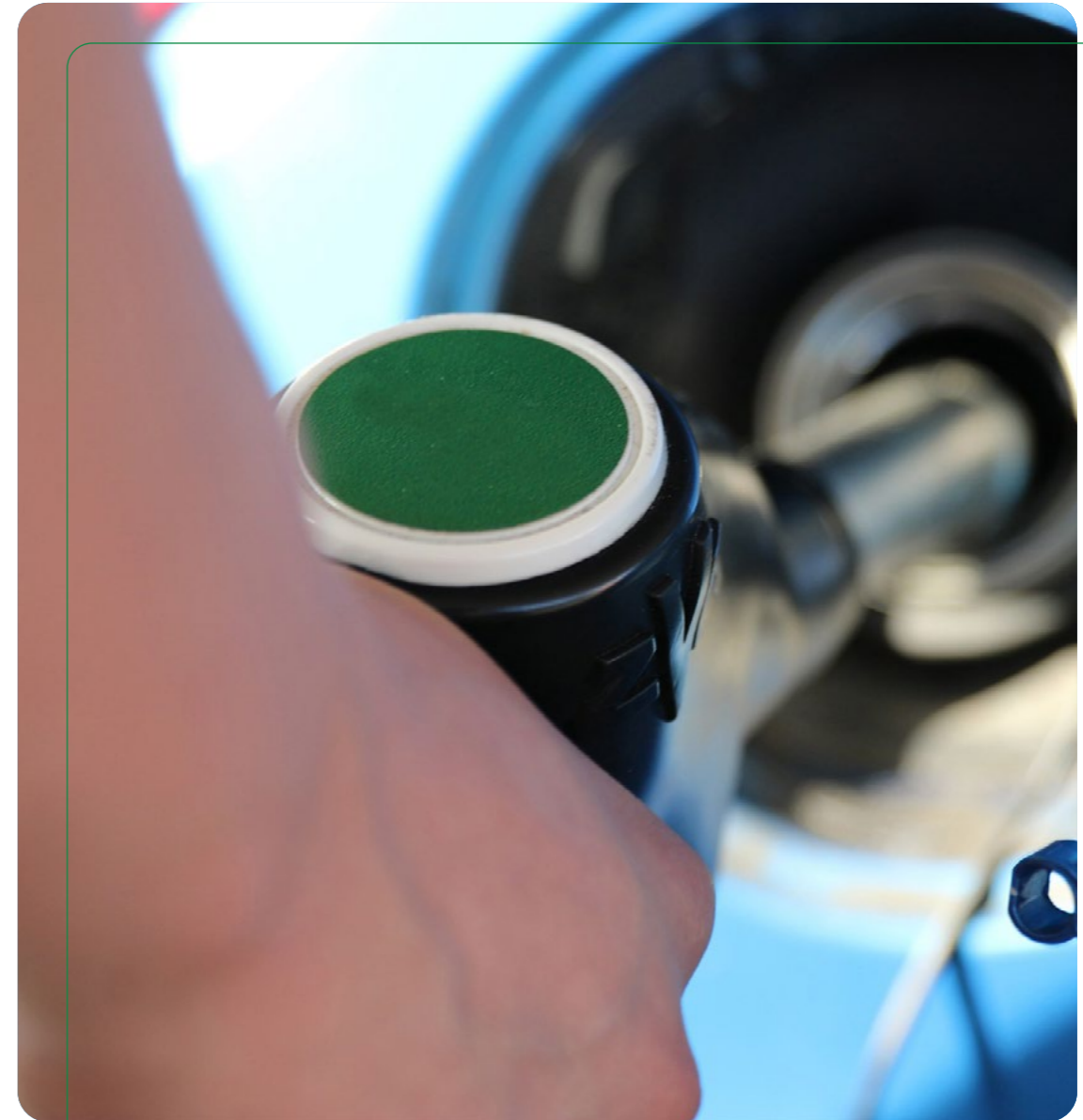
FUELING WITH ETHANOL

To minimize environmental impacts, **around 99%** of our vehicles are fueled with ethanol—a less polluting fuel than gasoline—when refueled by us.

Ethanol plays a very important environmental role in Localiza's operations. Ethanol is a biofuel produced from sugarcane, a renewable source that absorbs CO₂ from the atmosphere during the plantation stage. In addition, ethanol fuel produces, on average, as much as 89% less

greenhouse gas emissions than gasoline, according to the Energy Information Administration (EIA), generating a significantly smaller carbon footprint.

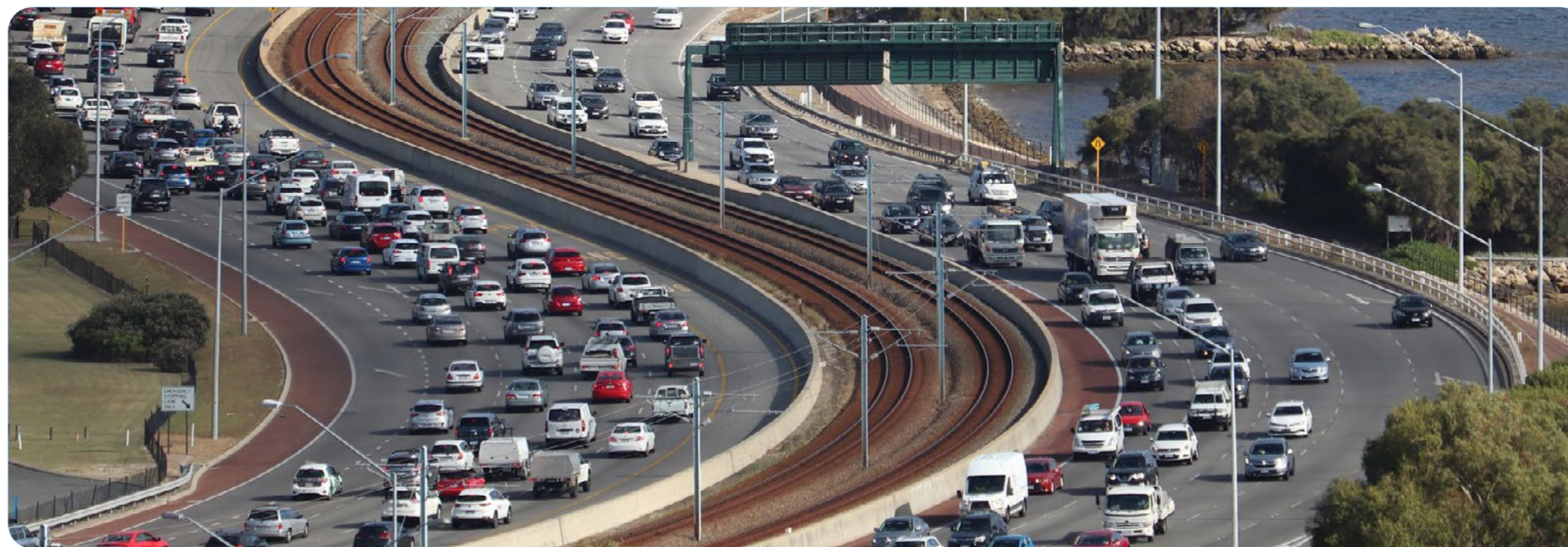
We are also working to improve our ability to monitor fueling by customers and to encourage them to use ethanol as a renewable fuel.



tons of CO₂ equivalent, by purchasing carbon credits from a ceramics plant in Ituiutaba, Minas Gerais, that had replaced native wood with biomass as fuel for its ceramics kilns.

In 2021 we plan to make further progress by also reporting Scope 3 emissions and implementing initiatives to make our operations more climate-efficient.

The table opposite shows our Scope 1 and 2 emissions as reported in our GHG inventory for 2020. The consolidated data, including Scope 3 emissions, will be published by August in the Public Emissions Registry of the Brazilian GHG Protocol Program. We will disclose for the first time our emissions from rented vehicles (while in use by our customers). This data is being carefully reviewed to ensure it accurately reflects our direct and indirect carbon footprint. As another improvement, a third-party audit will be conducted on the inventory, and this could result in restatements to the data. Our sources of emissions, and the relevant GWP (Global Warming Potential) values, are reported within the Brazilian GHG Protocol Program.



Our next emissions inventory will include Scope 3 emissions data

DIRECT (SCOPE 1) EMISSIONS GRI 305-1

DIRECT GREENHOUSE GAS EMISSIONS (t CO ₂ EQUIVALENT)	2018	2019	2020
Production of electricity, heat or steam	13.67	9.88	15.42
Transportation of materials, products, waste, employees and passengers	9507.09	10725.78	6570.21
Fugitive emissions	6372.26	7615.56	8171.40
Total gross CO₂ emissions	15,893.03	18,351.21	14757.03

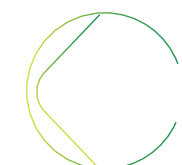
BIOGENIC CO₂ EMISSIONS (t CO₂ EQUIVALENT)

	2018	2019	2020 ¹
	1806.31	2060.11	9146.20

INDIRECT (SCOPE 2) EMISSIONS GRI 305-2

ENERGY INDIRECT GHG EMISSIONS (t CO ₂ EQUIVALENT)	2018	2019	2020
	1109.05	1188.27	990.18

¹ The higher amount reflects the increased use of renewable fuels (ethanol).





ENERGY

GRI 103-2, 103-3: 302

Around 80% of our fleet operations centers, car rental locations, stores and head offices use low and medium voltage electricity purchased from local utilities. This electricity derives from Brazil’s National Grid, which has an energy mix largely consisting of renewable, hydroelectric power generation facilities.

We also use fuels to transport cars between sites on car carriers, for sales team vehicles, and for office generator sets.

We have awareness-raising policies in place in our operations and implement specific initiatives to achieve electricity savings, such as switching from regular to LED lamps, setting targets for electricity consumption in employee contracts, replacing air conditioning equipment at car-rental locations with inverter-driven models, and using timers to automatically switch outdoor lights on and off. We also run campaigns to reduce energy waste from prolonged use, and use renewable sources to offset electricity consumption.

SOLAR POWER PROJECT

To increase alignment with sustainability principles and contribute to a cleaner energy mix, in 2017 we set a goal to increasingly use solar power for the electricity requirements of our operations.

This led to the creation of our solar power project, in which we developed solar farms in the states of Minas Gerais, Rio de Janeiro and Pernambuco, and installed rooftop photovoltaic power plants at car-rental locations and Seminovos stores.

We ended 2020 with 59 sites supplied with electricity from solar farms, producing a total of 1,700,000 kWh in the year, an increase of 14.6% compared with the output in 2019.

In 2020 we also continued to install new on-site rooftop photovoltaic power plants, creating an additional installed solar power capacity of more than 230,000 kWh in the second half. In December we had 18 photovoltaic power systems in operation, setting a new output record of 84,000 kWh.

We also created a new performance indicator for the project, called the “Coverage Ratio”, which measures the ratio of clean energy to the total energy we consume. We ended 2020 with a Coverage Ratio of 16.79% (considering total platform consumption except renewable electricity sourced from the free market via the grid), an increase of 2.14 percentage points from a Coverage Ratio of 14.65% in 2019.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION (GJ) GRI 302-1

NONRENEWABLE SOURCES	2018	2019	2020	CHANGE 2019/2020
Diesel	46382.28	53144.09	62822.87	18.21%
Gasoline	109504.30	122924.37	39,310.35 ¹	-68.02%
Subtotal	155886.58	176068.46	102133.22	-41.99%
NONRENEWABLE SOURCES				
Electricity	57281.94	57999.71	57004.17	-1.71%
Ethanol	-	-	118919.73	N.D
Subtotal	57281.94	57999.71	175923.90	203.31%
Total	213,168.56	234068.17	278057.12	18.79%

¹ The reduced use of gasoline reflects increased use of ethanol.

ENERGY INTENSITY GRI 302-3¹

	2018	2019	2020	CHANGE 2019/2020
Total energy consumption (GJ)	213168.56	234068.17	278057.12	18.21%
Average fleet utilization rate	139566	181747	199395	-68.02%
Energy intensity	1.53	1.29	1.39	-41.99%

¹ The data for 2018 and 2019 have been restated using the same method to calculate energy intensity as used in 2020: dividing total energy consumption by the average rented fleet.

REDUCTION OF ENERGY CONSUMPTION GRI 302-4

REDUCTIONS IN ENERGY CONSUMPTION ACHIEVED AS A DIRECT RESULT OF CONSERVATION AND EFFICIENCY INITIATIVES (GJ)	2020
Clean energy ¹	22324.00

¹ Clean energy derived from our solar farms, roof-top photovoltaic power plants and from the free market (small hydropower dams).

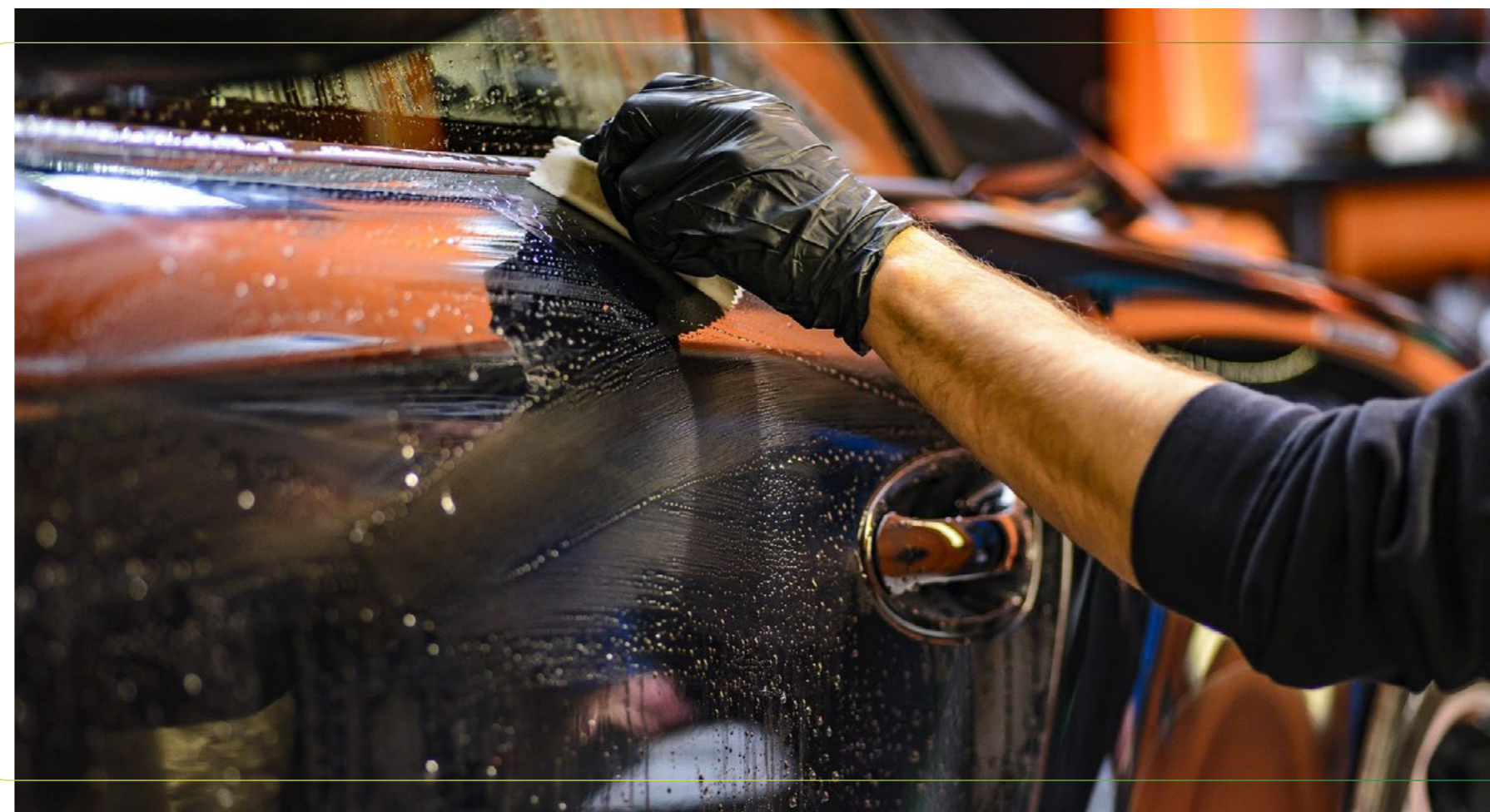
WATER AND WASTE

DRY CAR WASHING

In 2015 we introduced waterless car washing in our entire network, reducing water consumption from an average of 30 liters to 200 ml per wash, as well as improving waste and effluent management in our operations. All waterless car washing products are assessed and sourced from approved brands, and are largely biodegradable, avoiding the use of materials that are harmful to the environment or human health.

The dry washing rate at our car rental locations is monitored by the Sustainability Committee. In 2020 the rate was 57.8% at year-end, 1.2% below target but 1.8% above the rate in 2019, which is understandable given the enhanced hygiene measures that were required in the year due to the COVID-19 pandemic. When the pandemic broke out, we suspended all dry washing until the products being used were proven to be effective against the virus. We assessed effectiveness with support from an infectious disease specialist hired to assist us during the pandemic, and we only resumed dry-washing when the product was proven to be effective.

We periodically provide training on efficient dry-cleaning techniques, further improving quality and water savings. In 2020 we continued to provide online dry-cleaning training to encourage third-party carwash suppliers to adopt the method.



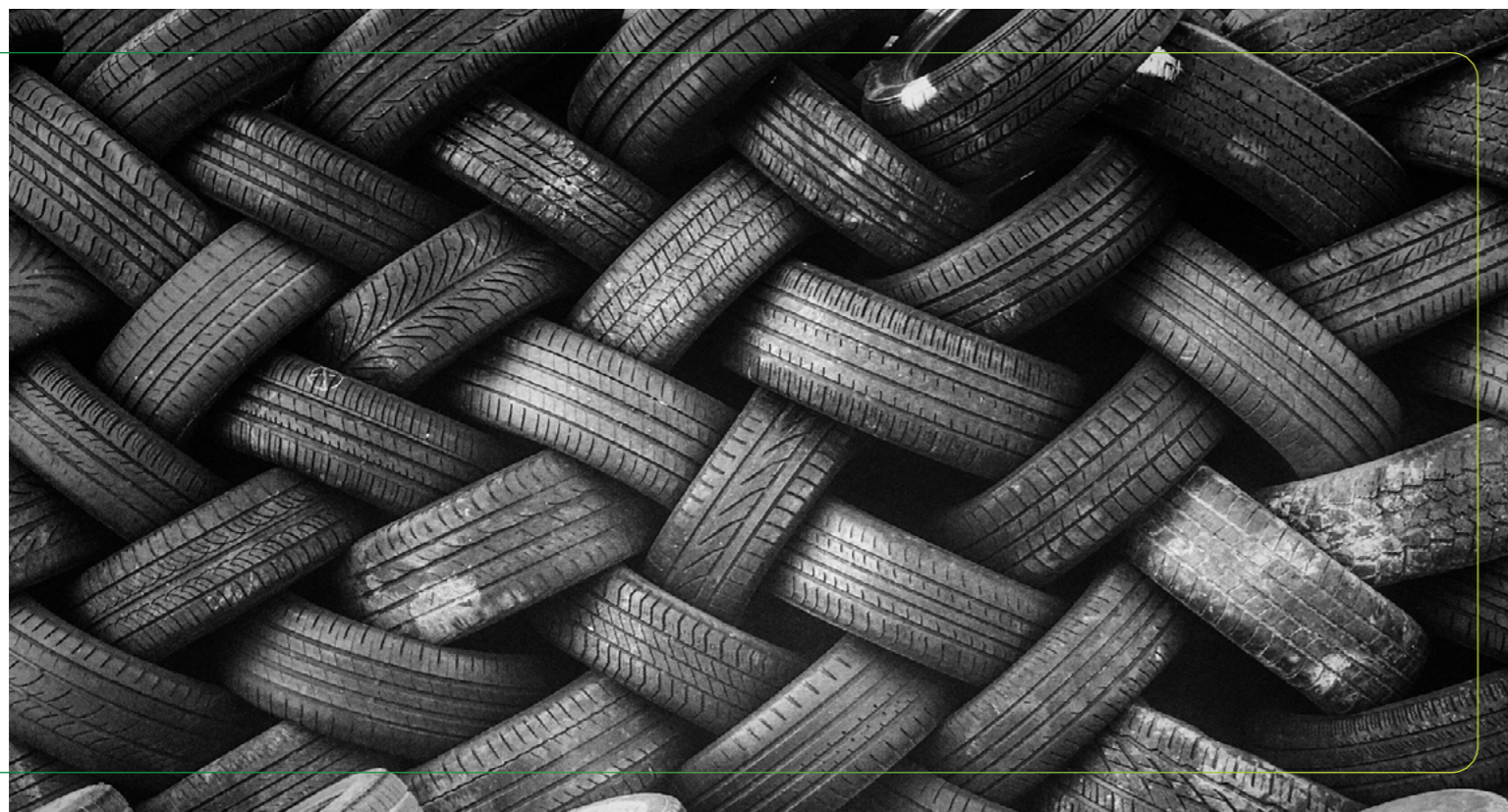
Some cars may still need to be washed with water, depending on the amount of grime on the surface. In 2020, 41.9% of our fleet vehicles were washed with water and biodegradable, environmentally friendly cleaning solutions.

Car washing with water is carried out at carwash facilities with appropriate drainage systems to ensure the wastewater is properly collected and stored.

WATER SAVINGS

Responsible water consumption to prevent waste is an ongoing focus at our headquarters, car rental locations and Seminovos stores.

Our water consumption intensity at year-end 2020 was 0.0886 m³/fleet, down 24.4% from 0.1172 m³/fleet in 2019.



WASTE MANAGEMENT

Our operations use several types of materials and supplies that generate waste. We ensure that all materials are compliantly and sustainably disposed of, in particular waste from fleet maintenance.

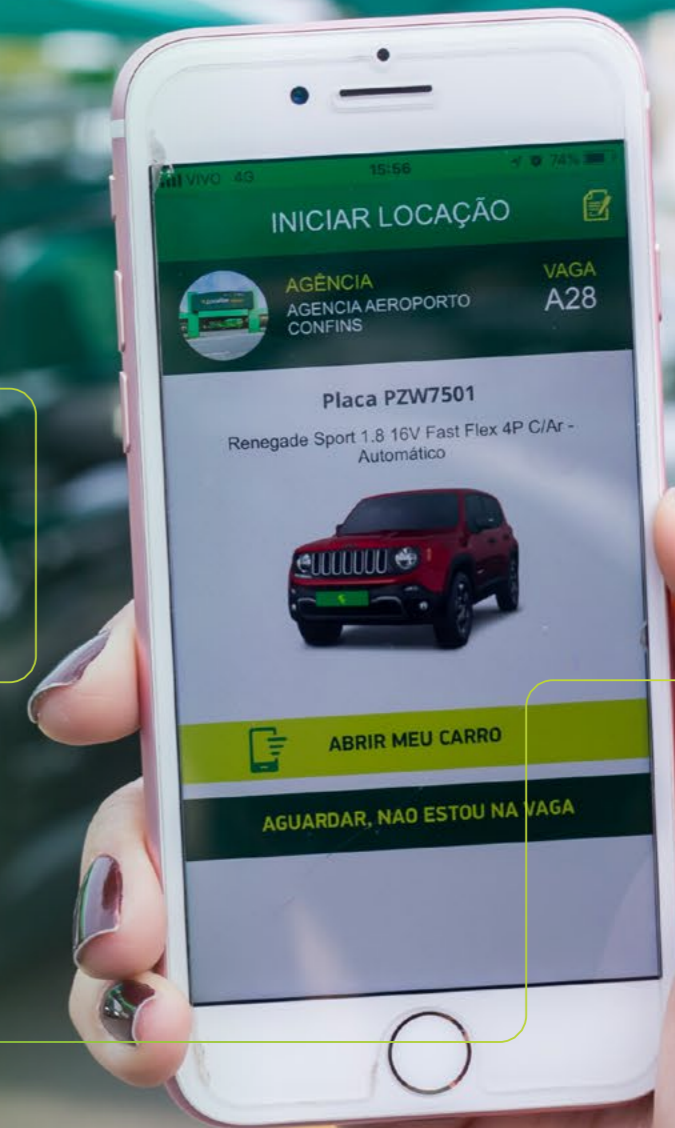
Although waste is not among the material topics in our new materiality matrix, we have decided to continue to report information on waste management as a good practice in transparency and because we recognize that our business generates impacts in this area.

To mitigate impacts from waste, we establish partnerships with reverse logistics programs (for example, tire suppliers collect end-of-life tires), and we have waste segregation systems in place and a composting system that transforms leftover food from the cafeteria at our headquarters into fertilizer for our grounds.

WASTE DISPOSAL

ITEMS	REVERSE LOGISTICS	2018	2019	2020
Coolant (liters)	Yes	18,162	6,055	9,660
Wheel covers (units)	No	62,156	86,116	55,828
Brake discs (units)	No	28,055	28,925	27,324
Cabin air filters (units)	No	N.D.	30,073	28,646
Engine air filters (units)	No	108,799	88,548	77,069
Fuel filters (units)	No	278,642	341,917	339,409
Oil filters (units)	Yes	297,879	381,684	382,160
Light bulbs (units)	No	N.D.	77,699	109,922
Gearbox oil (liters)	Yes	4,522	3,516	6007
Power steering fluid (liters)	Yes	N.D.	618	849
Brake fluid (liters)	Yes	12,309	10,215	10,271
Engine oil (liters)	Yes	1,334,292	1,702,527	1,803,390
Transmission oil (liters)	Yes	266	912	1,378
Compressor oil (liters)	Yes	540	630	746
Fenders (units)	No	N.D.	2,1387	26,590
Windshields (units)	No	27,332	30,852	33,170
Bumpers (units)	No	20,951	21,370	16,900
Brake pads (sets)	No	53,143	69,843	100,351
Tires (units)	Yes	174,420	156,800	224,764
Toner (units)	Yes	1,810	350	N.D.
Spark plugs (units)	No	47,003	21,838	17,737

GRI CONTENT INDEX



GRI CONTENT INDEX

GRI 102-55

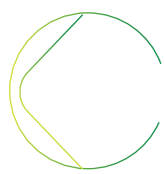
GENERAL DISCLOSURES

GRI 101: FOUNDATION 2016

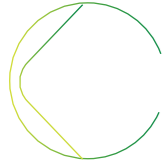
GRI 101 contains no disclosures

ORGANIZATIONAL PROFILE

GRI STANDARDS	DISCLOSURE	PAGE/URL	OMISSION	GLOBAL COM-PACT	SDG
GRI 102: General disclosures 2016	102-1 Name of the organization	14			
	102-2 Activities, brands, products, and services	14			
	102-3 Location of headquarters	Belo Horizonte (MG).			
	102-4 Location of operations	14			
	102-5 Ownership and legal form	22			
	102-6 Markets served	14			
	102-7 Scale of the organization	14			
	102-8 Information on employees and other workers	31			8, 10
	102-9 Supply chain	19			
	102-10 Significant changes to the organization and its supply chain	14 and 15			
	102-11 Precautionary principle or approach	59			
	102-12 External initiatives	18, 39 and 59			
	102-13 Membership of associations	19			



GRI STANDARDS	DISCLOSURE	PAGE/URL	OMISSION	GLOBAL COM-PACT	SDG
STRATEGY					
GRI 102: General disclosures 2016	102-14 Statement from senior decision-maker	4			
	102-15 Key impacts, risks, and opportunities	25			
ETHICS AND INTEGRITY					
GRI 102: General disclosures 2016	102-16 Values, principles, standards, and norms of behavior	14 and 27			
	102-17 Mechanisms for advice and concerns about ethics	27 and 28			
GOVERNANCE					
GRI 102: General disclosures 2016	102-18 Values, principles, standards, and norms of behavior	23			
	102-19 Delegating authority	23			
	102-20 Executive-level responsibility for economic, environmental, and social topics	23			
	102-21 Consulting stakeholders on economic, environmental, and social topics	8			
	102-22 Composition of the highest governance body and its committees	23			
	102-23 Chairman of the highest governance body	The Chairman of the Board of Directors is not also an executive officer in the organization.			
	102-24 Nominating and selecting the highest governance body	23			
	102-25 Conflicts of interests	23			
	102-26 Role of highest governance body in setting purpose, values, and strategy	23			
	102-27 Collective knowledge of highest governance body	23			
	102-28 Evaluating the highest governance body's performance	23			
	102-29 Identifying and managing economic, environmental, and social impacts	8			
	102-30 Effectiveness of risk management processes	25			
102-31 Review of economic, environmental, and social topics	23				



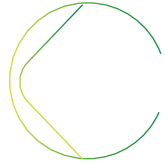
GRI STANDARDS	DISCLOSURE	PAGE/URL	OMISSION	GLOBAL COM-PACT	SDG
GRI 102: General disclosures 2016	102-33 Communicating critical concerns	On a two-monthly basis, a presentation is made to the Audit, Risk Management and Compliance Committee on the status of processes assessed by the Internal Controls and Risk Management department. The matters discussed are documented in minutes kept on file.			
	102-35 Remuneration policies	24			
	102-36 Process for determining remuneration	24			

STAKEHOLDER ENGAGEMENT

GRI 102: General disclosures 2016	102-40 List of stakeholder groups	8			
	102-41 Collective bargaining agreements	98.63% of employees are covered by collective bargaining agreements. For the remainder of employees (1.37%), who are not represented by unions, Localiza advances pay raises and provides benefits in accordance with internal policies.			8
	102-42 Identifying and selecting stakeholders	8			
	102-43 Approach to stakeholder engagement	8			
	102-44 Key topics and concerns raised	44			

REPORTING PRACTICES

GRI 102: General disclosures	102-45 Entities included in the consolidated financial statements	7			
	102-46 Defining report content and topic Boundaries	8			
	102-47 List of material topics	9			
	102-48 Restatements of information	None.			
	102-49 Changes in reporting	8			
	102-50 Reporting period	7			
	102-51 Date of most recent report	July 2020.			



GRI STANDARDS	DISCLOSURE	PAGE/URL	OMISSION	GLOBAL COM-PACT	SDG
GRI 102: General disclosures	102-52 Reporting cycle	Annual.			
	102-53 Contact point for questions regarding the report	7			
	102-54 Claims of reporting in accordance with the GRI Standards	7			
	102-55 GRI Content Index	65			
	102-56 External assurance	The financial statements for the fiscal year ended December 31, which contain information that has been reproduced in this report, were assured by Deloitte Touche Tohmatsu Auditores Independentes.			

MATERIAL TOPICS

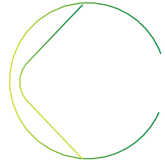
ECONOMIC PERFORMANCE

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	50			
	103-3 Evaluation of the management approach	50			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	52			8, 9

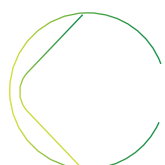
MARKET PRESENCE

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	30			
	103-3 Evaluation of the management approach	30			

GRI 202: Market presence 2016	202-1 Ratio of standard entry level wage compared to local minimum wage	31			1, 5, 8
	202-2 Proportion of senior management hired from the local community	The proportion of senior management hired from the local community is 1. All 11 members of the Executive Board were hired from the local community. We assume senior management to be the Executive Board plus the CEO, and the reporting location to be our headquarters (Belo Horizonte/MG).			8
GRI STANDARDS	DISCLOSURE	PAGE/URL	OMISSION	GLOBAL COM-PACT	SDG
INDIRECT ECONOMIC IMPACTS					
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
INDIRECT ECONOMIC IMPACTS					
GRI 103: Management approach 2016	103-2 The management approach and its components	54			
	103-3 Evaluation of the management approach	54			
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	54			5, 9, 11
ANTI-CORRUPTION					
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	27			
	103-3 Evaluation of the management approach	27			
GRI 203: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	This information is confidential.			16
	205-2 Communication and training on anti-corruption policies and procedures	28			16
	205-3 Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption during the reporting period.			16



ANTI-COMPETITIVE BEHAVIOR					
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	27			
	103-3 Evaluation of the management approach	27			
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None.			16
GRI STANDARDS	DISCLOSURE	PAGE/URL	OMISSION	GLOBAL COM-PACT	SDG
ENERGY					
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	61			
	103-3 Evaluation of the management approach	61			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	61			7, 8, 12, 13
	302-3 Energy intensity	61			7, 8, 12, 13
	302-4 Reduction of energy consumption	61			7, 8, 12, 13
EMISSIONS					
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	59			
	103-3 Evaluation of the management approach	59			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	60			3, 12, 13, 14, 15
	305-2 Energy indirect (Scope 2) GHG emissions	60			3, 12, 13, 14, 15
	305-3 Other indirect (Scope 3) GHG emissions	This disclosure is not being reported in 2020.			3, 12, 13, 14, 15



ENVIRONMENTAL COMPLIANCE

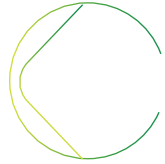
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	58			
	103-3 Evaluation of the management approach	58			
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	None.			16
GRI STANDARDS	DISCLOSURE	PAGE/URL	OMISSION	GLOBAL COM-PACT	SDG

EMPLOYMENT

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	30			
	103-3 Evaluation of the management approach	30			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	32			5, 8, 10
	401-3 Parental leave	33			5, 8

TRAINING AND EDUCATION

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	40			
	103-3 Evaluation of the management approach	40			
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	41			4, 5, 8, 10
	404-2 Programs for upgrading employee skills and transition assistance programs	40	Localiza does not have transition assistance programs in place.		8
	404-3 Percentage of employees receiving regular performance and career development reviews	42			5, 8, 10



DIVERSITY AND EQUAL OPPORTUNITY

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	36			
	103-3 Evaluation of the management approach	36			
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	36 and 37			5, 8
	405-2 Ratio of basic salary and remuneration of women to men	37			5, 8, 10
GRI STANDARDS	DISCLOSURE	PAGE/URL	OMISSION	GLOBAL COM-PACT	SDG

NON-DISCRIMINATION

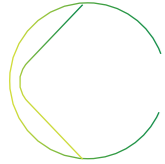
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	36			
	103-3 Evaluation of the management approach	36			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	39			5, 8

HUMAN RIGHTS ASSESSMENT

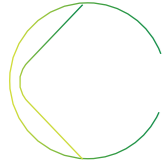
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	36			
	103-3 Evaluation of the management approach	36			
GRI 412: Human rights assessment 2016	412-2 Employee training on human rights policies or procedures	Human rights policies and procedures are addressed in our Code of Conduct.	Records are not kept of the number of hours of employee training on human rights policies and procedures.		

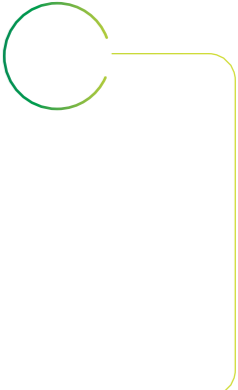
LOCAL COMMUNITIES

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	54			
	103-3 Evaluation of the management approach	54			



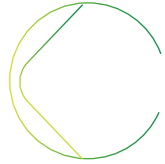
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	54			
GRI STANDARDS	DISCLOSURE	PAGE/URL	OMISSION	GLOBAL COM-PACT	SDG
CONSUMER HEALTH AND SAFETY					
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	44			
	103-3 Evaluation of the management approach	44			
GRI 416: Consumer health and safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of noncompliance with regulations and/or voluntary codes concerning the health and safety impacts of our products and services in the year.			16
CUSTOMER PRIVACY					
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	44			
	103-3 Evaluation of the management approach	44			
GRI 418: Customer privacy 2016	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	None.			16
SOCIAL AND ECONOMIC COMPLIANCE					
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	9			
	103-2 The management approach and its components	27			
	103-3 Evaluation of the management approach	27			
GRI 419: Social and economic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	None.			16





SASB CONTENT INDEX

SASB - CAR-RENTAL		
DISCLOSURE	UNIT OF MEASURE	PAGE/URL
Material topic 2: Air emissions	TR-AU-130a.1 EM-IS-130a.1 (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable.	Total energy consumed: 57,004.17 GJ Percentage grid electricity: 100% Percentage renewable: 0% .
	EM-IS-110a.1 Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	14,757.03 t CO ₂ equivalent.
	EM-IS-130a.2 (1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas, (4) percentage renewable	Total fuel consumed: 221,052.95 GJ . Percentage coal (coke) and natural gas: 0% . Percentage renewable: 54% .
Material topic 6: Road safety	TR-AU-250a.1 Product safety: Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	44
	TR-AU-250a.2 Product safety: Number of safety-related defect complaints, percentage investigated	There were no safety-related defect complaints involving our vehicle fleet during the reporting period.
	TR-AU-250a.3 Product safety: Number of vehicles recalled	Car Rental: In 2019, 19,600 vehicles were affected by recalls. Of these, 13% were recalled. In 2020, 43% of 8,400 affected vehicles were recalled. Fleet Rental: In 2019, 21% of 17,800 affected vehicles were recalled. In 2020, 71% of 735 affected vehicles were recalled.
	TR-RO-540a.1 Number of road accidents and incidents	In 2020 we recorded 7,666 road accidents involving third parties. We also recorded 199,720 incidents not involving third parties, but only property damage.
Material topic 8: Quality of service	TR-CR-410a.2 Fleet utilization rate	Fleet utilization rate: Car-Rental: 73.5% Fleet Rental: 97.4% . Total fleet: 277,991 .



CORPORATE INFORMATION

COORDINATION: COMMUNICATIONS AND SUSTAINABILITY DEPARTMENT

LOCALIZA SUSTAINABILITY COMMITTEE

Coordinator: Daniel Linhares

Secretary: Emerson Gomes

PMO: Thales Costa

Members:

Antônio Augusto

Fabício Oliveira

Kelly Dauanny

Nora Lanari

Rozalia Del Gaudio

Rodrigo Tavares

Suzana Fagundes

OTHER CONTRIBUTORS

Alehandra Brant, Alessandra Peixoto, Fernanda Ávila, Ludmila Linhares, Luiza Padovezi, Ricardo Estrella and Roberta Rocha

GRI CONSULTING, CONTENT AND DESIGN

rpt.sustentabilidade

www.reportsustentabilidade.com.br

Daniely Soares (**GRI Consulting**)

Felipe Salgado (**Materiality**)

Leandro Lopes (**Graphic design**)

Rejane Lima (**Editing**)

Ricardo Duarte (**Project management**)

Rodolpho Vasconcellos (**Design, layout**)

Vera Lúgia Rangel (**Writing**)

Latam (**Translation**)

PHOTOS

Localiza image bank

