



SUSTAINABILITY REPORT

2023

KEEP
LIFE
IN
MOTION

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ABOUT THIS REPORT

WE ARE HAPPY YOU ARE JOINING US FOR THE FRASLE MOBILITY'S SUSTAINABILITY REPORT 2023

This document reaffirms our commitment to be transparent to our stakeholders, reporting the main financial, environmental, social, and governance highlights of our business.

The following pages describe how we create value for our employees, customers, suppliers, investors, communities, and other stakeholders, disclosing information covering the period between January 01 and December 31, 2023.

In our continuous search to improve our ESG (Environmental, Sustainability, Governance) pillars, we have drafted this Report based on an in-depth study of the themes that are most pertinent to the sustainability of our business (see more on [page 6](#)). The indicators cover all our operations, any exceptions are noted in the text. **GRI 2-2**



Amanda Maria de Melo

Best practices GRI 2-3

Should you have any questions or suggestions about the issues presented in the Sustainability Report, please contact us by e-mail: ri@fraslemobility.com



For the fifth consecutive year our report follows the guidelines of the Global Reporting Initiative (GRI), a voluntary standard adopted by organizations across diverse industries and countries to report sustainability. Our 2023 report is based on the 2021 version of the GRI. The indicators are signaled throughout the report as GRI-XX.

A full list of the indicators is available in the Summary of GRI Indicators [on page 97](#).



Sustainable Development Goals (SDGs), defined by the United Nations (UN) to engage organizations across the world in sustainable development targets, are another guideline used in this report. [Page 8](#) lists the priority SDGs for our business, and how we contribute to achieving them. Throughout this document you will find the SDGs addressed in each section, signaling how the measures developed contributed to achieving one or more of the SDGs. A map showing which pages contain content relevant to each SDG impacted is available at the end of the report ([page 96](#)).



For the third time we are adopting the guidelines of the Sustainability Accounting Standards Board (SASB), a voluntary standard to report industry sustainability. Throughout this document, we present the indicators under the acronym SASB-XX. A complete list of indicators is available at the end of the report ([page 97](#)).



For the fourth consecutive year, our report also follows the Integrated Reporting guidelines of the International Integrated Reporting Council (IIRC), which shows the interdependence among the business capitals and their relevance to long-term value creation. At the start of each chapter you will find an indication of the capital addressed. At the end of the document, the capitals map ([on page 96](#)) pinpoints the pages where each of them is mentioned.

Approval of the Sustainability Report

GRI 2-14

The Sustainability Report is reviewed by Frasle Mobility governance bodies, that confirm the content. The Board of Directors receives the reviewed material before it is disclosed, and may manifest itself prior to publication.

MATERIALITY GRI 3-1, 3-2

In 2023, Frasle Mobility took a further step and, for the first time ever, created a process to define its double materiality. For this, the Company retained the support of a specialized consulting firm to gather the most relevant themes connected to the possible financial and socioenvironmental issues related to our business strategy from the point of view of risk and opportunities regarding flows within and outside the Company.

While double materiality is not yet a requirement of the standards used to draft this report, Frasle Mobility chose to adopt this process to bring further transparency to the content of interest to its diverse stakeholders, whom we also heard, in addition to senior management, in preparing this report.

The process was structured into five steps:

1. Definition of the project purpose, scope, and tools.

A list of macro-themes customized for Frasle Mobility was prepared using the consulting firm’s proprietary taxonomy, internal Company documents, and themes defined by industry standards (SASB and MSCI ESG Industry Materiality Map). The process to identify impacts included direct and value chain activities.

2. Stakeholder mapping and material topic list refinement.

In addition to in-depth interviews with representatives of the Company’s senior management and stakeholder groups such as communities, service providers, employees, survivors, customers, and others were mapped and heard in group interviews or online queries. The key criteria to prioritize material themes and their impact included severity, probability, and relevance.

Test performed	Prioritization criteria	Stakeholders involved	Method
Financial	Likelihood and magnitude of financial impacts	Board of Executive Officers, Controlling Shareholder, governance bodies, fund managers, financial analysts, and corporate partners (joint ventures)	Interviews and online queries
Social & environmental	Type of impact, likelihood, reversibility (for negative impacts), intensity, and extension of the impact	In-house specialists	Interviews and working groups
Perceived relevance	Assessment of the importance of the themes	Customers, employees, service managers, contractor employees, suppliers, community ladders, and individuals or families supported by social organizations, investors, commercial partners such as CKD (Randon), franchisees, and Randon consortia and distributors	Online surveys

3. Topic prioritization from the stakeholders' perspective.

In this step, the themes were classified into Environmental, Social, and Governance using the nomenclature of the Company's ESG ambition (Planet, People, and Business).

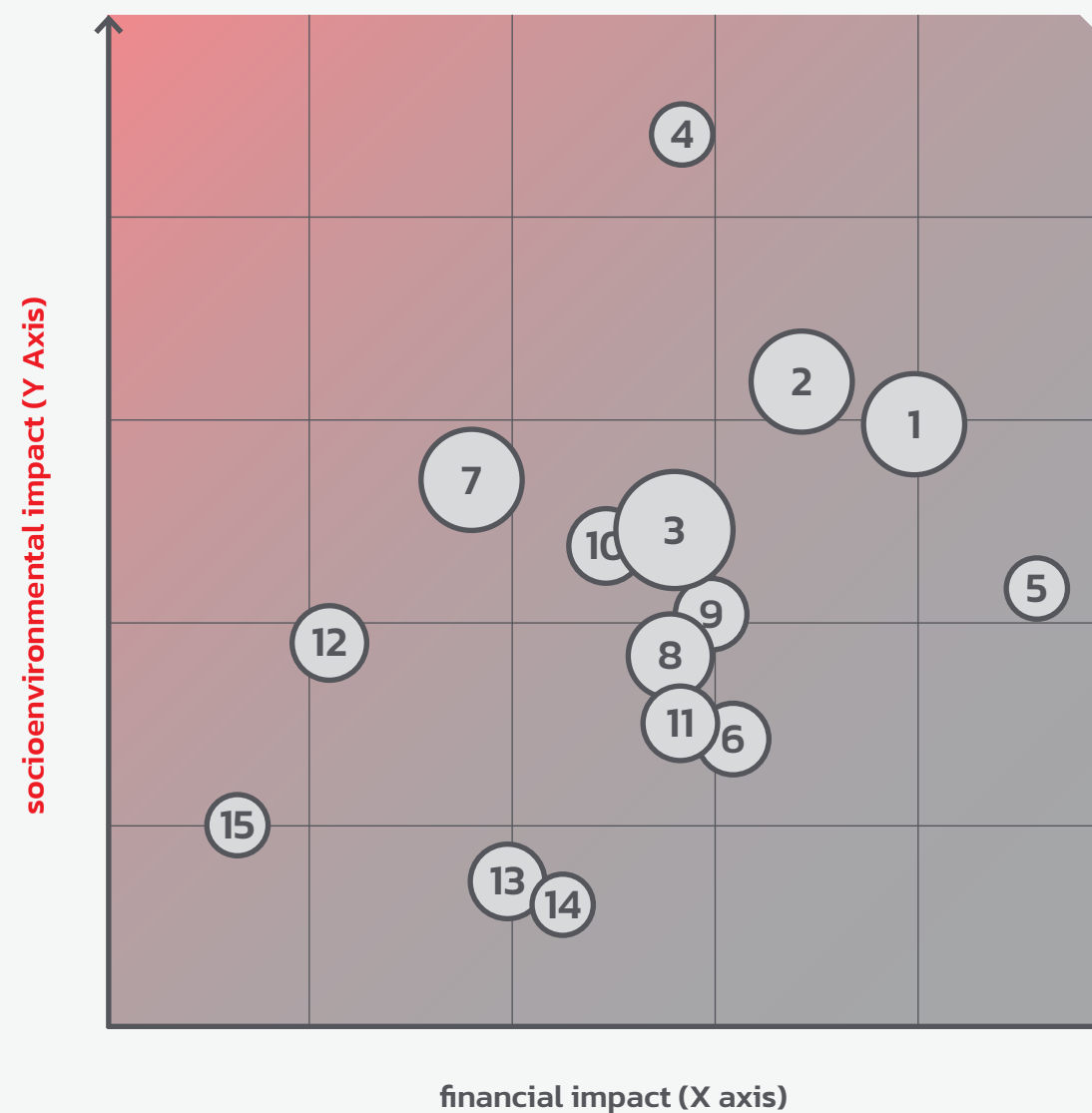
4. Analysis of the results and development of a materiality matrix with recommendations.

The responses of the various stakeholders were broken down into dimensions that guided the design of the materiality matrix.

5. Validation with senior leadership.

Following the prioritization and analysis process, Frasle Mobility's senior leadership validated the nine themes resulting from the previous step. The Board of Directors, the highest governance body, monitored the materiality process. The controlling group's Executive Committee validated the themes. A board of directors (BoD) member coordinates the company's ESG Committee.

Materiality matrix



- ① Innovation and technology
- ② Product Safety and Excellence
- ③ Ethics, integrity and compliance
- ④ Climate change and air quality
- ⑤ Data privacy and security
- ⑥ Employee health, safety and well-being
- ⑦ Human rights and labor relations
- ⑧ Attracting, developing and retaining employees
- ⑨ Waste management
- ⑩ Product lifecycle management
- ⑪ Supply chain management
- ⑫ Diversity, inclusion and equity
- ⑬ Water and wastewater management
- ⑭ Energy efficiency
- ⑮ Community engagement

MATERIAL TOPICS

GRI 3-2

BUSINESS

Product safety and excellence

Management and investments to ensure high-quality products and services for the automotive industry, ensuring efficiency and focusing on the safety of the end user as well as chemical safety, managing the socioenvironmental impact from our products. Also investing to mitigate the potential reputation and regulatory risks resulting from inappropriate practices in product marketing and sales.

SDGS

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.

SDGS

Innovation & technology

Investments in innovation, and connection to the overall ecosystem in the search of breakthrough solutions that enable adapting our products to new industry scenarios and trends, and changes in the business model.

SDGS

Data privacy and security

Secure collection and retention of sensitive and confidential data, ensuring cybersecurity and privacy, and using data according to applicable personal data protection laws.

SDGS

PLANET

Climate change and air quality

Greenhouse Gas (GHG) management, including emissions resulting from the burning of fossil fuels (crude oil, natural gas, and coal) to generate the energy used to run our own vehicles and manage atmospheric pollution, considering the impact of fleet and equipment emissions.

SDGS

Product lifecycle management

Assessment of the impact throughout the product's lifecycle, seeking to map and reduce its ecological footprint, introducing different raw materials, and innovating product design to improve performance and diminish socioenvironmental impact.

SDGS

PEOPLE

Employee health, safety and well-being

Protecting 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.

SDGS

Human rights and labor relations

Ensure internal processes that inhibit and solve any violation of human and labor rights in company operations and those of its supply chain.

SDGS

Changes to the material topics compared to the previous reporting period:

- Segregation* of the Water and effluent topics; Diversity and inclusion, and valuable Relationships

* The topics excluded continue to be monitored by the Company as, while not a priority, they are important for sustaining the initiatives that are part of the strategic plan, as described under ESG Ambition ([see page 24](#)). **GRI 2-4**

Attracting, developing and retaining employees

Mechanisms linked to people management and culture to drive engagement, implementing strategies for employee training, development, and recognition, seeking to reduce turnover and improving the company's performance as a brand that delivers.

SDGS

MESSAGE FROM OUR LEADERSHIP

GRI 2-22

We are a global company that prioritizes product and service safety and innovation, offering comprehensive solutions for customers and partners. In 2023, we consolidated a new brand identity: Frasle Mobility, which will guide our journey of international growth and development while maintaining our commitment to keep life in motion.

In all our initiatives, we seek to reinforce the recognition of our role as a reference in providing mobility solutions. We are an ecosystem comprised of a complete portfolio of movement-control products, with iconic brands and complementary services for the autoparts replacement market. More importantly, we have a unique team with ample experience and skills focusing on executing our strategy, helping build our legacy for the coming decades.

We point out that, at the time this report was issued, the situation in the state of Rio Grande do Sul, where Frasle was born and where many of its operations are located, was extremely complex. The state was impacted by historically heavy rains that created an unprecedented catastrophe. Frasle and Randoncorp have been working to support our employees and the communities impacted in

diverse ways, implementing all necessary measures to adjust our operations to the scenario, prioritizing safety above all.

To fulfill our mission of keeping life in motion with smart and sustainable solutions, we continue investing to reach the ambitions outlined in our ESG ambitions. Among our positive environmental impact measures, I highlight the more than R\$ 17 million invested in 2023 to purchase a new biomass boiler for our operation in Caxias do Sul (RS), which reduce our GHG bas emissions by 60%.

We renewed our commitment to create products aligned with the concept of a “green economy”, such as a project for a railway brake shoe that emits 43% less gases using less carbon-intense raw materials. This not only guides us forward to the future, it also recovers our legacy as a pioneer in adopting changes that benefit the environment, such as eliminating asbestos and copper from our friction products over the years.

These are only a few examples of our journey. Frasle Mobility believes the future is being built now with actions we practice every day, delivering positive results for our employees, customers,

suppliers, partners, shareholders, and society as a whole, which is directly or indirectly impacted by our presence. We invite you to learn more about this Sustainability Report, which summarizes the results of the effort of our management and teams.



SERGIO L. CARVALHO
President and CEO of Frasle Mobility

2023 HIGHLIGHTS

People



DEVELOPMENT FOCUSED ON PEOPLE WITH DISABILITIES

We created the Fras-le PwDs Development Hub | Fras-le No Boundaries Project to create a more diverse and inclusive environment. The goal is to develop the career of these professionals and adapt them to the company.

 Learn more on [page 62](#)

MENTORING FOR WOMEN

Their Journey is a program created to accelerate the career of our female professionals to reach leadership positions. In 2023, 84 employees participated in mentoring activities and actions.

 Learn more on [page 62](#)

SAFETY CULTURE

We took another step in our effort to achieve our zero serious accident targets. In 2023, we completed the first diagnosis of the Frasle Mobility Caxias do Sul site safety culture.

 Learn more on [page 66](#)

Planet



CIRCULAR ECONOMY

There are numerous initiatives to recycle used materials and packaging, and dispose of waste by means other than landfills. In 2023, the following was achieved:

1,275 tons of used brake liners were used to fire our furnaces

1,818 tons of used plastic and paper packaging were recycled

2,406 tons of steel were collected and used as raw-material

These and other initiatives resulted in **21,505 tons** of hazardous and non-hazardous waste not being landfilled.

GREEN ENERGY

We inaugurated our 2,400 solar panel photovoltaic plant at the Randon Technological Center, enough to supply all of the building's energy needs



Learn more on [page 81](#)

Businesses



AUTO EXPERTS

We launched our new proprietary digital platform that enables searching by plate and geolocation.

 For more about the company, see [page 54](#)

NIONE

The Frasle Mobility and Randoncorp nanotechnology unit launched a nano-structured niobium oxide additive that increases metal corrosion resistance by as much as 70%.

 Learn more about the company on [page 52](#)

FRASLE MOBILITY

A new institutional brand that covers a house of brands

 Learn more on [page 13](#)

COMPOSS

A new brand of composite material solutions

 Learn more on [page 21](#)

Acquisition of AML JURATEK

 Learn more on [page 21](#)

AWARDS



Juratek was a highlight in the British Federation Aftermarket awards.

The brand was considered Highly Recommended in the Automobile of the Year supplier category. See the full story [here](#).



Frasle Mobility stood out in the Iveco Group supplier event.

The Company was recognized for its innovation, and received the Supplier of the Year award for the development of Composs, a brand of composite material solutions. Learn more about recognition [here](#).



The Frasle Mobility Head Office Colômbia **was certified as a Great Place To Work.** This is the first international unit that was certified, valid for the period between November 2023 and November 2024.



The most often purchased brand of brake pads

The best known brake liners
(O Mecânico/Ipec) survey

The most reliable and easiest to find
break pads
(Cinau/Marcas da oficina) Survey

The best brake pads
(Inova Award)



The easiest to find Master
Cylinders
(Cinau Survey/
Marcas da oficina)

The easiest to find Servo
Brake
(Cinau Survey/
Marcas da oficina)



Best known brake disks
(O Mecânico/Ipec) survey

The most reliable and easiest to find
break disks
(Cinau Survey/Marcas da
oficina)

The best brake disks
(Sindirepa –SP) award



The preferred brand for the 3rd consecutive
year (O Mecânico/Ipec) survey

The best known brand of shock absorbers,
homokinetic joints, suspension pans,
steering bars, link rods, suspension dowels,
engine pads, suspension pivots, axial
terminals, and steering terminals.
(O Mecânico/Ipec) survey

The easiest to find Suspension Pivots,
Steering Bars, Axial Terminals, and link
rods
(Cinau/Marcas da oficina) Survey

The best Suspension Pivot and Steering
Terminals
(Inova Award)

The most reliable Steering Terminal
(Cinau/Marcas da oficina) Survey

02

FRASLE MOBILITY UNIVERSE



KEEP
LIFE
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ABOUT US GRI 2-1

KEEP LIFE IN MOTION WITH AN ECOSYSTEM OF SMART AND SUSTAINABLE SOLUTIONS.

With this mission, in 2023 Fras-le introduced its new institutional position, becoming Frasle Mobility. This movement reinforces our business strategy as a global company focused on safety and innovation for its products and services, offering comprehensive solutions to customers and partners. This has brought us even more in line with our purpose, mission, values, and principles.

This new identity repositioned Frasle Mobility as a house of brands associated with the intense expansion cycles of the past ten years, projecting a future of new possibilities in terms of evolution and growth.

Throughout our history, we have sought to maintain a solid reputation that is recognized across the industry. We continue adding new products, services, and companies. Right now, we are a composite of 17 brands available in over 125 countries.

Since 1996, we have been part of Randoncorp, which allows us to access new markets, create new

alliances, and leverage synergies in diverse areas of operation. In this way, we continue to be more competitive, delivering even more qualified results and enable generating value for all stakeholders.

We are a combination of strong brands that seeks innovation to move. We respect people and our planet.

We are Frasle Mobility.

Keep life in motion.



PURPOSE

Connect people to wealth, generating prosperity



MISSION

Safety and comfort in the transportation of people and goods so that life remains in motion



VISION

Be recognized for sustainable mobility solutions



Click [here](#) to see our manifesto



BUSINESS

Safety and innovation in movement control



PRINCIPLES

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

FRASLE MOBILITY IN NUMBERS

Founded in 1954

Listed on the Brazilian (B3) stock exchange since 1971

11 plants

9 distribution centers

4 sales offices and

2 technology and development centers

more than 125

countries buy our products

more than 5,100

employees

R\$ 3.4 billion

consolidated net revenue in 2023

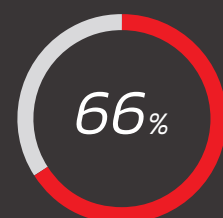
R\$ 664.7 million

in Adjusted Ebitda in 2023, and 19.6% adjusted Ebitda margin

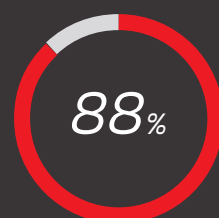
R\$ 133.7 million

Capex in 2023

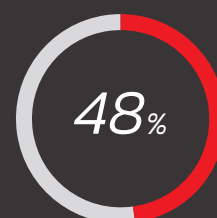
Our segments of action can be broken down into:



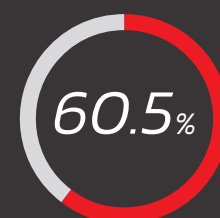
light



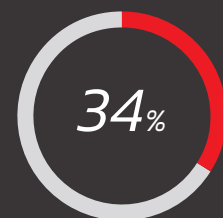
replacement



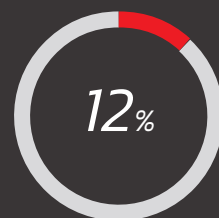
friction



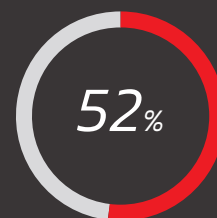
domestic



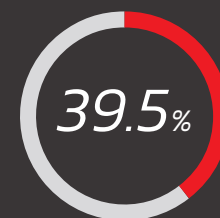
commercial



automakers



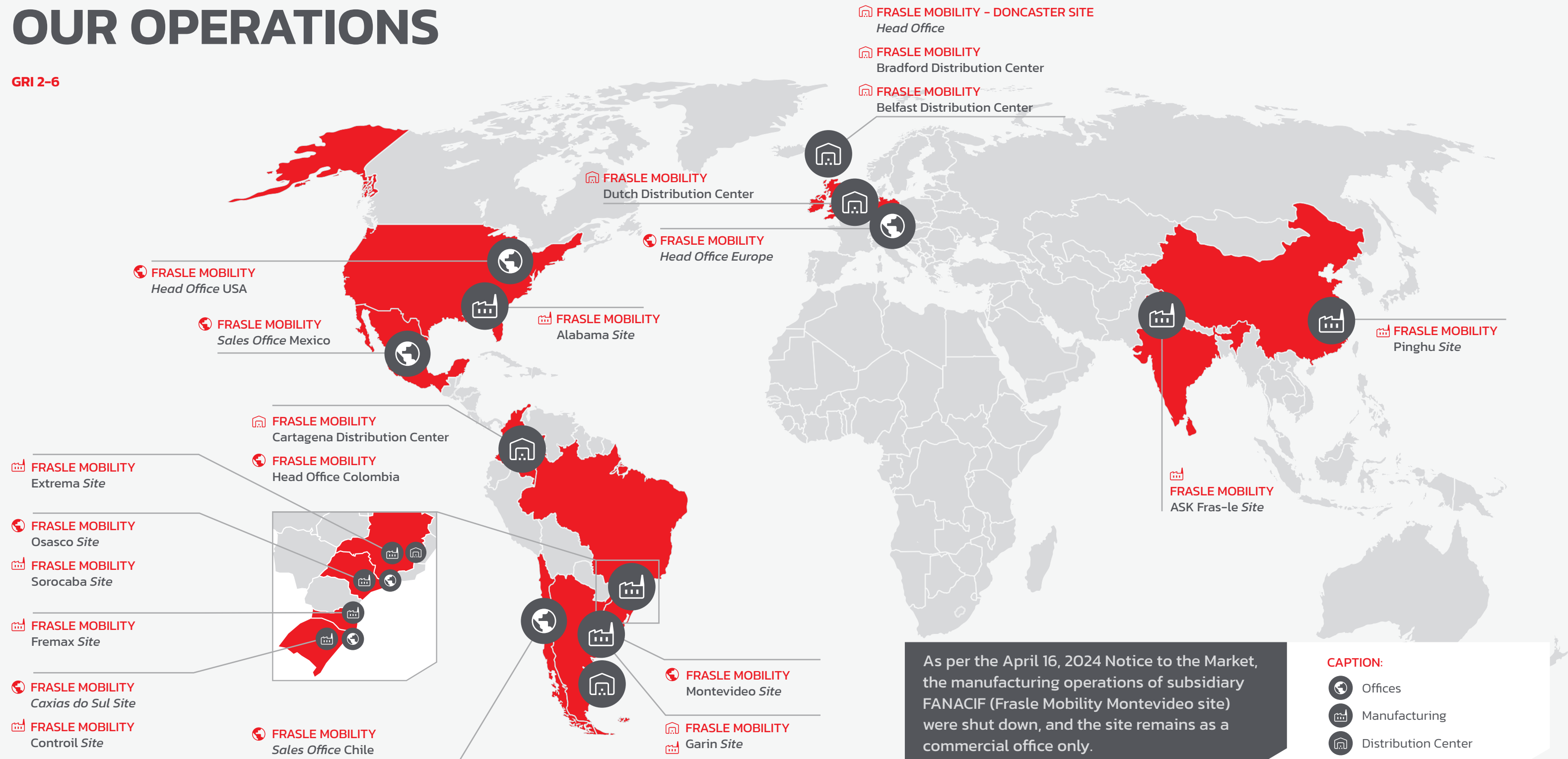
non-friction



international

OUR OPERATIONS

GRI 2-6



Membership in associations

GRI 2-28

Frasle Mobility is a member of numerous associations and organizations that promote sustainability and contribute to business development:

- 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 Caxias)
- Center for Business Excellence (Cenex)
- National Confederation of Industries (CNI)
- Rio Grande do Sul State Federation of Industry (Fiergs)
- Heavy Duty Manufacturers Association (HDMA)
- Institute of Automotive Quality (IAQ)
- Instituto Ethos
- SAE Brasil
- Association of Metallurgical Industries (Simecs)
- National Trade Union of the Automotive Component Industry (Sindipeças)
- The Global Compact

SUSTAINABILITY

We are a signatory of the United Nations (UN) Global Compact, which calls on the business community to embed ten fundamental principles in their business strategies in areas of human rights, labor relations, the environment and anti-corruption.

We are also a signatory the Business Pact for Integrity and against Corruption of Instituto Ethos, which aims to build a more ethical and responsible market and eradicate bribery and corruption.



Sabrina Noronha Maciel

OUR BRANDS

Strong brands

We are a house of brands that combines strong brands to ensure the success of our customers. As Frasle Mobility, we are even more powerful, offering a complete package of solutions to keep life in motion. We have a broad ecosystem of sustainable and smart solutions to serve the mobility market.



NAKATA

FREMAX



ABTEX



BestBrake

composs

dur·bloc

FERODO

JURATEK

JURID

LonaFlex

plabestof
FRENOS

POWER ENGINE
PARTES DE MOTOR

TENSA





We are Brazil's leader* in high-performance friction material. Our portfolio includes products and components to control movement on roads, tracks, and landing runways. We serve diverse segments such as heavy vehicles, automobiles, motorcycles, rolling stock, aviation, farming, and manufacturing industry.

BRAND POSITIONING

Think Brakes, Fras-le.

FREMAX

Fremax is the main* brand of brake discs and drums, and wheel hubs for light vehicles in Brazil. The brand is internationally recognized for ensuring safety and performance in the world's most demanding automotive markets.

BRAND POSITIONING

Fremax, the maximum in motion.



A digital platform that transforms the customer experience with Frasle Mobility brands.

Controil

A leading brand* in the market for hydraulic brake replacement components in Brazil.

BRAND POSITIONING

Choose trust, choose Controil.

NAKATA

Nakata is the most beloved brand* among mechanics, and is the leader* in suspension and steering components for automobiles, motorcycles, and trucks.

composs

Sustainable solutions in structural composites.

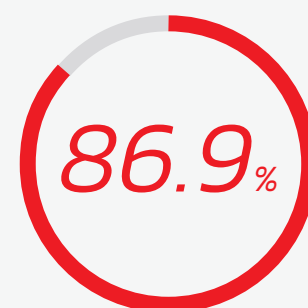
BRAND POSITIONING

Composs. It's completely possible.

Customer satisfaction surveys

In 2023, we launched a Customer Satisfaction Survey that was applied by the Quality Institute to measure customer loyalty, perception of value, and satisfaction of our products and services: Controil, Fras-le, Fremax, Jurid, and Nakata in the OEM and aftermarket (IAM) segments.

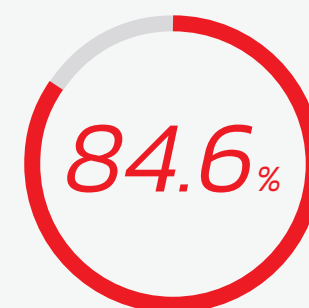
2022-2023 SATISFACTION INDEX % SATISFIED AND VERY SATISFIED: NPS



Nakata



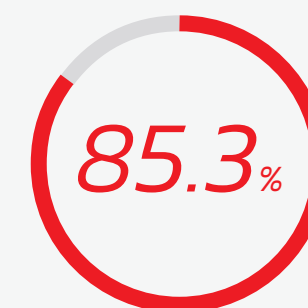
Fras-le



Controil



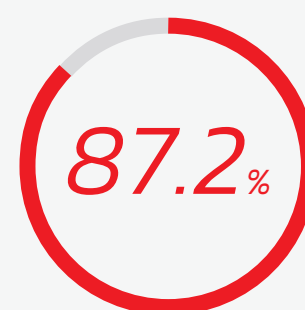
Fremax



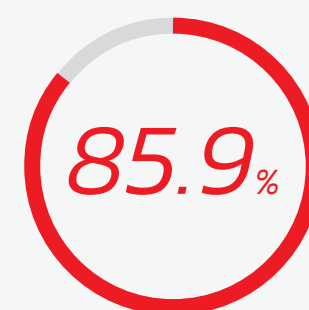
AM



OEM



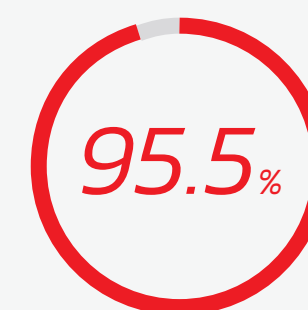
Frasle Mobility
(IAM + OEM)



Jurid do Brasil
(IAM + OEM)



Jurid do Brasil
(IAM)



Jurid do Brasil
(OEM)

A TRAJECTORY OF COURAGE AND ACHIEVEMENTS

1954

- Fras-le foundation in Caxias do Sul, RS.

1975

- Fras-le has a consolidated market position in Paraguay, Uruguay, Bolivia, Ecuador, Venezuela, Nicaragua, Honduras, Panama, and the US.

1988 – 1990

- Lona Flex Acquisition
- Fras-le Argentina established
- Fras-le North America established

1996

- The Company was purchased and incorporated into Randoncorp

2000–2012

- Fras-le Europe established
- Fras-le Asia established
- Controil acquisition

2017

- New Fras-le plant in China
- Fras-le Pan-America established
- Armetal, Farloc, and Fanacif acquisition

2018

- Jurid acquisition
- A joint venture in India to create ASK Fras-le
- Fremax acquisition

2020

- Nakata acquisition

2021

- Launched “Fras-le Smart Composites”, a new line of structural components developed from composite materials.
- Transferred the Nakata shock absorber plant from Diadema (SP) to Extrema (MG).
- Created NIONE to explore patents related to obtaining niobium nanoparticles to dedicate resources and accelerate research and applications, including those outside the Company’s core business.

2022

- Logistics integration of the Nakata plant in Extrema (MG)
- Expansion in Argentina, opening the Garin Operations Center.

2023

FRASLE MOBILITY IS BORN,
an institutional brand that works as a house of brands focused on safety, innovation, sustainability, and on offering its customers the best experience. The FRASLE brand continues to exist, and is the commercial brand of our friction materials.

AML JURATEK ACQUISITION

A movement connected with the Company's purpose of growth in mature markets, business expansion in autoparts replenishment and product diversification, and expansion of the brands in its portfolio.

COMPOSS ESTABLISHED

Growth of the Smart Composites brand, created in 2021 to enable new technologies focused on composite structural materials.

2024

- This is a very special year, as Fras-le turns 70!



Fras-le was born 70 years ago.

A story built by enterprising, brave, and dedicated people since it was created by Francisco Stédile, who gave the brand its name, initially in brake liners.

Since it was first established and after it was acquired by Randoncorp in 1996, Fras-le, now Frasle Mobility, has stood out for its commitment to quality and safety, and to its ethical and responsible position. These values are essential to monitor how markets and vehicles evolve, and meet the demand of the most requiring customers in the world.

With ever-present and strong innovation and technology DNA, the company developed and expanded its output and relevance in the automotive market.

Growth is primarily sustained by the hands and minds of thousands who, over the course of the past seven decades, were the great protagonists of a story and blends with the very history of the Brazilian automobile industry, and that transformed Fras-le into a model of excellence and global competitiveness, becoming the world leader in friction materials, present in over 125 countries.

OUR RESULTS

We ended 2023 with net revenue 10.8% higher than in 2022. Much of this growth came from the domestic market, with lower fuel costs, a lower Selic rate, and increasing numbers of automotive shop visits.

The macroeconomic scenario was positive, yet the company would not have achieved such positive results were it not for the effort of each and every employee. In 2023, we worked to strengthen our brands, reviewed our strategies, launched products, invested in sales and marketing campaigns, and increased manufacturing capacity to improve product availability, driving the replenishment market.

Outside Brazil, our most recent acquisition AML Juratek contributed to the development of the powerhouse in Europe. In Argentina, we advanced by 8.1%, despite a challenging scenario. We also grew in Asia and the Pacific rim, driven by the post-pandemic opening of the Chinese market. Results were also positive in North America, despite high interest rates, a slower economy, and high inventory levels in the market. Thus the projections disclosed in 2023 were achieved.

Loans Linked to Sustainability

Frasle Mobility signed a R\$ 250 million funding agreement with the World Bank ICF (International Finance Corporation). These funds will be used on a range of sustainable projects, including the Green Boiler Project that seeks to reduce the Company's GHG emissions by 60%. This initiative demonstrates the Company's commitment to concrete environmental solutions and mitigating climate change. This is considered a Sustainability-Linked Loan, or SLL, as it is linked to complying with sustainable development indicators related to the company's public commitment.

Net revenue

R\$ 3.4 billion

Gross Margin

33.6%

Adjusted EBITDA Margin

19.6%

Net Margin

11.5%

Adjusted EBITDA

R\$ 664.7 million

ROIC

19.3%

Investments

R\$ 133.7 million

DIRECT ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED (R\$ THOUSAND) GRI 201-1

	2023
Direct economic value generated per year in thousands of Reais	
Revenue	4,415,343
Economic value distributed	
Retained earnings	250,945
Employee wages and benefits	510,284
Payments to providers of capital	591,858
Payments to government (by country)	691,280
Community investments	0
TOTAL	2,044,367
Economic value retained	
Economic value retained	2,370,976

IMPACT ON COMMUNITY INFRASTRUCTURE GRI 203-1

2023	R\$ 500 million invested in the Caxias do Sul and São Leopoldo (RS) Program of Incentives to Equip Public Safety [Programa de Incentivo ao Aparentamento da Segurança Pública - PISEG]
2022	R\$ 653 million invested in the State public safety PISEG project to purchase armored vehicles for the Caxias do Sul 12th Military Police Battalion.
2021	Seeking to reduce the stress on truck drivers, we invested R\$ 152 million through the Federal Sports Incentive Law to install six gyms at gas stations, as part of the Viva Sempre (Always Alive) Program.

GRI 404-3

OUR CAPITALS

	MANUFACTURED	10 industrial estates 9 distribution centers 5 commercial offices 2 technology and development centers
	INTELLECTUAL	R\$ 40 MM invested in RD&I 4,703 prototypes
	FINANCIAL	R\$ 3.4 Bn in net revenue R\$ 133,7 MM invested
	HUMAN	5,175 employees 1,253 new hires 16.5 hours of training on average per employee
	NATURAL	R\$ 14.4 MM invested in environmental stewardship 793,520.67 GJ of energy consumed, including solar 160.07 megaliters of water consumed
	SOCIAL AND RELATIONSHIP	R\$ 1.5 MM in social investment

BUSINESS MODEL



OUR MISSION
Safety and comfort in the transportation of people and goods so that life remains in motion.



OUR VISION
Keep life in motion with an ecosystem of smart and sustainable solutions.



OUR PURPOSE
Connect people to wealth, generating prosperity.

OUR BUSINESS
Safety and innovation in movement control

PRINCIPLES
People who are valued and respected; satisfied customers; safety and quality; conservation of the image and legacy; ethics; profit and sustainability; innovation and technology; Randon is all of us.

R&D

Design and engineering (diversification, technology, and innovation) + Manufacture of automotive components (marketing and after-sales)

Stakeholders

Customers Suppliers Shareholders Staff

Society Government Partners

VALUE CREATED

VALUE DISTRIBUTED	R\$ 2.0 Bn in value added to the business, government, employees, and shareholders
INVESTORS	R\$ 591 MM in shareholder payouts
CUSTOMERS	+ 1,265 hours of training for customers
SUPPLIERS	R\$ 1,06 Bn spent on suppliers. Frasle Mobility units in Caxias do Sul, Controil (São Leopoldo), Fremax (Joinville), and Sorocaba.
OUR PEOPLE	100% of eligible employees undergo performance reviews
COMMUNITIES	5 social programs coordinated by the IER 35,000+ people benefited
ENVIRONMENT	In 2023, 40.6% of the waste was recycled (including all wasted recycled). Reverse logistics collected 1,275 tons of brake liners and 2,407 tons of brake disks and drums. Of the treated effluent, 45.1% was reused (Frasle Mobility Caxias do Sul site). 90% raw material conversion rate at the Frasle Mobility Caxias do Sul, Controil, Pinghu, Alabama, Sorocaba, and Extrema sites.

OUR LEGACY

ESG Ambition

Build a better tomorrow Adopt increasingly responsible strategies regarding society and the planet Ensure the continuity of our business. For Frasle Mobility, these goals are non-negotiable. We ceaselessly strive to achieve them, adopting initiatives to increase production efficiency and use fewer resources, reducing our impact as much as possible.

Across all units, actions and strategies are based on the premise of reinforcing our commitment to be an environmentally correct, socially just, and economically feasible company. All this guided by our ESG Ambition, developed with Randoncorp in 2021 with a 2020 baseline. This sets the targets, commitments, and strategic pillars for the 2025 and 2030 horizons, fostering the sustainability of the business.

We updated our materiality in 2023 (more about this on [page 6](#)), thus reorganizing the pillars of our ESG Ambition from five to three. However, this did not change our public commitments.

Learn more about our performance along the three strategic pillars in the next chapters.

3 pillars – 9 material topics

ENVIRONMENTAL

Identify and develop opportunities for increased efficiency in operations, focusing on promoting circularity, the efficient use of resources, fighting climate change, and encouraging advances in environmental stewardship among customers and suppliers.

PLANET



- Product lifecycle management
- Climate change and air quality

SOCIAL

Enable creating value for our stakeholders, supporting employee development, a diverse and inclusive environment, stimulating the development of sustainable practices among suppliers, and community socio-economic inclusion.

PEOPLE



- Attracting, developing and retaining employees
- Human rights and labor relations
- Employee health, safety and well-being

GOVERNANCE

Ensure business sustainability through innovation, technology, quality, safety, and excellence, seeking to advance in cargo transportation and our value chain, enabling sustainable development and upholding ethics, transparency, and accountability to all stakeholders

BUSINESSES



- Innovation and technology
- Data privacy and security
- Ethics, integrity and compliance
- Product safety and excellence

ESG Committee

This non-statutory, operational body is made up of corporate representatives from the areas connected to themes that are part of our ESG Ambition. Company COO Anderson Pontalti coordinates the committee and reports to CEO Daniel Randon every 3 months.

Among the responsibilities of the ESG Committee we point out:

Proposing new strategies and building best practices to leverage the ESG pillars in the organization.

Support the development of measures to reinforce our activities in the three pillars of our ESG Ambition.

Monitor adherence to the commitments made.

Make sure ESG practices connect to the company's strategy.

Promote an ESG culture and debates.

OUR PUBLIC COMMITMENTS

In 2020, Randoncorp made the following public commitments, and we at Frasle Mobility contribute to achieving them.

PILLARS	COMMITMENTS	2020 BASELINE	STATUS IN 2023	PREMISES
 PLANET	Reduce greenhouse gas emissions by 40% by 2030.	Intensity of GHG emissions 3.99 kgCO ₂ e/hour worked.	Emission intensity of 3.48 kgCO ₂ e/hour worked.	Ton CO ₂ e/hour worked for Scope 1 and 2 emissions. Methodology: GHG Protocol.
	Eliminate all waste sent to landfills and reuse 100% of the treated effluent by 2025.	25% of the waste sent to industrial landfills. 41.4% of the water reused.	14% of the waste sent to industrial landfills. 45% of the water reused.	Waste sent to industrial landfills/ Total waste generated by our operations. Effluent reused at units with their own treatment center (Frasle Mobility Caxias do Sul site).
 PEOPLE	Double the number of women in leadership positions by 2025.	11% women in leadership positions.	13% women in leadership positions.	This indicator includes ladders, coordinators, managers, and directors of companies located in Brazil.
	Zero serious accidents	Rate of serious work-related injuries of 0.2 .	Rate of serious work-related injuries 0.0 .	Serious accidents are fatal accidents and those resulting in permanent injury/disability. Rate of serious work-related injuries: hours worked) x 1,000,000.
 BUSINESSES	Increase annual net revenue from new products.	49.25% of revenue from new product launches.	56.24% of revenue from new product launches.	Frasle Mobility Caxias do Sul revenue from products launched in the past five years divided by net revenue for that same unit.

THE FUTURE HAS ALREADY BEEN OUTLINED

We work to build a tomorrow where innovation, financial sustainability, and socioenvironmental responsibility walk side by side. Inspired by the Company's strategic guidelines, our vision of the future is the basis for planning our actions. These guidelines are used to transform our aspirations into metrics and measurable indicators.

Competitive advantages

Among the world's largest
Manufactures brake liners for commercial vehicles.

Resilient growth
Market and segment diversification.

Diversified model
Based on diversified revenue in terms of currency and markets.

Strong and well-known brands
Preferred brands, global consumers.

Global presence
Participates in markets such as Nafta, South America, China, and India.

Distribution system
Present in the industry's leading global distributors.

Frasle Mobility strategic guidelines:

Absolute focus on the customer

Focused diversification

Financial robustness

Distinctive innovation and technology

Leverage synergies

A desirable employer

ESG as a priority.

Our planning methodology includes short, medium, and long-term proposals:



Long-term strategic plan

Signals the company's goals for the next ten years.



Medium-term planning

Developed based on a five-year, long-term planning horizon, it explains the strategy and metrics that will define our success.



Annual Operations Planning (AOP)

Includes detailed actions, financial and operating indicators, and the ESG aspects that permeate the entirety of our planning.

The future of Frasle Mobility has already been outlined. With a clear strategy and experienced and engaged teams, we seek to increasingly leverage the strengths of our ecosystem. For this, we address three fronts:



Pioneering new technologies

We seek to prioritize the development of smart materials that provide competitive advantages and ESG benefits. Our Composs products are an example of a smart material (see more on [page 81](#)). Furthermore, in line with industry trends towards environmentally responsible products, we focus on ecofriendly products, and on reducing our carbon footprint. One example is the new railway show (see more about this on [page 81](#)).



Present in relevant markets

Focusing on international expansion, we seek to expand our work in mature markets such as North America and Europe. To expand our replacement powerhouse, we replicated a model already consolidated in Brazil for Latin America, with a distribution center to support all Frasle Mobility brands. A further example is the 2023 Frasle Mobility acquisition of AML Juratek in the UK.



The best offer

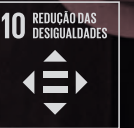
To supply the best brands and products for our customers, and explore the strength of our portfolio, we seek to diversify our presence in numerous countries, constantly investing in acquisition strategies.

03

SUSTAINABLE
BUSINESS



KEEP
LIFE
IN
MOTION



GOVERNANCE STRUCTURE	29
ETHICS, INTEGRITY AND COMPLIANCE	36
DATA PRIVACY AND SECURITY	42
PRODUCT SAFETY AND EXCELLENCE	44
SUPPLIER MANAGEMENT	46
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GOVERNANCE STRUCTURE

GRI 2-9, 2-12

Listed under Corporate Governance Level 1 by B3 S.A., Frasle Mobility remains attuned to best practices and monitors industry trends and world renowned procedures, as well as the recommendations of the IBGC (Brazilian Corporate Governance Institute) and CVM. The governance structure includes the General Shareholders' Meeting, the Board of Directors and its committees and linked areas, the Oversight Board, the Statutory Directors, the Executive Committee, and Operating Committees (the latter two from the Randoncorp organization). Each plays an important role within the Company to ensure a favorable environment for effective business management and for the development of a value creation chain that is sustainable over the long term.

Frasle Mobility complies with best practices in governance, with a solid structure comprised of bodies with well-defined roles

Shareholders' Meeting

The General Meeting of the Shareholders takes place at least once a year, and may be called extraordinarily whenever necessary. The General Assembly is also responsible for deliberating on the financial statements, the destination of profit for the period, the distribution of dividends, and the election of members of the Board of Directors and Oversight Board.

Decisions are made by a majority of the votes present. To contribute and facilitate participation and voting by the shareholders, the Company provides a shareholder participation manual with instructions and the materials included in the meeting agenda. General Meetings are hybrid. Shareholders may choose to participate via Distance Voting Ballot, using a digital platform, or in-person at Company headquarters. For further information on the dynamics of Shareholder Meetings, please see the [Company's Bylaws](#).

Board of Directors

The Board is the highest administrative instance, responsible for deliberation and other responsibilities under law, Company Bylaws, and Internal Regulations. It may have three to nine members, who may or may not be shareholders, with unblemished reputations elected by the General Meeting for a unified term of two years, and may be reelected so long as the requirements for diversity and independence are met. The Chair and Deputy chair are appointed by the board members during the first meeting of the term.

Meetings are held at least six times a year, and may be convened on an extraordinary basis whenever Company interests so requires. Decisions are made by a majority vote. The Board may create advisory working groups or committees to support its efforts. The Board of Directors selects members for the committees from among the board members and executives, without prejudice to the possibility of seeking out experts in the themes assigned to each committee.

The current Board of Directors is made up of five members – four men and one woman, advised by the Related Parties Committee with three Board members. Committee terms are unified and coincide with the BoD term.

Board of Director members are selected based on their experience in the business community, unblemished reputation, the non-existence of conflicts of interest, time available to dedicate to the Company, and cultural diversity in terms of points of view and specific knowledge.

Among its responsibilities are general guidelines for Company and affiliate business, defining financial, commercial, and industrial plans, projects, and guidelines, bearing in mind the impact of its activities on society and the environment to ensure value creation and business continuity. **GRI 2-10**

It is also responsible for ensuring the continuous implementation of governance practices congruent with industry best practices, for analyzing the company's initiatives regarding ESG, and for the deployment and constant update of applicable industry best practices. **GRI 2-11**

The Chair of the Board of Directors is not the Company CEO, and sponsors continued education activities for senior management, with the support of Corporate Governance. **GRI 2-11**

COMPOSITION OF THE BOARD OF DIRECTORS

In 2023 the Board of Directors had the following members:

Personal information	Name	David Abramo Randon	Astor Milton Schmitt	Daniel Raul Randon	Dan Antônio Marinho Conrado	Mônica Pires da Silva
	Position	Chairman	Vice presidents	Director	Director	Director
Diversity	Gender 					
	Age group	60s	80s	40s	60s	60s
	Term in office in years	6	27	10	4	2
Effectiveness	Independence	✗	✗	✗	✓	✓
	Participation in committees	✗	✓	✓	✓	✗
Experiences	Management	✓	✓	✓	✓	✓
	M&A	✓	✓	✓	✓	✓
	Automotive Industry	✓	✓	✓	✓	✓
	Technology			✓		✓
	People	✓	✓	✓	✓	✓
	ESG			✓	✓	✓
	Finance	✓	✓	✓	✓	✓



Board Member CVs are available on the Company's Investor Relations site at the [link: https://ri.fraslemobility.com/en/corporate-governance/board-and-committee/](https://ri.fraslemobility.com/en/corporate-governance/board-and-committee/)

Board of Directors performance and continued education GRI 2-18

The Board of Directors is assessed every two years with specific questionnaires answered by BoD members and executives using an online platform that ensure anonymity. The goal of these assessments is to check the effectiveness of the work of these executives, and identify opportunities for improvement. Assessments are comprised of self-assessments and assessments by the executive collegiate using specific questionnaires. The collegiate analyzes the dimensions of governance, strategy, and compliance. Self-assessments foster reflection of the respondent's own performance. Personal data is encrypted and responses processed securely and in compliance with the Brazilian General Data Protection Law (LGPD). Consolidated results are presented to the Board, and improvement measures are proposed.

Each year the board members participate in continued education initiatives proposed by the President and supported by Corporate Governance. The Board is also responsible for analyzing Company initiatives linked to ESG criteria, and for encouraging the use of best practices, as per global trends.

Furthermore, Board Members met and visit the operating sites, where they participate and learn about projects and events connected to sustainable development, such as products using green technologies and renewable energy, as well as modern technologies and manufacturing processes. This improves collective knowledge with practical activities connected to the Company's core business. GRI 2-17

Oversight Board

The Board of Directors is a government body that is independent from management and external auditing. It is responsible for analyzing registration and control procedures, the actions of Company and subsidiary managers, for issuing an opinion on the financial statements, and other matters under law.

It is made up of three members and three alternates, elected by the General Meeting for a term ending at the following Ordinary General Meeting; reelection is allowed. This non-permanent body may be installed at the request of the shareholders and exercise its responsibilities pursuant to the law.

OVERSIGHT BOARD MEMBERS

In 2023, this Board had three members.

Geraldo Santa Catharina
Member

Joílson Rodrigues Ferreira
Member

Wladimir Omiechuck
Member

 The profiles are available on the Company's RI site at: ri.fraslemobility.com/en/corporate-governance/board-and-committee/

Related Parties Committee

This non-statutory and advisory board makes technical recommendations to the Board of Directors on matters related to transactions with related party to ensure they are made in the best interests of the company.

(Statutory) Executive Board

The Executive Board may have two to nine members, one of them the President and CEO, one the Superintendent Director, and another the Investor Relations Officer, who may cumulatively hold another position; the other members shall have no specific title. All are elected by the Board of Directors for a unified term of two years. The executive directors are responsible for managing the business, execute the acts of executive management according to the guidelines of the Board of Directors, represent the Company to third parties, and draft budget proposals and reports, among other responsibilities.

In addition to the Executive Board, the company has non-statutory operating executives (see the Organizational Structure). The responsibilities are related to specific Company and/or subsidiary obligations.

EXECUTIVE BOARD MEMBERS

In 2023, this Board had three members.

Sérgio Lisboa Moreira de Carvalho
CEO

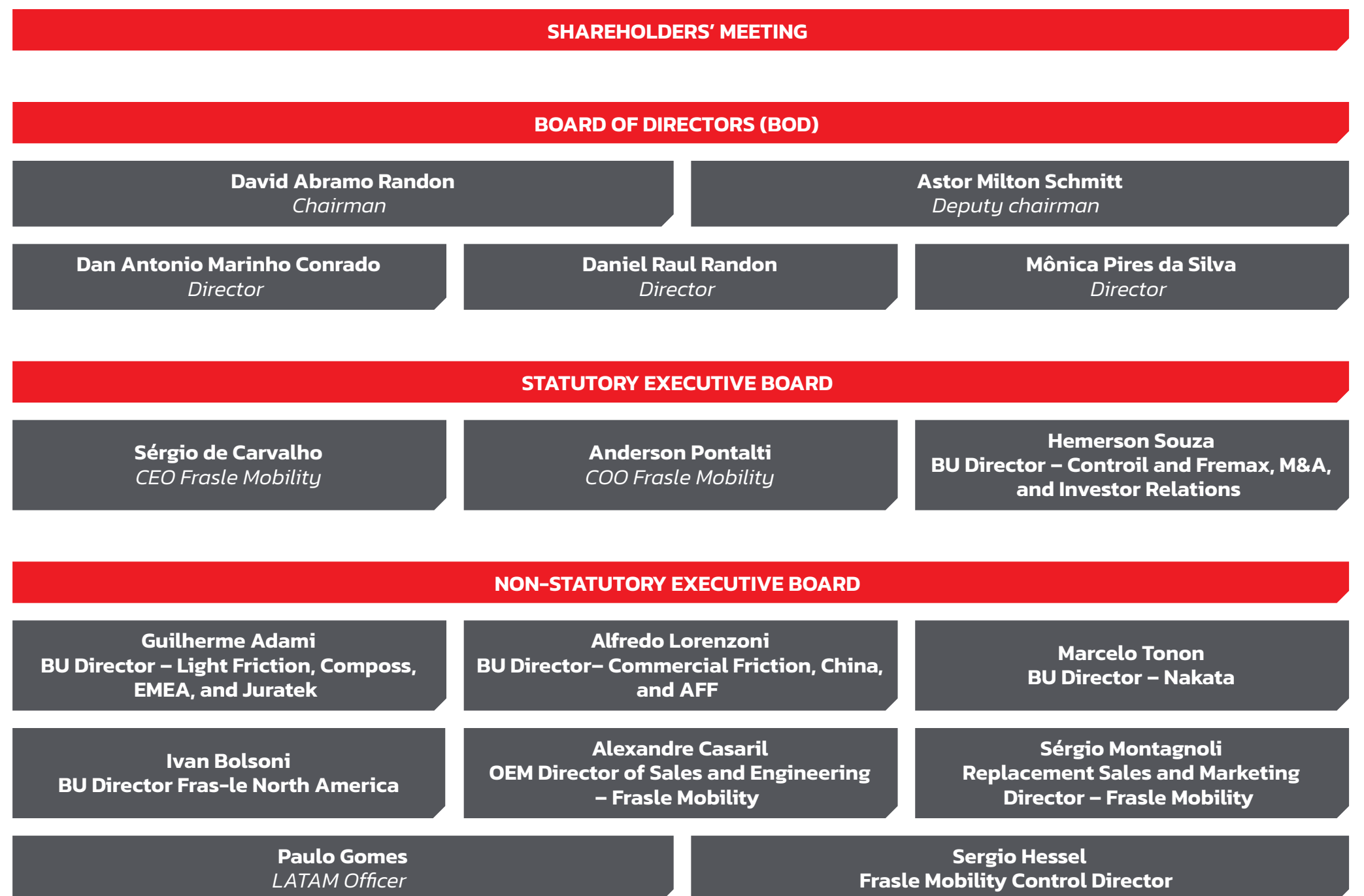
Hemerson Fernando de Souza
Director and Investor Relations Director

Anderson Pontalti
Managing Director



CVs are available on the Company's RI site at :
<https://ri.fraslemobility.com/en/corporate-governance/board-and-committee/>

ORGANIZATIONAL STRUCTURE



CORPORATE GOVERNANCE

Listed on the exchange for over fifty years, since 1971, Frasle Mobility is committed to transparency and ethics, adopting best practices in governance to sustainably increase value creation.

GOVERNANCE PRACTICES

We remain committed to transparency, ethics, and value creation for our stakeholders, seeking to improve our governance practices.

RISK MANAGEMENT & COMPLIANCE

Independent, outsourced Ethics Channel

Corporate policies

Corporate Governance Office

Frasle Mobility complies with best practices in governance, with a solid structure comprised of bodies with well-defined roles

2023

Number of shareholders

9,441

Average daily volume (R\$)

7,355,675

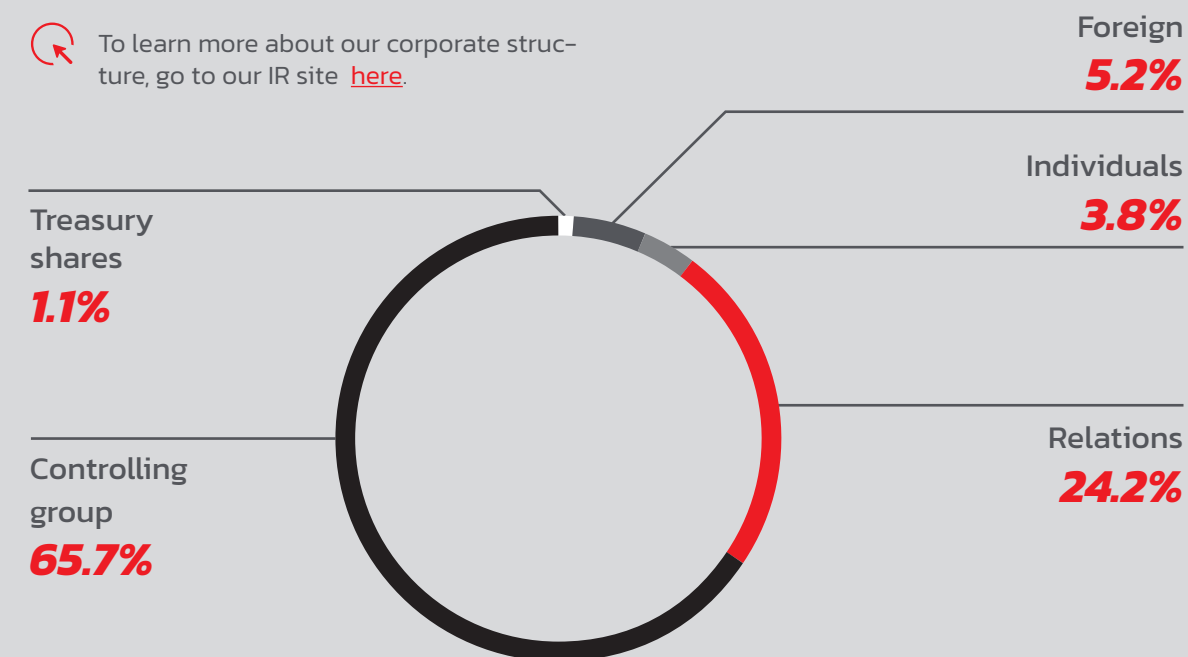
FRAS3

17.00

OTHER SHAREHOLDERS

Frasle Mobility's shares are traded on the Brazilian stock exchange, B3, under the ticker symbol FRAS3.

 To learn more about our corporate structure, go to our IR site [here](#).



Remuneration GRI 2-19, 2-20

Compensation of members of management and oversight bodies takes into account annual market surveys of comparable companies in different industries. This survey seeks to ensure competitiveness and determine the need for salary adjustments.

A proposal is drafted by the People and Culture area, and reviewed by the Randoncorp People Committee before being submitted to the Board of Directors. Once approved by the BoD, it is submitted for discussion by the General Meeting. It is sent to the shareholders before the meeting to ensure clarity and transparency for their voting decision.

The compensation policy for members of the Board of Directors, directors, and members of the Company Oversight Board are strategically aligned with the organization's goals, and their performance in managing its impact on the economy, the environment, and society. Compensation of BoD members consists of a fixed monthly honorarium and

post-employment benefits such as health coverage, supplemental pension, and group life insurance. In addition to a fixed monthly compensation and post-employment benefits, Directors have a variable portion made up of a short-term incentive (STI) for annual targets, and long-term incentives (LTI) for three-year targets that focus on the organization's sustainability. Additional benefits such as private pensions, healthcare, and personal accident insurance are also offered, as well as a guarantee fund for length of service.

The Compensation Policy is drafted by the Corporate People and Culture area, and approved by the Board of Directors

Nathan dos Santos de Souza

Investor relations

Transparency is an essential component of our relationship with investors and communications with the market. As a result, in all our interactions and communication materials, we seek to align expectations and converse about the future within a framework of predictability. In this way, we create relationships of credibility and trust. For the 22nd consecutive year, in 2023 we received the Apimec (Brazilian Association) of Capital Market Analysts and Professionals Assiduousness Seal.

Our Investor Relations area constantly receives the Company's key news and results. We also hold earnings video conferences to disclose the quarterly performance of our businesses. We used our social network presence (LinkedIn and Twitter), to disclose our "Quarter in Minutes" and short videos that explain our earnings. Each year we hold our Frasle Mobility Universe event, where company leaders disclose the growth and innovation strategies of our brands to investors, market analysts, capital markets, and stakeholders. This year's event took place in Joinville, SC with some 60 attendees.



For the 22nd consecutive year, we received the Apimec Assiduousness Stamp for our communication and transparency towards investors

In addition, together with Randoncorp, we run our ESG Ambition event where we update the market on the progress of our public sustainability commitments.

We remain attuned to market demands regarding sustainability, and our initiatives include the annual Sustainability Report, the aim of which is to be a management transparency tool and disclosure of our progress. We constantly seek to improve in this process, adopting double materiality in 2023.

ETHICS, INTEGRITY AND COMPLIANCE

GRI 2-15, 2-24, 3-3

Transparency and ethics are Randoncorp values and, as a subsidiary, we use the same Integrity Program (Randoncorp ID) initiative that seeks to promote, guide, disseminate, strengthen, and monitor ethics and integrity in all aspects of our business.

In 2023, we developed the ID Journey, a Randoncorp ID project for team awareness and training, addressing topics in Ethical Conduct, anti-corruption measures, awareness about harassment, and conflicts of interest. We also trained our Internal Accident and Harassment Prevention (CIPA) teams in moral and sexual harassment, reaffirming our dedication to fostering safe and respectful work environments.

Throughout the year, we launched the URGC Portal, an online platform for training on governance, risks, and compliance that enables including practical examples and case studies, enriching the learning process and enabling increased flexibility for distance learning.

The Frasle Mobility Caxias do Sul site was chosen to implement a pilot of this portal, which will be rolled out to other business units and suppliers starting in 2024.

25th Abrasca (Brazilian Association of Listed Companies) award

Randoncorp received honorable mention for its Risk Management, Internal Controls, and Compliance structure among listed companies.

TOTAL NUMBER AND PERCENTAGE OF GOVERNANCE BODY MEMBERS WHO HAVE RECEIVED COMMUNICATIONS AND TRAINING ON ANTI-CORRUPTION, BROKEN DOWN BY REGION **GRI 205-2**

	2021		2022		2023	
	Informed	Trained	Informed	Trained	Informed	Trained
Total						
Total number of members in the year		11		11		11
Total number of members who have received communications/training	11	11	11	0	11	7
Percentage of members who have received communications/training (%)	100.0	100.0	100.0	0.0	100.0	63.6

Note: The company's governance structure is comprised of a Board of Directors, a Oversight Board, and an Executive Board.

Public Commitment: We are signatories of the Ethos Institute's Business Pact for Integrity and Against Corruption, and we took a public stance in favor of integrity in business

Code of Ethics

The guidelines of the Code of Ethical Conduct, which has been approved by the Board of Directors, seek to ensure the alignment of our businesses with our values and principles, contributing to a healthy, safe, and respectful work environment. The Code of Ethical Conduct applies to all employees who receive a hard and digital copy when they are hired, and must sign a term of awareness and commitment to the guidelines.

In addition to the Code of Ethical Conduct, our Anti-corruption and Compliance Policy define best practice mechanisms to avoid any form of bribery or corruption. Other Company documents cover topics such as donations and sponsorships, related party transactions, and compliance, among others.



Carolina Alessandra Antonioli

MANAGING IMPACTS

GRI 2-12, 2-23, 2-24, 2-25

As a Randoncorp subsidiary, our goals include making a profit while prizing sustainability. This is why, from time to time, the Board of Directors discusses the development approval, and update of policies related to sustainable development. On its part, the Board of Executive Directors follows the BoD guidelines and participate in the Operations and Sustainability Committee, which defines the strategies and how they break down to the entire organization.

Corporate policies are essential to our principles and our philosophy of work. As a signatory of the UN Global Compact since 2021, Frasle Mobility is committed to the ten universal principles that govern human rights, labor relations, the environment, and fighting corruption. It also contributes to the 17 Sustainable Development Goals (SDGs) set by the UN's 2030 Agenda. This is why our policies must be embraced as a guide to support the decision-making process and generate uniform behavior across the organization. Compliance is mandatory and claims of ignorance or unawareness will not be accepted.

The Board of Directors monitors the implementation of the annual operating plan, managing the Company's impact on the economy, environment, and people. The economic impact is tracked in quarterly report, while the environmental impact is monitored by investments in clean energy and

green products. Finally, social impacts are monitored through issues related to employee and contractor safety and integrity. We also involve our stakeholders in building a materiality matrix that points to the topics whose impact needs monitoring. For issues related to our sustainability strategy and commitments, the Board of Directors is responsible for analyzing progress made in the initiatives that help us achieve our goals.

Corporate policies are based on our principles and our work philosophy

Read our Policies

We have 18 corporate policies approved by the Board of Directors. These include a number of public documents that can be viewed at our *Investor Relations* site at:



<https://ri.fraslemobility.com/en/corporate-governance/corporate-structure/>

CONFLICTS OF INTEREST

GRI 2-15

We believe that conflicts of interest are situations where personal decisions or behaviors may harm the company or third parties. Our Code of Ethical Conduct sets very objective guidelines to manage and avoid conflicts of interest. This document lists the conduct that may configure a conflict, and guidelines on how to proceed in each case. In general, employees are advised to step away and report the situation to the Company.

Our Bylaws and the Internal Regulations of the Board of Directors, Executive Board, and Related Party Transactions also address conflicts of interest. In the case of the Board of Directors, the Directors involved are instructed to let this be known and refrain from participating in the discussions and decisions that involve a conflict. This also applies to shareholders who participate in the General Meeting.

Stakeholders are informed through the Financial Demonstrations and associated notes. Whenever significant amounts or strategic topics are involved, these are disclosed individually as a specific notice to the CVM.

ETHICS CHANNEL

GRI 2-25, 2-26

We provide an Ethics Channel that all those involved with the company – employees, customers, suppliers, and other audiences – may use to report any suspicion of or actual violations of the Code of Ethical Conduct, corporate policies, or applicable legislation. This is a safe and confidential communication tool that is managed by a third party, ensuring anonymity and the protection of whistle-blowers against retaliation.

Claims received by the Ethics Channel are sent to the Risk Management and Compliance area, which is responsible for suitably forwarding and resolving the issue. Should a violation of conduct be confirmed, the disciplinary measures in the Consequence Policy are enforced. This improves collective knowledge with practical activities connected to the Company's core business.

We also have an Ethics Channel monitoring panel. Each quarter we report the Ethics Channel indicators to the Ethics Committee and Board of Directors, demonstrating the effectiveness of the mechanism and how reports were addressed. In addition to the Ethics Channel, we have a tool employees can use to ask for advice on implementing policies and procedures. Queries are answered by Risk Management and Compliance. **GRI 2-16**

Ethics Channel contacts

canaldeetica.com.br/randoncorp/

BRAZIL

0800-777-0768

USA

1-800-245-8549

compliance@randoncorp.com

Caroline Pereira Teixeira

Risk management

GRI 2-12, 2-13, 2-16, 2-25

Frasle Mobility endeavors to maximize opportunities and reduce any negative impact. As per Randoncorp guidelines, we employ market risk management practices, such as a COSO (The Committee of Sponsoring Organizations) structure, and the recommendations of ISO 31001. This Risk Management Policy has been approved by the Board of Directors, and includes guidelines, strategies, and responsibilities. We also have formal procedures that describe corporate risk management and develop internal control activities. The internal bodies involved are:

RISK MANAGEMENT & COMPLIANCE

Responsible for continuously monitoring corporate risks and the Integrity Program, keeping the Executive Board and Board of Directors informed of the indicators and risk responses.

EXECUTIVE COMMITTEE

Defines the appetite and tolerance for corporate risk based on assessing the internal and external risk factors.

BOARD OF DIRECTORS

Analyzes and approves the corporate risk map. Also ensures the effectiveness of the risk management systems and monitors them from time to time.

The committees that support the Board of Directors are responsible for providing supplemental analyses of the main critical topics, incorporating them into their meeting agendas. This integrated approach ensures that significant concerns are systematically communicated and assessed at the organization's highest governance level.

Integrated Risk Management is a three-step process. They are classified by criticality and risk category, as well as by how they are addressed. Read about this in the chart on [page 41](#).

The corporate risk map is reviewed every two years. The last review was in 2023, in a process that involved all Directors and assessed the 43 corporate risks identified. Finally, corporate risks are classified according to criticality (low, moderate, significant, critical).

Priority risks are addressed and monitored to mitigate them and prepare the Company to face adverse situations. From time to time, the Board of Directors monitors how mitigation plans evolve.

Each risk involving the public commitments of our ESG ambition is monitored based on industry references. Their impact is analyzed to understand how it relates to the environmental, social, or governance pillars. In 2024, the organization plans to map the climate risks and opportunities for 2025, which have the potential to lead to substantial changes in our operations, revenue, or expenses.

GRI 201-2

Integrated risk management process

Three steps:

1

IDENTIFICATION

In 2023, we identified 43 corporate risks.

2

ANALYSIS AND CLASSIFICATION

A criticality analysis follows (impact X likelihood and risk categories).

3

HANDLING AND MONITORING

Each risk has an associated response strategy.

Treatment

AVOID

Discontinue risk-generating activities.

ACCEPT

Assume the impact/probability and continue operating with the current control.

MITIGATE

Create controls or initiatives that minimize exposure.

TRANSFER

Reduce the likelihood or impact by transferring or sharing with third parties.



Risk categories

STRATEGIC

Associated with the organization's decisions to achieve their goals or failure to adapt to environmental conditions;

OPERATIONAL

This refers to potential losses (manufacturing output, assets, customers, or revenue) due to process, people, or people failures, or due to external events such as natural catastrophes.

FINANCIALS

They are associated with the market (changes in interest rates, FOREX, legislation), credit, or liquidity;

REGULATORY

These refer to sanctions or reputational damage associated with failure to comply with laws, agreements, or internal policies.

DATA PRIVACY AND SECURITY ³⁻³

For Frasle Mobility, promoting cybersecurity is a priority theme. We adopt an integrated approach that involves governance, culture, and technology. We focus on developing policies and procedures that must be followed by all to ensure the protection and integrity of our operations.

Our Information Security area implements preventive measures and continuously monitors systems to identify and mitigate potential cyber threats. In this way, we ensure the development of technological infrastructure and protection of the Company's critical data.

Information security is a priority theme for our company, which adopts an integrated approach to ensure the integrity of its operations

Privacy and Security Policies

Our Information Security Policy defines the guidelines on this theme, which focus on serving the needs of the business, and the legal protection of the company and the individuals involved. We focus on developing policies and procedures that must be followed by all to ensure the protection and integrity of our operations. It is based on confidentiality, integrity, and availability, and includes a range of technological, physical, and administrative controls described in specific procedures.

According to this document, the Board of Directors, the Risk Management and Compliance area, the Information Security area, company managers and employees all have specific rules in the approval, review, monitoring, compliance, and disclosure of a culture of information security. The Security Policy also highlights the importance of protecting data and reporting any leak of confidential data through the Ethics Channel. It focuses on preventing and mitigating any negative impact through employee, partner, and third party education and awareness. It also fosters the management of cyber incidents to enable rapid communication should negative events occur.

Continuous monitoring of the technology environment seeks to manage positive impacts, identifying and correcting vulnerabilities. Remediation measures include mobilizing experts, investigating causes, containment measures, and disaster recovery strategies.

The effectiveness of these measures is monitored through internal and independent audits with goals, targets, and indicators aligned with our strategic goals and reviewed in critical analysis meetings. The increasing maturity of the Information Security area, as evidenced by assessment cycles, demonstrates the effectiveness of the measures, with learnings incorporated via process, procedure, and control reviews.

The Code of Ethical Conduct includes guidelines for respectfully handling personal data and sharing data with those outside the organization. This document recommends protecting company confidential data during negotiations or discussions with customers, suppliers, and other third parties at corporate events or benchmarking meetings.

 The Information Security Policy and Code of Ethical Conduct are available at: <https://ri.fraslemobility.com/en/by-laws-policies-and-regulations/>

PROTECTING PERSONAL DATA

Continuous process improvement and the protection and processing of personal data is part of the Randoncorp privacy governance program used by Frasle Mobility, managed by Risk Management and Compliance. The Personal Data Privacy Policy defines guidelines, strategies, and governance responsibilities for the protection of personal data, ensuring compliance in personal data processing and handling. The Company also has an Information Security and Privacy Committee to discuss measures related to corporate matters involving personal data privacy.

Culturally, in addition to measures implemented according to the annual privacy and personal data communication training plan, the Company organizes two online gaming seasons on this theme, where employees may participate if they want. The goal is to foster the culture and strengthen their knowledge on the theme.

Furthermore, the Company ensures the right of the data owner to request and obtain access to their data and amend it or confirm that it is properly handled. To make this easier, we created the Data Owner Website.

Data Owner Website

portaldotitular.randoncorp.com/titular_randon



Elton Junior Saraiva

TECHNOLOGY AND CULTURE FOR SECURITY

We continuously monitor the security of our data processing equipment to ensure there are no leaks nor inappropriate use of confidential or third-party data. Our parent company, Randoncorp, has analyzed maturity since 2022 to identify positive aspects and gaps related to information security. The initiative updates the Information Security Master Plan with the main initiatives to mitigate information security risks.

To help design corrective and educational measures, we continuously test them with our employees, including social engineering tests.

Secure Connections

The engagement of people and technology is essential for information security. This is why Randoncorp created an awareness program known as Secure Connections, which is adopted by all Group companies. This program uses info-memos, e-books, campaigns, and trainings to enhance the entire Company's information security culture. The program is available in several languages to include our international operations.

PRODUCT SAFETY AND EXCELLENCE

GRI 3-3

We seek to develop high-performing and safe products, services, and processes. The focus is on offering our customers efficiency and sustainability. To enable this, we use standards such as ISO 9001, ISO 14001, IATF 16949, ISO 45001, and ISO 17025. In 2023, NIONE and the Nakata units in Extrema (MG) and Osasco (SP) became not only ISO 9001 certified, but also ISO 14001 (environmental management) and 45001 (occupational health and safety) certified. Thus, all our units embrace quality management standards.

Our products are also certified by international organizations, ensuring they meet quality and safety standards. Annual internal and independent audits assess the compliance of our management system, including our supply chain. The Quality Control Circle (QCC) fosters continuous improvement through active employee engagement. (Learn more about the QCC on [page 45](#)).

In 2023, Frasle Mobility adopted specific measures to prevent and mitigate potential negative impacts – Advanced Product Quality Planning (APQP), Failure Mode and Effect Analysis (FMEA), and continuous improvement measures such as 8D. Methodologies such as the Method of Analysis for Solving Problems (MASP) and Lean Six Sigma were used to address actual negative impacts.

The effectiveness of these measures is tracked via internal and independent audits, and progress is assessed within the Management System, with specific goals, targets, and indicators. Learnings from these processes are incorporated into the organization's operating procedures and policies, ensuring continuous adjustment and improvement.

Between 2021 and 2023, we made significant progress in the OEM PPM indicator, with improvement in productivity between 2022 and 2023.

We adopt quality management standards to ensure the best products and services for our customers



STRATEGIC PRODUCT QUALITY INDICATORS FRAS1

	2021	2022	2023
PPM OEM	2	4	9
Costs of poor quality (R\$)	12,180,436	17,782,314	44,072,823.36
Productivity (#)	40.00	36.98	38.89
General scrap (%)	2.10	2.07	1.94
Guarantee cost (R\$ thousand)	710,718	702,387	11,547,252.17

Note: Companies included in each of the indicators: > PPM OEM: AFF, CONTROIL, FASIA, FNAI, FREMAX, FSA and JURID > COST OF NON-QUALITY: AFF, CONTROIL FANACIF, FASIA, FNAI, FREMAX, FSA, JURID AND NAKATA > PRODUCTIVITY: AFF, CONTROIL, JURID, FASIA, FNAI, FSA E NAKATA > GUARANTEE COST: CONTROIL FANACIF, FASIA, FNAI, FREMAX, FSA, JURID AND NAKATA > SCRAP: FSA, CONTROIL, FREMAX, NAKATA, JURID, FASIA, FNAI, FANACIF, FARLOC

PRODUCTION CAPACITY FRAS3

	2021	2022	2023
Number of units manufactured	96,356,735	93,675,146	116,572,822
Daily manufacturing capacity	383,891	398,000	475,807.43
Number of days	251	235	245

Note 1: In 2022, only the Frasle Mobility Caxias do Sul site was included.

Note 2: To have the data in a linear and logical sequence, in 2023 we reported data for the Frasle Mobility Caxias do Sul site.

Note 3: The difference between 2022 and 2023 is due to including Composs in 2023. Composs' output became larger/more relevant in 2023, and thus is included in this report.

MANUFACTURING CAPACITY TR-AP-000.A

	2021	2022	2023
Number of units manufactured	96,356,735	93,675,146	26,142,095
Daily manufacturing capacity	340,114	398.00	474,371
Number of days	251	235	245

The following units are included in this indicator: Aff, Controil, Fasia, Fnai, Fremax, Fsa, and Jurid.

QUALITY CONTROL CIRCLE

To promote and develop quality management improvements throughout the business, we rely on the Quality Control Circle (QCC), our continuous improvement program. The program involves several areas of the company, with the voluntary participation of our employees, known as circulators. These employees meet in working groups to discuss opportunities for improvement within their work environments, which are evaluated every six months by a technical committee. The improvement ideas from the working groups are awarded prizes every six months, and the outstanding projects are presented at the QCC Internal Work Exhibition using skits. Since its creation, 11 thousand projects have already been implemented in the company.



In 2023, the following projects were presented to the company:

- Anti-noise applicator machine;
 - Inverting the spiral grinder in Mill 1237;
 - Reducing the cost and lead time to manufacture low volume plaques that require mechanical retention;
 - Drill limiter to avoid deep holes in brake liners;
 - Support to keep the steel cable in the press silo from getting tangled;
- Switching from traditional to split nuts in the shearer axles in processing lines.
 - In 2023, the QCC addressed diversity and inclusion in preparing circulators for the event displays, skits, and interventions, using art to disseminate a culture of inclusion.



SUPPLIER MANAGEMENT

Supply chain policies GRI 3-3

To ensure fair, ethical, and responsible partnerships, we continuously seek to share the principles and values that guide our corporate conduct with our suppliers, adopting the best practices in management and sustainability embraced by the industry.

Each year we hold a Supplier Meeting with our supply chain where we present scenarios, strategies, and guidelines for each business vertical. In 2023, the event included one hundred partner companies. On that occasion, we shared ESG and cybersecurity commitments, fostering discussions focused on innovation and sustainability. To encourage and cascade our ambitions in these themes to the supply chain, the meeting included Supplier Awards in three categories: Competitiveness, Innovation, Technology, and ESG.

Just as with our employees, our supply chain is guided by the Integrity Program, which includes the Code of Ethical Conduct, the Ethics Channel, the Anti-corruption Policy, and the Related Parties Transaction Policy, as well as specific policies such as the Purchasing Policy and the Supplier Requirements Manual. These are applied to all business relationships across all Group units. The effectiveness of these measures is tracked through process

audits and periodic meetings with union representatives. The goals and targets in the Supplier manual and Target Letter are measured by compliance with group instruments and applicable legislation, avoiding stops.

Frasle Mobility analyzes the integrity (due diligence) of new suppliers to identify non-conformities in ethics, the environment, and labor rights. This is handled by an independent specialized company. Risk Management and Compliance is responsible for investigations and for informing Purchasing of any supplier risks identified. We stress that no situations of slave-like or child labor were found during Company investigations or reported to the Ethics Channel.

Retaining new suppliers also has a significant risk of slave-like labor, for this reason, the supply chain is rigorously assessed and monitored according to the current Manual of Supplier Requirements, which defines requirements in terms of compliance and implementation of measures in line with auditable requirements of social responsibility, the environment, and occupational health and safety, including the avoidance of forced or slave-like labor. This includes periodic audits to ensure adherence to the established standards. **GRI 409-1**



Of the 217 supplier actions, 108, or 49.77%, involved new suppliers submitted to due diligence to assess corruption-related risks. The assessments performed between 01/01/2023 and 11/06/2023 found no significant corruption-related risks. **GRI 205-1**

In environmental impact, the organization assessed all 148 suppliers in 2023, and none of them emerge as a cause of actual or potential negative environmental impact. **GRI 308-1*, 308-2**

In 2021, 2022, and 2023 all new suppliers were screened using social criteria, demonstrating the company's continuous commitment to social responsibility in choosing its suppliers. In 2023, 80 suppliers were evaluated using this criteria, and none were found to cause significant negative social impact. **GRI 414-1, 414-2**

* Scope: Direct suppliers: Frasle Mobility units in Caxias do Sul, Sorocaba, Controil, and Fremax. Nakata: Scope: AFM Suppliers: Frasle Mobility Nakata units. AFM (aftermarket) suppliers are assessed and monitored according to the current supplier requirements manual for the replacement market, anticipating agreement and actions pursuant to auditable environmental requirements, in addition to quality and occupational health and safety.



Fernando Airton De Carvalho

We launched the 9th edition of our Supplier Requirements Manual

Screening and monitoring

Choosing a new supplier is the responsibility of corporate Purchasing, which uses a broad array of factors and criteria related to economic-financial, commercial, quality, and product and service safety aspects, as well as their commitment to ethics and social responsibility.

We manage our supply chain using the Supplier Requirements Manual. This document determines that all direct suppliers be carefully assessed and selected, following a rigorous analysis of quality, logistics, and after-sales service, as well as commercial, environmental, occupational health and safety, and social responsibility aspects.

We recently published the 9th edition of this Manual, now with a specific ESG chapter. This addition reinforces the importance and continuous improvement of ESG processes.

The supplier assessment is performed through follow-up audits that analyze the management system holistically, including the requirements mentioned above. Business relations only continue if the supplier obtains a minimum score in the practices assessed. Suppliers already approved are audited according to a schedule based on the criticality of the items and their performance in previous audits.

AUDITABLE SUPPLIER REQUIREMENTS



CORPORATE SOCIAL RESPONSIBILITY

- No forced, slave-like, or child labor
- Corporate Health and Safety Policy (ensure a safe and healthy working environment, as well as measures to prevent accidents and damages to employee health);
- Freedom of association and the right to collective bargaining;
- Prohibit discriminatory practices;
- No use of disciplinary practices (corporal or mental punishment, physical coercion, or verbal abuse);
- Working hours defined in accordance with current legislation;
- Fair compensation;
- Not be included in the "dirty list" of slave labor, which includes the names of employers flagged by federal government inspections;
- Corporate anti-corruption, ethics, and organizational governance policy.



ENVIRONMENT

- Corporate Environmental Management System
- Hold an environmental license/permit;
- Environmental Management System and permanent updates according to the requirements of ISO 14001;
- Waste management
- Noise/vibration management;
- Monitoring, reducing and optimizing natural resource consumption
- Environmental liability management
- Environmental risk management
- Constant monitoring, registration, and continuous improvement of the environmental management



system.

OCCUPATIONAL HEALTH AND SAFETY (OHS)

- OHS Management System and permanent updates according to ISO 45001 requirements;
- A Corporate OHS Policy committed to ensuring safe and healthy working conditions for the prevention of work-related health hazards, that are appropriate for the company's purpose, size, and context, and the specific nature of its risks and opportunities;
- Senior Management shall ensure that this policy reaches all levels of the company;
- The Organization shall establish, implement and maintain processes for monitoring OHS management.

INNOVATION AND TECHNOLOGY

Our R&D work GRI 3-3

Frasle Mobility seeks to undertake a journey of excellence where innovation, science, and technology enable increased efficiency with fewer resources, capturing new markets with increased competitiveness.

The Company uses state-of-the-art technology and modern operations to deliver the best performance in the world's most demanding applications, always focusing on customer safety. Our technology and innovation resources are in line with our public ESG commitment, and also focus on improving work conditions.

With a strong vocation as an innovator, Frasle Mobility has highly specialized employees ([see more on page 55](#)), working on the development of new products and processes. It uses advanced tools to design and prototype parts, tests, and simulations, and has one of the largest research and development centers in Latin America. In addition to a technology center with a large laboratory and test tracks in different types of pavements and specific irregularities for testing under diverse conditions.

Our commitment to technology and innovation is also aligned with our ESG pillars



Paola Cristine dos Reis da Silva and Maxwell Lucas Moreira da Silva

RD&I STRATEGY FRAS2

The Company's Research, Development, and Innovation (RD&I) strategy drives business growth investments in state-of-the-art technology and the technical qualification of our RD&I team. Our goal is to convert applied innovation research into products and processes that meet customer social needs and requirements in our business segments. This strategy is based on four fundamental pillars:



Fabio Modesto and Luiz Rafael Coelho da Silva

Robust structure

Our research and development center, the most advanced in Latin America, and the Randon Technological Center (CTR) are key for vehicular and accelerated durability testing.

Highly qualified people

120 highly qualified and specialized professionals

40 engineers

12 masters

8 PhDs

Partnerships

We partner with scientific and technological institutions such as the University of Caxias do Sul (UCS), the Federal University of Santa Catarina (UFSC), the Rio Grande do Sul Federal Institute (IFRS), and numerous Senai (National Industrial Learning Service) units. We invested over R\$ 6 million in 2023.

R\$ 6 million
invested in 2023

Dedicated budget

1.7%* of sales
over **100** projects

AMOUNT INVESTED IN RD&I



Based on the net revenue of Frasle Mobility manufacturing units.

SERIOUS AND CONTINUOUS INNOVATION

FRAS2

We invest in RD&I as we believe in organic growth, always seeking to create value and looking for better ways of doing things. In 2023, our potential revenue from new projects in the current portfolio was R\$ 289 million. We made 4,703 prototypes for all company product lines and geographies. Our innovation projects had an accumulated innovation indicator of 56.24% in 2023.



Prototypes manufactured

2021

4,780

2022

4,942

2023

4,703

Below are some of the highlights for the year:



Julia Fontana Tiburcio

NIONE

The Randoncorp and Frasle Mobility nanotechnology unit launched a novel solution using nanometric niobium to treat metal surfaces, and for painting pre-treatments, increasing the corrosion resistance of these products by 70%.



Anderlize Goebel Cavalli and Priscila Brando

Fras-le EHenergy

This line of brake pads is designed for electric and hybrid vehicles, serving the new types of mobility.



Maxcoating

Using Fremax, we have started to market this new line, that brings break disks and drums coated with this unprecedented, sustainable, and proprietary material.



Cleci Aparecida dos Santos Alves

Composs

An automated (smart manufacturing) production line was inaugurated for composites that enable lighter, more resistant, and highly durable parts not subject to corrosion. This step consolidates the increased capacity of Frasle Mobility, while supplying the first components to the Brazilian commercial vehicles market.

STRUCTURE

RESEARCH AND DEVELOPMENT CENTER

Located in Caxias do Sul (RS), it is about to turn 50 and has three high-technology labs. It supports product research and development from raw material descriptions through product validation and certification. We use simulation tools to develop solutions for structural, dynamic, and thermal problems, and also focus on acoustic and vibrational comfort.

Our labs performed 1,931 dynamometer tests, 26,513 physical characterization tests, and 43,213 chemical characterization tests. We also ran dozens of vehicular tests together with fleet owners in different countries such as the US, Mexico, Colombia, Netherlands, Chile, Brazil, Uruguay, Argentina, China, and India, reinforcing our commitment to innovation and quality.

We have

three labs
of advanced technology

RANDON TECHNOLOGICAL CENTER

Located in Farroupilha, Rio Grande do Sul, the Randon Technological Center (CTR) is the result of a partnership between Randoncorp and Frasle Mobility. It is one of the largest independent technology and field testing centers in Latin America, with a complete structure for vehicular testing – motorcycles, passenger cars, trucks, buses, farm equipment, and automotive components. The CTR provides a one-stop-shop for services, offering agile solutions that start with planning, and then move on to testing and approval of new products.

With a 90 hectare testing field, over 20 types of tracks, and a 2,200 m² building housing labs, engineering, and administration offices, the complex provides exclusive and integrated solutions for our mobility customers.

In 2023, Advanced Driver Assistance Systems (ADAS) were added to the CTR. The CTR also added a lab for passive safety testing, anchoring tests, and seat belt attachment, isofix, seat and back impact and resistance, and tests to assess pedestrian protection. Laboratory resources are ready to meet the requirements of Brazilian legislation that will shortly become effective.



Innovations were also added to the accelerated durability test environment. The structural lab's seismic base was expanded by 60%, and the actuator base is expanding to enable multi-axle accelerated durability tests. This technique uses different hydraulic actuators working simultaneously in different directions, resulting in a more faithful rendition of vehicle and component use conditions.

90 hectares
Product testing field

INSTITUTO HERCÍLIO RANDON

Located in Caxias do Sul (RS), the HRI is a science and technology institute (STI) focused on innovation, research, and development of breakthrough technologies along three knowledge verticals: Mobility, embedded electronics, and smart materials. Frasle Mobility has invested in the Institute and supports research that proposes to contribute innovations to drive the Company's growth and diversification strategy.

As a knowledge and technology development hub, we seek to continuously understand the needs of the market and society. With a dedicated team of investigators and technicians, as well as strategic partnership with private and government science and technology institutes, universities, companies, startups, and government agencies, we are committed to creating innovative solutions.

<AR> MOVEMENT

This permanent program to encourage innovation promotes a culture focused on agile and sustainable digital transformation of the business environment.

The program develops transformation agents who lead projects, and come up with innovation tests and technological roadmaps that contributed to the sustainable result of our brands.

To foster cultural transformation, the <AR> movement has five pillars of action: going digital, connecting to diversity, explore opportunities, think and act global, and collaborate and share.



AUTO EXPERTS

In 2023, we improved our digital service platform. Among them are new front, videos embedded in our products, product page downloads, Frasle Mobility catalogs downloadable in PDF format, and new home and product filters. As a result of these strategies, compared to 2022, last year we grew:

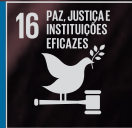
105% in total users
134% in total sessions
104% in total number of research studies
204% in total number of plate searches

 See more Sustainable Business indicators on [page 84](#).

04 CARE FOR PEOPLE



KEEP
LIFE
IN
MOTION



ATTRACTING, DEVELOPING AND RETAINING EMPLOYEES	55
HUMAN RIGHTS AND LABOR RELATIONS	59
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ATTRACTING, DEVELOPING AND RETAINING EMPLOYEES

GRI 404-2

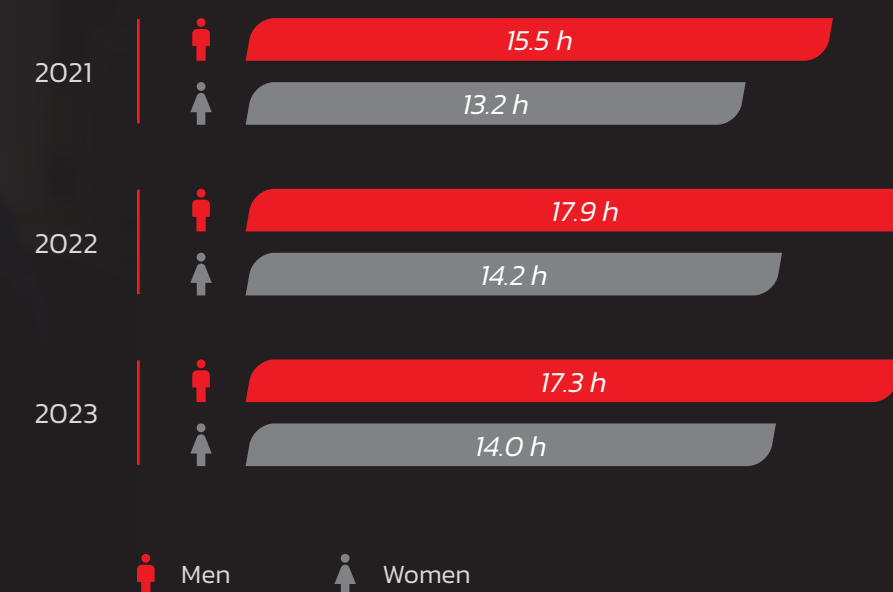
Justice, equity, and equal opportunities and treatment are priorities in our People Management Policy. As an employing brand, our recruiting processes stress the candidate's experience and seeks to attract talents who share our principles and commitment to our purpose. We also continuously improve our integration practices to embrace our people.

In the search for the best talents, we work with teaching institutions to disseminate knowledge with lectures and meetings with our professionals, introducing the company at universities and events. We also support the +praTI [more for IT] society, which seeks to train talents in IT.

Between 2021 and 2022, we implemented an Employer Branding project that created our Employee Value Proposition (EVP), which is based on the following pillars: global presence, innovation and technology, dynamism, sustainable attitudes, and a universe of opportunities. The EVP originated an action plan implemented in 2022. In 2023, the strategy became essential for the Company and was integrated into our processes.

AVERAGE HOURS OF TRAINING FOR EMPLOYEES DURING THE PERIOD COVERED BY THIS REPORT, BROKEN DOWN BY EMPLOYEE CATEGORY

GRI 404-1



Pay and benefits

GRI 401-2

All our full-time employees receive a robust pack-
age of benefits that includes health insurance,
meals, life insurance, a healthcare center, tele-med-
icine (SSI), room for breast-feeding mothers, fu-
neral support, flexible hours (admin. employees),
PRA.VC (FOR.YOU), transportation vouchers, pen-
sion plans, dental plans, and a Christmas basket.
Furthermore, full-time employees also receive a
nursery allowance and time in service prizes.

In addition to the benefits above,
Frasle Mobility employees in
Caxias do Sul site also receive:

CRECHE SUPPORT

This benefit is available for parents
of children under the age of 5.

NURSERY ALLOWANCE

This benefit is available for
parents of children under the age
of 5.

**Our compensation policy is
reviewed annually to remain
competitive in our industry.**

REMUNERATION POLICIES (IN R\$) GRI 2-19

2023



Pamela Penha

Corporate education

GRI 404-2

Our approach to education is based on people management and their development. It ranges from training in specific competences through awareness and training based on performance assessments. The business units have autonomy to fund courses and training activities that are in line with their strategies and needs.

The themes addressed in our development initiatives include:

QUALITY

Training to meet management system certification standards and customer requirements.

SAFETY

Continuous training in workplace safety, promoting a culture of prevention.

LANGUAGES

Learning different languages using an online, interactive platform.

Among our initiatives, we highlight:

PRA.VC [FOR YOU]

An online learning portal that fosters autonomy and promotes personal and professional development through a variety of courses, some of them required, such as regulatory standards. We facilitate access to learning with computers located in the workplace.

In 2023, the PRA.VC platform was reformulated, and now promotes reflections on the different form of learning during our lifetime.

Qualify Program

Our Young Apprentice program, a partnership with Senai and the Randon Professional Education Center, seeks to prepare young talents in emerging areas such as robotics and industrial automation, training professionals in competences of the future. Over one-thousand youth have passed through this program since it was created. In 2023, 146 youth competed the course, and 66 graduated.

Quality

We offer training to qualify our employees to abide best practices in quality, and comply with customer demands and standards.

Safety

We continuously invest in training our employees to ensure a safe working environment, promoting a culture of accident and risk prevention.

Language Program

Our strategic program fosters the development of professionals and the organization, leading to a global culture with an interactive online platform that provides training in 24 languages. We select participants who have the potential to become involved in the program and map talents. Registration is open to all interested professionals.

Being Digital

This program provides access to an Alura learning platform of over 1,200 courses in areas such as programming, digital transformation, data science, and soft skills. In 2023, some 13 professionals were licensed on the platform, totaling 130 hours of study.

Sustentar Program

Frasle Mobility encourages cultural and behavioral changes that contribute to achieving the Company's sustainability vision.

Using the Frasle Mobility Caxias do Sul Sustain Program, our strategy is broken down into relevant initiatives for employees and service providers, focusing on the pillars of safety, quality, and productivity (SQP).

In 2023, Sustain organized a number of actions focused on our pillars that promoted an innovative, SQP-centric culture.

Actions have the support of the organization's leaders and senior management. From among the measures implemented in the year, we point out the

following:

- New-Years welcome for all employees and service providers;
- Annual Sustain planning;
- Over 69 Fras-le celebrations;
- "Being a mother prepares you to live again" action;
- Green April Awareness;
- Training and selective waste collection for all employees;
- Awareness on the National Accident Prevention Day
- Dialogs on safety, quality, and productivity;
- Productivity memos;
- A Father loves action;
- S-Day



S-Day

Performance assessment

GRI 404-3

Performance assessments are adapted to the various functional levels, ensuring that all employees receive feedback from management to align expectations and discuss development opportunities. Since 2016, we have used formal assessments for those holding management positions, and since 2020, for those in administrative positions.

Administrative employees are assessed based on organizational competences. They also complete self-assessments and receive management feedback to identify opportunities for improvement. Executives undergo 360° assessment, while managers and coordinators undergo 270° assessments.

Management levels also have calibration rounds to ensure consistency. Our goal is to help employees achieve their potential and develop their careers, setting goals that promote continuous development and contribute to a talent bank that is essential for growing the business.

In 2023,

all employees

were eligible for assessments

33% women and 67% men

HUMAN RIGHTS AND LABOR RELATIONS 3-3, 408-1

In line with Randoncorp, who signed the UN Global Compact, we are committed to the ten principles related to human rights, labor, the environment, and anti-corruption. This commitment reflects our adoption of business processes that respect and foster human dignity, within and outside the organization.

Our internal culture fosters respect for diversity and inclusion, developing programs to expand the representation of minority social groups, creating affinity groups, and strengthening an inclusive culture. The theme is addressed in our Code of Ethical Conduct, used throughout the company.

We also foster human rights among our suppliers. An example of the initiatives adopted is the requirement that new hires sign a statement that they accept and will comply with all of the requirements in our policies, manuals, and programs. This includes our human rights and anti-corruption guidelines.

The company also adopts numerous measures to fight child labor. The Code of Ethical Conduct instructs employees, officers, and partners to respect human rights, and condemns forced and child labor.

The Ethics Channel helps fight violations, receiving reports that are properly addressed.

 Learn more on page 39 of this report.

We are committed to the ten principles of the Global Compact, which we signed

How we cultivate relationships

GRI 2-29

In 2023, we mapped our stakeholders. After this, we prioritized initiatives focused on customers, employees, suppliers, the community, and investors to secure engagement and support our sustainability policy.

Among the measures developed are onboarding new employees, internal events, celebrating important dates, engagement and culture programs, breaking down our strategic planning, family visits, breakfast with management, Christmas parties, annual meetings and workshops with suppliers, events for shareholders and investors such as "Frasle Mobility Universe", and quarterly earnings disclosures. Furthermore, the organization remains relevant to the community with the Instituto Elisabetha Randon (IER) social programs, customer service, and marketing activities.

DIVERSITY, INCLUSION AND EQUITY

At Frasle Mobility, we foster respect and value diversity, as we believe that in it lies one of the strengths of our business. We believe an inclusive environment that considers all experiences and viewpoints is essential, not only to stimulate innovation and value creation, but also to give opportunities to different talents and offer a welcoming and safe environment for our employees. We follow the Randocorp policy regarding diversity, inclusion, and equity, seeking to foster best practices aligned with our principle of valuing people.

In this regard, we work on four fronts to drive our diversity strategy:

Institutional Commitment

We set targets for representation and an inclusive culture, and goals for gender equity, race and ethnicity, people with disability, and inclusion of LGBTQIAPN+ people;

Strengthening our inclusive culture

Our initiatives involve leadership development, communication using inclusive language, lectures, and face-to-face and online meetings to foster discussion and raise awareness about the issues;

Expanded representation of minority and/or under-represented social groups

To achieve equity, we have created programs to accelerate women's careers, train reference employees to support PwD, and revised employee processes and policies.

Governance

We rely on the support of our affinity groups to set representation targets and inclusive culture goals. We also have sponsors among the board of executive directors who act as change agents and link the theme to business strategies.



Lutherson Pierre

NEW PATHS | JOURNEY OF PROSPERITY

In 2023, New Paths was redesigned and is now known as New PATHS | Journey of Prosperity. The main changes were rolling out the benefit to all units in Brazil, and reviewing the journey of those preparing themselves to transition outside the company. To recognize the people legacy, providing conditions to create and connect new experience cycles in their interaction with the world, valuing their trajectory and creating connections for a sustainable future. Since it was created 21 years ago, 810 professionals have participated in New Paths.

Redesign took place together with the expansion of the RandonPrev benefit. BU leaders in Brazil were trained to engage in the advances being made in intergenerational learning and a pension/ social security culture with their teams.

The half-yearly learning axes of the new Journey of Prosperity were also recreated to: Perceive, Re-encounter, Connect, and Create. They are explored along the following themes:

- Comprehensive healthcare;
- Economic might;
- Future trends and signals;
- Digital educator
- Planning new experience cycles;
- New roles in life, diversity and inclusion.



In 2023, Their (women) Journey included continuing and closing Development of Leadership Potentials and Career Mentoring, involving some 84 women.

Here are some of our programs:

THEIR (WOMEN) JOURNEY

This career acceleration program is one of the initiatives related to inclusion and diversity, in line with Randoncorp's ESG ambitions. It is based on UN SDG 5: "achieve gender equality and empower all women and girls". The goals include developing women for leadership position, supporting the Company's ESG ambitions, expanding the relationship network, strengthening the SDG 5 goals, developing competences for female careers, and strengthening our base of professional women.

FRAS-LE BORDERLESS PROJECT

We are committed to building a diverse and inclusive environment for all, valuing and respecting differences and promoting best practices in inclusion and equity. With this beacon in mind, along with the goal of increasingly preparing the company for inclusion, minimizing adjustment issues, we created the Fras-le Development Hub | Fras-le Borderless Project.

The goal of this 30 to 45 day project aims to develop and adapt new PwD to positions other than their current job. After this, the Company looks for a position where that person can best contribute. The first group trained 11 participants.

OUR AFFINITY GROUPS

In 2023, we started working with Affinity Groups created in 2022, with representation and inclusive culture goals and targets. There are some 380 people in these groups, which seek to:

Promote diversity, inclusion, and equity practices through dialog, suggestion, and reflections for the organization.

Add the outlook of those experiencing issues regarding diversity, inclusion, and equity (DI&E) and their allies into the tactical plans.

Connect people, providing an environment of exchange, connection, and empowerment.

In 2023, we also created specific campaigns for each Group in association with celebratory dates:

International Women's Day

Women and all their ways of being

LGBTQIAPN+ Pride Day

I play on the respect, love, and inclusion team

Anti-Capacitism Day

Take action to include and transform spaces, opportunities, and relationships

Black Awareness Day

We have made history with pride and respect. For a world without racism, change is now

The purposes of these affinity groups are:



Women

Seek gender equity with group and individual actions of respect and women empowerment across the entire organization, creating real changes.



Race and ethnicity

Act with commitment and awareness, connecting to our origins to transform Randoncorp into an environment of ethnic and racial equity, leaving a legacy of opportunities, respect, empathy, justice, and unity, starting now.



LGBTQIAPN+

Build a culture of belonging and authenticity at Randoncorp, respecting all LGBTQIAPN+ individuals and fostering a safe, democratic, and inclusive environment using all spaces.



People with disabilities

Support issues of physical and digital accessibility, providing inclusion conditions for people with disabilities, welcoming diversity, and respecting human beings in their entirety, including differences.

HEALTH, WELL-BEING AND SAFETY

GRI 403-1, 3-3

At Frasle Mobility, the most important priority is to bring the rate of serious accidents to zero. This commitment of caring for our people is part of the journey we build day by day. Thus, guided by the Randoncorp Health, Safety, and Environment (HSR) Policy, we actively work to identify, anticipate, recognize, and assess the risks associated with the activities performed, adopting preventive and control measures to ensure and preserve the life and safety of our employees.

Frasle Mobility's occupational health and safety systems at the Caxias, Nakata Automotive, and Jurid do Brasil sites are ISO 45001, with internal and independent audits to ensure governance and the effectiveness of their controls. Furthermore, the management system includes documents, procedures, and programs focused on effective risk management and on complying with all applicable legal requirements. At these companies, management systems cover all employees and contractors working on their premises, with no exceptions. Occupational health and safety management works to abide the legislation applicable in the countries where we do business.

In recent years, we have made significant investments in culture, convinced that change will only happen if there is effective management involvement with employees at all levels, with effective communication and disclosure of information relative to these publics. To encourage the use of preventive measures, we have programs and projects that promote employee engagement and collaborative participation, reinforcing our commitment to the care and safety of each individual.

Our target is
ZERO
severe accidents
in our operations

Risk management and accident investigation

GRI 403-2

To identify and assess the risks associated with employee activities, the Company measures the hazards and risks. The results, and appropriate control measures, are included in the Risk Management Program, an essential component of the occupational health and safety management system.

Risks are automatically assessed via critical analysis and indicators at HSE Progress Meetings and specific committees across all levels of the organization. Leaders from all levels, along as worker representatives, participate in these meetings designed to develop means to improve occupational health and safety management.

Hazards and risk situations may be reported directly to management and the safety area, by opening service orders, or anonymously through voluntary reporting using specific forms and/or IT systems.

We believe that implementing the actions in our management system, complying with rules and procedures, and developing a culture of safety are part of the path that will result in a significant reduction in risks, accidents, and incidents. Any undesired event is analyzed, investigated, documented, and addressed to avoid recurrence. Such situations are investigated by multidisciplinary

teams that analyze facts, identify causes, and determine remediation measures.

After mapping the main risks, we created Theme Groups to eliminate or mitigate the main critical risks. The first step analyzes monthly indicators and incidents reported; based on these, e-books, procedures, and instructions to foster safety and operating criteria are developed for all units.

Created and led by plant managers at the units with higher risk, Theme Groups have the technical support of occupational safety engineers. HSE works with managers and employees to list hazards, sharing this information so that all may contribute with safer options and adopt preventive and control measures.

THEME GROUPS



Industrial vehicles



Storing materials at heights



Plant machinery



Maintenance lockout tagout



Safety culture

The main hazards identified involve operating industrial vehicles, storing materials at heights, plant machinery safety, and the use of flammable chemicals/fire risk. We also point out hazards associated with hazardous energies, liquid materials, and working at heights.

These hazards were identified by assessing activities and areas, and include specific improvement plans and priority actions by level of risk in annual budgets and investment plans.

The measures taken to eliminate or mitigate hazards include replacing forklifts with self-guided robotic lifts, changes in layout, purchase of pallet racks suited to best practices in storage, autonomous anti-collision technologies, and pedestrian detectors in industrial vehicles, replacing machinery, adjusting machinery safety (NR-12), and training and use of specific PPE, among others.

In addition, in 2023 we advanced our culture of safety at the Caxias do Sul unit, adding clarity regarding improvement priorities, advancing in areas such as communication in safety, recognition and consequence management, training, and lessons learned. We also conducted psychosocial assessments of operators assigned to critical activities, an important advance in our journey to improve physical adjustments and a culture of safety.

The organization has a proprietary reporting system for data regarding the main health and safety indicators, and manages information from all business units on a monthly basis. Data on hours worked (MHW) and the number of health and safety incident



Maria Edineilma de Souza Figueira

is collected and analyzed at the headquarters in Caxias do Sul (RS). Information on potential occupational illnesses, accidents and high-potential incidents is also managed. The more severe incidents and those that could potentially be fatal are managed using a specific indicator: serious injury and fatalities (SIF) and potential serious injury and fatalities (PSIF). This indicator is periodically monitored by levels of the organization during HSE meetings. Thankfully, no Frasle Mobility unit reported serious accident (SIF) during the reporting period. Worldwide, the following units experienced high potential accident and incidents (PSIF): Frasle Mobility Caxias do Sul site – 12 incidents, Fremax – 3 incidents, and Nakata – 6 incidents.

This scenario highlights the differences and uniqueness of each business unit, demonstrating the importance of suitable local management following the same corporate beacon, focusing on mitigating critical hazards and on prevention as a whole, in line with global best practices in this theme.

In 2023, we invested R\$ 21 MM to eliminate and mitigate critical hazards at Frasle Mobility. These investments reinforce our commitment to caring for people and the promotion of safer work environments and increased well-being.

WORK-RELATED INJURIES AND DISEASES

GRI 403-9, 403-10

Sector	2021		2022		2023	
	Employees	Contractors ¹	Employees	Contractors ¹	Employees	Contractors ¹
Number of hours worked	11,449,129	602,941	10629281 ²	765,818	11,495,520.55	856,667.88
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	1	0	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0.09	0	0.09	0	0	0
Number of recordable work-related injuries (including fatalities)	79	1	115	3	118	5
Rate of recordable work-related injuries (including fatalities)	6.9	1.7	10.82	3.92	10.26	5.84
Number of fatalities as a result of work-related ill health	---	---	---	---	0	0
Number of cases of recordable work-related ill health (including fatalities)	2	0	3	0	4	0

¹ Contractors whose work and/or workplace is controlled by the Company.

² Hours worked exclude Fapan, which did not provide information.

Note 1: Rates were calculated based on one-million hours worked.

Note 2: The main types of workplace accidents are related to operation and handling of parts and equipment, use of industrial vehicles, and superficial cuts, first-degree burns, eye splinters, and twisted ankles.

Note 3: Occupational diseases identified including lost of hearing and osteomuscular injuries.



Healthcare and Safety

GRI 403-3, 403-5, 403-6, 403-7

Employee care services include periodic check-ups to assess occupational health and prevent disease; ergonomic analyses to identify and mitigate ergonomic risks; a Hearing Protection and Conservation Program (HPCP) to prevent occupational hearing loss; Active Care Workshops focused on safe and health behaviors; Wallet Health Program to reduce financial stress; team and leadership development; Quality of Life Program; psychological advice, lectures, and workshops on mental health; psychosocial assessments, and the Mental Health Management Program. The main occupational health hazards at Frasle Mobility are related to ergonomics.

Some units, such as Frasle Mobility Europe site and Frasle Mobility ASK site do not have specialized in-house health services, but use the public health system. Access to services is facilitated by check-ups and health campaigns, along with internal and independent audits. SSI Saúde offers a range of clinical and support services. For locations with no in-house resources, services are provided by an accredited network.

To maintain the confidentiality regarding employee personal health data, the organization uses a computerized system according to the Personal Data Privacy Policy.

At its facilities in Brazil, the organization has strategically located to make it easier for workers. Integrated management is enabled by an administrative headquarters and a service center for beneficiaries, referring them to the accredited network depending on the required medical specialty. Beneficiaries have access to specialized health services through a care network consisting of over 600 service providers meeting all ANS (National Health Agency) requirements. Service is also available through external operators, and a tele-medicine service is available 24x7.

The Company also promotes employee health with volunteer preventive medicine programs, which include breast and prostate cancer prevention programs, health check-ups, programs for pregnant women, H1N1 vaccines, post Covid-19 rehabilitation, anti-smoking, and sexually transmissible disease prevention.

Non-employees whose workplace is not controlled by the organization, but who are impacted by its commercial activities, are asked to register with a third-party website and submit documents such as occupational health certificates (ASO), proof of qualification, Personal Protective Equipment files, and specific certificates regarding regulatory standards to ensure they are trained and qualified for the activities they will perform.

Training in occupational health and safety includes a number of specific training covering a wide range of regulatory standards, including NR 5, NR 6, NR 10, NR 11, NR 12, NR 20, NR 23, NR 33, and NR 35, ensuring they are well informed of the occupational hazards, activities, and hazardous situations associated with their respective work environments. In 2023, we introduced specific training focused on critical hazards, such as logout and tagout procedures, safe storage at heights, and preventive driving for industrial vehicle operators, reinforcing the organization's commitment to employee health and safety.

EMPLOYEE CONSULTATION GRI 403-4

To promote a safe and healthy work environment, we employ a process for employee and third party participation and consultation to develop, implement, and assess the occupational health and safety management system. This process includes mechanisms to ensure effective communication between the parties.

Frasle Mobility has committees that combine professionals from different group companies to address common critical hazards across their units, to discuss how to eliminate or reduce hazards.

SOCIAL RESPONSIBILITY

To positively impact the communities where we work, either by promoting citizenship or the social development and quality of life of the population, with join forces with Randoncorp in numerous social actions. These initiatives are implemented through Instituto Elisabetha Randon (IER), an OSCIP (Civil Society of Public Interest) created in 2003 to foster activities in culture, social services, and traffic safety to transform lives. In addition to the regular programs focused on traffic education for safety, and on children and adolescents as part of the Vehicle Strengthening and Coexistence Service (SCFV), the IER also supports spot measures when communities require resources, helping those closest to it. Instituto Elisabetha Randon is maintained by Frasle Mobility and Randoncorp, and by individual donations, many of them Group employees. The IER has been coordinating all of the company's community social programs since 2003.

Social impact assessments such as the Florescer and Professional Inclusion programs are implemented from time to time, with the active participation of users and their families, and results are disclosed annually. Furthermore, the company also focuses on measuring its environmental impact, monitored by HSE. Results are publicly disclosed on numerous platforms, including the Instituto Elisabetha Randon website and sustainability reports.

Local development plans seek to meet the needs of local communities, preparing children and adolescents for the job market, focusing on the requirements of the digital market. Stakeholder engagement is strategically planned by the Randoncorp ESG Committee, and based on the map prepared by the Brand and Reputation Area. Community query committees and processes, including vulnerable groups, are used to discuss the company's impact, participating in instances such as Comdica (Municipal Board for the Rights of Children and Adolescents), UAB (Brazil's Open University), and CMAS, the Municipal Social Work Board.

The company has formal complaint channels in the form of a toll-free (0800) number, social networks, digital media, community meetings, e-mail, suggestion boxes, an ombudsman, and partnerships with local organizations to extend the work of Instituto Elisabetha to other cities in Rio Grande do Sul. Targets include expanding the Florescer and Instituto Elisabetha Randon program, opening a new social franchise in 2024, increasing the number of service incidents in Joinville (SC).

In addition to projects via the Institute, Frasle Mobility Controil invested in infrastructure in 2023, through Randoncorp. Projects include Piseg, the Program to Incentivize Equipping Public Safety, allocating funds to the cities of Caxias do Sul and



São Leopoldo (RS) to purchase vehicles and inputs for their Military Brigades. A total of R\$ 500 thousand in ICMS was invested, 10% of this coming directly from Randoncorp. This investment had a direct impact on community safety and on public safety workers.

Our Social Responsibility initiatives take place through Instituto Elisabetha Randon, which supports programs, actions, and projects in education, culture, and social services

Another infrastructure project was revamping long-term elderly housing in Caxias do Sul. Randoncorp support comes through the Rio Grande do Sul Pro-Social Program to Incentivize Social Promotion and inclusion, contributing 10% of the amount or R\$ 625 thousand in ICMS. In addition to the well-being of current residents, this job created 145 additional beds to serve socially vulnerable elderly persons. **GRI 203-1**

Since May of this year, Frasle Mobility is also helping with the calamitous situation in Rio Grande do Sul, where the company's main facility, most of its manufacturing and administrative operations, and most of its employees are located. In a solidarity network that includes Instituto Elisabetha Randon, communities, employees, partners, suppliers, and customers the company is mobilizing the support required by families and communities impacted in what has turned out to be the largest tragedy ever to affect the state.

In 2023, IER:

Organized the Philanthropy Round with the Philanthropy Network and the Caxias do Sul Volunteer Partners NGO. This is a free course to disclose and strengthen information to third-sector managers and employees.

Organized the Bingo for Good, together with the Caxias Foundation;

Promoted a training course entitled "Social Indicators According to the Regulatory Framework – creation and monitoring", working with the Philanthropy Network and the Caxias do Sul Volunteer Partners NGO;

Celebrated its 20th anniversary with a concert promoted by the Randoncorp Association, the More Music Project, and Baile da Amizade (Friendship Ball).

Supported the Caxias Foundation Sweater Campaign, collecting over 3,800 items in Interlagos and Forqueta, donated by Frasle Mobility and Randoncorp employees;

Organized an impactful Breakfast in Marau, with the theme "Private Social investment and Using Incentive Laws" to guide the city's professionals, social organizations, and companies;

Participated in the III Brazilian Conscientious Capitalism forum on the second-sector potential for creating impact through access to quality education.



Instituto Elisabetha Randon Social Programs:

Florescer Program

Developed by the IER, this is a Service of Coexistence and Strengthening Ties (SCFV), promoting pedagogical, cultural, sports, and education activities for socially vulnerable children and adolescents who are able to practice healthy activities when not in school.

This program is available in numerous cities with social hubs and franchises. The Florescer Program in Joinville (SC) just completed its first year of activities.

Florescer achievements in 2023:

1,173 incidents of service for children aged 6 to 14 years and 11 months:

813 through social franchises (Bento Gonçalves, Vacaria, Erechim, and Maringá)

340 in Caxias do Sul (Interlagos and Forqueta)

20 in Joinville



Joinville Children

Professional initiation

Young people who complete the Florescer Program may enter the Professional Initiation Program, a partnership between the IER and Senai (National Industrial Learning Service). In this initiative, adolescents participate in technical-vocational courses in Industrial Logistics Processes, helping them join the job market.

In its 19-year history, the program has benefited

1,118 adolescents.

In 2023,

74 youth completed the Course.

Vida Sempre

Created in 2010, the Instituto Elisabetha Randon Vida Sempre Program educates motorists and pedestrians in safe, traffic-friendly behavior through lectures, skits, hints in communication media, and printed materials. In addition to defensive education, the program addresses themes such as child sexual exploration and animal traffic.

Vida Sempre is split into three fronts:

- **Traveling Theater – the Vida Sempre Theater, with a repertory of four skits offered and performed free of charge in Brazil’s southern states.**
- **Laço Amarelo (Yellow Ribbon) is a joint program with ONSV, the National Traffic Safety Observatory, which provides informative materials and videos on good conduct in traffic to entities certified by Laço Amarelo, such as Instituto Elisabetha Randon, which then distributes material to Randoncorp employees;**
- **Economic and Safe Driving Course for truck drivers at partner shippers of the Randoncorp OEM Vertical.**

In 2023, the Vida Sempre program completed 120 presentations in 12 cities across all three southern state, for over 32 thousand spectators.

Volunteering Program

To encourage our employees to volunteer in community activities, in 2005 Instituto Elisabetha Randon created Be a Volunteer. Through this initiative, they spend part of their time revamping and caring for public schools in Caxias do Sul (RS), and Florescer (Bloom) partnerships. They also volunteer in other social organizations by organizing lectures, events, and other activities.

This creates value for the communities while, at the same time, having a positive impact on the volunteer, who may discover new personal skills and competences and learn how small attitudes can lead to a better world.

In 2023, following the Taquari Valley floods, Be a Volunteer participants made significant contributions in Civil Defense, sorting and forwarding community donations to the region affected. They also worked in Caxias do Sul, Roca Sales, and Muçum (RS). The Program implemented ten activities in Caxias do Sul, Roca Sales, and Muçum (RS), helping the RAR food company ARAR Volunteers program in Vacaria (RS), and received the 2023 VOL Award in “Best Practices in Volunteering in Organizations”.

Randon Memorial

Created to preserve and disseminate the history of Randoncorp, and cargo shipping in Brazil, this space has a rich collection. It is made up of 60 thousand documents, among them photographs, reports, videos, digital media, and campaigns related to Group companies, helping preserve the memory of cargo transportation in Brazil, and the economic development of Caxias do Sul (RS) and the region. By 2023, the Cargo Transportation in Brazil Memorial was finished, and significant advances were made in structuring its exhibits project.

05

RESPECT
FOR THE
PLANET



KEEP
LIFE
IN
MOTION

3 SAÚDE E BEM-ESTAR

7 ENERGIA LIMPA E ACESSÍVEL

9 INDÚSTRIA, INOVAÇÃO E INFRAESTRUTURA

11 CIDADES E COMUNIDADES SUSTENTÁVEIS

13 AÇÃO CONTRA A MUDANÇA GLOBAL DO CLIMA

ENVIRONMENTAL MANAGEMENT

PRODUCT LIFECYCLE MANAGEMENT

CLIMATE CHANGE

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79



We continuously seek to incorporate ecoefficiency in all our products and processes. For this reason, we adopt practices to protect the environment, managing our water, effluents, waste, and carbon emissions, and implementing reverse logistics projects, among other activities.



ENVIRONMENTAL MANAGEMENT

Our Environmental Management System (ESS) aims to minimize and prevent the environmental impact from using natural resources generating waste. The Frasle Mobility Caxias do Sul site was ISO 14001 certified in 1999. The following units are also certified: Frasle Mobility Fremax Site, Sorocaba Site, Extrema site, Osasco Site, Alabama Site, and Montevideo Site.

Pursuant to Randoncorp guidelines, we have an integrated management system, a Health, Safety and Environment policy, and an Environmental Manual with instructions that operations must follow to preserve the integrity of the environment and people. Furthermore, our environmental performance is constantly monitored and always reviewed and improved.

We are committed to the sustainable and conscientious use of natural resources. We constantly look for solutions to treat and reuse our effluents to reduce the water consumed in our operations.

In 2023, the Effluent Treatment Center (ETC) in Caxias do Sul treated 60,357,887 liters of effluent, 45.1% of which were reused by the company. Solid waste from this system is composted, the treatment given to organic waste. Some 7.46 tons of waste are generated each month and used as fertilizer.

**7.46
tons**

of wasted used as
fertilizer each month

Use of water GRI 303-1, 303-3*

Water is provided by local utilities and artesian wells. It is used in a wide range of activities, including human consumption, cooling towers, boilers, cleaning, and bathrooms. More than 70% of the Frasle Mobility toilet waste in Caxias do Sul is treated, contributing to saving potable water. Water use is monitored by each unit as an environmental indicator, with meters at each distribution point. In 2023, the Frasle Mobility Caxias do Sul site installed 23 meters for online monitoring to more effectively control water utilization.

Impact is assessed using internal procedures and applicable legislation. Impact is managed with monthly reports to the stakeholders. In November 2023, the company was authorized to irrigate the site using treated effluent from the Caxias do Sul Frasle Mobility site. It is also developing a project to reuse excess treated effluent to supply boilers and cooling towers, reaching zero effluent launched by 2025.

Water-related goals and targets are aligned with public policies and the local status in areas under water stress, focusing on reusing treated effluents in manufacturing to minimize the extraction of natural resources.

The specific river basins impact are the Amazon, in the case of Frasle Mobility Fremax, the Samuara basin in the case of Frasle Mobility Caxias do Sul, and the middle Tietê for Frasle Mobility Sorocaba. The organization is committed to sustainable stewardship of water resources.

There is no water storage causing significant negative impact.

We monitor effluent launched with meters installed to measure the output of our treatment center.



Water management related goals and targets are aligned with public policies and the local situation of each site

WATER WITHDRAWAL, DISCHARGE AND CONSUMPTION (ML) GRI 303-3, 303-4, 303-5

2021		2022		2023		
Water withdrawal	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Surface water	0.00	0.00	0.00	0.00	0.00	0.00
Groundwater	96.2	0.00	110.30	0.00	126.10	13.41
Utility water	48.2	5.10	95.50	4.15	88.93	16.25
Total	144.40	5.10	205.80	4.15	215.03	29.66
Water discharge	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Surface water	64.00	00.0	39.40	0.00	47.60	0.00
Utility water	0.00	0.00	0.00	0.00	7.36	3.12
Total	64.00	0.00	39.40	0.00	54.96	3.12
Water consumption	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Consumption	80.40	5.10	166.40	4.15	160.07	26.54

Notes:

¹ Of the total water discharged, 56.66 million liters were disposed of in sweet water and 1.42 million in other waters.

² The data on water use was collected from different sources using diverse methodologies, depending on the location and practices of each unit. Data on water consumption was provided by suppliers, based on data from hydrometers in artesian wells and water meters, as well as water utility bills.



WASTEWATER DISCHARGES

GRI 303-2, 303-4

The minimum quality standards for effluents to be discharged by effluent treatment centers are based on local legislation. Some of these standards and limits are specified in the respective Operating Permits, while others are defined in local legislation. The Frasle Mobility Controil and Extrema units send their effluent for treatment by licensed third parties.

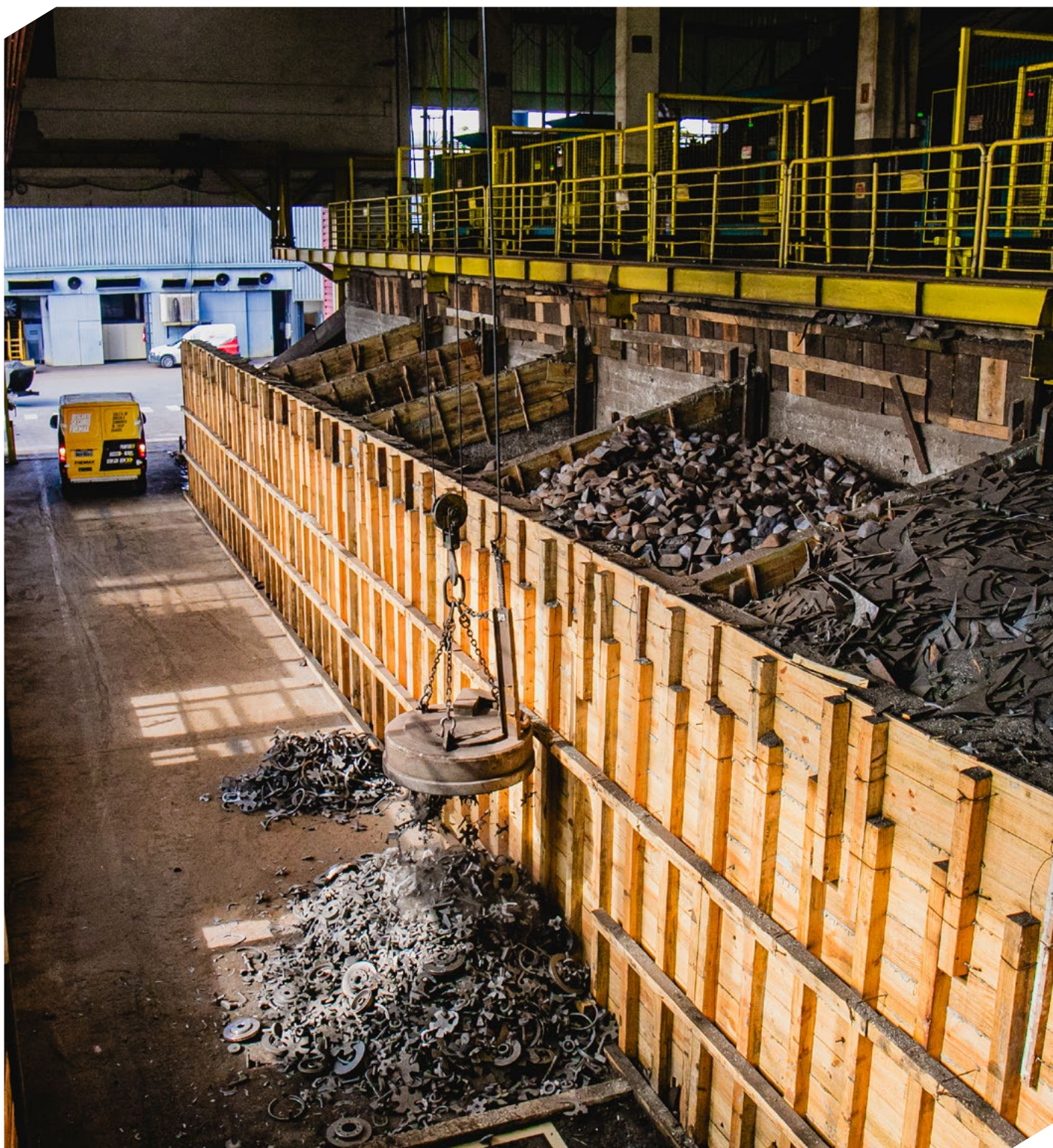
The organization also follows numerous standards and guidelines to ensure effluent quality and disposal, including Conama Resolution no. 430, Consema no. 01/1998, Consema no. 355/2017, Conama Resolution no. 357, Law no. 14.675/2009, Decree no. 8.468/76, and Consema no. 419/2020. These standards reflect the organization's commitment to environmental conservation and compliance with rigorous legal requirements concerning effluent management.

Issuing permits for Effluent Treatment Centers takes into account the characteristics of the receiving body of water, and ensures that operations are aligned with the protection of local water bodies, minimizing their environmental impact. During this period, five parameters at the Extrema facility

were above the limit defined by COPAM Decision 08/22. Remediation measures were implemented immediately, and investments made with a new ETC already in operation.



*Numbers include: Frasle Mobility Caxias do Sul site, Fremax site, Sorocaba site, Extrema site, Osasco site, Colombia site, and ASK site.



PRODUCT LIFECYCLE MANAGEMENT

GRI 3-3, 306-1, 306-2

Considering the principles of a circular economy and more efficient resource management, we promote measures to optimize the use of raw materials and maximize reuse at all units, avoiding waste and effluents.

In this regard, the organization has adopted sustainability policies and commitments, such as replacing new goods with recycled goods to reduce the environmental impact of the lifecycles of our products.

To manage and mitigate any negative impact, we instruct our customers on proper waste disposal. For example, Frasle Mobility Caxias do Sul site and a pro-environment reverse logistics program where used bake liners are collected and sent to cement kilns for incineration. This same unit recycles 85% of the exhaust back into the manufacturing process as raw material, and in Joinville stamping scrap is reused.

Frasle Mobility tracks collections and routes, assessing the destination of its waste and annual dedicated investment. Using the Green Route Corporate Program, which defines measures and sets target for all Randoncorp companies, we encourage reverse logistics and circular economy practices, seeking to continue existing ones and foster new opportunities.

One way to monitor waste reduction efficiency is by controlling conversion rates, or the amount of raw material converted into product. Over the last few years, this indicator has remained at 90 % or higher at all Frasle Mobility units monitored.

For waste management, we use not only our own management, but partner with third parties for logistics, treatment, and final disposal. These service providers undergo rigorous screening, which looks at their records, documents, and contracts, along as their environmental permits and audits to ensure compliance with legal and contractual obligations.

We maximize the reuse of raw materials to avoid waste and effluent

Learn about our circular economy and more efficient raw material use programs:

SAFE DISPOSAL PROGRAM

A reverse logistics project created by the Fremax Frasle Mobility site that collects used brake disks and drums from repair shops and send them back to the company to be incorporated into the manufacturing process, turning into new products. Currently, 15% of all steel scrap used as raw material comes from our own processes. Some 46.28 tons of brake disks and drums are collected each week from customers in Santa Catarina, Rio Grande do Sul e Paraná. Recently this activity was rolled out to the southeast (SP, MG, RJ, and ES). The material collected returns to our foundries to become new goods. In 2023, 2,406 tons of raw material were recycled.

PRO-ENVIRONMENT PROGRAM

This program was created at the Caxias do Sul (RS) unit, and focuses on registered fleet owners in Rio Grande do Sul, Santa Catarina, Paraná, São Paulo, Rio de Janeiro, and Minas Gerais. This initiative collects used brake liners from partners, and sends them for suitable environmental disposal as fuel for cement kilns. In 2023, 1,275 tons of brake liners were collected.

EURECICLO PARTNERSHIP

We try to proactively offset the environmental impact of our product packaging, incentivizing the recycling chain and conscientious consumption. Since 2021, we have partnered with technology company Eureciclo to offset packaging across Brazil. This partnership tracks the recycling chain and creates value for all agents involved in this process. One initiative sends waste for recycling at recycling associations. This amounts to at last 30% of the packaging of Fras-le, Fremax, Controil, Jurid, and Nakata brand projects. In 2023, this initiative recycled 1,818 tons of paper and plastic.

1,275 tons

brake liners collected in
reverse logistics

TOTAL WASTE GENERATED BY COMPOSITION (T) GRI 306-3



Waste is classified as hazardous (Sector I) and non-hazardous (Sector II) in accordance with NBR 10.004. For companies in Brazil, the data was taken from the MTRs (Waste Packing List) issued in 2023.

TOTAL WASTE DIVERTED FROM DISPOSAL, BY COMPOSITION, IN METRIC TONS (T)

GRI 306-4

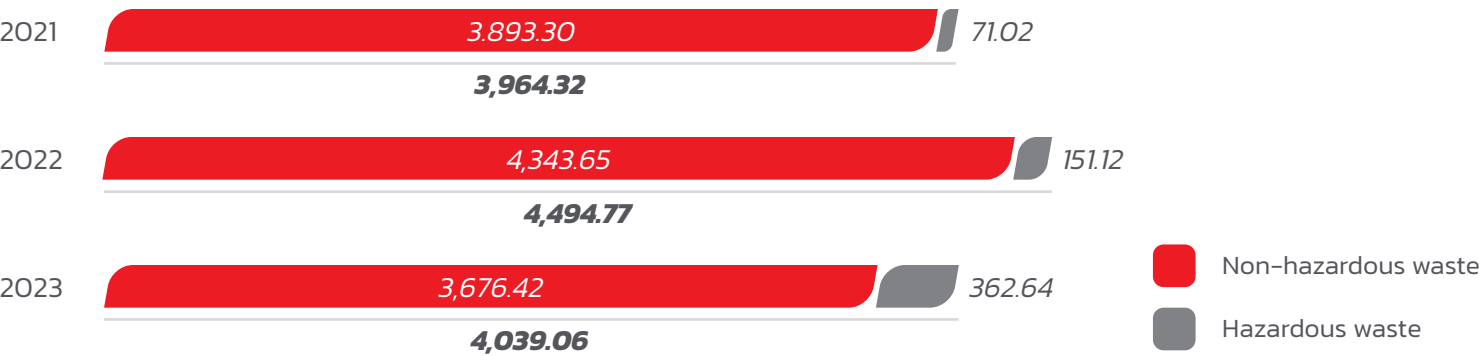


TOTAL HAZARDOUS AND NON-HAZARDOUS WASTE DIVERTED FROM DISPOSAL, BY RECOVERY OPERATION (T)

Operation	2023	
	Within the organization	Outside the organization
Nonhazardous waste		
Recycling	0.00	10,268.01
Other recovery methods	89.55	7,921.45
Total	89.55	18,189.47
Hazardous waste		
Recycling	0.00	103.16
Other recovery methods	0.00	3,123.71
Total	0.00	3,226.87
TOTAL	89.55	21,416.34

For companies in Brazil, data was compiled depending on how waste is managed at each unit. All waste is shipped with an MTR, a Waste Packing List, and reported quarterly in the form of a DMR, Waste Movement Document, and annually to SINIR, the National System on Solid Waste Management.

TOTAL WASTE DIRECTED TO DISPOSAL, BY COMPOSITION, IN METRIC TONS (T) **GRI 306-5**



TOTAL HAZARDOUS AND NON-HAZARDOUS WASTE DIRECTED TO DISPOSAL, IN METRIC TONS BY RECOVERY OPERATION (T)

Operation	2023	
	Within the organization	Outside the organization
Nonhazardous waste		
Industrial landfill	0.00	3,262.78
Incineration	0.00	145.23
Landfill	0.00	268.41
Total	0.00	3,676.42
Hazardous waste		
Industrial landfill	0.00	356.07
Incineration	0.00	0.02
Autoclaved	0.00	6.54
Total	0.00	362.64
TOTAL	0.00	4,039.06

Data extracted directly from invoices and consolidated using the attached waste spreadsheet for ease of understanding. Waste classified according to local laws. Hazardous waste was co-processed with other environmentally suitable treatments.

TOTAL MANUFACTURING WASTE, PERCENT HAZARDOUS AND PERCENT RECYCLED WASTE **TR-AP-150A.1**

	2021	2022	2023
	Tons and percentages	Tons and percentages	Tons and percentages
Total manufacturing waste	22,551.00	21,276.85	25,544.94
Percent hazardous waste	7%	9%	14%
Percent waste recycled	39%	57%	41%

Companies included: *Frasle Mobility Caxias do Sul site, Controil (site São Leopoldo), Fremax (Joinville site), Sorocaba (Jurid) site, Extrema (Nakata) site, Pinghu site, Montevideo site, site Alabama site, ASK site, Osasco (Nakata) site, Argentina site (Farloc), Colombia site, Europe (Juratek).*



CLIMATE CHANGE

GRI 3-3

Given the global challenge of reducing greenhouse gas (GHG) emissions, we deploy strategies that contribute to achieving this goal. Together with Randoncorp, we publicly committed to reducing total emissions from our manufacturing units by 40% by 2030. Emissions are inventoried each year using the GHG Protocol approach. To manage these themes and aspects, we use measures such as monitoring emission sources, preventive maintenance of GHG emitting equipment, and using new technologies to reduce fuel consumption.

Our Commitment to reduce emissions is measured by comparing annual inventories, and are checked by a third party within the consolidated Randoncorp procedure. The journey towards our goals is part of the organization's strategic planning and in line with its ESG targets.

Stakeholder engagement is a fundamental component of this process, with Supplier Awards that recognize suppliers who stand out in sustainable practices, including ESG. Periodic audits of ISO 14001 requirements and projects such as replacing fossil fuels with biomass for steam generation (Green Boiler project) are also part of initiatives to promote sustainability.

Learn about other initiatives involving fuels and clean energy, low-carbon technologies, and improved energy efficiency:

GREEN BOILER

The goal of this initiative is to install a biomass-burning boiler at the Frasle Mobility Caxias do Sul site, replacing the existing natural gas-burning boilers. This project, which should cost R\$ 17 million, will be implemented in 2024 and should reduce Frasle Mobility GHG emissions by 60%, half of Randoncorp's ESG target.

Renewable energy

2023 - 2024

BIOMASS BOILER

29% reduction in greenhouse gases (GHG)

We have invested
R\$ 17 million
(in progress)

PUBLIC COMMITMENTS

Reduce greenhouse gas emissions
by **40%** by 2030, compared to base-year 2020.



SOLAR POWER FARMS

Our plant in Pinghu, China, turned one in 2023. Built as a partnership with local government, the plant supplies some 20% of the energy used from solar panels. With a manufacturing capacity of 3.1 million units, between brake liners and pads, between January and December 2023 the unit generated 1,165,033 kWh of energy. This not only continues to the permanent performance of energy use indicators, it also represents cost savings and increased manufacturing output.

In 2023, we started up a photovoltaic plant at the Randon Technological Center (RTC) in Farroupilha (RS), with 2,408 solar panels. In the next 25 years, this plant will supply all CTR’s energy needs.



2,408 panels

solar panels installed at the Randon Technology Center

SOURCES OF GHG EMISSIONS (TCO₂ EQUIVALENT) **GRI 305-1, 305-2, 305-4, 305-5**

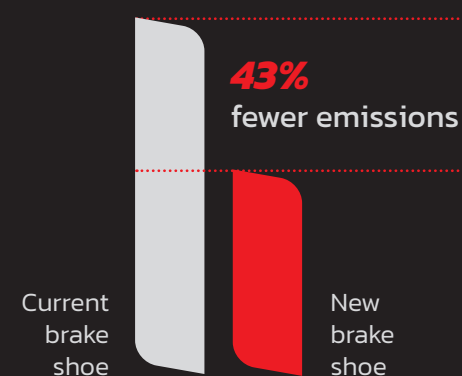
	2021	2022	2023
Direct greenhouse gas emissions – Scope 1			
Stationary combustion	17,238.1	18,676.15	17,327.98
Mobile combustion	6,423.4	524.844	640.654
Fugitive emissions	37.6	5.15	352.7
Industrial processes	–	–	0.00
Solid waste	51.0	12.55	15.73
Wastewater	454.3	62.00	90.82
Total scope 1	24,204.3	19,280.70	18,427.88
Indirect emissions from purchased electricity – Scope 2			
Biogenic CO ₂ emissions – Scope 1	–	774.528	696.081
Electricity purchased (GWh)	13,338.7	9,711.68	8,541.02
Total emissions (Scopes 1 and 2)	37,543.0	28,992.38	26,968.90
Emissions intensity (kg CO ₂ e/hours worked)	5.2	3.96	3.48
Hours Worked	7,194,230.85	7,319,202.04	7,758,400.52
Reductions (Scope 1 and 2)	–	8,550.62	10,574.10

Note: 2021 baseline.2022 amounts corrected for improved adherence to the methodology.



Green products

EMISSIONS COMPARISON BETWEEN BRAKE SHOES
(KGCO₂E/USEFUL LIFE¹)



¹ Based on 20% longer lifecycle.

IMPROVEMENTS IN THE NEW BRAKE SHOE

Less carbon-intensive materials used for the abrasive, reducing total brake shoe emissions by 17%.

15% less demand for steel

57% reduction in natural gas used in the manufacturing process

New concept brake shoe

4.6 kg CO₂e avoided

EQUIVALENCE

10 million

units of brake shoes used each year

46 million kg

CO₂e avoided each year

Annual emissions

of **46** automobiles

PUBLIC COMMITMENTS

Reduce greenhouse gas emissions by **40%** by 2030, compared to base-year 2020.

RAILWAY BRAKE SHOE REPLACEMENT

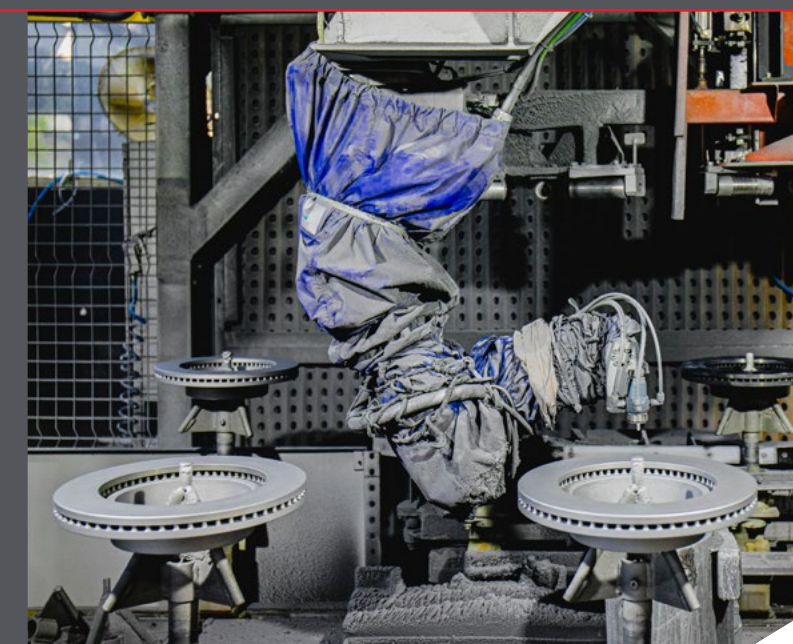
We are now using inorganic binder, which is cheaper and more sustainable, with less energy used for its manufacture. Thus, according to ISO 14040 and ISO 14044 methodologies, we reduced our carbon footprint by 32 % cradle-to-plant-door, and 43 % considering lifetime and final disposal.

PRODUCTS MADE FROM MATERIALS THAT DO NOT GENERATE WASTE

The new automated Composs lines manufactures bumper and headlight supports made of composites that are almost waste-free. Because composites do not weigh as much as the metals used in this type of applications, vehicles are lighter, which directly impacts fuel consumption and thus generates fewer GHGs.

LONGER LIFETIMES

Fremax Maxcoating is a protective coating for disk brakes. It was launched in 2023 using niobium nanoparticle technology created together with NIOME. This technology increases coating resistance to corrosion, resisting up to 1,000 hours of Salt Spray protecting items even under the harshest environmental conditions.





Caue Rodrigues Brasil and Bruna Rombaldi Cauduro

Energy

FUEL CONSUMPTION – NONRENEWABLE AND RENEWABLE (GJ) **GRI 302-1, SASB RT-IG 130A.1 AND SASB TR-AP-130A.1**

	2021		2022		2023	
Non-renewable	Amount	%	Amount	%	Amount	%
Natural gas	252,405	30%	277,709	36%	263,321	34%
LPG	132,015	16%	7,818	1%	16,347	2%
Diesel fuel	58,111	7%	82,728	11%	64,787	8%
Gasoline	8	0%	168	0%	16	0%
Propane	0	0%	0	0%	127	0%
Non-renewable electricity	256,197	31%	254,471	33%	264,801	33%
Total	698,736	84%	622,894	81%	609,399	77%
Renewable	Amount	%	Amount	%	Amount	%
Renewable electricity	133,098	16%	136,781	18%	180,825	23%
Biodiesel	28.1	0%	0	0%	0	0%
Firewood	-	-	3,734	1%	3,297	1%
Total	133,126	16%	140,515	19%	184,122	23%
Power consumed	831,862	100%	763,409	100%	793,521	100%
Grid power	89,295	34%	391,252	35%	445,626	40%

See more environmental management indicators on [page 94](#)

06

APPENDICES



KEEP
LIFE
IN
MOTION



OTHER DISCLOSURES

Sustainable business

TOTAL NUMBER AND PERCENTAGE OF EMPLOYEES WHO HAVE RECEIVED COMMUNICATIONS AND TRAINING ON THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES, BY JOB CATEGORY GRI 205-2

	2023	
	Informed	Trained
Executive Board		
Total workforce		11
Total number of employees who have received communications/training	5	5
Percentage of employees who have received communications/training (%)	45.5	45.5
Managers		
Total workforce		6
Total number of employees who have received communications/training	6	6
Percentage of employees who have received communications/training (%)	100.0	100.0
Coordinators		
Total workforce		35
Total number of employees who have received communications/training	35	35
Percentage of employees who have received communications/training (%)	100.0	100.0

	2023	
	Informed	Trained
Administrative		
Total workforce		325
Total number of employees who have received communications/training	325	54
Percentage of employees who have received communications/training (%)	100.0	16.6
Production/operation		
Total workforce		4,370
Total number of employees who have received communications/training	4,370	1,865
Percentage of employees who have received communications/training (%)	100.0	42.7
Total		
Total workforce		4,742
Total number of employees who have received communications/training	4,742	1,966
Percentage of employees who have received communications/training (%)	100.0	41.5

TOTAL NUMBER AND PERCENTAGE OF EMPLOYEES WHO HAVE RECEIVED COMMUNICATIONS AND TRAINING ON THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES, BY REGION GRI 205-2

	2021		2022		2023	
	Informed	Trained	Informed	Trained	Informed	Trained
North America						
Total workforce		-		-		58
Total number of employees who have received communications/training	-	-	-	-	0	0
Percentage of employees who have received communications/training (%)	-	-	-	-	0.0	0.0
South America						
Total workforce		-		-		131
Total number of employees who have received communications/training	-	-	-	-	131	131
Percentage of employees who have received communications/training (%)	-	-	-	-	100	100
Southeast						
Total workforce		-		-		877
Total number of employees who have received communications/training	-	-	-	-	877	121
Percentage of employees who have received communications/training (%)	-	-	-	-	100	13.8
South						
Total workforce		-		-		3,801
Total number of employees who have received communications/training	-	-	-	-	3,801	1,872
Percentage of employees who have received communications/training (%)	-	-	-	-	100	49.25

	2021		2022		2023	
	Informed	Trained	Informed	Trained	Informed	Trained
Brazil						
Total workforce		-		-		4,678
Total number of employees who have received communications/training	-	-	-	-	4,678	1,993
Percentage of employees who have received communications/training (%)	-	-	-	-	100	42.6
Total						
Total workforce		5,173		5,046		4,867
Total number of employees who have received communications/training	4,109	413	4,628	880	4,809	2,124
Percentage of employees who have received communications/training (%)	79.0	8.0	91.0	17.0	98.8	43.6

TOTAL NUMBER AND PERCENTAGE OF WORKERS WHO HAVE RECEIVED COMMUNICATIONS AND TRAINING ON THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES, BY JOB CATEGORY GRI 205-2

	2023	
	Informed	Trained
Apprentice		
Total workforce		95
Total number of workers who have received communications/training	95	24
Percentage of employees who have received communications/training (%)	100.0	25.3
Interns		
Total workforce		30
Total number of workers who have received communications/training	30	7
Percentage of employees who have received communications/training (%)	100.0	23.3
Total		
Total workforce		125
Total number of workers who have received communications/training	125	31
Percentage of employees who have received communications/training (%)	100.0	24.8

Notes:

A) Governance Bodies/members, including the Board of Directors, Oversight Board, and Executive Committee. B) In calculating this indicator, we included only companies that have implemented the Randoncorp ID; HAVE NOT implemented the Randoncorp ID: Frasle Mobility site Europe, Pinghu Site, Website: ASK, Chile site, Mexico site and Montevideo Site. Randon Argentina, Randon Messias, Randon Peru, Randon Porto Real, Randon Triel-HT, and Suspensys México. D) Business partners informed, including new suppliers who underwent due diligence, not broken down by region. Specific training for business partners was not part of the 2023 training plan.

Care for people

EMPLOYEES GRI 2-7, SASB RT-IG-000.B

TOTAL EMPLOYEES BY GENDER AND REGION

	2021			2022			2023		
Region	Men	Women	Total	Men	Women	Total	Men	Women	Total
North America	-	-	67	-	-	78	38	16	54
Asia	-	-	666	-	-	591	728	22	750
Europe	-	-	15	-	-	14	12	3	15
South America	-	-	312	-	-	291	227	48	275
Southeast	-	-	631	-	-	753	572	249	821
South	-	-	3,482	-	-	3,729	2,586	674	3,260
Brazil	-	-	4,114	-	-	4,482	3,158	923	4,081
Total	4,277	896	5,173	4368	1088	5,046	4,163	1,012	5,175

Note 1: 2021 include 32 interns and 85 apprentices.

Note 2: Includes all SAP and extra-SAP units, excluding interns, apprentices, and those on leave. Juratek numbers not included.

TOTAL EMPLOYEES BY GENDER AND REGION GRI 2-7, SASB RT-IG-000.B

Region	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
North America	-	-	67	-	-	78	38	16	54
Asia	-	-	666	-	-	591	728	22	750
Europe	-	-	15	-	-	14	12	3	15
South America	-	-	312	-	-	291	227	48	275
Southeast	-	-	631	-	-	753	572	249	821
South	-	-	3,482	-	-	3,729	2,586	674	3,260
Brazil	-	-	4,114	-	-	4,482	3,158	923	4,081
Total	4,277	896	5,163	4,368	1,088	5,175	4,163	1,012	5,175

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY), BY GENDER

Contract types and gender	2021			2022			2023		
	Temporary	Permanent	Total	Temporary	Permanent	Total	Temporary	Permanent	Total
Men	-	-	-	392	3,976	4,368	544	3,619	4,163
Women	-	-	-	18	1,070	1,088	0	1,012	1,012
Total	451	4,605	5,056	410	5,046	5,456	544	4,631	5,175

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY), BY REGION

Region	2021			2022			2023		
	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
South	-	-	-	3,729	0	3,729	3,260	0	0
Brazil	-	-	-	4,442	40	4,482	4,081	0	0
Total	451	4,605	5,056	5,046	410	5,456	4,631	544	821

Note 1: All employees work full time.

Note 2: All employees have guaranteed hours.

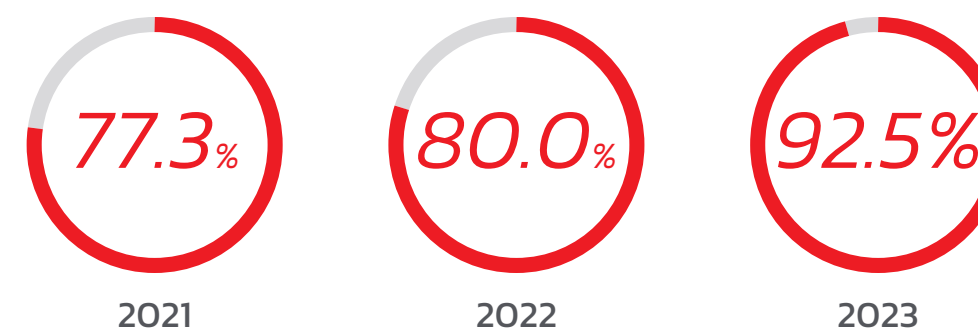
Specific approaches and premises were used to compile either data on the number of men and women. Numbers are based on administrative contracts for each Randoncorp business unit and registered with the SAP system by 12/31/2023. This report includes the total workforce, which includes those on scholarships, interns, and apprentices; excludes employees on leave. This approach is consistent in terms of data, providing the contextual information required to understand the results reported, and used to describe significant changes in headcount during the reporting period and between reporting periods.

WORKERS WHO ARE NOT EMPLOYEES GRI 2-8
TOTAL NUMBER OF WORKERS WHO ARE NOT EMPLOYEES AND WHOSE WORK IS CONTROLLED BY THE ORGANIZATION, BY GENDER

Employee Category	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Apprentice	48	37	85	-	-	-	36	32	68
Interns	19	13	32	-	-	-	13	5	18
Total	67	50	117	-	-	-	49	37	86

Data compiling used the chart of interns and employees on December 31, 2023 and is limited only to Frasle Mobility SAP interns and trainees. The total workforce chart excludes interns and apprentices. Significant fluctuations in the number of non-employee workers, specifically apprentices, are due to specific time-points when they are admitted and leave, normally in June and December.

Includes only Frasle Mobility SP unit interns and employees.

COLLECTIVE BARGAINING AGREEMENTS GRI 2-30
PERCENTAGE OF TOTAL EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS GRI 2-30


Note: Average percentage of Brazil employees covered by collective bargaining agreements is 95.6%. For units abroad, where such agreements do not apply, we used the market practices and legislation of each location.

NEW HIRES GRI 401-1

TOTAL NEW EMPLOYEE HIRES, TERMINATIONS AND TURNOVER RATE BY AGE GROUP

2021						2022				2023		
Age group	Total workforce	New hires	Terminations	Turnover rate	Total employees	New hires	Terminations	Turnover rate	Total employees	New hires	Terminations	Turnover rate
Below 30	-	944	542	41.30%	-	958	679	46.86%	1,497	653	556	40.38%
30 to 50	-	641	396	14.30%	-	660	570	19.91%	2,962	567	557	18.97%
Over 50	-	28	62	11.20%	-	57	91	15.14%	635	33	66	7.8%
Total	5,173	1,613	1,000	19.90%	5,046	1,675	1,340	24.56%	5,094	1,253	1,179	23.87%

TOTAL NEW EMPLOYEE HIRES, TERMINATIONS AND TURNOVER RATE BY GENDER

2021						2022				2023		
Gender	Total employees	New hires	Terminations	Turnover rate	Total employees	New hires	Terminations	Turnover rate	Total employees	New hires	Terminations	Turnover rate
Men	4,277	1,207	771	18.00	4,368	1,209	1,055	26.53%	3,952	916	911	23.11
Women	896	406	229	25.60%	1,88	466	285	26.64%	1,142	337	268	26.49
Total	5,173	1,613	1,000	19.90%	5,046	1,675	1,340	24.56%	5,094	1,253	1,179	23.87

TOTAL NEW EMPLOYEE HIRES, TERMINATIONS AND TURNOVER RATE BY REGION

Region	2021				2022				2023			
	Total employees	New hires	Terminations	Turnover rate	Total employees	New hires	Terminations	Turnover rate	Total employees	New hires	Terminations	Turnover rate
North America	67	14	14	21.00%	78	44	53	88.33%	54	38	38	70.37%
Asia	666	31	28	4.00%	591	53	30	12.24%	246	49	32	16.46%
Europe	15	4	6	40.00%	14	4	6	50.00%	15	9	10	63.33%
South America	312	36	13	4.00%	291	49	58	20.21%	263	16	40	10.65%
Southeast	631	6	127	20.00%	753	281	197	27.63%	810	255	244	30.8%
South	3,482	1,522	812	23.00%	3,729	1,244	996	26.71%	3,706	886	815	22.95%
Brazil	4,114	1,528	939	23.00%	4,482	1,525	1,193	26.86%	4,516	1,141	1,059	26.36%
Total	5,173	1,613	1,000	19.90%	5,046	1,675	1,340	24.56%	5,094	1,253	1,179	23.87%

For SAP and Non SAP Companies.



PARENTAL LEAVE **GRI 401-3**

PARENTAL LEAVE **GRI 401-3**

	2022		2023	
	Men	Women	Men	Women
Total number of employees entitled to leave	56	28	105	44
Number of employees that took leave	56	28	105	44
Number of employees returning to work after leave	55	8	103	36
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	42	8	67	10
Rate of return	98.2	28.6	98.1	81.8
Retention rate	76.4	100	81.7	83.3

COVERAGE OF OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM **GRI 403-8**

EMPLOYEES COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

												2021				2022				2023			
Sector												Employees		Workers		Employees		Workers		Employees		Workers	
Total number of individuals												5,173		261		5,046		389		5,648		301	
												No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Individuals covered by such a system												4,914	95	261	100	4,361	82	389	100	5,648	100	301	100
Individuals who are covered by such a system that has been internally audited												3,341	65	200	77	3,289	62	373	96	3,620	64	204	68
Individuals who are covered by such a system that has been audited or certified by an external party												2,877	56	200	77	2,703	51	373	96	3,620	64	204	68

No worker is left out of the occupational health and safety management system. Information on the number of active employees in 2023 was taken from the Apollus System and HR Reports. Furthermore, to include third-party employees in the system, all resident service providers audited for access to the company and who occasionally participate in day-to-day activities were included. This ensures that all direct and third-party employees are included in the organization's health and safety practices.



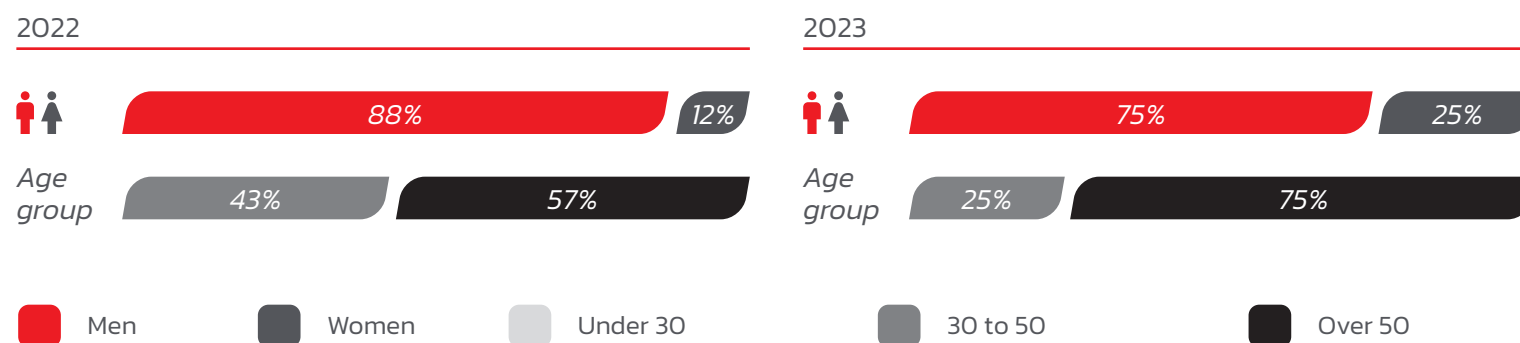
AVERAGE HOURS OF TRAINING GRI 404-1

AVERAGE HOURS OF TRAINING FOR EMPLOYEES AND WORKERS DURING THE PERIOD COVERED BY THIS REPORT, BROKEN DOWN BY EMPLOYEE CATEGORY

	2021	2022	2023
Employee category	Average hours of training	Average hours of training	Average hours of training
Executive Board	28.2	14.1	6.2
Managers	46.2	41.1	43.5
Coordinators	40.8	38.6	53.4
Administrative	21.7	37.0	25.8
Production/operation	13.8	14.5	15.0
Apprentice	0.4	5.0	0.4
Interns	7.7	8.6	24.4

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES GRI 405-1

PERCENTAGE OF INDIVIDUALS WITHIN THE ORGANIZATION'S GOVERNANCE BODIES BY GENDER AND AGE GROUP



Note: There is no map of minority and/or vulnerable groups in our governance bodies.

PERCENTAGE OF WORKFORCE BY EMPLOYEE CATEGORY AND GENDER

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Executive Board						
Number	-	-	-	-	11	0
Percent	100%	0%	100%	0%	100%	0%
Management						
Number	-	-	-	-	15	2
Percent	100%	0%	88%	12%	88%	12%
Coordination						
Number	-	-	-	-	28	3
Percent	84%	16%	90%	10%	90%	10%
Administrative						
Number	-	-	-	-	271	161
Percent	56%	44%	52%	48%	63%	37%
Production/operation						
Number	-	-	-	-	2,584	641
Percent	82%	18%	80%	20%	80%	20%
Intern						
Number	-	-	-	-	13	5
Percent	58%	42%	43%	57%	72%	28%
Apprentice						
Number	-	-	-	-	36	32
Percent	56%	44%	75%	25%	53%	47%
Total						
Number	-	-	-	-	2,958	844
Percent	82%	18%	80%	20%	78%	22%

PERCENTAGE OF EMPLOYEES, BY JOB CATEGORY AND AGE GROUP

	2021		2022		2023	
	Number	Percent	Number	Percent	Number	Percent
Executive Board						
Below 30	-	0%	-	0%	0	0%
30 to 50	-	100%	-	100%	6	55%
Over 50	-	0%	-	0%	5	45%
Total	-	10%	-	10%	11	100%
Management						
Below 30	-	0%	-	0%	0	0%
30 to 50	-	88%	-	82%	14	82%
Over 50	-	12%	-	18%	3	18%
Total	-	10%	-	100%	17	100%
Coordination						
Below 30	-	3%	-	3%	2	7%
30 to 50	-	81%	-	83%	24	77%
Over 50	-	16%	-	14%	5	16%
Total	-	10%	-	10%	31	100%
Administrative						
Below 30	-	28%	-	23%	119	27%
30 to 50	-	59%	-	64%	280	65%
Over 50	-	13%	-	13%	33	8%
Total	-	10%	-	10%	432	100%

	2021		2022		2023	
	Number	Percent	Number	Percent	Number	Percent
Production/operation						
Below 30	-	30%	-	32%	981	30%
30 to 50	-	57%	-	55%	1,825	57%
Over 50	-	13%	-	13%	419	13%
Total	-	10%	-	10%	3,225	100%
Intern						
Below 30	-	88%	-	75%	18	100%
30 to 50	-	12%	-	25%	0	0%
Over 50	-	0%	-	0%	0	0%
Total	-	10%	-	10%	18	100%
Apprentice						
Below 30	-	100%	-	100%	68	100%
30 to 50	-	0%	-	0%	0	0%
Over 50	-	0%	-	0%		0%
Total	-	10%	-	10%	68	100%
Total						
Below 30	-	-	-	-	1,187	31%
30 to 50	-	-	-	-	2,148	57%
Over 50	-	-	-	-	460	12%
Total	-	-	-	-	3,802	100%

PERCENTAGE OF EMPLOYEES BY MINORITY AND/OR VULNERABLE GROUPS, BY EMPLOYEE CATEGORY

2023		
Number of employees by minority group		Percent
Black people		
Executive Board	0	0%
Managers	0	0%
Coordinators	0	0%
Administrative	10	2.31%
Production/operation	156	4.84%
Interns	1	0%
Apprentice	0	0%
Total	167	4.4%
PwDs		
Executive Board	0	0%
Managers	1	5.88%
Coordinators	0	0%
Administrative	19	4.17%
Production/operation	142	4.40%
Interns	0	0%
Apprentice	0	0%
Total	162	4.24%

Only SAP Companies. Data for "BLACK PEOPLE" the data refers to employees with such data on record. We have no data on LGBT, which is being requested in the records update to be completed by April 2024. Other minority groups will be included in our records update.

Respect for the planet

ELECTRICITY CONSUMED (PURCHASED) (GJ)

2023	
Consumption by type of energy	Quantity (GJ)
Electricity	509,881.87
Heating	110,377.04
Steam	173,261.76
TOTAL	793,520.67

No power was sold in 20023.

The approach used was to check with the areas responsible for energy consumption and on the resupply purchasing acquisitions. Energy conversions are based on the energy density of each fuel material

ENERGY INTENSITY **GRI 302-3**

ENERGY INTENSITY RATE FOR THE ORGANIZATION (GJ/HW)

2021	2022	2023
0.10	0.07	0.07

Note 1: Energy intensity in 2023 was calculated based on 11,238,759.60 hours worked.

Note 2: There is no energy consumption outside of the organization.

Note 3: Type of energy counted: fuel, electricity, heating, refrigeration.

Our organization controls energy consumption with invoices and control spreadsheets monitored by the areas in charge. Regarding the conversion factors, we used the conversion spreadsheets provided by corporate, based on the energy density of each material.

Materials

TOTAL WEIGHT OF RENEWABLE AND NON-RENEWABLE SOURCES USED TO MANUFACTURE AND PACKAGE THE ORGANIZATION'S MAIN PRODUCTS AND SERVICES DURING THE REPORTING PERIOD **GRI 301-1**

	2021	2022	2023
MATERIALS USED	Weight (ton)	Weight (ton)	Weight (ton)
Renewable			
Boxes	0.00	0.00	0.03
Bins	0.00	0.00	0.02
Total	0.00	0.00	0.05
Non-renewable			
Barite	8,032	8,395	7,836
Resin	10,575	11,202	14,165
Foundry pig iron	-	11,666	11,906
Steel	21,407,069	12,555	12,073
Steel scrap		2,848	9,129
Exhaust powder	16,385	18,482	18,838
Total	56,489	65,148	73,947

Note 1: In 2021, steel and steel scrap were reported together.

PERCENTAGE OF RAW MATERIALS OR RECYCLED MATERIALS USED IN THE PRODUCTION OF CORE PRODUCTS AND SERVICES **GRI 301-2**

	2022	2023
Material	Percentage (%)	Percentage (%)
Steel scrap	100	100
Rubber	100	100
Exhaust powder	100	100
Foundry exhaust powder	100	100
Total	100	100

RECLAIMED PRODUCTS AND THEIR PACKAGING MATERIALS **GRI 301-3**

	2022	2023
Name of material	%	%
Brake liners	5	5
Brake disks	5	13.7
Recovered Packaging – Paper	22	30
Recovered Packaging – Plastic	22	30

Data reported by the reverse packaging logistics system in a partnership with Eureciclo. Paper and plastic packaging is recycled nation-wide.

CAPITAL MAP

 **MANUFACTURED**
Pages 15, 52

 **INTELLECTUAL**
Page 49

 **FINANCIAL**
Pages 22, 46

 **HUMAN**
Page 54

 **NATURAL**
Page 72

 **SOCIAL AND
RELATIONSHIP**
Pages 46, 50, 68

SDG MAP

Sustainable Development Goals		Pages
	1. No poverty	56, 60, 68
	2. Zero hunger and sustainable agriculture	-
	3. Good health & well-being	60, 63, 72, 79
	4. Quality education	-
	5. Gender equality	59, 60
	6. Clean water and sanitation	74, 75, 76
	7. Affordable and clean energy	44, 76, 59, 80, 81, 82
	8. Decent work and economic growth	39, 46, 55, 59, 60, 63
	9. Industry, innovation and infrastructure	39, 42, 44, 49, 76, 79

Sustainable Development Goals		Pages
	10. Reduced inequalities	55, 60
	11. Sustainable cities and communities	44, 76, 79
	12. Responsible consumption and production	42, 44, 49, 76
	13. Climate action	44, 76
	14. Life below water	76
	15. Life on Land	-
	16. Peace, justice and strong institutions	39, 42, 49, 54, 59, 63
	17. Partnerships for the goals	44, 49

07

GRI
CONTENT **INDEX**



KEEP
LIFE
IN
MOTION



GRI CONTENT INDEX

Statement of use	Frasle Mobility has developed its report in accordance with the GRI Standards for the period from January 01 to December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard / Other source	Contents	Location	Sustainable Development Goals
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	13	
	2-2 Entities included in the organization’s sustainability reporting	4 Industry Segment: Frasle Mobility <i>site</i> USA, Frasle Mobility units in Brazil, Frasle Mobility <i>site</i> Pinghu, <i>site</i> Controil, <i>site</i> Farloc, <i>site</i> Montevideo, <i>site</i> ASK, <i>site</i> Fremax, <i>site</i> Jurid, <i>site</i> Nakata, <i>site</i> NIONE. Sales offices: Frasle Mobility Chile site, Europe site, USA site, Mexico site. Frasle Mobility development and technology center: Nakata site, CTR Nakata, Frasle Mobility Netherlands Distribution Center, Pinghu site, Garin site, Colombia site, Argentina site, AML Juratek site – UK (comprise of 3 CDS: 2 in the UK, in Doncaster and Bradford, and 1 in Northern Island). All entities listed above are included in the audited quarterly and annual financial statements. The organization is comprised of a number of entities, one of which a holding company.	
	2-3 Reporting period, frequency and contact point	5	
	2-4 Restatements of information	8	
	2-5 External assurance	XX	
	2-6 Activities, value chain and other business relationships	15	



GRI Standard / Other source	Contents	Location	Sustainable Development Goals
GRI 2: General Disclosures 2021	2-7 Employees	86, 87	8, 10
	2-8 Workers who are not employees	88	8
	2-9 Governance structure and composition	29	5, 16
	2-10 Nomination and selection of the highest governance body	30	5, 16
	2-11 Chair of the highest governance body	30	16
	2-12 Role of the highest governance body in overseeing the management of impacts	29, 38, 40	16
	2-13 Delegation of responsibility for managing impacts	40	
	2-14 Highest governance body's role in sustainability reporting	5	
	2-15 Conflicts of interest	36, 38	16
	2-16 Communicating critical concerns	39, 40	
	2-17 Collective knowledge of the highest governance body	31	
	2-18 Evaluation of the performance of the highest governance body	31	
	2-19 Remuneration policies	34, 56	
	2-20 Process for determining remuneration	34	
	2-21 Annual total compensation ratio	This information is confidential.	
	2-22 Statement on sustainable development strategy	9	
	2-23 Policy commitments	38	16
	2-24 Embedding policy commitments	36, 38	
	2-25 Processes to remediate negative impacts	38, 39, 40	
	2-26 Mechanisms for seeking advice and raising concerns	39	16
	2-27 Compliance with laws and regulations	In 2021, 2022, and 2023, the organization did not record any significant incidents of failure to comply with laws and regulations that resulted in fines or non-monetary sanctions.	
	2-28 Membership of associations	16	



GRI Standard / Other source	Contents	Location	Sustainable Development Goals
GRI 2: General Disclosures 2021	2–29 Approach to stakeholder engagement	60	8
	2–30 Collective bargaining agreements	88	
Material topics			
GRI 3: Material Topics 2021	3–1 Process to determine material topics	6	
	3–2 List of material topics	6, 8	
Material topic: Climate change and air quality			
GRI 3: Material Topics 2021	3–3 Management of material topics	79	
GRI 201: Financial performance 2016	201–2 Financial implications and other risks and opportunities due to climate change	40	13
GRI 302: Energy 2016	302–1 Energy consumption within the organization	82	7, 8, 12, 13
GRI 302: Energy 2016	302–3 Energy intensity	94	7, 8, 12, 13
GRI 302: Energy 2016	302–4 Reduction of energy consumption	In 2023 there were no reductions in energy consumption as a result of conservation and efficiency initiatives	7, 8, 12, 13
GRI 305: Emissions 2016	305–1 Direct (Scope 1) GHG emissions	80	3, 12, 13, 14, 15
GRI 305: Emissions 2016	305–2 Energy indirect (Scope 2) GHG emissions	80	3, 12, 13, 14, 15
GRI 305: Emissions 2016	305–3 Other indirect (Scope 3) GHG emissions	Scope 3 emissions have not yet been mapped. We are developing a strategy for this	3, 12, 13, 14, 15
GRI 305: Emissions 2016	305–4 GHG emissions intensity	80	13, 14, 15
GRI 305: Emissions 2016	305–5 Reduction of GHG emissions	80	13, 14, 15
SASB TR–AP–130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable.	82	
SASB RT–IG–130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	82	
Material topic: Ethics, integrity and compliance			
GRI 3: Material Topics 2021	3–3 Management of material topics	36	
GRI 205: Fighting corruption 2016	205–1 Operations assessed for risks related to corruption	47	16
GRI 205: Fighting corruption 2016	205–2 Communication and training on anti–corruption policies and procedures	36, 84, 85, 86	16

GRI Standard / Other source	Contents	Location	Sustainable Development Goals
GRI 205: Fighting corruption 2016	205-3 Confirmed incidents of corruption and actions taken	No cases of corruption were reported to the Ethics Channel in 2023, nor did any of the new supplier due diligence investigations point to any such cases.	16
GRI 206: Unfair competition 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There are no pending or closed legal claims related to unfair competition, anti-trust activities, or monopoly involving the organization in the 2023 reporting period.	16
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	47	
GRI 308: Supplier environmental assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	47	
Material topic: Product lifecycle management			
GRI 3: Material Topics 2021	3-3 Management of material topics	46, 76	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	95	8, 12
GRI 301: Materials 2016	301-2 Recycled input materials used	95	8, 12
GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials	95	8, 12
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	76	3, 6, 11, 12
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	76	3, 6, 8, 11, 12
GRI 306: Waste 2020	306-3 Waste generated	77	3, 6, 11, 12
GRI 306: Waste 2020	306-4 Waste diverted from disposal	77	3, 11, 12
GRI 306: Waste 2020	306-5 Waste directed to disposal	78	3, 6, 11, 12, 15
Material topic: Attracting, developing and retaining employees			
GRI 3: Material Topics 2021	3-3 Management of material topics	55	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	89	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	56	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	55, 92	4, 5, 8, 10

GRI Standard / Other source	Contents	Location	Sustainable Development Goals
GRI 404: Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	55, 57	8
GRI 404: Training and education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	23 All eligible employees (managers, leaders, administrators, those in engineering, logistics, and purchasing) were the subject of regular performance assessments and career development.	5, 8, 10
SASB RT-IG-000.B	Number of employees	86, 87	
Material topic: Employee health, safety and well-being			
GRI 3: Material Topics 2021	3-3 Management of material topics	63	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	63	8
GRI 403: Occupational health and safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	64	8
GRI 403: Occupational health and safety 2018	403-3 Occupational health services	67	8
GRI 403: Occupational health and safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	67	8, 16
GRI 403: Occupational health and safety 2018	403-5 Worker training on occupational health and safety	67	9
GRI 403: Occupational health and safety 2018	403-6 Promotion of worker health	67	3
GRI 403: Occupational health and safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	67	8
GRI 403: Occupational health and safety 2018	403-8 Workers covered by an occupational health and safety management system	91	8
GRI 403: Occupational health and safety 2018	403-9 Work-related injuries	66	3, 8, 16
GRI 403: Occupational health and safety 2018	403-10 Work-related ill health	66	3, 8, 16
Material topic: Human rights and labor relations			
GRI 3: Material Topics 2021	3-3 Management of material topics	59	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	In 2023, there was one case of discrimination, closed after exploratory and confirmatory interviews and training measures.	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	In 2023, as in 2021 and 2022, there were no violations or significant risk of violation of worker rights to freedom of association or collective negotiation among the reporting operations.	8
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	59	5, 8, 16

GRI Standard / Other source	Contents	Location	Sustainable Development Goals
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	46	5, 8
GRI 410: Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	During the reporting period, no member of the safety team received formal training in specific human rights policies and procedures as they apply to safety.	16
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	47	5, 8, 16
GRI 414: Supplier social assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	47	5, 8, 16
Material topic: Innovation and technology			
GRI 3: Material Topics 2021	3-3 Management of material topics	49	
FRAS2	Description of the PD&I structure and strategy; Total invested in PD&I; potential revenue from new projects in the current portfolio; prototypes; innovation index; testing; other considerations	25, 50, 51	
Material Topic: Product Safety and Excellence			
GRI 3: Material Topics 2021	3-3 Management of material topics	44	
GRI 416: Consumer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	100% of significant product and service categories were assessed for health and safety impacts in order to make improvements.	
GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	The organization requires information on the safe use and disposal of products and services, including their environmental and social impact. Goods sold to end consumers are covered and assessed regarding compliance with these procedures, while bulk goods supplied to other manufactured are neither packaged nor labeled.	12
FRAS1	Strategic product indicators and other considerations	45	
FRAS3	Manufacturing capacity and other considerations	33, 45	
Material topic: Data privacy and security			
GRI 3: Material Topics 2021	3-3 Management of material topics	42	
GRI 418: Customer privacy 2016	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	In 2023, as in 2021 and 2022, there were no privacy violation nor loss of customer data.	16

Topics determined to be non-material	
TOPIC	LOCATION
GRI 303: Water and effluents 2018	
303-1 Interactions with water as a shared resource	74
303-2 Management of water discharge related impacts	75
303-3 Water withdrawal	74
303-4 Water discharge	74, 75
303-5 Water consumption	74
GRI 405: Diversity and equal opportunities 2016	
405-1 Diversity of governance bodies and employees	92



ASSURANCE LETTER

CLAIM OF INDEPENDENT VERIFICATION – BUREAU VERITAS INTRODUCTION

Bureau Veritas Certification Brasil (Bureau Veritas) was contracted by Fras-le S.A. (Frasle Mobility) to conduct an independent verification of its 2023 Sustainability Report (hereinafter referred to as the Report).

This verification was conducted by a multidisciplinary team, including verifiers with knowledge of financial and non-financial data.

SCOPE OF WORK

The scope of this verification covered the standards and Principles¹ of the Global Reporting InitiativeTM for Sustainability Reporting, including specific Sustainability Accounting Standards Board (SASB) indicators, and refers to accountability for the period from January 1 to December 31, 2023.

In geographical terms, we clarify that we verify Fras-le Mobility's data and information on a global level.

RESPONSIBILITIES OF FRASLE AND BUREAU VERITAS

Frasle Mobility's management is solely responsible for obtaining, calculating and presenting the data published in the Report. Bureau Veritas is responsible for providing an independent opinion to the interested parties, in accordance with the scope of work defined in this claim.

METHODOLOGY

The verification covered the following activities:

1. Interviews with those responsible for the material topics and content of the Report;
2. Analysis of documentary evidence provided by Frasle Mobility for the period covered by the Report (2023);
3. Verification of performance data against the Principles that ensure the quality of the information, according to the GRI Standards;

4. Evaluation of the systems used to compile data;
5. Remote evaluations of sustainability indicators in the following Units: Corporate; operational units located in Brazil – Frasle Mobility site Caxias do Sul, Frasle Mobility site Sorocaba and abroad, Frasle Mobility site Alabama.
6. Documentary analysis of *stakeholder* engagement activities developed by FRASLE.

The verification level adopted was Hybrid (Limited* and Reasonable**), in accordance with the requirements of the ISAE 30002 standard, incorporated into Bureau Veritas' internal verification protocols.

* Limited verification level: International scope.

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

In addition to this scope of verification, Frasle Mobility's Greenhouse Gas (GHG) inventory was part of the scope of an external verification, conducted by the company DNV, which assured the inventory of its parent company Randon S.A. Implementos e Participações (RANDONCORP).

LIMITATIONS AND EXCLUSIONS

Excluded from this verification was any evaluation of information related to:

- Activities outside the defined evaluation period;
- Position claims (expressions of opinion, belief, objectives or future intentions) by Frasle Mobility;
- Economic and financial data contained in this Report, extracted from financial statements verified by independent auditors;
- Data and information regarding operations and activities that are not part of the scope of the Report.

¹ Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness, and Verifiability.

² International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information.

OPINION ON THE REPORT AND THE VERIFICATION PROCESS

- Frasle Mobility prepared the Report following the GRI Standards and Principles, in the “based” option;
- We identified that Frasle Mobility carried out materiality in 2019, followed the strategic materiality of RANDONCORP in 2020, and used this study to establish the ESG Ambition, also together with its controller, which includes the public commitments made until 2025 and 2030;
- We verify that in 2023 Frasle Mobility reviewed the materiality, including the scope of double materiality, and then a stakeholder review and audience weighting were carried out. From this process, 9 material themes were defined, presented in the report.
- Still on the dual materiality process, we identified that themes that were not considered material, such as Water and effluents, Diversity and inclusion, Value relationships (suppliers and community), were incorporated into other themes, as they are related to the ESG Ambition strategy and the Planet, People and Business pillars. We understand that the result obtained realistically reflects the topics relevant to the Report.
- On the topic of relationship with the community, we verify that Frasle Mobility presents information regarding social actions and programs developed by Instituto Elisabetha Randon (IER), although it does not present the related data in accordance with the requirements of indicator GRI 413-1;
- In the context of ESG strategy at Frasle Mobility, we verify the management and performance associated with ESG Ambition. We are of the opinion that the commitments are aligned with the material themes of the company and have established governance and metrics, with emphasis on the theme Innovation and Technology;
- We verify that Frasle Mobility adopted the use of an online platform for data collection and consolidation. We are of the opinion that the methodology should be improved in order to ensure the reliability of the data. The inconsistencies found in the data calculation and in the Report were adjusted during the process and were satisfactorily corrected;
- The Report publishes information on the indicators associated with the material aspects following the GRI Standards guidelines. However, we emphasize the importance of standardizing and systematizing some practices, since part of the indicators verified by our team presented differences in format and application in some of the regions where Frasle Mobility operates and in consolidation;
- The data presented to meet the GHG emissions indicators are part of the GHG emissions inventory of the Frasle Mobility. We found that Frasle Mobility does not carry out the assurance of its inventory individually. However, the inventory data of Frasle Mobility compose and were verified in the external assurance process of the inventory of the parent company RANDONCORP, conducted by the company DNV;
- On the subject of suppliers, we identified an opportunity to improve the analysis and reporting of the organization’s performance, in order to present data covering related aspects, such as risk management associated with the universe of indirect suppliers, inclusion of units that do not use the SAP system and potential risk analysis approach, in order to ensure the verifiability of the data;
- We verify the management implemented for the Compliance theme, with regard to Risk Management and Compliance and Ethics Channel, with emphasis on aspects such as transparency, reliability, and accuracy of data throughout the process.

RECOMMENDATIONS

- With regard to the data collection process, improve the standardization and systematization of practices in order to make the information even more reliable and consistent;
- Improve the process of consolidating indicators related to the theme suppliers, including the comprehensive scopes to the indirect ones and units that use different systems, in order to guarantee the verifiability of the data;
- Assure the greenhouse gas (GHG) inventory individually and specifically for Frasle Mobility data;
- Analyze the inclusion of the report of GRI indicators associated with the Communities theme in the next cycle.

CONCLUSION

Based on the verification work conducted, the evidence presented to us and in accordance with the scope of work defined in this claim, we are of the opinion that:

- The information provided in the Report is balanced, consistent and reliable, is free from material misstatement and is presented fairly in all material respects;
- Frasle Mobility has established appropriate systems for collecting, compiling and analyzing the quantitative and qualitative data used in the Report;
- The Report complies with the GRI Standards and Principles.

CLAIM 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 evaluation 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 avoid conflicts of interest.

The verification team does not have any other link with Frasle Mobility, 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 carried out by our team.

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

CONTATO

<https://certification.bureauveritas.com.br/fale-conosco/>

São Paulo, May 2024.



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PROJECT MANAGEMENT, CONTENT, GRAPHIC DESIGN, LAYOUT AND DISCLOSURES CONSULTING

Grupo Report

TRANSLATION

LATAM Translations