



**2022**  
**Sustainability**  
**Report**

Localiza&co



# Table of Contents

## Introduction

### PRESENTATION

Message from the CEO .....	4
About the Report .....	8
2022 Highlights .....	10

### LOCALIZA

Who We Are .....	14
Economic-Financial Results .....	20
Sustainable Strategy .....	23

## World Class Culture and Governance

### ETHICS AND GOVERNANCE

Ethics, Integrity and Transparency .....	28
Corporate Governance .....	33
Risk Management.....	41

## Sustainable Mobility

### ENVIRONMENTAL AGENDA

Climate Change and Risks .....	44
Atmospheric emissions .....	46
Waste, Energy and Water Management .....	50

### INNOVATION AND SAFETY

Smart and Sustainable Use of Cars.....	54
Traffic Safety.....	56
Innovation.....	58

## Education and Entrepreneurship for Social Transformation

### OUR EMPLOYEES

Team Profile.....	60
People Development and Retention.....	62
Diversity, Inclusion and Human Rights.....	66

### SOCIAL DEVELOPMENT

Care for the Community.....	68
Instituto Localiza .....	71

## Attachments

### CONTENT MAP

Credits .....	86
---------------	----





Chapter **1**

# Introduction



# Presentation

## Message from the CEO

---

2022 was a historic year for Localiza&Co, which marked significant advances in our commitment to **create a sustainable future for mobility**.

We maintained our focus on value creation, guided by our ESG agenda and driven by a long-term vision, always placing the customer and employees at the heart of our decisions.

With the completion of the business combination with Locamerica, we are prepared to reach even higher heights. In just three months, we carried out a successful divestment (carve-out), which consisted of creating a company, and even so, we managed to maintain the growth trajectory of rental revenues. We also began to operate in the heavy vehicle rental, special vehicles and agro segments, market niches with a great potential for growth. We remain dedicated to ensuring the effective integration of employees, working with care and

attention to promote synergy between teams and a good organizational climate.

We launched Localiza+, a new solution aimed at customers with their own cars, offering overhaul and maintenance services provided by our partners. Based on this initiative, we diversified our activities in the mobility ecosystem, positioning ourselves as a solution platform aimed at the most diverse demands of society.

We also have an engaged team: over 17 thousand professionals determined to offer the best solutions to our customers, positively surprising them. We are a company that is always looking to learn and evolve. Our culture is built on ethics, and through leadership and boldness, we established an organization that, in our opinion, is ready for the challenges of the future.

With a careful and empathetic look at our team, we seek to develop a respectful, welcoming and inclusive environment, forming a high-performance team that celebrates and strengthens itself with its differences, in addition to inspiring the evolution of society. In 2022, Localiza&Co's Diversity and

Inclusion Program received the highest score in the Equidade BR survey by the Human Rights Campaign, being recognized among the best places for the LGBTI+ public to work, as well as maintaining scores above 90 in the employee's perception on issues related to Localiza&Co's performance in Diversity and Inclusion in the climate survey. We are also among the Best Companies to Work For in the GPTW (Great Place to Work) Women ranking.

Moreover, the position we rank in 4<sup>th</sup> place in the GPTW and the 84% favorability in the climate survey, calculated after the business combination, prove our commitment to offering a careful and welcoming work environment for our team development. This care for people is not restricted to the Company's employees; it goes beyond its limits to positively impact other stakeholders.

In 2022, Instituto Localiza completed its first year of operation, which aims to bring people together for social transformation. In this first cycle, more than 12 thousand people were positively impacted with technical training and productive inclusion projects in areas related to the mobility ecosystem, with an investment of over R\$3.6 million in direct donations.



# In 2022, 100% of the energy used by the Company came from **clean renewable sources.**

Focused on tackling climate change, following our decarbonization journey, we also engaged in the environmental pillar: we published the fourth greenhouse gases (GHG) inventory, audited by a third party, and we once again received the GHG Protocol Gold Seal, in addition to remain in B3's Carbon Efficient Index – ICO2. We fuel 100% of our flex-fuel cars with ethanol, as it pollutes less than gasoline, encouraging and guiding our employees to do the same through internal policies. We invited our customers to join our decarbonization journey with the launch of Neutraliza, a program that encourages them to offset their emissions during their journey with us, through an additional fee of R\$1.99/day for daily contracts or R\$0.99/day for monthly contracts. We continue to evaluate fleet electrification initiatives, and in partnership with Renault, Raízen and other companies, we make 200 electric vehicles available to Zarp Localiza partner drivers. Also in 2022, we started the study of Climate Risk Assessment, which will help to guide our actions, and priorities on the subject.

We also made important advances in the use of clean energy. We have solar farms, we install solar panels at branches, and we buy clean energy. For the remaining portion, relating to the energy consumed in the captive market, we purchased I-RECs from wind and solar sources, neutralizing Scope 2 emissions.

Operationally, from the second half of the year onwards, the supply of cars showed a substantial improvement, allowing us to accelerate vehicle purchases again, enabling the start of the fleet renewal process and the resumption of growth in car rental and sales volumes. The Car Rental division recorded, in 2022, a pro forma<sup>1</sup> net revenue of R\$7.4 billion and a 28.2% growth compared to the previous year<sup>2</sup>, even with the impact of the sale of 49 thousand vehicles from the carve-out. Fleet Management, in turn, accelerated its growth pace in the rental fleet, generating a pro forma net revenue of R\$4.4 billion, a 48% increase compared to 2021.

<sup>1</sup> Throughout the Report, whenever there is an indication of a pro forma result, annual comparisons will be made based on the historical pro forma figures of the two companies. Pro forma results are based on available information directly attributable to the business combination and factually support. This presentation is solely intended to illustrate the impact of this business combination on the Company's historical financial information, as if the transaction had taken place on January 1, 2021.

<sup>2</sup> The comparison between the numbers considers the pro forma results for 2021 and 2022.



It is also worth mentioning the diligent way in which our Board acted in 2022, very attentive to business combination issues, seeking to map synergies in integration plans. It has been almost two years since the announcement of the operation, with several milestones achieved, attesting to the Company's professionalism, determination and long-term vision. This is because, from a strategic point of view, the merger positions Localiza&Co as one of the largest and most complete mobility solution platforms in the world, with a strong DNA of customer delight and even more robust competitive advantages. With a relevant scale, a brand that is synonymous with the category and leadership in all car rental segments, it was important to monitor Localiza&Co's performance in capturing the great opportunities for growth and value generation in the market, always with a disciplined allocation of capital and long-term vision.

It is also important to note that the Board's new makeup includes individuals with complementary abilities with the entry of two new founders, as a result of the business combination, namely Mr. Luis Fernando Memoria Porto and Mr. Sérgio Augusto Guerra de Resende to the positions of members of the Company's Board of Directors. In this scenario, the founders of the merged Companies began to be considered Localiza's reference shareholders, with the Company's control being dispersed, with no controlling shareholder.

As for diversity, we remain primarily concerned with ensuring diversity of skills, always aligned with the organization's challenges, as we will demonstrate in the skills matrix when we present the directors to be candidates for this election, but we

also address generational, gender and sexual issues. As a result, we are already addressing these issues for 2023.

In Governance, we highlight the monitoring of ESG topics by the Board, through the Governance and Sustainability Committee, responsible for validating and monitoring the strategy adopted by the Company in its journey to build the future of sustainable mobility.

In compliance with the General Data Protection Law (GDPL) and other regulations on the subject, we are advancing in the development of good practices to ensure efficient information security management. Among the main initiatives, we have a Privacy and Data Protection Policy that defines privacy guidelines with the aim of ensuring that all personal data under the Company's responsibility is protected. We also have the Privacy Portal, the purpose of which is to inform how personal data is used within Localiza, providing a direct communication channel with holders and reflecting the commitment to transparency and security of the information they share with us.

Regarding internal care, we also evolved with the Transparency Portal, exclusively for employees. The portal includes the procedures and documentation that inform employees of their privacy rights and how to act, in accordance with the GDPL, when processing personal data in the exercise of their functions.

As privacy and information security are everyone's responsibility, we count on the support and commitment of each one to put into practice the actions related to the subject. Throughout 2022, the

Company had no complaints received from external parties or regulatory agencies regarding the violation of customer privacy, with no evidence of loss of personal data identified in the period.

Our Compliance area has evolved over the last few years, reaching the milestone of 87% of employees trained in the Code of Ethics and Conduct, already considering the combined company. We maintained ISO 37001 certification for the third consecutive year, demonstrating our commitment to integrity and compliance. We celebrated 10 years of our Whistleblowing Channel and improved our Money Laundering and Terrorism Financing Prevention Program, in order to be 100% in compliance with current laws.



We value close communication with suppliers and employees, strengthening trust and thus continuing to improve our Compliance practices. We thank everyone who contributes to a responsible, ethical and reliable company.

In 2023, we will continue to pursue consistent growth, guided by the generation of shared value, transforming our customers' experience.

---

**With a high-performance team and a solid culture,** we will continue to invest in innovation and technology to expand our competitive advantage, based on a digital and human Company.

Under our new brand, which reflects Localiza&Co's moment, and the evolution of its communication with our stakeholders over 50 years of history, we reaffirm our commitment to sustainable mobility, with the certainty that together we will build a better future.

**Bruno Lasansky**  
CEO





# About the Report

GRI 2-2 • 2-3 • 2-14

The purpose of this publication is to reinforce Localiza&Co's commitment to transparency by providing information on the Company's economic, financial and sustainable progress from January 1<sup>st</sup> to December 31<sup>st</sup>, 2022.

In order to share these results and initiatives with our stakeholders and the society in general, the report adopts globally recognized references for corporate sustainability reports, following the communication guidelines of the **Global Reporting Initiative (GRI)**, the **Sustainability Accounting Standards Board (SASB)** and the **Task Force on Climate-Related Financial Disclosures (TCFD)**, in addition to connecting the topics that are aligned with the goals and sub-goals of the **UN Sustainable Development Goals (SDGs)** prioritized by the Company.

The content and its structure were determined according to Localiza&Co's material topics, identified in an in-depth materiality study (learn more on page 24). The Sustainability Report, published on 06/20/2023, underwent analysis and approval by the Executive Sustainability Committee and by the Governance and Sustainability Committee, and by more than 13 areas of Localiza&Co.

## Reading tools



Through the chapters and subchapters, GRI standard indicators are referred to with the symbol "GRI XXX-X", which indicates which indicators are being addressed in that section of the content. You can also find the full index on page 77.

Learn more on:  
[globalreporting.org](https://globalreporting.org)



Likewise, we highlight the SASB indicators, which propose the reporting of priority ESG indicators for each sector, with the symbol "SASB XXXX". The full table can be seen on page 83.

Learn more on:  
[sasb.org](https://sasb.org)



In line with the ongoing commitment made last year, to keep improving our reporting with regard to the management of atmospheric emissions and climate change risks, we have again adopted the TCFD reporting guidelines, the index of which is on page 84.

Learn more on:  
[fsb-tcfid.org](https://fsb-tcfid.org)



Since Localiza&Co is a signatory to the Universal Principles of the Global Compact, our Report is aligned with the 2030 Agenda, which aims to achieve the 17 SDGs proposed by the UN. You can access the complete map that links our content to the Company's priority SDGs on page 85.

Learn more on:  
[odsbrasil.gov.br](https://odsbrasil.gov.br)

The information disclosed throughout the publication is in line with the Company's financial statements, and includes the operations of all companies in the Localiza&Co structure, namely: Car Assistance Serviços de Administração de Sinistros S.A., Companhia de Locação das Américas S.A., Localiza Fleet S.A., Localiza Franchising Brasil S.A., Localiza Franchising International S.R.L., Localiza Serviços Prime S.A., Rental Brasil, Administração e Participação S.A., Acelero Comércio de Veículos S.A., Agile Gestão de Frotas e Serviços S.A., Car as a Service Ltda., Car Rental Systems S.A., CarSale Tecnologia e Comércio de Veículos Ltda., Costa Dourada Veículos Ltda., Gestão e Operação de Viagens Ltda., Iter Tecnologia S.A., Localiza Veículos Especiais S.A., Locamérica Comercial S.A., Locamérica Franquias S.A., Locamérica Rent a Car S.A., MOBÍ7 Sociedad de Responsabilidad Limitada de Capital Variable, MOBÍ7 Tecnologia em Mobilidade S.A., LLMX Sociedad Anónima de Capital Variable, Nexcorp Servicios e Telecomunicações S.A., Soft Software S.A., Voll Soluções em Mobilidade Corporativa S.A..

Upon the completion of the business combination with Locamerica, on July 1, 2022, the reporting of indicators was done on a consolidated way from this date, while in the previous months of the year only the Localiza operation was considered. In the case of exceptions, data coverage will be informed throughout the Report according to the specificity of the indicator.

If you have any questions or suggestions regarding this Report and the topics covered in it, please contact us by email: [sustentabilidade@localiza.com](mailto:sustentabilidade@localiza.com)





# 2022 Highlights

## 2022 marked a year of major transformations at Localiza&Co.

In line with the Company's vision of the future, the results achieved in the year reinforced our capacity for growth combined with the generation of value for the stakeholders with which we relate, continuing our journey of positive impact and making us more prepared to raise even higher heights.

### Business

- » Business combination with Locamerica
- » Launch of **Localiza+**: overhaul and maintenance solution for **customers with their own cars**, which already has more than 15,000 customers
- » **R\$21.6 billion** in pro forma net revenue<sup>1</sup> and **R\$1.98 billion** in pro forma net income<sup>1</sup>
- » **+590,000** cars in the fleet
- » **Increase in net revenue:**  
Car rent: +28.2%  
Fleet Management: +48%
- » **+15 million** customers
- » Launch of the **new brand**

<sup>1</sup> The pro forma result presents the result assuming the business combination with Locamerica since 01/01/2021.

### World Class Culture and Governance

- » Localiza&Co was among the **50 companies with the best reputation** according to Merco
- » Robust and constantly evolving **Integrity Program**
- » **91%** adherence to the Localiza Climate Survey, with **84%** favorability
- » **Sustainability Policy** Update: reflecting materiality in our formal commitment
- » UN Global Compact signatories since 2017
- » **295 thousand training hours** for employees, in 2022
- » **+17 thousand #GreenBlood** employees
- » Maintenance of the **ISO 37001** Certificate: quality in the fight against bribery

# 2022 Highlights

## 2022 marked a year of major transformations at Localiza&Co.

In line with the Company's vision of the future, the results achieved in the year reinforced our capacity for growth combined with the generation of value for the stakeholders with which we relate, continuing our journey of positive impact and making us more prepared to raise even higher heights.

### Sustainable Mobility

- » We maintained the **Gold Seal** for our GHG inventory (GHG Protocol), published for the fourth time
- » Launch of **Neutraliza**, a program to neutralize emissions related to direct operation, which has already offset **+14 thousand tons of CO<sub>2</sub>**
- » **100% of the energy** used by the Company came from **clean, renewable sources**
- » Beginning of the preparation of the **Climate Risk Study**
- » Availability<sup>2</sup> of **200 electric vehicles** for Localiza Zarp customers
- » **+80 million liters of water** saved through dry cleaning
- » Evolution in ESG practices supported by the improvement in the main global ESG ratings
- » Recognition as 2023 **Top-Rated ESG Companies List** by Sustainalytics for our industry and Latin America
- » We remain in B3 Carbon Efficient Index (ICO2)

<sup>2</sup> In partnership with Renault, Raízen, Uber, Mobilize, Tupinambá and Carrefour Property.

### Education and Entrepreneurship for Social Transformation

- » **Instituto Localiza** completed its **first year of operation**, impacting more than 12,000 young people, supporting 49 projects across the country, with an investment of **R\$3.6 million in direct donations**
- » Creation of **eLLas**: program focused on the development of **female leadership**. The first group was attended by 25 female employees
- » Launch of **Pluraliza**, program to develop self-declared black and brown analysts
- » **4<sup>th</sup> place in the Great Place to Work (GPTW)**
- » Among the Best Companies to Work For in the GPTW Women ranking
- » Women in Leadership Award 2023 from WILL Women in Leadership in Latin America
- » Recognition among the Best Places for LGBTI+ People to Work Index from the Human Rights Campaign's Global Work Equity Program
- » **+R\$1.5 million** invested in incentive laws for culture, sport, education and care for the elderly
- » **94% favorability** in the Diversity and Inclusion program



# Awards and acknowledgments



## Citizen Company

- » Highlights, for the 2<sup>nd</sup> consecutive year, in the “Best of ESG” award, by Exame in partnership with Ibmecc
- » Among the Best Companies to Work For in the GPTW (Great Place to Work) Women ranking
- » 4<sup>th</sup> place in the National GPTW (Great Place to Work) among companies with more than 10,000 employees
- » We are part of the Teva Women in Leadership Index (ticker ELAS11), which brings together companies with the highest number of women in leadership positions
- » **Best Places for LGBTI+ People To Work:** we had the maximum score, 100 points, in the survey carried out by Instituto Mais Diversidade, in partnership with the Human Rights Campaign Foundation (HRC) and the Forum of Business and LGBTQIA+ Rights
- » Women in Leadership Award 2023 by WILL Women in Leadership in Latin America
- » **1<sup>st</sup> regional place (MG and Midwest) with the project “ESG Localiza: Building the Future of Sustainable Mobility”** in the Organizational Sustainability category of the ABERJE 2022 Award



## Brand and reputation

- » **23<sup>rd</sup> Most Valuable Brand in Brazil** by Interbrand, among the highlights of the brands that most grew their brand value, with 13%
- » For the 15<sup>th</sup> time we received the Seal of Excellence in Franchising in the Master category, from the Brazilian Franchising Association
- » **1<sup>st</sup> place in the Mobility category** – Rental Companies (NPS Awards)
- » **16<sup>th</sup> Most Valuable Brand in Brazil** by IstoÉ Dinheiro
- » For the 4<sup>th</sup> time we received the International Franchise Certificate in the Mega category, granted by the Brazilian Franchising Association in partnership with the Brazilian Trade and Investment Promotion Agency
- » **Reclame Aqui Award in three categories:** Eighth in Car Rental, Sixth in Car Dealership and First in Car by Subscription



## Governance

- » In January 2023, Localiza received an ESG Risk Rating of 10.1, being evaluated by Sustainalytics as “low risk” of suffering financial impacts due to ESG factors. Localiza’s ESG Risk Rating places it in **2<sup>nd</sup> place in the Transport sector in the World**. The Company appears in the Top rated Regional and Industry
- » Incredible Places to Work in the sector and Most Incredible CEO by UOL and FIA rankings
- » **Most Innovative Car & Fleet Rental Company** by The Global Economics Awards
- » Among the Most Admired CEOs and HRs in Brazil by Grupo Gestão RH
- » **43<sup>rd</sup> company with the Best Corporate Reputation by the Merco ranking**, in 2023 (rising 17 positions compared to the previous year). Eugênio Mattar and Bruno Lasansky (for the 1<sup>st</sup> time) are also in the Leaders with the Best Reputation ranking
- » **Winners of the ESG Highlight Award**, from IBEF - MG with the case: “Building the Future of Sustainable Mobility”



## Quality

- » **Winners of the Mobility Award** (Estadão) - Best Car Rental Company (Localiza) and Best Subscription Car Service (Localiza Meoo)
- » Among the Companies that change the world using technology by Digital Innovation One
- » Institutional Investor – Highlight in the Transport sector with Best CEO, CFO, IR Professional, IR Team, IR Program, ESG, Event with Analysts, Crisis Management amid COVID-19 and Most Honored Company in Brazil
- » Best Mobility Solutions Leadership LATAM 2022 pela Capital Finance International Awards



Celebration of Localiza's 50 years in headquarters building in Belo Horizonte (MG).



# Localiza

## Who We Are

GRI 2-1 • 2-6

Founded in 1973 in the city of Belo Horizonte (MG), Localiza&Co is a Brazilian company that started operations with a fleet of just six Beetles, purchased on credit.

Today, we are one of the largest and most complete mobility platforms in the world. With 50 years of history, we are the largest Company in the car rental sector in Latin America, with the highest market value in the world among publicly traded companies. In our journey towards the future of sustainable mobility, we act by creating value for our employees, investors, customers, partners and the entire society and environment.

Values are the basis of everything we believe in and guide the conduct of people within the platform. Therefore, they are being adapted to L&CO's new moment and will be consolidated throughout 2023.

Learn more about our history on the [timeline](#).



## Business combination

SASB TR-CR-000.C

In 2022, we completed the business combination with Locamerica, approved by the Administrative Council for Economic Defense (CADE), in 2021. With this transformation, we now have a scale that has positioned us as a national leader in the car rental, fleet management, subscription cars and ride hailing segments. This milestone, which came with operational and financial synergies, also guaranteed Localiza&Co complementarity in new scopes of action, such as heavy vehicles, special vehicles and agro.

As part of the business combination process, the Company carried out the carve-out sale, with approximately 49 thousand cars in the fleet and 200 agencies. The proceeds from the sale were reinvested in fleet growth, with good commercial and mix conditions, balancing our segments and allowing the continuity of our growth trajectory, generating value for shareholders.

The business combination represented an acceleration in our vision of the future, bringing gains in efficiency and a greater scale for investments in technology. As a result of all this evolution, we also revisited the architecture of our brand, aligned with the business. **Now we are Localiza&Co, a mobility platform guided by the customer experience and driven by a highly qualified team.**

In line with the robust planning led by the Company's integration office, we have progressed in the integration of teams, Car Rental agencies and Used Car stores. We continued to make progress on system integrations, synergy capture, and organizational culture and engagement fronts, while looking at the equalization of accounting practices and making the necessary reclassifications. Although integration is currently advanced, Localiza&Co's new scale has placed us in a good position to capture growth opportunities with value creation.

We ended 2022 with:

**+591 thousand**  
own vehicles

**608 owned**  
and franchised locations in Brazil, 74 of  
which were implemented in 2022

**86 franchised**  
locations abroad in five countries, namely:  
Argentina, Colombia, Ecuador, Paraguay  
and Uruguay



# Our business

GRI 2-29

Localiza's business platform has two main activities: Car Rental and Fleet Management which, in turn, are supported by the Used Cars division, whose function is to demobilize the Company's assets. With our strategic planning, which involves the continuous launch of new solutions, in addition to improving our telemetry management, we work to ensure that both activities provide the best solutions to our customers in the mobility segment, through an integrated platform that supports our growth and constant evolution.

## Proximity to the customer

Throughout 2022, we created exclusive campaigns and promotions to expand customer reach, mainly in Rent a Car (RAC) and the branches. Part of this front was the incentive to use and interact with the Company's platforms, benefiting our consumers with vouchers and prizes, such as access to parks, streaming platforms and t-shirts. This is one of the contact channels through which we promote engagement, getting closer to and building customer loyalty, in addition to building more lasting relationships.



\*Instituto Localiza: non-profit organization, maintained by L&CO.

## Car Rental

The Car Rental division offers daily or monthly rental options to a diverse customer base, comprising individuals and companies, including insurance companies. In addition, the segment is responsible for brand franchising.

# 331,445

own cars

---

# 608

branches in Brazil, 522 of which are own branches

---

# 172

franchised agencies in Brazil and Latin America

## Zarp

Product launched in 2021, within the Car Rental division, Zarp offers car rental options to app drivers. Among the main advantages and benefits, customers have 24-hour service throughout their route, car inspection and maintenance at no additional cost, savings with breakdowns, accidents and theft, as well as easy payment of the car rental. Avoiding vacancy and generating additional income, drivers can also deliver to partner companies through Zarp Já, generating discounts at restaurants, pharmacies and other commercial establishments.

Drivers have an application that centralizes several functionalities, allowing them to manage maintenance, overhaul, car replacement, race management, accounts payable and fines. Today, most of Zarp Localiza's cars are connected by our telemetry technology, which guarantees data-based management, providing a series of feedback to drivers about their performance behind the wheel, which contributes to traffic safety and accident reduction (find out more on page 55). With the defensive driving program, it is possible to evaluate driver behavior, rewarding the best drivers with fuel vouchers.

In partnership with Uber, we have driver onboarding in Zarp, an integrated product that provides more security to customers by confirming the driver's registration on the platform. It is possible to

integrate the rented vehicle registration plate into the application, which is why the partners leave the agencies qualified to start working, right after the signing of the contract. In addition, the option to enable payment of vehicle rental based on earnings on the Uber platform is available.

The benefits exclusive to Zarp drivers include: Zarp Tanque Cheio, Zarp no Volante, Zarp no Alvo and Zarp Indica, in addition to its own free digital wallet, the Zarp Wallet.

## Localiza+

Launched in 2022, Localiza+ is present in approximately 100 cities, offering contracting services, such as overhaul and maintenance for those who have their own car. With the experience we already have in the management and care of cars in our fleet, we expanded this view as a service to third parties, who have greater practicality and ease for maintenance. This is scheduled in the network of accredited workshops and has a technical consultant monitoring the entire vehicle overhaul process.

In this way, we offer a network of skills and know-how from Localiza&Co to our customers, facilitating processes for this audience while connecting partners and suppliers to new revenue streams, generating value for our business.



## Fleet Management

The Fleet Management ecosystem outsources fleets to companies based on long-term contracts, with a customized fleet according to customer needs, including special, agro and heavy vehicles.

**259,596**  
fleet rental **vehicles**

### Localiza Meoo

In the Fleet Management division, Localiza Meoo is a subscription car rental product designed to make life easier for our customers, as a completely innovative mobility solution, which caters from individuals to small and medium-sized companies.

With plans of up to 48 months, the product allows for savings compared to owning a car, since the customer does not have to pay for inspections, maintenance, document regularization, insurance and unforeseen events (accidents, thefts or seizures), in addition to providing various benefits, such as a 24-hour emergency service and the benefits club, which offers discounts on hotel chains and luggage protection.

### Citizenship in practice

For each car hired by Localiza Meoo, we donate a percentage to various projects focused on education, with the Favela 3D project in partnership with Gerando Falcões.

### Pesados (Heavy vehicles)

The results of the business combination completed in 2022 include the complementarity brought by the rental of heavy vehicles, within the Fleet Management segment. This is a new avenue with high growth potential, leveraging the skills, know-how and solutions offered to the Company's customers.







## Used Cars

The used cars division operates as its own network of points of sale, in which cars decommissioned from Fleet Management and Car Rental are sold directly to final consumers or to resellers. With this front, Localiza&Co maximizes the recovery value of these assets, reducing car depreciation and net investment for fleet renewal.

**141,189<sup>1</sup>**  
cars sold to final consumer

**186**  
stores

**94**  
cities

<sup>1</sup> Pro forma information.





# Economic-Financial Results

## Macroeconomic Scenario

As an effect of the pandemic and geopolitical factors, the shortage of some supplies resulted in an inflationary cycle and high interest rates, which cooled the global economy down. The automotive industry was especially impacted by the shortage of semiconductors (chips) and other inputs, resulting in reduced availability of new cars and a consequent increase in the price of cars and spare parts.

In this context, we experienced a reduction in car purchase volumes, which impacted the fleet's average mileage. This dynamic has led to higher maintenance costs.

As of the second half of 2022, the gradual resumption of production levels contributed to the start of the Company's fleet renewal process.

After the elections, the uncertainty level about the fiscal environment impacted the interest rate curve, leading to a greater perception of macroeconomic risk, also reflected in a tighter credit market. We understand that credit restriction, increased car prices and higher interest rates tend to impact the growth appetite of smaller players, creating opportunities for Localiza to gain market share.

## Performance in 2022

GRI 201-1

Despite an unfavorable scenario, we maintained resilient performance and results. Throughout 2022, the Company delivered solid financial and operational performance, with strong net revenue growth, strong adjusted EBITDA margin, efficient cost control and a significant increase in the average fleet.

With the completion of business combination with Locamerica, we have significant synergies that ensured an increase in the consolidated net revenue, in addition to a significant fleet expansion and greater presence in the national territory.

We also invested in the expansion of the store network and in fleet renewal, observing a scenario of greater availability of new cars compared to previous periods, which made purchases possible with favorable conditions and mix. As a result, more than 102 thousand cars were added to the fleet, reaching a record figure of 591 thousand vehicles.

Localiza&Co had a strong performance in terms of cash generation and profitability, with a 36.8% increase in consolidated pro forma adjusted EBITDA (due to the one-offs of the business combination) compared to 2021, totaling R\$8.37 billion.

We maintained our growth trajectory, expanding the service network and strengthening partnerships with companies from different sectors, such as retail, tourism and air transport. Localiza&Co also innovated in its services and launched new solutions to meet customer needs, such as Neutraliza, Localiza+ and the rental of heavy vehicles (arising from the business combination). The growth of the Company's core areas and the various innovation initiatives contributed to the increase in the company's pro forma net revenue by 24.8%, totaling R\$21,591.70 million in the year.

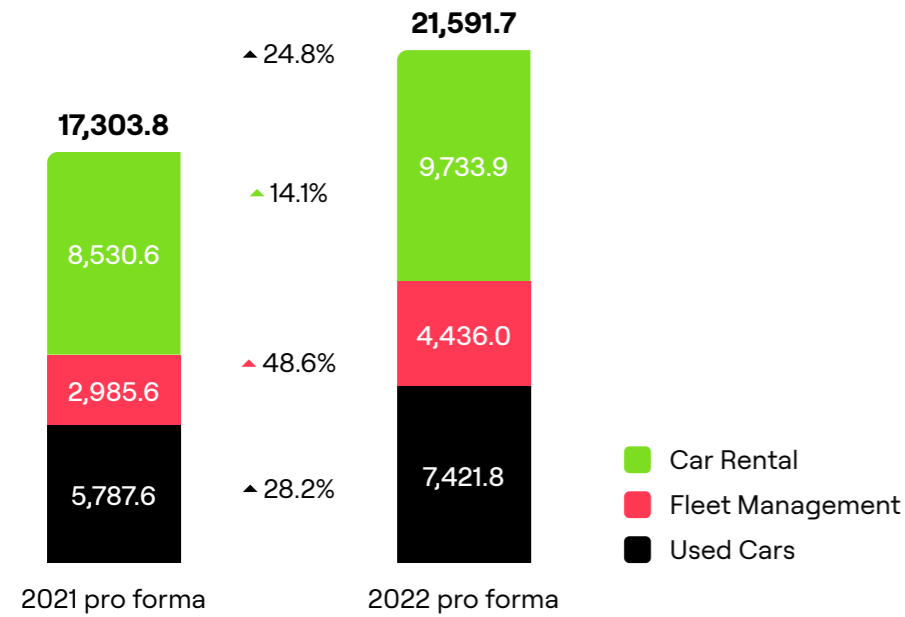
In summary, our financial and economic performance in 2022 was marked by consistent growth in all business divisions, investments in technology and innovation, expansion of the store network and fleet renewal.

In December, the Company took another important step in its internationalization process, opening three franchised branches in Uruguay: one in Montevideo, and two in Punta del Este. This achievement marked our arrival in yet another important territory in South America.

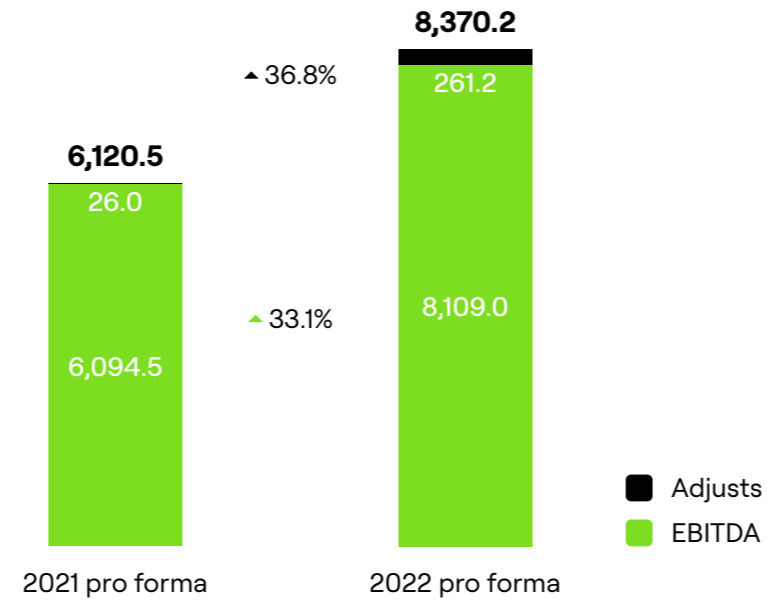
Such initiatives consolidate Localiza&Co as one of the largest publicly traded mobility platforms in Brazil and on the continent. With planning and focus, in 2022, we prepared ourselves for the future, moving forward with a long-term vision of growth.



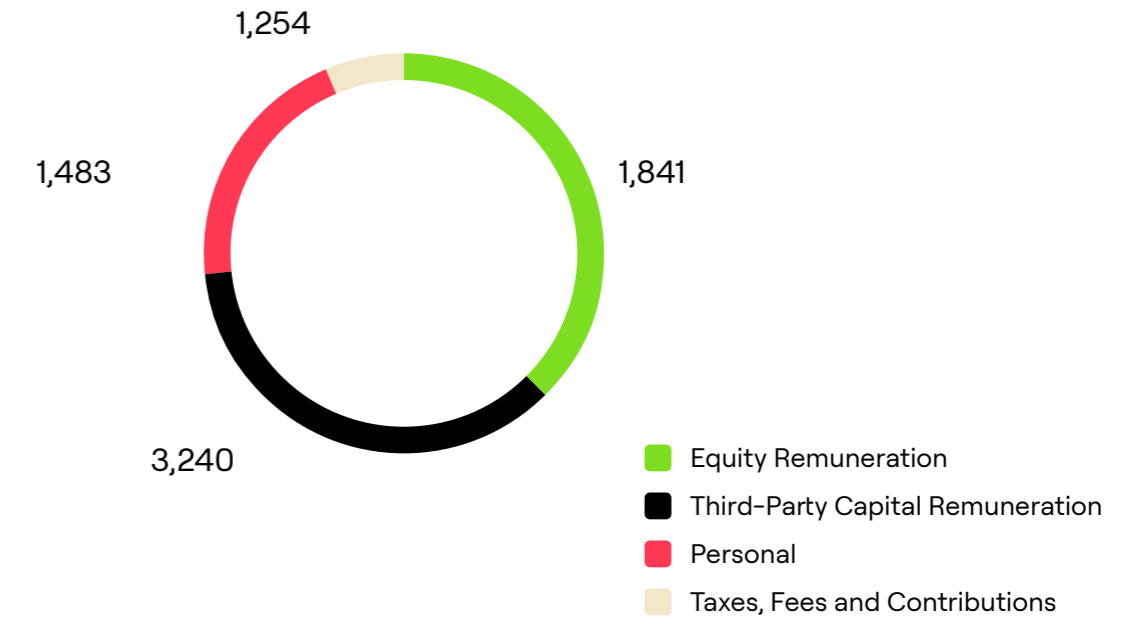
NET REVENUE (R\$MILLION)



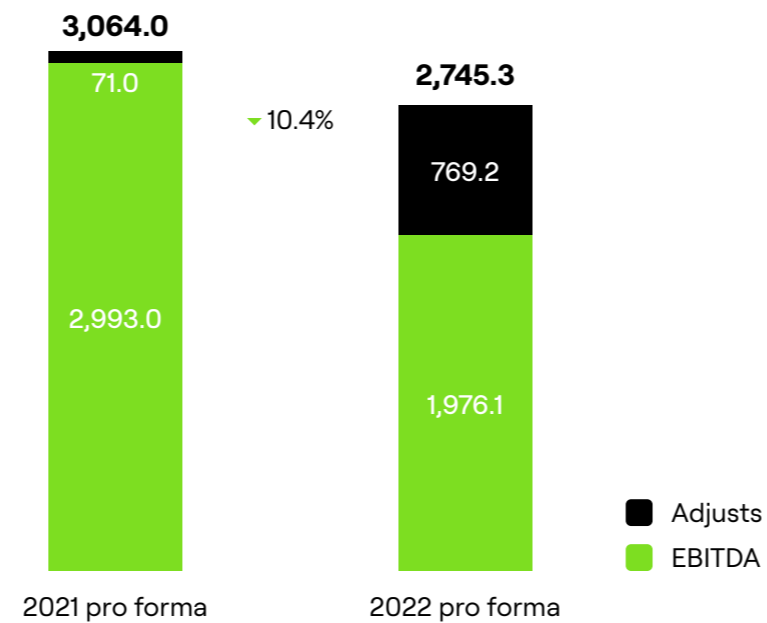
CONSOLIDATED EBITDA, ADJUSTED FOR BUSINESS COMBINATION ONE-OFFS (R\$MILLION)



DISTRIBUTION OF THE ADDED VALUE (DVA) (R\$THOUSAND)



NET INCOME (R\$MILLION)



In addition to these effects, net income for the period reflects the increase in EBITDA, car depreciation and net financial expenses.

Find out the details of operating results in our **Consolidated Income Statement**, available [here](#).



# Sustainable Strategy

GRI 2-22

Localiza&Co's purpose is to build, with you, the future of sustainable mobility. Thus, our ESG strategy is closely linked to the business' one, based on the concept that positive results for the Company depend on the generation of shared value and involve listening to and engaging all stakeholders.

In this sense, we have the Governance and Sustainability Committee, which advises the Board of Directors (BD) and the Sustainability Committee, a multidisciplinary executive body composed of employees from different areas and business units, which reports to the Company's CEO.

Reports take place in at least four meetings held per year. These moments are important for discussing and deliberating on the guidelines and monitoring progress on each front, in line with the Company's strategy, which, in turn, is defined with the active participation of the Board of Directors members.

Our actions are mainly guided by material topics and the **Sustainable Development Goals (SDGs)** of the 2030 Agenda.



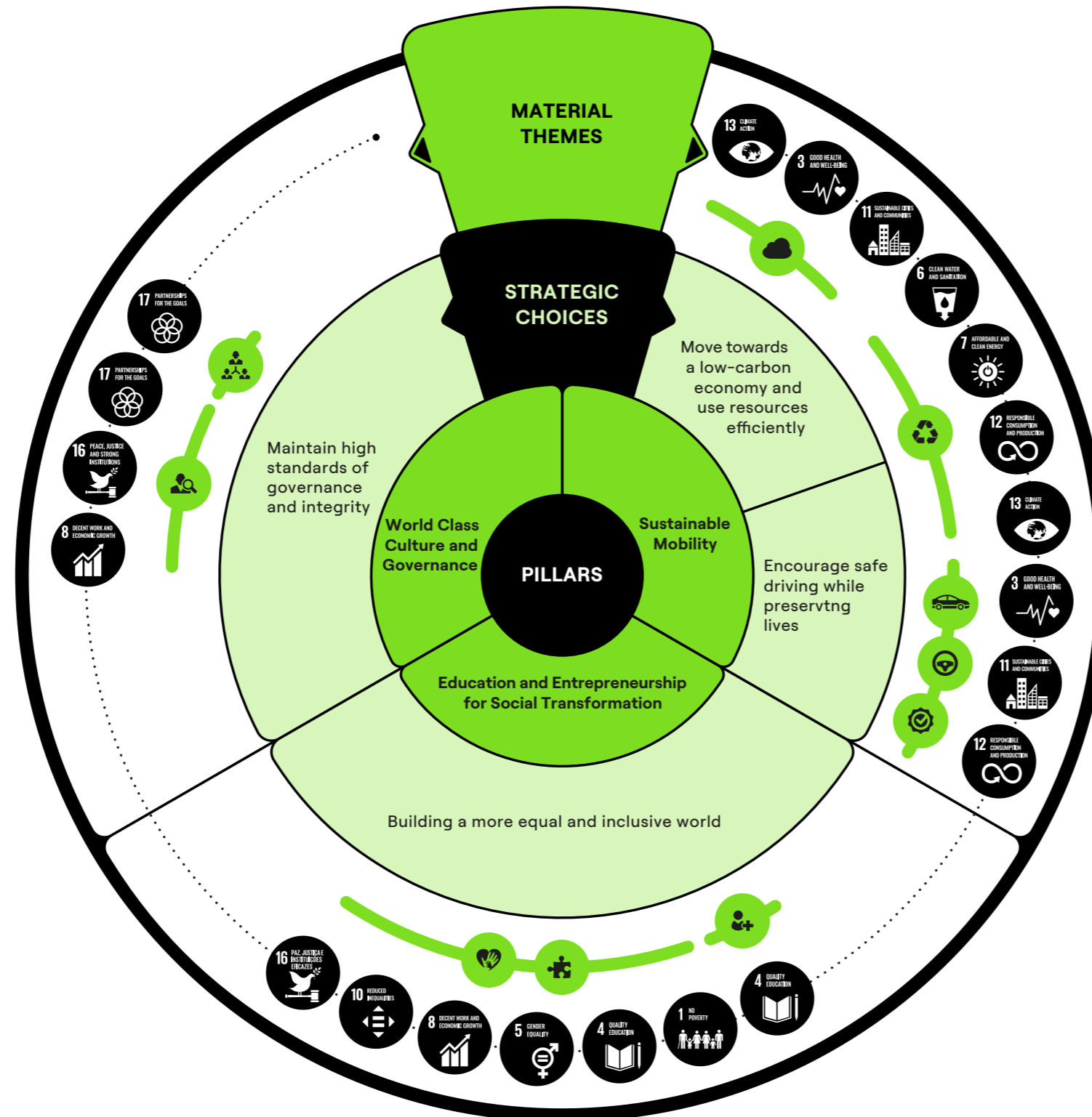
# Materiality

GRI 3-1 • 3-2 • 3-3

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

Based on this analysis, we defined our ten priority themes, which are structured around three main pillars: **World Class Culture and Governance**; **Sustainable Mobility**; and **Education and Entrepreneurship for Social Transformation**.

Check out the themes, initiatives, strategic choices and SDGs that make up the three pillars of our materiality:



**Enabler:** maintain transparency and dialogue based on consistent and reliable information, and on the evaluation of the progress in ESG practices.

MATERIAL THEMES	INITIATIVES
Gas Emissions	<ul style="list-style-type: none"> <li>» Reducing vehicle emissions through the use of ethanol</li> <li>» Neutralization of remaining emissions</li> </ul>
Waste, Energy and Water Management	<ul style="list-style-type: none"> <li>» Expansion of clean energy consumption at the branches</li> <li>» Management of waste generated by vehicle maintenance</li> <li>» Reduction of water use through dry cleaning</li> </ul>
Intelligent and Sustainable Car Use	<ul style="list-style-type: none"> <li>» Implementation of telemetry for intelligent use of cars</li> </ul>
Traffic Safety	<ul style="list-style-type: none"> <li>» Implementation of the traffic safety program</li> </ul>
Quality in Services	<ul style="list-style-type: none"> <li>» Business activities associated with our value proposition to customers</li> </ul>
People Development and Retention	<ul style="list-style-type: none"> <li>» Retention of key people</li> <li>» Evolution in employee satisfaction</li> </ul>
Diversity, Inclusion and Human Rights	<ul style="list-style-type: none"> <li>» Implementation of the Diversity and Inclusion Program</li> </ul>
Social Development	<ul style="list-style-type: none"> <li>» Launch and consolidation of Instituto Localiza</li> </ul>
Ethics, Integrity and Transparence	<ul style="list-style-type: none"> <li>» Training of employees in the Code of Conduct</li> <li>» Maintenance of ISO 37001 certification</li> <li>» Dissemination of the Anti-Bribery and Anti-Corruption Policy</li> <li>» Management of the Whistleblowing Channel</li> </ul>
Corporate Governance	<ul style="list-style-type: none"> <li>» Evolution in ESG practices</li> </ul>

# Generated Value



## Social Capital

- » Relationship with communities, suppliers, investors and customers
- » Solid network of partners with 1,591 suppliers, of which +99% are national
- » Instituto Localiza

## Manufactured Capital

- » +590 thousand cars in the fleet
- » +600 branches in Brazil
- » Largest car rental platform in Latin America

## Financial Capital

- » R\$21,591.7 million in pro forma net revenue
- » Business expansion with the completion of the combination with Locamerica

## Natural Capital

- » Climate strategy based on measuring, reducing and offsetting the impacts of emissions
- » Spreading sustainability among our customers and employees

## Human Capital

- » +17,000 employees with aligned objectives
- » Benefits, merits and promotions, prioritizing internal recruitment

## Intellectual Capital

- » Localiza Labs, with projects focused on learning, customer satisfaction and innovation
- » Investments in technology, fleet care, and fast and safe processes

## Social Capital

- » +12 thousand young people impacted throughout Brazil
- » 49 social development programs in 2022
- » +12 million customers and NPS remained at an excellence level
- » Improved customer experience
- » R\$314,932 paid in taxes throughout the year, which will be reverted to public works and services

## Manufactured Capital

- » Launch of new products and services, such as Localiza+, Neutraliza and Pesados
- » Fleet expansion
- » Presence in 20 states and 364 cities in Brazil

## Financial Capital

- » Net revenue growth in all areas of the business
- » 36.8% growth in adjusted consolidated EBITDA

## Natural Capital

- » 100% clean energy consumption by 2022
- » +14 thousand ton of CO<sub>2</sub> offset with Neutraliza
- » Gold Seal in the GHG Protocol
- » We remain in B3's Carbon Efficient Index (ICO2)

## Human Capital

- » 4<sup>th</sup> place in GPTW
- » Well-structured affinity groups focused on five minority groups: women, people with disabilities, black people, LGBTI+ and refugees
- » Women make up 44.3% of the workforce and 47% of the Company's leadership

## Intellectual Capital

- » Development of innovative solutions, aiming at sustainable mobility, with products and applications
- » Apps with an average score of 4.6 on Google Play and 4.7 on the App Store
- » 295,000 hours of training offered to employees and partners
- » Talents enhancement, with evaluations and feedback, aiming at personal and professional evolution







Chapter 2

# World Class Culture and Governance





# Ethics and Governance

## Ethics, Integrity and Transparency

GRI 2-23 • 2-24 • 205-1 • 205-2

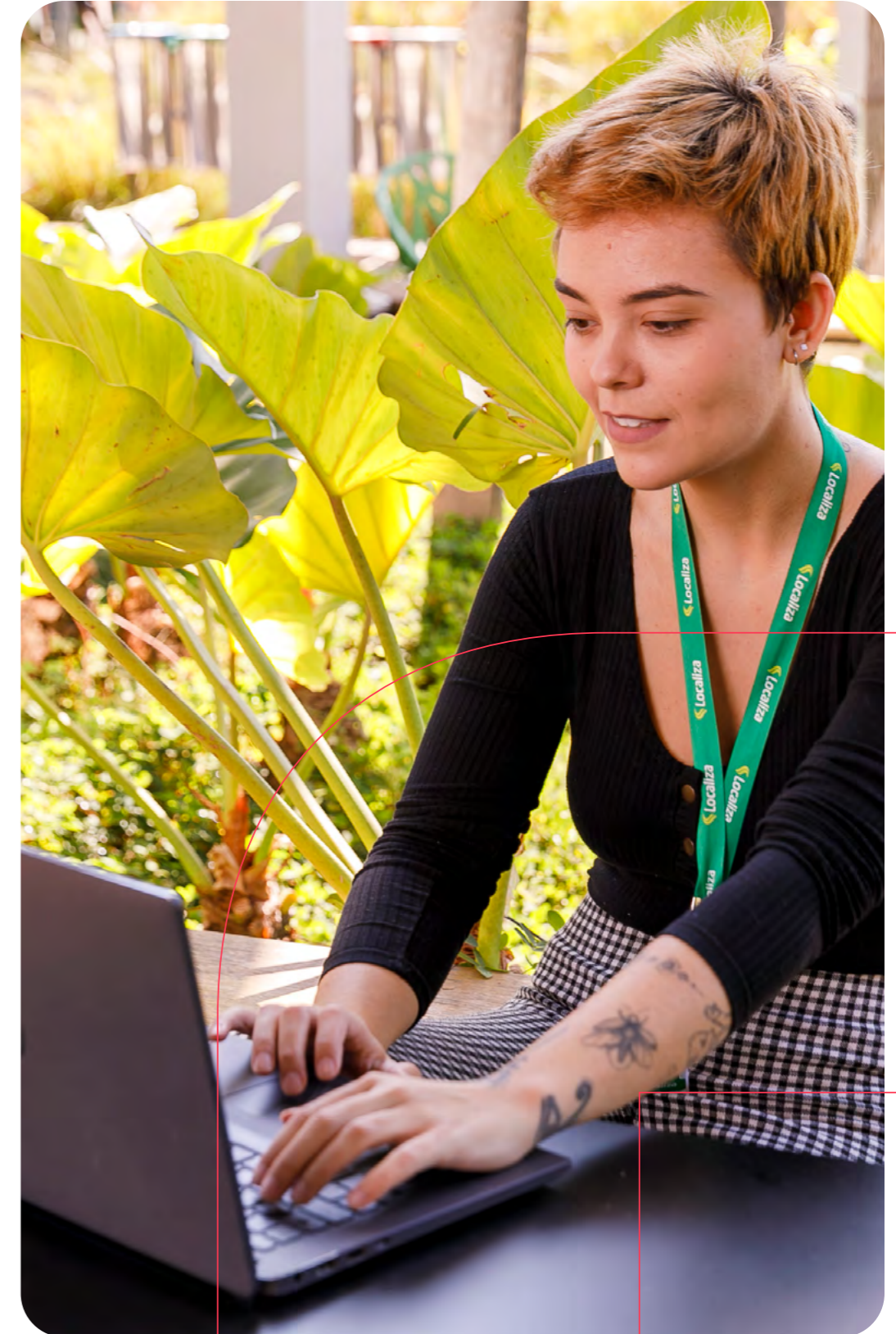
Localiza&Co's management model, a reference in the market for its suitability, is guided by actions based on equity, transparency and compliance.

To ensure the success of the integrity system, we rely on integrity risk assessment, policies and procedures, training, control activities and, of course, the good example of leaders. Our Integrity Program is continuously reinforced with the team of employees and suppliers, carrying out communication and training initiatives. In this way, the management of the topic prioritizes actions to prevent, detect and deal with issues related to integrity in the corporate environment, with a team aligned and trained in Localiza&Co's way of doing things.

This Program, which is already quite robust, has been constantly evolving and accompanying the Company's movements, year after year. A relevant reflection of this was the maintenance of the ISO 37001 certification for the second year (related to the quality of our system to prevent and detect bribery and corruption practices), which already considered the business combination and was completed with no alert point.

Throughout 2022, we carried out 27 communication actions about our Anti-Bribery and Anti-Corruption Management System Policies and Procedures, reaching 100% of employees and senior leadership. As for suppliers, in addition to having anti-bribery clauses in all contracts, 100% of suppliers were trained in our Anti-Bribery and Anti-Corruption Policy. With regard to training on the subject, 87% of our employees received the training, including those with more than two years with the company, who took the refresher training on the Code of Conduct.

Its term of commitment is signed by all professionals when they become part of the Company, or when the Code undergoes some renewal, as happened in 2020. The Code reinforces compliance with our Integrity Program, explaining our commitment to respect for human rights and guiding our behavior in internal and external relationships.



Additionally, we have been signatories to the UN Global Compact since 2017, making public Localiza&Co's engagement with the 2030 Agenda and all the guiding principles of a sustainable company, inserting 13 Sustainable Development Goals (SDGs) at the heart of the business strategy. Regarding the most vulnerable groups, we are signatories of the following institutions:

- » **Forum for Businesses and LGBTI+ Rights**, which created the "Ten Commitments of the Company to Promote LGBTI+ Rights";
- » **ON Women**, responsible for the "Principles of Women's Empowerment";
- » **Forum of Companies with Refugees**, which represents the commitments with the Values of the Companies with Refugees Forum;
- » **Business Coalition for Racial and Gender Equity**, which also have the 20 members' commitments to equity.

Below, we present the data referring to our training on the Code of Conduct and Anti-Corruption and Anti-Bribery, according to our functional categories and regions.

#### TRAINING ON THE CODE OF CONDUCT

Functional Category/Regions	Mid-West	Northeast	North	Southeast	South	Grand Total
Executive Board				8		8
Board of Directors				52	2	54
Management	6	13	1	295	21	336
Leadership/ Coordination	19	47	12	388	42	508
Technical/ Supervision	125	310	95	2,874	320	3,724
Administrative	40	142	34	3,029	130	3,375
Operational	341	959	247	3,236	772	5,555
Trainee		3		15		18
Apprentice	1	8	8	105	6	128
Interns				29		29
Not determined			1	10		11
<b>Grand Total</b>	<b>532</b>	<b>1,482</b>	<b>398</b>	<b>10,041</b>	<b>1,293</b>	<b>13,746</b>

#### TRAINING ON ANTI-BRIBERY AND ANTI-CORRUPTION

Functional Category/Regions	Mid-West	Northeast	North	Southeast	South	Grand Total
Executive Board				8		8
Board of Directors				54	2	56
Management	7	13	1	318	21	360
Leadership/ Coordination	21	47	12	391	43	514
Technical/ Supervision	132	332	104	3,083	362	4,013
Administrative	45	214	33	3,307	169	3,768
Operational	385	1,031	284	3,433	838	5,971
Trainee		3		14		17
Apprentice	3	19	8	140	8	178
Interns				36	1	37
Not determined				8		8
<b>Grand Total</b>	<b>593</b>	<b>1,659</b>	<b>442</b>	<b>10,792</b>	<b>1,444</b>	<b>14,930</b>



## Compliance Day

In December 2022, the Compliance Day was held, a meeting between the teams for guidance on the Company's compliance and ethics guidelines, aiming to expand our promotion of the integrity culture. At the event, we presented the Whistleblower Hotline and the Integrity Program, as well as mandatory Policies, Procedures and Training. We also addressed the number of whistleblowing and the disciplinary measures applied, along with the positive points and areas for improvement for the Compliance team.

To this end, we count on the presence of our founders, Eugênio Mattar and Luis Fernando, in addition to our CEO, Bruno Lasansky and the Compliance Director, Suzana Fagundes. The event was held in person and was broadcast to all employees.

**With ethics, integrity and transparency, we continue to seek new routes to create a more positive future.**



The Company's governance structure allows policies and procedures to be implemented so that the business areas are responsible for their own processes, which are approved by the Committee in an annual basis. The Internal Controls, Compliance, Whistleblower Hotline, Risks and Internal Audit areas ensure that controls are monitored, reviewed, audited and action plans are defined and implemented.

The Conduct Committee is responsible for ensuring respect for the Company's ethical premises and values and for rigorously disseminating them. Its attributions include, but are not limited to, monitoring and giving opinions on the revision of the Code of Ethics and Conduct, monitoring and deliberating on complaints received through the Whistleblower Hotline, recommending

disciplinary measures in specific cases and dealing with ethical dilemmas not foreseen in the current Code. The body is compulsorily composed of members of the Company's Senior Management, namely:

- 1. Compliance Officer;**
- 2. Chief Legal Officer;**
- 3. External Member (Appointed by the CEO);**
- 4. Chief People Officer;**
- 5. Chief Operation Officer.**

In 2022, monthly meetings were held to discuss ethical dilemmas and monitor the Integrity Program.

# Governance Journey



14 projects in 4 years strengthening governance: **preparing the company for the founders' roles change.**



**Strengthening of the BD** with its renewal and addition of new competences in line with the strategy.



**Succession of the founders** in the executive functions and on the Board and creation of the Reference Shareholder Manager Program.



**Clarity in roles:** policy and authority matrix and precise definition of PCA and CEO roles.



More robust **risk management model and structure.**



Review of structure and **compliance** practices.



**Strengthening of ESG practices** with the Board's leading role.



Beginning of the **Board's role in investor engagement.**



**Board annual review:** one full year, and the following year there is follow-up on the recommendations, guiding the entire process of **strengthening governance.**



Integration of **new shareholders** into the BD.



# Whistleblower Hotline

GRI 2-25 · 2-26

Localiza&Co's **Whistleblower Hotline**, which completed ten years in 2022, is open to all stakeholders with which we relate: employees, customers, investors, suppliers, franchisees and the society in general. Available 24 hours a day by telephone, both in Brazil and abroad, via web and e-mail, its operation is carried out by a specialized and independent company, guaranteeing the confidentiality of the information. The channel is open for reports and whistleblowing identifying violations of our values, Code of Conduct, procedures and policies of Localiza&Co, in addition to current legislation.

All processes are carried out with caution, protecting both the complainant and the accused. During the year, 1,559 (anonymous or identified) complaints were received, and after analyzing and verifying data, the following disciplinary measures were applied:



We received **1,559** complaints in 2022

### Complaints by type

Moral harassment.....	26%
Failure to comply with internal procedures and policies.....	26%
Conflict of interest.....	8%
Fraud.....	5%
Cars – misuse of the fleet.....	4%
Robbery, theft or diversion of materials and equipment.....	4%
Violation of labor, safety and occupational health laws.....	4%
Others*.....	23%

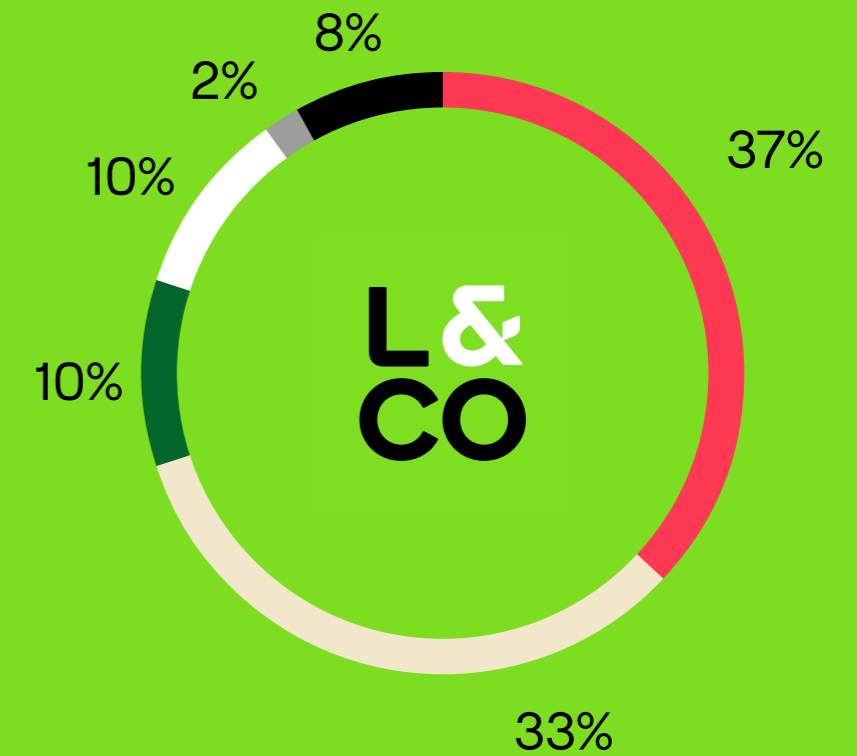
\* Other: Sexual Harassment; Discrimination; Improper Receipts and Payments; Retaliation; COVID-19: Failure to comply with preventive measures.



**408** disciplinary measures applied

Reorientation.....	121
Verbal warning.....	18
Written notice.....	31
Suspension.....	4
Dismissal without just cause.....	85
Dismissal for just cause.....	39
Blocks of suppliers and partners.....	11
Implementations and revisions of controls, procedures and other mitigating actions.....	99

### Conclusion profile



- Valid / Partially valid
- Invalid
- Inconclusive
- Outside the scope
- Insufficient data
- Others\*

\*Others: Completed; Doubts and Clarifications; Platform Migration; New Unidas.

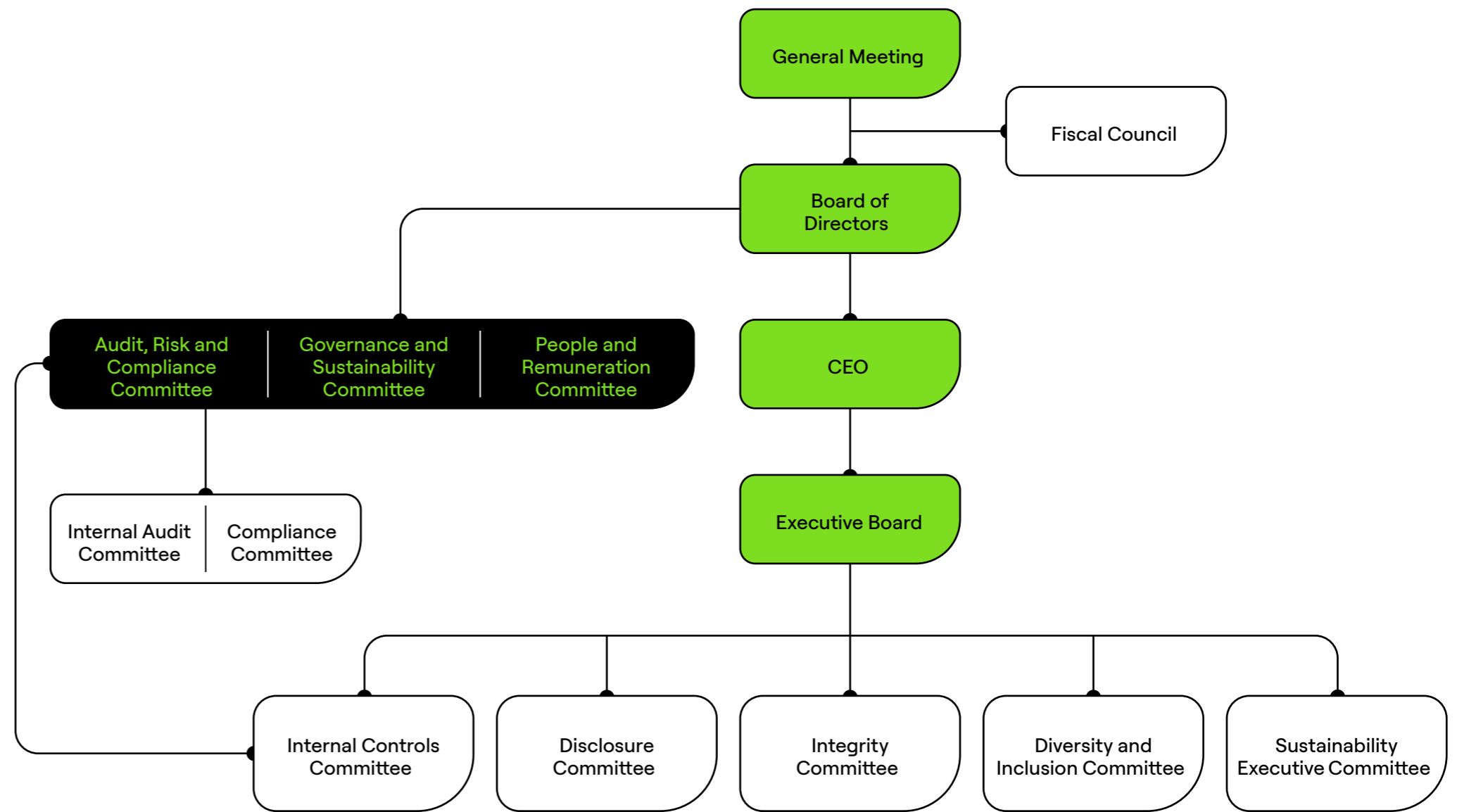
# Corporate governance

GRI 2-1 • 2-9 • 2-13 • 2-15

A publicly traded company (S.A.) on B3 since 2005, we are part of the Novo Mercado, which establishes the highest level of corporate governance. In addition, we adopt the Abrasca Code of Self-Regulation and Good Practices for Publicly-held Companies and follow the recommendations of the Brazilian Code of Corporate Governance – Publicly-held Companies of the Brazilian Institute of Corporate Governance (IBGC).

With a corporate governance that is recognized and valued by the market, Localiza&Co’s good practices are based on transparency, compliance, equity and accountability, with robust auditing and risk management. As of the business combination, in 2022, we have integrated the Company’s top leadership, strategically joining efforts. We have an Authority Policy that defines the approval of matters related to the Board of Directors and the Executive Board, in addition to Internal Regulations of the Board and the Advisory Committees. Internal regulations are available [here](#).

Such a high standard requires constant evolution and our governance model has been consolidated with the gradual implementation of the Best in Class Project. Our Sustainability Policy was updated, reflecting the revision of the materiality matrix and we maintained the ISO 37001 certification for the third consecutive time, attesting to the quality of the Company’s performance in combating bribery.





## Investor Engagement

In our journey towards an increasingly mature and robust governance, the Board of Directors directed ESG measures for the entire Company, through a process of awareness and culture on the topic of investor engagement, permeating Localiza&Co's business decisions.

In 2021, we started the first cycle of this process and in 2022, 12 meetings were held with national and international equity funds and proxy advisors.

Based on the signing of a Term of Investiture and Declarations, Board of Directors members declare they do not hold positions in competing companies and do not have conflicting interests with the business. Any potential conflict situation is dealt with under the terms of the Company's Bylaws and Related Party Transaction Policy.



# Board of Directors

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

**Members:**

Between 6 and 8 elected by the General Meeting, on December 31, 2022: 8 members.

**Term of office:**

Two years (re-election allowed).

**Evaluation:**

Process conducted by an external consultant, which includes as criteria the time allocated to each topic, diversity of skills, level of occupation outside Localiza and frequency at meetings, covering total of ten dimensions.

» **Year preceding the choice of directors for the next term:** individual evaluation in ten dimensions and complete evaluation by the collegiate and committees.

» **Year following the election of the BD:** methodology focused on monitoring the improvement action plan and surveying opportunities.

**25% of the Board is made up of women and LGBTI+ people.**

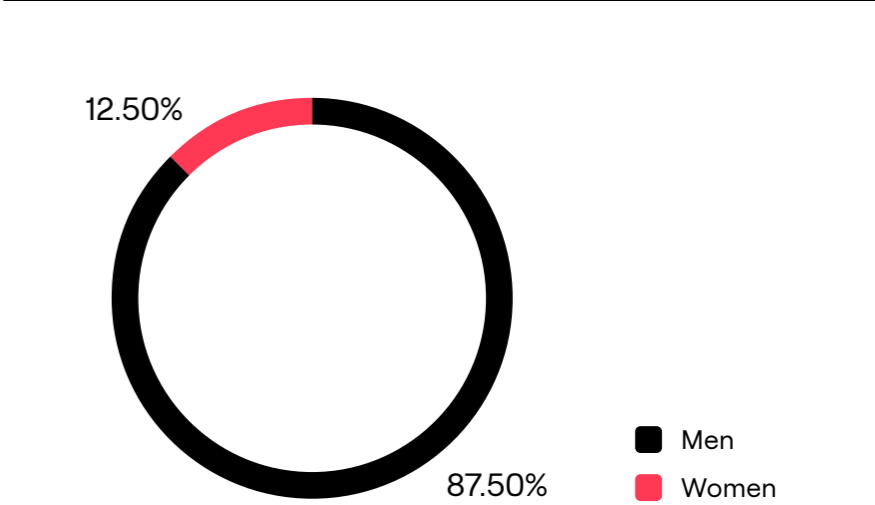
**Responsibilities:**

The company’s highest Corporate Governance body, responsible for the general guidelines and policies of the business, its members are the guardians of Localiza’s values, principles and purpose. Among other functions, it determines, supervises and monitors the activities of directors, as well as chooses, dismisses and summons independent auditors. In addition, it has the role of ensuring the permanent search for an action aligned with the sustainability agenda, ensuring the remediation and –when possible –the mitigation of negative impacts and risks for the brand, through the management of internal controls, system and approval of policies related to Localiza&Co’s Compliance Program.

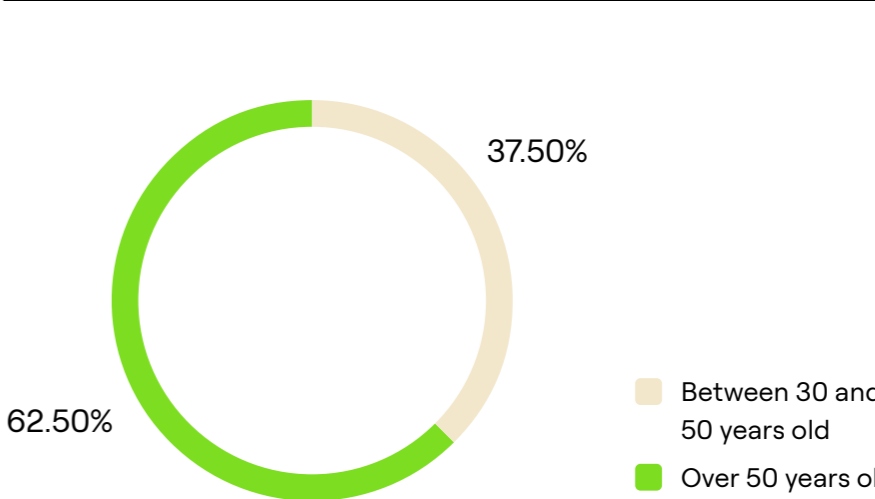
**Nomination and Selection**

The process for nominating and selecting members of the Board of Directors and their respective committees are available in the Company’s Nomination Policy, as well as in the respective Internal Regulations of the bodies.

BOARD OF DIVERSITY BY GENDER



BOARD OF DIVERSITY BY AGE





	Experiences and Qualifications/Name	Eugênio Pacelli Mattar	Luis Fernando Memoria Porto	Sérgio Augusto Guerra de Resende	Oscar de Paula Bernardes Neto	Irlau Machado Filho	Maria Letícia De Freitas Costa	Paulo Antunes Veras	Pedro de Godoy Bueno
General Information	Age	70	51	48	76	56	63	50	32
	Independent	No	No	No	Yes	Yes	Yes	Yes	Yes
	Position	Chairman	Vice-Chairman	Member	Member	Member	Member	Member	Member
	Term of Office (years)	17	1	1	15	2	13	3	3
	Membership in other councils	2	2	0	2	1	3	2	2
Diversity	Gender	M	M	M	M	M	F	M	M
	Employees +50	Yes	Yes	No	Yes	Yes	Yes	Yes	No
Advisory Committees	Governance and Sustainability Committee	X			X		X		
	Audit, Risk and Compliance Committee				X		X		
	People and Remuneration Committee					X		X	X
Experiences	Experience in CEO/PCA positions	X	X	X	X	X	X	X	X
	International experience				X	X	X	X	X
	Organizational Transformation and Culture	X	X	X		X		X	X
	New Business Models/Innovation	X	X			X		X	X
	Business to Consumer	X	X			X	X	X	X
Activity Sectors	Automotive	X	X	X	X		X		
	Financial	X				X		X	X
	Mobility	X	X	X	X		X	X	
	Retail	X	X	X			X	X	
	Technology						X	X	
	Consumer goods				X		X		
	Services Provision				X	X		X	
	Health								X
Functional Qualifications	Strategy	X	X	X	X	X	X	X	X
	Finance and Accounting	X	X	X	X	X	X		X
	Risk Management	X	X	X	X	X	X		
	Corporate Governance	X	X	X	X	X	X	X	X
	Marketing and Communication	X	X	X		X			
	Operations	X	X	X		X	X		
	Sustainability	X	X	X	X	X			
	Talent Management	X	X		X	X		X	X
	IT	X				X	X		
	Innovation and Digital Transformation	X	X			X	X	X	X

## Statutory Board

GRI 202-2

### Members:

Between 4 and 12 elected by the Board of Directors, **on December 31, 2022: 9 members all residing in Brazil.**

### Responsibilities:

Administer and manage the Company's business in general, prepare and execute the budget and other financial matters. Its functions include executing the risk policy and the Integrity Program, in addition to ensuring compliance with the law and the Company's Bylaws, as well as compliance with the resolutions taken at the General Meetings.

The Executive Board is responsible for implementing and maintaining effective mechanisms, processes and programs for monitoring and disclosing the financial and operational performance, as well as the impacts of the Company's activities on society and the environment.

Name	Position	Gender
Bruno Sebastian Lasansky	Chief Executive Officer	M
André Luiz Lopes Petenussi	Executive Director of Technology	M
Breno Davis Campolina	Executive Director of Fleet Management	M
Daniel Guerra Linhares	People Executive Director	M
Elvio Lupo Neto	Executive Director of Car Rental	M
Flávio Mergener Salles	Executive Director of Used Cars	M
João Hilário de Ávila Valgas Filho	Executive Director of Operations	M
Rodrigo Tavares Gonçalves de Sousa	Chief Financial Officer and Investor Relations Officer	M
Suzana Fagundes Ribeiro de Oliveira	Executive Director	F

## Fiscal Council

### Members:

3 to 6 elected by the General Meeting, **on December 31, 2022: 6 members 3 alternates.**

### Responsibilities:

Ensuring compliance with all tax and legal matters of the Company before the bodies involved, the Fiscal Council has a one-year term of office, valid between the period of each Extraordinary General Meeting (April to April).

Name	Position	Gender
Luiz Carlos Naninni	Effective member	M
Fernando Antônio Lopes Matoso	Alternate member	M
Carla Alessandra Trematore	Effective member	F
Juliano Lima Pinheiro	Alternate member	M
Antônio de Pádua Soares Pelicarpo	Effective member	M
Pierre Carvalho Magalhães	Alternate member	M



# Advisory Committees

GRI 2-17 · 2-20

Created to help monitor specific issues, we ended 2022 with the support of six internal committees, three of which provided advice to the Board of Directors and the other three advising the Executive Board. The Governance and Sustainability Committee reports to the Board on issues related the ESG agenda.

Committee/Attributions	Members	Independent	Executive or non-executive	Represent any interested parties?	Gender
<b>AUDIT, RISK AND COMPLIANCE COMMITTEE</b>					
Monitor the independent audit work, give an opinion on its choice, measure its performance, the quality of opinions and financial reports, the accounting principles used and evaluate the effectiveness and sufficiency of the structure of internal controls.	Maria Letícia de Freitas Costa	Yes	Non-executive	No	F
	Oscar de Paula Bernardes Neto	Yes	Non-executive	No	M
	Estela Maris Vieira de Souza	Yes	Non-executive	No	F
<b>PEOPLE AND REMUNERATION COMMITTEE</b>					
Propose to the Board of Directors remuneration policies, performance evaluation, profit sharing program and long-term incentive programs, in addition to general people management policies.	Irlau Machado Filho	Yes	Non-executive	No	M
	Paulo Antunes Veras	Yes	Non-executive	No	M
	Renata Sawchuk Moura	Yes	Non-executive	No	F
<b>GOVERNANCE AND SUSTAINABILITY COMMITTEE</b>					
Promote and monitor the adoption of good corporate governance practices and the Company's strategy with regard to ESG issues.	Oscar de Paula Bernardes Neto	Yes	Non-executive	No	M
	Eugênio Pacelli Mattar	No	Non-executive	No	M
	Maria Letícia de Freitas Costa	Yes	Non-executive	No	F

## ADVISORY COMMITTEES TO THE STATUTORY BOARD

Committee/Attributions	Members	Gender
<b>INTEGRITY COMMITTEE</b>		
Ensuring the application of the Company's Integrity Program, supporting the Compliance Officer and Internal Audit in whatever is necessary, including respect for Localiza's ethical premises and values, as well as for its continuous propagation and strict compliance.	Suzana Fagundes (Coordinator)	F
	Daniel Guerra Linhares	M
	João Ávila	M
	Gina Rafael (Senior Advisor)	F
	Ludmila Linhares	F
<b>SUSTAINABILITY COMMITTEE</b>		
Implement, monitor and deal with subjects involving sustainability, including those that may represent a relevant risk or impact on the Company's business, image or relationship with stakeholders. Implement the strategy defined by the Board of Directors and the Governance and Sustainability Committee. In an annual basis, its members are re-elected or replaced considering the progress of the proposed ESG agenda for the following year. Additionally, in addition to the committee members, the leaders of each of the 17 initiatives can be convened according to the agenda.	Daniel Guerra Linhares (Coordinator)	M
	Antônio Augusto	M
	Emerson Ferreira Gomes	M
	Fernanda Cotta	F
	Fernando Vilela	M
	Marcelo Dantas	M
	Nora Lanari	F
	Cynthia Tamura	F
<b>DISCLOSURE COMMITTEE</b>		
Review drafts of documents and information of an economic-financial nature that must be sent to the Securities and Exchange Commission (CMV).	Rodrigo Tavares Gonçalves de Sousa (Coordinator)	M
	Antônio Hiroyuki Hyodo	M
	Bruno Sebastian Lasansky	M
	Elvio Lupo Neto	M
	Flávio Mergener Salles	M
	João Alberto Mazzoni Andrade	M
	João Hilário de Ávila Valgas Filho	M
	Myrian Buenos Aires Moutinho	F
	Nora Mascarenhas Lanari	F
	Suzana Fagundes Ribeiro de Oliveira	F
<b>DIVERSITY AND INCLUSION COMMITTEE</b>		
It covers work on all topics on the agenda, such as gender, age, disability(ies), race/color, sexual orientation, gender identity, culture, nationality, place of origin, social class, educational background, physical condition, intellectual development, religion, lifestyles, experience, individual histories, perspectives, knowledge, attitudes, skills, among many characteristics that make each person a unique being.	Suzana Fagundes (Sponsor)	F
	Daniel Linhares (Sponsor)	M
	Cynthia Tamura	F
	Tatiana Denadai	F
	Rebeca Pittella	F
	Fernando Vilela	M
	Kelly Dauanny	F
	Cristina Chaves	F
	Ricardo Borges	M
	Cláudio Marques	M
	Jose Carlos Batista	M
	Jairo Barbosa	M





## Remuneration Policy

GRI 2-19 · 2-20

In partnership with independent consulting companies specialized in the subject, Localiza&Co carries out external surveys to compare with internal remuneration standards, according to the criteria established by the Management's Remuneration Policy.

Compensation composition is in line with the Company's long-term value generation strategy, remunerating its employees according to their job responsibilities and goal achievement, length of service and defined objectives, in addition to seeking to retain and align the interests of shareholders with our business.

In the case of the Board of Directors, the remuneration is fixed, monthly, in line with market practice and seeks to remunerate the directors' services according to the time dedicated to the functions, competence and professional reputation, in addition to the scope of responsibility attributed to the respective member of the Company's Board of Directors. The

directors who participate in the internal advisory committees of the Board of Directors, as members or coordinators, are remunerated with an additional 25% or 50%, respectively, levied on their fixed monthly remuneration.

Regarding the Executive Board, depending on the hiring regime, there are fixed and/or variable compensation plans and long-term incentive plans, which are linked to the achievement of the Company's corporate results, in addition to the achievement of individual and ESG goals in accordance with the scope of each director. The members of the Board of Directors who accumulate positions of Directors in the Company are not remunerated as members of the Board.

Our Remuneration Policy is proportional to the attributions, responsibilities and time demands, without gender distinction. The detailed breakdown of management compensation is publicly available in [Localiza's Management Compensation Policy](#).



# Risk Management

GRI 418-1

The Risk Management and Internal Controls Policy, approved by the Board of Directors, is the instrument used by the governance areas (Internal Audit, Internal Controls and Compliance) to direct activities related to the monitoring and inspection of all corporate, operational and financial processes that may present some risk to the Company.

Our objective is to adopt and monitor, in a standardized and formalized manner, preventive, prospective and proactive risk control practices, and the areas mentioned above are responsible for reporting ongoing cases to the advisory committees of the Board of Directors, as well as their status and action plans.

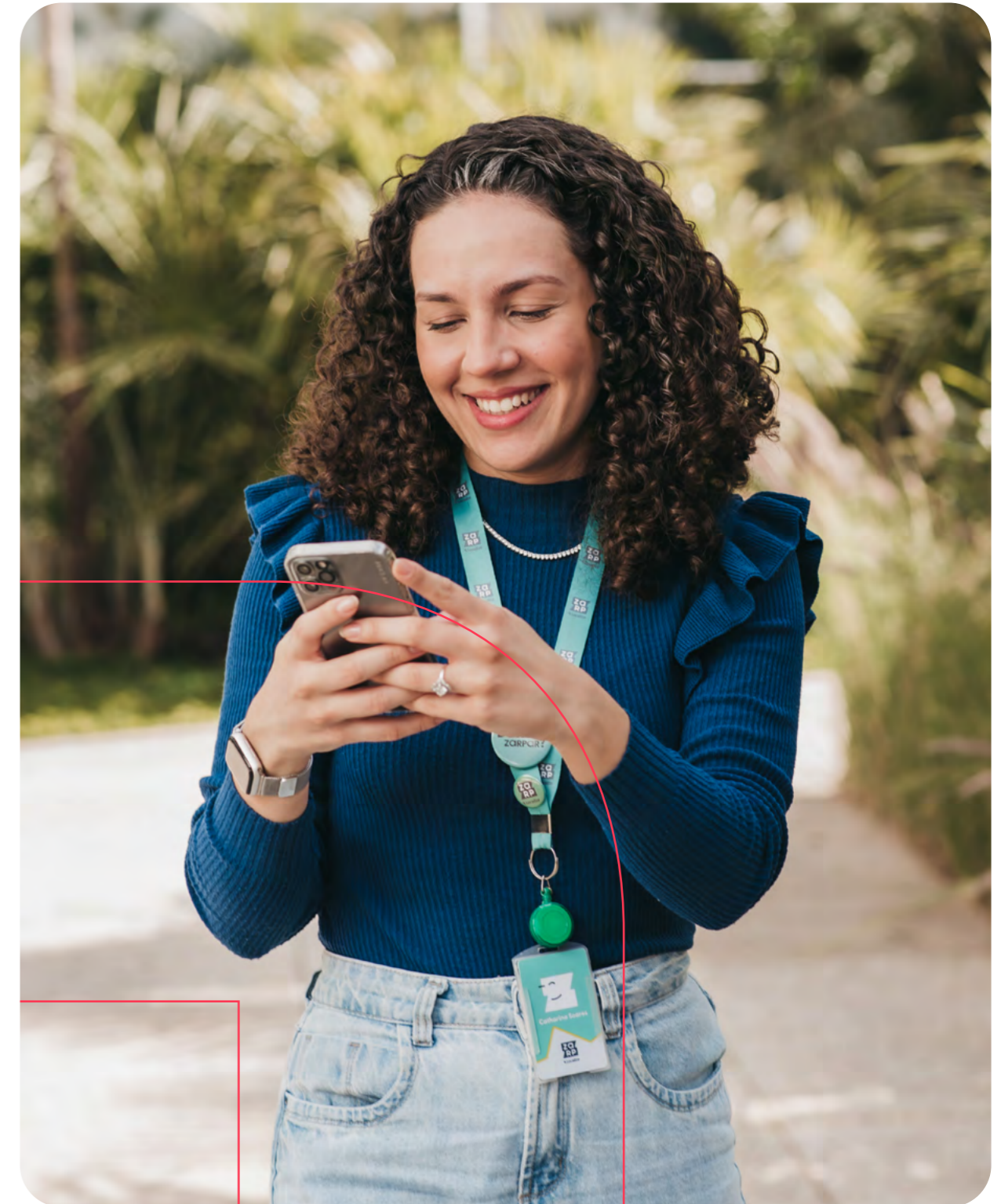
---

**In constant evolution,** Localiza&Co's risk management began, in 2022, to cover the socio-environmental risks of the business.

We have a constant evolution plan, with some points of improvement. Among them, socio-environmental themes, which have already been included and will be deployed in the **socio-environmental risk matrix** in 2023, ensuring even more robustness in the Company's culture of risks and impact mitigation.

Upon the completion of the Business Combination, the founders of the combined Companies started to be considered reference shareholders of Localiza&Co, with the Company's control dispersed, without a controlling shareholder.

L&CO's risk management takes place in six stages, divided into identification, analysis, evaluation, treatment, monitoring and information and communication. Learn more details in our [Reference Form](#).



## Privacy and data protection

A series of good practices guarantee the efficient management of information security and personal data protection. A Privacy and Data Protection Policy defines privacy guidelines, with the aim of ensuring that all personal data under the Company's responsibility are protected.

For this reason, we have the Privacy Portal, which informs how personal data is used within Localiza&Co, enabling a direct communication channel with personal data holders, and reflecting the commitment to transparency and security of the information they share with us. Within the platform, the data holder has complete autonomy to request rights to access, delete, change registration, as well as clarify doubts about the functioning of the platform's privacy and information protection system.

At the same time, the Transparency Portal contains the procedures and documentation for communicating with employees about their privacy rights, as well as how to act when processing personal data in the exercise of their duties, in accordance with the General Data Protection Law (GDPL).

In early 2022, the Company and its subsidiaries suffered a partial interruption in the operation of some systems, resulting from a criminal cyber attack on its information

technology environment. Localiza&Co immediately activated its security control protocols to block the attack. Operating systems were re-established within less than 24 hours, with no potential impacts. The Company has implemented technological tools and rigorous security standards and constantly seeks to improve them by implementing new security tools and procedures to protect its systems and databases.

The Company has not identified evidence of access to databases, extraction or leakage of personal or company data.

With a focus on information security, we have established a formal process that deals with the life cycle of our employees' credentials and technology controls. For the latter, we have 24x7 monitoring with a partner company (SOC) and internal operation by Localiza&Co, with real time checking of events that may affect the Company. We also have data loss prevention tools that improve our lines of defense against potential malicious agents.

Localiza Labs monitors and applies processes to ensure alignment with good market practices and the availability of controls and indicators to support decision-making on the subject.

Also, in order to ensure awareness on information security, we have an annual calendar for the development of fundamental topics for increasing the maturity of our leaders and employees. Moreover, we have mandatory annual knowledge trails, which address the information security subject, as well as online (not mandatory) training to complement the awareness discipline.

Annually, we undergo two audits aimed at rendering accounts to the market in relation to the controls and governance levels reached by Localiza&Co.



Chapter 3

# Sustainable Mobility





# Environmental Agenda

## Climate Change and Risks

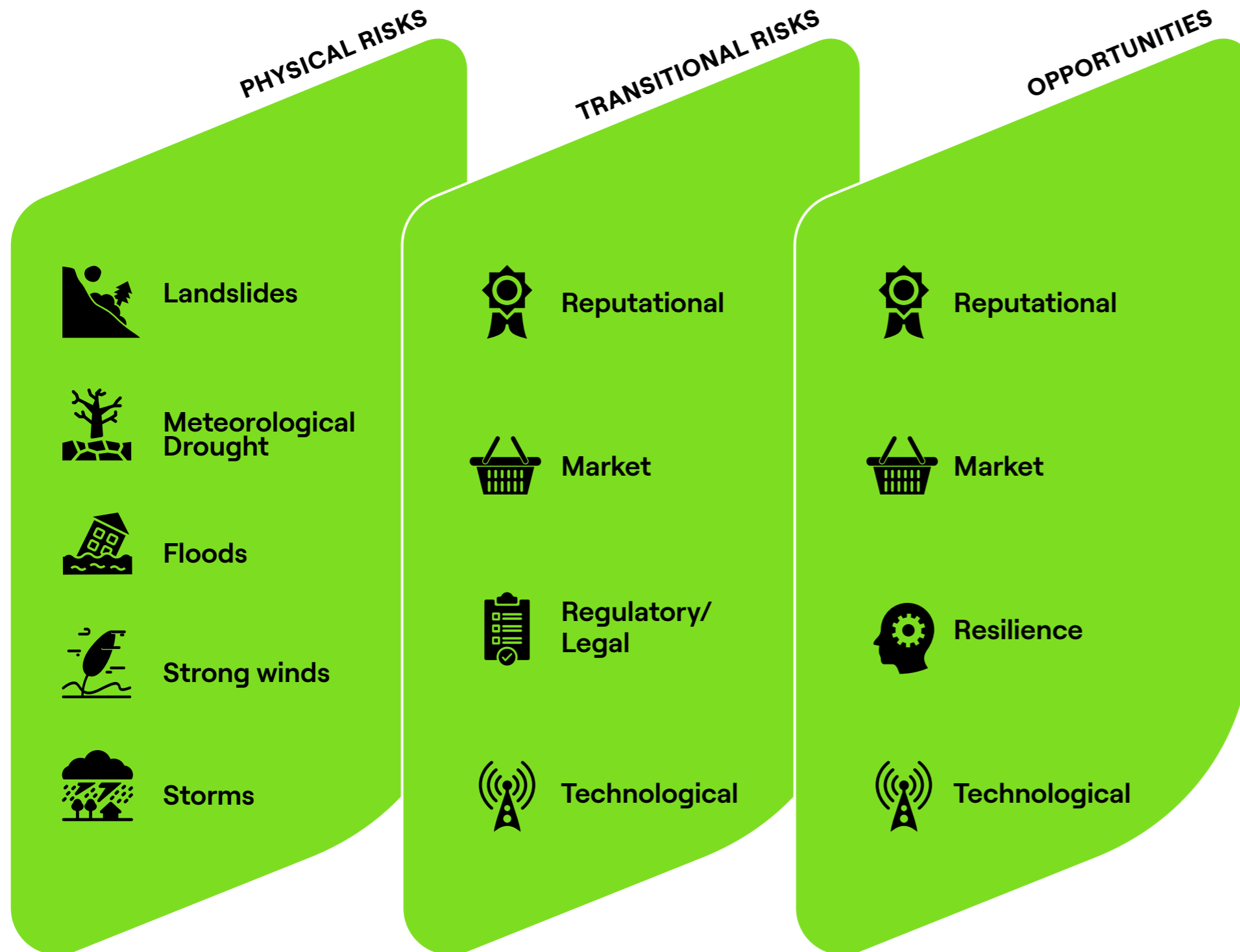
TCFD GOVERNANCE 1, 2 • STRATEGY 1, 2, 3 • RISK MANAGEMENT 1, 2, 3

We have a clear position and an objective view on risks and opportunities in the climate context. Since the construction of a robust governance in this area requires a specific risk analysis, for subsequent incorporation into business strategies, Localiza&Co decided to take this first step in 2022. By entering in yet another partnership with WayCarbon for technical support, we started a diagnosis and assessment of climate risks, through the identification and prioritization of risks and opportunities in its operations.

The first stage was engagement, in which we prepared a diagnosis of climate risks (including physical and transitional risks) based on data and information collection with various areas of L&CO.







Next, the construction of a risk matrix is planned, aligned with the already existing Corporate Risk Matrix, with the assessment of probability and degree of impact for the mapped risks, prioritization of critical risks and possible opportunities. The study will also include an estimated financial impact as a function of the criticality of each asset evaluated for the Company, in addition to the evaluation and proposal of recommendations for climate strategies based on the Task Force on Climate-related Financial Disclosures (TCFD) for the risk management processes and governance structure.

The climate risk assessment study covers all business divisions, considering the units distributed throughout the national territory, also including units incorporated in the integration with Locamerica. The study will be completed during 2023.

In terms of Governance, the leadership of the project will direct the results to the Sustainability Committee, which, in turn, feeds the Board of Directors with relevant information for the management of risks and opportunities related to climate change, aiming to support its decision-making. Therefore, the study will also serve as a basis for the construction of medium- (2030) and long- (2050) term climate strategies, including the organization's financial planning and goal setting.

# Atmospheric emissions

GRI 305-1 • 305-2 • 305-3 • 305-5 • TCFD METRICS AND GOALS 1, 2, 3

We continue to evolve in our emissions management since this is a material and priority topic in the Company's ESG Agenda. Our strategy remains based on three pillars, which guide initiatives aimed at our environmental commitment. They are:

- 1. Measure:** considered the key to assess the effectiveness of the implemented actions and adjust, ensuring greater impact and efficiency. In addition to the annual evolution, we revisit previously established assumptions and criteria based on a robust system for measuring and managing emissions, which are audited by a third party.
- 2. Reduce:** is Localiza&Co's priority. To this end, the Company seeks solutions for the short, medium and long term, such as encouraging the use of ethanol - fuel that emits less greenhouse gases (GHG) when compared to fossil fuels, expansion of the electric vehicle fleet for customers and niche markets, generation and consumption of renewable energy, diversion of waste from landfills, prioritizing circularity and reverse logistics. In summary, we are constantly evaluating solutions and technologies aimed at reducing GHG emissions.
- 3. Offset:** is an important means of mitigating remaining emissions. This is done through the purchase of carbon

credits generated by projects that have a positive impact on the environment and society, having a close relationship with the sustainable development goals and contributing to the preservation of our biodiversity. Since 2019, we have been offsetting GHG emissions from our operations (Scopes 1 and 2) and, in 2022, we started offsetting part of our customers' emissions (Scope 3) through the Neutraliza product.

We are partners of the Ekos Institute's Climate Commitment Program, which plays a key role in selecting projects via public notice, with a high reputation and governance for offsetting emissions. Additionally, we prioritize the use of ethanol in our corporate fleet, as it is considered less polluting than other fossil fuels and due to the favorable Brazilian energy matrix.

In February 2022, Scania, Bain & Company Brasil and the UN Global Compact in Brazil launched the study "Commercial Transport Net Zero 2050: Pathway for decarbonizing road transportation in Brazil", developed in synergy with the Net Zero Ambition Movement. We were one of the supporters of this study, which showed that the diversity of technologies will be decisive for decarbonization.

In 2022, we also published, for the fourth consecutive year, our greenhouse gas (GHG) inventory in the [Public Emissions](#)

[Registry](#), and we won the GHG Protocol Gold Seal for the second year in a row. Likewise, for the fourth consecutive time, we are part of the select group of the Carbon Efficient Index (ICO2), which encourages the control of GHG emissions among companies listed on the stock exchange, demonstrating commitment to the transparency of our impacts.



Our 2022 inventory, which is in the final process of construction, already considers the combined Company. The following data provides a preview of the Company's direct emissions (Scopes 1 and 2), and the complete inventory will be published in the second half of the year on the GHG Protocol website

SCOPE 1 EMISSIONS (TCO <sub>2</sub> EQUIVALENT)			
Members	2020	2021	2022
Mobile Combustion	6,578.72	7,333.67	-
Stationary Combustion	32.90	16.15	-
Fugitives	8,084.72	14,088.33	-
<b>Total</b>	<b>14,696.33</b>	<b>21,438.15</b>	<b>31,121.51</b>
SCOPE 2 EMISSIONS (TCO <sub>2</sub> EQUIVALENT)			
Members	2020	2021	2022
Purchase of electricity - location-based	990.18	2,649.93	991.82
Purchase of electric energy - market-based	601.16	-	-
SCOPE 3 EMISSIONS (TCO <sub>2</sub> EQUIVALENT)			
Members	2020	2021	2022
Waste generated in the operation	107.67	103.69	-
Business trips	1,081.87	891.48	-
Employee commuting (home-work)	2,866.94	672.29	-
Leased goods (the organization as lessor)	475,947.13	494,093.32	-
Franchises	22.12	34.74	-
<b>Total</b>	<b>480,025.73</b>	<b>495,795.52</b>	<b>-</b>

### Neutraliza (carbon neutralization)

In 2022, we launched Neutraliza, a Localiza&Co program aimed at mitigating greenhouse gases emissions from vehicles used by our customers (Scope 3). Customers are invited to offset their emissions during their journey with us and can choose to pay an additional R\$1.99 per day for daily contracts or R\$0.99 per day for monthly contracts, an amount that is fully allocated to the acquisition of carbon credits.

We offset  
**+14 thousand tons of CO<sub>2</sub>**  
 throughout 2022.

## Electrification

Electrified vehicles are an important technological evolution for mobility, looking to a medium- to long-term horizon. With a low impact on the atmospheric emissions front, they are considered a sustainable option and a worldwide trend. However, for the Brazilian market, the best option is still ethanol.

By the end of 2022, we already had a fleet of more than two thousand electrified vehicles, including electric and hybrid vehicles, with emphasis on cargo vehicles. During the year, we also developed a project in partnership with several other companies to make electric cars available to our Zarp drivers, and we acquired units of the national electric van, launched by Arrow Mobility, for rental.



### Volt Project

We created a partnership between Zarp Localiza, Renault, Uber, Carrefour, Raízen and Tupinambá. In it, Renault made available 200 units of Kwid E-tech electric cars for our Zarp drivers to travel through the streets of São Paulo. This project will last for one year and includes a broad and complete experience, with an ecosystem of charging and benefits to increase efficiency during journeys. We selected drivers based on the best evaluations by consumers, good driving behavior and who recognize electric cars as a differential for Brazilian mobility. In addition to the socio-environmental benefits, this initiative helps generate knowledge about the influence of electric vehicles in the metropolis. With the project, it is estimated that drivers will be able to increase profitability by up to 30%.

### Arrow One

Arrow One is a 100% electric van designed for urban freight transport, created by Arrow Mobility. This versatile and modern vehicle can transport people or goods, and is an interesting option to increase profitability. It features an intelligent and pre-organized system, optimizing spaces, access and loading time, transporting up to 60% more than other vehicles with the same length. Because it is integrated into an application, it is possible to analyze the best routes and make direct contact with the customer, thus optimizing its use.

Localiza&Co ordered 100 units and the first 20 will be delivered in the first half of 2023.



As in 2021, the project chosen by Localiza&Co to offset its Scopes 1 and 2 emissions was the REDD+ Jari Amapá Project, which is highlighted below.

### REDD+ Jari Amapá Project

The Jari Amapá REDD+ Project promotes forest conservation through the generation of carbon credits, encouraging and generating benefits to the climate, biodiversity and the communities of Laranjal do Jari and Vitória do Jari in Amapá, the Brazilian Amazon region.

Based on an economic development model that values the forest, the project's activities combine low-impact forest management with the commercialization of carbon credits. In addition, there are training in rural production, agricultural and forestry techniques, according to the communities' family interests, making them capable of enabling constant income generation from food production. Deforestation

monitoring is also carried out using satellite images and patrolling actions along river and land routes.

Linking carbon neutrality to a forest conservation project expands our potential to generate value, contributing to one of the country's biggest socio-environmental challenges – forest environmental services payment – through the purchase of forest carbon credits.

REDD+ Jari Amapá Project has a gold seal for biodiversity (Climate Community Biodiversity Standards - CCBS) and its proponents include Biofílica, Fundação Jari and Jari Celulose. Localiza&Co operates in its financing in partnership with Ekos Institute.



The purchase of carbon credits by Localiza&Co will contribute to maintaining the project's actions, which have avoided deforestation of an average 580 hectares per year.

**We offset 24,088 tons of CO<sub>2</sub>, corresponding to the Company's direct emissions – movement of the corporate fleet, air conditioning, electric energy, transport of cars between assembly plants, branches and stores, among others.**

Learn more about this initiative on: [www.biofilica.com.br/projeto-redd-jari-para/](http://www.biofilica.com.br/projeto-redd-jari-para/)





## Waste, Energy and Water Management

Reinforcing our commitment to the environmental agenda, we have structured a specific committee aimed at efficient natural resources management, proper waste disposal and renewable energy consumption. These actions permeate our operations in stores, branches and offices, disseminating sustainability among our customers, suppliers and employees.

**Our journey** is continuous, sustainable and consistent.



# Waste

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

The expansion of our business, and the consequent increase in vehicles and new operating units, imposes greater responsibility in the pursuit of efficiency in resources use and waste management. By encouraging recycling and reuse of materials, we minimize the impacts generated by our businesses and will continue to move towards 100% waste conversion in the medium-term.

The activities involved in the maintenance and preparation of vehicles generate different types of waste, some of which are harmful to the environment and require special care. That is why we have established partnerships with reverse logistics projects for automotive batteries and glass, re-refining processes for oils and tire recycling. We repair bumpers and headlights, allowing for an increased useful life of these and other parts of the car. In our offices, we carry out selective collection for recyclable waste and composting projects.

We are implementing technologies and softwares to (i) ensure approval of transporters and waste destinations in light of environmental licenses, training and other applicable documentation; (ii) seek new solutions, diverting waste from landfills; and (iii) provide greater traceability and reliability for these data.

We have implemented complete waste management at our car maintenance units (learn more on page 54), and we are extending the practice to more units. In these units, the waste generated is managed by a Localiza&Co team and sent for treatment with partners, who carry out the correct handling.

We have the ambition to achieve this complete and data-centric management in order to better monitor processes and increase the detail of our reports.

## GENERATED WASTE

Amount of waste generated and existence of Reverse Logistics (by type), considering Rent a Car (RAC) and Fleet Management (GF) operations			
Consumed Items	Unit	Reverse Logistics	2022
Engine oil	Liter	Yes	2,093,756
Oil filter	Unit	Yes	428,120
Fuel filter	Unit	No	171,047
Air filter	Unit	No	185,141
Air conditioning filter	Unit	No	185,043
Tire	Unit	Yes	567,502
Bulb lamp	Unit	No	237,215
Brake pad set	Set	No	182,404
Hubcaps	Unit	No	214,624
Windshield	Unit	No	62,935
Brake wheel	Unit	No	138,154
Mudguard	Unit	No	73,680
Spark plug	Set	No	64,080
Bumper	Unit	No	73,195
Brake oil	Liter	Yes	33,456
Radiator additive	Liter	Yes	70,589
Gear oil	Liter	Yes	30,551
Transmission oil	Liter	Yes	6,919
Power steering oil	Liter	Yes	7,283
Compressor oil	Liter	Yes	4,445

# Energy

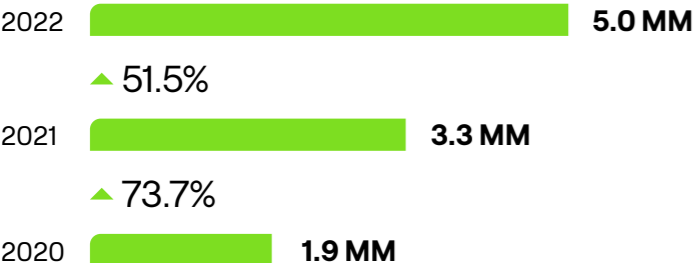
GRI 302-1 · 302-3 · 302-4

In 2017, we became pioneers in the sector by adopting solar energy as one of the sources of electricity supply in our operations. Additionally, our new branches are built aiming at the energy efficiency of the units, prioritizing environment sensing, more energy-efficient equipment, and LED lamps.

Currently, in addition to expanding the solar project at our branches to the Company’s other eligible units, we purchase energy from the free market and acquire renewable energy certificates (I-RECs). By doing so we ensure that 100% of the energy consumed by the platform has come from clean and renewable sources.

In the year, we have injected 5 million kWh of clean energy for consumption in our branches, which represents an injection increase of more than 50%, compared to 2021.

ANNUAL HISTORY – CLEAN ENERGY INJECTION IN BRANCHES (KWH)



**In 2022, 100% of the energy used by the Company came from clean renewable sources.**

Energy Intensity<sup>1</sup>:  
**0.0275 GJ**  
by rented car

CONSUMED ENERGY		
	2021	2022
Renewable fuels	26,300 GJ	35,458 GJ
Non-renewable fuels	49,326 GJ	47,071 GJ

<sup>1</sup> To calculate energy efficiency, the average fleet was used, including only Localiza’s businesses, following the pattern of other energy data.

In comparison with the previous year, Localiza&Co showed no reduction in energy consumption. For 2023, our goal is to continue increasing the injection and consumption of renewable energy in our platform.



# Water

GRI 303-1 • 303-2 • 303-3

Within the Company's operations, most of the water consumed is intended to wash our fleet's vehicles, while the remainder is used in property cleaning processes and in the common use of the branches by employees and customers. This water is captured mainly through the local public concessionaires, and in some agencies, we also have an alternative solution for capturing water through underground wells. For water disposal, applicable environmental legislation is observed, as well as the requirements contained in the environmental licenses.

Since 2015, Localiza&Co has been doing dry cleaning of vehicles in its fleet at Car Rental agencies. We ended 2022 with a percentage of 62.3% (2 p.p. increase compared to 2021) of adopting this technique: our highest volume of washes. The initiative reduces the average consumption of 48 liters of water in a conventional jet wash to an average of 300ml in each operation, representing an estimated saving of over 80 million liters of water. Also, the products used in this type of cleaning are checked and supplied by approved brands, and most of the items used daily are biodegradable. In this way, we avoid the use of materials that may harm health or the environment.

In units where it is not possible to carry out dry cleaning, we have an environmentally suitable structure for jet cleaning, with containment grids and boxes for separating oil and water.

Also, with a view to reducing customer friction, increasing their experience with greater practicality and convenience, in 2022 we launched the Guaranteed Cleaning product, in which, while the contract is being opened, the customer can contract the cleaning of the vehicle, opting for a more sustainable solution, since around 2/3 of all cleaning uses the "dry" technique, thus reducing water consumption.

For the next year, our challenge is to further increase the participation of dry cleaning in RAC vehicles, as well as gradually adopting this process in used cars stores.

Still regarding the reduction of specific consumption, we are aware that the capillarity and size of our operation is a great challenge to implement and measure water reduction initiatives, but we remain committed to evolving in improvements in our over 800 points of contact throughout Brazil (including RAC, SN and ZARP agencies).



These initiatives include actions to raise the awareness of the internal audience for the responsible use of the resource, through the installation of creative pieces in strategic locations with messages aimed at engaging and transforming habits. In addition, we are moving forward with the installation of mechanisms to prevent waste and increase the accuracy in monitoring data, such as: flow reducers, toilet flushes with a double trigger and air blockers in the hydraulic system.

# Innovation and Safety

## Smart and Sustainable Use of Cars

**We are investing in technologies and taking care of our fleet with fast, easy and safe processes** focused on the best customer experience, which at the same time provide us with data for quick decision making.

At Localiza&Co, we value the sustainable and safe use of cars. For this reason, in all our agencies and stores, we only offer cars in excellent mechanical and usage conditions. The guarantee of this experience is in the Company's structured preventive and corrective maintenance processes, sometimes taking place internally, sometimes with our partners, but always maintaining the highest quality standards.

Furthermore, business strategic guidelines take into account customer feedback from satisfaction surveys made available by the Company. Through them, we measure the Net Promoter Score (NPS) – the reference consumer satisfaction indicator – and new user demands,

recording everything that is scored. These surveys have also been conducted with fleet-related service providers to offer our partners the same caring experiences we provide our customers.

Finally, before reaching the Used Cars division, cars from the Car Rental and Fleet Management fronts undergo a decommissioning process, which includes a complete overhaul, ensuring maximum performance and safety for new users. In both businesses, we fully comply with any and all inspections provided for in Detran, Denatran and Contran resolutions, with actions guided by the Civil Code, Consumer Defense Code and the Brazilian Traffic Code.

In 2022, customer delight, measured by the NPS, remained at the excellence level in all divisions and continues to be a major differential for Localiza.

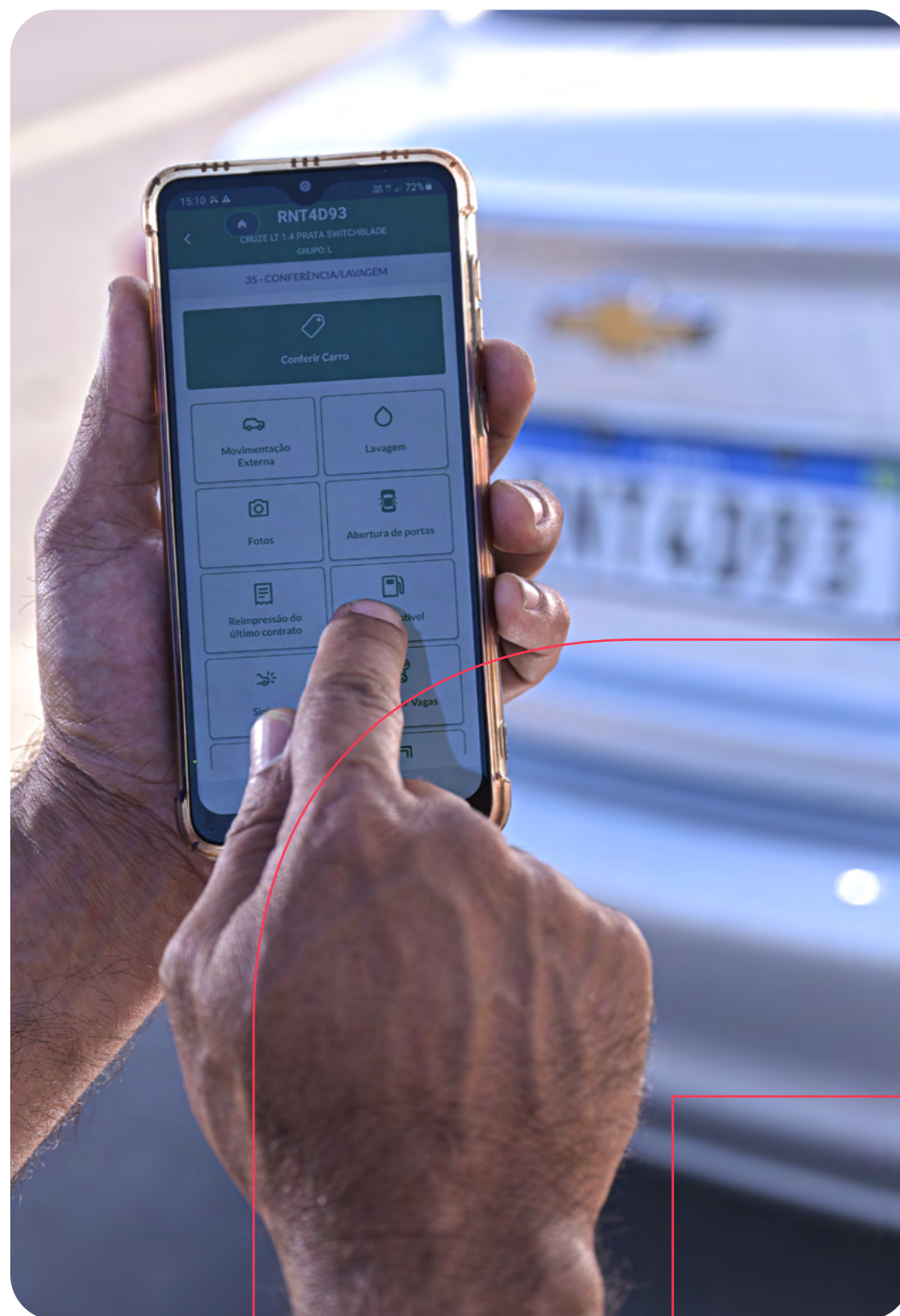
### Maintenance and Decommission Centers

The Maintenance Centers (CMs) are bodies of excellence focused on preventive and corrective maintenance stages in Fleet Management and Localiza Meoo. The solution was born to delight customers in the segment who have a longer journey and need this type of service. The units were designed to ensure customer-centricity, making their experience even more complete, austere and optimizing the Company's process.

At the same time, Decommissioning Centers (CDs) were created as large factories to prepare cars used in the Rental and Fleet Management services, with the purpose of being demobilized in the Used Cars division. This solution supports the Company's growth, ensuring that the car is prepared in a standardized manner. Thus, even though they are not initially focused on customer service, the CDs will ensure that end consumers of the Used Cars division always have the best experience with the cars they purchase.

By internalizing these stages, we make the operation of these divisions even more efficient, reducing costs and working so that the platform has control over activities, processes and natural resources used, as well as the correct management of the waste generated.





## Telemetry

Mobi7 was acquired by Localiza in 2020, and brought knowledge and experience in the Internet of Things (IoT) to the Company, allowing it to accelerate the use of this technology. This acquisition enabled a platform that collects, enriches and processes data collected via sensors installed in the vehicle. Such sensors capture information about the car and its driving – such as location, speed, acceleration, among others. With the combination, Getrak and Iter companies were also included for the telemetry process in our business.

This telemetry data is used in real time, with the purpose of optimizing processes and improving our customers' experience. This, along with the extensive network of connected vehicles, ensures us a differential in fleet management, and consequently, cost reduction.

---

**We ended 2022 with more than 320 thousand own vehicles connected via telemetry, an 80% increase over the previous year.**

Telemetry also encourages responsible driving, contributing to traffic safety and reducing the number of accidents and infractions. Among the data generated about the vehicles, the driver has access to the identification of sudden braking and acceleration, violations per kilometer traveled and speed limit exceeding, as well as fuel consumption. We provide fleet monitoring and management service via telemetry, which can be contracted by other companies, collaborating with driver safety.

Based on this data, since 2021, we have been monitoring Zarp Localiza drivers, providing weekly feedback on their traffic performance through Zarp no Volante. With this initiative, training, lectures, lives and awareness campaigns are held, promoting safe and conscious driving, with the best service to passengers. In cases of bad driving, warnings are sent and, if recurrent, drivers need to take a defensive driving course.

The solution also markedly reduces the risk of theft and increases the chance of recovering cars when it does occur. In this way, we radically minimized recovery and security costs, in addition to acting to prevent illegal events, crossing borders or other inappropriate activities with our vehicles, through telemetry-monitored virtual fences.

# Traffic Safety

Localiza&Co develops initiatives to promote traffic safety, an issue with which the Company is fully committed, through the promotion of safer practices among employees and customers, with actions such as training, investments in technology (such as telemetry), participation in campaigns and partnerships with entities that promote traffic safety.

On this front, we highlight the Frotas Experience, a program that provides free management training to develop teams and drivers. Around 20 training sessions are offered, covering content for the development of hard and soft skills, in the professional segment of Fleet Management, with more than 1,000 classes already held.

Within it, we have the Verde Vida program: focused on the promotion of traffic safety, with a free and exclusive education platform for Localiza Fleet Management customers, including professional education, free courses, events and themes related to traffic safety. The content is shared with customers through online classes, training in different formats, including exclusive content modules, aimed at qualifying customer's team management in the following areas: "defensive driving", "sustainable driving and legislation" and "fines". At the end of the training, the fleet is monitored by telemetry indicators so that companies with the best results are recognized.

We updated our administrative car procedure, making the Verde Vida program mandatory for all eligible employees and adding self-suspension fines so that, in the event of incidence, the benefit is suspended.

We also have Driver Behavior, a functionality available within the Zarp application, for drivers who work at Uber and rent their vehicles with us. By using telemetry, it is possible to assess each driver's driving behavior, assigning a score according to the way they drive throughout the month. In the case of good results, drivers can receive fuel vouchers at partner gas stations, encouraging improvement in drivers and safer traffic for everyone.

In this way, we are able to contribute to greater team engagement, with fewer accidents, fewer fines, less corrective maintenance, a drop in greenhouse gas emissions, and consequently lower operating costs.

# Localiza&Co: committed to promoting **more humane, safe and sustainable traffic.**

Learn +

Learn more about the program:

[www.localiza.com/verde-vida](http://www.localiza.com/verde-vida)



## Collision Detection

In November 2022, we launched a Machine Learning model to identify collisions involving our vehicles, the so-called Collision Detection, which transforms and analyzes data from the trackers installed in Localiza fleet's cars.

Once an impact has occurred, the model is capable of identifying and alerting that there has been a collision in the vehicle, using technology. We managed to identify incidents before the customer contacted the Company, even though we were not close to the location. With the identification of collisions, we can also reach our customers in a more humanized and agile way, since, in a short time, we were able to contact them, offering help and guidance, as well as sending help.

## NCAP Indicator

SASB TR-CR-250A.1

We ensure that vehicles are in proper working conditions and that consumers understand how to use them as safely as possible. In this sense, we monitor this performance through the Latin New Car Assessment Program (NCAP), an automotive safety assessment program, which adopts the methodology used by Euro NCAP. Its objective is to test the active and passive safety of cars sold in Latin America and the Caribbean, being used as a safety indicator by the sector.

### PERCENTAGE OF VEHICLE MODELS RATED BY NCAP PROGRAMS WITH AN OVERALL SAFETY RATING OF FIVE STARS, BY REGION

Region	% NCAP5
Mid-West	17.07%
Northeast	22.14%
North	16.27%
Southeast	18.71%
South	18.92%
<b>Total</b>	<b>19.12%</b>



# Innovation

Innovation is part of our business. Every day, we dedicate ourselves to finding solutions that contribute to sustainable mobility in an efficient and continuous way, spreading a latent culture of innovation within the Company.

## Localiza Labs

Launched in 2020, Localiza Labs is our technology and data science area, which aims to develop innovative solutions for the mobility market. There are more than 1,400 professionals fully dedicated to technology, working increasingly in an inclusive and collaborative way. We have the purpose of building the future of sustainable mobility, and with the support of technology, promoting the evolution of our products and services in an agile, innovative and scalable way.

- » **Team spread across 18 states in Brazil**
- » **14 tribes**
- » **+100 squads**
- » **Apps with increasingly better ratings**

In 2022, we started using the facility built in Recife (PE) and, in 2023, the inauguration of the Belo Horizonte (MG) unit is scheduled. Our spaces are sustainable and integrated, with a bold structure, and were built with a view to energy efficiency, rational water use, materials lifecycle, and health and comfort.

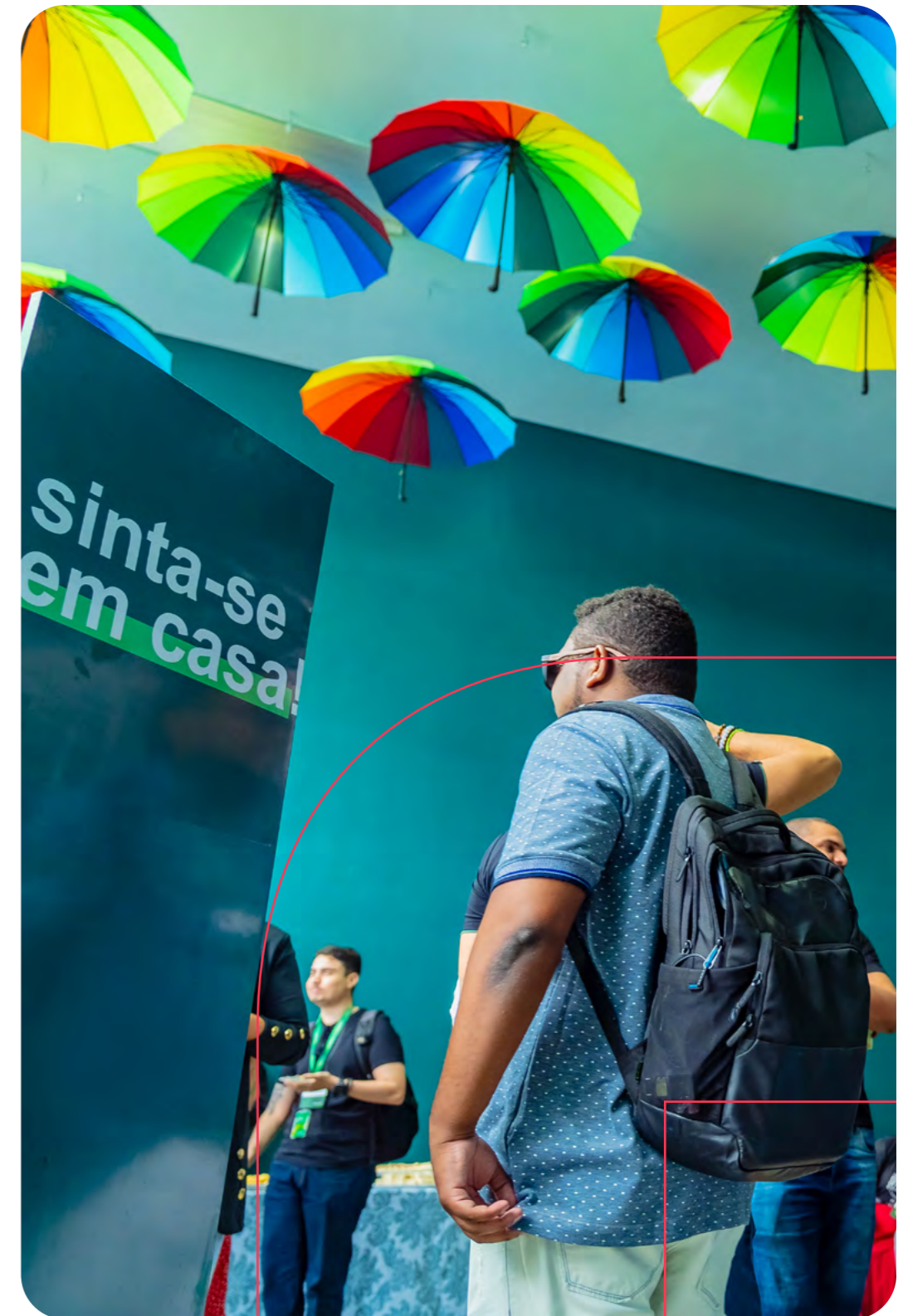
---

**We are dedicated to creating solutions to drive the evolution of sustainable mobility.**

## Localiza Fast

Localiza Fast is a 100% digital rental service, which allows autonomous and quick vehicle collection, offering greater convenience to our consumers by combining bluetooth-low-energy and telemetric intelligence technologies. To use the service, simply access the Localiza website or application, choose the desired car model, inform the start and end dates of the lease, and the locations for picking up and returning the vehicle.

In this way, customers leave the agency driving the rented vehicle, without going through the service counter and avoiding queues to pick up the car. We also offer extra points to these customers in our loyalty program, which allows them to accumulate points and then exchange them for discounts and benefits.







## Chapter 4

# Education and Entrepreneurship for Social Transformation



# Our Employees

## Team Profile

GRI 2-7 • 2-8 • 202-1 • 405-1 • 405-2

Our team is made up of people who inspire and transform, always looking for extraordinary results, with a passion for delighting customers, while acting in a way that generates value for other stakeholders of the Company.

We ended 2022 with 17,493 employees, a 43.1% increase compared to the previous year. The business combination played a significant role in this increase, adding talent for the Localiza&Co development. At the Company, employees can count on the opportunity to develop an internal career, flexible working hours, different work models (on-site, hybrid or remote), a robust compensation package, benefits and various health and well-being care, whether in stores, branches or offices.





## Employee Distribution

**17,493**  
employees

**479**

467 full-time  
12 part-time

**688**

658 full-time  
30 part-time

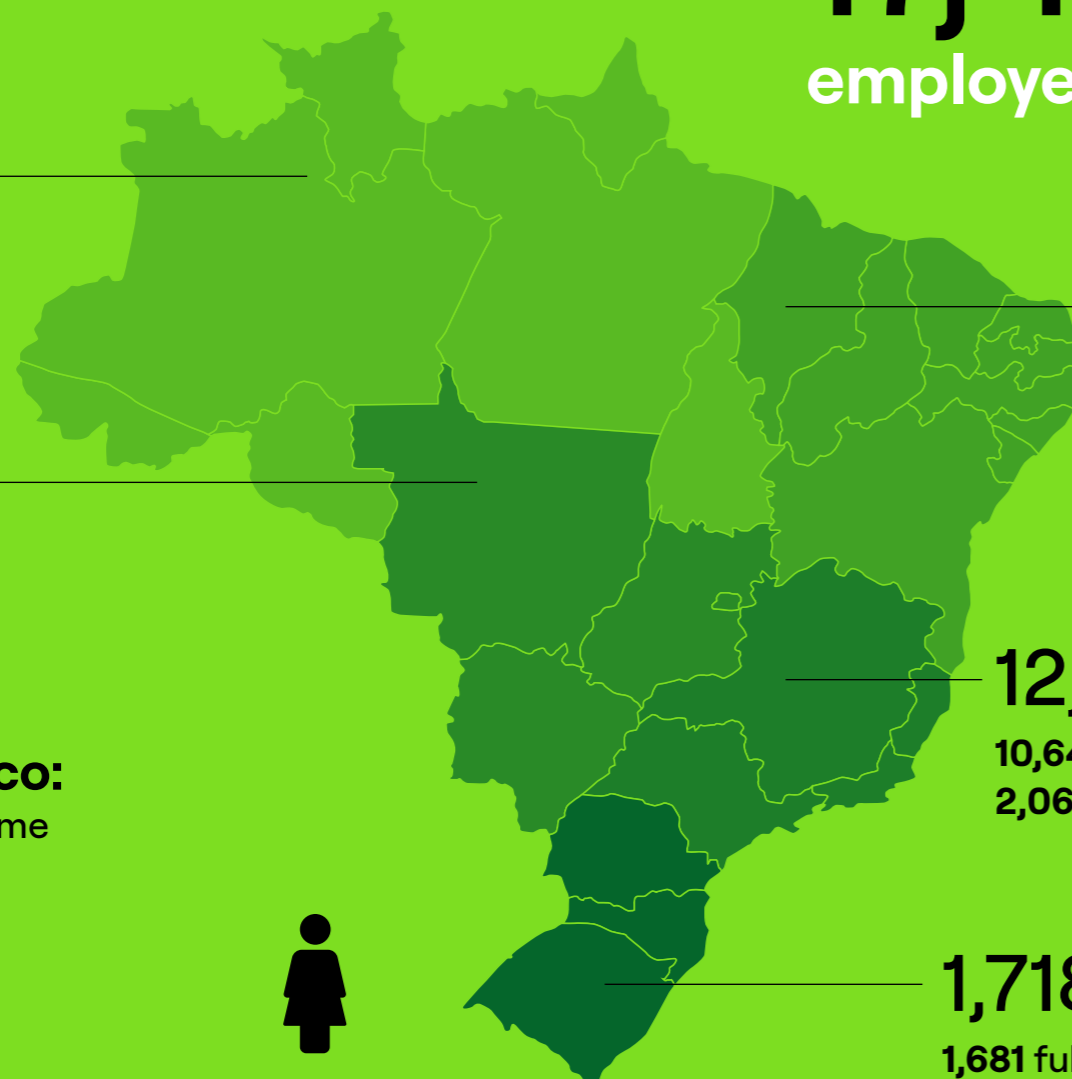
**Mexico:**  
8 full-time

**9,752**  
man  
(55.75%)

9,124 full-time  
628 part-time

**7,741**  
women  
(44.25%)

6,154 full-time  
1,587 part-time



**1,896**

1,824 full-time  
72 part-time

**12,704**

10,640 full-time  
2,064 part-time

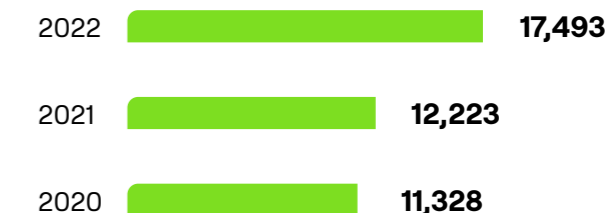
**1,718**

1,681 full-time  
37 part-time



We have **829 outsourced workers** on the IT and administrative fronts.

The Company has **47% of women in leadership**, with **26.9% in strategic leadership**<sup>1</sup>.



### RATIO BETWEEN SALARY AND REMUNERATION OF WOMEN AND MEN<sup>2</sup>

Functional category	Base salary	Average remuneration <sup>4</sup>
	Ratio <sup>3</sup>	Ratio
Executive	0.79	0.85
Director	1.02	1.02
Management	1.01	1.01
Leadership/ Coordination	0.93	0.96
Technician/supervision	0.85	0.87
Administrative	1.01	1.02
Operational	1.20	1.21
Trainee	1.06	1.06
Apprentice	1.01	1.01

Variation between the lowest wage and the minimum wage by gender (R\$)	Women	Men
Lowest salary paid by the Company	R\$1,212.00	R\$1,212.00
Minimum wage determined by legislation or union	R\$1,212.00	R\$1,212.00

<sup>1</sup> Strategic Leadership is made up of Senior Managers, Directors and Executives.

<sup>2</sup> Statutory employees were disregarded.

<sup>3</sup> The ratio represents the average salary/remuneration of female employees in the category by the average salary/remuneration of male employees in the same category.

<sup>4</sup> The remuneration represents, in addition to the salary, the additional earnings the employee receives during the year, such as bonuses, profit sharing, benefits, among others.

# People Development and Retention

GRI 401-1 • 401-2

At Localiza&Co, we develop and train our professionals so that they are always the protagonists of their own careers.

We maintained the benefits of our employees, including: Medical and Dental Assistance, Day Care Assistance, Home Office Assistance, Food Voucher, Meal Voucher, in addition to Discount Club, Gym Agreement, Life Insurance, among others.

To leverage the development and retention of employees, continuous monitoring of their careers is carried out through mentoring, conversations with Business Partners, annual performance evaluation (learn more on page 65), two annual merit and promotion cycles, and periodic reviews of salaries and benefits, in line with industry sector compensation practices. Learn more about the new projects, eLLas and Pluraliza, on page 66.

We follow a compensation management policy in which we evaluate positions according to their complexity and scope of activity. Based on these criteria, we establish salary ranges for each hierarchical level in order to mitigate gender inequalities. However, the lower representation of women in some categories may influence the average compensation ratio.

## Hiring

### EMPLOYEES HIRED BY GENDER

	Number of hires	Hiring rate*
Women	2,455	0.32
Men	3,826	0.39
<b>Total</b>	<b>6,281</b>	<b>0.36</b>

### EMPLOYEES HIRED BY REGION

	Number of hires	Hiring rate*
North	210	0.44
Northeast	682	0.36
Mid-West	313	0.45
Southeast	4,453	0.36
South	615	0.37
Mexico	8	1.00
<b>Total</b>	<b>6,281</b>	<b>0.36</b>

### EMPLOYEES HIRED BY AGE GROUP

	Number of hires	Hiring rate*
X < 30 years old	2,850	0.51
30 < X < 50 years old	3,227	0.29
X > 50 years old	204	0.20
<b>Total</b>	<b>6,281</b>	<b>0.36</b>

## Turnover

### EMPLOYEES WHO LEFT THE COMPANY BY GENDER

	Number of terminations	Turnover rate*
Women	1,648	0.21
Men	2,722	0.28
<b>Total</b>	<b>4,370</b>	<b>0.25</b>

### EMPLOYEES WHO LEFT THE COMPANY BY REGION

	Number of terminations	Turnover rate*
North	187	0.39
Northeast	493	0.26
Mid-West	264	0.38
Southeast	2,964	0.23
South	462	0.27
<b>Total</b>	<b>4,370</b>	<b>0.25</b>

### EMPLOYEES WHO LEFT THE COMPANY BY AGE GROUP

	Number of terminations	Turnover rate*
X < 30 years old	1,581	0.28
30 < X < 50 years old	2,514	0.22
X > 50 years old	275	0.27
<b>Total</b>	<b>4,370</b>	<b>0.24</b>

\* Rate calculated considering the ratio between the number of employees hired or terminated and the total number of the Company's employees, in each of the categories.



# Learning and development

GRI 404-1 • 404-3

## Universidade Localiza

We are a company in constant learning, which believes that the development of our employees is one of the main pillars of support for the L&CO team. For this reason, Universidade Localiza acts with the purpose of boosting the development of employees with learning actions that promote the connection with our culture and strategy, stimulating continuous learning, leadership, innovation and career mobility.

Our education model is segmented by profiles and Learning Journeys, designed and made possible by Universidade Localiza. They are: Essential Journey and Complementary Journey.

Every day, we encourage learner autonomy, creating learning spaces for the exchange of knowledge and ideas, recognizing informal initiatives and the work environment (workplace learning) as the main space for our team's development.

# 100%

of Localiza&Co **employees** received a performance evaluation in 2022.

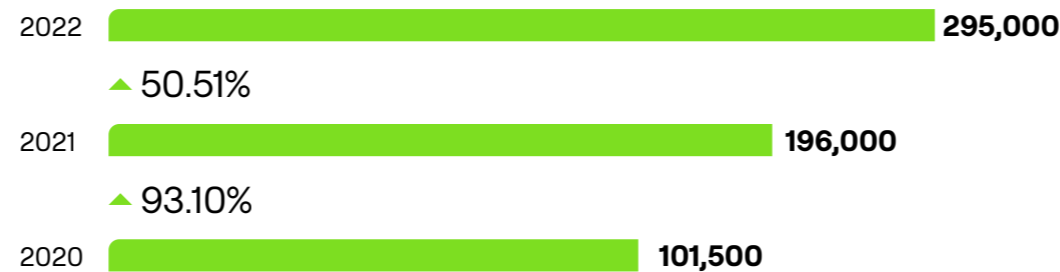
**95.7**  
Our NPS, as assessed by employees.

**R\$6,994,960.00**  
investment in learning, 13% more than in 2021.

**More than 15,000 people trained**  
9% more than in 2021.

**More than 1,800 contents available in various formats,** including: podcasts, articles, videos, distance learning courses, lives, various formations, trails, workshops, etc.

AVERAGE HOURS OF TRAINING



AVERAGE HOURS OF TRAINING BY GENDER AND FUNCTIONAL CATEGORY

Functional category	Women	Men	Average hours of training
Operations	21:44:00	20:22:00	20:29:00
Supervision	23:46:00	15:13:00	20:11:00
Service	19:55:00	17:59:00	19:32:00
Senior Leadership	18:40:00	17:52:00	18:08:00
Intern	16:44:00	17:48:00	17:28:00
Individual Employee	12:30:00	19:38:00	16:53:00
Professionals	12:17:00	13:26:00	12:41:00
Trainee	10:21:00	16:19:00	13:00:00
Sales Team	11:10:00	12:43:00	12:14:00
Apprentice	12:29:00	11:43:00	12:13:00
Executive Director	1:20:00	1:32:00	1:28:00

Average hours of training

**16h33min**  
**men**

**16h21min**  
**women**



In 2022, we offered and enabled several learning actions. The main ones were:

**1. Essential Learning Journeys:**

Aimed at newly hired employees, it has the purpose of connecting them to L&CO's DNA and providing them with the main tools and content for the performance of their duties. Each journey has its specificity and all of them are divided into pillars: institutional (Welcome to L&CO, culture, GDPL, D&I and Information Security) and specific content by profiles.

**2. Complementary Learning Journey (PDI):**

Intended for all employees who have been with the company for more than 90 days. It comprises specific actions in the employee's development plan (PDI) and/or structural training, to boost their development in essential skills and abilities for the professionals of the future of Localiza. We enabled some corporate training to enrich employees' Development Plans, such as: Leadership Development; Executive MBA; PDE - Executive Development Program; XBA - Xponential Business Administration; Mentoring training; Seasons of knowledge etc.

**3. New Leadership Journey:**

Boost leadership development in essential abilities and skills of Localiza&Co's future leader; Favor protagonism for self-development and the promotion of an favorable environment to exchanges and connections, contributing to extraordinary results, taking into account our Culture and Strategy, Market, and the People, Customer and Results pillars.

**4. Knowledge Season (Discover - UL):**

Its purpose is to create formal and informal learning spaces and opportunities to foster our culture of continuous learning, boosting our employees' learning through protagonism in self-development.

**5. Diversity and Inclusion Trail:**

Its mission is to boost the development of our employees belonging to affinity groups in the Company, such as: race, people with disabilities, gender equality, LGBTI+, migrants, etc.

We also run the we.Labs program, aimed at the development of our Tech team and implemented various initiatives in partnership with our Knowledge Facilitators team – employees who voluntarily dedicate part of their time and know-how to develop and disseminate specific knowledge that is critical and/or strategic for the Company.



## Performance Evaluation

To ensure that each green-blooded person has the possibility to expand their career in a promising and consistent way, enhancing talents and improving gaps, we carry out an annual performance evaluation.

The performance evaluation is made up of three stages – self-assessment, assessment and formal feedback from the manager – the assessment results in the joint construction of a development plan in force until the next cycle, which includes the needs for route adjustments. This plan includes technical training to improve employee activities, as well as mandatory training on Localiza&Co's culture, safety and compliance. The result of this evaluation is the metric used to pay the employees' profit sharing.

In 2022, assessments took place in an online model and 100% of employees received performance and career development evaluations.





# Diversity, Inclusion and Human Rights

GRI 405-1

In 2020, we launched our Diversity and Inclusion program with the goal of promoting a culture of inclusion throughout the organization, ensuring a diverse environment, with psychological safety and care for our employees. We understand the need to give voice to all the people who make up the Company's team, celebrating the individuality and particularities of each one. Since then, we have been working to engage the entire team in the topic, promoting attentive listening and supporting structuring projects and actions.

To this end, we prioritized the fronts of action on **gender equity, LGBTI+, migrants and people in refuge, people with disabilities and race**, which advance year after year through robust governance, guidelines, targets and indicators. The Diversity and Inclusion Committee and the affinity groups are part of this governance. We are structuring a new affinity group, which will be officially launched in 2023, focused on professionals over 50 years old, aiming to fight prejudice against these people in the job market.

The groups are made up of **#GreenBlood** employees who voluntarily meet at least once a month and work towards the evolution of the Company and the society on the subject. Each group has an organizational structure that includes leader, co-leader, volunteer managers, and allies. In 2022, we had more than 700 employees enrolled in the affinity groups.

The year was also marked by the launch of two programs that are extremely relevant to L&CO's commitment to support the evolution of the themes prioritized in the diversity and inclusion program. We created **eLLas**: a program focused on developing women to hold strategic leadership positions, by promoting specific training and mentoring. Its objective is to expand the female presence in spaces that, until then, were predominantly occupied by men, inspiring other women to follow the same path. The first group was attended by 25 female employees. In addition to it, we also started **Pluraliza**: our program aimed at self-declared black and brown analysts, which aims to train and develop them to hold strategic positions at Localiza&Co, and was attended by 18 participants in its first edition. There are mentorships with leaders, workshops, development of technical and relationship skills, among other activities, all aimed at achieving the potential of these professionals. **Both programs are based on mentoring with Localiza's strategic leaders, with an average NPS of 94 in the implemented actions.**

We reached 94% favorability in terms of diversity and inclusion in the 2022 climate survey, ranking above the P90. We had a two-point increase in employees' perception regarding leadership commitment to Diversity and Inclusion, reaching 92%. An anonymous diversity census is carried out alongside the climate survey and, with a 91% adherence, allows us

to understand the scenarios of underrepresented groups. Regarding the perception of the organizational climate by the underrepresented groups, we note that favorability does not differ from other employees, representing a standard deviation of 1 p.p. more or less, which is not considered relevant.

An important reflection that we are on the right track was our recognition:

---

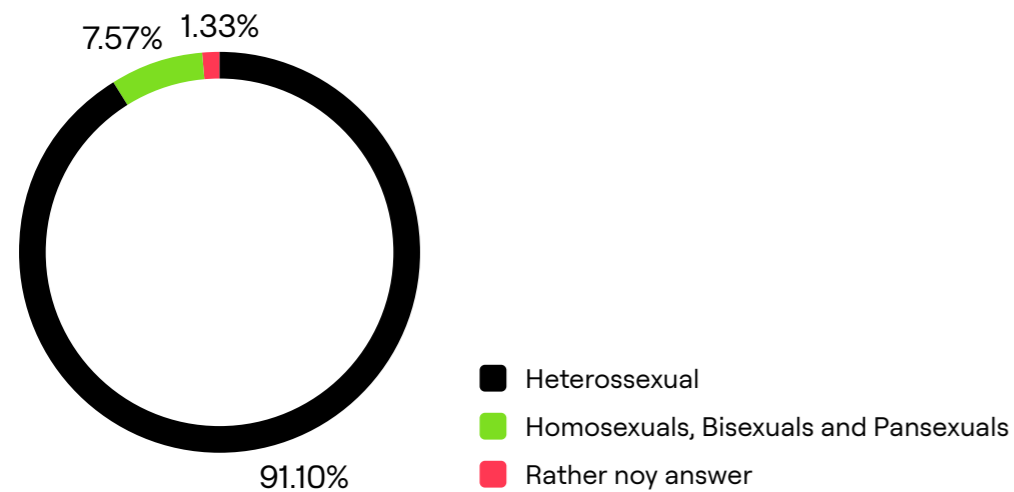
**We are among the Best Places for LGBTI+ People to work**, according to the Human Rights Campaign (HRC) and **among the Best Companies for Women to Work** by the Great Place to Work (GPTW Women), in addition to being granted the **2023 Women in Leadership award from WILL** – Women in Leadership in Latin America, referring to the initiatives developed in 2022.



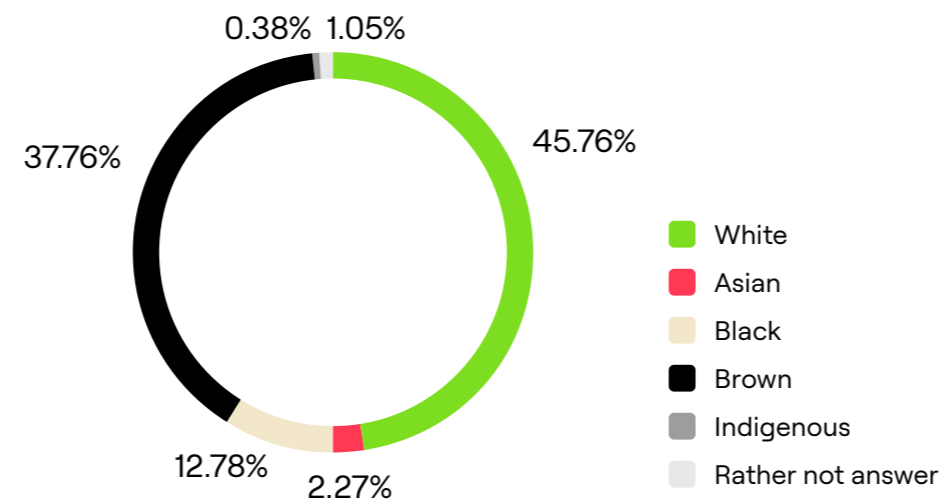
## TEAM DIVERSITY

Functional Category	Gender		Age		
	Men	Women	X < 30 years old	30 < X < 50 years old	X > 50 years old
Executive Board	92.31%	7.69%	0.00%	69.23%	30.77%
Board of Directors	81.25%	18.75%	0.00%	78.14%	21.88%
Management	72.61%	27.39%	3.36%	85.53%	11.11%
Leadership/ Coordination	58.63%	41.37%	8.38%	82.39%	9.23%
Technical/ Supervision	58.11%	41.89%	26.14%	69.37%	4.49%
Administrative	31.57%	68.43%	41.04%	54.10%	4.86%
Operational	68.19%	31.81%	29.23%	64.37%	6.40%
Trainee	50.00%	50.00%	90.00%	10.00%	0.00%
Apprentice	36.57%	63.43%	100.00%	0.00%	0.00%
<b>Total Average</b>	<b>61.03%</b>	<b>38.97%</b>	<b>33.13%</b>	<b>57.01%</b>	<b>9.86%</b>

EMPLOYEE DIVERSITY BY SEXUAL ORIENTATION <sup>1</sup>



EMPLOYEE DIVERSITY BY RACE<sup>1</sup>



<sup>1</sup>Information from the Diversity Census, which had 91% participation.

## Maternity and paternity leave

GRI 401-3

In 2021 we became part of the Citizen Company Program, extending maternity leave for another 60 days and paternity leave for another 15 days, in addition to the period provided for by law. Based on our Pregnant Women Support Program, we offer full home office until the children are one year old, for female employees in a hybrid work regime. In addition to this benefit, we guide future mothers so that they have adequate prenatal care, a safe and well-oriented pregnancy, with a focus on the health and well-being of the woman and the baby. We also promote the Meeting of Pregnant Women every six months.

### MATERNITY AND PATERNITY LEAVE IN 2022

	Women	Men
Employees who were entitled to take advantage of the leave	7,741	9,752
Employees who took leave	275	177
Employees who returned to work after their leave ended in 2022	159	166
Employees who have completed 12 months after returning from leave in 2022	122	147
Return rates	0.99	0.96
Retention rate	0.86	0.77

# Social Development

## Care for the Community

We understand the generation of value that goes beyond the economic bias, and we seek to deliver development and care for the society. For this, we collaborate to strengthen communities with actions to encourage education, culture and leisure for people in vulnerable situations. With a dedicated team of employees who want to make a difference, we are engaged in projects to promote well-being in the regions where we operate.

The presence of Localiza units increases the number of direct and indirect jobs, collaborating with the collection of fees and taxes and improving customers' satisfaction. In some locations, we planted trees in L&CO's landscaped areas, causing a positive socio-environmental impact. We were sponsors of Mamu – Arte Morro Mural, an art project that in this edition created a macro mural with houses from Vila Nova Cachoeirinha, located close to Localiza's headquarters in Belo Horizonte (MG). In the photo, it is possible to observe the construction process of the mural.

We invested R\$1,941,701.26 in Incentive Laws and the Rouanet Law. Projects from the following Institutions were benefited via the Childhood and Adolescence Fund and the Municipal Fund for the Elderly: Olympico Club, Instituto Gerando Falcões, Junior Achievement Minas Gerais, Lar dos Meninos São Vicente de Paula, Associação de Promoção Humana Divina Providência, Centro de Desenvolvimento e Cidadania (CDC), Meninas de Sinhá, Instituto Hahaha, LPF and Instituto Mano Down. The contributions from Rouanet Law were allocated to two projects by photographer Ricardo Martins, for the Brazilian Coast Expedition and the Amazon Expedition.

During the year, we also continued the “PLR do Bem” action, encouraging our employees to donate 1% of their profit sharing, with the commitment to double the amount with Company resources. By the end of the period, 1,268 employees had made the donation, raising a total of R\$168,249.11, which was supplemented with a donation of R\$170,000 by the Company. The total amount was directed towards the training program for young people for the job market at Instituto Gerando Falcões.











In order to ensure operational quality, we carry out a technical analysis of these partners, considering quality and sustainability criteria. Since they are part of our chain, we work to be in constant proximity with these suppliers, contributing to the development of their business by connecting a network of large and small partners. We qualify them, through technical and conduct training, so that they are aligned with our values and standards, providing a satisfactory experience for our customers.

We are focused on internalizing services with auto repair shops at Rent a Car (RAC) agencies, Maintenance Centers (CM) and ZARP CMs, where we manage to control and adhere to environmental criteria.

We also participate and support entities that work with the Localiza&Co segment:

- » ANAV - National Association of Vehicle Rental Companies;
- » ABLA - Brazilian Association of Vehicle Rental Companies;
- » GETAP - Applied Tax Studies Group;
- » ABRASCA - Brazilian Association of Publicly Held Companies;
- » MBC - Brazil Competitive Movement;
- » ACMINAS - Commercial and Business Association of Minas;
- » ABVE - Brazilian Electric Vehicle Association;
- » CMVC - Minas Gerais Corporate Volunteer Committee;
- » IBEF-MG - Brazilian Institute of Finance Executives of Minas Gerais;
- » Hub ODS Minas Gerais;
- » Órbi Conecta;
- » ESFERA BRASIL.



# Instituto Localiza

GRI 2-29 • 413-1

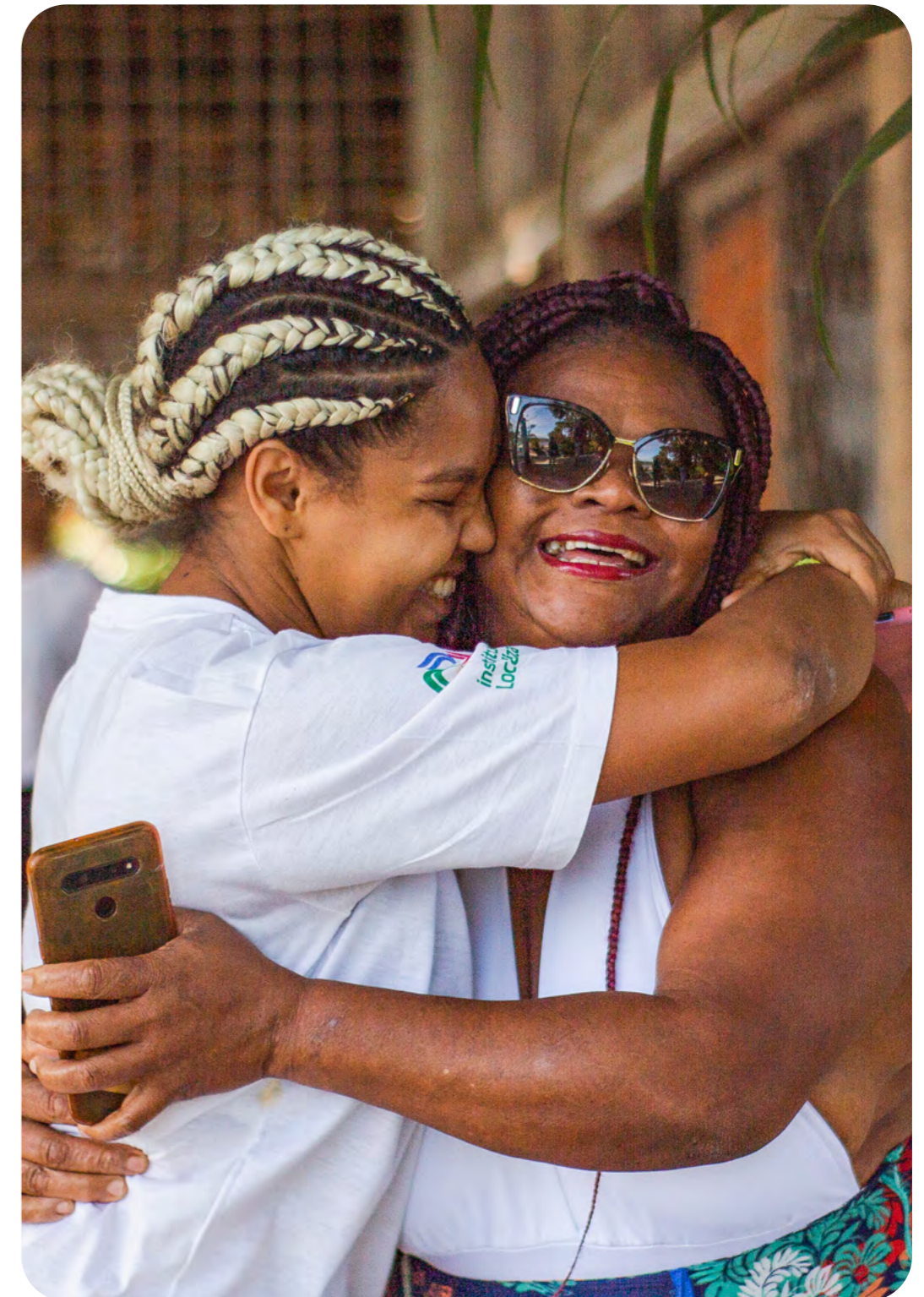
**Opening new paths** for people to transform their lives is what moves us.

Instituto Localiza started its activities in 2021, with the purpose of uniting people for social transformation. Aligned with entrepreneurship, it enables the creation of impact opportunities that benefit various civil society organizations and communities and generate development and inclusion of young people. The Institute enables access to education and encourages the entrepreneurial potential of youth in the communities where Localiza&Co is present. We open new paths so that young people in a situation of socioeconomic fragility can transform their own lives, supporting them in the path of protagonism and reaching their potential.

In synergy with the Localiza&Co ecosystem, the projects we support seek to promote technical training and the productive inclusion of young people in areas such as technology, culture, audiovisual, tourism, gastronomy and the automotive chain. The initiatives are spread across all regions of Brazil.

Throughout 2022, we supported the execution of 49 projects, donating a total of R\$3.6 million. In all, 12,100 people were positively impacted by the Institute's support for initiatives during the year.

Instituto Localiza believes in the importance of dialogue and collective construction with its stakeholders, towards social transformation. Since the beginning of its planning, it carried out a wide active listening process with social leaders in the country and Localiza's internal audience to understand the expectations, demands and opportunities, aiming to be more assertive in its social investment model. In the region adjacent to the company's headquarters in Belo Horizonte (MG), it also carried out a socioeconomic diagnosis and conversation circles with local young people to jointly build development actions that adhere to the community's expectations.



## We support social organizations with projects focused on **access to education and promotion of productive inclusion.**

In addition to financial support, we contribute to strengthening the management processes of institutions working with young people. We monitor the execution of projects, which have goals, challenges and performance indicators.

We work across the board on diversity and inclusion agendas for women, people with disabilities, black people, LGBTI+ and refugees, providing productive inclusion and entrepreneurial education. In this way, we increase the prospects for the future of these young people, promoting growth, autonomy and improving their quality of life.

**Learn +**

Access the **2022 Activities Report** of the Localiza Institute.

# We believe

**In the creative power of young people.**

**In the different looks that make us go further .**

**In collective processes that cause transformations.**

**In the future.**



We also operate in partnerships with internal areas and Localiza&Co partners, supporting technical training projects for communities neighboring the business units, seeking to bring this public to job opportunities at the Company. We carry out campaigns to collect warm clothing, Children's Day and support communities in critical events, such as rainfalls in the North of Minas Gerais, South of Bahia, Petrópolis (RJ) and Recife (PE).



### **Garota Tecnológica (Technological Girl)**

In partnership with women who work at Localiza Labs, the project mobilizes girls who study in public schools for technology-oriented learning. In 2022, 15 girls participated in Garota Tecnológica and seven ended the year working as young apprentices at Localiza&Co and Localiza Labs. With the success of the results, we continued the project in 2023, helping to increase female presence in the technology market.



### **Na Rota Social (in The Social Route)**

Supported by the Institute, it aims to train residents of neighborhoods and villages close to the headquarters of Localiza&Co in Belo Horizonte (MG) for the job market, for opportunities in the company itself and its partners. The program is aimed at the Customer Service segment and the classes are taught by nine Localiza employees, who work as volunteers. Beneficiaries have the opportunity to learn about different topics, such as: communication, self-responsibility, sales and customer service. Of the 31 graduates in 2022, 16 had the opportunity to provide services to the Reservation Center and eight were hired by the Company.



Here are some of the projects supported in the Gastronomy area:



### Cozinha do Amanhã (Kitchen of Tomorrow)

Cozinha do Amanhã is a professional training course, created by Instituto Capim Santo and located in Itacaré (BA) and Trancoso (BA). In the course, techniques for preparing food are taught, and learning is directed to a tourist region, which has a high demand for qualified gastronomy professionals. Due to the high level of training they receive, 90% of students are already employed when they complete the course. In 2022, 50 vacancies were opened, and young people who passed the selection process had 200 hours of theoretical and practical classes.

### Prosperar (Prosper)

Conducted by Instituto Social Pertence, the “Prosperar” Project aims to improve the living conditions of people with intellectual and cognitive disabilities and their families, through gastronomy. Training is offered in the food sector, with courses on health standards, food microbiology, care in preparing meals, management and entrepreneurship. Vocational guidance, psychological support and social assistance are also guaranteed to young people. To encourage family income generation, students’ relatives participate in modules about entrepreneurship and are offered classes on pricing, sales techniques, management, psychology and ethics. In all, 42 people were benefited.





---

We want to generate more and more value for society, acting as a catalyst of forces alongside other organizations, amplifying actions and projects that **contribute to new paths for young Brazilians.**

Among our partnerships in the area of technology are:

- » **Programadores do Amanhã (Programmers of Tomorrow):** we support free training in programming (fullstack and Java), instrumental English and socio-emotional development aimed at young black and brown people from the periphery;
- » **Recode:** we support social organizations that use information technology for the social transformation of communities by encouraging entrepreneurship, education and citizenship;
- » **Instituto da Oportunidade Social (Social Opportunity Institute):** it offers training in Information Technology to provide new professional opportunities and better living conditions for young people in the capital of Pernambuco. Training is based on the development of technical skills - Programming logic, Front-End Programming and Digital Fluency - and social and emotional skills, aimed at the world of work;

- » **Generation Brasil:** training in Information Technology with content aimed at Front-End, Back-End and Computer Science development. The program also offers a socio-emotional skills module and support for entering the job market;

- » **Movimento Tech 2030 (Tech 2030 Movement):** we sponsor the Movement, which aims to awaken youth's interest in a career in technology, fostering training and productive inclusion, helping Brazil to become a technological power.

In December 2022, we launched the volunteering policy, and over the year, Localiza&Co employees have already connected with mentoring, educational, social actions and donation campaigns, where 118 volunteers shared knowledge, donated time and listening. In the Christmas Campaign, more than 1,000 children were benefited, from 12 organizations and communities partnered by Instituto Localiza.

In 2023, we will continue to boost young people towards their dreams, opening and fostering new paths for their journeys. We will support 23 new projects, serving a wide range of audiences in 20 states in Brazil, which could benefit over 2,500 young people.

Among those selected are:

**Instituto Homem Pantaneiro - IHP (Pantanal Man Institute),** which trains tourism guides to work in the local network that welcomes visitors to the Conservation Units of the Serra do Amolar Network, located in the southern Pantanal of Mato Grosso.

**Centro Educacional Profissional do Coroadinho (Coroadinho Professional Educational Center),** in Maranhão, which provides support in training people in gastronomy to work in the local job market.

**Confederação Brasileira de Empresas Juniores (Brazilian Confederation of Junior Companies),** which operates in the North and Northeast with the "Salve um Negócio - Jovem Empreendedores" (Save a Business - Young Entrepreneurs) project, which promotes the performance of junior companies together with small local businesses also managed by young people, fostering results enhancement.



---

**We will continue to work on consolidating the Institute to ensure that Localiza&Co plays a leading role in promoting a more developed and egalitarian society.**



Chapter 5

# Attachments





# Content map

## GRI Content Summary

Universal Standards		Reference (page)/Direct Answer
<b>General Disclosures</b>		
<b>The organization and its reporting practices</b>		
2-1	Organizational details	More information about the Company, whose legal name is LOCALIZA RENT A CAR S.A., is available on pages 14 and 33.
2-2	Entities included in the organization's sustainability reporting	Page 8
2-3	Reporting period, frequency and contact point	Page 8
2-4	Restatements of information	The business combination with Locamerica was considered from the second half of 2022, and after that period, it will be possible to verify the data of the combined companies, whereas prior to it, only data from the company Localiza are reported - except for financial data that are reported considering the periods of 2021 and 2022 pro forma (i.e., it presents the result assuming the business combination with Locamerica since 01/01/2021).
2-5	External assurance	There was none. Although the Report is not externally assured, Localiza&Co values consistency and transparency, and therefore, the information is reviewed by multidisciplinary collaborators, representatives of different business areas and different organizational levels.
<b>Activities and workers</b>		
2-6	Activities, value chain and other business relationships	Pages 14 and 69
2-7	Employees	Page 60
2-8	Workers who are not employees	Page 60
<b>Governance</b>		
2-9	Governance structure and composition	Pages 33 and 35
2-10	Nomination and selection of the highest governance body	Page 35
2-11	Chair of the highest governance body	Page 60

Universal Standards		Reference (page)/Direct Answer
2-12	Role of the highest governance body in overseeing the management of impacts	Page 60
2-13	Delegation of responsibility for managing impacts	Page 33
2-14	Role of the highest governance body in sustainability reporting	Page 8
2-15	Conflicts of interest	Page 33
2-16	Communication of critical concerns	Critical concerns are presented by the Compliance area to the Audit, Risks and Compliance Committee, which reports directly to the Board of Directors. However, the number of concerns raised and the nature of the topics are confidential to the business.
2-17	Collective knowledge of the highest governance body	Page 38
2-18	Evaluation of the performance of the highest governance body	Page 35
2-19	Remuneration policies	Page 40
2-20	Process to determine remuneration	Pages 38 and 40
2-21	Annual total compensation ratio	In 2022, the proportion of annual remuneration of the highest paid individual in relation to the average of other employees was 49.03x. When compared to 2021, the highest paid individual had an increase in annual remuneration 11.58x higher than the average of the others. For the calculation, we consider: salary adjusted by workload + ATS + variable remuneration + PLR + ILP.
<b>Strategy, policies and practices</b>		
2-22	Statement on sustainable development strategy	Page 23
2-23	Policy commitments	Page 28
2-24	Embedding policy commitments	Page 28
2-25	Processes to remediate negative impacts	Page 32
2-26	Mechanisms for seeking advice and raising concerns	Page 32
2-27	Compliance with laws and regulations	No significant non-compliance cases were recorded during the reporting period in 2022.
2-28	Membership associations	Page 69



Universal Standards		Reference (page)/Direct Answer
---------------------	--	--------------------------------

**Stakeholder engagement**

2-29	Approach to stakeholder engagement	Pages 16 and 71
2-30	Collective bargaining agreements	98.81% of the Company's employees are covered by collective bargaining agreements. For the others (1.19%), without a collective bargaining agreement signed by the representative union, Localiza&Co applies early readjustment and grants benefits in accordance with its internal policy.

**Material Topics**

3-1	Process to determine material topics	Page 24
3-2	List of material topics	Page 24
3-3	Management of material topics	Page 24

Universal Standards		Reference (page)/Direct Answer
---------------------	--	--------------------------------

**Economic disclosures**

**Economic Performance**

201-1	Direct economic value generated and distributed	Page 21
-------	---	---------

**Market Presence**

202-1	Ratio between the lowest wage and the local minimum wage, broken down by gender	Page 60
202-2	Proportion of board members hired from the local community	Page 37

**Indirect Economic Impacts**

203-1	Infrastructure investments and services supported	Page 69
203-2	Significant indirect economic impacts	Page 69

**Procurement Practices**

204-1	Proportion of spending on local suppliers	Page 69
-------	---	---------

Universal Standards		Reference (page)/Direct Answer
---------------------	--	--------------------------------

**Anti-corruption**

205-1	Operations assessed for corruption-related risks	Page 28
205-2	Communication and training on anti-corruption policies and procedures	Page 28
205-3	Confirmed cases of corruption and actions taken	During the period, we had only one confirmed case of corruption. However, to ensure the confidentiality of our channels and internal processes, we will keep the details private. We reinforce that Localiza has a keen eye on the subject, taking appropriate measures whenever necessary.

**Anti-competitive Behavior**

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

**Environmental disclosures**

**Energy**

302-1	Energy consumption within the organization	Page 52
302-3	Energy intensity	Page 52
302-4	Reduction of energy consumption	Page 52

**Water and Effluents**

303-1	Interactions with water as a shared resource	Page 53
303-2	Management of water discharge related impacts	Page 53
303-3	Water discharge	Page 53

**Emissions**

305-1	Direct (Scope 1) greenhouse gases (GHG) emissions	Page 46
305-2	Indirect (Scope 2) greenhouse gases (GHG) emissions from energy acquisition	Page 46
305-3	Other indirect (Scope 2) greenhouse gases (GHG) emissions	Page 46
305-5	Reduction of greenhouse gases (GHG) emissions	Page 46



Universal Standards		Reference (page)/Direct Answer
---------------------	--	--------------------------------

**Waste**

306-1	Waste generation and significant waste-related impacts	Page 51
306-2	Management of significant waste-related impacts	Page 51
306-3	Generated waste	Page 51
306-4	Waste not intended for final disposal	Page 51
306-5	Waste intended for final disposal	Page 51

**Supplier Environmental Assessment**

308-1	New suppliers selected based on environmental criteria	Page 69
-------	--	---------

**Social Disclosures**

**Employment**

401-1	New hires and employee turnover	Page 62
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Dental assistance and private pension plans are benefits granted only to permanent employees.
401-3	Maternity/paternity leave	Page 67

**Training and Education**

404-1	Average hours of training per year per employee	Page 63
404-2	Programs for improving employee skills and career transition assistance	The LocalizaPrev pension plan is available to all employees who have an employment relationship with Localiza for at least 90 (ninety) days from the date of admission, except for interns and apprentices. The Private Pension benefit offered by Localiza is made available through a partnership with BrasilPrev, a company specialized in pension services, sharing our objective of promoting financial planning, with the aim of guaranteeing a more peaceful future for the employee.
404-3	Percentage of employees receiving regular performance and career development reviews	Page 63

Universal Standards		Reference (page)/Direct Answer
<b>Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	Pages 35, 60 and 66
405-2	Ratio of basic salary and remuneration of women to men	Page 60
<b>Non-discrimination</b>		
406-1	Incidents of discrimination and corrective actions taken	During the period, we registered seven cases of discrimination. However, to ensure the confidentiality of our channels and internal processes, we will keep the details private. We reinforce that Localiza has a keen eye on the subject, taking appropriate measures whenever necessary.
<b>Freedom of Association and Collective Bargaining</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	We have a structure dedicated to ensuring freedom of association, with specific procedures for the subject. Management of the topic is the responsibility of the Union Relations area under the Rewards and Welfare Board.
<b>Child Labor</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	There is none. We evaluate our partners according to the legal requirements and we have a contract with clauses related to labor, civil and labor responsibility.
<b>Forced or Compulsory Labor</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None. We evaluate our partners according to the legal requirements and have contracts with clauses related to labor, civil and labor liability.
<b>Local Communities</b>		
413-1	Operations with engagement, impact assessments and development programs focused on the local community	Page 71
413-2	Operations with significant – actual and potential – negative impacts on local communities	No significant negative impacts on local communities resulting from our operations were identified.
<b>Supplier Social Assessment</b>		
414-1	New suppliers that were screened using social criteria	Currently there is no record in the Company that measures the percentage of suppliers selected based on social criteria and, therefore, the next steps of Localiza&Co include the systematization of the background check of future suppliers in relation to these criteria.
<b>Customer Privacy</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no complaints received in this regard, nor cases of loss of customer data. More informations on page 41.



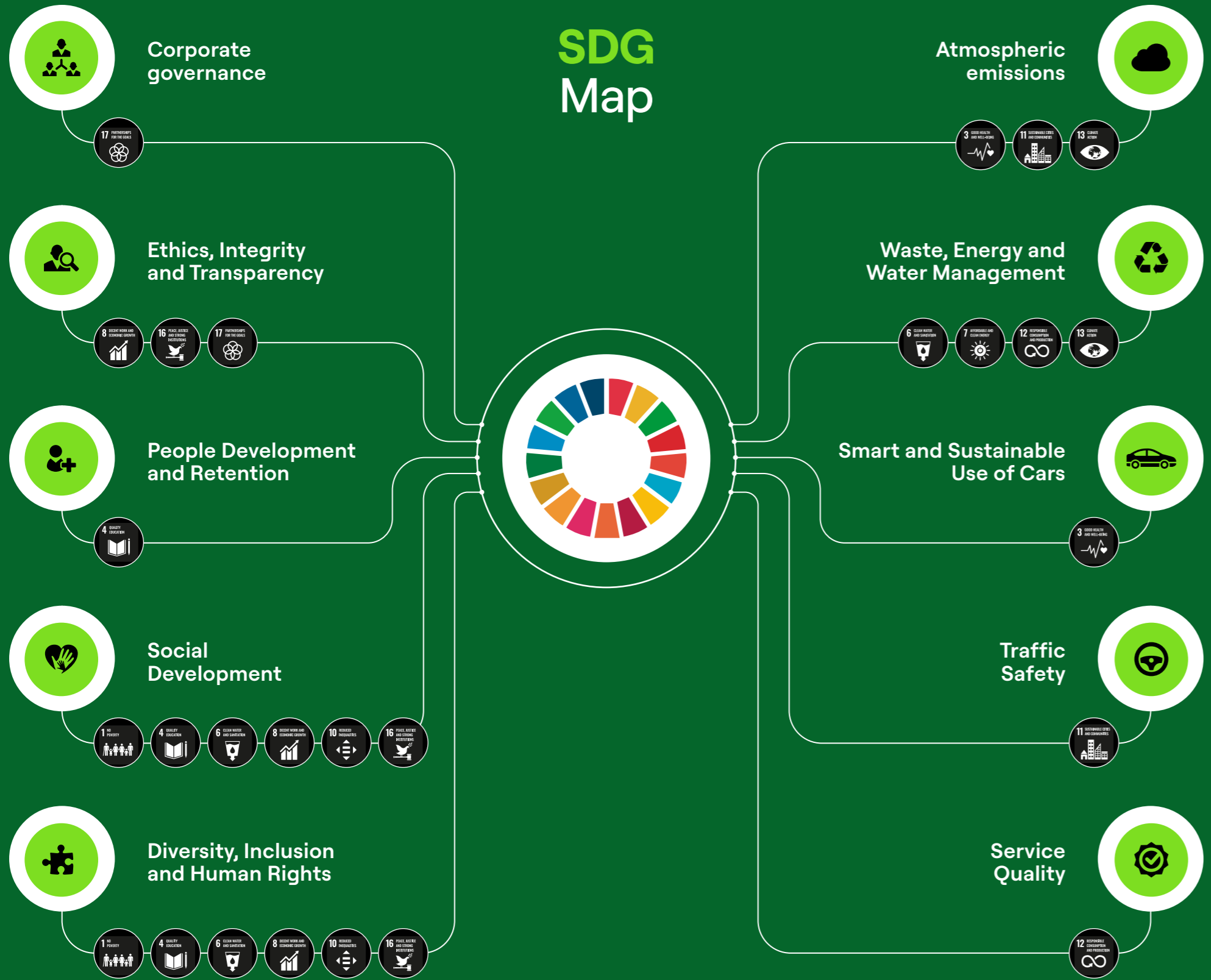
# SASB Content Summary

SASB Indicator	Description	Reference (page)/Direct Answer
TR-CR-250a.1	Percentage of rental fleet vehicles rated by NCAP programs with an overall 5-star safety rating, by region	Page 57
TR-CR-250a.2	Number of vehicles recalled	At the end of 2022, we found that 2,670 cars in the Localiza fleet underwent 2,731 recall interventions, according to campaigns released by the automakers.
TR-CR-410a.1	Rental day-weighted average rental fleet fuel economy, by region	We are preparing the metrics for calculating this indicator based on studies by the International Finance Corporation (IFC) and on principles linked to sustainability and we will have more robustness in this report in the next cycle.
TR-CR-410a.2	Fleet utilization rate	We totaled 78.9% for car rental and 97.0% for Fleet Management, excluding cars in activation and deactivation. Calculation made based on own fleet of 591,041 vehicles at the end of the year, being the pro forma utilization rate, considering entry of Locamerica since 01/01/2022.
TR-CR-000.A	Average vehicle age	When we consider the average age of the operating fleet, the values are 15.9 months for Car Rental and 19.9 for Fleet Management. When considering the cars sold, we totaled 28.3 months for Car Rental and 36.3 months for Fleet Management.
TR-CR-000.B	Total available rental days	We totaled 114,594 days at the end of the year, of which 66,009 for Car Rental and 48,585 for Fleet Management.
TR-CR-000.C	Average rental fleet size	At the end of 2022, our fleet had 331,445 vehicles for Rent and 259,596 for Fleet Management, totaling 591,041 vehicles. More information on page 15.

# TCFD Content Summary

TCFD Indicator	Description	Reference (page)/Direct Answer
<b>Governance 1</b>	Describe the board's oversight of climate change-related risks and opportunities	Page 44
<b>Governance 2</b>	Describe management's role in assessing and managing climate change-related risks and opportunities	Page 44
<b>Strategy 1</b>	Climate change-related risks and opportunities the organization has identified over the short, medium, and long term.	Page 44
<b>Strategy 2</b>	Impact of climate change-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Page 44
<b>Strategy 3</b>	Resilience of the organization's strategy, taking into consideration different climate change-related scenarios, including a 2°C or lower scenario	Page 44
<b>Risk management 1</b>	Organization's processes for identifying and assessing climate change-related risks	Page 44
<b>Risk management 2</b>	Organization's processes for managing climate change-related risks.	Page 44
<b>Risk management 3</b>	How processes for identifying, assessing, and managing climate change-related risks are integrated into the organization's overall risk management	Page 44
<b>Metrics and goals 1</b>	Metrics used by the organization to assess climate change-related risks and opportunities in line with its strategy and risk management process.	Page 46
<b>Metrics and goals 2</b>	Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Page 46
<b>Metrics and goals 3</b>	Targets used by the organization to manage climate change-related risks and opportunities and performance against targets.	Page 46





 <b>1 NO POVERTY</b> Social Development, Page 68	 <b>3 GOOD HEALTH AND WELL-BEING</b> Innovation and Safety, Page 54	 <b>4 QUALITY EDUCATION</b> Our Employees, Page 60 Social Development, Page 68
 <b>5 GENDER EQUALITY</b> Our Employees, Page 60 Social Development, Page 68	 <b>6 CLEAN WATER AND SANITATION</b> Environmental Agenda, Page 44	 <b>7 AFFORDABLE AND CLEAN ENERGY</b> Environmental Agenda, Page 44
 <b>8 DECENT WORK AND ECONOMIC GROWTH</b> Ethics and Governance, Page 28 Our Employees, Page 60 Social Development, Page 68	 <b>10 REDUCED INEQUALITIES</b> Our Employees, Page 60 Social Development, Page 68	 <b>11 SUSTAINABLE CITIES AND COMMUNITIES</b> Environmental Agenda, Page 44 Innovation and Safety, Page 54
 <b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> Environmental Agenda, Page 44 Innovation and Safety, Page 54	 <b>13 CLIMATE ACTION</b> Environmental Agenda, Page 44	 <b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b> Ethics and Governance, Page 28 Our Employees, Page 60 Social Development, Page 68
		 <b>17 PARTNERSHIPS FOR THE GOALS</b> Ethics and Governance, Page 28

## Credits

### Coordination

Sustainability Management

### Editorial Project: writing, consulting and translation

Ricca Sustentabilidade

### Graphic Project: layout, design and illustrations

Ricca Sustentabilidade

### Collaboration

This report was produced thanks to the contribution and commitment of the green-blooded team to the future of sustainable mobility. We deeply thank you for your work and dedicate this publication to you.

### Images

Localiza&Co collection | Adobe Stock

#### Learn +

Be sure to check out the details of our policies below:

[Results Center](#)

[Reference Form](#)

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

[Integrity Program and Confidential Channel](#)

[Sustainability](#)



**Localiza&co**