



SUSTAINABILITY
REPORT

2024

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**INTERACTIVE
PDF**
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ACCESS THE CONTENT.

Consistent with our commitment to stakeholder transparency, this report shares key financial, environmental, social, and governance highlights from the previous year.

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INTRODUCTION

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INTRODUCTION

ABOUT THIS REPORT

GRI 2-2, 2-3, 2-5, 2-14

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At Frasle Mobility, our commitment to transparency includes reporting openly and in detail on progress toward our integrated vision for sustainable development. With this in mind, we are pleased to present this year's edition of our Sustainability Report, highlighting our key initiatives and results from January 1 to December 31, 2024. This report is part of our annual practice of sustainability reporting to stakeholders since 2017.

Now in its eighth edition, the report provides a roundup of our main environmental, social, and governance (ESG) highlights and key financial results in the previous year. It also describes how the ESG agenda is embedded in our strategic planning and is directly reflected in reported outcomes.

The information in this report covers the topics listed in our materiality matrix, developed in 2023 based on a survey of our stakeholders. Reported disclosures cover all Frasle Mobility operations (any exceptions are noted in the text).

Frasle Mobility's senior leadership was involved in the final approval of the report. The Board of Directors is responsible for reviewing and approving the information disclosed in our reports, including the material topics. The Board formalizes its approval of the content and publication of our Sustainability Reports through meeting minutes, ensuring transparency and alignment with Frasle's strategic guidelines.

The report also underwent independent assurance conducted by Bureau Veritas.

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SUSTAINABILITY REPORT
EDITIONS

**CONTACT
US**

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US AN EMAIL



BEST PRACTICES

SINCE
2019



For the sixth consecutive year, Frasle Mobility has developed the report based on the Global Reporting Initiative (GRI) Standards. This reflects our commitment to transparency and alignment with global best practices in sustainability reporting.

SINCE
2020



For the fifth consecutive year, our report has been prepared using the International <IR> Framework developed by the International Integrated Reporting Council (IIRC). This framework highlights the interconnection between our capitals and their contribution to long-term value creation.

At the beginning of each chapter, we flag which capitals are being addressed. On [page 99](#), we present a capitals content index showing the pages where each of them is referenced.

SINCE
2020



The United Nations (UN) Sustainable Development Goals (SDGs) aim to engage organizations around the world in achieving a set of sustainable development targets.

On [page 6](#), we present the SDGs that are most relevant to our business and show how they are directly connected to our material topics, as referenced throughout the chapters of this report. On [page 99](#), we also provide an index mapping the pages where content related to each supported goal can be found.

SINCE
2021



For the fourth edition, we have adopted the Sustainability Accounting Standards Board's (SASB) voluntary standards for industry-specific sustainability reporting.

MATERIALITY

GRI 3-1, 3-2

After completing our biannual materiality assessment in 2023 using the double materiality approach —voluntarily in anticipation of regulatory requirements and as a way to enhance transparency on topics relevant to our stakeholders—we have maintained the same material topics in 2024.

With each new cycle, our stakeholders (including shareholders and investors, customers and consumers, employees and contractors, suppliers, business partners, and local communities) are engaged through group interviews or online surveys. This engagement supports the development of our materiality matrix, a component of the business pillar within our ESG Ambition—a roadmap to drive sustainable development while upholding ethics, transparency, and accountability. The materiality assessment process is closely overseen by the Board of Directors.

Our material topics reflect the most significant potential financial, social and environmental impacts of our business strategy, taking into account both risks and opportunities across our internal and external value chains. To learn more about the materiality review process, see our [2023 Sustainability Report](#).

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MORE**

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ACCESS OUR
2023 REPORT**





MATERIAL TOPICS

GRI 3-2

PLANET
(our term for “E”)



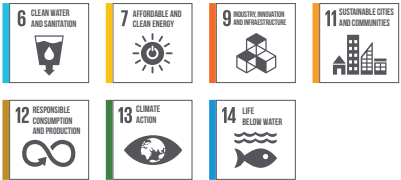
Climate change and air quality

Managing greenhouse gas (GHG) emissions and air pollution, including emissions from burning fossil fuels (oil, coal and natural gas) to produce energy to power company vehicles and facilities; and managing air emissions, including emissions produced by machinery and fleets.



Product lifecycle management

Assessing impacts across the product life cycle to map and reduce our ecological footprint by replacing raw material inputs and innovating in design to improve performance and reduce social and environmental impacts.



PEOPLE
(our term for “S”)



Employee health, safety and well-being

Safeguarding employee well-being and health by managing the organizational environment in a way that supports the mental and physical health of our employees and their families.



Human Rights and Labor Relations

Ensure internal processes are in place to prevent and address cases of human rights and labor rights violations in operations and in the supply chain.



Attracting, developing and retaining employees

People management and culture-building mechanisms to drive engagement; implementing training, development, and recognition strategies to reduce turnover and enhance our performance as an employer brand.



BUSINESS
(our term for “G”)



Product safety and excellence

Governance and investment to deliver safe, high-quality products and services for the automotive market; this includes ensuring efficiency, user safety and chemical safety by managing the social and environmental impacts associated with product use. This topic also includes investing to mitigate potential reputational and regulatory risks arising from improper product marketing practices.



Ethics, integrity and compliance

Transparent reporting, anti-corruption compliance, disseminating our code of conduct and the ethical principles governing our organizational processes, well-structured and regulated governance bodies, and combating anti-competitive practices and bribery.



Innovation and technology

Investing in innovation and ecosystem-wide collaboration to pursue disruptive solutions that ensure our products are responsive to emerging market trends and shifts in business models.



Data privacy and security

Securely managing the collection, retention and use of sensitive and confidential information, and safeguarding cybersecurity and data privacy in compliance with data protection regulations.





Sergio L. Carvalho,
President and
CEO, Frasle
Mobility

MESSAGE FROM OUR **LEADERSHIP**

GRI 2-22

One year after the launch of our new institutional brand, Frasle Mobility, we marked the 70th anniversary of Fras-le—our foundational brand—in 2024. Throughout the year, we celebrated the trailblazing role this brand has played in the history of Brazil's auto parts sector, particularly in brake pads and linings, while reaffirming our commitment to innovation and sustainability.

The year was marked by both challenges and successes. The floods in Rio Grande do Sul impacted our people and operations, requiring even greater resilience from our team and proactive decision-making. We promptly mobilized financial and human resources to support employees and local communities, as part of our commitment to social responsibility. These efforts were carried out in collaboration with Randoncorp and the Elisabetha Randon Institute, with a focus on early community relief and long-term reconstruction efforts in the state, including initiatives to foster entrepreneurship, support schools, and restore mobility infrastructure.

Among the year's key milestones, we announced the largest M&A transaction in Frasle Mobility's history: the acquisition of the aftermarket division of Kuo Group, now named Dacomsa, a market leader in Mexico. This deal adds three iconic brands

with a strong market share to our portfolio, and unlocks significant synergies. It also strengthens our leadership in Latin America and brings us closer to strategic markets such as North America. Meanwhile, we made additional inroads in Europe, further establishing the business in the region.

Another highlight was the 50th anniversary of our research and development center, now named the Movetech Advanced Engineering Center. Alongside the Randon Technological Center and the Hercílio Randon Institute, we showcased major innovations at Fenatran, the leading trade fair for the road freight transport sector in Latin America. These innovations illustrate our commitment to developing technologies that will drive future business growth and revenue while also deepening relationships with strategic partners.

Our innovation strategy is closely tied to sustainability. We continue to lead the industry's transformation toward more sustainable mobility. Products developed by Composs and disruptive technologies designed by NIONE are delivering on our commitment to reducing environmental impact.

One of the major environmental milestones of 2024 was the startup of our new biomass-fueled Green Boiler. The unit will reduce Frasle Mobility's greenhouse gas (GHG) emissions by 60%—equivalent to 10,000 metric tons of CO₂ per year.

At the heart of our success are our people. In 2024, we made a record investment of

over R\$ 10 million in health and safety, in line with our goal of eliminating serious accidents. To achieve this target, fostering a strong safety culture is just as essential as financial investment. We also made progress in inclusion and diversity, increasing the representation of women in leadership positions from 13% in 2023 to 15% in 2024. This reflects our broader commitment to building a more inclusive and equitable workplace.

At Frasle Mobility, we understand that our role goes beyond financial results. We are determined to do our part to help build a cleaner, more ethical, and more humane world. To us, ESG is not just an acronym—it's a daily practice that reflects our values and guides our decisions. This was my final year leading the company. After more than 50 years in the industry—eight of which were dedicated to Frasle Mobility—I made the decision to return to the United States to be closer to my family and begin a new chapter in life. Starting in September 2025, I will serve as a senior executive advisor to the company on strategic matters. It has been an honor to lead this organization, supported by such a capable and committed team. On behalf of all of them, I thank everyone I had the pleasure of working with during this very special chapter of my professional journey.

"AT FRASLE MOBILITY, WE UNDERSTAND THAT OUR ROLE GOES BEYOND FINANCIAL RESULTS. WE ARE DETERMINED TO CONTRIBUTE TO A CLEANER, MORE ETHICAL, AND MORE HUMANE WORLD."

2024 AT A GLANCE

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PEOPLE

In 2024, Frasle Mobility achieved important employee milestones that helped to promote an inclusive workplace, provide development opportunities, and build an increasingly global workforce.

Health and safety investments

In 2024, Frasle Mobility invested a record R\$ 10 million in health and safety—reinforcing a safety-focused culture and advancing toward our goal of zero high-consequence injuries.

Progress in gender equity

Through our *Jornada Delas* corporate program, designed to accelerate women's careers, 11 Frasle Mobility employees attended approximately 15 hours of the first phase of our Women's Leadership Development Program. We maintained our public commitment to double the number of women in leadership positions by 2025 from a 2020 baseline. In 2024, we reached 15%, a two-percentage-point increase from 2023.

Global Career Development

In 2024, Frasle Mobility launched a drive to make our workforce truly global by offering international career opportunities, with 39% of our workforce already located outside Brazil. All positions are open to candidates from anywhere in the world, and three roles were filled over the year—in the United States, China, and Germany.

PLANET

In 2024, we delivered on our commitment to environmental sustainability by implementing initiatives to reduce emissions, improve efficiency, and strengthen positive impact throughout our value chain.

Green Boiler

Our recent installation of a boiler fueled by biomass in replacement of natural gas has reduced greenhouse gas (GHG) emissions by 60%. The initiative saves the equivalent of 10,000 metric tons of CO₂ per year.

ISO Certifications

In 2024, Frasle Mobility's Pinghu site in China and ASK Fras-le in India earned ISO 14001:2015 certification for compliance with the highest environmental management standards. ASK Fras-le also received ISO 45001:2018 for its health and safety management system.

Scope 3

In 2024, for the first time, we reported Scope 3 emissions data to the CDP (formerly the Carbon Disclosure Project), covering indirect emissions across our value chain—enhancing transparency and supporting our commitment to sustainability.

Circular Economy

In 2024, Recycle Max—our program to recycle Fremax-branded brake discs and drums—expanded into Brazil's Southeast region. During the year, around 10% of raw materials came from parts collected at partner repair shops and returned to the factory.

BUSINESS

Sustainable finance from the International Finance Corporation (IFC)

In recognition of the sustainable practices in place at Randoncorp and Frasle Mobility, we jointly secured R\$ 500 million in financing from the International Finance Corporation (IFC). The financing was granted after a rigorous due diligence process including executive interviews, a review of our operations, and validation of strategic alignment. The funds will be directed toward expanding initiatives that combine economic growth with positive environmental impact.

Sustainable Innovation.

Under the Business pillar of our ESG Ambition, we have made a public commitment to increase the share of net revenue generated by new products. In 2024, 54.87% of net revenue at the Caxias do Sul site came from products launched in the last five years.

Progress in corporate governance

In 2024, Frasle Mobility achieved a rate of compliance with the best practices recommended by the "Comply or Explain" initiative, from the Brazilian Institute of Corporate Governance, that exceeded the average for the *Novo Mercado*-listed segment (83% vs. 78%).

2024 FLOODS: OUR RESPONSE

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We are a transnational company with deep roots in Rio Grande do Sul. In 2024, we were deeply affected—including emotionally—by the most devastating climate disaster in the state’s history. About 65% of our employees are located in Rio Grande do Sul, across both Frasle Mobility and our parent company, Randoncorp. Many of them were directly or indirectly impacted depending on their location.

In this challenging context, we strengthened our commitment to our guiding values. We believe we upheld our core principle: “We value and respect people.” We responded swiftly, guided by a sense of empathy and solidarity, to support both our employees and the surrounding communities.

A Crisis Committee was formed to coordinate the relief effort, which met daily during the emergency phase to assess the situation, prioritize demands, and define an immediate action plan. The committee included leaders from Frasle Mobility and Randoncorp, including the Executive Board and representatives from People and Culture, Technology and Innovation, Finance, and the Elisabetha Randon Institute—which leads our social investment initiatives. Activities continued through the end of 2024 with

monthly meetings, and as of early 2025, initiatives to support the reconstruction of Rio Grande do Sul were still underway.

**WE RESPONDED
SWIFTLY, GUIDED
BY A SENSE OF
EMPATHY AND
SOLIDARITY, TO
SUPPORT BOTH
OUR EMPLOYEES
AND SURROUNDING
COMMUNITIES**



**LEARN
MORE**

CLICK HERE TO LEARN
MORE ABOUT OUR
SOCIAL RESPONSIBILITY
EFFORTS ON PAGE 65



Employee Support

In such challenging conditions, from the emergency phase onward, we focused efforts on assisting our affected teams in several cities. Taking care of people has always been a priority. Internally, 306 families of employees were impacted, with 206 belonging to the Controil site, located in São Leopoldo, a severely affected city. Support for these families was immediate and comprehensive, including:

- **Financial support:** direct donations, early payment of the second installment of the 13th month salary, subsidized loans, and partnerships with companies for the purchase of appliances at reduced prices.
- **Care and assistance:** All families received home visits from company teams and executives to assess their needs and damages.
- **Technical and psychological support:** we offered legal, medical, psychological, and social assistance, as well as civil engineers to evaluate the structural conditions of the affected homes.
- **Mental health:** a dedicated program was created and continues to operate in 2025 to support affected employees.

Supporting our communities

In light of the challenges the state has faced since the emergency phase and throughout this current period of reconstruction, we have structured four lines of action that have guided our initiatives:

1. **Social impact**
2. **Support for industry and entrepreneurship**
3. **Support for affected schools**
4. **Road infrastructure**

Our **social impact** efforts are focused on supporting communities across several regions in Rio Grande do Sul. The Elisabetha Randon Institute (IER), which leads our social responsibility efforts, is overseeing initiatives in communities impacted by the disasters and where both Randoncorp and Frasle Mobility are present. Examples include logistical support for the distribution of donations, organizing volunteers in affected areas, and participating in the PIX SOS Rio Grande do Sul Steering Committee. The Institute stepped up related efforts in collaboration with a wide range of organizations.

Support for industry and entrepreneurship: this front is helping drive Rio Grande do Sul's economic recovery. To restore financial health in a state devastated across so many sectors, we believe it is essential to

help other businesses to rebuild, through partnerships with key economic players.

Support for affected schools: supporting schools is part of our broader commitment to our home state. Improving education has always been a key driver of our social efforts through the IER. We allocated funding to help schools purchase equipment and teaching materials and organized initiatives to train teachers on how to support students' mental health and emotional well-being. Benefited schools are attended by students in São Leopoldo, a city where many of our employees live—particularly those employed at our Controil site, which was hit heavily by the floods.

Road infrastructure was severely damaged by the floodwater. This is a particularly relevant issue for us, as it is directly connected to our core business. The evolution of road transport is intertwined with our own history, and we have always invested in developing innovative solutions for the sector. Our purpose is to keep life in motion. Together with Randoncorp, we have channeled our expertise and resources to support the reconstruction and modernization of the road network in Rio Grande do Sul.

SUPPORT FOR RIO GRANDE DO SUL MUST NOT STOP

We are committed to Rio Grande do Sul and will continue investing in the state's recovery with both financial and intellectual resources, while coordinating efforts with organizations and governments.

We recognize that the impacts from the climate disaster will linger for some time. Our companies and the Institute will keep focusing efforts on the cities where Randoncorp and Frasle Mobility operate and were affected, as well as on other regions severely impacted by the floods.

Learn more about how we are supporting the reconstruction of Rio Grande do Sul: [Randoncorp | Together, rebuilding tomorrow for Rio Grande do Sul](#)

**LEARN
MORE**

**WATCH A VIDEO
ABOUT OUR EFFORTS**



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FRASLE MOBILITY UNIVERSE

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OUR VISION FOR THE FUTURE **25**

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FRASLE MOBILITY **UNIVERSE**



**CAPITALS: FINANCIAL
AND MANUFACTURED**

Sadi Hensel

ABOUT US

GRI 2-1, 2-6

Frasle Mobility is a publicly traded corporation. We are a transnational company known for our smart and sustainable solutions for the logistics and transportation industry. Since 1996, we have been a member of Randoncorp and, since 2021, we have operated in synergy with the Randon Technological Center (CTR). NIONE—a pioneer in nanoparticle technology—and Composs—a company specializing in structural composite materials that make vehicles lighter and more efficient, reducing fuel consumption and emissions—were both incubated at CTR. With over 10,000 shareholders, we continue to evolve, solidifying our reputation as one of the world’s leading players in the sector.

In 2023, we launched the corporate brand Frasle Mobility, repositioning ourselves as a “house of brands” with a strategy focused on national and international expansion. One year after this repositioning, our results have confirmed the success of the initiative: with several brands under our umbrella, Frasle Mobility posted record-breaking parts sales.

While we did not complete any M&A transactions in 2025, in June, we announced the acquisition of KUO Refacciones, the aftermarket division of the KUO Group, a market leader in Mexico. The transaction was completed on January 14, 2025, for an updated amount of R\$ 2.2 billion, although not covered by our disclosures for this

reporting cycle. Following the transaction, the operation was renamed Dacomsa.

With this move, we added three new factories to our portfolio and now operate plants in six countries (Brazil, the United States, China, India, Argentina, and Mexico), along with a new auto parts distributor and three iconic brands. We also significantly expanded our exposure to engine and powertrain components. This move is part of a continuous growth cycle that combines organic expansion with strategic acquisitions to strengthen our leadership position.

Our strategy is built on pillars that drive resilience and sustainable growth. The aftermarket segment remains at the core, providing business resilience. At the same time, we are expanding international revenue with a focus on mature markets that offer greater economic predictability and expansion opportunities. Our long-term goal is for 55% to 60% of our revenue to come from international markets, strengthening our global competitiveness.

Between 2017 and 2023, Frasle Mobility’s revenue quadrupled, supported by an effective strategy. In 2024, we posted the best performance in our history, with net revenue of R\$ 4 billion, a 17.0% increase compared to the previous year. Gross cash generation reached historic levels, leaving us with R\$198.8 million in available cash, enabling us to close the year stronger and well-positioned to pursue our strategic plan.

Throughout this journey, we have consistently delivered on our commitment to creating value for all our stakeholders by balancing sustainability, innovation, and economic growth as core elements of our business model.

IN 2024, FRASLE MOBILITY POSTED RECORD-BREAKING PARTS SALES

LEARN MORE

[CLICK HERE TO WATCH OUR CORPORATE VIDEO](#)



PURPOSE

Connect people to wealth, generating prosperity.



BUSINESS

Safety and innovation in motion control.



MISSION

Provide safety and comfort in the transportation of people and goods that keep life moving.



PRINCIPLES

- Customer satisfaction
- Ethics
- Innovation and technology
- Sustainable profitability
- Valuing and respecting people
- Preserving our reputation and legacy
- Safety & quality
- We are Randoncorp



VISION

To be recognized for sustainable solutions in mobility.

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FRASLE MOBILITY UNIVERSE

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SUSTAINABLE
FINANCE

In February 2024, Randoncorp and Frasle Mobility jointly carried out their first issuance of sustainability-linked bonds (SLBs) tied to ESG targets, raising R\$500 million.

The bonds were issued through the International Finance Corporation (IFC), a member of the World Bank Group and a global benchmark in sustainable practices in emerging markets. The proceeds were equally allocated between Randoncorp and Frasle Mobility. The IFC conducted a thorough two-year due diligence evaluation of the company, with the award of the financing reflecting the consistency and credibility of our sustainability practices.

The bonds have a maturity of up to nine years, with a two-year grace period before principal repayment begins.

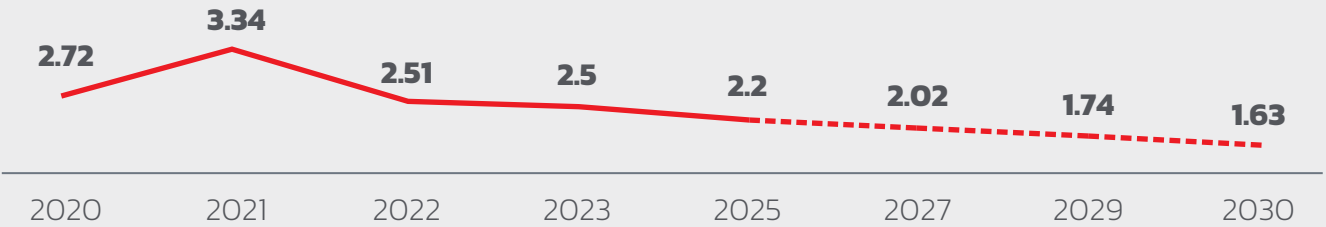
This issuance is aligned with our Sustainability-Linked Financing Framework and is conditional on specified levels of performance against key performance indicators (KPIs). The selected KPI is related to our public commitment to reduce CO₂ emissions by 40%, as outlined in Randoncorp's ESG Ambition, reinforcing our commitment to sustainable business—including in our financial strategy.

The funds are being directed primarily to projects such as the development of environmentally sustainable products and the expansion of renewable energy use. Among the initiatives already benefiting from the financing are our Green Boiler project—which significantly reduces carbon emissions—health, safety, and environment (HSE) initiatives, and the development of sustainable products.

The KPI sets out the following timeline for emissions reduction:

**R\$ 500
MILLION**
**WERE RAISED WITH
THE INTERNATIONAL
FINANCE CORPORATION, A
RECOGNIZED BENCHMARK
IN SUSTAINABLE
PRACTICES**

Emissions intensity*



* In 2024, Randoncorp's emissions intensity was 1.91 kgCO₂e per hour worked. The data in the above chart are for Randoncorp, which includes Frasle Mobility. Our targets are common with our parent company, and the KPI linked to the bonds is available in Randoncorp's Sustainability-Linked Financing Framework.



NUMBERS THAT TELL OUR STORY

1

FOUNDED IN **1954**

2

LISTED ON THE BRAZILIAN STOCK
EXCHANGE (B3) SINCE **1971**

LAUNCHED OUR INTERNATIONALIZATION
PROCESS IN THE **1980s**

PRESENT IN MORE THAN **125** COUNTRIES

MORE THAN **21,000** PRODUCT SKUs
IN OUR PORTFOLIO

6,025 EMPLOYEES

IN 2024:

R\$ 4.0 BN
IN CONSOLIDATED NET REVENUE

18.4%
ADJUSTED EBITDA MARGIN²

US\$ 289.7 MILLION
IN INTERNATIONAL REVENUE¹

R\$ 165.8 MILLION
IN INVESTMENTS³

¹ The sum of exports from Brazil and revenue generated by international operations, net of intercompany transactions.

² Margin adjusted for non-recurring events.

³ Refers to organic investments.

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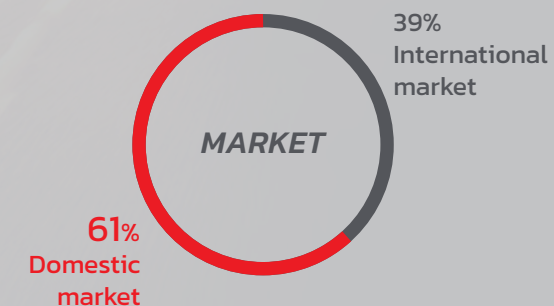
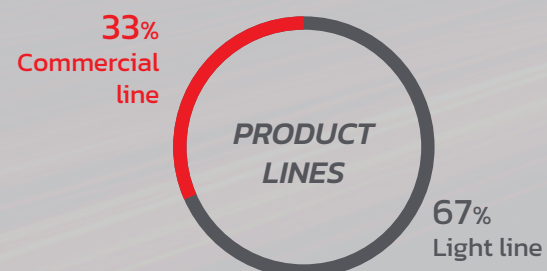
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Breakdown of our operating segment (2024)*

*Data for 2024.



FRASLE MOBILITY
OPERATIONS

GRI 2-6

HEAD OFFICE USA

Sales Office

DACOMSA**

1 Distribution Center
1 Commercial Office
3 Manufacturing Plants

SALES OFFICE MEXICO

Sales Office

EXTREMA SITE

Distribution Center
Manufacturing Facility

SOROCABA SITE

Manufacturing Facility

OSASCO SITE

R&D

FREMAX SITE

Manufacturing Facility

CAXIAS DO SUL SITE
RANDON TECHNOLOGY
CENTER (CTR)

Manufacturing Facility
R&D

CONTROIL SITE

Manufacturing Facility

SALES OFFICE CHILE

Sales Office

ALABAMA SITE

Manufacturing Facility

CARTAGENA DISTRIBUTION
CENTER

Distribution Center

HEAD OFFICE BOGOTÁ

Sales Office

NETHERLANDS
DISTRIBUTION
CENTER

Distribution Center

HEAD OFFICE EUROPE

Sales Office

DONCASTER SITE

3 Distribution Centers

ASK FRAS-LE SITE

Manufacturing Facility

HEAD OFFICE CHINA

Distribution Center

PINGHU SITE

Manufacturing Facility

All operations include the Frasle
Mobility prefix in their name.

*A commercial operation in this city. In 2024, as part of a footprint optimization strategy, industrial operations of the subsidiary FANACIF were discontinued.
**Resulting from the acquisition of KUO Refacciones, completed in January 2025 and since then renamed Dacomsa.

2 R&D Centers | 12 Manufacturing Facilities | 7 Commercial offices | 9 Distribution centers

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FRASLE MOBILITY UNIVERSE

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**TRADE ASSOCIATIONS
AMPLIFY OUR IMPACT**

Frasle Mobility collaborates with a range of initiatives that promote sustainability and drive progress in our industry. Below, we highlight the main national and international trade associations and organizations with which we maintain strategic partnerships. **GRI 2-28**

In Brazil

- Brazilian Industrial Development Agency (ABDI)
- Brazilian Association for Standardization (ABNT)
- Brazilian Association of Capital Market Analysts and Professionals (APIMEC)
- National Association of Auto Parts Distributors (ANDAP)
- Chamber of Trade, Industry and Services of Caxias do Sul (CIC)
- Business Excellence Center (Cenex)
- National Confederation of Industries (CNI)
- Rio Grande do Sul State Federation of Industry FIERGS)
- Automotive Quality Institute (IQA)
- Instituto Ethos
- SAE Brazil
- Metalworking Industry Union (SIMECS)
- National Trade Union of the Automotive Component Industry (Sindipeças)

International

- Heavy Duty Manufacturers Association (HDMA)
- The Global Compact

We are signatories of the UN Global Compact, an initiative that encourages companies to align their operations with Ten Universal Principles in the areas of Human Rights, Labor, Environment, and Anti-Corruption, while also engaging in initiatives aligned with the 17 Sustainable Development Goals (SDGs). We are also members of the Business Pact for Integrity and Against Corruption, led by Instituto Ethos, which works to promote ethical business practices and build a high-integrity market.



**Pacto Global
Rede Brasil**



**WE MAINTAIN STRATEGIC PARTNERSHIPS
WITH TRADE ASSOCIATIONS AND
INSTITUTIONS TO HELP DRIVE THE
DEVELOPMENT OF OUR INDUSTRY**

OUR BRANDS

We are a house of brands, and the Frasle Mobility corporate brand reflects our identity as a conglomerate of strong, complementary brands that together offer complete solutions to keep life in motion. Unlike a consumer-facing brand, Frasle Mobility is an institutional brand created to strengthen our B2B relationships with key commercial partners, such as OEMs and major parts distributors.

In early 2025, with the completion of the Dacomsa acquisition, we added ten more brands to our portfolio—three of them iconic: Moresa, TF Victor, and Fritec.

Frasle Mobility embodies the convergence of diverse cultures and a continuously evolving portfolio, moving beyond an exclusive focus on friction materials. We have added operations in other countries, diversified our markets, and broadened our product mix. We have also added new teams and areas of expertise. Today, we are an industry leader in undercar solutions, and we are better aligned with the demands of the global mobility market.

Adopting an institutional brand was a strategic move that has solidified our positioning. Frasle Mobility facilitates interaction with key stakeholders such as shareholders, boards, investors, analysts, and customers. The new brand reflects the scale, synergy, and cohesion our company already embodies. More than just a name, Frasle Mobility crowns and builds on a journey we have pursued with excellence. A stronger brand has contributed to stronger financial performance.

Meet the brands that make up Frasle Mobility:



* Added to our portfolio in 2025, following the completion of the Dacomsa acquisition.
1 Exclusive to Brazil.
2 In April 2025, this logo was given a refresh.

WE ARE A
HOUSE OF
BRANDS,
RECOGNIZED
FOR OUR
UNDERCAR
SOLUTIONS

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FRASLE MOBILITY UNIVERSE

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ICONIC BRANDS



AUTO EXPERTS

Customer satisfaction index:
not available*

Launched in 2021, Auto Experts is a customer relationship platform designed to simplify product identification and search across the active vehicle fleet. By integrating catalogs from various Frasle Mobility brands, the tool offers speed and convenience to auto parts professionals—including distributors, retailers, and repair shops. With real-time searches and daily updates, Auto Experts has become an effective solution that is responsive to market demands. In 2024, the platform recorded 7.9 million visits, solidifying its strategic role in supporting the automotive ecosystem.



COMPOSS

Customer satisfaction index:
not available*

Created as a business unit dedicated to R&D in structural composite materials, Composs was officially incorporated as a Frasle Mobility brand in 2023. Composs-developed structural composites are uniquely lightweight —50% to 60% lighter than steel-based counterparts. This directly enhances energy efficiency, either saving fuel or increasing the range of electric vehicles.



CONTROLIL**

Customer satisfaction index: **84.6%**

With a plant in São Leopoldo (RS), Controlil is a leading brand in hydraulic brake system solutions that ensure safety for vehicles and passengers. A market leader in the aftermarket for hydraulic brake and polymer components, Controlil's portfolio includes master cylinders, wheel cylinders, brake servos, and a variety of repair kits. In 2024, the brand surprised the market with the addition of over 30 new products to its portfolio in just the first half of the year, reinforcing its leadership in the sector.

* In April 2025, this logo was given a refresh.



FREMAX

Customer satisfaction index**: **88.3%**

Recognized as Brazil's leading brand of brake discs and drums for light vehicles, Fremax closely monitors trends in the automotive market. In recent years, it has expanded its portfolio to meet growing demand for components for hybrid and electric vehicles. Today, it offers brake discs compatible with models from 24 global automakers and 17 domestic brands, reaffirming its leading position in the sector.



FRAS-LE

Customer satisfaction index**: **89.2%**

As the founding brand of Frasle Mobility, Fras-le is globally recognized as one of the largest manufacturers of high-performance friction materials. Celebrating its 70th anniversary in 2024, the brand brings a legacy of innovation and excellence that have made it an industry leader. Its portfolio includes advanced brake and clutch system solutions for light, heavy, agricultural, and industrial vehicles in over 125 countries. Fras-le remains committed to safety and sustainability, continuously investing in technologies that extend product durability and reduce environmental impact.



NAKATA

Customer satisfaction index**: **86.9%**

A leader in suspension components, Nakata is renowned in the automotive aftermarket. Its portfolio includes complete solutions for suspension, transmission, and steering systems for cars, motorcycles, and trucks, meeting the sector's diverse needs. In 2024, the brand strengthened its global position by showcasing innovations aligned with key global trends at the Frasle Mobility booth during Automechanika Frankfurt, the world's largest automotive trade fair.

* No satisfaction index available because the brand was not included in the most recent survey.

** In the 2022-2023 reporting period.

INSTITUTIONAL AWARDS, BRANDS AND CERTIFICATIONS



Our brands were recognized in the **Marcas da Oficina / Cinau Awards**: **Fras-le** ranked **1st** in the Brake Pad category as the most purchased brand. **Nakata** was the most recalled brand in the Suspension Ball Joint category, and also ranked 1st in the Tie Rod/Steering Terminal class as both the most recalled and most purchased brand. **Fremax** was the top brand in the Brake Disc category, being both the most recalled and most purchased. Lastly, **Controil** received two recognitions: 1st place in both Master Cylinder (most recalled and most purchased) and Brake Booster (most purchased).



MÉRITO METALÚRGICO GIGIA BANDERA

Frasle Mobility CEO **Sergio L. Carvalho** received the Gigia Bandera Metallurgical Merit Award, presented by Simecs (the Union of Metallurgical, Mechanical, and Electrical Material Industries of Caxias do Sul and Region). Now in its 30th edition, the award honors the successful careers of outstanding business leaders.



RECOGNITION BY GREAT PLACE TO WORK INSTITUTE

Frasle Mobility USA (Alabama site and Head Office USA) was recognized by Great Place to Work as an excellent workplace, achieving an 81% favorability score among employees. Similarly, the Frasle Mobility Head Office in Bogotá, Colombia, received a favorability score of 86%.



Fras-le was recognized as the best manufacturer of parts for trucks and buses at the 37th edition of the **Maiores do Transporte & Melhores do Transporte Award**, organized by OTM Editora.



For the second year in a row, **Juratek**, a **Frasle Mobility brand**, was featured at the **IAAF Annual Awards**, hosted by the Independent Automotive Aftermarket Federation in the UK. Juratek won the Automotive Supplier of the Year award (Service category).



Our brands **Fras-le**, **Fremax**, **Juratek**, and **ABTex** earned **Premier Data Supplier** status on the **TecDoc®** platform, the highest level of recognition. The certification reflects excellence in the quality and reliability of data provided, strengthening the Company's position among potential buyers in global aftermarket sectors.



Fras-le, **Fremax**, and **Jurid** were recognized in the 15th edition of the **SINDIREPA-SP Best of the Year Award**, which evaluated the best auto parts brands across 16 categories, based on the opinions of 413 repair professionals in the state of São Paulo. Fremax was awarded 1st place in the Brake Disc category, while Jurid and Fras-le earned 2nd place in the Brake Pad category.

TIMELINE*

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FRASLE MOBILITY UNIVERSE

3

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1954

Fras-le is founded in Caxias do Sul (RS).

1975

The company expands into international markets: Paraguay, Uruguay, Bolivia, Ecuador, Venezuela, Nicaragua, Honduras, Panama, and the USA.

1988-90

We acquire Lona Flex.
Fras-le Argentina and Fras-le North America are established.

1996

Fras-le is acquired by Randoncorp.

2000-12

Fras-le Europe and Fras-le Asia are established.
We acquire Controil.

2017

Our new Fras-le plant starts operation in China.
We establish Fras-le Panamericana.
Fras-le acquires Armetal, Farloc, and FANACIF.

2018

We acquire Jurid.
A joint venture in India results in ASK Fras-le.
We acquire Fremax.

2020

The company acquires Nakata.

2021

We launch Fras-le Smart Composites, a line of structural components made from composite materials.
Nakata's shock absorber plant relocates from Diadema (SP) to Extrema (MG).
We create NIONE, a company founded to exploit a patented process for extracting niobium nanoparticles.

2022

The Garín Operations Center opens.

2023

We launch Frasle Mobility, our global corporate brand and house of brands.
AML Juratek acquisition.
We create Composs (evolving from Smart Composites).

2024

FANACIF's industrial operations in Uruguay are wound up.
Fras-le celebrates its 70th anniversary.
Our Movetech Advanced Engineering Center celebrates its 50th anniversary.

2025

Armetal merges into Fras-le Argentina.
We acquire Dacomsa, the market leader in Mexico, in what was the largest M&A transaction in our history.

70 YEARS
FRAS-LE

CLICK TO WATCH THE
INSTITUTIONAL VIDEO



Anderson Pontalti

FRAS-LE: 70 YEARS

From Caxias do Sul to over 125 countries. Even as a visionary, Fras-le founder Francisco Stédile may not have imagined such a long and successful journey for the company he established in 1954. At the start of that decade, with Brazil undergoing rapid industrialization, Francisco saw an opportunity: he traveled to Europe in search of technology and, upon returning, founded the company originally named Fran-le, which later became Fras-le. The newly founded company initially made brake linings and pads using Italian technology.

The first export came in 1969, with brake linings shipped to Paraguay. That initial step was followed by even greater milestone, including expansion into markets such as Europe and the United States. In 1996, the Stédile Group sold its controlling interest in Fras-le to Randon, now Randoncorp, establishing a partnership that remains one of the brand's pillars of success.

In 2024, we celebrated this 70-year journey with a series of events and initiatives. Highlights included the launch of a commemorative book, a historical watercolor exhibition, a corporate video, and even a special song created for the occasion. An advertising campaign under the tag line "This Brand Makes History", along with an internal campaign themed "Family"—featuring employees and relatives who have worked at the company—strengthened employee engagement and celebrated the many generations who have been part of Frasle Mobility's legacy.

OUR PERFORMANCE

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FRASLE MOBILITY UNIVERSE

In 2024, we delivered strong results and met our targets for the year. Our 2024 net revenue rose 17% compared to 2023, with growth in both domestic and international markets. Capital expenditure rose from R\$ 133.7 million in 2023 to R\$ 165.8 million in 2024.

Our performance reflects a well-structured diversification strategy, supported by strong brands, solid customer relationships,

efficiency- and productivity-oriented operational management, and a successful geographic expansion. We ended the 2024 fiscal year confident that our business model is sound, strengthening our position as a global player committed to safety, sustainability, and innovation across our products and services.

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4.0BN
IN NET REVENUE

374.7MN
IN NET INCOME

33.5%
GROSS MARGIN

15.6%
ROIC

9.4%
NET MARGIN

18.4%
ADJUSTED
EBITDA MARGIN

729.0MN
OF ADJUSTED EBITDA

165.8MN
IN INVESTMENTS



*Amounts in R\$.

Direct economic value generated (R\$ thousand)^{1,2} GRI 201-1

	2023	2024
Revenue	4,836.189	5,691.971

¹The reporting format was revised to improve clarity and ensure alignment with GRI guidelines. Data for 2023 has been reviewed and restated. **GRI 2-4**

²Revenue components include: operating revenue, equity income, rental income, restatement for inflation, and finance income.

Economic value distributed (R\$ thousand)^{1,2} GRI 201-1

	2023	2024
Operating costs	2,665.643	2,878.978
Employee salaries and benefits	510,284	642,622
Payments to capital providers	580,511	837,686
Payments to government (by country)	691,280	938.983
Community investments	1,484	3,589
TOTAL	4,449,202	5,301,858

¹The reporting format was revised to improve clarity and ensure alignment with GRI guidelines. Data for 2023 has been reviewed and restated. **GRI 2-4**

²Payments to capital providers include: return on third-party capital and interest on equity

Economic value retained (R\$ thousand) GRI 201-1

	2023	2024
Economic value retained	386,987	390,113

In financial matters, Frasle Mobility follows Randoncorp’s corporate policies, including its Financial Policy, Investment Policy, Exchange Risk Management Policy, and Profit Allocation Policy. All of these are approved by the Board of Directors and managed by the corporate finance department. **GRI 2-12**

RESILIENCE IS OUR
COMPETITIVE EDGE,
DRIVEN BY GEOGRAPHIC
DIVERSIFICATION AND A
PORTFOLIO ESSENTIAL
TO THE MOBILITY
SECTOR

BUSINESS MODEL

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FRASLE MOBILITY UNIVERSE

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OUR CAPITALS

MANUFACTURED	12 manufacturing plants 9 distribution centers 7 commercial offices 2 research and development centers
INTELLECTUAL	R\$ 49,957,060 invested in R&D&I 5,214 prototypes developed at Movetech
FINANCIAL	R\$ 4.0 billion in net revenue R\$ 165.8 million in capital expenditure
HUMAN	6,025 employees GRI 2-7 2,019 new hires GRI 401-1 18.2 average training hours per employee GRI 404-1
NATURAL	R\$ 29.4 million invested in environmental management FRAS5 796,795,83 GJ of energy consumed, including solar 132.60 megaliters of water consumed GRI 303-3
SOCIAL AND RELATIONSHIPO	R\$ 4.7 mn in social investment FRAS8

OUR MISSION Provide safety and comfort in the transportation of people and goods that keep life moving.

OUR VISION To be recognized for sustainable solutions in mobility.

OUR PURPOSE Connect people to wealth, generating prosperity.

OUR BUSINESS Safety and innovation in motion control.

PRINCIPLES Satisfied customers; ethics; innovation and technology; sustainable profit; people who are valued and respected; protecting our image and legacy; safety and quality; we are Randoncorp.

R&D Design and engineering (diversification, technology, and innovation)
+ Automotive component manufacturing (sales and after-sales).

STAKEHOLDERS Customers, suppliers, shareholders, employees, society, government, and partners.

VALUE CREATION

VALUE DISTRIBUTED **R\$ 2.6 billion** in value created for the business, government, employees, and shareholders

INVESTORS **R\$ 138.5 million** in shareholder payouts

CUSTOMERS **798 hours and 20 minutes** of training
12,864 hours of training for mechanics

SUPPLIERS **R\$ 1,3 billion spent** on **2,774 suppliers**, including direct and indirect materials suppliers for our Caxias do Sul, Sorocaba, Fremax, and Controil operations.

OUR PEOPLE **100% of eligible employees** (those in management positions) received performance and career development reviews
GRI 404-3

COMMUNITIES **53.674 people** benefited from programs run by the Elisabetha Randon Institute
FRAS10

ENVIRONMENT **61.06%** of waste was recycled in 2024 (including all waste sent for recycling)
1,063 metric tons of brake linings and **2,726,24metric tons** of brake discs and drums were collected for reverse logistics
51.5% of treated effluent was reused (Frasle Mobility – Caxias do Sul site) **ESG3**
89.3% raw material conversion rate, across our sites in Caxias do Sul, Controil, Pinghu, Alabama, Ask Fras-le, Sorocaba, and Extrema

ESG AMBITION

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FRASLE MOBILITY UNIVERSE

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Developing safe and sustainable mobility solutions guides our daily efforts and brings us closer to the future we want to build: a more efficient, fair, and responsible tomorrow. Our ESG Ambition, a roadmap developed jointly with Randoncorp in 2021 based on 2020 data, sets clear goals and commitments for 2025 and 2030, structured around the environmental, social, and governance pillars.

Taking care of people, both inside and outside the company, is a vital part of our journey. We strive to foster safe, inclusive, and diverse workplace environments, while also making a positive impact in the communities where we operate. At the same time, we are constantly working to improve operational efficiency, reduce environmental impacts, and ensure long-term business sustainability.

ESG COMMITTEE

The Randoncorp ESG Committee is tasked with monitoring global trends, regulatory developments, and sustainability-related opportunities—pursuing a strategic vision aligned with a rapidly evolving landscape. Its goal is to offer insights and guidance in strengthening ESG practices.

Committee Structure

- **Nature:**
Advisory committee, non-deliberative
- **Frequency:**
Bimonthly meetings with predefined agendas
- **Primary duties:**
Ongoing monitoring of our public sustainability commitments

Tracking trends and opportunities that can be incorporated into corporate strategy



ESG Ambition 2024 Event

OUR PUBLIC
COMMITMENTS

Frasle Mobility has been working consistently to help achieve Randoncorp’s public targets—set in 2021 from a 2020 baseline—and we have reported on progress over recent years. Opposite, we provide details on each target, progress made in the past year, and the current status of each target.

LEARN
MORE

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MORE ABOUT US ON
PAGE 82



PLANET



PEOPLE



BUSINESS

COMMITMENT	Reduce greenhouse gas emissions by 40% by 2030	Eliminate landfilling of industrial waste and reuse 100% of treated effluent.	Double the number of women in leadership positions by 2025.	Zero high-consequence incidents	Increase annual consolidated net revenue from new products
RATIONALE	CO ₂ emissions (in metric tons) are measured relative to hours worked, covering Scopes 1 and 2, in accordance with the GHG Protocol methodology.	Waste generated in our operations that is currently sent to industrial landfills. Reuse of effluent from operations with on-site treatment plants (Frasle Mobility – Caxias do Sul site).	This indicator includes leadership roles such as Coordinator, Manager, and Executive positions in our Brazil operations.	High-consequence incidents are defined as those resulting in permanent injury and/or fatalities. The high-consequence injury rate is calculated based on the number of hours worked, multiplied by 1,000,000.	This indicator includes revenue from products launched within the last five years at our Caxias do Sul site, divided by that site’s total net revenue
2020 BASELINE	Emissions intensity of 3.99 kgCO ₂ e per hour worked.	25% of waste sent to industrial landfills. 41.4% water recycling	11% women in leadership positions	High-consequence injury rate of 0.2	49% of revenue came from newly launched products.
STATUS IN 2023	Emissions intensity of 3.48 kgCO ₂ e per hour worked.	14% of waste sent to industrial landfills 45% water recycled	13% women in leadership positions.	High-consequence injury rate of 0.0	56% of revenue came from newly launched products.
STATUS IN 2024	Emissions intensity of 2.53 kgCO ₂ e per hour worked.	4% of waste sent to industrial landfills 52% water recycling	15% women in leadership positions	High-consequence injury rate of 0.08	55% of revenue came from newly launched products

OUR FUTURE VISION

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FRASLE MOBILITY UNIVERSE

We have a clear vision of where we want to go in the short, medium, and long term. Our Future Vision is the result of an ongoing exercise grounded in discipline and a commitment to excellence. Our strategic drivers are enduring and guide both the design and implementation of our strategies.

In recent years, we have refined our strategic planning methodology, shifting to a biennial cycle. In the first year, we review and build our strategy; in the second, we track progress on ongoing initiatives. This enables us to align

expectations, sharpen our focus on priorities, and make confident decisions about our path forward.

Our Future Vision is shared with all employees and is meant to steer the organization in the same direction—with focus, cohesion, and purpose. This vision defines where we want to go, while our strategy outlines how we'll get there—through robust plans, clear performance indicators, and initiatives supporting business growth and competitiveness.

	CYCLE 1	CYCLE 2	CYCLE 3
	AFTERMARKET POWERHOUSE	GEOGRAPHIC EXPANSION	BUILDING MOMENTUM
2017:	2018 TO 2022:	2022 TO 2025:	2025 AND BEYOND:
<ul style="list-style-type: none">• Market leadership and presence• Limited product diversity• Strong geographic exposure	<ul style="list-style-type: none">• Diversified products• Expanded geographic footprint• New technology	<ul style="list-style-type: none">• Strengthened market leadership and presence• Synergy capture• Capital raising (re-IPO)	<ul style="list-style-type: none">• Strong global position• Entry into mature markets• Increased liquidity

FRASLE MOBILITY'S STRATEGIC DRIVERS

1
GROW AND SUSTAIN THE BUSINESS

Ensure sustainable growth and continuity of existing operations.

2
DIVERSIFICATION FOR GREATER RESILIENCE

Broaden our business portfolio to enhance adaptability.

3
INTERNATIONAL EXPANSION FOR OPERATIONAL STRENGTH

Expand our global presence to consolidate our international market position.

4
ESG AS A STRATEGIC PRIORITY

Advance sustainability, governance, and social impact initiatives.

5
CUSTOMER CENTRICITY

Make the customer experience the central focus of decision-making.

6
CULTURE AND PEOPLE AS CORE PILLARS

Strengthen the organizational culture and recognize people as strategic assets.

composse

SUSTAINABLE BUSINESS

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OUR GOVERNANCE **27**
ETHICS, INTEGRITY AND COMPLIANCE **35**
RISK MANAGEMENT **38**
DATA PRIVACY AND SECURITY **39**
PRODUCT SAFETY AND EXCELLENCE **40**
SUPPLIER MANAGEMENT **43**
INNOVATION AND TECHNOLOGY **45**

SUSTAINABLE BUSINESS

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

CAPITALS: MANUFACTURED, FINANCIAL, INTELLECTUAL, AND SOCIAL AND RELATIONSHIP

Material topics: Ethics, integrity and compliance; Product safety and excellence; Innovation and technology; Data privacy and security; Human rights and labor relations.

OUR GOVERNANCE

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SUSTAINABLE BUSINESS

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In 2024, we built greater maturity in corporate governance and renewed our commitment to key priorities—in line with the corporate policies of our parent company, Randoncorp.

We began the year by migrating our ERP system to SAP S/4HANA, an upgrade that will improve security, strengthen integration across our systems, and support more efficient and agile decision-making.

Our enhanced governance maturity enabled us—together with Randoncorp—to secure R\$ 500 million in financing from the International Finance Corporation (IFC), with the proceeds earmarked for initiatives that combine economic growth with positive environmental impact.

We continued delivering a strong calendar of compliance, integrity, and anti-corruption

training, in both face-to-face and digital formats. **GRI 2-24**

Supported by external audits, we made progress on key topics such as ESG, cybersecurity, and third-party risk management. On the supplier front, we launched a capacity-building program to strengthen collaboration and improve the approach to measuring Scope 3 GHG emissions, which Frasle Mobility reported to the CDP for the first time in 2024. The following section outlines these and other initiatives.

In 2024, we sustained a rate of compliance with the best practices recommended by the “Comply or Explain” initiative—from the Brazilian Institute of Corporate Governance—that exceeded the average for the New Market-listed segment.

COMPLIANCE, INTEGRITY, AND ANTI-CORRUPTION WERE AMONG THE TRAINING TOPICS FOR ALL LEVELS OF EMPLOYEES

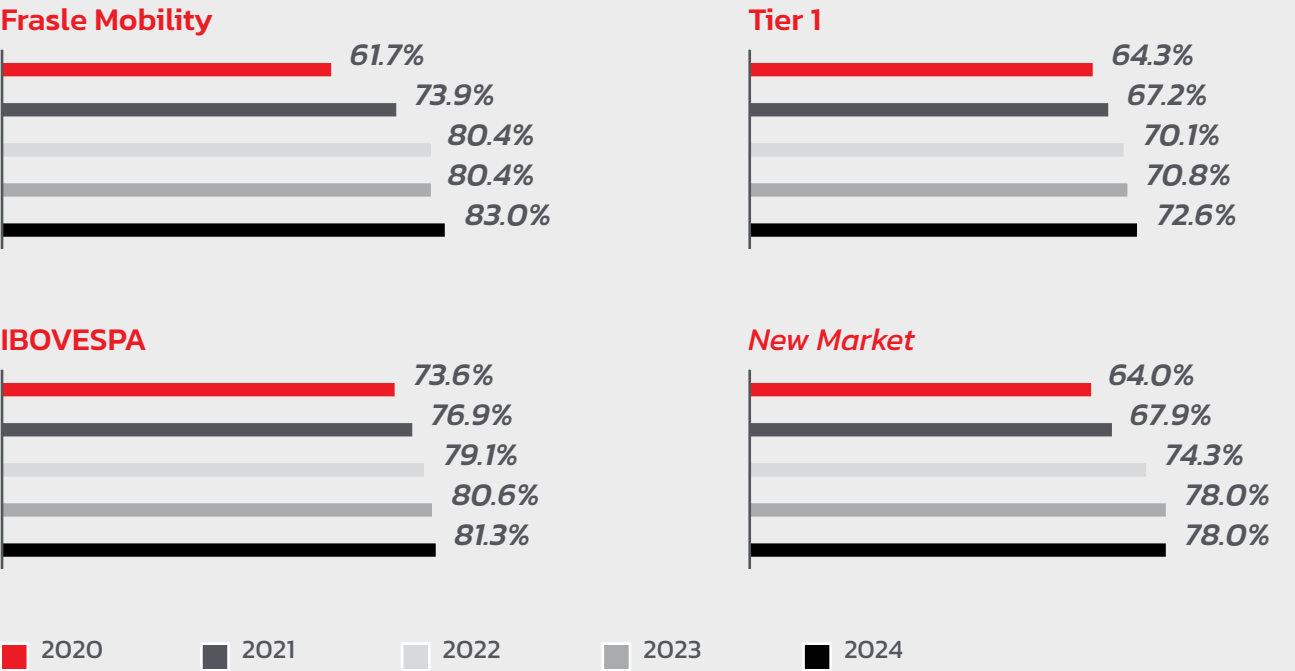
GOVERNANCE STRUCTURE

Listed under Corporate Governance Tier 1 on the Brazilian stock exchange (B3 S.A.), Frasle Mobility maintains an ongoing commitment to internationally recognized best practices, including the recommendations of the Brazilian Institute of Corporate Governance (IBGC) and the Brazilian Securities Exchange (CVM).

Our governance structure comprises the General Stockholders' Meeting, the Board of Directors (along with its advisory committees and related departments), the Oversight Board, and the Statutory Executive Board. These governance bodies are supported by Randoncorp's corporate governance bodies, including the Executive Committee, Operational Committees, and Internal Audit.

PROGRESS IN GOVERNANCE

COMPLIANCE WITH “COMPLY OR EXPLAIN” BEST PRACTICES



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SUSTAINABLE BUSINESS

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Stockholders' Meeting

The General Stockholders' Meeting is convened at least once a year, during the first four months, with the possibility of special meetings being convened whenever necessary, as provided in the Company's Bylaws. Its key responsibilities include decisions on: financial statements, allocation of net income, dividend distribution, and election of members of the Board of Directors and the Oversight Board. Resolutions are approved by a majority of votes from shareholders in attendance. **GRI 2-9**

To facilitate participation and voting, we provide shareholders with a proxy statement prior to each meeting, with detailed briefing on the matters to be discussed. General Stockholders' Meetings have been held in a hybrid format, allowing shareholders to vote via remote ballot, access a digital platform, or participate in person at our headquarters.

Further details about the Shareholders' Meeting process are available in our Bylaws.

Board of Directors

GRI 2-9, 2-10, 2-11, 2-12, 2-24

The Board of Directors is our highest governance body, with decision-making powers defined by law, our Bylaws, and its Charter. It may be composed of three to nine members, including shareholders and non-shareholders, all with an impeccable reputation. Board members are elected at the Stockholders' Meeting for two-year terms, with the possibility of re-election. The Chair and Vice Chair are appointed by the board members themselves at the first meeting of each term. The Chair is not allowed to hold any executive position within the organization.

Main responsibilities include providing general guidance on the company's and its subsidiaries' business, developing and ensuring alignment with economic, financial, industrial, and commercial plans, and overseeing the identification and management of economic, environmental, and social impacts. The Board also periodically discusses, approves, and updates sustainable development policies and goals, ensuring consistency with the company's strategic guidelines.

Execution of our Operational Plan is monitored quarterly, with impacts reviewed through quarterly reports and analysis of investments in clean energy, sustainable products, and employee and contractor safety and integrity.

When selecting members for the Board of Directors, we consider criteria such as business experience, absence of conflicts of interest, time availability, and diversity of culture and expertise, in line with our Nomination Policy. In addition to technical qualifications, soft skills are also valued, including active listening, empathy, effective communication, strategic thinking, adaptability, teamwork, and commitment to the organization's principles and purpose. We also seeks to ensure diversity of knowledge, experience, gender, race, and ethnicity, in line with our values and strategies.

Appointments are made by election at the Stockholders' Meeting. Candidate biographies and CVM-required information are disclosed at least one month in advance. Nominations may come from internal channels or via specialized recruitment firms, based on a defined competency matrix. Board members are elected biennially, as stated in our Bylaws and in the Board's Charter, or on an extraordinary basis where seats are left vacant.

The Board holds at least six meetings per year, with two or more focused on sustainability and impact management, and may call special sessions when needed. Decisions are made by majority vote. The Board may also create advisory committees or working groups to support it in performing its duties, drawing on board members, executives, or subject matter experts.

Currently, the Board is composed of five members: four men and one woman, and is supported in an advisory capacity by the Related Parties Committee. This committee includes three board members, and its tenure is aligned with that of the Board.

LEARN MORE

CLICK TO LEARN
MORE ABOUT OUR
GOVERNANCE STRUCTURE
ON [PAGE 32](#).



**WE ARE COMMITTED TO
ENSURING DIVERSITY IN
THE BOARD OF DIRECTORS
IN TERMS OF GENDER,
KNOWLEDGE, EXPERIENCE,
RACE, AND ETHNICITY**

COMPOSITION OF THE BOARD OF DIRECTORS

LEARN MORE

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MORE ABOUT THE
BOARD OF DIRECTORS

+

In 2024, the Board of Directors was composed as follows (GRI 2-9, GRI 405-1):

NAME	DAVID ABRAMO RANDON	ASTOR MILTON SCHMITT	DANIEL RAUL RANDON	RENATA FABER ROCHA RIBEIRO	ANTONIO SERGIO RIEDE
Gender					
Position	Chair	Deputy Chair	Member	Member	Member
Holds an executive role	No	No	Does not hold an executive role in the company, but serves as CEO of our parent company	No	No
Independent (has no family, business, or other ties to the organization)	No	No	No	Yes	Yes
Tenure	10 years	27 years	10 years	1 year	1 year
Do they concurrently hold other positions (either in other organizations or in other bodies within the same organization)?	Chairman of the Board of Directors at Randoncorp since 2019. Serves as CEO of Caixa de Assistência Sistema Saúde and sits on the Governing Board of the Superior Council of the Chamber of Industry, Commerce and Services of Caxias do Sul.	He is a co-owner of AMJD Administração e Participações Ltda. and serves as Director of Economics, Statistics, and Finance at the Caxias do Sul Chamber of Industry, Commerce and Services (CIC). He is also Chairman of the Caxias do Sul Automotive Technology Center Foundation.	In 2019, he was appointed CEO of Randoncorp, and since 2022, he has fully dedicated himself to the role of CEO. He also serves as Chairman of the IHR Governing Board, is a board member at the Elisabetha Randon Institute, and chairs Transforma RS.	She has worked at BTG Pactual Group since August 2020, currently serving as ESG Director at Revista Exame.	He has been a regular board member at Previ – Banco do Brasil Employees’ Pension Fund since 2018 and has served on its Risk and Liquidity Committee since 2023. Since 2023, he has been a member of the People, Culture and Governance Committee at Tupy. He is also Chair of the Oversight Board at the National Federation of Banco do Brasil Athletic Associations (FENABB), a position he has held since 2018.
What are their key credentials for working in an oversight role?	Chairman of the Board of Directors at Frasle Mobility since 2016. He holds a degree in mechanical engineering and is certified Board Member by the IBGC.	Has served as vice-chair of the Board of Directors at Frasle Mobility since 1996. He holds a degree in mechanical engineering.	Degree in mechanical engineering with an MBA in Administrative and Financial Management.	Board member at Frasle Mobility since April 2024. Experienced in the transportation, logistics, and capital goods sectors, with a track record in advancing sustainability, diversity, and inclusion agendas.	Holds a Master’s degree in Business Management and a Bachelor’s degree in Social Communication/Journalism.
Do they represent any stakeholder groups?	Member of the controlling family group.	No	Member of the controlling family group.	No	No

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SUSTAINABLE BUSINESS

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ONGOING EDUCATION AND EVALUATION FOSTER
BEST PRACTICES IN GOVERNANCE

Frasle Mobility’s Board of Directors is responsible for ensuring compliance with governance best practices, making decisions aligned with ESG principles, and continuously developing sustainability-related skills and experience. The Board conducts regular visits to our operational sites to gather direct insights into sustainability-related projects—such as products featuring green technology, renewable energy projects, and advanced manufacturing processes. This provides a hands-on, in-depth view of how sustainability is embedded in our core business.

Continuous improvement in governance is also supported by training programs led by the Corporate Governance team. In

2024, for instance, members of the Board of Directors, Oversight Board and Executive Board attended Code of Conduct Training via the U-GRC Portal (Governance, Risk, and Compliance Platform), along with courses on risk management and governance.

The Board of Directors also undergoes periodic performance reviews assessing its oversight of economic, environmental, and social impacts. The process includes self-assessments by each director and a group assessment based on confidential questionnaires that help identify areas for improvement. The assessment results inform measures to enhance governance, such as updating policies and organizational practices or implementing new development programs. Recent

improvements include early distribution of materials to the Board and the approval of a Nomination Policy for Board, committee, and Executive appointments.

GRI 2-17, 2-18



*THE BOARD OF DIRECTORS HOLDS MEETINGS AT
BUSINESS UNITS TO BETTER UNDERSTAND OUR
OPERATIONS AND SUPPORT INFORMED DECISION-MAKING*

Oversight Board

The Oversight Board operates independently of both executive management and external auditors. It is tasked with reviewing accounting and control processes, overseeing the management decisions of the company and its subsidiaries, and issuing opinions on financial statements, among other responsibilities established by law.

It consists of three regular members and three alternates, elected at the Shareholders' Meeting for a term lasting until the following meeting, with the possibility of re-election. As a non-permanent body, the Oversight Board is convened at the request of shareholders and performs its legal powers accordingly.

For the period from April 2024 to April 2025, the Oversight Board was composed of Jaime Marchet, Joílson Rodrigues Ferreira, and Wladimir Omiechuck.

Related Parties Committee

A non-statutory advisory body, the Related Parties Committee provides technical recommendations to the Board of Directors on related-party transactions, ensuring they are conducted in the company's best interest.

Current committee members are Astor Milton Schmitt, Daniel Raul Randon, and Renata Faber Rocha Ribeiro.

**LEARN
MORE**

[CLICK HERE TO SEE THE FULL
ORGANIZATIONAL CHART ON PAGE 32](#)

Executive Board (Statutory)

The Statutory Executive Board comprises two to nine officers, including a Chief Executive Officer, a Chief Operating Officer, an Investor Relations Officer (who may hold an additional role), and other officers with or without specific duties. All members are appointed by the Board of Directors for two-year unified terms.

The Executive Board manages business operations and administrative activities in line with guidelines set by the Board. It also represents the company in external matters, prepares reports, and proposes budgets, among other duties.

In addition to the statutory officers, we have non-statutory officers responsible for specific operations at Frasle Mobility and our subsidiaries (see the organizational chart on [page 32](#)).

Our current statutory officers are: Sergio Lisboa Moreira de Carvalho, Hemerson Fernando de Souza, and Anderson Pontalti.

Governance Transition

In March 2025, the company announced that Sérgio L. Carvalho would step down from his role as President and CEO of Frasle Mobility as of September 1, 2025. The new leadership team will consist of Anderson Pontalti, current COO, who will assume the role of CEO, and Daniel Randon, who will step down from the Board to become the company's new President.

This planned transition reflects Sérgio's personal and professional goals, including his intention to return to the United States, where his family resides. Going forward, Sérgio will serve as a Senior Executive Advisor to Frasle Mobility in an independent consulting capacity, supporting the company's strategic planning.



**THE OVERSIGHT BOARD IS ELECTED
BY THE GENERAL STOCKHOLDERS'
MEETING AND IS RESPONSIBLE,
AMONG OTHER DUTIES, FOR
REVIEWING MANAGEMENT DECISIONS**

Independent Audit

The company is audited by an internationally recognized independent audit firm, responsible for reviewing accounting records and internal controls and issuing opinions through specific reports. The selection and replacement of the audit firm is the responsibility of the Board of Directors, which may request periodic reports on work performed or in progress, as well as a scope extension if necessary.

In March 2024, the Board of Directors approved the engagement of KPMG Auditores Independentes Ltda., replacing Ernst & Young Auditores Independentes SS., to provide independent audit services for the company's Financial Statements prepared as of January 1, 2024. The change was made in compliance with the mandatory five-year audit firm rotation rule.

SHAREHOLDERS' MEETING

BOARD OF DIRECTORS

David Abramo Randon
Chairman

Astor Milton Schmitt
Deputy chairman

Daniel Raul Randon
Member

Antonio Sergio Riede
Member

Renata Faber Rocha
Member

STATUTORY EXECUTIVE BOARD

Sérgio Lisboa Moreira de Carvalho
President and CEO Frasle Mobility

Anderson Pontalti
COO Frasle Mobility

Hemerson Fernando de Souza
*Executive Director
North America
IR & M&A*

NON-STATUTORY EXECUTIVE BOARD

Guilherme Adami
*Executive Director
Braking, R&D and Euro-Asia*

Marcelo Tonon
*Executive Director Ride & Comfort,
Supply Chain, and Latam*

Sergio Montagnoli
*Executive Director
IAM Sales and Marketing*

Alfredo Lorenzoni
*Business Director
Global Commercial Line*

André Incerti
*Business Director Light-Duty Line,
Sorocaba sites, and Europe*

Bruno Gomes Rodrigues
*Business Director
Replacement Sales Brazil*

Ivan Bolsoni
*Business Director
USA*

Júlio da Silva
*Business Director Braking, Components,
Controil, and Fremax*

Luciano Matozo
*Business Director
Engineering and OEM Sales*

Paulo Gomes
*Business Director
Latam*

Sérgio Hemmle Hessel
Controllership Director

Remuneration GRI 2-19, 2-20

Compensation policies for members of management and oversight bodies are developed based on regular reviews, established objectives and compensation philosophy, market benchmarking, package structuring, and performance reviews. This process is overseen by appropriate governance bodies to ensure alignment with strategic guidelines and best governance practices.

Executive compensation is determined at the Annual Stockholders’ Meeting, which approves the total amount to be distributed among Board of Directors and Statutory Executive Board members, based on a proposal endorsed by the Board of Directors. Members of the Board of Directors receive fixed monthly management fees and benefits such as healthcare, supplementary pension plans, and group life insurance.

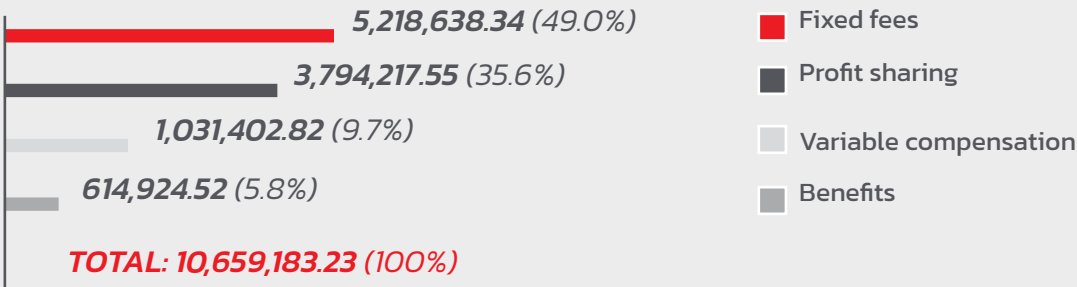
Executive Board members, in addition to fixed management fees and the same benefits, receive variable compensation composed of a short-term incentive (STI) linked to annual performance targets and a long-term incentive (LTI) tied to meeting

targets over a three-year period. Members of senior management also receive benefits such as private pensions, health insurance, personal accident insurance and severance indemnity fund contributions.

Compensation for the Oversight Board is determined by shareholders at the Annual Stockholders’ Meeting. In 2024, compensation was set based on market benchmarks, ensuring members receive compensation above the legal minimum—which, on average, is 10% of the amount allocated to each Executive Officer, excluding benefits, representation allowances, or profit sharing.

EXECUTIVE
COMPENSATION
IS ESTABLISHED
AT THE
STOCKHOLDERS’
MEETING

Compensation in 2024 (in R\$)



Investor relations

Our communication with the market is guided by transparency, striving to align expectations and provide investors with visibility into our next steps, further strengthening the trust-based relationship we have built. To ensure consistent communication, we keep our [website](#) up to date with key news and quarterly results, which are also covered in our earnings videoconferences. We also produce a series called Quarter in Minutes, a concise summary featuring the main highlights of each quarter.

In 2024, we renewed our partnership with Apimec Brasil and were awarded the Platinum Attendance Badge, recognizing 23 years of joint public meetings. For the sixth consecutive year, our annual investor meeting was ranked among the best meetings of the year.

Known as Frasle Mobility Universe, this event brings together our leadership to share growth and innovation strategies with investors, market analysts, and other stakeholders. In 2024, the event was held in a hybrid format—on-site in Caxias do Sul and broadcast live on our YouTube channel. Around 60 in-person participants also had the opportunity to visit our now-operational Green Boiler a few days later.

Another key event is our annual ESG Ambition meeting, held jointly with Randoncorp, during which executives present updates on sustainability progress, including status reports on our public commitments. Finally, the production and publication of this Sustainability Report supports our ongoing efforts to track and transparently share our achievements and challenges.

FRASLE MOBILITY UNIVERSE IS AN EVENT WHERE COMPANY LEADERSHIP SHARES GROWTH AND INNOVATION STRATEGIES WITH SHAREHOLDERS, INVESTORS, AND OTHER STAKEHOLDERS



Frasle Mobility Universe 2024, held at our headquarters in Caxias do Sul.

ETHICS, INTEGRITY AND COMPLIANCE GRI 2-23, 3-3

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SUSTAINABLE BUSINESS

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At Frasle Mobility, we deliver on our commitment to responsible business conduct by promoting an ethical culture and respect for human rights across our operations. This commitment is formalized in our Code of Conduct, which outlines the principles and values that must be observed by employees, management and business partners.

To disseminate and strengthen this culture, the Randoncorp Integrity Program (ID Randoncorp), aligned with the corporate policies of our parent company, supports our efforts to promote and oversee ethics and integrity practices in all areas of the business. Key governance instruments supporting this program include our Compliance Policy, Anti-Corruption Policy, Consequences Policy, and Code of Conduct, which together establish strict mechanisms to prevent corruption and bribery.

These corporate policies and the Code are approved and reviewed annually by the Board of Directors to ensure alignment with best governance practices.

Ongoing communication and training are key strategies for strengthening our culture of ethics and integrity. During onboarding, employees are briefed on the Randoncorp

ID program and our Code of Conduct. Employees are also required to sign a statement acknowledging and agreeing to its terms.

In 2024, we expanded our compliance awareness efforts through the U-GRC (Governance, Risk and Compliance Universe) Portal—a digital platform dedicated to training and sharing content on governance, risk, and compliance.

In addition to online training, Frasle Mobility also held in-person Randoncorp ID Journeys at various operations. Some of the program's highlights from 2024 include sessions in Argentina, at the Frasle Mobility Extrema site, and the Alabama site. Training was also extended to staff at the Elisabetha Randon Institute, broadening the reach of our integrity and education initiatives. Meanwhile, the Hercílio Randon Institute launched a new AI-powered virtual assistant called Norma, that may be rolled out across other operations in the future.

*ONGOING
COMMUNICATION
AND TRAINING ARE
KEY STRATEGIES FOR
STRENGTHENING OUR
CULTURE OF ETHICS
AND INTEGRITY*

Natali Furlin

Total number and percentage of governance body members who have received communications and training on anti-corruption policies and procedures, by region* GRI 205-2

Midwest



LEARN MORE

CLICK HERE TO VIEW THE DOCUMENTS FORMALIZING THESE COMMITMENTS

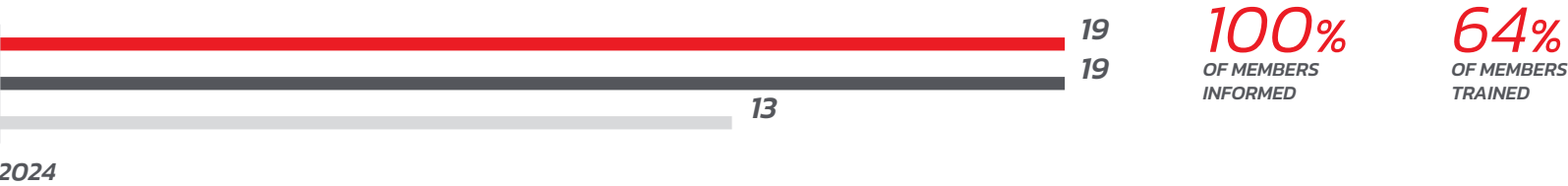
Southeast



South



Total



ETHICS COMMITTEE

Comprised of senior management, including the Executive Committee and the President of Randoncorp, the Ethics Committee meets quarterly to discuss topics related to compliance, risk management, auditing, and personal data privacy. It also ensures the smooth operation of the internal audit and compliance with audit recommendations.

Governance members include the Board of Directors, the Oversight Board, and the Executive Committee (COMEX).

- Total number of members in the year
- Total number of members who received communications
- Total number of governance body members who were trained

CONFLICTS OF INTEREST GRI 2-15

Frasle Mobility uses a structured approach to prevent and mitigate conflicts of interest, ensuring integrity and transparency in our operations. Conflicts of interest are defined as situations in which personal decisions or behavior may compromise impartiality and adversely impact third parties or the company. We address these risks through clear policies and procedures, ongoing education and training programs, the active involvement of our Ethics and Review committees, and the formal documentation of relevant decisions.

Within the Board of Directors, members must disclose any conflict and recuse themselves from participating in discussions or decisions on the matter—this same rule applies to shareholders during General Meetings.

Frasle Mobility fosters transparency and trust not only internally but also with external stakeholders by disclosing situations involving potential conflicts of interest. These are reported in the notes to the financial statements and, when involving significant amounts or strategic matters, through specific disclosures to the Brazilian Securities Commission (CVM).

ETHICS HOTLINE GRI 2-25, 2-26

Frasle Mobility's Ethics Hotline is available to all stakeholders to report violations of our Code of Ethical Conduct, corporate policies, or applicable laws. The channel ensures confidentiality, anonymity, protection for whistleblowers, and safeguards against retaliation. It is managed by an independent, specialized third-party provider.

Reports received are reviewed by the Risk and Compliance Management team, which is responsible for guiding investigations and recommending disciplinary measures when applicable. Significant cases are also reviewed by the Ethics Committee. To ensure transparency and continuous improvement, the effectiveness of the Ethics Hotline is monitored through periodic reports submitted to both the Ethics Committee and the Board of Directors.

LEARN MORE

[CLICK HERE TO LEARN MORE ABOUT ETHICS, INTEGRITY, AND COMPLIANCE:](#)



ETHICS HOTLINE

- Available in Portuguese, English, and Spanish
- 24/7 phone access via voicemail or a trained agent
- Live support from a trained agent available Monday to Saturday, 8:00 a.m. to 8:00 p.m.
- In Brazil: 0800-777-0768; in the United States: 1-800-245-8549
- Website: www.canaldeetica.com.br/randoncorp

REPORTS SUBMITTED THROUGH THE ETHICS HOTLINE ARE FORWARDED TO THE RISK AND COMPLIANCE MANAGEMENT TEAM, WHICH CONDUCTS INVESTIGATIONS AND TAKES DISCIPLINARY ACTION WHEN APPLICABLE

RISK MANAGEMENT

GRI 2-12

Frasle Mobility uses a structured approach to risk management to ensure the sustainability and resilience of our operations. The Board of Directors periodically reviews corporate risks and ranks them according to potential impact and likelihood of occurrence, as well as tracking progress on mitigation plans.

Corporate policies and internal guidelines establish rules and responsibilities across hierarchical levels to ensure that risks and impacts are comprehensively addressed. These policies are updated regularly and submitted to the Board of Directors following an annual thematic agenda.

The Corporate Risk and Compliance Management team, which is integrated into Randoncorp's risk management structure, works to maximize opportunities and minimize negative impacts in order to create and protect value over the short, medium, and long term. We follow our own risk policy, which outlines guidelines, strategies, and responsibilities for the integrated risk management process. **GRI 2-13**

Every three months, the risk and compliance management team meets with the Ethics and Compliance Committee to present updates to our risk map.

The Board of Directors also receives protocols highlighting key concerns to inform crisis prevention and response. These protocols set clear rules for effective and timely communication with governance bodies, ensuring a structured approach to decision-making and risk mitigation. **GRI 2-16**



*OUR RISK MAP IS MONITORED
AND REPORTED QUARTERLY TO
THE ETHICS AND COMPLIANCE
COMMITTEE*



Daniela Cristina Bolsoni

DATA PRIVACY AND SECURITY

GRI 3-3

Protecting privacy and data security is essential to building stakeholder trust and ensuring the continuity of our operations. In line with our Information Security Policy, we implement stringent measures to ensure the availability, integrity, confidentiality, and authenticity of information, including access controls, secure data transfer protocols, cyber crisis management procedures, and continuous risk monitoring.

Frasle Mobility's information security strategy is guided by a Master Plan, reviewed every two years, which outlines processes, policies, and tools to reinforce data protection and operational continuity. Implementation of this strategy is monitored through internal and external audits, review meetings, and performance indicators such as information security maturity and incident tracking metrics.

Data privacy governance is overseen by the Privacy and Information Security Committee, which meets every two months to discuss investments, communications, incidents, and topics related to the Brazilian General Data Protection Law Regulation (BR GDPR).

Recently, the committee expanded its membership to include representatives from business verticals, providing a broader view of security challenges across different business areas.

In 2024, we began preparing our U.S. and China operations for Trusted Information Security Assessment Exchange (TISAX) certification—in line with customer demands related to information confidentiality, prototype control, and secure product development. We plan to extend certification to additional sites in response to rising data protection expectations in the auto parts industry.

We also strengthened our internal security infrastructure, bringing previously outsourced management of critical know-how back in-house. Additional edge protection layers and 24/7 monitoring were implemented with the support of a Security Operations Center (SOC), which uses technology to detect anomalies and issue alerts. To mitigate risks, hardening techniques were applied, including restricted use of external devices, frequent password changes, and strict access controls aligned with international protocols.

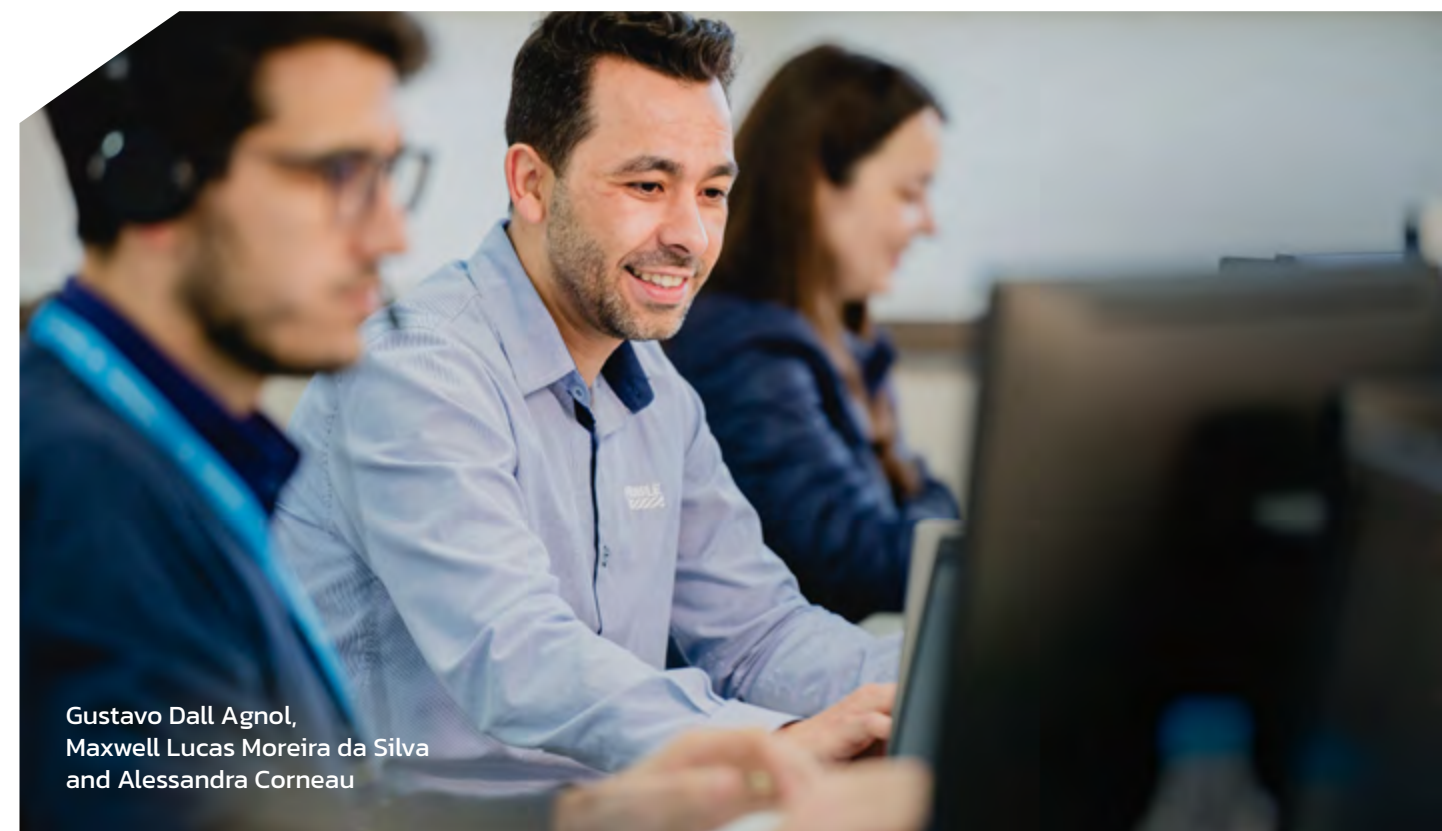
Another 2024 milestone was the completion of our Identity and Access Management (IAM) project, which automated access to systems and transactions based on job profiles. In our manufacturing facilities, we continued to conduct digital risk assessments, identifying externally connected equipment and implementing solutions to mitigate

vulnerabilities, especially for machines that are accessed remotely for maintenance.

Internal awareness remains a top priority. Randoncorp's Secure Connections program was expanded to include e-learning programs for partners via the Pra.vc platform and new guidelines for suppliers. Additional initiatives in the year included phishing simulations, awareness campaigns with guides and webinars, and training. During Information Security Month, nearly 3,000 employees took part in talks focused on scam prevention and digital safety for children. A new corporate training module was also provided via our online education platform. The program followed a cascading

model: the Executive Committee trained leadership, who then cascaded the content to their teams—an effective way to ensure best security practices are applied organization-wide.

**3 THOUSAND
EMPLOYEES
ATTENDED
TRAINING
SESSIONS ON
DIGITAL SAFETY
FOR CHILDREN**



Gustavo Dall Agnol,
Maxwell Lucas Moreira da Silva
and Alessandra Corneau

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SUSTAINABLE BUSINESS

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PRODUCT SAFETY AND EXCELLENCE

GRI 3-3 – Product safety and excellence

Product safety and quality are critical to the continuity of our business, directly influencing brand reputation and creating value for customers and consumers.

Annual internal and external audits verify compliance with customer and stakeholder requirements, while our supply chain undergoes rigorous assessments to identify nonconformities. To prevent negative impacts, we employ methodologies such as Advanced Product Quality Planning (APQP), Failure Mode and Effect Analysis (FMEA), and continuous improvement programs like 8D. Negative impacts are addressed via a proprietary troubleshooting methodology (MASP) and our Lean Six Sigma Program.

The effectiveness of these measures is tracked through our Integrated Management System across all sites. This system covers quality, environment, occupational health and safety, and laboratory competence, with certifications including ISO 9001:2015, ISO 14001:2015, IATF 16949:2016, ISO 45001:2018, and ISO 17025:2017. Additionally, our products meet regulatory certification requirements in several countries.

Progress on these efforts is reviewed continuously in governance forums, where leadership teams analyze deviations and agree on corrective actions using the FCA (Fact-Cause-Action) method, promoting continuous improvement and alignment with organizational commitments.

Lessons learned from stakeholder feedback are incorporated into our policies and procedures, strengthening best practices and addressing gaps. Engaging with these stakeholders—through consultations and audits—is essential for shaping strategies, ensuring stakeholder expectations are met, and upholding transparency around both the impacts of our operations and the effectiveness of measures taken.

COMPLIANCE
WITH CUSTOMER
REQUIREMENTS IS
ENSURED THROUGH
REGULAR INTERNAL
AND EXTERNAL AUDITS

STRATEGIC PRODUCT QUALITY INDICATORS ¹	FRAS1		
	2022	2023	2024
OEM PPM	3	9	5
Costs of low quality (%)	1.28	1.40	1.48
Total rejects (%) ²	2.07	1.94	-
Warranty costs (%)	0.38	0.39	0.41

¹For the 2024 cycle, it was decided that results would be presented as percentages (%) rather than in Brazilian reais (R\$), as in previous cycles. The data from earlier periods has already been restated to reflect this new format. Starting in 2024, overall scrap rate figures have been consolidated under cost of low quality.

PRODUCTION CAPACITY	FRAS3		
	2022	2023	2024
Number of parts produced (no.)	93,675,146	116,572,822	134,112,897
Production capacity/day	398,000	475,807.43	538,605
Number of days	235	245	249

CUSTOMER SATISFACTION

In March 2024, Frasle Mobility launched a program, called One Face to Customer, to transition our sales team from a brand-segmented structure to a unified model that covers the entire portfolio of Frasle Mobility brands and products. With this change, sales teams across brands have been fully integrated, enabling a single team to serve customers with the full range of solutions available. This approach improves Sales teams' negotiation options and offers customers a one-stop-shop experience aligned with their needs.

IN 2024, WE UNIFIED THE SALES TEAMS ACROSS DIFFERENT BRANDS, ENABLING INTEGRATED CUSTOMER SERVICE

To support this transformation, Frasle Mobility organized strategic events in 2024 to strengthen commercial team alignment and integration. A highlight was the first Latin American Sales Convention, held in Argentina. The three-day event brought together 70 employees, underscoring the importance of team collaboration and unity in driving results. The agenda included discussions on:

- The new organizational structure, ensuring alignment with strategic goals
- Deep dives into regional business operations, including market analyses and growth opportunities
- Presentations on strategic plans and direction for the coming years
- Experience and best practices across Latin American teams, fostering synergy and mutual learning

We also held our traditional sales conference in Brazil, as part of our commitment to the ongoing development and training of our commercial teams.



CCQ: 35 YEARS OF EXCELLENCE



The Quality Control Circle (CCQ) improvement program at our Caxias do Sul site is a centerpiece of Frasle Mobility's culture of excellence, quality, and safety. With a 35-year legacy, the program has led to the implementation of over 11,000 projects to strengthen innovation practices and efficiency across the company.

CCQ encourages employees to form groups, called quality control circles, to identify improvement opportunities in their work environment. Ideas are documented, implemented with leadership support, and validated by the controlling team. Projects go through technical evaluations and are "pitched" to management. The top six projects are showcased at our Internal CCQ Project Exhibition, presented as theatrical performances at the University of Caxias do Sul's theater. Projects are evaluated

across three categories—safety, quality, and productivity—and should highlight their operational impact.

Participants receive three months of training in acting, costume design, and model building to prepare their presentations. In 2024, the event drew an audience of 491 in person and 1,253 online, totaling 1,744 viewers. Projects are judged on effort and creativity and rewarded with special prizes, including trips for participants and their families.

The Caxias do Sul site currently has 25 quality control circles with 150 members. The 32nd edition of the exhibition featured 36 members organized into six quality control circles.

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AUTO EXPERTS: CONNECTING THE AUTOMOTIVE CHAIN

To drive customer satisfaction and operational excellence, our Auto Experts digital platform simplifies daily operations for customers—including distributors, retailers, auto centers, repair shops, and mechanics—and helps them grow their business. In just two years, the platform has surpassed 6 million users and logged over 14 million searches. Today, more than 730 repair shops, auto centers, and similar businesses are registered.

Auto Experts provides access to products from multiple Frasle Mobility brands and includes features like a license plate search tool that identifies all available parts for a specific vehicle and shows points of sale where they are potentially in stock. It also features instructional videos to help professionals resolve technical issues.

This initiative delivers on our commitment to innovation and strengthening relationships across the automotive value chain.

In 2024, we launched Clube Experts, building on the Auto Experts platform. This loyalty and engagement program supports the sustainable development of automotive businesses.

Benefits include access to personalized lectures and training delivered on-site, technical support across brands, closer relationships with our factories, and access to revolving credit facilities for purchasing materials and equipment or for renovations and team expansion. In addition, the program offers cross-brand technical support, closer contact with our factories, revolving credit for purchasing materials and equipment or for renovations and expansion, and a rebate system—commercial discounts applied after purchase, with the rebate balance viewable online.

LEARN MORE

[CLICK HERE TO EXPLORE THE AUTO EXPERTS WEBSITE](#)



OUR AUTO EXPERTS DIGITAL PLATFORM PROVIDES ACCESS TO THE FRASLE MOBILITY BRAND PORTFOLIO AND FEATURES THAT SIMPLIFY PRODUCT SELECTION

6 MILLION
USERS REGISTERED
ON AUTO EXPERTS

**730 REPAIR
SHOPS AND
AUTO CENTERS**
REGISTERED ON
THE PLATFORM



SUPPLIER MANAGEMENT

GRI 2-24, 3-3 (HUMAN RIGHTS AND LABOR RELATIONS)

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Frasle Mobility maintains a rigorous supplier screening and assessment process to ensure alignment with our environmental, social, and governance (ESG) guidelines. Our Risk and Compliance Management team conducts periodic assessments to mitigate risks and strengthen supply chain sustainability.

Our efforts to ensure integrity and transparency are supported by the Risk Check Portal, a due diligence platform managed by an independent, specialized firm. In 2024, we carried out 23 transactions with suppliers, all of which underwent targeted risk assessments for corruption. No significant risks were identified among the newly screened suppliers. **GRI 205-1**

ENVIRONMENTAL AND SOCIAL CRITERIA

In the previous reporting period, we onboarded five new suppliers, all confirmed to be compliant with our environmental guidelines. In addition, 59 suppliers were assessed for environmental impacts and 25 Frasle Mobility suppliers underwent process audits. **GRI 308-1, 308-2**

Frasle Mobility also applies social criteria in supplier selection, ensuring 100% of newly onboarded suppliers meet these standards. In 2024, 25 suppliers were assessed on social impacts, and no significant actual or potential adverse impacts were identified. **GRI 414-1, 414-2**

We also found no operations or suppliers to be at significant risk of forced or compulsory labor. To help eradicate all forms of forced or compulsory labor, we implement a set of measures set out in our Supplier Requirements Manual. Supplier compliance is monitored through regular process audits, ensuring alignment with our ethical and sustainable practices. **GRI 409-1**

SUPPLIER MANUAL AND CLASSIFICATION

In January 2024, Randoncorp released the 9th edition of its Supplier Manual, which also applies to Frasle Mobility. The manual establishes a system for monthly supplier assessment and monitoring, categorizing them into tiers A, B, C, or D based on quantitative and qualitative metrics.

Currently, 89% of suppliers are ranked at tiers A and B, reflecting our commitment to excellence and quality. Suppliers rated D have already been phased out in previous cycles, and we have set a target to do business exclusively with A and B suppliers starting in 2025. We announced this target in advance, allowing time for partners to implement improvements to meet the required standards.

The latest edition of the manual places even greater emphasis on ESG practices and cybersecurity. Available in Portuguese, English, and Mandarin, the manual establishes a common set of evaluation criteria regardless of supplier size, industry, or length of partnership. Since 2023, additional manuals have been released for indirect materials and aftermarket suppliers, providing a more targeted approach.

SUPPLIER MEETING

Our annual Supplier Meeting brings together our most strategic partners, who account for around 50% of Randoncorp's annual supplier spend. In 2024, the event welcomed 80 companies and 200 participants for an afternoon of experience sharing followed by networking opportunities.

During the meeting, our CEO presented key milestones in the year and outlined expectations for the next cycle, with a focus on investments in new businesses, technology, and sustainable practices. This year, the agenda featured an interactive format with themed panels on ESG, cybersecurity, and artificial intelligence. Suppliers were actively engaged, answering live questions that helped to gauge our supply chain's level of knowledge and engagement around these topics, and plan targeted educational initiatives accordingly.

A major topic was reducing Scope 3 greenhouse gas (GHG) emissions, which account for 85.2% of Randoncorp's total emissions. We recognize that the transition to a sustainable supplier management model is irreversible—driven both by customer expectations and the imperative for environmental responsibility.

To support this transition, we have launched a phased training plan, with the first stage involving 50 suppliers—some already advanced in ESG practices, while others are just beginning the learning journey.

The event concluded with an awards ceremony recognizing top-performing suppliers in three categories: Competitiveness, Innovation & Technology, and ESG.



Supplier Meeting 2024

In addition to the Supplier Awards, our commitment to sustainable supplier relations is supported by periodic audits based on ISO 14001 and ESG training delivered in partnership with Amcham. This ongoing engagement with stakeholders not only supports our initiatives but

also enhances transparency and drives continuous improvement in our sustainability and environmental impact mitigation efforts.

GRI 3-3 Climate change and air quality

89%
**OF OUR SUPPLIERS
ARE RANKED A
AND B ACCORDING
TO OUR SUPPLIER
MANUAL**

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SUSTAINABLE BUSINESS

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INNOVATION AND TECHNOLOGY

GRI 3-3 INNOVATION AND TECHNOLOGY

At Frasle Mobility, innovation is closely tied to our ESG strategy. Our focus is on developing solutions that reduce environmental impact—such as lighter, recyclable materials, energy-efficient technologies, and advances in electrification. One example of our efforts to align innovation with sustainability is our Composs solution, which helps reduce vehicle weight, enabling a higher payload and, in turn, lowering fuel consumption per kilometer traveled.

A portion of the funds allocated to innovation and technology is directed to our public ESG commitments. Internal investments are aimed at improving working conditions and addressing the risks and opportunities outlined in our annually reviewed strategic plan. Product and process innovations are treated as confidential to preserve competitive advantage. The

effectiveness of our innovation efforts is monitored through monthly performance meetings, strategic project reviews, and internal audits, using indicators such as an Innovation Index that measures revenue from new products.

Our most recent progress toward our commitment to increase net revenue from new products is detailed below.

OUR INVESTMENTS IN INNOVATION AND TECHNOLOGY ARE ALIGNED WITH OUR PUBLIC ESG COMMITMENTS AND ARE GUIDED BY OUR STRATEGIC PLAN



Percentage of revenue from products launched in the last five years divided by the net revenue of the same company¹ ESG3

Total net revenue	R\$ 3,244,345,427.15
Revenue from products launched in the past five years	R\$ 952,908,645.77
Percentage of total revenue from products launched in the past five years	29.4%

¹The reported figures reflect revenue from new products at our Caxias do Sul, Controil, Fremax, Extrema, Sorocaba, Alabama, and Pinghu sites. The calculation is based on new product revenue out of aggregate net revenue from the following operations: Frasle Mobility – Caxias do Sul, Fremax, Controil, Extrema, Alabama, and Pinghu. In our 2023 sustainability report and previous editions, the percentage was based solely on new product revenue from the Caxias do Sul site, which posted a rate of 56.24% over the past five years. For 2024, the baseline was changed to the following figures for that site: revenue from new products (past five years): R\$ 734,921,257.06; aggregate net revenue: R\$ 1,339,274,651.21; resulting percentage: 54.87% of revenue from products launched during this period. GRI 2-4

RESEARCH, DEVELOPMENT
& INNOVATION

FRAS2

Our Research, Development and Innovation (R&D&I) strategy aims to drive business growth by investing in cutting-edge technology and in the technical development of our R&D&I team, transforming applied research into innovations that meet the needs of society, customers, and the industries where we operate. Our R&D&I strategy is structured around four key pillars:

12
COMPLETED
PROJECTS

29.4%
OF OUR NET REVENUE
COMES FROM NEW
PRODUCTS.*

8
PATENT
APPLICATIONS**



Jean Ferreira

Skilled Teams

Our R&D&I team is made up of over 150 highly trained professionals, mainly in the fields of chemistry, mechanics, and materials. In 2024, our team included approximately 40 engineers, of whom 11 hold doctoral degrees, 9 have master's degrees, and many others have completed specialized training.

Partnerships

Partnerships with scientific and technological institutions strengthen our innovation ecosystem, providing research, new business opportunities, and training for our team. In 2024, we invested over R\$ 6 million in the Hercílio Randon Institute (IHR), our main partner, and also collaborated with UCS, UFSC, IFRS, PUC-Rio, and SENAI. In addition, we secured approximately R\$ 2.3 million in R&D funding through FINEP and Embrapii.

Robust Infrastructure

We operate highly capable research and technology centers such as Movetech, the largest friction materials research laboratory in Latin America. Our laboratories follow global quality control standards in assessing the performance and durability of friction materials. In addition, our infrastructure is constantly upgraded to support the development of new products, such as structural composites. With robust R&D&I capabilities, we remain committed to delivering innovative and sustainable solutions—strengthening our position as an industry leader in research and development (read more on [page 49](#)).

Dedicated Budget

Historically, we have invested around 2% of our revenue in R&D&I. In 2024, we allocated approximately R\$ 50 million, distributed across more than one hundred projects developing competitive, cutting-edge, sustainable technologies.

*Including all Frasle Mobility business units over the last five years.

**Seven patents submitted by the Hercílio Randon Institute (IHR) for company-funded projects involving structural composite materials, and one patent submitted directly by our Caxias do Sul site.

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SUSTAINABLE BUSINESS

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INNOVATIVE PORTFOLIO

FRAS2

Our portfolio-building strategy links new friction material solutions to automotive trends such as electric cars and noise reduction. This strategy is driven by ongoing research to develop innovative products that are responsive to market needs.

In 2024, we invested in a new dynamometer to be installed in the U.S., enhancing testing and validation capabilities for commercial vehicles and improving service to US customers. We also acquired a particle emission measurement system to support the development of solutions in line with the Euro 7 regulation, and we began adapting certain facilities to meet TISAX certification requirements on information security in the automotive industry.

A recent innovation highlight is our Composs brand of structural composites, which have become increasingly strategic for Frasle Mobility. Although incipient, this initiative is already showing positive results, both in product launches and in uptake at strategic customers. Originally developed for fender supports for truck trailers, the solution has

since been expanded to include fender and tail light supports for trucks, and is now growing its presence in multiple markets.

A notable example was showcased at the Fenatran trade fair, where a Composs solution was featured on the Volkswagen Meteor Hybrid. This milestone further reinforces Frasle Mobility's leadership in automotive innovation and technology. In 2024, we developed 15 innovation and R&D projects in sustainable mobility. **FRAS4**

Below are other highlights from Frasle Mobility's participation in Fenatran 2024, the leading road freight transport event in Latin America, held every two years.

Fras-le

- EHnergy HD: brake pads for electric and hybrid heavy-duty vehicles. These brake pads offer high-friction material, strong braking power, durability, and maximum safety and comfort.



Fremax + NIONE partnership

- The application of NIONE anti-corrosion coatings has improved the appeal and performance of Fremax brake discs in North America's Snowbelt region, which includes parts of northern U.S. and Canada. In this region, frequent snowfall in winter significantly increases corrosion risk for automotive components. Combining Fremax's high-quality brake discs with NIONE's anti-corrosion coatings has strengthened the brand's market presence and contributed to higher sales volumes.



IN 2024, FRASLE MOBILITY DEVELOPED 15 INNOVATION AND R&D PROJECTS FOCUSED ON SUSTAINABLE MOBILITY SOLUTIONS

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SUSTAINABLE BUSINESS

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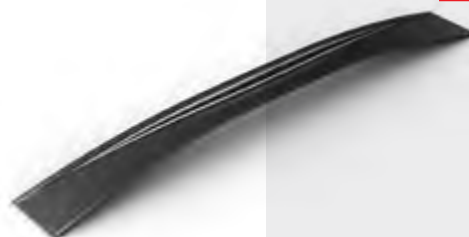
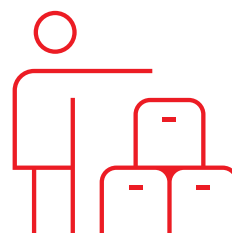
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OUR STRUCTURAL COMPOSITES BRAND COMPOSS IS ALREADY DELIVERING POSITIVE RESULTS, WITH PRODUCTS GAINING TRACTION AMONG STRATEGIC CUSTOMERS

LEARN MORE
[CLICK HERE TO WATCH THE VIDEO](#)
+



Compass

- **Corrosion-resistant suspension springs:**
for trucks: 33% lighter; for trailers: 42% lighter; for recreational vehicles: 25% lighter and noise-free
- **Corrosion-resistant fender support, no painting required, easy handling, higher mechanical strength, patented:**
For trailers: 65% lighter; for trucks (also for taillight supports): 55% lighter and with reduced carbon footprint.
- **Fender for forestry trailers:**
60% lighter, more flexible, easy to assemble, impact-resistant.
- **Chassis crossmember for cars:**
lighter weight, corrosion-resistance, flexible design, customizable mechanical properties



INNOVATION
CENTERS

Movetech

Movetech, Frasle Mobility’s Advanced Engineering Center in Caxias do Sul, is a recognized leader in innovation and technology. Recently renamed, the facility is our oldest R&D and innovation center, with a 50-year history dedicated to the development of friction materials such as brake pads and linings—it was previously referred to as the Research and Development Center. Movetech is recognized as the largest friction materials research laboratory in Latin America and is central to maintaining Frasle Mobility’s leadership in global markets.

More than just a center of excellence, Movetech has been the birthplace of new business ventures. One example of its innovation capabilities is the development of copper-free friction materials—a solution created in 2020, five years ahead of regulatory requirements in the United States and other markets. This reflects the center’s commitment to sustainable practices, including the use of lower-carbon raw materials and lighter solutions.

In addition to leading materials research, the center takes a strategic approach to deliver on our values by developing solutions that reduce environmental impacts and open up new business opportunities.

LEARN
MORE

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LEARN MORE
ABOUT MOVETECH](#)



Felipe Batistello, Daniel Matte
and Adriele Jacques Amaral

MOVETECH
HIGHLIGHTS IN 2024

2,786
PROTOTYPES
PRODUCED

32,721
CHEMICAL LABORATORY
TESTS

33,000
PHYSICAL CHARACTERIZATION
LAB ASSAYS

2,244
DYNAMOMETER TESTS

50 YEARS OF FRASLE MOBILITY'S RESEARCH AND DEVELOPMENT CENTER

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1954

- Francisco Stedile & Cia. is founded. First technology transfer agreement with Italian company FINAFF for brake linings.

1972

- Paul Hainaut – the engineer who brought Francisco Stedile's R&D dream to life.

1973

- Technology agreement with TEXTAR for clutch linings.

1974

- We launch our Research and Development Center, the first in Brazil for friction materials.

1975

- Fras-le receives approval from Mercedes-Benz to assemble the first brake line.

1979

- We partner with British-based DON International LTD.

1980

- Our OEM Commercial Line achieves market leadership.

1983

- We become the first Brazilian company to produce asbestos-free brake pads.

1988

- Movetech signs a technology agreement with U.S.-based ABEX Friction Products

1992

- We accelerate the development of proprietary technologies.

1994

- We launch the Rail line.

1999

- New Research and Development Center.
- We become the first friction materials manufacturer in Latin America to achieve ISO 14001 and ISO 9001 certification.

2005

- We achieve national market leadership in OEM light-duty brake pads.

2009

- Fras-le develops a family of brake linings for heavy-duty vehicles to comply with U.S. RSD (Reduced Stop Distance) legislation.
- We launch the Formula Truck brake pad. Today, we sponsor Copa Truck.

2010

- A new Proving Ground is launched, now the Randon Technology Center.

2012

- The Research and Development Center expands beyond friction following the acquisition of Controil.
- We develop a high-performance brake pad for Stock Car Brasil, with 100% in-house technology.

2018

- ISO 17025 certification.

2019

- We establish the Hercílio Randon Institute (IHR) as our social development arm.

2020

- NOB – Brisbane Brake Shoe, our first rail product using non-organic resin.

2021

- We create NIONE, a facility dedicated to the development, production, and application of nanotechnology.
- Fras-le launches Smart Composites, now renamed Composs, a composites and structural materials brand.
- We launch our copper-free ADB line: Greentech.

2023

- Frasle Mobility's Research and Development Center repositions from an exclusive focus on friction to an ecosystem of mobility solutions.

2024

- We launch our first brake pad for electric cars in Brazil – the Ehnergy line.
- Our R&D Center celebrates its 50th anniversary and is relaunched as Movetech.

2025

- Movetech expands to São Paulo: an advanced engineering facility established in Sorocaba (SP). [Learn more.](#)

Randon Technology Center

Launched in 2010, the Randon Technology Center (CTR) is the most comprehensive independent technology center in Latin America. Located in Farroupilha (RS), it has undergone a significant transformation over the past five years, evolving from a proving ground into a cutting-edge technology center specializing in testing. Today, in addition to supporting the development of innovative solutions for Randoncorp and Frasle Mobility, it also offers services to the broader domestic and international automotive market. It meets a wide range of testing and validation requirements for heavy vehicles, buses, motorcycles, passenger cars, and agricultural machinery.

In a total investment of R\$ 36 million between 2020 and 2024, we have expanded the structural laboratory, added advanced equipment, and trained staff for the development of Advanced Driver Assistance Systems (ADAS), including automatic braking. This infrastructure enables the CTR to support strategic projects such as autonomous vehicles, while ensuring confidentiality and safety during tests. Recognized for its excellence, the CTR is an essential component of Randoncorp's and Frasle Mobility's innovation ecosystem. In 2022, an investment of R\$ 7.2 million was made in the photovoltaic array that powers the center.

**CTR HIGHLIGHTS IN 2024
(PERCENTAGE GROWTH
COMPARED TO 2023):**

840
TESTS COMPLETED
(+17%)

22,000
TEST TRACK HOURS
(+36%)

65,000
LABORATORY HOURS
(+33%)



Randoncorp has always been at the forefront of innovation, anticipating megatrends and their impact on business. From the beginning of this journey, pursuing sustainable solutions was already a priority—even when concepts such as electrification and autonomous vehicles were still incipient.

One example of our sustainability-driven innovation efforts is lightweighting as a way to reduce overall vehicle mass, increase energy efficiency, improve payload capacity, and lower carbon emissions.

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Within this vision, Randoncorp's senior leadership has structured a center dedicated to innovation, driving the development of sustainable technology. In 2014, the Hercílio Randon Institute (IHR) was established at TECNOPUC, as a strategic asset supporting the development of future-ready mobility technology. In 2021, the institute was officially recognized as a Science and Technology Institute (ICT), expanding its role as a hub for research and the development of disruptive products.

Today, IHR is home to a multidisciplinary team of over 300 professionals—including PhDs, master's holders, researchers, and technicians—alongside a global network of collaborators. The institute leads initiatives that accelerate the transition to more efficient and sustainable solutions, operating in three knowledge verticals:

- Mobility – developing technologies for more efficient, low-impact logistics
- Onboard electronics – advancing disruptive innovation to improve vehicle safety and connectivity
- Smart materials – researching strategic materials in nanotechnology and advanced composites for weight reduction

IHR HIGHLIGHTS IN 2024

40+
**PROJECTS FOCUSED ON NEW
DISRUPTIVE AND SUSTAINABLE
TECHNOLOGIES**

92+
**PATENTS FILED, MAKING IHR THE
3RD LARGEST FILER OF RESIDENT
INVENTION PATENTS IN BRAZIL**

15+
**CONNECTED DEEP TECH
STARTUPS**

60+
**MASTER'S AND PHD GRANTS,
SUPPORTING THE DEVELOPMENT
OF FUTURE RESEARCHERS**

BRAIN PROJECT STRUCTURES AND MAINSTREAMS AI USE AT RANDONCORP

The Brain project, launched in October 2024, marks a new chapter in Randoncorp's artificial intelligence (AI) journey, consolidating initiatives already under development in recent years. Brain was created to structure and coordinate AI use across all Randoncorp companies—including Frasle Mobility—providing governance, data security, and the ability to scale AI adoption. Supporting this initiative is a Brain Committee—a dedicated operational committee responsible for coordinating AI initiatives and aligning them with strategic goals across business units.

Meanwhile, our Brain Journey has organized AI efforts into two main fronts:

- **Generative Artificial Intelligence (low complexity):** Following the selection and implementation of an official platform (Microsoft Copilot), this front sets clear guidelines for using approved tools, minimizing risks related to data security and confidentiality. Systems were also implemented to monitor usage and measure the tool's impact in terms of efficiency and return on investment.
- **Applied Artificial Intelligence (high complexity):** This front is focused on addressing business unit-specific challenges using advanced technologies. It works to identify and implement tailored solutions with direct business impact.

IN ADDITION TO STRUCTURING OUR USE OF AI, BRAIN PROVIDES EMPLOYEE EDUCATION AND ENCOURAGES RESPONSIBLE USE OF AI TECHNOLOGY. THE NEWLY ESTABLISHED BRAIN COMMITTEE SUPPORTS RANDONCORP'S COMMITMENT TO AI GOVERNANCE AND EFFECTIVE DEPLOYMENT.



Eduarda Miranda de Souza

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TAKING CARE OF PEOPLE

TALENT ACQUISITION, DEVELOPMENT AND ENGAGEMENT **54**
HUMAN RIGHTS AND LABOR RELATIONS **57**
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CARE FOR PEOPLE



CAPITALS: HUMAN; SOCIAL AND RELATIONSHIP

Material topics: Health, Well-being and worker safety;
Human rights and labor practices; Talent acquisition,
development and retention

TALENT ACQUISITION, DEVELOPMENT AND ENGAGEMENT

GRI 3-3 (Human rights and labor practices; Talent acquisition, development and retention), 404-2

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TAKING CARE OF PEOPLE

LEARN
MORE

[CLICK HERE TO READ
MORE ABOUT US ON
PAGE 82.](#)



Attracting and engaging talent begins with a workplace that values fairness, equity, and equal opportunity. At Frasle Mobility, we strive to provide workplace conditions that foster engagement and continuous development, while strengthening our reputation as an employer brand. From day one, we foster a positive candidate experience and alignment with our values through initiatives that bring the company closer to new talent and strengthen our bond with existing employees.

Supporting this, we have implemented training programs that enhance professional skills, providing internal training across multiple areas. Our training practices span from talent onboarding and engagement to organizational competency development, corporate education, quality and safety, language programs, youth development, inclusion of people with disabilities, diversity, and leadership development.

These practices are guided by our People Management Policy and Education and Development Procedures, ensuring continuous learning aligned with our strategy.

We recognize that we are subject to financial and socio-environmental impacts that directly affect talent management and our reputation as an employer. Financially, these impacts include higher replacement and training costs due to talent and leadership attrition, difficulty in attracting new employees, reduced organizational performance, and labor-related expenses and penalties. Social and environmental impacts include changes in retention patterns, diversity, participation of diverse groups in business strategy, and employer brand perception.

Frasle Mobility's People Management Policy prioritizes ethics, equity, and equal opportunity and treatment. The policy, which is reviewed regularly, sets out people management guidelines based on best practices.

**FRASLE MOBILITY'S
PEOPLE MANAGEMENT
POLICY PROVIDES
GUIDELINES ON
ETHICS, EQUITY, AND
BEST PRACTICES**

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Vinicius Athaydes de Vargas
and Renata Schwaizer

18 HOURS

AVERAGE TRAINING
HOURS PER EMPLOYEE
IN 2024

6,025
EMPLOYEES
WORLDWIDE

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**RANDONCORP'S
RETIREMENT PLAN
IS BASED ON THE
PROJECTED VALUE OF
OBLIGATION AND IS
REVIEWED ANNUALLY.**

Cleci Aparecida dos Santos Alves

INTERNATIONAL CAREERS

Randoncorp recently launched a Global Opportunities program as part of our efforts to expand international operations, promote talent exchange, and reinforce our global business mindset. This initiative allows certain job openings at Randoncorp to be advertised globally, enabling professionals from anywhere—whether internal or from the market—to apply. With our growing global footprint and an increasing number of open positions, these global vacancies can be located in any region where we operate, in line with our “truly global” vision.

In 2024, three professionals took on new challenges in the U.S., China, and Germany through the Global Opportunities program. We expect this global talent mobility to grow in the coming years, promoting valuable exchanges of knowledge, culture, and experience among Randoncorp operations around the world. We believe this initiative will not only strengthen our global presence and scope of opportunities, but also enhance our capacity for innovation, adaptability, and responsiveness to global demands. **GRI 404-2**

COMPENSATION AND BENEFITS

GRI 201-3, 401-2

Full-time employees receive a comprehensive benefits package, including life insurance, health and dental plans, a defined contribution retirement plan, transportation vouchers or company-provided shuttle transport, meal vouchers or on-site cafeterias, and childcare assistance.

These benefits are standardized across all operating sites and follow the company's established guidelines. For part-time employees, benefits are provided only to apprentices.

We offer a defined contribution retirement plan, with liabilities covered by a dedicated fund. Coverage is determined based on CPC 33, calculated using the Projected Value of Obligation (PVO), which is updated annually according to the real interest rate for 2024.

The plan is fully funded through a structure that is reviewed annually in accordance with Previc guidelines, including actuarial and interest-rate evaluations. The plan is optional and nationwide in scope.

3
**PROFISSIONALS
TOOK ON NEW
CHALLENGES IN
THE U.S., CHINA,
AND GERMANY
THROUGH
OUR GLOBAL
OPPORTUNITIES
PROGRAM**

CORPORATE EDUCATION

GRI 404-2

Frasle Mobility's corporate education program is designed to build organizational competencies and is aligned with company policy. Training is tailored to different roles and includes feedback cycles and performance evaluations, fostering continuous learning. Key development topics include quality (customer and certification requirement training), safety (ongoing training with a focus on prevention), and language learning (via an online platform).

Learn about some of our initiatives:

Language program: an interactive online platform offers training in 24 languages. Participants are selected based on potential language needs and talent mapping, and the program is also open to individual applications. In 2024, 110 people attended language training, totaling over 1,800 study hours.

Qualifcar: developed in partnership with the Brazilian Industrial Training Service (SENAI) to prepare young talent in emerging areas such as robotics. Since 2005, it has trained over 1,100 young professionals. In 2024 alone, 64 young individuals completed the program across all Randoncorp sites.

PRA.VC: an online learning portal providing both mandatory and elective courses, including cybersecurity training in Portuguese, English, and Mandarin. It also features the HandTalk app for accessibility. During the reporting period, Frasle Mobility logged more than 4,500 course completions.

WE OFFER TRAINING PROGRAMS THAT SUPPORT CONTINUOUS LEARNING

EMPLOYEE SATISFACTION

Although Frasle Mobility has not yet established a company-wide employee satisfaction index, several operations already conduct individual assessments and, in 2024, earned certifications from Great Place to Work (GPTW). These included Frasle Mobility's Alabama site and U.S. Head Office, which achieved a favorability rating of 81%, and our Bogotá Head Office, which reached 86%.



Juliana Rodrigues Silva

HUMAN RIGHTS AND LABOR PRACTICES

GRI 3-3 – Human Rights and Labor Practices, 408-1

Alongside our parent company Randoncorp, a signatory of the UN Global Compact, Frasle Mobility is committed to the initiative's ten principles in the areas of human rights, labor, the environment, and anti-corruption. This commitment is reflected in our adoption of business practices that respect and promote human dignity both internally and externally.

No suppliers or operations were identified to be at risk for child labor in the year. We enforce strict measures to prevent and eliminate child labor in our value chain, based on ESG Self-Assessment Questionnaires and the Randoncorp Supplier Requirements Manual, both of which are aligned with domestic and international legislation.

We also maintain open channels for communication with unions and their representatives to negotiate collective bargaining agreements that reduce or eliminate potential impact on employees.

CULTIVATING RELATIONSHIPS

GRI 2-29

We engage with a wide range of stakeholders, including customers, employees, local communities, shareholders, investors, suppliers, business partners, and government entities. This engagement is grounded in transparent communication, social responsibility, sustainability reporting, training, and support for open innovation.

The goal is to identify impacts, understand needs, strengthen reputation, drive innovation and sustainability, and meet investor expectations. We achieve this through active engagement, consultations, collaboration, and integration of these insights into business processes.



Graziani Celuppi, Jocemari Rodrigues, Dicleia da Fontoura Casali, and Fabricio Cruz da Rosa

At Frasle Mobility, we engage stakeholders through a wide range of engagement practices. For internal stakeholders, these include onboarding for new hires, internal events, monthly "Two-Way Street" meetings, engagement and culture programs, strategy planning sessions, family visits, management chats over coffee, and Christmas celebrations.

Our Annual Supplier Meeting with Randoncorp and Frasle Mobility further strengthens our supplier relationships. Shareholders and investors are engaged through events such as Frasle Mobility Universe, our ESG Ambition event, and quarterly earnings releases.

Community engagement takes place through social programs and initiatives led by the Elisabetha Randon Institute (IER). Customer relationships are supported by satisfaction surveys, customer service (SAC), participation at trade shows, and Marketing-led engagement activities.

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DIVERSITY, EQUITY, AND INCLUSION

ESG4, GRI 404-2

At Frasle Mobility, diversity, equity, and inclusion are essential in building a more representative and innovative workplace. We follow a common policy with Randoncorp, implementing best practices aligned with our core principle of “valuing and respecting people.” We believe an inclusive environment is crucial for recognizing and creating opportunities for diverse talent, while also providing a safe atmosphere for all employees.

Our commitment to inclusion and embracing differences has been translated into significant progress, particularly in increasing the representation of women in leadership roles. In a historically male-dominated industry, Randoncorp has made a public commitment to double the number of women in leadership positions by the end of 2025—rising from a baseline of 11% in 2020 to 22% by the deadline.

Frasle Mobility actively supports this goal and reached 15% in 2024. This progress reflects ongoing efforts and a continuous learning process. We recognize that cultural transformation takes time and consistency.



Rafael de Oliveira Steigleder with his father, Giovani Soares Steigleder

**DIVERSITY, EQUITY, AND INCLUSION ARE
ESSENTIAL IN BUILDING A MORE REPRESENTATIVE
AND INNOVATIVE WORKPLACE**

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INCLUSIVE ENVIRONMENT

Consistent with our principle of “Valuing and Respecting People,” we are committed to building an inclusive environment for all, embracing differences and respecting every individual and their life journey. In 2024, we continued to advance our Diversity, Equity, and Inclusion strategy, with a particular focus on the following areas:

Inclusive culture: we strive to create a diverse and inclusive environment for all, one that respects the individual and values their differences and life journey.

Representation of social groups: we seek to promote, within the organization, representation in identity markers such as gender, race, ethnicity, people with disabilities, generations, and the LGBTQIAPN+ community, in line with the reality of society.

Inclusive processes and governance: we foster best practices in inclusion and equity, aligned with our strategic levers and ESG Ambition, leaving a legacy for society.

In the previous year, we updated our demographic records for a significant portion of our workforce, using self-identification questions on sexual orientation, gender, race, and ethnicity. Following this initiative, we plan to conduct an internal census within the company.

Learn below about our main programs:

15%
WOMEN IN
LEADERSHIP
POSITIONS

JORNADA DELAS

Launched in 2021, *Jornada Delas* (Their Journey) is a career acceleration program designed to support the development of women in leadership positions, aligned with Sustainable Development Goal 5 (SDG 5). The program aims to strengthen female leadership, expand professional networks, and develop leadership competencies among women.

It includes mentoring sessions and development of potential leaders, covering topics such as personal purpose, empathy, purposeful behaviors, and future planning. These initiatives offer targeted training for women at different career stages—from those already in leadership roles to those preparing for their first.

In its fourth edition in 2024, we decided to focus on women leaders in production areas, raising their profile within the metalworking

industry. We believe it is essential to debunk the stereotype that factory floor environments are inherently male spaces and to showcase the contributions women can make to organizational performance in industrial settings.

The program introduced special modules with content tailored to the challenges and opportunities of the sector. Training topics included leadership, emotional intelligence, personal positioning, decision-making, and innovation, strengthening the connection between personal development and the organization’s strategic objectives. Among 358 applicants, 34 were selected to participate in the program, 11 of whom were from Frasle Mobility. **GRI 404-2**

**#JORNADA
#DELAS**
Aceleração de Carreira Feminina

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AFFINITY GROUPS

In 2022, Randoncorp introduced affinity groups to promote diversity and inclusion within the organization. They provide an important channel for disseminating our culture internally, contributing to

educational efforts and raising awareness about related topics. In 2024, we made continued progress in literacy and communication initiatives designed to educate and raise awareness among our

employees on the subjects addressed by each affinity group. In addition, we provided development opportunities for affinity group members, such as mentoring, training, and workshops.

BELOW, WE PRESENT THE PURPOSE OF EACH AFFINITY GROUP AND KEY CAMPAIGNS AND INITIATIVES CARRIED OUT IN 2024.



WOMEN

Goal: to promote gender equity through collective and individual actions that foster respect and empowerment of women at all levels of the organization.

Women in all their forms!

Initiatives carried out: career workshops, the exhibition “Women in all their forms,” workshops on motherhood and parenting, dissemination of information on gender-based violence, Jornada Delas – Women in Industry (read more on [page 59](#)).



Roberta Motta Neves and Mariana Sanchez Chessio



Jaqueline da Silva

PEOPLE WITH DISABILITIES

Goal: to support physical and digital accessibility issues, creating conditions for the inclusion of people with disabilities, embracing diversity and respecting the human being in their wholeness and differences.

Act to include and transform spaces, relationships, and opportunities. Through this call to action, we raise awareness about the inclusion of all types of disabilities.

Initiatives carried out: lectures and discussion circles on different conditions and how behavior impacts inclusive culture; Inclusive CRR (Randoncorp Relationship Center), with a Brazilian Sign Language interpreter available at certain service times; Sunflower lanyards available on request at our operations; launched an accessibility assessment that will continue into 2025.



Luanda dos Santos Alves, Diana Martins and Marcelo Michelini Martins

RACE AND ETHNICITY

Goal: to act with commitment and awareness, connected to our origins, to transform Randoncorp into an environment with ethnic and racial equity, leaving a legacy of opportunity, respect, empathy, justice, and unity, starting now.

With pride and respect, we made history. For a world without racism—change starts now.

Initiatives carried out: racial literacy actions for our people; lectures and discussion circles to bring education and awareness; the “Race” exhibition held in partnership with photographer Tatieli Sperry; support for immigrants with help from CAM (Migrant Assistance House) of Caxias do Sul; Inclusive CRR with service in Spanish and French; onboarding of new employees from other countries with simultaneous translation.



LGBTQIAPN+

Goal: to build a culture of belonging and authenticity at Randoncorp, respecting all LGBTQIAPN+ people and promoting a safe, democratic, and inclusive environment using all available spaces.

We play for Team RESPECT.

Initiatives carried out: lectures on gender identity, affective sexual orientation, and the importance of an inclusive environment and the rights of the LGBTQIAPN+ community; awareness efforts at the CSC (Shared Solutions Center) on preferred name usage to ensure everyone receives their documents and access with the correct name.

NO BORDERS

As part of our commitment to building a diverse and inclusive environment that values differences and promotes inclusion and equity, in 2023 we created the Frasle PwD Development Hub | *Sem Fronteiras* (No Borders) Project, which began at Frasle Mobility and is now part of Randoncorp's corporate initiatives, expanding its reach and impact.

No Borders offers training and development programs for people with disabilities. Lasting from 30 to 45 days, it provides training outside the employee's current role, preparing participants for future positions in the company. After this period, employees join teams in roles aligned with their newly acquired skills. A key feature of

the program is the participation of leaders as volunteers, who help broaden the organizational perspective on inclusion and identify which adaptations are needed to make the environment more welcoming and accessible.

In 2024, the program reached its fourth edition, training and onboarding 31 new professionals with disabilities into our operations. Among the participants were people with physical, mental, intellectual, and psychosocial disabilities, including men and women of different ages, with or without prior experience.

A KEY FEATURE OF THE PROGRAM IS THE ENGAGEMENT OF VOLUNTEER LEADERS IN ACTIVELY SUPPORTING INCLUSION AND HELPING CREATE A MORE ACCESSIBLE AND WELCOMING ENVIRONMENT



A New Pathways meeting in 2024

NEW PATHWAYS / PROSPERITY JOURNEY

An initiative that prepares employees for a new chapter in life. Redesigned in 2023, the initiative now features a new identity and a more robust journey to support people during this significant life stage.

With a 22-year history and 880 participants to date, *Novos Caminhos* (New Pathways) recognizes each employee's legacy and offers tools to help them plan for their next stage in life and a sustainable future.

This benefit provides preparation and development for participants over a two-year journey. Operations leaders have been trained to foster a culture of retirement planning and to promote cross-generational learning, strengthening team engagement in this process.

The Prosperity Journey is built around the following pillars: Perceive, Reconnect, Connect, and Create. Within these pillars, the following topics are explored:

- Holistic health
- Financial health
- Future trends
- Digital education
- Planning new experience cycles
- New life roles, diversity, and inclusion

In 2024, New Pathways had 23 participants from the Caxias do Sul and Fremax sites, with an average age of 56. The first international edition of the program was also launched at the Frasle Mobility Buenos Aires site. **GRI 404-2**

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HEALTH, WELL-BEING AND OCCUPATIONAL SAFETY

ESG5, GRI 403-1, 3-3 – Employee health, well-being, and safety

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At Frasle Mobility, workplace health and safety are core values. Our efforts in this area are guided by Randoncorp's Health, Safety, and Environment (HSE) Policy, which calls for a proactive stance focused on identifying potential risks within our operations. This enables us to implement preventive and control measures to ensure the health and safety of our employees across all operations.

Our Management System Policy reinforces our commitment to protecting people, stating that no emergency, production target, or result justifies compromising employee safety or well-being. Key guidelines include: providing a safe and healthy environment; eliminating hazards and mitigating risks; protecting the environment and preventing pollution; ensuring product and service quality and safety throughout the value chain; complying with applicable laws and regulations; supporting people development and fostering sustainability-oriented innovation.

The occupational health and safety management systems at Frasle Mobility's sites in Caxias do Sul, Extrema, Sorocaba, and India are certified to ISO 45001 and undergo regular internal and external audits to ensure effective governance. These systems include documentation,

procedures, and programs for risk and compliance management, covering all employees and third-party personnel working on company premises.

In 2024, we reaffirmed our commitment to workplace health and safety by investing over R\$ 10 million in improving workplace conditions and mitigating risks. Our occupational health and safety management system is compliant with a wide range of legal requirements and standards, including labor laws,

International Labour Organization (ILO) conventions, and Public Labor Prosecutor's Office (MPT) directives, ensuring ongoing compliance and employee well-being.

In 2024, a serious injury was reported at our Controil site.

MORE THAN

**R\$ 10
MILLION**

INVESTED IN IMPROVEMENTS
TO WORKPLACE CONDITIONS,
AS PART OF A CONTINUOUS
EFFORT TO IMPROVE HEALTH
AND SAFETY



Jean Ferreira

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TOPIC ON PAGE 82



SAFETY RISK MANAGEMENT

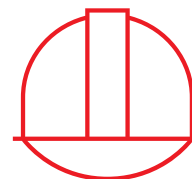
GRI 3-3, 403-2, 403-4

In line with our Corporate Health, Safety and Environmental Policy, we apply a systematic approach to hazard identification and risk assessment across our operations. Through our corporate program *Uma Atitude Muda Uma Vida* ("Life-Changing Actions"), we implement practices focused on eliminating and controlling risks, as part of a prevention-driven culture.

Preventive actions for critical risks are implemented by specialized working groups, formed to address key risks identified across operations. These risks include: use of industrial vehicles; fire and explosion hazards; and storage of materials at height. These groups are led by managers at operations with higher risk exposure and supported by occupational safety engineers. Together, they identify effective solutions to eliminate or mitigate risks and develop robust and consistent control methodologies.

In line with our public commitment to eliminate high consequence incidents, Frasle Mobility continuously invests in team training and sharing best practices. We apply a robust, department-specific risk assessment methodology, allowing us to pinpoint high-risk areas and implement need-specific, agile, and replicable actions across sites. As part of this strategy, the data compiled in hazard assessments is shared across our operations. This exchange of information supports the collaborative development of solutions, helping to improve working conditions and enhance preventive measures.

Preliminary risk assessments are conducted for all activities, whether routine or not. This ensures that appropriate controls are in place before tasks begin. This process is conducted by the Occupational Safety team, and the results constantly feed into the improvement of our occupational



Amilcar Aquino Della Pussa

ELIMINATING
HIGH CONSEQUENCE INCIDENTS
IS OUR GOAL.

health and safety management system. Based on these assessments, action plans are developed with a focus on eliminating or mitigating identified risks.

We actively promote a safety culture that is strengthened by the active participation of employees. Various channels are available for reporting hazards and risks, such as Internal Accident Prevention Committee (CIPA) meetings and internal programs such as HSE Walk Arounds, Incident Hunters, Safety Walks, and our Pyramid Program. In addition, training and events encourage the team to report incidents and build a culture of prevention.

Frasle Mobility offers continuous training on regulatory safety standards and internal procedures. In Brazil, training courses are provided on NRs 05, 06, 10, 11, 12, 17, 20, 23, 33, and 35, as well as guidance on internal standards and department-specific

guidelines. In other countries, the training follows local regulations. For employees exposed to occupational risks or hazardous activities, appropriate training is provided with a focus on prevention and mitigation.

Through these initiatives, Frasle Mobility has made consistent progress on our journey toward eliminating high consequence incidents, reaffirming our commitment to valuing people and promoting increasingly safe and healthy workplace environments.

WE FOSTER A PARTICIPATORY SAFETY CULTURE, WITH OPEN CHANNELS FOR REPORTING AND A WIDE RANGE OF INITIATIVES

EMPLOYEE HEALTH GRI 403-3, 403-5, 403-6

At Frasle Mobility, we take care of the health of our workers through occupational health services, with a strong focus on prevention. In addition to monitoring health through periodical health checkups and medical records, other health-supporting initiatives include our Ergonomic Management Program, Hearing Conservation Program (PCA), and Respiratory Protection Program (PPR). To expand support, we maintain strategically located health centers and a self-administered health plan, called SSI Saúde, that provides clinical, dental, and psychological care, in addition to lab testing and nursing support. We also offer 24/7 telemedicine services. In 2025, our SSI health plan celebrates its 30th anniversary and, in the first quarter, completed the revitalization of its Health Center, making it one of the most modern and comprehensive corporate health centers in the country.

To improve healthcare access, we provide a Mobile Occupational Unit equipped for exams and clinical care, reducing travel and bringing care closer to the workplace. At sites without in-house infrastructure, services are delivered through a network of more than 600 accredited providers, following ANS requirements in Brazil and local regulations in other countries.

In addition to medical services, we run ongoing health and disease prevention campaigns. Campaign topics include mental health, STI prevention, women's health, H1N1 vaccination, quitting smoking, eye health, suicide prevention, breastfeeding support,

and skin cancer awareness. These initiatives are coordinated by our Preventive Medicine department.

For workforce development, we invest in programs that strengthen teamwork, interpersonal skills, and leadership skills, all aligned with active care and psychosocial protection principles. Our Quality of Life Program promotes physical, emotional, social, and financial well-being. We also offer individualized psychological counseling, mental health lectures and workshops, and psychosocial evaluations to assist occupational physicians in determining fitness for high-risk roles. In partnership with Hospital Albert Einstein, we launched a pilot information security project to deliver secure services across telepsychology, telepsychiatry, and technical assistance.

We ensure absolute confidentiality of all employee health data. All information is handled exclusively by medical staff and shared only in aggregate form. In cases requiring individual follow-up, employees are contacted directly and can opt in to specific programs or receive tailored support, ensuring data is never misused.

LEARN MORE

CLICK HERE AND LEARN MORE ABOUT THIS TOPIC ON PAGE 37



SOCIAL RESPONSIBILITY

GRI 413-1, FRAS10

Frasle Mobility has local community engagement initiatives and development programs in place in our operations in Caxias do Sul and Joinville. These initiatives are led by the Elisabetha Randon Institute (IER), a Public Interest Civil Society Organization (OSCIP) founded in 2003. The Institute runs permanent programs focused on education, social development, and civics for children, teens, and youth—as well as for adults, in traffic safety education and corporate volunteering—all designed to positively impact the communities where we operate. We also maintain a community needs-based planning process, ensuring initiatives are effectively targeted.

To strengthen community participation, Frasle Mobility has set up committees and broad consultation processes, including

labor councils and occupational health and safety committees, promoting open dialog with both residents and employees. We also offer formal communication channels such as a toll-free number, email, and an online portal, ensuring that community concerns are properly logged and addressed.

In 2024, the Elisabetha Randon Institute (IER) reached 53,674 people through its social initiatives. In addition to long-term programs, the IER also supports emergency response actions in times of crisis, such as during the floods in Rio Grande do Sul (read more on [page 9](#)). In these situations, we work alongside public authorities, mobilizing connections, donating resources, and offering essential support. Results from environmental and social impact assessments are publicly disclosed as part of our commitment to transparency.

Learn more about the Institute's permanent programs:

**MORE THAN
800**
CHILDREN SERVED
BY THE FLORESCER
PROGRAM

340
CHILDREN
SERVED IN
CAXIAS DO
SUL (RS)



Pedro Poli and Pietro Maitelli

FLORESCER

Focused on children in socially vulnerable situations aged 5 to 14 years and 11 months, this program offers after-school activities that contribute to well-rounded development. It operates three company-funded locations: two in Caxias do Sul (RS), on the premises of Frasle Mobility and Randoncorp, which together served 340 children; and one in Joinville (SC), where Fremax (a Frasle Mobility company) is based, serving 41 children in 2024, with around 50 expected in 2025.

A 2024 highlight was the introduction of robotics classes for children aged 8 and up who can already read and write—these classes were previously available only to those over 12. The music program also saw

significant improvements, including a new partnership with Faculdade da Serra Gaúcha, which has enhanced teaching quality and provided new opportunities. These changes enabled joint performances with other orchestras and increased scholarship availability. Students also gained access to a greater variety of instruments, allowing them to explore options before choosing a specialty matching their interests and skills.

To scale the program, IER offers the *Florescer* (Flourish) methodology as a social franchise to other institutions. It is currently implemented in Bento Gonçalves, Vacaria (two locations), Maringá, and Erechim. Interested companies can adopt the methodology and fund implementation. IER supports the process by helping choose locations, select participants and educators, and provide training and oversight of outcomes. This ensures consistency and adequate performance against program metrics. In 2024, Florescer's franchise model delivered services to 809 children.

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TAKING CARE OF PEOPLE

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PROFESSIONAL TRAINING

This program offers technical training for 15-year-olds in partnership with the National Industrial Training Service (SENAI). Graduates of the *Florescer* program are invited to take part, with around 80 students per year benefited.

To better prepare participants, we identified a need to strengthen their educational foundation, leveling the skills required to enter the next stage: a professional apprenticeship for 16 to 18-year-olds run by Randoncorp, with training in truck trailer assembly and disassembly.

In 2025, the program will expand with a new class in Caxias do Sul, at a new location, to serve youth from neighborhoods near the Frasle Mobility site.

AROUND 80 STUDENTS
ARE SERVED ANNUALLY BY OUR
PROFESSIONAL TRAINING PROGRAM.

VIDA SEMPRE

Created in 2010, the Vida Sempre Program aims to educate drivers and pedestrians to adopt safer, more responsible behavior in traffic. It uses various tools: lectures, theater performances, media publications, and printed materials.

Vida Sempre operates through three fronts.

- Its traveling theater, *Teatro Vida Sempre*, (Theater Life Always) which features a repertoire of five skits on the theme of road safety. These performances are offered free of charge across the southern states of Brazil. In 2024, we held 187 performances for more than 41,154 spectators in Rio Grande do Sul and Santa Catarina.
- Laço Amarelo, a program in partnership with the National Road Safety Observatory (ONSV), which provides educational videos and materials on safe conduct in traffic to *Laço Amarelo* (Yellow Bow)-certified organizations, such as the Elisabetha Randon Institute (IER), which distributes the content to Randoncorp employees.

- A Safe and Economical Driving Course targets truck drivers working for partner trucking companies in Randoncorp's OEM Vertical. In 2024, the program implemented a number of improvements. Among them was the renovation of the Centronor mobile training trailer, part of the drivers' training school in Vacaria. The trailer is used in practical lessons for drivers undergoing training or retraining for license category upgrades. It serves around 250 professionals annually.

This initiative, which blends safety and employability, is a great source of pride for Randoncorp. It also strengthens our collaboration with Centronor, delivering a positive impact on the trucking sector.

**IN 2024,
TEATRO VIDA
SEMPRE
REACHED
OVER 41,000
PEOPLE IN
SOUTHERN
BRAZIL**



Actors from *Teatro Vida Sempre* performing a skit.

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VOLUNTEERING PROGRAM

Ser Voluntário (Volunteer), created in 2005, fosters employee engagement in community-oriented initiatives. Participants devote part of their free time to serving their communities, such as renovating and maintaining public schools in Caxias do Sul that are partners of our *Florescer* (Flourish) program. They also take part in initiatives hosted by other social organizations, including lectures and events.

In 2024, volunteers played a key role in supporting victims of the devastating floods that struck Rio Grande do Sul. They worked tirelessly collecting, sorting, and distributing donations made by the community and Randoncorp employees, working in coordination with Civil Defense, Fundação Caxias, and the NGO Parceiros Voluntários de Caxias do Sul. In logistics centers, over one hundred volunteers helped load trucks, prepare snacks, and perform other tasks. They also contributed to renovating and painting areas of a municipal public school affected by flooding in São Leopoldo, located near Controil, a Frasle Mobility company.

RANDON MEMORIAL

IER also manages the Randon Memorial, dedicated to preserving and sharing the history of Randoncorp and freight transportation in Brazil since the 1950s. Following extensive research and curatorship work, projects were developed for both the physical and documentary memorials. The final result will be seen in the coming years with the opening of three buildings that will form a cultural space open to schools, the community, and visitors.

In addition to projects led by IER, we invested in infrastructure and public safety services in local communities through state tax incentives. Key supported projects benefited the Caxias do Sul Civil Police (R\$ 410,000), the Caxias do Sul Fire Department (R\$ 100,000), the São Leopoldo Military Police (R\$ 100,000), and the Caxias do Sul Military Emergency Responders (R\$ 100,000). These investments were made with state tax-deductible funding, and with a 10% match funding provided by the company. **GRI 203-1**

Through tax incentive laws, our operations in Caxias do Sul, Controil, Sorocaba, and Extrema allocated over R\$ 2.6 million in 2024 to cultural, sports, safety, and child and elderly rights initiatives.



LEADERSHIP IN FLOOD RESPONSE

The Elisabetha Randon Institute (IER) played a central role in coordinating support efforts for employees, communities, and public agencies during the most devastating climate disaster in Rio Grande do Sul's history in May 2024. In addition to the initiatives described in the first chapter of this report, the Institute also led the renovation of the building hosting the *Florescer* program in the Forqueta neighborhood, located on the premises of our Caxias do Sul site. The program serves 180 children per day and was heavily affected by the floods.

Around eight families whose children participate in the *Florescer* program also received support from the Group through initiatives led by IER (read more on [page 65](#)).

Finally, we made a donation with company-matched tax-deductible funding to Instituto Lenon Joel Pela Paz in São Leopoldo, where Controil operates. The organization, which supports 250 children and was one of the most heavily impacted in the municipality, used the funds to repair its infrastructure.

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RESPECT FOR THE PLANET

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RESPECT FOR THE PLANET

ENVIRONMENTAL MANAGEMENT **70**
PRODUCT LIFECYCLE MANAGEMENT **73**
CLIMATE CHANGE **77**

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CAPITAL: NATURAL

Material topics: Climate change and air quality;
Product life cycle management.

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In line with Randoncorp's corporate policy and public commitments set for 2025, Frasle Mobility stepped up investments in environmental programs in 2024. One of the environmental milestones from the year was the start of operation of a new Green Boiler (learn more on [page 78](#)), which replaced natural gas with biomass (wood chips) to generate steam, improving energy efficiency and significantly reducing the facility's environmental footprint.

Randoncorp's corporate program, *Rota Verde* (Green Route), structures our initiatives into three pillars: sustainable environmental development, technological innovation, and environmental responsibility. It guides our efforts to improve sustainability indicators, such as the use of recyclable products and energy efficiency; to minimize environmental impacts, including water consumption and waste generation; and, in the future, to eliminate greenhouse gas (GHG) emissions entirely.

Another key development in 2024 was the creation of a renewable energy roadmap, led by Randoncorp in collaboration with a specialized consultancy. This strategic project engaged multiple corporate functions in creating solutions aligned with the needs of its diverse operations and Randoncorp's environmental commitment.

Sustainability is at the core of our business mindset and approach to innovation. Every project under development incorporates energy efficiency as a core requirement, supporting our commitment to a more responsible and sustainable future.

SUSTAINABILITY IS AT THE CORE OF OUR BUSINESS MINDSET AND APPROACH TO INNOVATION

LEARN MORE

ABOUT THE GREEN BOILER PROJECT
[IN THIS VIDEO.](#)



The Green Boiler project will reduce our Caxias do Sul site's greenhouse gas emissions by 60%

ENVIRONMENTAL MANAGEMENT

GRI 2-12

In 2024, Frasle Mobility’s Pinghu site in China and ASK Fras-le site in India successfully secured ISO 14001:2015 certification. This international standard establishes stringent requirements for environmental management systems, fostering practices to reduce environmental impact and drive sustainability. Our ISO 14001 certification journey began in 1999 with the certification of our Frasle Mobility site in Caxias do Sul, followed by the certification of our Fremax, Sorocaba, Extrema, Osasco, and Alabama sites.

Frasle Mobility follows Randoncorp’s corporate guidelines, which in turn are based on the Group’s integrated management system, Health, Safety and Environment (HSE) Policy, and Environmental Manual. These guidelines support our operations in ensuring alignment with our environmental commitments.

On the environmental front, our operations are governed by a Corporate Health, Safety and Environment (HSE) Policy and we invest in research and development of products with reduced environmental impact.

WATER USE AND EFFLUENT TREATMENT – ESG3, GRI 303-1, 303-2

Water drawn from public utilities and artesian wells is used for human consumption, industrial equipment such as cooling towers and boilers, and fire suppression systems. Recycled water is used for cleaning, restrooms, and grounds irrigation.

We ensure liquid effluents are disposed of responsibly, either by discharging them into water bodies or, in some facilities, into the public sewage system. All sites ensure compliance with applicable water discharge laws and regulations. This means effluents are discharged safely, in accordance with applicable standards, and with minimal impact on water resources.

132,6
THOUSAND M³ OF
WATER CONSUMED
IN OPERATIONS

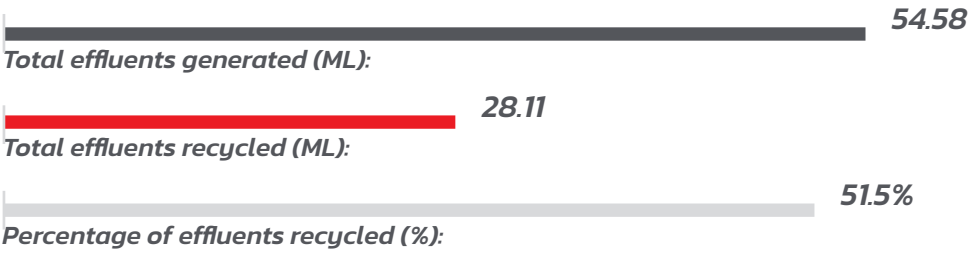


To reduce water withdrawals in our operations, we have continued to invest in advanced effluent treatment and recycling solutions, supporting our public commitment to recycle 100% of treated effluent by 2025. In 2024, we made significant structural investments, including the installation of new pipelines and process flow reviews, supporting continued progress on this front.

Throughout the year, we continued work on expanding the Effluent Treatment Plant at the Caxias do Sul site, scheduled to start operation in the second half of 2025. We plan to invest R\$ 4 million on installing an ultrafiltration and reverse osmosis system, which will enable advanced effluent treatment for reuse in strategic processes like our Green Boiler (see more on [page 79](#)), as well as new initiatives to further increase recycling and reuse. Planned applications include the use of reclaimed water in cooling towers and existing processes such as restrooms, parts washing, and grounds irrigation, especially during the summer.

R\$700,000
INVESTED AT OUR SOROCABA SITE
TO BUILD A NEW WASTEWATER
TREATMENT PLANT

Effluent reuse rate (%) in operations with on-site treatment facilities¹



¹Recycling data is for our Caxias do Sul site only.

At our Sorocaba site, we will invest R\$ 700,000 to build a new effluent treatment plant enabling water recycling for cleaning processes and irrigation. Construction will be completed in 2025.

At our Fremax site, we are upgrading the existing effluent treatment plant, with completion also planned for 2025. With an investment of R\$ 650,000, this upgrade will enable the reuse of water in various applications, including cooling towers, floor washing, grounds irrigation, and restrooms.

We actively identify potential water-related environmental impacts, such as aquifer drawdown, and conduct assessments in accordance with internal procedures and applicable regulations. We currently have a monitoring platform at the Caxias do Sul site to track water consumption. In areas of water stress, such as India, China, and Europe, we have monitoring, conservation, and awareness-raising initiatives in place to mitigate impacts and ensure water resource sustainability.

OUR
R\$ 4 MILLION
INVESTMENT INCLUDES
THE INSTALLATION OF
ULTRAFILTRATION AND
REVERSE OSMOSIS SYSTEMS
FOR ADVANCED EFFLUENT
TREATMENT



Aline Scortegagna, Márcio Bilhar, and Luana Souza da Silva

WASTE MANAGEMENT

We are committed to our public target to eliminate landfilling of industrial waste by 2025. We have continued to make consistent progress, with performance indicators showing significant improvements that put us on track to meet this target on schedule.

In 2024, two operations achieved important milestones. At our Sorocaba site, which currently sends only one waste stream to industrial landfills, the transition will be finalized in January 2025, when exhaust dust will be sent for co-processing.

The Fremax site also recorded significant progress, reducing its landfill waste rate from 40% in 2023 to 10.77% in 2024. The 0% target will be met in 2025, with all waste being sent for environmentally compliant disposal, including co-processing. One of the waste management highlights from the year was an initiative at Aeropark Vale Europeu, in Guaramirim (SC), where the third-party company handling waste from our Fremax site is located. Previously, foundry sand and

exhaust dust were sent to industrial landfills. Now, through this initiative, the materials are being repurposed for asphalt paving at Aeropark.

In 2024, this initiative generated savings of R\$ 312,600 and prevented 3,043 metric tons of waste (foundry sand and exhaust dust) from being sent to industrial landfills. This solution not only reduces costs but also delivers on our commitment to environmentally sound practices.

WE REDUCED
FREMAX'S
LANDFILL
DISPOSAL
RATE TO
11%



POWDER COATING

In 2024, our Extrema facility in Minas Gerais replaced liquid paint with powder coating in its shock absorber coating process. The transition significantly enhanced the finish quality—delivering greater gloss, uniformity, and improved salt spray resistance—while offering superior protection against chemical agents and corrosion.

A total of R\$3.6 million was invested in upgrading the coating line. Over the 2024 cycle, the initiative led to the complete elimination of paint sludge waste, previously amounting to approximately 137 metric tons per year with the legacy liquid paint process.

The change has also brought additional environmental benefits, including lower energy, water, and chemical consumption—substantially reducing the environmental footprint of the operation. Importantly, all unused powder from the coating process is collected via a suction system and reused in coating new parts.

Percentage of waste directed to industrial landfills in relation to total waste generated ESG2

% WASTE SENT TO INDUSTRIAL LANDFILLS	
Total waste generated (t)	30,486.05
Total waste directed to landfills (t)	1,170.97
Total waste diverted from landfills (t)	29,315
Percentage of waste directed to landfills (%)	3.84%
Percentage of waste diverted from landfills (%)	96.16%

Caxias do Sul, Buenos Aires, Sorocaba, ASK Fras-le, Pinghu, Fremax, Extrema, Alabama, Controil, and Head Office Europe.

PRODUCT LIFECYCLE MANAGEMENT

GRI 306-1, 306-2

Our activities are guided by circular-economy principles aimed at optimizing resource management. We actively work to increase material reuse, reduce waste, and minimize waste generation across our operations. Our waste practices include a set of sustainability-related policies and commitments, such as replacing virgin materials with recycled ones to reduce environmental impacts throughout the product life cycle.

Most of the waste generated from incoming materials is classified as non-hazardous and is sent for recycling, minimizing environmental impact. However, some inputs generate hazardous waste, which is compliantly managed to mitigate potential harm.

Each Frasle Mobility brand has the autonomy to develop its own reverse logistics projects, aligned with its specific product portfolio and materials. We also work to engage stakeholders to ensure that the process is truly circular.

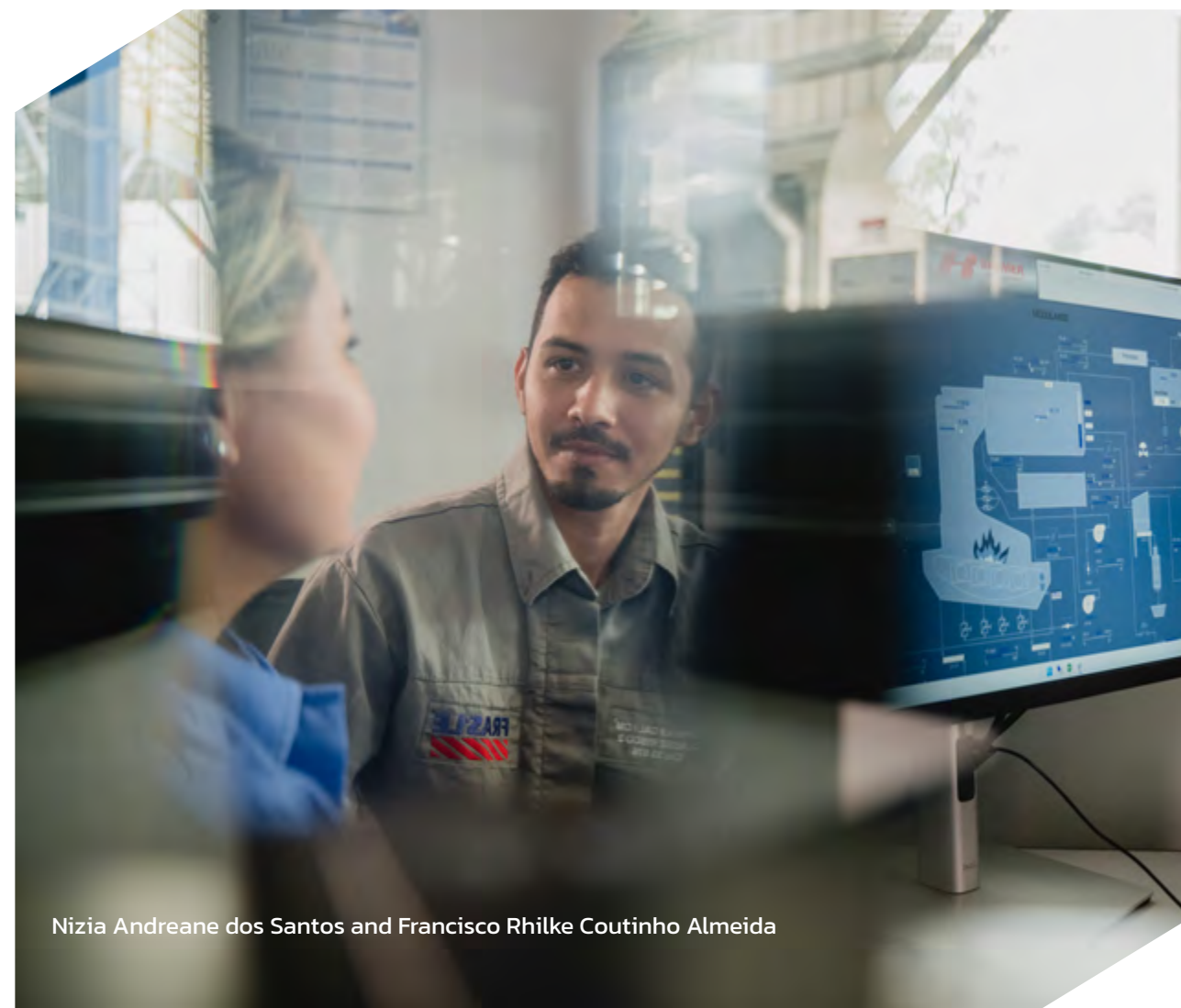
In line with our public commitment to eliminate industrial landfill disposal by the end of 2025, we have continued to pursue more sustainable waste treatment alternatives and environmental footprint reduction strategies. We retain full responsibility for waste management, with no third-party outsourcing. To ensure proper tracking, we use structured processes and, in Brazil, log waste data via waybills and invoices. Waste classification follows the Brazilian standard NBR 10004, ensuring compliance with environmental regulations. Our international operations follow their respective local legal requirements.

On average, in recent years, our conversion rate—the amount of raw material turned into product—has stood at 89.3%. This rate is averaged across the following operations in Brazil: Caxias do Sul, São Leopoldo, Sorocaba, and Extrema; and abroad: the United States, China, and India.

Of the waste generated during processing and production, around 61% is recyclable, and we have continued to invest in research and innovation to develop eco-friendly products.

Below are selected case studies that showcase our efforts in product life cycle management and reverse logistics.

61%
**OF THE WASTE
GENERATED IN OUR
OPERATIONS IS RECYCLED**



Nizia Andreane dos Santos and Francisco Rhilke Coutinho Almeida

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PRÓ-AMBIENTE
- CAXIAS DO SUL SITE

Created in 2010, *Pró-Ambiente* (Pro-Environment) is the flagship reverse logistics program at the Caxias do Sul site, designed specifically for loyal fleet customers of our Fras-le brand. Through this initiative, used brake linings are collected from partners, processed using environmentally responsible methods, and then repurposed as fuel in cement kilns.

In 2024, 1,063 metric tons of used brake linings were collected across Brazil's South and Southeast regions. This initiative serves two key purposes: it strengthens business relationships between the company and customers, and ensures compliant and sustainable disposal of materials.

WE ENCOURAGE AND
EMPOWER EACH OF
OUR BRANDS TO
INDEPENDENTLY
DEVELOP REVERSE
LOGISTICS PROJECTS

RECYCLE MAX

Previously called *Descarte Seguro* (Safe Disposal) until 2023, this program was renamed Recycle Max in 2024. The program collects used brake discs and drums from repair shops and garages to ensure proper disposal. The operation is run out of our Fremax site in Joinville (SC), where an average of 227 metric tons of material are collected monthly—amounting to 2,726 metric tons in 2024.

The success of the program depends heavily on the involvement of workshop personnel, who are responsible for separating the used parts and handing them over to our pick-up team.

Once collected, the parts are transported back to our Fremax site, where they are melted down and transformed into liquid iron. This process produces a highly pure metal alloy that meets the quality standards required for producing new brake discs and drums. This closed-loop process means that materials produced by the company reenter the production cycle as raw materials usable in producing high-performance products.

LEARN
MORE
[CLICK HERE TO
WATCH THE VIDEO](#)



OTHER FREMAX INITIATIVES:

100%
OF THE METAL
SHAVINGS
GENERATED
DURING MACHINING
ARE REUSED IN
THE PROCESS

100%
OF FOUNDRY
SAND IS REUSED
IN THE PROCESS

100%
OF CUTTING FLUID
IS RECOVERED AND
REUSED

2,726
METRIC TONS
OF METAL SCRAP
WERE RECOVERED
FROM USED BRAKE
DISCS AND DRUMS
IN 2024

100%
OF PACKAGING
IS MADE FROM
RECYCLED
MATERIAL

10.7%
OF WASTE
IS SENT TO
INDUSTRIAL
LANDFILLS

In 2024, we maintained our partnership with Eureciclo, which began in 2021. Eureciclo manages reverse logistics for packaging materials, which includes organizing and managing recycling cooperatives.

As a social and environmental impact business, it works alongside companies in structuring their recycling chains. Eureciclo

is helping Frasle Mobility to offset the packaging generated by our Fras-le, Controil, Fremax, Jurid, and Nakata Brands. Through this effort, the equivalent of at least 32% of total packaging is sent for recycling, while benefiting recycler associations. In 2024 alone, we reached 1,172.14 metric tons of recycled paper and plastic through this partnership.

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RESPECT FOR THE PLANET

18,542.96
METRIC TONS
OF NON-HAZARDOUS WASTE
WERE SENT FOR RECYCLING
IN 2024

1,172.14
METRIC TONS
OF PAPER AND PLASTIC
WERE RECYCLED LAST
YEAR THROUGH OUR
PARTNERSHIP WITH
EURECICLO

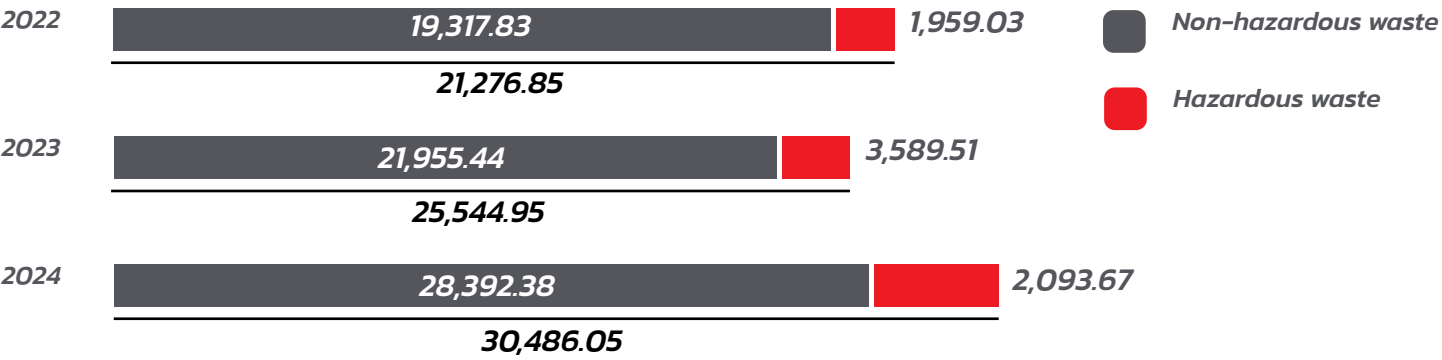
Total waste generated, by composition (t): HAZARDOUS WASTE GRI 306-3

2024	
Total waste generated, by composition (t)	Amount (t)
Energy storage devices (batteries and cells)	8.90
Impregnation bath	25.04
Contaminated drums	35.77
Oily sludge	5.68
Paint sludge	113.43
Uncontaminated metal packaging	50
Oily emulsions	1,076.66
Contaminated PPE	187.47
Light bulbs	3.48
Wastewater treatment sludge	82.54
Used lubricants	50.83
Contaminated paper and cardboard	142.93
Contaminated paper and plastic	144.88
Chemicals	13.03
Healthcare waste	1.63
Electronic waste	11.66
Miscellaneous contaminated waste	135.05
Contaminated solvent	4.69
Total	2,093.67

Total waste generated, by composition (t): NON-HAZARDOUS WASTE GRI 306-3

2024	
Total non-hazardous waste produced, by method of disposal (t)	Amount (t)
Foundry sand	1,490.09
Cigarette butts	0.03
Wood chip sludge	60.48
Rubber (tires)	0.26
Boiler ash	17.04
Civil construction	2,525.61
Raw material packaging	638.09
Foundry slag	686.03
Wastewater treatment sludge	2,029.13
Used linings	846.97
Wood	2,111.01
Composite material	92.74
Metals	728.93
Uncontaminated	267.67
Cooking oil	0.19
Uncontaminated paper and cardboard	499.42
Brake pads	381.3
Uncontaminated plastic	302.75
Exhaust dust	7,763.05
Refractories	244.87
Sweepings	115.15
Organic waste	388.65
Aluminum scrap	943.09
Nonferrous scrap	446.7
Ferrous scrap	5,805.92
Glass	7.23
Total	28,392.38

Total waste generated by composition (t) GRI 306-3



Total waste diverted from disposal, by recovery operation, in metric tons (t) GRI 306-4

	2023			2024		
	ONSITE	OFFSITE	TOTAL	ONSITE	OFFSITE	TOTAL
HAZARDOUS WASTE						
Recycling	0	103.16	103.16	0	72.77	72.77
Other recovery methods	0	3,123.71	3,123.71	0	2,016.7	2,016.7
Total	0	3,226.87	3,226.87	0	2,089.47	2,089.47
NONHAZARDOUS WASTE						
Recycling	0	10,268.01	10,268.01	0	18,542.96	18,542.96
Other recovery methods	89.55	7,921.45	8,011.00	58.92	8,270.69	8,329.61
Total	89.55	18,189.47	18,279.02	58.92	26,813.65	26,872.57

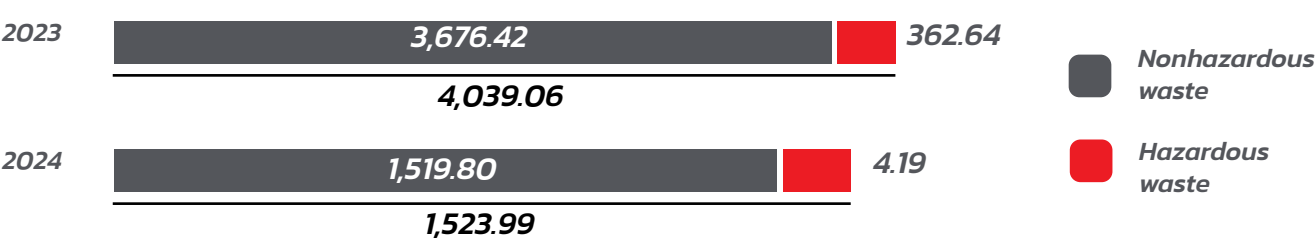
Total waste diverted from disposal, by composition, in metric tons (t) GRI 306-4



Total hazardous and non-hazardous waste directed to disposal, by recovery operation (t) GRI 306-5

	2023	2024
Hazardous waste directed to disposal		
Industrial landfill	356.07	2.6
Autoclave	6.54	1.59
Total	362.64	4.19
Non-hazardous waste directed to disposal		
Industrial landfill	3,262.78	1,168.37
Sanitary landfill	268.41	351.43
Total	3,676.42	1,519.80

Total waste directed to disposal, by composition, in metric tons (t) GRI 306-5



Total amount of manufacturing waste, percentage of hazardous waste, percentage of re-cycled waste TR-AP-150A.1

	2022	2023	2024
	Tonnage and percentage	Tonnage and percentage	Tonnage and percentage
Total amount of waste from manufacturing	21,276.85	25,544.94	30,486.05
Percentage hazardous	9%	14%	7%
Percentage of water recycled	57%	41%	61%

CLIMATE CHANGE

Reducing greenhouse gas (GHG) emissions is a global challenge, and at Frasle Mobility, we recognize both our responsibility and our ability to actively contribute to reducing emissions. Together with Randoncorp, we have made a public commitment to reduce total emissions from our production sites by 40% by 2030 from a 2020 baseline.

To monitor and manage our environmental impact, we annually prepare an emissions inventory based on the GHG Protocol methodology, the global standard for measuring and managing GHG emissions.

Although our current target covers Scope 1 and 2 emissions only, we recognize the

importance of managing Scope 3 emissions, which account for more than 85% of our total emissions, according to an internal study. With this in mind, we measured and reported these emissions to CDP for the first time in 2024 and launched a project targeting our strategic suppliers to encourage them to join our emissions reduction commitment. In the first phase, training was provided to 50 key Randoncorp suppliers (including some Frasle Mobility suppliers), selected based on the impact of their operations.

A preliminary assessment showed that, among the 15 categories analyzed, purchased goods and services have the highest emissions footprint. At Frasle Mobility, carbon steel accounts for about 30% of total emissions within category 1 (goods and services). Based on these findings, we developed an action plan to decarbonize processes, working with our Procurement and Transportation teams, and implemented an ESG questionnaire for direct suppliers to promote better sustainability practices. In 2025, we plan to expand the initiative by engaging new partners and improving monitoring.

WE HAVE COMMITTED, TOGETHER
WITH RANDONCORP, TO A
40% REDUCTION
IN EMISSIONS FROM OUR
PRODUCTION FACILITIES BY 2030

GHG emission sources (tCO₂ equivalent)^{1, 4} GRI 305-1, 305-2, 305-4, 305-5

	2022	2023	2024
Direct greenhouse gas emissions – Scope 1 ²			
Stationary combustion	18,676.15	17,327.98	12,460.77
Mobile combustion	524.84	640.65	585.16
Fugitive emissions	5.15	352.7	217.56
Industrial processes	–	0	0
Solid waste	12.55	15.73	11.8
Effluents	62.00	90.82	402.02
Total	19,280.70	18,427.88	13,677.31
Biogenic CO ₂ emissions – Scope 1	774.528	696.081	6,376.80
Indirect emissions from purchased electricity – Scope 2 ³			
Purchased electricity consumed	9,711.68	8,541.02	8,296.31
Total emissions (Scopes 1 and 2)	28,992.38	26,968.90	21,973.62
Greenhouse gas emissions intensity			
Hours worked	7,319,202.04	7,758,400.52	8,696,778.18
Emissions intensity (kgCO ₂ e/hours worked)	3.96	3.48	2.53
Reduction of GHG emissions			
Reductions (Scopes 1 and 2)	8,550.62	10,574.10	15,569.78

¹ The data includes companies under operational control that have made a public commitment to reduce emissions by 40% by 2030, as follows: Caxias do Sul, Controil, Fremax, Sorocaba, Alabama and Pinghu.

² Gases included in the calculations: carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons. The reduction in total Scope 1 emissions is due to the discontinuation of diesel oil use at our Fremax site, after the use of power generators was discontinued in March 2024, as well as a decrease in natural gas consumption at our Caxias do Sul and Alabama sites. The increase in biogenic Scope 1 emissions is due to increased use of wood chips for power generation.

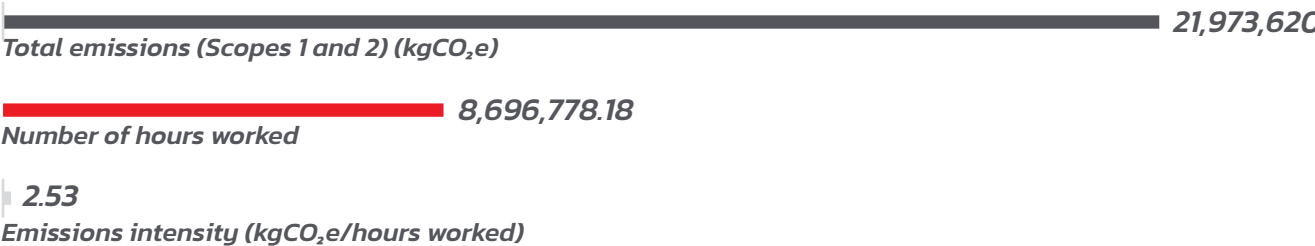
³ In 2024, our Caxias do Sul and Sorocaba sites purchased I-REC certificates covering 100% of their energy consumption, reducing Scope 2 emissions for these operations.

⁴ Scope 1 and 2 reductions were measured from a 2021 baseline (the first year the inventory was published in our sustainability report). Compared to the 2020 baseline, the reduction in Scope 1 and 2 emissions was: 2022 (0 tCO₂e), 2023 (0 tCO₂) and 2024 (1919.36 tCO₂e).

Scope 3 emissions by category GRI 305-3

CATEGORY (GRI 305-3)	TOTAL EMISSIONS (TCO ₂ E) (GRI 305-3)	BIOGENIC EMISSIONS (TCO ₂ E) (GRI 305-3)
Goods and services purchased	149,215.02	0
Capital goods	0	0
Fuel- and energy-related activities	0	0
Upstream transportation and distribution	48,868.16	3,007.70
Waste generated in operations	0	0
Business travel	949.27	9.28
Commuting	2,345.6	338.22
Upstream assets leased	0	0
Other upstream categories	0	0
Downstream transportation and distribution	0	0
Processing of sold products	0	0
Use of sold products	0	0
End-of-life treatment of sold products	0	0
Downstream assets leased	0	0
Franchises	0	0
Investments	0	0
Other downstream categories	0	0
Total	201,378.05	3,355.20

Greenhouse gas (GHG) emissions intensity - Scopes 1 and 2 GRI 305-4, ESG1



Sergio L. Carvalho, Daniel Raul Randon, David Abramo Randon, Anderson Pontalti, and Alexandre Randon

OUR GREEN
BOILER IS NOW
OPERATIONAL

Commissioned in December 2024, our biomass boiler—known internally as the “Green Boiler”—marks an important milestone in Frasle Mobility’s sustainability journey. After two years of supplier research and selection, the project received a R\$ 17 million investment and became a reality.

The boiler generates the steam required for process heating, eliminating 100% of natural gas use in the combustion process. The transition to biomass will provide a step improvement in emissions performance, reducing GHG emissions from the Caxias do Sul site by 60%, equivalent to 10,000 metric tons of CO₂e per year. It will also contribute to a 20% reduction in Randoncorp’s overall GHG emissions.

Operation began following the issuance of an environmental license granted by the state environmental regulator (FEPAM). Frasle Mobility also secured certification from the American Society of Mechanical Engineers (ASME), granted after a safety and compliance audit by an international expert.

GREEN BOILER: A MODEL OF ENVIRONMENTAL RESPONSIBILITY

Our Green Boiler uses reforested wood chips in replacement of natural gas to generate steam, reducing reliance on fossil fuels and improving the plant's energy efficiency.

1. Chip reception

Shredded pine and eucalyptus wood chips are deposited into an **underground hopper** with a storage capacity of 500 cubic meters.

2. Transport to the boiler

An automated conveyor and hydraulic gate system moves the chips efficiently to the furnace.

Conveyor

Boiler

Stack

Filter

Hopper

3. Combustion and steam generation

The chips are burnt in the furnace, heating water within the boiler's internal tubes. The resulting steam provides a constant supply to the entire facility.

4. Filtration and emissions control

Combustion gases are filtered through a multicyclone filter system. The residual ash is directed to co-processing, with the solid material reutilized sustainably.

COMMITMENT TO SUSTAINABILITY

- **Lower CO₂ emissions:**
Wood chip use is tracked via the GHG Protocol methodology to quantify greenhouse gas emissions.
- **Waste recovery:**
The boiler is fueled with recycled and reforested wood, supporting the circular economy and minimizing industrial waste.
- **Close monitoring:**
Emissions are regularly tested by independent laboratories to ensure compliance with environmental regulations.

RENEWABLE ENERGY

As part of our efforts to transition to alternative energy sources, our Fremax site implemented major changes in 2024. This facility previously used diesel-powered generators to meet its electricity requirement at full capacity.

Recognizing the considerable environmental impact of diesel generators, Fremax switched to a more sustainable process. It negotiated a power supply agreement with the local utility and, concurrently, began constructing a power substation—scheduled for completion in May 2025. It then decommissioned the generator in March 2024. This change alone is expected to reduce emissions by 2,414.11 tCO₂e per year, supporting our decarbonization commitment.

In 2024, there were no reductions of energy consumption. However, by category, natural gas consumption was reduced by a significant 31,211.8 GJ following the startup of the Green Boiler at our Caxias do Sul site and process improvements at other sites using natural gas. Total diesel consumption also fell by 51,544 GJ, mainly due to the discontinuation of power generators at the facility. **GRI 302-4**

In line with one of the public commitments as part of our *Rota Verde* (Green Route) program, Frasle Mobility is working to expand the use of green energy across operations. In 2024, we made continued progress in metering improvements and planning for the purchase of certified renewable energy through I-RECs (International Renewable Energy Certificates), with implementation set for 2025.

The shift to green energy has already been made at our Sorocaba and Caxias do Sul sites, also through I-RECs. Our goal is to extend the transition to other sites, even where customers do not require it. We see this as an opportunity to continue our decarbonization efforts and reduce Scope 2 emissions.

An important step in 2024 came through a partnership with consulting firm Schneider, which helped companies within Randoncorp build a robust strategic roadmap to guide decision-making in 2025. Workshops were held with internal teams, and the pros and cons of available alternatives were considered.

60%
OF FUELS WERE
RENEWABLE

Significant solar power initiatives already completed include:

- Randon Technology Center: photovoltaic array generating 1,621.50 MWh
- Manesar, India: solar arrays generating 293 MWh
- Pinghu, China: solar arrays generating 1,169 MWh

CONSUMPTION OF NON-RENEWABLE AND RENEWABLE FUELS (GJ) | GRI 302-1, RT-IG 130a.1, SASB TR-AP-130a.1

	2022		2023		2024	
	AMOUNT	%	AMOUNT	%	AMOUNT	%
Non-renewable						
Natural gas	277,709	36	263,321	34	232,109.20	29.13
Diesel fuel	82,728	11	64,786.65	8	13,242.73	1.66
Liquefied petroleum gas (LPG)	7,818	1	16,347	2	14,254.71	1.79
Propane	0	0	127	0	0	0
Non-renewable electricity	254,471	33	264,801	33	57,126.13	7.17
Gasoline	168	0	16	0	3,283.41	0.41
TOTAL	622,894	81	609,399	77	320,016.18	40.16
Renewable						
Renewable electricity	136,781	18	180,825	23	420,815.60	52.81
Firewood	3,734	1	3,297	1	1,199.27	0.15
Wood chips	-	-	-	-	54,764.79	6.87
TOTAL	140,515	19	184,122	23	476,779.66	59.84
Energy consumed	763,409	100	793,521	100	796,795.84	100
Grid electricity	391,252	35	445,626	40	477,941.72	60

CARBON FOOTPRINT

GRI 3-3 PRODUCT LIFE CYCLE MANAGEMENT

We are working to develop lower-carbon products by minimizing lifecycle impacts from raw material extraction to end use. To achieve this, we implemented a carbon footprint calculation methodology in collaboration with Randoncorp, following initial support from a consulting firm, based on ISO 14067:2018. Railcar brake shoes were our first product to undergo this third-party-validated assessment, which found a 43% reduction in CO₂ emissions.

Currently, this program is in its early stages. The next step will be to make the process available to engineering teams, allowing environmental impact assessments to be carried out during the early stages of product development—verification will be conducted by a third party.

This will ensure greater clarity and precision in decision-making and support the development of increasingly sustainable products, as was the case with Composs. Considering only the raw material extraction, transportation, and manufacturing stages, we observed a 16% reduction in carbon emissions for fender supports made from composite materials compared to those made from carbon steel.

16%

**LOWER EMISSIONS
ASSOCIATED WITH
OUR COMPOSS
FENDER SUPPORT**



43%

**REDUCTION IN
CO₂ EMISSIONS
ASSOCIATED WITH
RAILCAR BRAKE SHOES**



**WE ARE WORKING TO
PROGRESSIVELY DEVELOP
LOWER-EMISSION PRODUCTS**

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RESPECT FOR THE PLANET

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An employee at our Fremax site in Joinville (SC).

THE FRASLE MOBILITY UNIVERSE

Entities included in the organization’s sustainability reporting* GRI 2-2

NAME OF ENTITY (GRI 2-2)			
Armetal Autopartes S.A	ASK Fras-le Friction Private Limited	Fanacif S.A.	Farloc Argentina S.A.I.C. YF
Fras-le Andina Com. Y Repres. Ltda	Fras-le Argentina S.A	Fras-le Europe B.V	Fras-le Europe GmbH
Fras-le Friction Material Pinghu Co Ltd	Fras-le México S. De R.L. De C.V	Fras-le North America, Inc.	Fras-le Panamericana S.A.S
Freios Controil Ltda.	AML Juratek Limited	Jurid do Brasil Sistemas Automotivos Ltda	Nakata Automotiva Ltda.
CTR – Centro Tecnológico Randon Ltda	Jiaxing Bafu Trading Co. Ltd		

*Legal names.

SUSTAINABLE BUSINESS

Economic Highlights (R\$ thousand) GRI 201-1

ECONOMIC HIGHLIGHTS (R\$ THOUSAND)	2024	2023	CHANGE (%)
Total gross revenue	5,023,319	4,372,101	14.89
Consolidated net revenue	3,965.8	3,388.7	17.03
Overseas revenue in USD	289.7	246.1	17.72
Consolidated gross profit	1,330.5	1,138.6	16.85
Gross margin (%)	33.5	33.6	-0.30
Consolidated EBITDA	677.9	667.2	1.60
EBITDA margin (%)	17.1	19.7	-13.20
Adjusted EBITDA	729	664.7	9.67
Adjusted EBITDA margin (%)	18.4	19.6	-6.12
Consolidated net income	374.7	388.7	-3.60
Net margin (%)	9.4	11.5	-18.26
Earnings per share (R\$) ¹	1.39	1.44	-3.47

¹Earnings per share: net income / total number of shares FRAS3 (R\$270,016,343.00).

Financial Highlights (R\$ thousand) GRI 201-1

FINANCIAL HIGHLIGHTS (R\$ THOUSAND)	2024	2023	CHANGE (%)
Consolidated equity	2,251,485	1,861,114	20.98
Investments	165.8	133.7	24.01
Net Debt	258.2	59.5	333.95
ROE (last 12 months)	20	21.4	-6.54
ROIC (last 12 months)	15.6	19.3	-19.17

The data were taken from Frasle Mobility’s standardized financial statements, available at: <https://api.mziq.com/mzfilemanager/v2/d/23341a9d-be9a-4855-a251-1c1004aa997c/35f036cc-516a-1c90-8b4a-08befb9946f1?origin=2>.

Total monetary value of financial assistance received by the organization from any government during the reporting period GRI 201-4

TYPE OF ASSISTANCE	R\$
Tax benefits and credits	51,527,407.9
Investment, research and development and other significant grants and incentives	1,954,053.61
TOTAL	53,481,461.51

The government is not present in the shareholding structure of our organization. The reported financial assistance was received in Brazil. Key incentives include the Mover Program and “Lei do Bem”/PDI, in addition to assistance for research, development, and investment. FINEP is among the main sources of reimbursable funding for research and development projects. The funds received in 2023 were used for company-developed projects.

Number and percentage of employees who have received communications and training on anti-corruption policies and procedures, by region GRI 205-2

	2022		2023		2024	
	INFORMED	TRAINED	INFORMED	TRAINED	INFORMED	TRAINED
OVERSEAS						
North America						
Total number of employees in the year	-	-	58	-	-	-
Total number of employees who have received communications/training	-	-	0	0	-	-
Percentage of employees who have received communications/training (%)	-	-	0	0	-	-
South America						
Total number of employees in the year	-	-	131	-	-	-
Total number of employees who have received communications/training	-	-	131	131	-	-
Percentage of employees who have received communications/training (%)	-	-	100	100	-	-
BRAZIL						
Southeast						
Total number of employees in the year	-	-	877	-	-	174
Total number of employees who have received communications/training	-	-	877	121	174	0
Percentage of employees who have received communications/training (%)	-	-	100	13.8	100	0
South						
Total number of employees in the year	-	-	3,801	-	-	4,176
Total number of employees who have received communications/training	-	-	3,801	1,872	4,176	233
Percentage of employees who have received communications/training (%)	-	-	100	49.25	100	5.58

TOTAL					
Total number of employees in the year		5,046		4,867	4,350
Total number of employees who have received communications/training	4,628	880	4,809	2,124	4,350
Percentage of employees who have received communications/training (%)	91.00	17.00	98.80	43.60	100

The data includes employees who completed Code of Ethical Conduct training on the U-GRC Portal (Governance, Risk, and Compliance Universe).

Number and percentage of employees informed and trained on anti-corruption policies and procedures, by employee category GRI 205-2

	2023		2024	
	INFORMED	TRAINED	INFORMED	TRAINED
Executive Board				
Total workforce		6		8
Total number of employees who have received communications/training	6	6	8	1
Percentage of employees who have received communications/training (%)	100	100	100	12.50
Middle Management				
Total workforce		6		13
Total number of employees who have received communications/training	6	6	13	0
Percentage of employees who have received communications/training (%)	100	100	100	0
Coordinator				
Total workforce		35		39
Total number of employees who have received communications/training	35	35	39	3
Percentage of employees who have received communications/training (%)	100	100	100	7.69
Administrative				
Total workforce		325		1,640
Total number of employees who have received communications/training	325	54	1,640	229
Percentage of employees who have received communications/training (%)	100	16.60	100	13.96
Production/Operation				
Total workforce		4,370		2,563
Total number of employees who have received communications/training	4,370	1,865	2,563	154
Percentage of employees who have received communications/training (%)	100	42.70	100	6.01

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Apprentice				
Total workforce		95		64
Total number of employees who have received communications/training	95	24	64	0
Percentage of employees who have received communications/training (%)	100	25.26	100	0
Intern				
Total workforce		30		23
Total number of employees who have received communications/training	30	7	23	0
Percentage of employees who have received communications/training (%)	100	23.33	100	0
Total				
Total workforce		4,867		4,350
Total number of employees who have received communications/training	4,867	1,997	4,350	387
Percentage of employees who have received communications/training (%)	100	41.03	100	8.90

Workforce by category and gender GRI 405-1

CATEGORY	2022			2023			2024 ¹		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Executive Board									
Number	–	–	–	4	1	5	17	0	17
Percent	100%	0%	100%	80%	20%	100%	100%	0%	100%
Middle Management									
Number	–	–	–	15	2	17	85	10	95
Percent	88%	12%	100%	88%	12%	100%	89%	11%	100%
Coordinator									
Number	–	–	–	28	3	31	46	13	59
Percent	90%	10%	100%	90%	10%	100%	78%	22%	100%
Administrative									
Number	–	–	–	271	161	432	695	313	1,008
Percent	52%	48%	100%	63%	37%	100%	69%	31%	100%
Production/Operation									
Number	–	–	–	2,584	641	3,225	3,909	936	4,845
Percent	80%	20%	100%	80%	20%	100%	81%	19%	100%

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Intern									
Number	-	-	-	13	5	18	21	9	30
Percent	43%	57%	100%	72%	28%	100%	70%	30%	100%
Apprentices									
Number	-	-	-	36	32	68	52	40	92
Percent	75%	25%	100%	53%	47%	100%	56%	44%	100%
Total									
Number	-	-	-	2,951	844	3,795	4,825	1,321	6,146
Percent	80%	20%	100%	78%	22%	100%	79%	21%	100%

¹The data is inclusive of all Frasle Mobility operations.

Workforce by category and age group GRI 405-1

CATEGORY	2022		2023		2024 ¹	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Executive Board						
Under 30	-	0%	0	0%	0	0%
30 to 50	-	100%	5	100%	5	56%
Over 50	-	0%	0	0%	4	44%
Total	-	100%	5	100%	9	100%
Middle Management						
Under 30	-	0%	0	0%	0	0%
30 to 50	-	82%	14	82%	16	70%
Over 50	-	18%	3	18%	7	30%
Total	-	100%	17	100%	23	100%
Coordinator						
Under 30	-	3%	2	7%	1	2%
30 to 50	-	83%	24	77%	42	81%
Over 50	-	14%	5	16%	9	17%
Total	-	100%	31	100%	52	100%

¹Data was collected from the following Frasle Mobility operations: Caxias do Sul, Controil, Extrema, Fremax, Osasco, and Sorocaba.

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Administrative						
Under 30	-	23%	119	27%	167	22%
30 to 50	-	64%	280	65%	527	70%
Over 50	-	13%	33	8%	59	8%
Total	-	100%	432	100%	753	100%
Production/Operation						
Under 30	-	32%	981	30%	1,311	33%
30 to 50	-	55%	1,825	57%	2,263	56%
Over 50	-	13%	419	13%	433	11%
Total	-	100%	3,225	100%	4,007	100%
Interns						
Under 30	-	75%	18	100%	23	96%
30 to 50	-	25%	0	0%	1	4%
Over 50	-	0%	0	0%	0	0%
Total	-	100%	18	100%	24	100%
Apprentice						
Under 30	-	100%	67	100%	92	100%
30 to 50	-	0%	0	0%	0	0%
Over 50	-	0%	0	0%	0	0%
Total	-	100%	67	100%	92	100%
Total						
Under 30	-	-	1,187	31%	1,594	32%
30 to 50	-	-	2,148	57%	2,854	58%
Over 50	-	-	460	12%	512	10%
Total	-	-	3,795	0%	4,960	100%

¹Data was collected from the following Frasle Mobility operations: Caxias do Sul, Controil, Extrema, Fremax, Osasco, and Sorocaba.

Employees from minority and/or vulnerable groups, by employee category GRI 405-1

		2023		2024	
NUMBER OF EMPLOYEES IN MINORITY GROUPS		PERCENT	NUMBER OF EMPLOYEES IN MINORITY GROUPS	PERCENT	
PwDs¹					
Executive Board	0	0%	0	0%	
Middle Management	1	5.88%	0	0%	
Coordinator	0	0%	2	3.85%	
Administrative	19	4.17%	24	3.19%	
Production/Operation	142	4.40%	162	4.04%	
Intern	0	0%	0	0%	
Apprentice	0	0%	0	0%	
Total	162	4.24%	188	3.79%	
Immigrants¹					
Executive Board	-	-	0	0%	
Middle Management	-	-	0	0%	
Coordinator	-	-	2	3.85%	
Administrative	-	-	1	0.13%	
Production/Operation	-	-	526	13.13%	
Intern	-	-	0	0%	
Apprentice	-	-	2	8.33%	
Total	-	-	531	10.71%	

¹Data was collected from the following Frasle Mobility operations: Caxias do Sul, Controil, Extrema, Fremax, Osasco, and Sorocaba.

TAKING CARE OF PEOPLE

Total workforce by employment type and gender GRI 2-7

	2022			2023			2024		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
Men	3,976	392	4,368	3,619	544	4,163	3,655	0	3,655
Women	1,070	18	1,088	1,012	0	1,012	1,190	0	1,190
Total	5,046	410	5,456	4,631	544	4,631	4,845	0	4,845

Total workforce by employment contract and region GRI 2-7

EMPLOYMENT CONTRACT AND REGION	2022			2023			2024 ¹		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
North America	60	18	78	54	0	54	-	-	-
Asia	245	346	591	206	544	750	-	-	-
Europe	12	2	14	15	0	15	-	-	-
South America	287	4	291	275	0	275	-	-	-
Southeast	713	40	753	821	0	0	883	0	883
South	3,729	0	3,729	3,260	0	0	3,962	0	3,962
Brazil	4,442	40	4,482	4,081	0	0	4,845	0	4,845
Total	5,046	410	5,456	4,631	544	5,175	4,845	0	4,845

¹The data is inclusive of all Frasle Mobility operations but excludes apprentices and interns.

Workforce by employment type and gender¹ GRI 2-7

			2024
	FULL TIME	PART TIME	TOTAL
Men	3,642	13	3,655
Women	1,176	14	1,190
Total	4,818	27	4,845

¹All employees have guaranteed hours.

Workforce by employment type and region¹ GRI 2-7

			2024
	FULL TIME	PART TIME	TOTAL
Southeast	883	0	883
South	3,935	27	3,962
Brazil	4,818	27	4,845
Total	4,818	27	4,845

¹The data includes only the following Frasle Mobility operations: Caxias do Sul, Controil, Extrema, Fremax, Osasco, and Sorocaba.

Parental leave¹ GRI 401-3

	2022		2023		2024	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Total number of employees entitled to leave	4,368	188	3,952	1,142	3,706	1,230
Number of employees that took leave	56	28	105	44	92	47
Number of employees returning to work after leave	55	8	103	36	92	40
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	42	8	67	10	83	21
Return rate	98.2	28.6	98.1	81.8	100.0	87.0
Retention rate	76.4	100	81.7	83.3	80.6	52.5

¹The data includes only the following Frasle Mobility operations: Caxias do Sul, Controil, Extrema, Fremax, Osasco, and Sorocaba.

Employees covered by an occupational health and safety management system GRI 403-8

	2022				2023				2024			
	EMPLOYEES		WORKERS WHO ARE NOT EMPLOYEES (CONTRACTORS)		EMPLOYEES		WORKERS WHO ARE NOT EMPLOYEES (CONTRACTORS)		EMPLOYEES		WORKERS WHO ARE NOT EMPLOYEES (CONTRACTORS)	
Total number of individuals	5,046		389		5,648		301		6,495		647	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Individuals covered by such a system	4,361	82	389	100	5,648	100	301	100	6,495	100	647	100
Individuals who are covered by such a system that has been internally audited	3,289	62	373	96	3,620	64	204	68	4,783	73.64	180	27.82
Individuals who are covered by such a system that has been audited or certified by an external party	2,703	51	373	96	3,620	64	204	68	4,025	61.97	140	21.64

PLANET STEWARDSHIP

Environmental management investments MDN-FRAS5

TYPE OF INVESTMENT	AMOUNT INVESTED (R\$)
Waste treatment and transportation	7,472,629.24
Emissions treatment	2,276,592.47
Effluent treatment	1,726,361.07
Analyses (wastewater, waste, emissions, water and soil)	337,590.66
Environmental projects	17,312,684.8
Fees	294,699.69
Total	29,420,557.93

These projects include the boiler retrofit in 2024.

Rate (%) of raw material conversion into final products

MDN-FRAS6

Total amount of raw material (t)	131,295
Total amount of waste generated (t)	14,034
Raw material to final product conversion rate (%)	89.3

Total weight or volume of materials that are used to produce and package the organization’s primary products and services during the reporting period GRI 301-1

	2022	2023	2024
MATERIALS USED	QUANTITY (T)	QUANTITY (T)	QUANTITY (T)
Nonrenewable			
Steel	12,555	12,073	14,316
Aluminum	-	-	375
Barite	8,395	7,836	9,474
Rubber	-	-	635
Calcium carbonate	-	-	7,176
Kaolinite	-	-	2,302
Pig iron	11,666	11,906	7,380
Ferrosilicon	-	-	266
Metallic fiber	-	-	1,058
Brake fluid	-	-	632
Cast materials	-	-	2,524
Nitrogen gas	-	-	31
Graphite	-	-	7,869
Steel wool	-	-	405

*The “All other raw materials” item includes the following: graphitized carburant, petroleum coke, fiberglass, shock absorber oil, shims, and sericite.

	2022	2023	2024
MATERIALS USED	QUANTITY (T)	QUANTITY (T)	QUANTITY (T)
Nonrenewable			
Mono ethylene glycol	-	-	194
Exhaust dust	18,482	18,838	19,775
Iron powder	-	-	198
High-density polyethylene	-	-	48
Resin	11,202	14,165	15,273
Steel scrap	2,848	9,129	-
Barium sulfate	-	-	2,166
Pipes and fittings	-	-	4,575
All other raw materials¹	-	-	13,268
Total	65,148	73,947	109,941
Renewable			
Boxes	-	0.03	-
Container boxes	-	0.02	-
Total	-	0.05	-

¹The “All other raw materials” item includes the following: graphitized carburant, petroleum coke, fiberglass, shock absorber oil, shims, and sericite.

Percentage of raw materials or recycled materials used in the production of core products and services GRI 301-2

MATERIAL	2022	2023	2024
	PERCENTAGE (%)	PERCENTAGE (%)	PERCENTAGE (%)
Rubber	100	100	100
Exhaust dust	100	100	100
Exhaust dust – casting	100	100	100
Scrap steel	100	100	100
Cast iron scrap	-	-	100
Crude iron scrap	-	-	100
Polypropylene	-	-	100

Reclaimed products and their packaging materials GRI 301-3

Name of material	2022	2023	2024
	%	%	%
Brake linings	5	5	3
Brake discs	5	13.7	10
Recovered packaging – PAPER	22	30	32
Recovered packaging – PLASTIC	22	30	32

Energy intensity ratio for the organization GRI 302-3

	2022	2023	2024 ¹
Metric: hours worked	10,629,281.82	11,238,759.60	12,395,323.47
Total energy consumption within the organization (GJ)	763,409	793,521	796,795.83
Energy intensity	0.07	0.07	0.06

¹The following energy sources were included in the energy intensity rate: natural gas, diesel oil, LPG, gasoline, electricity (renewable/non-renewable), wood chips, and firewood.

Total terminations and turnover rate by age group GRI 401-1

2022						2023						2024
Age group	Total workforce	New hires	Terminations	Turnover rate	Total employees	New hires	Terminations	Turnover rate	Total employees	New hires	Terminations	Turnover rate
Under 30	-	958	679	46.86%	1,497	653	556	40.38%	1,479	1,048	614	56.19%
30 to 50	-	660	570	19.91%	2,962	567	557	18.97%	2,853	923	656	27.67%
Over 50	-	57	91	15.14%	635	33	66	7.8%	512	48	63	10.84%
Total	5,046	1,675	1,340	24.56%	5,094	1,253	1,179	23.87%	4,844	2,019	1,333	34.60%

Total terminations and turnover rate by gender GRI 401-1

Gender	2022				2023				2024			
	Total employees	New hires	Terminations	Turnover rate	Total employees	New hires	Terminations	Turnover rate	Total employees	New hires	Terminations	Turnover rate
Men	4,368	1,209	1,055	26.53%	3,952	916	911	23.11%	3,654	1,407	958	32.36%
Women	188	466	285	26.64%	1,142	337	268	26.49%	1,190	612	375	41.47%
Total	5,046	1,675	1,340	24.56%	5,094	1,253	1,179	23.87%	4,844	2,019	1,333	34.6%

Total new hires, terminations and turnover rate by region GRI 401-1

Region	2022				2023				2024 ¹			
	Total employees	New hires	Terminations	Turnover rate	Total employees	New hires	Terminations	Turnover rate	Total employees	New hires	Terminations	Turnover rate
North America	78	44	53	88.33%	54	38	38	70.37%	-	-	-	-
Asia	591	53	30	12.24%	246	49	32	16.46%	-	-	-	-
Europe	14	4	6	50.00%	15	9	10	63.33%	-	-	-	-
South America	291	49	58	20.21%	263	16	40	10.65%	-	-	-	-
Southeast	753	281	197	27.63%	80	255	244	30.80%	883	383	271	37.03%
South	3,729	1,244	996	26.71%	3,706	886	815	22.95%	3,961	1,636	1,062	34.06%
Brazil	4,482	1,525	1,193	26.86%	4,516	1,141	1,059	26.36%	4,844	2,019	1,333	34.6%
Total	5,046	1,675	1,340	24.56%	5,094	1,253	1,179	23.87%	4,844	2,019	1,333	34.6%

¹For 2024, the data is inclusive of the following Frasle Mobility operations: *Caxias do Sul, Controil, Extrema, Fremax, Osasco, and Sorocaba*, excluding apprentices and interns.

Average hours of training for employees during the period covered by this report, by gender **GRI 404-1**

	2022	2023	2024
Gender	Average hours of training	Average hours of training	Average hours of training
Men	17.9	17.3	18.4
Women	14.2	14.0	18.0

Average hours of training for employees during the period covered by this report, broken down by employee category **GRI 404-1**

	2022	2023	2024
Employee category	Average hours of training	Average hours of training	Average hours of training
Executive Board	14.1	6.2	2.5
Middle Management	41.1	43.5	24.0
Coordinator	38.6	53.4	28.3
Administrative	37.0	25.8	23.1
Production/ Operation	14.5	15.0	17.5
Apprentice	5.0	0.4	9.1
Intern	8.6	24.4	11.2

Note: the data are for operations in Brazil.

Workforce by region and gender¹ **GRI 2-7, RT-IG-000.B**

	2022			2023			2024		
Region	Men	Women	Total	Men	Women	Total	Men	Women	Total
North America	-	-	78	38	16	54	36	16	52
Asia	-	-	591	728	22	750	874	23	897
Europe	-	-	14	12	3	15	79	14	93
South America	-	-	291	227	48	275	109	29	138
Southeast	-	-	753	572	249	821	658	225	883
South	-	-	3,729	2,586	674	3,260	2,997	965	3,962
Brazil	-	-	4,482	3,158	923	4,081	3,655	1,190	4,845
Total	4,368	1,088	5,046	4,163	1,012	5,175	4,753	1,272	6,025

¹The data includes all Frasle Mobility operations: Caxias do Sul, Controil, Extrema, Fremax, Osasco, and Sorocaba, excluding apprentices and interns. The total number of employees was calculated through a direct headcount, including all registered employees.

Number of workers who are not employees but whose work is controlled by the organization, by gender¹ **GRI 2-8**

	2023			2024		
Employee category	Men	Women	Total	Men	Women	Total
Apprentices	36	32	68	52	40	92
Interns	13	5	18	18	9	27
Total	49	37	86	70	49	119

¹Frasle Mobility has a total of 218 outsourced workers who provide services—including catering, security, and cleaning services—without a direct employment relationship.

Percentage of women in leadership positions¹

PERCENTAGE OF WOMEN IN LEADERSHIP POSITIONS	
Number of employees in leadership positions	165
Number of women in leadership positions	25
Inclusion of women in leadership positions (%)	15.15%

Percentage of women in leadership by category¹

C-SUITE	
Number of employees in C-suite positions	1
Number of women in C-suite positions	0
Percentage of women in C-suite positions (%)	0%
EXECUTIVE BOARD	
Number of employees in Executive Board positions	9
Number of women in Executive Board positions	0
Percentage of women in Executive Board Positions (%)	0%
MIDDLE MANAGEMENT	
Number of employees in Middle Management positions	23
Number of women in Middle Management positions	4
Percentage of women in Middle Management positions (%)	17.39%
COORDINATOR	
Number of employees in Coordinator positions	52
Number of women in Coordinator decisions	11
Percentage of women in Coordinator positions (%)	21.15%
LEADERSHIP	
Number of employees in Leadership positions	80
Number of women in leadership positions	10
Percentage of women in leadership positions (%)	12.5%

¹The figures are reported in line with the women in leadership disclosure, which is tracked by Randoncorp in meetings with the Executive Committee (Comex). Women in leadership data is tracked for the following operations: Controil, Caxias do Sul, Fremax, Sorocaba, Extrema, and the Osasco Research and Development Center

Work-related injuries GRI 403-9, 403-10

	2022		2023		2024	
	Employees	Workers who are not employees (contractors)	Employees	Workers who are not employees (contractors)	Employees	Workers who are not employees (contractors)
Number of hours worked	10,629,281	765,818	11,495,520.55	856,667.88	11,959,265	2,012,476
Number of fatalities as a result of work-related injuries	0	0	0	0	0	0
Rate of fatalities as a result of work-related injuries	0	0	0	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	1	0	0	0	1	0
Rate of high-consequence work-related injuries (excluding fatalities)	0.09	0	0	0	0.08	0
Number of recordable work-related injuries (including fatalities)	115	3	118	5	259	25
Rate of recordable work-related injuries (including fatalities)	10.82	3.92	143.71	46.69	21.66	12.42
Number of fatalities as a result of work-related ill health	0	0	0	0	0	0
Number of cases of recordable work-related ill health (including fatalities)	3	0	4	0	4	0

Based on hours worked: 1,000,000 hours. Main types of occupational injuries in 2024: The main types of occupational injuries in 2024 were injuries to the upper limbs (fingers, hands, and arms). The most common types of occupational illnesses in 2024 were hearing loss caused by occupational noise exposure and musculoskeletal disorders.

Water withdrawal, discharge and consumption (ML) GRI 303-3, 303-4, 303-5

	2022		2023		2024	
	ALL AREAS	AREAS WITH WATER STRESS	ALL AREAS	AREAS WITH WATER STRESS	ALL AREAS	AREAS WITH WATER STRESS
Water withdrawal						
Surface water	0	0	0	0	0	0
Groundwater	110.30	0.00	126.10	13.41	121.35	9.85
Third-party water (purchased)	95.50	4.15	88.93	16.25	62.48	18.05
Total	205.80	4.15	215.03	29.66	183.83	27.90
Water discharge						
Surface water	39.40	0	47.60	0	50.08	2.13
Utility water	0	0	7.36	3.12	1.15	0.1
Total	39.40	0	54.96	3.12	51.23	2.23
Water consumption						
Total	166.40	4.15	160.07	26.54	132.60	25.67

Note: Water consumption data was derived from water bills and internal controls at each site. Water discharge data was compiled based on effluent outflow records for each site. Water consumption monitoring included measurements using flow meters on wells and bills from the public water utilities. Discharge data was derived from each company's flow monitoring systems. In the case of Juratek, Frasle China, and Frasle Europe, estimates were made using the formula: number of employees multiplied by 50L or 70L per 220 days.

CAPITALS MAP

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MANUFACTURED
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INTELLECTUAL
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FINANCIAL
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HUMAN
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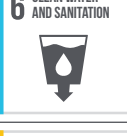













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SDG MAP

SUSTAINABLE DEVELOPMENT GOALS		PAGES
	1. No poverty	57, 60, 65
	2. Zero hunger and sustainable agriculture	-
	3. Health and well-being	62, 64
	4. Quality education	58, 65
	5. Gender equality	59, 61
	6. Clean water and sanitation	70, 72
	7. Affordable and clean energy	13, 79, 92
	8. Decent work and economic growth	35, 39, 54, 60
	9. Industry, innovation and infrastructure	41, 42, 47, 74

SUSTAINABLE DEVELOPMENT GOALS		PAGES
	10. Reduced inequalities	56, 58, 60, 66
	11. Sustainable cities and communities	43, 74, 79
	12. Responsible consumption and production	40, 74
	13. Climate action	43, 79
	14. Life below water	70
	15. Life on land	74, 75
	16. Peace, justice and strong institutions	39, 41, 54
	17. Partnerships for the goals	46, 54

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GRI CONTENT INDEX

GRI CONTENT INDEX

GRI CONTENT INDEX

STATEMENT OF USE	Frasle Mobility reported the information in this GRI Content Index for the period from January 1 to December 31, 2024, in accordance with the GRI Standards.
GRI 1 USED	GRI 1: Foundation 2021

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	SDGS
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-1 Organizational details	Our headquarters are located at RS 122, Km 66, No. 10945 – Forqueta, RS, 95115-550.	
	2-2 Entities included in the organization’s sustainability reporting	4, 83	
	2-3 Reporting period, frequency and contact point	4	
	2-4 Restatements of information	21, 45	
	2-5 External assurance	4	
	2-6 Activities, value chain and other business relationships	12, 15	
	2-7 Employees	22, 90, 96	8, 10
	2-8 Workers who are not employees	96	8
	2-9 Governance structure and composition	28, 29	5, 16
	2-10 Nominating and selecting the highest governance body	28	5, 16
	2-11 Chair of the highest governance body	28	16
	2-12 Role of the highest governance body in overseeing the management of impacts	21, 28, 38, 70	16
	2-13 Delegation of responsibility for managing impacts	38	
	2-14 Highest governance body’s role in sustainability reporting	4	
	2-15 Conflicts of interest	37	16
	2-16 Communicating critical concerns	38	
	2-17 Collective knowledge of the highest governance body	30	
	2-18 Evaluating the highest governance body’s performance	30	
	2-19 Remuneration policies	33	
	2-20 Process for determining remuneration	33	
	2-21 Annual total compensation ratio	Information confidential	
	2-22 Statement on sustainable development strategy	7	
	2-23 Policy commitments	35	16

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	SDGS
	2-24 Embedding policy commitments	27, 28, 43	
	2-25 Processes to remediate negative impacts	37	
	2-26 Mechanisms for seeking advice and raising concerns	37	16
	2-27 Compliance with laws and regulations	There were no significant instances of noncompliance with laws and regulations. We define as significant any non-compliance incident that could lead to relevant economic or reputational impacts, especially when resulting from the deliberate violation of laws or legal regulations.	
	2-28 Membership associations	16	
	2-29 Approach to stakeholder engagement	57	
	2-30 Collective bargaining agreements	Currently, 78.9% of the total workforce is covered by collective bargaining agreements. In Brazil, this percentage is even higher, reaching 96.1%.	8
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	5	
	3-2 List of material topics	5, 6	
Attracting, developing and retaining employees			
GRI 3: Material Topics 2021	3-3 Management of material topics	54	
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	At our Caxias do Sul site, a significant location of operation, the lowest entry-level wage paid—regardless of gender—is R\$ 1,976, in line with the minimum wage set by law or collective bargaining agreements.	5, 8
GRI 202: Market presence 2016	202-2 Proportion of senior management hired from the local community	75% of Executive Board members at significant locations of operation were hired from the local community. This disclosure includes only our operations in Brazil, using our corporate offices as a reference.	8
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	22, 94, 95	4, 5, 8, 10
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	55	3, 5, 8
GRI 401: Employment 2016	401-3 Parental leave	91	5, 8
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	21, 96	4, 5, 8, 10
GRI 404: Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	54, 55, 56, 58, 59, 61	8
GRI 404: Training and education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	22	5, 8, 10
SASB RT-IG-000.B	RT-IG-000.B Number of employees	96	

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GRI CONTENT INDEX

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	SDGS
Human Rights and Labor Relations			
GRI 3: Material Topics 2021	3-3 Management of material topics	43, 54, 57	
GRI 402: Labor/management relations 2016	402-1 Minimum notice periods regarding operational changes	We provide a minimum notice period of 1.5 weeks to inform employees about significant operational changes, in accordance with the legal provisions set out in our Collective Labor Agreement and Collective Bargaining Agreement. These changes are communicated through internal channels and direct communication between management and leadership.	8
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	In 2024, no cases of discrimination were reported to the Risk and Compliance Management team.	5, 8
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	As has been the case since 2021, there were no incidents or significant risks of violation of workers' rights to exercise freedom of association or collective bargaining in reported operations.	8
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	57	5, 8, 16
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	43	5, 8
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	During the reporting period, 100% of security personnel (80 professionals) received formal training on human rights and their application in security activities. In addition, security contractors participate in onboarding training that covers established requirements as well as our specific policies and procedures.	16
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	43	5, 8, 16
GRI 414:Supplier social assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	43	5, 8, 16
Ethics, integrity and compliance			
GRI 3: Material Topics 2021	3-3 Management of material topics	35	
GRI 201: Economic performance 2016	201-4 Financial assistance received from government	84	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	43	16
	205-2 Communication and training about anti-corruption policies and procedures	36, 84, 85	16
	205-3 Confirmed incidents of corruption and actions taken	In 2024, no cases of corruption were recorded.	16
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	The organization had no pending or concluded legal actions during the reporting period related to unfair competition, trust practices or monopoly.	16
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	43	
GRI 308: Supplier environmental assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	43	

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GRI CONTENT INDEX

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	SDGS
Product lifecycle management			
GRI 3: Material Topics 2021	3-3 Management of material topics	81	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	92	8, 12
GRI 301: Materials 2016	301-2 Recycled input materials used	94	8, 12
GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials	94	8, 12
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	73	3, 6, 8, 11, 12
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	73	3, 6, 8, 11, 12
GRI 306: Waste 2020	306-3 Waste generated	75, 76	3, 6, 11, 12
GRI 306: Waste 2020	306-4 Waste diverted from disposal	76	3, 11, 12
GRI 306: Waste 2020	306-5 Waste directed to disposal	76	3, 6, 11, 12, 15
SASB: TR-AP-150a.1	TR-AP-150a.1 (1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled	76	
FRAS6	FRAS6 Raw material conversion rate	92	
Innovation and technology			
GRI 3: Material Topics 2021	3-3 Management of material topics	45	
FRAS2	FRAS2 Research, Development, and Innovation: i) description of the R&D&I strategy and structure; ii) amount invested in R&D&I; iii) potential revenue from new projects in the current pipeline; v) innovation index.	46, 47	
FRAS4	FRAS4 Number of innovation and R&D projects in sustainable mobility.	47 List of sustainable mobility projects: 81.80.007 – Fender support for LAG Trailers; 81.80.008 – Fender support for Iveco; 81.80.009 – Fender support for VWCO; 81.80.011 – Fender support for MBB; 81.80.012 – Fender support for Iveco II; Zurich Project – Onboard electronics for sustainable mobility; Zaragoza Project – Thermoplastic composite materials project – recyclability; Paris Project – Composite material project to lightweight automotive components for road freight transport; Ohio Trucks Project – Composite materials for mass reduction applied to suspension systems; Torres Project – Composite materials for single-wire profiles with thermoplastic matrices aimed at weight reduction; Lignin Resin Project (80.00.094); FINEP Blocks 4.0 Project; Low and High Friction Railway Brake Shoe Projects (81.60.026, 81.60.097); Tannin Adhesive Project (80.00.097); Champs Élysées Project – Development of inorganic matrix polymers for use in tools and automotive components.	
Climate change and air quality			
GRI 3: Material Topics 2021	3-3 Management of material topics	44	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	80	7, 8, 12, 13

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	SDGS
GRI 302: Energy 2016	302-3 Energy intensity	94	7, 8, 12, 13
GRI 302: Energy 2016	302-4 Reduction of energy consumption	80	7, 8, 12, 13
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	77	3, 12, 13, 14, 15
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	77	3, 12, 13, 14, 15
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	78	3, 12, 13, 14, 15
GRI 305: Emissions 2016	305-4 GHG emissions intensity	77, 78	13, 14, 15
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	77	13, 14, 15
SASB: TR-AP-130a.1	TR-AP-130a.1 (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	80	
SASB: RT-IG-130a.1	RT-IG-130a.1 (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	80	
SASB: TR-AP-410a.1	TR-AP-410a.1 Revenue from products designed to increase fuel efficiency or reduce emissions	In 2024, Composs generated net revenue of R\$ 12,903,000, as shown in our statement of income. This amount refers to the sale of components designed to improve fuel efficiency by reducing weight compared to conventional versions supplied to OEMs.	
FRAS5	FRAS5 Amount invested in environmental management initiatives	22, 92	
Employee health, safety and well-being			
GRI 3: Material Topics 2021	3-3 Management of material topics	62, 63	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	62	8
	403-2 Hazard identification, risk assessment, and incident investigation	63	8
	403-3 Occupational health services	64	8
	403-4 Worker participation, consultation, and communication on occupational health and safety	63	8, 16
	403-5 Worker training on occupational health and safety	64	9
	403-6 Promotion of worker health	64	3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	We do not track risks and hazards pertaining to activities performed by workers in operations or business partners that are not under our direct control. This is because such activities are not included in the scope of our occupational health and safety (OHS) management system.	8
GRI 403: Occupational health and safety 2018	403-8 Workers covered by an occupational health and safety management system	91	8
	403-9 Work-related injuries	97	3, 8, 16
	403-10 Work-related ill health	97	
		During the reporting period, no work-related deaths due to occupational illness were reported. At Fras-le S.A., four cases of recordable occupational diseases were reported: three cases of noise-induced hearing loss and one case of a musculoskeletal disorder. The main risk factors associated with these cases were noise and ergonomic hazards. To mitigate these risks, we apply root cause analysis methodologies and implement action plans to eliminate or control them.	3, 8, 16
Data privacy and security			
GRI 3: Material Topics 2021	3-3 Management of material topics	39	

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GRI CONTENT INDEX

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	SDGS
GRI 418: Customer privacy 2016	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	As in the past three years, there were no incidents of privacy breaches or customer data loss.	16
Product safety and excellence			
GRI 3: Material Topics 2021	3-3 Management of material topics	40	
GRI 416: Consumer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	All relevant product or service categories undergo a rigorous health and safety impact assessment to identify opportunities for improvement.	
FRAS 1	FRAS1 Product quality and safety (OEM PPM, cost of poor quality, overall scrap, warranty costs, productivity)	40	
FRAS3	FRAS3 Operational efficiency (parts produced, production capacity)	40, 83	
NON-MATERIAL TOPICS			
Topics		Location	
GRI 201: Economic performance 2016			
201-1 Direct economic value generated and distributed		21, 83	
GRI 203: Indirect economic impacts 2016			
203-1 Infrastructure investments and services supported		67	
GRI 303: Water and effluents 2018			
303-1 Interactions with water as a shared resource		70	
303-2 Management of water discharge related impacts		70	
303-3 Water withdrawal		22, 98	
303-4 Water discharge		98	
303-5 Water consumption		98	
GRI 405: Diversity and equal opportunity 2016			
405-1 Diversity of governance bodies and employees		29, 86, 87, 89	
GRI 413: Local communities 2016			
413-1 Operations with local community engagement, impact assessments, and development programs		65	
413-2 Operations with significant actual or potential negative impacts on local communities		In general, our operations do not cause significant negative impacts on local communities. However, potential impacts may arise, such as environmental pollution, noise, and the depletion of local resources, especially in regions affected by water stress. Although the likelihood of these impacts occurring is considered low, their identification informs risk monitoring and management to ensure the protection of both communities and the environment.	

NON-MATERIAL TOPICS	
Topics	Location
Frasle Mobility disclosures	
FRAS7 Number of suppliers	22
FRAS8 Amount invested in social initiatives	22
FRAS9 Amount spent under supplier contracts	22
FRAS10 Number of people benefited by the Elisabetha Randon Institute	22, 65

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INDEPENDENT ASSURANCE STATEMENT

INTRODUCTION

Bureau Veritas Certification Brazil (Bureau Veritas) was contracted by Fras-le S.A. (FRASLE MOBILITY) to conduct an independent assurance of its 2024 Sustainability Report (hereinafter referred to as the Report).

The information published in the Report is the sole responsibility of FRASLE MOBILITY's management. Our responsibility is defined according to the scope below.

SCOPE OF WORK

The scope of this verification was based on the analysis of compliance with the GRI Sustainability Reporting Standards (GRI Standards), including the Principles¹ of the Global Reporting Initiative™ (GRI) and specific Sustainability Accounting Standards Board (SASB) indicators, and refers to the reporting period from January 1 to December 31, 2024.

In geographical terms, we clarify that we verified data and information from FRASLE at a global level.

RESPONSIBILITIES OF FRASLE MOBILITY AND BUREAU VERITAS

The preparation, presentation, and content of the Report are the sole responsibility of FRASLE MOBILITY's management. Bureau Veritas is responsible for providing an independent opinion to Stakeholders, in accordance with the scope of work defined in this statement.

METODOLOGY

The assurance encompassed the following activities:

1. Interviews with those responsible for material topics and the Report's content.
2. Remote verification of corporate and operational systems and processes used to generate consolidated data and information presented in the Report.
3. Verification of information presentation in accordance with the Principles that ensure the Report's quality, as per GRI Standards.
4. Analysis of documentary evidence provided by FRASLE MOBILITY for the period covered by the Report (2024).



5. Analysis of stakeholder engagement activities developed by FRASLE MOBILITY.
6. Evaluation of the systematic approach used to determine material topics included in the Report, considering the sustainability context and comprehensiveness of published information.

The verification level adopted was Hybrid (Limited* and Reasonable**), in accordance with the requirements of ISAE 3000 standard, incorporated into Bureau Veritas' internal protocol.

* Limited verification level: International scope.

** Reasonable verification level: All indicators within Brazil scope.

LIMITATION AND EXCLUSIONS

The following were excluded from this verification:

- Activities outside the reported period.
- Position statements (expressions of opinion, belief, goals, or future intentions) by FRASLE MOBILITY.
- Accuracy of economic and financial data contained in this Report, extracted from financial statements verified by independent auditors.
- Greenhouse Gas (GHG) emissions inventory, including energy data, verified by independent auditors.
- Data and information from affiliated companies or outsourced collaborators over which FRASLE MOBILITY has no operational control.

The following limitations were applied to this verification:

- The principles of Accuracy and Verifiability were analyzed on a sample basis, exclusively in light of the information and data related to material topics presented in the Report.
- The economic information presented in the Report was specifically verified against the GRI principles of Balance and Completeness.

OPINION ON THE REPORT AND ASSURANCE PROCESS

- FRASLE MOBILITY presents its Report based on nine material topics defined in a double materiality study conducted in 2023. In 2024, the company maintained these material topics as there were no significant changes in operations.
- It is our understanding that FRASLE MOBILITY's Report presents the impacts of the company's activities in a balanced manner.

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GRI CONTENT INDEX



- FRASLE MOBILITY demonstrated an adequate method of data collection and compilation in relation to the GRI Principle of Accuracy, making it possible to ensure the traceability of reported data and indicators. We found that, in 2024, there was a significant improvement in the unification and standardization of data management compared to 2023, with a significant gain in the verifiability of indicators.
- Regarding the principle of completeness, we verified that the information provided in the Report was sufficient to allow an assessment of the organization's impact during the reporting period. The financial and socio-environmental impacts were related to the organization's business strategy, considering both the risk perspective and the opportunities of its internal and external flows.
- We verified that FRASLE MOBILITY avoided sending 96% of industrial waste generated to landfills through material reuse and implementation of sustainability-oriented policies, aligned with its public commitment to eliminating waste disposal in industrial landfills by 2025.
- Similarly, we verified significant progress in the goal of reducing Greenhouse Gas (GHG) emissions. FRASLE MOBILITY reduced its emission intensities by 27% compared to 2023. This result was achieved in accordance with FRASLE MOBILITY's ESG strategy, with emphasis on the decommissioning of diesel generators and the start of Caldeira Verde Boiler operations.
- The data presented to meet the GHG emission indicators are part of FRASLE MOBILITY's GHG emissions inventory. We found that FRASLE MOBILITY's inventory data were verified in the external assurance process of the parent company's inventory. The presentation of inventory data followed the GRI Standards.
- Inconsistencies found in the Report were adjusted during the verification process and satisfactorily corrected.

CONCLUSION

As a result of our verification process, nothing has come to our attention that could indicate that:

- The information provided in the Report is not balanced, consistent, and reliable.
- FRASLE MOBILITY has not established appropriate systems for the collection, compilation, and analysis of quantitative and qualitative data used in the Report.
- The Report does not adhere to the principles of quality and presentation of information and is not in compliance with the GRI Standards.

DECLARATION OF INDEPENDENCE AND IMPARTIALITY

Bureau Veritas Certification is an independent professional services company specializing in Quality, Health, Safety, Social, and Environmental management with over 195 years of experience in independent assessment services. Bureau Veritas has implemented and applies a Code of Ethics throughout its business to ensure that its employees maintain the highest standards in their daily activities. We are particularly attentive to prevention concerning conflicts of interest.



The verification team has no other connection with FRASLE, other than the independent verification of the Sustainability Report. We understand that there is no conflict between other services performed by Bureau Veritas and this verification conducted by our team.

The team that conducted this verification for FRASLE has extensive knowledge in verifying information and systems involving environmental, social, health, safety, and ethical issues, which, combined with experience in these areas, allows us a clear understanding of the presentation and verification of good corporate responsibility practices.

CONTACT

<https://www.bureauveritas.com.br/pt-br/fale-com-gente>

Sao Paulo, May 2025

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Page 19 – Photos: Biggest and Best in Transportation Awards 2024; IAAF

Annual Awards; SINDIREPA-SP Best of the Year Awards.

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**PROJECT MANAGEMENT, CONSULTING,
CONTENT AND DESIGN - GRUPO REPORT**

DISCLOSURES COMPILATION – ESG HUB

PROOFREADING

Fábio Valverde

RANDONCORP



FRASLE
MOBILITY

**FOR FURTHER
INFORMATION**



DETAILED RESULTS, WITH
COMMENTARY BY MANAGEMENT:
FINANCIAL STATEMENTS

GENERAL OVERVIEW OF
RELEVANT BUSINESS MATTERS:
ANNUAL MANAGEMENT REPORT