



MOVIDA PARTICIPAÇÕES S.A.

Sustainability Finance Framework

June, 2021



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1. About Movida

At Movida, we work to ensure that our businesses are contributing to overcome the country's challenges. Since 2006, we have been consolidating our position as one of the main companies in the car rental business in Brazil being recognized by our outstanding performance and ability to create strategic relationships with our stakeholders - reinforcing our profile as a digital company connected with the future.

We operate in the rent a car (RAC) and outsourced fleet management (OFM) segments. The company regularly renews its fleet to guarantee service quality and expand its range of activities through the commercialization of used cars. Our cars are on average one year old, in contrast with the Brazilian fleet's average age of 14 years. As a direct result of that, we have lower maintenance costs, we generate less greenhouse gas emissions and ensure more safety for our customers.

Incorporated as Movida Participações S.A., today we are a publicly traded corporation, headquartered in São Paulo. Since 2013 we have been part of the JSL Group, which has the largest logistics portfolio in Brazil. In 2017, we concluded the process of going public. Currently our shares are traded on the Novo Mercado, the segment of Brazil's B3 (Brasil, Bolsa, Balcão) exchange for companies committed to best corporate governance practices. We are present in all the Brazilian states with a fleet of more than 109,000 vehicles – 71,000 in the rental segment and 38,000 in OFM –, in addition to 191 car rental stores and 67 point of sales for used cars (Movida Seminovos). In December 2019, our work force was comprised of approximately 3,665 employees.

More recently, we have updated our strategic goals to reinforce profitability in our business and consolidate our market share. Our business approach aims to incorporate the best technology into mobility. We pioneered national WiFi coverage for cars and, in 2018 became the only multimodal mobility platform in the country offering electric bicycles and tricycles. Our points of sale are fully integrated, and for years we have employed digital resources and artificial intelligence to make reservations via Facebook Messenger. We were also the first company to operate via WhatsApp in the country, both in the RAC and used vehicles segments.

Our sustainability long term vision is translated in our Corporate Sustainability Policy that focus on the responsible use of resources, mitigation of unavoidable impacts and generation of positive impact. As a result, we are one of the few companies in our sector to be certified as a B Corp. Our commitment to sustainability requires efforts to drive continuous improvement in our processes by integrating (i) the intelligent management of resources, (ii) innovation and (iii) discipline in execution. Over recent years we have experienced a significant expansion in our operations, and this imposed us the challenge of maintaining efficiency while growing our business, ensuring that we were implementing the best business practices along the way, and were aligned with our purpose and strategy.

We have implanted several initiatives and projects aimed at making intelligent use of natural resources, including controlling water and energy consumption, solid waste generation and greenhouse gas emissions.

We control our greenhouse gas emissions (GHG) inventory based on the GHG Protocol methodology, covering both direct emissions (Scope 1), substantially from the direct consumption of fuels; and indirect ones (Scope 2), related to the acquisition of energy, mainly to the company's stores and administrative centers. In 2019/2020, we started to monitor Scope 3 emissions, accounting the emissions generated by our customers when they use our services, recognizing the importance of measuring the environmental impact related to the use of our services. In fact, Scope 3 emissions represents 98% of the company's total emissions, according to our latest GHG Inventory published and audited by an independent third party in 2020 (base year 2019).

The relevance of Scope 3 emissions in our GHG report is a direct consequence of the car rental business model where customers use our cars and contribute to GHG. We understand that Climate Change is a challenge for all companies in Brazil and around the world and see GHG reduction as an opportunity to improve our internal processes, integrate ESG challenges into our strategy and influence our entire value chain, including our clients.

Following the compliance with the GHG Protocol principles in our GHG Inventory (Relevance, Comprehensiveness and Transparency), we became the first company in the vehicle rental industry to include Scope 3 emissions in our controls, as we understand it is the most relevant and material category for the sector.

Our GHG Inventory was published for the first time at the Brazilian Program of GHG Protocol and can be accessed through this link: <https://registropublicodeemissoes.com.br/>. Although we have made a significant effort in recent years to track and reduce our emissions, we understand that there is still room for improvement.

We know that the most efficient way to achieve significant GHG reductions in the short term should be based on transforming our energy matrix into a renewable matrix, ensuring that all of our physical facilities will be supplied with renewable energy. In addition to that, we also recognize that the consumption of renewable fuel (Brazilian ethanol) can be improved in our entire fleet, and we plan to do that by fostering awareness campaigns within our network and incentivizing our customers to select this type of fuel when using our cars.

2. Approach to Sustainability

As a company we are always trying to balance purpose and profit. As a result, we are dedicated to address the contemporary challenges of mobility, given that mobility is essential for the creation of a fairer, more integrated, and sustainable society.

We operate in a sector in which the growth rate is exponential. From 2017 to 2018, the number of users in the rental business almost doubled, from 27.2 million to 43 million. Over half of this was related to outsourcing services, followed by tourism and business customers. In parallel, the number of rental companies increased from 11,100 to 13,100. The industry generates 82,600 direct jobs in the country.

Given the impact we may cause in our environment, we believe in using business as a source for good, embodying the concepts of a conscious capitalism. This is reflected in the combination of business growth and initiatives that generate positive impacts for our stakeholders.

By focusing on mobility, we ensure that our activities are aligned with the interests of the communities in which we operate. This enables us to operate within a collaborative economy model and help drive the development of the cities in which we are present, both in terms of culture and improvement in people’s quality of life.

At the beginning of 2020, we were delighted to be certified as a B Corp, joining the global ecosystem of companies that ally economic growth with social development and environmental preservation, adopting as a metric of success the well-being of people, society, and nature. We made substantial progress in this process in 2019 and became the second publicly traded company listed in Brazil and the first in our segment to get this certification. Another achievement was our entry into the Corporate Sustainability Index (ISE-B3), making us the first company in the vehicle rental sector to be listed. We are also included in B3’s Carbon Efficient Index (ICO2 B3), starting in 2021, demonstrating our commitment on the climate change agenda.

Since 2019, we decided to transform sustainability into a core value in the company and incorporated it into our long-term business strategy and strategic vision—reinforcing the importance of corporate governance and socioenvironmental management in our business model. We are certain that this movement will drive a promising future in our core businesses.

2.1 Our Values

- **Devotion to Serving:** Differentiated service ensuring lasting relations with customers
- **Innovation:** Boldness and simplicity with quality, providing customers the latest features
- **People:** Make a difference in our business
- **Passion:** Energy, commitment and joy, naturally!
- **Profit:** Indispensable for the growth and continuity of the business
- **Sustainability:** Eco-friendly, economically viable, socially fair and culturally diverse mindset

We believe that as a major player in our segment, we must continue to evolve our corporate governance, management practices and policies concerning environmental, social and governance (ESG) aspects. That will help us to maintain our leadership position and become more relevant in the positive impact agenda.

The ESG’s priority issues for us were recently updated after a new materiality analysis and the issues identified are:

1. Climate change
2. Valuing people, perpetuating culture and respecting diversity
3. Innovation
4. Sustainable value chain
5. Urban and inclusive urban mobility
6. Customer experience
7. Ethics, compliance and corporate governance
8. Economic-financial performance

2.2 Economic, Environmental, Social and Governance (EESG) aspects

ECONOMIC

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

ENVIRONMENTAL

In direct relation to our business, we prioritize addressing and adapting to the challenge of climate change, developing strategies to mitigate greenhouse gas emissions and neutralize business impacts by engaging customers in the company's Carbon Free program and encouraging them to use ethanol as fuel. Other action fronts are the continuous improvement of our environmental performance, such as water consumption (minimized through projects such as dry washing), energy efficiency and improved solid waste management at our stores.

SOCIAL

In the social front, we intend to contribute towards the reduction of social inequality by using mobility as an instrument for social inclusion. For that, we leverage on our national footprint and strong local presence throughout the country to generate positive impact through inclusive mobility-related measures, broadening access to services for low- and medium-income groups and providing special conditions for new customers, such as drivers working with apps and the young community. We also aim to address aspects related to diversity and people – topics which are on the agenda for 2020.

GOVERNANCE

Our corporate governance practices are focused on the principles of conscious capitalism: we want to mobilize our leaders and teams to do business in a transparent and integral way therefore contributing to human development. This is reflected in the market recognition we have received (such as our recent entry to the Corporate Sustainability Index and our certification as a B Corp).

We are also active on diverse other fronts, such as compliance – characterized by the company's Code of Conduct, ombudsman channels, as well as risk management and internal control processes. The company also has four advisory committees that support senior management: Financial Committee, Ethics and Compliance Committee, Audit Committee and Sustainability

Committee. In line with the growing awareness movement to find solutions to lead humanity to a more balanced future, our Long-Term Sustainability Strategy was built considering three important pillars for our business: A Better Company, Better Planet and Better Mobility.



This long-term vision aims to address our performance through the “Decade of Action” 2020-2030, which is aligned with the United Nations (UN) 2030 agenda for a Sustainable Development. Our commitments guide our contribution to the achievement of global sustainability goals and targets, while expand our potential for generating a positive impact, since we act not only to mitigate and neutralize our impacts, but also to favor common wellness.

We believe the private sector has a leading role to the transition to a low carbon economy, using the transformational power that businesses can generate in society and the planet, to recover the impacts generated by the capitalism model implemented since the industrial Revolution.

As a direct result of this strategic vision, we incorporated many of the Paris Agreement standards into our Corporate Climate Strategy, with the purpose to integrate the global efforts to stabilize the concentration of greenhouse gas (GHG) emissions into the atmosphere, limiting the temperature rise to 1.5 ° C above pre-industrial levels, recognizing that this is the only way to reduce the exposure to risks and impacts of climate change.

Our Corporate Climate Strategy is based on 3 main areas:

1. **Mitigation** (actions focused on reducing GHG emissions)
2. **Compensation** (actions to offset the emissions that could not be avoided in operational processes), and
3. **Adaptation** (actions to manage climate risks considering different climates scenarios).

3. Rationale for the Issuance

Aiming to enhance the power of our company to address environmental issues while effecting positive change, we created this Sustainability Framework, that combines both the Green, Social and Sustainability criteria. Through this framework, we expect to contribute with the development of sustainable financing solutions, with the objective of raising funds for new and existing projects with environmental or social benefits.

This framework may be applicable to Green, Social and Sustainability bonds or loans to be issued by Movida and its Affiliates¹ in the local or offshore markets. The Company is committed to, whenever possible, quantify the environmental benefits obtained by the funds raised under this Framework.

We hope our Framework and any eventual issuance made under it will inspire other similar companies to also engage in a sustainable journey, integrating its business strategy with sustainable goals. Please note that our framework provides a high-level approach to our new issues and/or loans so that potential capital providers should refer to the relevant documentation for any specific new issuance/loan.

Movida's Sustainability Frameworks remains valid as long as Movida's EESG:

- i) Strategy,
- ii) Governance,
- iii) Process for Evaluation and Selection,
- iv) Management of proceeds,
- v) Report,

remains identical in terms of what is described in this document, as well as its EESG materiality also accurately reflects its material themes cited in this document, which are consequently correlated with the Use of Proceeds section of this document, which disclose its projects and eligibility criteria under the GBP, GLP, SBP and SLP.

4. Alignment with the Green, Social and Sustainability Principles

Green, Social and Sustainability bonds and loans are financing options where the proceeds are exclusively applied to finance or refinance green projects, social projects or a combination thereof, respectively. The Green Bond Principles², 2021 (GBP), Social Bond Principles³, 2021 (SBP) and Sustainability Bond Guidelines⁴ (SBG) administered by the International Capital Markets Association (ICMA) recommend alignment with the four core components of the GBP, SBP, and the SBG collectively known as "The Principles". The Green Loan Principles⁵, 2018 (GLP) and the Social Loan Principles⁶, 2021 (SLP), provide guidelines for any type of loan instrument that finances or refinances green and/or social projects.

¹ Affiliates means any company that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common with Movida

² <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

³ <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>

⁴ <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

⁵ <https://www.lsta.org/content/guidance-on-green-loan-principles-glp/>

⁶ https://www.lma.eu.com/application/files/1816/1829/9975/Social_Loan_Principles.pdf

The GBP, SBP, SLP and GLP outline eligible project categories for green and social projects. The Principles are voluntary process guidelines that recommend transparency, disclosure and promote integrity for best practices when raising funds with Green, Social and Sustainability Bonds and/or Loans.

Our framework is aligned with the four core components of the GBP, SBP, SBG and GLP, and contains the following structure:

1. Use of Proceeds;
2. Process for Project Evaluation and Selection;
3. Management of Proceeds;
4. Reporting.

4.1 Use of Proceeds

An amount equal to the net proceeds of the bonds and/or loans will be used to finance or refinance, in whole or in part, existing or future Investments that meet the Eligibility Criteria described below. The Company will highlight, in the relevant funding instrument, which portion of the financing and/or the refinancing will need to be considered.

Investments are defined as development, acquisition, maintenance, refurbishment, installation, expansion, and transactions with proprietary capital expenditure from Movida Participações S.A. and its affiliates in our own facilities and operations. Investments may be eligible when disbursed within 3 years prior to the issuance of the bond/loan.

Movida is committed to ensure that the use of proceeds will never be used more than once in Sustainability deals.

We intend to fully allocate the proceeds from each bond or loan within 3 years. Hereafter follows the description of Eligibility Criteria and the connected SDGs:

Green Eligibility Criteria

- a. Renewable Energy and Energy Efficiency;
- b. Clean Transportation;
- c. Pollution Prevention and Control;
- d. Green Buildings.

Social Eligibility Criteria

- e. Socioeconomic advancement and empowerment⁷

⁷ The Target Population for this Social eligibility criteria are i) Unemployed, ii) Women and/or sexual and gender minorities, iii) Excluded and/or marginalised populations and /or communities, iv) Aging populations and vulnerable youth, and v) Other vulnerable groups. The socioeconomic profile of Uber and other Apps drivers in Brazil can be seen in [this link](#). Study published in August's 3rd, 2019.

Green Eligibility Criteria

Investments in:

Category	Eligibility Criteria	Environmental Objectives	Alignment with Prioritized SGDs
a. Renewable Energy and Energy Efficiency	Investments in: <ul style="list-style-type: none"> i) Renewable energy purchase ii) And/or projects, that aims to reduce the consumption of electric energy, such as: <ul style="list-style-type: none"> a. Equipment or technology that reduces energy consumption/increases energy savings at least 30% over baseline provided that those equipment and/or technologies will not be in fossil-fuel intensive processes. 	<ul style="list-style-type: none"> a. Climate change mitigation b. GHG emissions reduction 	SDG 7 and 13
b. Clean Transportation	Investments for the exchange of fossil fuel vehicles of the proprietary fleet to: <ul style="list-style-type: none"> iii) Electric iv) Hybrid⁸ v) Clean energy vehicles 	<ul style="list-style-type: none"> a. Climate change mitigation b. GHG emissions reduction c. Pollution Prevention and Control d. Reduction of harmful emissions 	SDG 9,11 and 12
c. Pollution Prevention and Control	<ul style="list-style-type: none"> i) Reduction of air emissions ii) Greenhouse gas control 	<ul style="list-style-type: none"> a. Pollution Prevention and Control b. Climate change mitigation c. GHG emissions reduction 	SDG 7 and 13

⁸ Other not carbon intensive vehicles such as hybrids are eligible if emissions intensity is <75g CO2/ passenger km (for passenger cars) and <25g CO2/ tonne km (for freight).

d. Sustainable water and wastewater management	Investments in: i) Services related to ecoefficient car washing in which imply minor use of water ii) Infrastructure or Services related to Wastewater treatment iii) Infrastructure or Services related to Correct disposal of solid material originated by wastewater treatment	a. Water efficient usage and management b. Correct disposal for wastewater and its solid particles c. High level of Waste Management	11, 12, 14 and 15
e. Green Buildings	Buildings that have received certification to the following programs and levels: i) LEED Gold & Platinum; ii) EDGE certification; iii) ACQUA iv) Other recognized green construction certifications	a. Climate change mitigation b. Ecoefficiency c. Natural resources management d. GHG emissions reduction e. Pollution Prevention and Control	SGD 9,11 and 12

Social Eligibility Criteria

Investments in:

Category	Eligibility Criteria	Social Objectives	Alignment with Prioritized SGDs
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e. Socioeconomic advancement and empowerment	i) Equitable participation and integration into the market and society	Provide a space for rest, integration, leisure and food, totally free, for one of our priority groups (application drivers).	SDG 8 and 10
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4.2 Process for Evaluation and Selection

All projects developed by the company are approved by the Board of Directors for budget approval, supported by the project's financial viability and alignment to Movida's strategy. The Board may create a Sustainable Committee in charge of implementing its decisions.

The Committee will be responsible for the evaluation and selection of Investments made using the proceeds from the Green, Social and/or Sustainability Bond/Loan, to make sure that it complies with the scope set forth in this Framework in the chapter "Use of Proceeds". The allocation will be made according to the project's fit with the Sustainable objectives of this Framework. It is important to point out that only projects that meet the "Green Eligibility Criteria" or "Social Eligibility Criteria" may be financed with funds raised under this Framework.

The Committee consists of representatives of the Sustainability, Human Resources and Marketing departments, as well as a representative of the business department responsible for the relevant Investments.

This Committee will: (i) nominate projects which comply with the eligibility criteria as described in the framework; (ii) nominate projects which meet Movida's environmental and social risk mitigation process, as described below, and (iii) recommend an allocation of proceeds to eligible projects. These nominated projects will then be presented to Movida's Finance and Legal departments for approval. These recommendations will be made on an annual basis, but the committee can also meet ad hoc, and will include past, current, and future projects.

The Committee will also be responsible for monitoring the pool of Investments assigned as Use of Proceeds, replacing Investments that no longer satisfy the criteria established in this framework⁹ with new Investments if needed and validating of the annual Allocation Report and Impact Report.

4.3 Management of Proceeds

Net proceeds from the Sustainability Framework will be placed in Movida's treasury and managed by the treasury department using existing internal tracking systems and will guarantee the proper segregation of resources.

In case, for any reason whatsoever, the value of the green, social or sustainable Investment is lower than the total value of the bond issuance and/or loan disbursement, Movida commits to invest the net proceeds yet to be invested in cash or cash equivalents with low risk and likewise will maintain net resources that are in line with the volume already allocated to green and social projects.

⁹ In the event that (i) an Investment does not meet the Eligibility Criteria, or (ii) there are any early prepayments related to any Investment, or (iii) if the Investment matures before the maturity of the bond/loan, Movida will replace it with new Investments selected according to the Eligibility Criteria.

Movida is committed to:

- ✓ Not use the projects for more than one debt financing;
- ✓ Project implementation deadlines will be clearly defined in the contracts of each financial operation;
- ✓ Project performance indicators will be clearly defined in the contracts of each financial operation;
- ✓ It will be possible to track the use of allocated resources at any time during the implementation phase of projects related to this Sustainability Framework.

4.4 Reporting

Movida will provide its capital providers (investors, financial institutions and/or multilaterals) with information regarding the Green, Social or Sustainability bonds/loans in a dedicated report¹⁰ to be publicly available in Movida's website.

Information on the allocation and on the reporting of the finance proceeds will be provided at least yearly thereafter until all proceeds have been allocated.

Movida will submit the allocation on projects to an independent verification within a maximum period of 24 months after the issuance of a Sustainability Issuance or Loan.

The allocation report will include the project(s) amount(s) and when applicable the number of beneficiaries. The Environmental and Social output will also be reported to each Eligibility Criteria.

Movida commits itself to disclose all relevant information observing the relevant laws, agreements of confidentiality or conflicts of interest and whenever possible also be guided by ICMA's Impact Reporting guidelines¹¹.

4.5. External Review

Movida has mandated an environmental consultant with experience in environmental, social and corporate governance matters to provide a Second Party Opinion (SPO) on the environmental and social benefits of Movida's Sustainability Finance Framework, as well as the alignment with the relevant Principles.

The SPO is available on Movida's website [<https://ri.movida.com.br/en/investor-services/download-center/>].

¹⁰ The dedicated report might be disclosed on Movida's Annual Report.

¹¹ Handbook-Harmonised-Framework-for-Impact-Reporting-June-2021-100621.pdf (icmagroup.org)

5. Assurance

Movida will provide an assertion by management that an amount equal to the net proceeds was allocated considering the Eligibility Criteria.

Movida may also appoint an independent third party to conduct a compliance review that all allocations satisfy the Eligibility Criteria in accordance with our stated use of proceeds.

6. Annex I – Potential Impact Metrics

Examples of potential impact metrics to each Eligibility Criteria may include, but are not limited to:

Eligibility Criteria	Possible impact metrics/standards
Renewable Energy	<ul style="list-style-type: none"> - Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent - Annual renewable energy generation in MWh (electricity) and GJ (other energy) - Capacity of renewable energy plant(s) in MW
Energy Efficiency	<ul style="list-style-type: none"> - Annual energy savings in MWh (electricity) and GJ (other energy savings) - Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent - Annual Absolute (gross) GHG emissions from the project in tonnes of CO2 equivalent
Green Buildings	<ul style="list-style-type: none"> - LEED, BREEAM, HQE or equivalent environmental certification scores - Annual energy savings in MWh (electricity) and GJ (other energy savings)
Clean Transportation	<ul style="list-style-type: none"> - Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent - Number of energy efficient vehicles sold - Number of people with access to transit options previously unserved by them
Sustainable water and wastewater management	<ul style="list-style-type: none"> - Cubic meters of water saved/reduced - Cubic meters of recycled water usage - Cubic meters of water (provided/cleaned)
Pollution Prevention and Control	<ul style="list-style-type: none"> - Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent - Increased GHG emission efficiency (fewer GHGs emitted per unit of production) - Area of land remediated / bought back in to use (hectares) - Length of river (km) / area (km2) of water/sediment remediated / with improved water quality - Land area (hectares) / population covered by environmental monitoring - Tonnes of waste recycled - Tonnes of waste reduced/avoided - Tonnes of waste diverted from landfill - Cubic meters of wastewater treated
Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none"> - Carbon sequestration in tonnes of CO2 equivalent - Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent - Increased GHG emission efficiency (fewer GHGs emitted per unit of production) - Acres of land afforested/revegetated - Reduced Emissions from Deforestation and Degradation (REDD)

Social Eligibility Criteria	Possible impact metrics/standards
Socioeconomic advancement and empowerment	<ul style="list-style-type: none"> - Number of application drivers that received Movida's assistance during its labor journey per year