

SIMPAN

Sustainability-Linked Financing Framework

January 2021

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1. Introduction

SIMPAR is a holding company that controls six independent companies. Together, these companies form a Group that dates back more than 64 years. With a management model that produces sustainable results, these companies rely on people from different generations, with complementary knowledge and experience.

Our purpose is to preserve our values, management model and governance practices in order to promote sustainable value creation for shareholders, clients and society by directing and monitoring the implementation of the business plans of our subsidiaries (JSL, Movida, Vamos, CS Brasil, Original Concessionárias and BBC), as well as developing new businesses and operating segments.



Notes: (1) Shares directly held by individuals in the Simões Family, Directors and Treasury Shares; (2) Shares directly held by individuals in the Simões Family, Directors, Treasury Shares and JSP Holding

The strategy of all the subsidiaries is based on a solid culture and centered on the client’s needs, training and developing our people unceasingly to ensure the continuity of the business. We are aware of our responsibility to generate returns compatible with each company, based on fair business relationships along SIMPAR’s history, which we believe to be essential for our perpetuity.

The Group has been built with hard work and determination, sustained by long-term values: Devotion to Serving, People, Simplicity, Sense of Ownership, Sustainability and Profit.

In August, 2020, we had the approval of a corporate reorganization of the group, launching SIMPAR as the groups’ holding company, activity until then carried out by JSL itself, which is currently a solely logistics operating company. In our view, the restructuring will be essential to preserve our values, as well as the management model and governance practices of all the controlled companies.

Therefore, we are ready for a new development cycle based on a structure of independent companies with their own management team, strategic planning, and clear purposes to execute. It is important noting that the reorganization proposed to the shareholders was recommended by an Independent Committee, which analyzed all benefits, costs, and risks under the terms proposed by the management. Also, the unanimous decision on the reorganization was taken by minority shareholders and later

followed by the Simoes Family, which further reinforces the commitment of SIMPAR and its controlling shareholders to the practice of the highest standards of corporate governance.

Sustainability is an intrinsic value for SIMPAR and we understand that the most important topic regarding the environmental pillar that we need to address is Climate Change. Hence, we are working to mature our governance in relation to this topic, seeking to understand and report how we could access and transform the natural capital. In 2019, we developed our Sustainability Policy and validated it with our senior management, also achieving maturity of our sustainability governance actions within our sustainability committees.

In 2019, one of the major achievements of JSL's Sustainability Committee was the development of a greenhouse gas emission program. The goal was to identify our biggest challenges and opportunities as leaders in the logistics sector, recognizing climate change as a challenge of our entire chain. Therefore, we did our best to understand the current environmental impact of our business, aligned with global discussions and plans to reduce emissions in various forums around the world.

Some of the key measures adopted to mitigate emissions were the rational use of fuel and the continuous renewal of fleet, as well as monitoring indicators through an inventory of emissions based on the international methodology of the GHG Protocol. Our inventory was published for the first time at the Brazilian Program of GHG Protocol and can be accessed through this link: <https://registropublicodeemissoes.com.br/>

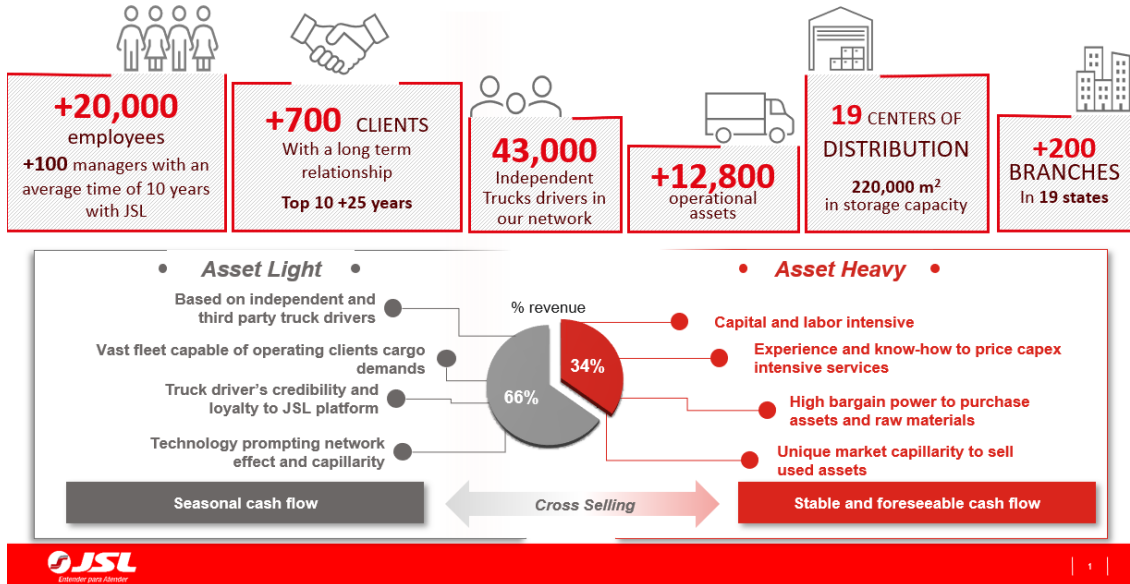
During the last months of 2020, it became even clearer for us that we should define a relative KPI for our Emissions Program to be more assertive in the long run. Consequently, the first step was defining internally that our reduction goal would consider not only scope 1 and 2, but scope 3 as well, since great part of our services are based on rental activities (Movida, Vamos, CS Brasil) and also independent truck drivers (JSL).

Scope 3 represents 75% of our total emissions and it is currently our biggest challenge, as the key metrics are currently based only on fuel consumption. We are seeking to improve our monitoring and our dialogue with these partners. As it is one of the key goals to our Sustainability Committee, we intend to move forward in this issue in 2021. One of SIMPAR's objectives is developing a corporate strategy to influence the management of outsourced fleet, focusing on reducing GHG emissions, sustained by performance indicators that are currently in development stage.

It is important noting that we are committing ourselves to the reduction of scopes 1, 2 and 3, even though we know that we do not have direct control over scope 3 emissions. We understand the relevance of this kind of disclosure since the emissions issued by the assets allocated in the scope 3 have significant environmental impact, and we should monitor the value chain of the companies that are turning their business models from Asset Heavy (capital and labor intensive) to Asset Light (outsourced/rental model).

Leadership in complementary services – “Asset RIGHT”

“Asset RIGHT” focus positions JSL as a highly resilient player



Aware of the complexity of JSL’s business regarding the outsourced fleet, our team is developing innovative projects to guarantee that we get even closer to this part of our value chain. One of these projects is the mobile application about to be launched called e-JSL, which we believe to be another important communication channel with our outsourced truck drivers.

e-JSL: Technology acts as leverage to build the largest platform of connection with truck drivers and clients in Brazil



JSL offers benefits and develops programs to truck drivers building a network effect with highly positive impact in the whole ecosystem



JSL's platform and scale generate a virtuous cycle for client and truck driver

Currently the heavy and light vehicles fleet ages owned by the controlled companies are much lower than the average national fleet age, as a result of our asset turnover. Our assets are three years old at average. In branches and stores, we have leaders who are attentive to the conditions of our vehicles

and facilities and, whenever possible, we encourage the adoption of renewable fuel – this is the case of Movida, which encourages the use of ethanol and has more than 90% of its fleet using this fuel. Given the similarity between the businesses of SIMPAR group, they can adopt the same guideline in their activities.

In the Group, scope 1 emissions are particularly linked to fuel consumption, including activities that we are operating or transport activities whose control of fuels is ours. Scope 2 is linked to the purchase of electricity. In 2019, the JSL Group reported a 5% reduction in scope 1 emissions, due to improvements in the management of its own fleet and the expansion of its outsourced fleet. Regarding scope 2 emissions, the electricity purchase agreements for on the free market will be reviewed so that reductions in GHG emissions are measured and deducted from the total amount calculated. In addition, we will expand the share of renewable energy sources in our energy matrix, allowing scope emissions to be substantially reduced.

Summary of Simpar’s GHG Inventory



Scope	What is	Categories	Explained	Emission Source	Total (tCO _{2e})*
1	GHG emissions from sources owned or controlled by the organization	Stationary Combustion	Energy generation using stationary equipment	Diesel oil	328,139
		Mobile Combustion	Company’s operational fleet and implantation of new vehicles	Diesel Oil, Hydrated Ethanol, GNV, GLP and Gasoline	
		Fugitive Emissions	Air conditioner and Fire extinguisher	Carbon Dioxide, HFC-134	
		Land-use change	Carbon capture (Carbon Free)	Biogenic Carbon	
2	GHG emissions originated by the generation of electric imported from the Brazilian distribution network energy (indirect emissions)	Electricity Import	Energy consumption (Kwh)	Electrical energy by Service-Based Interconnected Networks (SIN)	3,976
3	GHG emissions from sources are not controlled by the organization (indirect emissions)	Transportation and distribution (upstream)	Use of own or third-party vehicles in transport and distribution services for customers	Gasoline and Diesel	970,936
		Use of goods and services sold	Vehicles rented by customers (Vehicles Rental Contracts)		

Our inventory can be accessed through this link: <https://registropublicodeemissoes.com.br/>

* 2019

We are aware that the minimum reduction required for targets in line with the Paris Agreement is to keep well below 2°C. The initiative recommends a scenario of linear reduction of 2.5% per year and, for companies located in particularly developed countries, the initiative strongly encourages them to adopt targets with a 4.2% annual linear reduction to be aligned with the 1.5°C limit warming.

In order to make a real contribution to this worldwide movement, we started a detailed analysis of all sources of scope 1 emissions, understanding the peculiarities of each operation from each company, to ensure that all operations are included in our fuel consumption management. We conducted a national and international benchmarking process to understand what the main companies in the sector are proposing to reduce over the next years. Analyzing data published by them so far and the gap identified, we understood that it would be interesting to take the lead in the sector and conduct a deeper study.

After studying all our possibilities and comparing ourselves with companies that are leading this cause around the world, we set our specific target using the Science Based Target Initiative as a guide for conducting our strategy. By analyzing our total emissions and different kinds of physical KPIs available for all our business models, we simulate our possibilities through the sectoral Decarbonization Approach (SDA) Transport tool. This tool helped us to construct a rationale but it was not enough for us to set the final commitment to the whole group, since we are providing different services to many different sectors. Therefore, we could not classify SIMPAR as one specific kind of business using the tool; on the other hand, we had success applying the methodology for Movida, as a Rental Car Company. Finally, we built our rationale to SIMPAR by using our own tool to project our KPI and target reduction. In order to calculate the emissions of our KPI, we are using guides, guidelines and calculation tools of the Brazilian GHG Protocol Program (PBGHGP) of FGV (2020).

Our team analyzed other companies from the logistics sector that had committed themselves previously using Science Based Target Initiative, but we were not able to find a peer setting ambitious goals for scope 1, 2 and 3 that had disclosure on how they are intending to achieve them. It is important to clarify that our scope 1, for example, is our customers' scope 3. In this sense, the emissions reduction goals end up directly involving our customers and, since scope 3 management is not yet mandatory, we still have a great challenge to engage the industry on the urgency of addressing this issue.

Our Company is aware that the commitment to reducing scopes 1, 2 and 3 is not trivial and that there is still a lot of uncertainty about the assets and technologies that we will have available in Brazil in the coming years. The analysis is done under scopes 1 and 2, but here we include scope 3, which represents 75% of our total emissions. Not including scope 3 in the emissions inventory would not be ideal, because in the logistics sector, the simple shift from asset heavy to asset light would make a huge decrease in scope 1, without a positive impact in the environment.

Besides the fact that monitoring and managing scope 3 it is still not mandatory for most of the companies, we are willing to influence others to follow this path. We believe that assuming a reduction rate of 1.6% per year is a feasible scenario, as we are focused on evolving with the emissions management program across the group.

Regarding all limitations and challenges that the Brazilian scenario offers to their companies in Logistics sector and considering that we are determined to announce a goal that we can achieve in the next 10 years, SIMPAR is committed to the reduction of 7.8% by 2025 and 15% by 2030. Our strategy, projects and indicators will be monitored by our Sustainability Committee and the results will be presented to our Board of Directors quarterly and reported annually in our Integrated Report.

This long-term vision aims to address our performance through the “Decade of Action” 2020-2030, a denomination given by the United Nations (UN) due to the approach of reaching the global commitments of the UN Sustainable Development Agenda – 2030. Our commitments guide our contribution to the achievement of global sustainability goals and targets, while expand our potential for generating a positive impact.

2. Approach to Sustainability

Considering all the challenges that we need to address in this scenario of social and environmental urgencies, we know that we will not be able to act alone in society. That is exactly why we seek to involve our stakeholders, especially customers and suppliers, in projects that impact directly our value chain.

Our effort to map topics of attention in the Group's sustainability strategy results in periodic actions of engagement with stakeholders. The idea is to have direct inputs from employees, suppliers, regulators and leaders that enrich the ESG strategy and support the definition of priority themes of communication and management for the company's businesses.

In general, we understand the Company has a special impact in terms of climate change, emissions and energy, and it is responsible for the proper use of water resources, management of waste and wastewater and prevention and mitigation of environmental risks – such as spillage and accidents with cargo vehicles.

In 2019, we developed our [Sustainability Policy](#) that provides for the implementation of projects with a positive impact on the social, environmental and governance spheres. The priority issues recently updated after a new materiality analysis process are:

- Financial balance, capital allocation and business expansion;
- Climate change
- Corporate governance, ethics and transparency
- Valuing people, perpetuating culture and respecting diversity
- Sustainability in the value chain (includes controlled companies, customers and suppliers and service providers)
- Safety of people and assets
- Renewal of the Brazilian fleet
- Innovation with positive impact

SIMPAR seeks to help its companies pursue innovation, process improvement and constant advances in sustainability. We know that each business has its own peculiarities, but we are united in our purpose of growing in a sustainable way, caring for our own resources and those of our stakeholders.

Economic, Environmental, Social and Governance (EESG) aspects are rooted in the culture of each subsidiary:

ECONOMIC:

We value sustainable financial results in the medium and long term, based on fair business relations and services that create value for clients

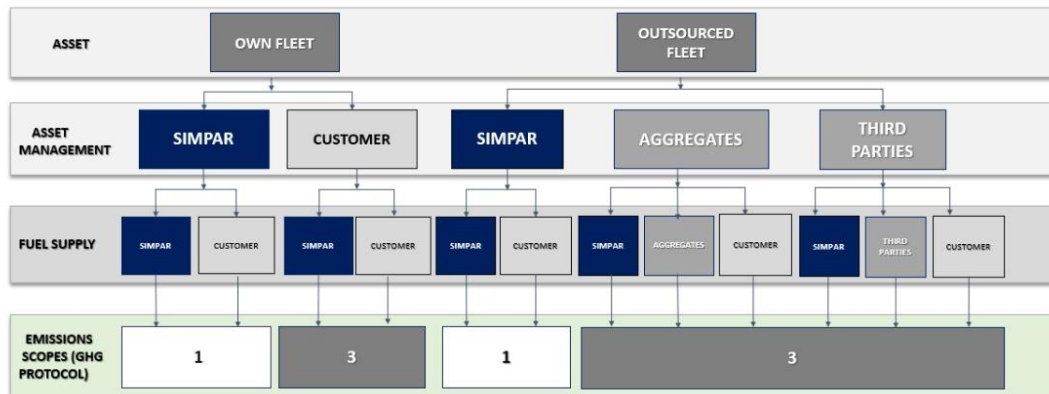
ENVIRONMENTAL:

In 2019, one of the major achievements of SIMPAR's Sustainability strategy was the development of a greenhouse gas emission program. Driven by the need to understand the actual environmental impact of our business. We've reviewed our methodology for the production of emissions inventories, starting a detailed analysis of all sources of scope 1 emissions, understanding the peculiarities of each operation from each branch, in order to ensure all operations are included in our fuel consumption management. The Emissions Management Map, a result of our analysis efforts, helped us to allocate correctly the emissions in each one of the scopes as the GHG methodology requires.

SIMPAR also commits to annually report and verify the GHG emissions metric as of 2020 and publishing the results in our Sustainability Annual Report. The following references are applied to our GHG emissions inventory: guides, guidelines and calculation tools of the Brazilian GHG Protocol Program

(PBGHGP) of FGV (2020); Transport Science-Based Target Setting Guidance (2017-2018); The Greenhouse Gas Protocol: The Corporate Accounting and Reporting Standard, WRI & WBCSD (2004).

Emissions Management Map | GHG Protocol



Simpár: includes one or more of the group's controlled companies
 Aggregates: independent truck drivers using JSL trailers
 Third parties: independent truck drivers

Although JSL's Sustainability Committee started this study, this challenge also involved the committees of the other companies. It aimed to define the composition of the relative emission indicator and review the results of previous years, ensuring more transparency to our audiences to help us find ways to neutralize our emissions, also in partnership with our customers. We have policies and initiatives in place focused on the efficient use of all natural resources. We have set goals for electricity and fuel consumption, as well as carbon offset programs, such as Movida's Carbon Free program. In terms of emissions, Movida is one of the leaders in its segment with the Carbon Free program, which encourages the compensation of emissions from vehicle traffic through reforestation and planting actions.

Main projects:

- Management of CO2 and pollutant gas emissions
- Conscious consumption of natural resources
- Waste management
- Renewable energy project

SOCIAL:

As much as the SIMPAR's main advances in Sustainability have taken place in the past three years, the Company's Sustainability journey began a long time ago. The awareness that businesses existed to guarantee financial returns, but also to significantly impact the lives of employees and of the communities where the company operates, has always been a reality. That is why People are a value for the Group and this constant concern is part of the company's culture. In 2006, social action was formalized through the creation of the Julio Simões Institute and, in 2014, the company announced that

would act in line with the UN's Global Compact principles. The company's performance in connection with its stakeholders has also always been a priority, considering the focus on the customer as the center of the strategy and the strong relationship with its main suppliers.

Since its inception over 64 years ago, the Group has sought to create a positive impact by contributing to the development of the communities in which it operates through social programs that have synergy with the business.

Main projects:

- Personal and professional development of truck drivers
- Supplier management
- Relationship with communities
- People and cargo safety as a priority
- Respect for Diversity, Valuing our People program

GOVERNANCE:

Our Corporate Governance structure is composed of the Board of Directors and eight bodies that report directly to it. In addition to having a consolidated structure, we are listed in the Novo Mercado segment, the highest corporate governance level of B3. We are a signatory to the Integrity and Anti-corruption Business Pact of the Ethos Institute, and we have a Compliance Program based on Lei Empresa Limpa (Clean Company Law) and the best practices proposed by the Office of the Federal Comptroller General (CGU), as well as a Code of Conduct that guides our relations with different parties, a whistleblowing channel that ensures anonymity and investigation of cases, and a comprehensive Anti-corruption Policy.

It is also worth noting that we have been a signatory to the UN Global Compact since 2014, which reinforces our commitment to ESG (Environmental, Social and Governance) aspects and guides our efforts to achieve the Sustainable Development Goals (SDGs).

Understanding that Climate Change is a challenge for the logistics sector in Brazil and in the world, we see this decision as an opportunity to improve our internal processes, integrate ESG challenges into our strategy and influence our entire value chain.

Although SIMPAR has made a significant effort in recent years to move forward with its emissions management program, we understand that there are currently limitations related to the availability of accessible resources and assets that can contribute to mitigate the negative impacts of emissions caused by the nature of our business.

We know that the path to be followed in the short term is energy efficiency with a focus on reducing emissions. With the current conditions available, we work intensively with training and awareness campaigns so that our drivers become agents of transformation and understand that when driving the truck, they can optimize the maximum use of fuel, emitting fewer gases along the way. We have 50% of our fleet relying on embedded telemetry technology to carry out this management. We are planning to cover 100% of these vehicles with the same technology in the next 10 years.

We know that many companies around the world are investing in solutions to contribute to the achievement of the goals assumed in the Paris Agreement, including the automakers, but it still takes some time for these projects to be executed in the Brazilian market. In the logistics sector, we face the challenge of involving our entire chain and finding transformational strength in alliances with our

customers and suppliers in order to scale up pilot projects and ensure that we have more significant results in terms of reducing greenhouse gas emissions effect.

3. Rationale for Issuance

In order to enhance the power of our company to address environmental issues where we have the ability to effect positive change, we intend to issue Sustainability-Linked Securities (“SLSs”), leveraging ambitious timelines to achieve sustainability performance that is relevant, core and material to our business. Our framework provides a high-level approach to our Sustainability-Linked Securities and investors should refer to relevant documentation for any securities transactions. We hope our issuance of Sustainability-Linked Securities will inspire other similar companies to do the same.

4. Alignment with the Sustainability-Linked Bond Principles, 2020

The Sustainability-Linked Bond Principles (“SLBP”), as administered by the International Capital Market Association (“ICMA”), are voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking ESG outcomes and promote integrity in the development of the Sustainability-Linked Bond market by clarifying the approach for issuance of a SLB. Our Sustainability Linked Securities Framework is in alignment with the five core components of the SLBP: Selection of KPI

1. Selection of Key Performance Indicators (KPI)
2. Calibration of Sustainability Performance Targets (SPT)
3. Sustainability-Linked Securities Characteristics
4. Reporting
5. Verification

Sustainability-Linked Bonds are any type of bond instrument for which the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined Sustainability/ ESG objectives. In that sense, issuers are thereby committing explicitly (including in bond documentation) to future improvements in sustainability outcome(s) within a predefined timeline that are relevant, core and material to their overall business. SLBs are a forward-looking performance-based instrument. The proceeds of SLBs are intended to be used for general purposes; hence, the use of proceeds is not a determinant in our categorization. SIMPAR is committed to the Sustainable Development Goals (SDGs) as it understands that private sector engagement is essential to accelerate the fulfillment of the 2030 Agenda. Our KPI contributes to the priority SDG 13 – Climate Action of our sustainability strategy.

4.1 Selection of KPI

The KPI selected is material and relevant for our Company. The nature of our business, considering SIMPAR as group with many different kinds of businesses models, made us conclude that the best option for this first SLB would be to define an economic intensity target, although we’re monitoring internally physical intensity metrics to guarantee that our targets will be reached.

Key Performance Indicator	Rationale
<p>KPI: tCO₂e/million R\$ (net revenue) covering 100% of SIMPAR operations and including scopes 1, 2 and 3</p> <p>SPT: covered in section 4.2 results in a GHG emissions intensity reduction equal to or less than 124.04 tCO₂e/million R\$ produced calculated as the year ended 2025, which is equivalent to an estimated reduction of 7.8% from the 2019 baseline</p> <p>Long-term goal: Reduce GHG emissions intensity (tCO₂e/million R\$) by 15% (scopes 1, 2 and 3 emissions) by year end 2030</p>	<p>Reducing GHG emissions intensity is a key strategy for SIMPAR to mitigate climate change. In the search for the efficiency of our processes, we have already managed to considerably reduce the emissions associated with our operations. However, we know that we can do more. Thus, we remain focused on developing solutions that lead us to better results.</p> <p>We are using 2019 as our baseline because that is our most complete GHG inventory year. For Scope 3, besides JSL and Movidia, we started considering emissions from CS Brasil and Vamos as well. Finally, we included all sources of emissions such as fugitive and stationary. This inventory is audited by SGS in December 2020, and the verification document will be available in January 2021. Our inventories are available since 2015, however, the years before 2019 do not use the same methodology for collecting data.</p> <p>It is important to note that we are committing ourselves to the reduction of scopes 1, 2 and 3, even though we know that we do not have direct control over scope 3 emissions. We understand the relevance of this kind of disclosure since the emissions issued by the assets allocated in the scope 3 have significant environmental impact, and we should monitor the value chain of the companies that are turning their business models from Asset Heavy (capital and labor intensive) to Asset Light (outsourced/rental).</p> <p>SIMPAR is determined to support initiatives associated to global warming risks. Climate Change is a challenge for not only the logistics sector in Brazil and in the world, but also to the entire service sector, and we see this commitment as an opportunity to improve our internal processes, integrate ESG challenges into our strategy and influence our entire value chain.</p> <p>For structuring the KPI, we used our GHG emissions inventory that was built following the guides, guidelines and calculation tools of the Brazilian GHG Protocol Program (PBGHGP) of FGV (2020).</p> <p>SDG 13 – Climate Action</p>

4.2 Calibration of Sustainability Performance Target (SPT)

Key Performance Indicator

Sustainability Performance Target: GHG Emissions Intensity Reduction equal to or less than 124.04 tCO₂e/million R\$ Net Revenue as measured by the year ended 2025. The trigger will be achieving the GHG emissions intensity target above. This is equivalent to an estimated reduction of 7.8% from the 2019 baseline*.

Sustainability Performance Target Trigger: is calculated as follows: the average of the GHG emissions intensity for the year ended 2025.

Sustainability Performance Target Observation Date: December 31, 2025

2019 Baseline Intensity: 134.53 tCO₂e/million R\$ Net Revenue*

*The 2019 baseline includes scopes 1, 2 and 3 emissions.

Strategic 2030 Goal and selection of methodology for calculating the SPT: This SPT aligns with our 2030 Goal of reducing GHG emissions intensity by 15% to 114.37 tCO₂e/million R\$ Net Revenue (Scope 1, 2 and 3 emissions). The SPT will be calculated and presented to SIMPAR Board of Directors quarterly and reported annually in our Integrated Report.

Considering that we could not find relevant emissions reduction strategy published from our peers, in a way that it would help us to understand how the logistic sector is organizing itself for declaring ambitious targets that are actually feasible, we decided to make a self-assessment to define our own target.

All our businesses were considered in this analysis and we defined specific projects that will allow us to achieve this challenge in the next 10 years. Our investments and efforts will be focusing on:

- Potential to acquire electric vehicles and vehicles powered by biomethane, in order to renew part of our fleet.
- Migration of fuel consumption from Gasoline to Ethanol.
- Implementation of mechanisms to encourage and guarantee that Movidá's clients supply Ethanol in substitution to Gasoline.
- Implementation of Telemetry technology in most of our fleet promoting better driver performance, reducing fuel consumption and optimizing the fleet.
- Expand the share of renewable energy sources in our energy matrix, allowing scope emissions to be substantially reduced.
- Promote the reduction of CO₂ emissions, through the implementation of new technologies, such as a diffuser for installation in diesel vehicles, allowing a clean explosion in the engine.
- Optimization of our operations, making them more efficient, investing in better technologies and maintenance.

Most of these initiatives are considering the solutions and technologies that are available on the market nowadays, although some of them are still expensive and have some limitations, such as electrical buses.

Regarding our heavy truck operations, we are looking forward to seeing the advance of electric trucks technology and the investments on the infrastructure necessary to make sure that medium and long-distance routes would be covered in a scenario in which these assets would be available for acquisition. For now, the information that we have is that we cannot count on these kinds of solutions for Brazil and that it will probably

be a reality in at least 15 to 20 years. Considering all the assessment that we have done, 15% reduction in 10 years is an ambitious goal that will require a lot of investment, focus and involvement of our value chain.

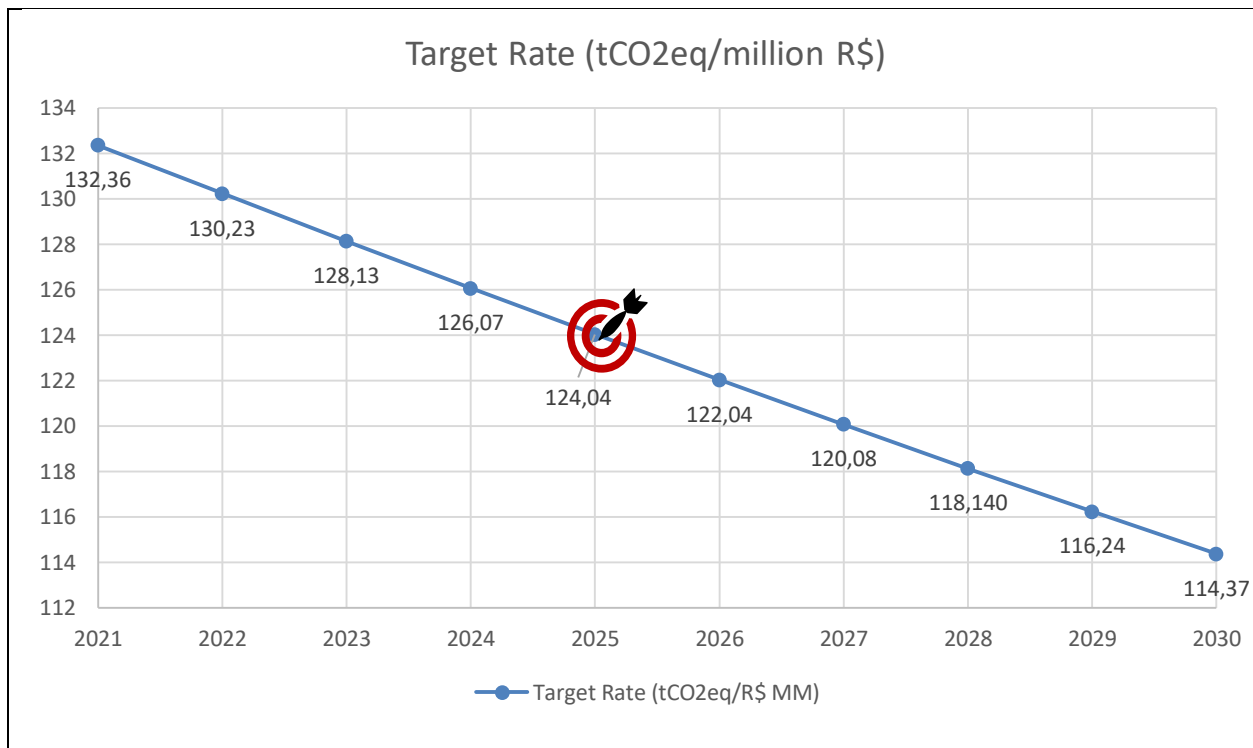
It is worth mentioning that this KPI (tCO₂e/million R\$) allows the company to implement a commercial analysis to understand how to insert the CO₂ emissions affect in the pricing of our services, and then we can define along with our customers the search for solutions that reduce the emission of these operations. In other words, the more GHG an operation releases, the more urgent the search for alternatives will be, and, therefore, we expect that the most polluting operations will have this negative externality considered in the final value.

Factors that support the achievement of the target:

- Strong commitment of our Board of Directors on Sustainability Strategy;
- Our main customers connected to ASG issues and worried about the evolution of their value chain as well;
- Potential technology advancement and regulatory environmental over time that could influence the target;
- Climate change being the most relevant environmental topic addressed in all 5 Sustainability Committees at SIMPAR;
- Some customers prioritizing suppliers that have the electric truck in their fleet;
- Power to influence our customers and suppliers, who are responsible for emissions of scope 3;
- Progress of legislation related to the use of alternative fuels in Brazil.

Risks to the target:

- Limitations related to the availability of accessible resources, new technologies and assets that can contribute to mitigate the negative impacts of emissions caused by the nature of our business;
- Costs of electrical asset and the low availability of this sort of vehicle on the Brazilian market;
- Possibility of growth in operations with higher tCO₂ emissions / Revenue;
- Extreme events, such as pandemics;
- Although we have the power to influence our customers, also responsible for emissions of our scope 3, we do not have control over their operations.



4.3 Sustainability-Linked Securities Characteristics

Our Sustainability-Linked Securities have a sustainability-linked feature that will result in a coupon adjustment, such as, for example, a one-time coupon step-up of 25bps if our performance does not achieve the stated Sustainability Performance Target. Our calculation of the relevant KPIs or SPTs, including Greenhouse Gas Emissions Intensity, may exclude the effects of certain material acquisitions and/or material changes in laws or regulations applicable or relating to our production activities, in each case to be set forth, if applicable, in further detail in the terms and conditions of each our Sustainability-Linked Securities. Climate Change is a challenge not only for Logistics companies, but also for the entire services sector and we see in this operation an opportunity to highlight the work that can be done in the services, logistics and mobility sectors.

4.4 Reporting

Annually, and in any case for any date/period relevant for assessing the trigger of the SPT performance leading to a potential coupon adjustments, such as, a step-up of our Sustainability-Linked Securities financial characteristics, SIMPAR will publish and keep readily available and easily accessible on our website a Sustainability-Linked Securities update including:

- i. Up-to-date information on the performance of the selected KPI, including the baseline where relevant;
- ii. a verification assurance report relative to the SPT outlining the performance against the SPT and the related impact, and timing of such impact, on a bond's financial performance; and
- iii. any relevant information enabling investors to monitor the progress of the SPT.

Information may also include when feasible and possible:

- iv. qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI on an annual basis;
- v. illustration of the positive sustainability impacts of the performance improvement; and/or
- vi. any re-assessments of KPIs and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope.

4.5 Verification

Annually, and in any case for any date/period relevant for assessing the SPT performance leading to a potential coupon adjustment, such as a step-up of the Sustainability-Linked Securities financial characteristics, until after the SPT trigger event of a bond has been reached, SIMPAR will seek independent and external verification of our performance level against the SPT for the stated KPI by a qualified external reviewer with relevant expertise. The verification of the performance against the SPT will be made publicly available on our website.

SIMPAR may obtain and make publicly available a Second Party Opinion (SPO) and/or other external review from consultants with recognized environmental and social expertise to provide an opinion on the sustainability benefit of this Sustainability-Linked Securities Framework as well as the alignment to the SLBP. The SPO will be available on the SPO provider's website.

Definitions

External Verifier: qualified provider of third-party assurance or attestation services appointed by the Issuer to review the Issuer's statements for GHG emissions intensity

GHG Emissions Intensity: GHG emissions intensity means Scope 1 (emissions from direct operations) and Scope 2 (electricity purchased) and Scope 3 will be considered as a numerator of the indicator, net revenue as the denominator (tCO₂e/million R\$).

Sustainable Performance Target Trigger: is calculated as follows: the GHG emissions intensity for the year ended 2025.

Sustainability Performance Target Observation Date: the as of date that will determine if the sustainability performance target has been achieved

GHG Emissions Intensity Reduction Percentage: means the proportion of GHG emissions intensity that is reduced (expressed as a percentage) and estimated according to the 2019 baseline

CO₂e: carbon dioxide equivalent, is a way of expressing all the different greenhouse gases as a single number

Scope 1 emissions: emissions from direct operations

Scope 2 emissions: electricity purchased

Scope 3 emissions: use of goods and services sold

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