

2022  
Sustainability  
Report



# RANDONCORP

Building tomorrow

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# About the report

GRI 2-3 › 2-14

## We now present Randoncorp's 2022 Sustainability Report.

In this document, we describe the main highlights of the business between January 1<sup>st</sup> and December 31<sup>st</sup>, 2022, including, in an integrated manner, financial, operational, environmental, social and corporate governance aspects.

Throughout its pages, we address how our strategy, operations and ESG Ambition have created value for employees, customers, suppliers, investors, communities and other stakeholders during the year.

In line with the best sustainability practices, the Report was prepared following the guidelines of the Global Reporting Initiative (GRI) 2021 and Integrated Reporting (learn more ahead). To structure and define its scope, we have based ourselves on a study of the most relevant themes for business sustainability, described on page 27.

This document was audited by BSD Consult.

If you have any questions, suggestions, or wish to learn more about any of the topics presented in this report, please write to us! [ri@randon.com.br](mailto:ri@randon.com.br)

## Best practices adopted



**Integrated Reporting:** For the 3rd year in a row, we followed the Integrated Reporting guidelines, created by the International Integrated Reporting Council (IIRC), which guide to report the interconnection between financial and non-financial factors and their relevance to long-term business value creation. At each chapter opening, you will find the Capital XX marker, indicating which capital was addressed, and at the end of the report, on page 134, the capital map identifies the pages where capitals were mentioned.



**Sustainability Accounting Standards Board (SASB):** We have also adhered to the guidelines of the Sustainability Accounting Standards Board (SASB), a global voluntary standard for sector sustainability reporting, for the second consecutive year. At the beginning of each subchapter, we point out the reported indicators, through the acronym SASB XX. In the SASB Content Index (page 128) we explain each indicator's content.



**Global Reporting Initiative (GRI):** For the fourth consecutive year, we have adhered to the Global Reporting Initiative Standard (GRI) guidelines, the world's most widely used guideline for sustainability reporting. At the beginning of each subchapter, you will find the indicators reported on, by means of the acronym GRI-XX. You may also see the full breakdown of indicators on page 128.



**Development Goals (SDGs):** defined by the United Nations Organization (UN) with the purpose of engaging organizations around the world in goals for sustainable development. On page 32 we present the priority SDGs of the business and how we contributed to achieving them, at the beginning of each chapter you will find the logos of the SDGs addressed, and at the end of the report, on page 135, we publish the SDG map, referencing the relevant content for each SDG impacted.

# Message from the Board of Directors

GRI 2-22

**We are pleased to celebrate another year of record revenues, expansion of our strategy, and business diversification.**

The results achieved in 2022 stem from the principles we have cultivated for 74 years, inspired in generating prosperity for our people and for society.

For the first year in our history, we now have a CEO not belonging to the controlling shareholders group, with the separation of the positions of CEO and President Director, a major step forward in our governance. Sérgio Carvalho has continued the work done by his predecessors, with a performance based on the Company's principles and purpose. As such, we continue evolving and advancing towards an increasingly prosperous and sustainable future, since the ESG agenda is connected to the strategies that are being developed by him, together with the entire management and company teams.

Daniel Randon, in turn, as President Director, maintains his strategic role as a sponsor of our ESG Ambition, not only for the company, but influencing the entire ecosystem that surrounds us, both nationally and internationally.

Aware of the constant and rapid evolution of the world of work, in 2022 we made the decision to establish a People Committee. The first advisory committee to the Board of Directors began its activities effectively in 2023, dealing with topics related to our people, talents, development, diversity and inclusion.

Another aspect of our governance that makes us proud is the fact that we scored above the average of publicly traded companies in the CVM's Governance Report - "Practice or Explain", including in the comparison with companies that participate in B3's strictest listing segment, the Novo Mercado.

We also had other movements that show our advances, such as the evaluation of the Board of Directors. We modified our Bylaws, formally establishing governance-related topics such as conflicts of interest and board member independence, in line with the Brazilian Governance Code recommendations.

Based on our legacy and history, but also on our vision for the future, we are pleased to share first-hand in this Sustainability Report our new corporate name and brand. Now, Randon Companies are Randoncorp. A brand that values the shared legacy from more than seven decades. A brand that maintains and strengthens its principles and purpose. And which emerges to follow the sustainable growth we aim at and practice.

Enjoy your reading!



**David Abramo Randon**  
Chairman of the Board of Directors



# Message from the President

GRI 2-22

## We are in constant movement.

Our journey of transformation and accelerated growth in a swift and sustainable manner is based on the lessons learned over a seven decade trajectory, always aiming for a positive result not only for the Company, but for society as a whole.

Sustainability is present in our operations and permeates the entire ecosystem of the Company. This shows us how valuable it is to have strong principles, inspired by the values of our founders, and a keen eye for ESG issues.

The results we show in this report consolidate the performance of a company concerned with commitments for the future, which invests in research and development to bring solutions linked to mobility megatrends and to respond to environmental challenges.

Our products and processes are born within this concept. This is the case of Randon Solar trailer, presented at the close of 2022 at Fenatran. With solar panels and patented technology that is unprecedented in Latin America, this launching operates in energy control and management. We have also expanded our supply of products in composite materials through Frasle Mobility, and the Company have also entered the nanoparticle segment through NIONE, using world-leading technology.

The more we evolve, the more we deepen our commitments to sustainability, to the community, and to

ethical and responsible governance. This mirrors the work of our people, who, by means of initiatives and projects, contribute directly to self-development, environmental preservation, and the generation of value for society.

We have revised practices and processes, expanded our fields of operation and product and service portfolios, developed new disruptive technologies, and sought an even more diverse presence in countries on all continents. In 2022, we moved forward in important geographies, such as North America, and expanded the synergies among our operations. We have expedited actions to achieve the goals outlined in our ESG Ambition, by starting the execution of a R\$100 million investment plan, to be carried out by 2030, to generate renewable energies that will supply our industrial units around the world.

In 2022, we continued to invest in Diversity and Inclusion programs, committing ourselves even more to this issue that is so relevant to society, seeking to provide a safe, welcoming and humane environment for our employees. Furthermore, we continue to engage in social and cultural projects through Instituto Elisabetha Randon, which mainly serves the communities where we operate.

We have gotten this far with global recognition for the quality of our innovative and sustainable solutions for the transportation and logistics sectors. In 2022, several awards supported our performance in this direction, such as the Best of ESG award, from Exame magazine, among others described in this Report.

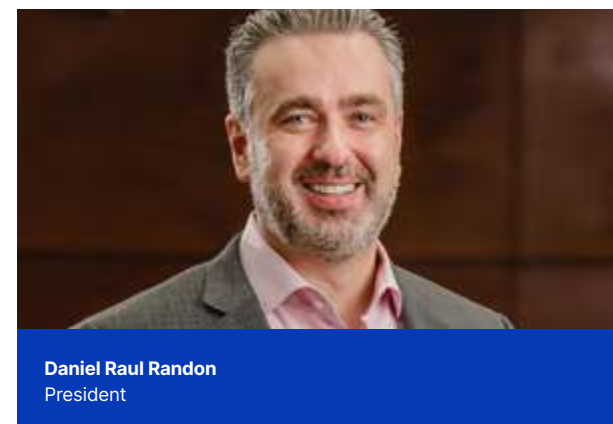
Continuing this evolution, we have adopted a new identity to match this change: Randoncorp, a brand that

represents the great transformation experienced by the Company and that positions us to build the future. This is a new step in the journey that we want to take, even more focused on sustainable solutions, with solid business, close to our partners and the community, and multiple in our operations and in the organization of teams and people.

The 2022 Sustainability Report already features this new identity, which translates the performance of a Company that is always connected to the future, understanding that this path is rich in opportunities.

We understand that our people, our customers, investors and partners are critical to this trajectory. It is these connections, the people, and our purpose of connecting people and riches, to generate prosperity, which make us clearly see that, together, we are building tomorrow.

Have a pleasant reading!



**Daniel Raul Randon**  
President



Chapter 1

# About Randoncorp

> CHAPTERS:



**Vinicius Pegoraro**  
Trailer Welder Assembler

# About Randoncorp

GRI 2-1

We are **Randoncorp.**



For over 70 years, we have been developing solutions in transportation equipment, automotive systems and logistic services. We have a diversified business model, serving different markets on five continents.

Our performance is based on quality, innovation, ethics, and sustainability, to uphold value-generating relationships with our stakeholders and the environment.

**RANDONCORP**

## Purpose

Connecting people and riches to generate prosperity.

## Principles

- > Valued and respected people.
- > Satisfied customers.
- > Safety and Quality.
- > Preservation of our image and legacy.
- > Ethics.
- > Profitability with sustainability.
- > Innovation and Technology.
- > Randon is all of us.

## Strategic guidelines

- ABSOLUTE FOCUS ON CUSTOMERS.
- DIVERSIFICATION WITH FOCUS.
- FINANCIAL STRENGTH.
- INNOVATION AND TECHNOLOGY AS DIFFERENTIATORS.
- LEVERAGING SYNERGIES.
- COMPANY DESIRED TO WORK.
- SUSTAINABILITY (ESG) PRIORITIZED.



## Manifest

We are **multiple and many**:

*We are in every corner of Brazil and the world;*

*With a passion to tread new paths, we inspire and mobilize dreams and people.*

*Innovating and creating solutions to our challenges every day.*

*We seek to share prosperity.*

*We respect our relationships with the planet and with people.*

*We always have room for more.*

*Original ideas, new products, the latest services.*

*One that creates a sustainable future combined with a unique way of thinking and doing mobility.*

*We are fortunate to rely on people who know that in a world as dynamic as ours, **keep on moving is fundamental**.*

*And so we carry on.*

*With a growing appetite for tomorrow and plenty of courage to live the future. Tireless. Enthusiastic. Always evolving.*

**Connecting people** and riches to generate prosperity.



# Randoncorp in figures



Founded in  
**1949**



**15,950**  
employees



**R\$11.2 billion**  
in net revenue

**R\$1.5 billion**  
in EBITDA



**32 factories and  
9 distribution  
centers in 12  
countries**



**R\$346.8 MM**  
in CAPEX



Products present in  
over **120 countries**

## RANDONCORP

### New Company identity

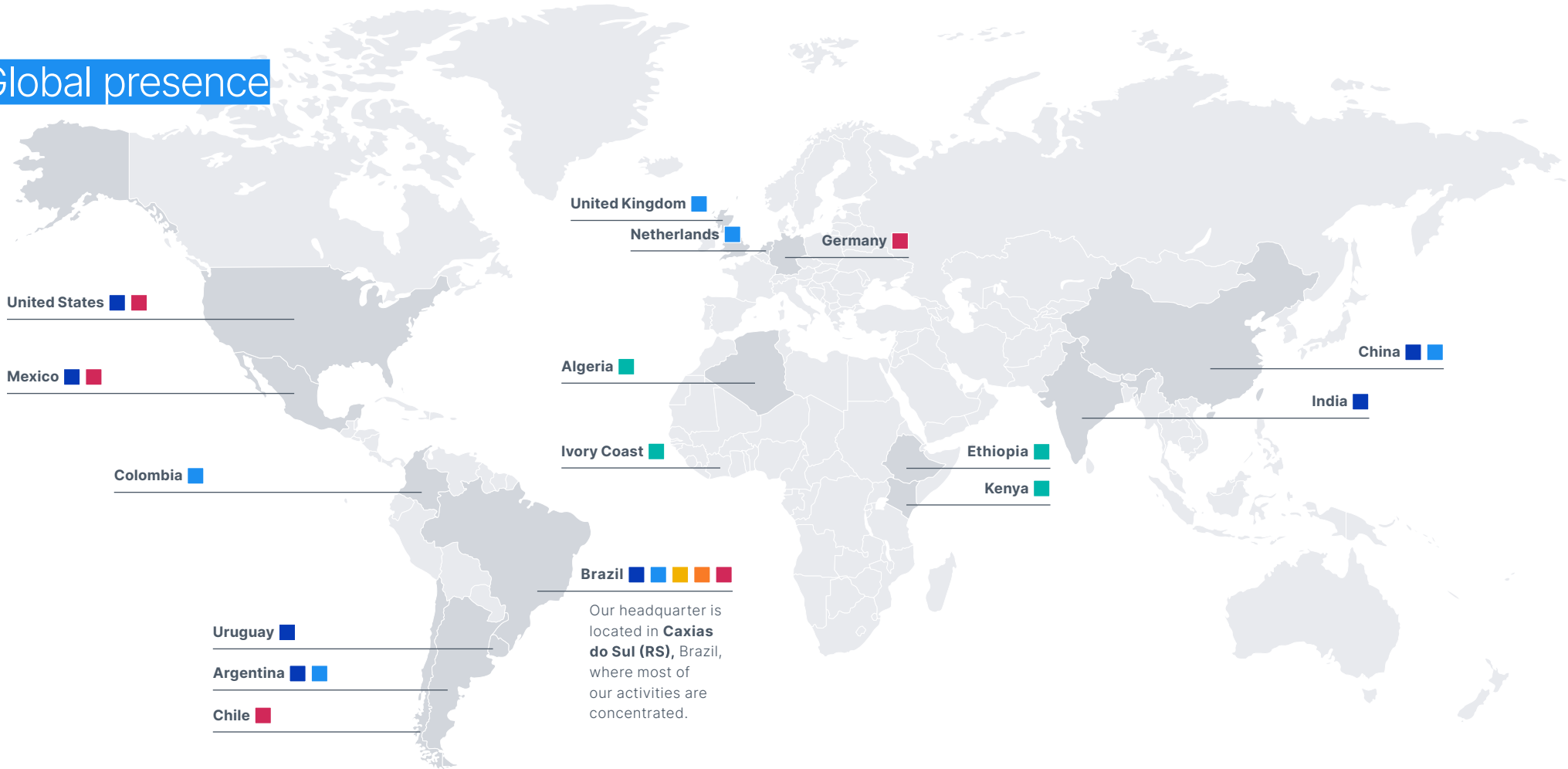
Beginning in 2023, we updated our brand and corporate identity, with the objective of following the transformations in the Company and in the markets where we operate, in line with our vision for the future.

After all, we are different from what we were. And we certainly have more positive transformations ahead of us.

Now, we are **Randoncorp**, a brand that values the shared legacy of over more than seven decades, strengthens its principles and purpose, and follows the sustainable growth that we aim at and practice.

Our update is, more than a change of brand, a milestone of change. In this way, we intend to transmit to our talents, customers and other stakeholders all our robustness, stability, and courage.

# Global presence



Our headquarter is located in **Caxias do Sul (RS)**, Brazil, where most of our activities are concentrated.

- 32 Industrial Units**
  - 24 Brazil
  - 2 Argentina
  - 1 China
  - 2 EUA
  - 1 India
  - 1 Mexico
  - 1 Uruguay

- 9 Distribution centers**
  - 2 Brazil
  - 2 Argentina
  - 1 China
  - 1 Colombia
  - 1 Netherlands
  - 2 United Kingdom

- 4 Trailers and CKD Units**
  - 1 Algeria
  - 1 Ethiopia
  - 1 Ivory Coast
  - 1 Kenya

- 3 Technology and Innovation Centers**
  - 3 Brazil

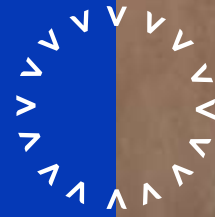
- 7 Financial and Digital Services**
  - 7 Brazil

- 6 Commercial offices**
  - 1 Germany
  - 1 Brazil
  - 1 Chile
  - 2 USA
  - 1 Mexico

# Our business verticals

**Randoncorp** has complementary businesses with high synergy, allowing us to act together to achieve our purpose of connecting people and riches, to generate prosperity.

The companies that are part of Randoncorp ecosystem are distributed among five business verticals. You can learn more about our corporate structure [here](#).



## OEM

### Vertical

Equipment for cargo transportation (road trailers and railway wagons), including models of semi-trailers, truck bodies, railcars and railway wagons, as well as aftermarket parts.

### Structure

8 industrial units, 6 in Brazil and 2 abroad, 1 distribution center, 1 commercial office, 1 holding company abroad, and 4 strategic partners.

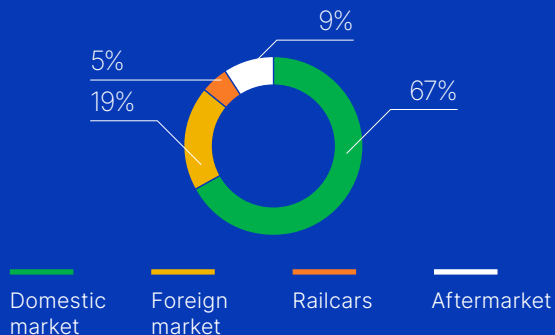
### Service network

80 points in Brazil and 85 abroad.

### Customer base

Large transportation companies, cargo generators, fleet owners, and the self-employed.

### Net Revenue per Product (%) - 2022



# RANDON

It is the largest manufacturer of trailers and semi-trailers in Latin America and one of the **10 largest in the world**. It produces truck bodies, trailers, semi-trailers and railcars.

It is the main Brazilian exporter in the segment, with a share of approximately 60% of the sector and having products present in dozens of countries.

It maintains six industrial units in Brazil: in Caxias do Sul (RS), Chapecó (SC), Araraquara (SP), Erechim (RS), Porto Real (RJ) and Messias (AL). And abroad, the plants are in Alvear, in the Province of Santa Fe, Argentina, and in the city of New Jersey, United States. The Company also has a distribution center in the city of Linhares (ES) and a sales office in Caxias do Sul (RS).

In 2022, the Company finalized the acquisition of the North American manufacturer Hercules Enterprises LLC, which adds diversification and resilience to the business, and established Randon Venice, its own distributor of Randon brand products.

### NEW RANDON BRAND

With the increase in its scope of action, Randon Implementos now has the new brand RANDON. The change reflects the modernization of the Company and is in line with new global trends.





## Vertical Auto Parts

Suspensions, axles, electromobility, brake systems, coupling systems, foundry and machining.

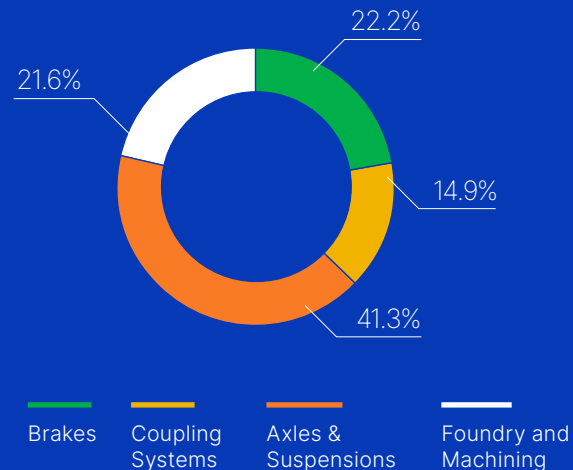
### Structure

12 industrial units, 11 in Brazil and 1 abroad.

### Customer base

Major global original equipment manufacturers (trucks and buses), trailers companies, aftermarket segment, and agricultural equipment manufacturers.

### Net Revenue per Product (%) › 2022



Joint venture between Randon and Meritor, offers products and solutions in brake systems for commercial, connected to mobility megatrends and is **the largest manufacturer of brake systems** for trucks, buses, trailers and semi-trailers in South America.

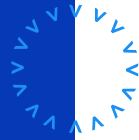
With Mastertech, it operates in the surface processing industry, investing in high technology to reduce its environmental impact. In addition, it owns Master Flores da Cunha, a unit that operates in aluminum die-casting.



It supplies components and coupling systems to the main OEM companies of trucks, buses, and trailers/ semi-trailers in the world, and is the **largest fifth-wheel manufacturer in Brazil**.

The company is a joint venture between Randoncorp and German company JOST-Werke, worldwide leader in Fifth Wheel Technologies.

In 2022, we inaugurated a new JOST plant in Campinas (SP), with 3.5 thousand sqm of area, to expand the company's portfolio of operations by investing in bus components, in addition to parts for trucks and trailers/semi-trailers, segments in which the company is a consolidated leader.



## Vertical

# Auto Parts

Suspensions, axles, electromobility, brake systems, coupling systems, foundry and machining.

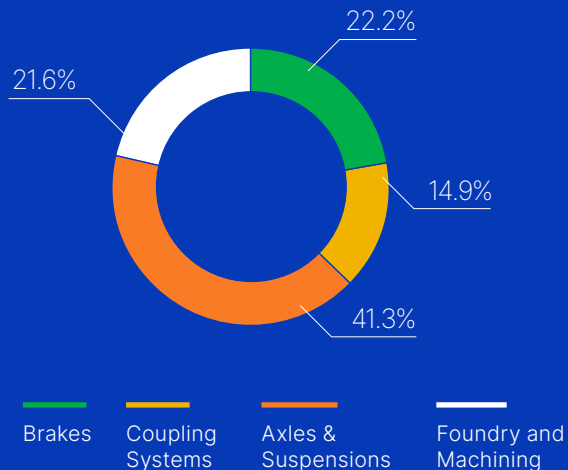
### Structure

12 industrial units, 11 in Brazil and 1 abroad.

### Customer base

Major global original equipment manufacturers (trucks and buses), trailers companies, aftermarket segment, and agricultural equipment manufacturers.

### Net Revenue per Product (%) › 2022



**It is a domestic leader in technological solutions for wheel end systems, manufacturing hub and drum assemblies and cast supports for axles and suspensions for buses, trucks, trailers, agricultural machinery and tractors.**

Specializing in solutions for wheel end systems and cast and machined supports, supplies parts for OEMs as well as the aftermarket and agricultural markets. A reference in sustainability, it is considered one of the cleanest, safest and most environmentally correct foundries in Brazil and in the world. It has 6 factories: 2 in Caxias do Sul (RS), 1 in Indaiatuba (SP), 2 in Schroeder (SC) and 1 in Mogi Guaçu (SP).

The Mogi Guaçu plant is being built with the assets of Fundação Balancins, acquired by auction in 2022, with an investment of R\$40 million. The forecast is that the operations of this unit will start in 2024.



**Industry leader in Latin America, offers solutions in suspension systems, axles, electromobility, components and services to major truck, bus and trailers manufacturers in Brazil.**

It adds value and technology to transportation with innovative products and services, providing greater safety and performance to customers. It has two plants in Brazil, one in Caxias do Sul (RS) and the other in Resende (RJ), besides a plant in Mexico.

## Vertical

## Motion Control



Motion control products such as friction materials, components for brake systems and for suspension, steering and powertrain systems.

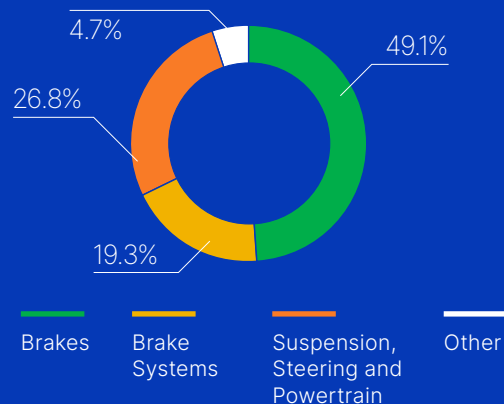
## Structure

10 industrial units (5 in Brazil and 5 abroad), 8 distribution centers (1 in Brazil and 7 abroad), 4 commercial offices, and 1 technology center.

## Customer base

Original equipment manufacturers, distributors and auto parts retailers.

## Net Revenue per Product (%) › 2022



It is a **global leader in its market** and develops, produces and markets friction and non-friction materials for application in braking and suspension systems.

It is a **reference in spare parts**, with premium quality products. In addition, it has a wide portfolio of components for brake, transmission, engine, and suspension systems.

In recent years, it has been expanding its operations as an aftermarket powerhouse through a strong expansion strategy. Its products are marketed to over 120 countries, and currently, it has factories in Brazil, the United States, Argentina, Uruguay, India, China, and distribution centers strategically positioned worldwide.

Throughout 2022, it worked on the logistics integration of the Nakata plant in Extrema (MG), which brought greater agility and efficiency in customer service, in addition to reducing operating costs. And in 2023, during the preparation of this report, it announced the acquisition of the company AML Juratek, located in the United Kingdom, continuing its movement towards expansion and internationalization.

# Vertical Motion Control

Motion control products such as friction materials, components for brake systems and for suspension, steering and powertrain systems.



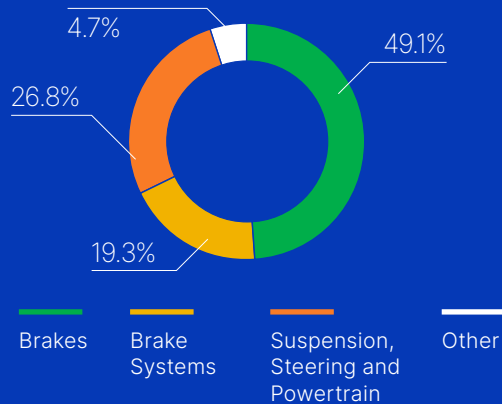
### Structure

10 industrial units (5 in Brazil and 5 abroad), 8 distribution centers (1 in Brazil and 7 abroad), 4 commercial offices, and 1 technology center.

### Customer base

Original equipment manufacturers distributors and auto parts retailers.

### Net Revenue per Product (%) › 2022



## Frasle Mobility's new positioning

In 2023, Fras-le is renamed Frasle Mobility, in line with the Company's new positioning. In this context, we also launched a manifest:

*Life is movement.*

*And our commitment is to keep it that way:*

*Dynamic, fluid, moving forward.*

*Beyond the movement safety, mobility.*

*Beyond mobility, performance, innovation, and sustainability*

*Beyond every achievement of the past, a confident look to the future.*

*We are Frasle Mobility.*

*We are respect for the planet.*

*We are care for people.*

*We are the union of strong brands that pursue innovation so you can move.*

*A global brand, present all over the world.*

*For you to have performance, positive experiences, and complete solutions.*

**We are Frasle Mobility.**

**Keep life in motion.**

From this change, we are now addressing the Frasle Mobility brand as a house of brands, under which the other brands are:





## Vertical

# Financial and Digital Services

Consortium for acquisition of capital goods, real state, financial products and services, insurance and digital services, investments in startups, leasing of heavy vehicles and equipment, SaaS, and open innovation platform for connecting companies, people, and startups.

## Structure

7 units, being 1 financial institution, 1 consortium administrator, 1 open innovation company, 1 insurance broker, 1 venture capital, 1 heavy vehicle rental company, and 1 software solutions unit.

## Customer base

Suppliers, distributors and customers of Randoncorp, manufacturers of agricultural machinery and equipment, and operators in the logistics ecosystem.



A multiple financial institution that develops financial **products and services directed to the transportation and logistics industry.**

It offers financial products, solutions and services in line with Randoncorp's ecosystem, promoting the financial development of the Group's customers and suppliers. In line with the current market needs, Banco Randon also provides digital products and works in partnership with startups, being in constant evolution.



**Insurance expertise to protect assets,** Randon Corretora de Seguros operates in the Brazilian market, offering insurance solutions for personal, business, residential and vehicle protection, in partnership with the main insurance companies in the country.



As one of the **largest consortium managers in Brazil,** it offers business partners with a credit alternative for selling their products. and for customers, a safe and cost-effective way to purchase goods.

It operates through a sales network in the six manufacturers with whom it has a partnership in the road trailers, agricultural machinery and equipment, minibuses and trucks segments. It is also present in the consortium (coop-payment plans) of real estate and vehicles with its own brand Racon and offers solutions in a digital consortium of services with the Yeah brand.



A startup investment company with the objective of creating new business opportunities while bringing us closer to innovation ecosystems, stimulating the **creation of new solutions for our customers.**

Its operations are focused mainly on segments that complement the company's business, such as logistics, financial services, insurance, technology, and Industry 4.0. Since its creation, it has evaluated over 380 startups, with investments of R\$25.3 million in 8 invested startups and 18 co-invested via funds.

## Vertical

# Financial and Digital Services

Consortium for acquisition of capital goods, real state, financial products and services, insurance and digital services, investments in startups, leasing of heavy vehicles and equipment, SaaS, and open innovation platform for connecting companies, people, and startups.

## Structure

7 units, being 1 financial institution, 1 consortium administrator, 1 open innovation company, 1 insurance broker, 1 venture capital, 1 heavy vehicle rental company, and 1 software solutions unit.

## Customer base

Suppliers, distributors and customers of Randon Companies, manufacturers of agricultural machinery and equipment, and operators in the logistics ecosystem.

# CONEXO

Innovation platform that **builds connections and brings partner companies closer to entrepreneurs, startups, universities, communities and the entire innovation ecosystem**. It operates from diagnosis to the development of an innovation culture to deliver tangible results, and serves industries ranging from metalworking and furniture, to agribusiness, health and wellness, and financial services.

Through development programs, challenges, and mentoring, the company stimulates the production of knowledge and agile solutions, solving real problems, valuing ideas, and generating new business opportunities. It is headquartered in Caxias do Sul (RS) in a setting that generates interaction and sharing of experiences.



## Addiante

Born as a result of the partnership between Randoncorp and Gerdau Next, the company was created to **boost business for the future of mobility**, by providing leasing services of heavy vehicles, such as trucks and semi-trailers, and transportation-related equipment.

The joint venture had an initial investment of R\$250 million, with each partner having a 50% stake. Its name is written with double D's in reference to the English verb add, referring to how much this company aims to add value.

## <db>

**A technology company** that works with the design, building, and support of solutions in segments such as finance, retail, services, industry, and technology, providing consulting, innovation, design, development, and software testing services.

In 2023, Randoncorp finished the acquisition process of 51% of the company. Randoncorp's initiatives to create digital solutions will now be more robust and large-scale, expanding the performance of the Financial and Digital Services vertical of the Company.

## Vertical

# Advanced Technology and Headquarters

Development of mobility products and solutions, manufacturing and marketing of robot cells, innovation of manufacturing processes and solutions in automation, production and processing of materials through nanotechnology.

## Structure

1 advanced technology unit, 1 technology center, 1 business office, 1 plant, and 1 corporate center.

## Customer base

Randoncorp Companies, several industries, and startups.



The Randon Technological Center (CTR) is one of **the largest independent technology centers in the automotive sector in South America**, dedicated to the development and approval of products for the mobility industry.

The CTR has a broad structure to serve various segments of the sector, including over 20 types of tracks, with different types of paving and conditions for testing, in addition to a 2,200 sqm building, with a technical space for preparing vehicles and a structural laboratory, recently expanded, with the acquisition of new servo-hydraulic actuators, sharing centers, and software for controlling, capturing, and treating data.



Uma Empresa Randon

Auttom **offers technological solutions in automation and industrial robotics**, such as robotic cells, customized electrical panels, machine safety and telemetry, focusing on several segments.

The unit also provides technical engineering and advisory services in industrial automation, in addition to the sale of parts and components for this segment. Aiming to become a global supplier of robotization, it has structured the operation of its new office in the United States over 2022.



# NIONE

Uma Empresa Randon

Company focused on the development, production, and application of nanotechnology, **enabling innovative solutions in materials**.

Created in 2021, the company is derived from the discovery of the method for producing nanoparticles.

It is the first company in the world to produce niobium nanoparticles in large scale.

Through nanotechnology, it enhances the physical-chemical properties of materials, bringing them to their best versions, improving their performance, revolutionizing traditional products, as well as enabling the creation of new solutions with unique features.

# 2022 Highlights

## Expansion

**Acquisition of the North American semi-trailer manufacturer Hercules Enterprises LLC**, which adds diversification and resilience to the OEM Vertical and strengthens its entry into the North American market, enhancing its internationalization strategy.

**Creation of Addiante, a joint venture with Gerdau Next.** The new company is part of the Financial and Digital Services vertical, offering rental services for heavy vehicles and equipment, strengthening our performance strategy as a full ecosystem of solutions for transportation.

**Establishment of Randon Venice**, which operates in the distribution and marketing of Randon products in the State of Rio Grande do Sul. The service coverage encompasses about 424 cities in the State of Rio Grande do Sul, which corresponds to 80% of the State.

**Purchase of the Balancins Foundry assets**, located in Mogi Guaçu (SP), increasing Castertech's foundry and machining capacity, which also performed adjustments in the Schroeder (SC) unit, to expand its machined parts production capacity.

**Frasle Mobility expands its operations center in Argentina.** The new structure, Centro Operativo Garín, located in the province of Buenos Aires, brings together all fronts of Frasle Mobility's brands, which is a benchmark in the auto parts

market of that country. The center's objective is to centralize operations and, as a result, improve the processes for about 350 customers.

**Inauguration of JOST Brasil's branch, a new plant in Campinas (SP)**, with 3.5 thousand m<sup>2</sup> of area. This operation expands JOST's portfolio of operations with the manufacture of components for buses, in addition to other parts for trucks and trailers/semi-trailers. The installation of the unit relied on the support of Auttom, our robotization and automation unit, to develop modern processes of welding and component assembly.

**Acquisition of DB Server**, a company that operates in software solutions, announced in December. It became part of Randon Companies in February 2023.



# 2022 Highlights

## Innovation

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**Sales of the e-Sys system start**, an electric auxiliary traction system designed exclusively by Randoncorp, in a partnership between Suspensys and CTR. The technology was equipped in semi-trailers models, representing the arrival of this solution to the market.

**Investment of around R\$9 million in two startups by Randon Ventures**, in the sectors of fintech and intelligent manufacturing, Money Money and Sirros IoT.

**The new digital consortium service is offered by Randon Consórcios**, under the brand "Yeah", exclusive for individuals, with totally online hiring and freedom of choice as to credit destination.

**Randon Smart is launched**, a new service of embedded intelligence developed for fleet management. The platform combines telemetry and sensing systems for tracking semi-trailers, with more savings and safety in the product's operation.

**Randon Solar is created**, a refrigerated semi-trailer equipped with solar panels featuring a patented technology, unprecedented in Latin America, for energy control and management.

**Presentation of the new modular platform to the market**, which allows the assembly in riveted connections, reducing the use of welding by about 70%. Lighter, more resistant, and sustainable, the platform allows for faster loading and unloading and reduces fuel consumption and maintenance.

# 2022 Highlights

## ESG

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**Initiation of the performance evaluation process for the Board of Directors**, in line with the best corporate governance practices.

**Announcement of an investment of R\$100 million in renewable energy projects.** The amount includes a variety of projects, the first of which is a photovoltaic plant with about 2,400 solar panels, installed at Randon Technological Center (CTR).

**Inauguration of the new Randon logistics center focused on sustainability.** The 9 thousand sqm building, in Caxias do Sul (RS), features its own solar power generation plant, automated processes and centralized operations control, all of which help to ensure a clean operation.

**Photovoltaic plant project at Fras-le Friction Material**, built in partnership with the Chinese government. The panels supply 20% of the unit's energy.

**Updating our organizational competencies**, aligned with our purpose, future vision, and challenges.

**Launch of our affinity groups** aimed at supporting the transformation of a diverse and inclusive culture. We have over 200 people engaged in the issues of gender equity, race and ethnicity, people with disabilities, and LGBTQIAPN+.

# Awards and Recognition

Throughout 2022, our responsible performance, with a focus on innovation and value creation for our stakeholders, was recognized by a number of awards.



Sérgio L. Carvalho (Randoncorp CEO) and Daniel Randon (Randoncorp President Director), receiving the Valor 1000 Award.



### Valor 1000 Award

The Valor Econômico newspaper ranking, which gathers the largest Brazilian companies, has highlighted Randoncorp as the leader in the Vehicles and Parts category.

This is the first time we have received this award, which lists the thousand largest companies in the country, according to financial and accounting criteria.



### Best of ESG Award

Randoncorp has been awarded the Best of ESG 2022 Award, which recognizes social, sustainability and corporate governance practices, promoted by Exame Magazine.

The company was the winner in the Capital Goods and Electrical & Electronics category, along with two other Brazilian companies.



### Great Place to Work 2022

An analysis promoted by Great Place to Work (GPTW), focused on companies from the State of Rio Grande do Sul, has once again listed Randoncorp`s subsidiaries among the Best Companies to Work For.

- > In the ranking, Master appears in 20<sup>th</sup> place in the category that encompasses large companies. Among medium-sized companies from the State of Rio Grande do Sul, JOST Brasil is listed in 49<sup>th</sup> place, and TI&CSC in 13<sup>th</sup> place.



### Money Report's Notables Gallery

The President of Randoncorp, Daniel Randon, is now part of the Notables Gallery, promoted by Money Report, which highlights personalities active in the economy, business and relevant aspects of Brazil.

The executive has been recognized in the Sustainability category.



- > **Melhores e Maiores:** Exame magazine's Yearbook recognized Randoncorp in the Capital Goods and Electrical-Electronic category.
- > **Top Five Road Implements Award:** Randon was recognized as Brand of the Year in the ranking promoted by the Magazine Frota & Cia. In addition to this, the Company received first place in six other categories of the Award.
- > **Marcas de Quem Decide:** Randoncorp companies are among the most recalled and preferred brands by managers of companies and top executives in the Rio Grande do Sul market, according to the ranking promoted by Jornal do Comércio newspaper in partnership with Qualidata. Randoncorp achieved the 1<sup>st</sup> place in recall and the 2<sup>nd</sup> place in preference in the category Innovative Gaucho Brand. Racon Consórcios ranked 1<sup>st</sup> in recall and preference, in the Consortium category.
- > **Top of Mind in Transport Award:** granted by the editorial group TranspoData, which has recognized Randon as the company most recalled in the implement category.
- > **Champions of Innovation:** promoted by Grupo Amanhã, Randoncorp was awarded the 4<sup>th</sup> place among the 50 most innovative companies in Southern Brazil.
- > **O Mecânico Research:** Frasle Mobility, Nakata, Fremax and Lonaflex appear in the first positions in 19 categories of the award, which recognizes the preferred brands and the ones most recalled by mechanics.
- > **Institutional Investor:** Randoncorp has achieved the first place in all categories of the annual



Sérgio L. Carvalho, Randoncorp CEO, at Exame's Best ESG Awards.

ranking, which recognizes the best professionals and companies in Latin America with regard to best capital market relations practices. Among the companies of Capital Goods classified as Small Caps, the Company is ranked first in the categories:

- > **Best CEO:** Sérgio L. Carvalho;
- > **Best CFO:** Paulo Prignolato;
- > **Best Investor Relations Program;**
- > **Best Investor Relations Team;**
- > **Best ESG;**
- > **Best Analyst Day;**
- > **Best Covid-19 Crisis Management;**
- > **Best IR Professional - 1<sup>st</sup> and 2<sup>nd</sup> places:** Davi Coin Bacichette and Esteban Angeletti.
- > **Export Award RS:** promoted by Associação dos Dirigentes de Marketing e Vendas do Brasil (ADVB/RS), it has awarded Randon and Frasle Mobility, respectively, in the categories Market Highlight and Industry Highlight - Vehicles and Auto Parts, for their performance in the export scenario in 2021.
- > **Best of the Year Award:** Fremax was recognized as 1<sup>st</sup> place among the brands of brake discs most recommended by the members of the Sindicato da Indústria de Reparacao de Veículos e Acessórios do Estado de São Paulo (Sindirepa-SP). In the brake pads and CV Joints categories, the brands Frasle Mobility and Nakata, respectively, achieved second place in the nominations.
- > **TOP 100 Open Corps Award:** the 100 Open Startups Ranking has recognized Randoncorp among the Brazilian automotive industries that are most connected with open innovation.
- > **Metalurgical Merit Gigia Bandera:** the President Daniel Randon was recognized by Union of Metal, Mechanical and Electrical Material Manufacturers of Caxias do Sul and region.
- > **Finance & Law Summit Awards:** as the country's best in the Financial category in the automotive area and finalist in the Legal category.



Chapter 2

# Value creation

> CHAPTERS:



Children assisted by  
the Florescer Program

# ESG Ambition

GRI 3-1 › 3-2

We believe that there is no future unless we build **more collaborative and sustainable relationships.**



We face the challenges of a changing world as an opportunity to build a better society. In the search for a more ethical, efficient, and prosperous future for all people, we know that ESG is the essential way to achieve our goals and put our purpose and principles into practice.

In this sense, since 2021, our ESG Ambition defines the strategic pillars, commitments and targets established to promote business and value chain sustainability.

To build our ESG Ambition, we conducted a materiality study, which identifies the most relevant themes for business sustainability from the perspective of investors (main capital markets ESG indexes), the main frameworks (GRI, SASB, and SDGs), the best industry practices, and the Company's operating strategy.

As an outcome, we identified 13 material topics that were grouped into five interconnected strategic pillars:



<p>To identify and develop eco-efficiency gains opportunities in our operations, with a focus on promoting circularity and the efficient use of resources, fighting climate change, and stimulating advancements in environmental, supplier and client management practices.</p>	<p>To optimize the generation of value to our publics, while supporting the development of our employees and a diversified and inclusive work environment and stimulating the development of sustainable practices by our suppliers and socio-economic inclusion in local communities.</p>	<p>To ensure business sustainability through continuous, disruptive, and collaborative innovation while striving for advancements in sustainable cargo transportation and in our value chain.</p>	<p>To remain a reference in terms of quality and safety in all areas of our operations, with a focus on the safety of our employees, data security, and product excellence to ensure safety to our clients.</p>	<p>To optimize the sustainable development of our business by assuming institutional commitments and adopting better sustainable management practices, with ethics and corporate governance, while keeping transparency and rendering accounts to all of our stakeholders.</p>
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## Sustainability Governance

We have a Sustainability Committee, a non-statutory and operational body, which reports to the President Daniel Randon. The Committee is composed of corporate representatives of the areas related to the ESG Ambition topics. In 2022, the new coordinator is Anderson Pontalti, Superintendent Director, member of the Company's Executive Committee.

Among the responsibilities of the Sustainability Committee, we highlight:

- Propose new strategies and directions to leverage ESG in the organization.
- Support the development of actions that reinforce our performance in the five pillars of the ESG Ambition.
- Monitor the fulfillment of the established commitments.
- Ensure that ESG practices are connected to the company's strategy.
- Promote culture and debates on the theme.





## ESG performance

For each pillar of the ESG Ambition, we have established a set of actions, projects, indicators, and targets in order to address the listed commitments.

The goal is for us to continuously evolve, generating **more and more value for society and the environment**, taking advantage of synergies to drive the market toward **sustainable development**.

Over 2022, we continued to advance in sustainability governance (learn more on page 22) and in the initiatives implemented to achieve our commitments. The development of each pillar and its impact are detailed in the following chapters of this Report. Next, we present a summarized overview on how the Company's main ESG indicators have evolved.



Esg Ambition	Public Commitment	SDG	Base Year (2020)	2022	Premises	Goal	Remarks
Commitment to the Environment	Reduce greenhouse gas emissions by 40% until 2030.	13	2.72	2.51	TonCO2e/hours worked, of the emissions related to scopes 01 and 02. Methodology: GHG Protocol	Minimize impacts of greenhouse gas emissions on climate change in line with sustainable development goals.	To better demonstrate this indicator, as of 2022 we started reporting emissions intensity as a rate. The companies considered for the calculation of this indicator are listed on page 123.
	Zero waste disposal in industrial landfills and reuse 100% of the treated effluent by 2025.	6, 12 and 13	24%	23%	Waste sent to industrial landfill/ Waste generated in our operations.	Fostering the circular economy by adding value to the waste generated, as well as eliminating the possibility of environmental liabilities.	Most of the units do not dispose of their waste in industrial landfills. The challenge for this commitment is the disposal of foundry waste (slag, refractory), for which there are several studies in progress. The companies considered for the calculation of this indicator are listed on page 127.
			50%	50%	Reuse of effluents from units that have their own treatment station.	To sustainably manage water by optimizing the use of this natural resource in our operations.	Randon Araraquara, a subsidiary of OEM Vertical, already reuses 100% of its effluents. The companies considered for the calculation of this indicator are: Fras-le Mobility (Caxias), Randon Caxias, Jurid do Brasil, Randon Araraquara (100% reused) and Fremax.
Sustainable Innovation	Increase the annual net revenue generated by new products.	9				To ensure the Company's longevity through the constant development and launch of products that provide benefits to society, especially the socio-environmental ones.	We are undergoing an improvement process for the reporting of this public commitment, due to the complexity of the theme and the diversity of our businesses. Therefore, we will not bring the result of the quantitative indicator in this cycle. However, the various and consistent initiatives in sustainable innovation, which strongly contribute to the achievement of this commitment, are available on page 86.
Excellence and Safety as a Value	Zero serious accidents in our operations.	3		0.11	Serious injuries are considered to be those resulting from serious accidents with permanent injuries and/ or fatalities. Serious injury rate: (Serious injuries/hours worked) X 1,000,000	Promote safe and secure work environments, ensuring that employees have adequate conditions to perform their activities.	Our focus is always on zero serious accidents in our operations. In 2022, the classification criteria of the Serious Injury Rate was revised and, in this format, work safety criteria were included, in addition to the health criteria that were evaluated in previous cycles. Therefore, in 2022, the safety analysis with the work activity restriction parameter was included. For comparison purposes, the 2021 occurrences were all reassessed and, applying the new criteria, the serious injury rate went from 0.11 (reported the previous year) to 0.29.
Prosperity for All	To double the number of women in leadership positions until 2025.	5	11%	15%	This indicator considers the positions: leadership, coordination, management, and board of directors of companies located in Brazil.	Increase women's representation and equal opportunities for leadership at all levels of the Company through a diverse and inclusive culture.	This indicator considers the companies we had in December 2020, when we made and released this public commitment.



## Collaboration

GRI 2-28

To contribute to the ESG agenda and the transformation of the transportation sector, we collaborate with initiatives that promote sustainability and contribute to the development of our business.



### Global Compact

Since 2021, we have been a signatory of the Global Compact, a United Nations (UN) initiative that aims to encourage companies around the world to adopt 10 universal principles that reflect fundamental values in the areas of human rights, labor relations, environment, and anti-corruption.



### Business Pact for Integrity and Against Corruption

Since 2019 we are signatories to the Business Pact for Integrity and Against Corruption, of the Ethos Institute, which aims to promote a more principled and ethical marketplace and eradicate bribery and corruption.



### Transforma RS

We are part of Transforma RS, a hub that connects companies, government, universities and society with the purpose of supporting the sustainable development of Rio Grande do Sul.

- American Chamber of Commerce for Brazil (Amcham Brasil)
- Brazilian Association of the Railway Industry (Abifer)
- Brazilian Association of Publicly Held Companies (Abrasca)
- Brazilian Association of Corporate Communication (Aberje)
- Brazilian Association of Consortium Administrators (Abac)
- Brazilian Foundry Association (Abifa)
- Association of Capital Market Analysts and Professionals (Apimec)
- National Association of Auto Parts Distributors (Andap)
- National Association of Road Implement Manufacturers (Anfir)
- National Association of Finance, Administration and Accounting Executives (Anefac)
- Serrana Association of Human Resources (ARHSerrana)
- Chamber of Industry, Commerce and Services of Caxias do Sul (CIC Caxias)
- Center of Business Excellence (Cenex)
- Federation of Industries in Rio Grande do Sul (Fiergs)
- Heavy Duty Manufacturers Association
- Inova RS
- Ethos Institute
- Hélice Institute
- Besc Institute of Humanities and Economics
- SAE Brasil
- Union of Metallurgical and Electrical Materials Industries of Caxias do Sul (Simecs)
- Interstate Union of Railway and Highway Materials and Equipment (Simefre)
- National Union of Industry and Components for Motor Vehicles (Sindipeças)

## Contribution to the SDGs

As signatories of the Global Compact, we are committed to contributing to the achievement of the UN 2030 Agenda, which aims to engage organizations around the world in support of 17 Sustainable Development Goals (SDGs).

The SDGs constitute a global action plan to contribute to sustainable development, by acting on issues such as poverty, social inequality and climate change.

Based on a detailed study of the synergies between our ESG strategy and Ambition and the SDGs, we identified at least fifteen goals in which our actions may have a positive impact. By assessing the relevance and urgency of our action on each of them, we identified seven as priorities for our business.

## OBJETIVOS DE DESENVOLVIMENTO SUSTENTÁVEL



### SDG 5 › Gender equality

**5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.**

- > We have 14% women in leadership in 2022 (15% considering the base companies at the moment of our public commitment).
- > Public commitment to double the number of women in leadership positions by 2025 (base year 2020).



### SDG 7 › Affordable and clean energy

**7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.**

- > Public commitment to combat climate change that foresees the increased use of renewable energy in operations.
- > 20% of the energy consumed comes from renewable sources.

**7.3 By 2030, double the global rate of improvement in energy efficiency.**

- > Energy intensity of 0.08 GJ/hours worked.



### SDG 8 › Decent work and economic growth

**8.8 Protect labor rights and promote safe and secure working environments for all workers.**

- > Injury rate of 0.11 in 2022.
- > R\$28 million invested in Occupational Health and Safety (OHS).
- > 88.5% of employees covered by collective bargaining agreements.
- > Public commitment to zero serious accidents in our operations.

# OBJETIVOS DE DESENVOLVIMENTO SUSTENTÁVEL



## SDG 9 › Industry, innovation and infrastructure

**9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers (R&D) and public and private research and development spending.**

- > R\$131 million invested in RD&I in 2022.
- > 30 R&D&I projects finalized.
- > R&D structure in all of the Company's units.
- > Business verticals focused on innovation, formed by: CTR, Auttom, and Nione.
- > Public commitment to increase the annual consolidated net revenue generated by new products.

## SDG 11 › Sustainable cities and communities

**11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety.**

- > 42 innovation projects focused on sustainable mobility in 2022.

## SDG 12 › Sustainable consumption and production

**12.2 By 2030, achieve the sustainable management and efficient use of natural resources.**

- > R\$21.1 million invested in environmental management initiatives.
- > 50% of effluent treated in 2022.
- > 88% conversion rate from raw material to products.

**12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.**

- > 55% of non-hazardous waste was recycled.
- > 24% of waste disposed of in industrial landfills.
- > Public commitment to zero waste disposal in industrial landfills and reuse 100% of treated effluent by 2025.

## SDG 13 › Climate action

**13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.**

- > 8% reduction in GHG emissions intensity, compared to the base year of 2020.
- > Public commitment to reduce greenhouse gas emissions by 40% considering scope 01 and 02 by 2030 (learn more on page 105).

# Our performance

## Value Created



Building tomorrow

## Financial results

GRI 201-2

We closed the year with consolidated net revenue of R\$11.2 billion, 23.1% higher than the previous year. Consolidated EBITDA came to R\$1.5 billion, 13.5% higher than in 2021, and the EBITDA margin was 13.5%, a reduction of 1.2 percentage points.

Among the factors that impacted this result are:

- Strong demand from the truck and semi-trailer markets;
- Pass-through of inflation throughout the year, reflecting the increase in average sales prices;
- New sources of revenue through the expansion of production capacity and the acquisition and incorporation of companies;
- Good performance in the aftermarket;
- Expansion of revenues in the foreign market;
- A diversified business model, with access to new geographies and an increased portfolio.

In relation to the foreign market, we closed 2022 with US\$436.5 million, an increase of 37.9% when compared to 2021 (US\$316.4 million). These sales represented 20.2% of the Company's consolidated net revenue in 2022, an increase of 1.3 percentage points compared to 2021.

Net income recorded at the end of the year was R\$471.7 million, 32.4% less than the previous year. The drop in the comparison is explained mainly by the recognition of non-recurring tax credits recorded in 2021, which affect the comparison base.

Over 2022, we have invested R\$1.2 billion to continue our continuous improvement process and expand our operations.

The consolidated net debt totaled R\$2.9 billion, with a leverage ratio of 1.94x (Net Debt / EBITDA of the last twelve months). Excluding Banco Randon results, net debt in the period was R\$1.6 billion, with leverage of 1.08x EBITDA.

The financial data were audited by a specialized company, as stated in the [Management Report](#).

ECONOMIC HIGHLIGHTS	2022	2021	Δ%
Total Gross Revenue Total <sup>1</sup>	16,188,683	13,269,421	22.0%
Consolidated Net Revenue	11,152,417	9,057,457	23.1%
International Market Revenues US\$ <sup>2</sup>	436,463	316,399	37.9%
Consolidated Gross profit	2,624,762	2,268,352	15.7%
Gross Margin (%)	23.5%	25.0%	-1.5 p.p.
Consolidated EBITDA	1,504,964	1,326,464	13.5%
EBITDA Margin	13.5%	14.6%	-1.2 p.p.
Adjusted EBITDA	1,510,443	1,337,376	12.9%
Adjusted EBITDA Margin	13.5%	14.8%	-1.2 p.p.
Consolidated Net Profit	471,719	697,876	-32.4%
Net Margin (%)	4.2%	7.7%	-3.5 p.p.
Results per Share R\$	1.43	2.12	-32.5%

FINANCIAL HIGHLIGHTS	2022	2021	Δ%
Consolidated Net Equity	2,744,765	2,520,219	8.9%
Investments <sup>3</sup>	1,221,200	586,893	108.1%
Net Debt	2,925,301	2,542,175	15.1%
Net Debt (Without Randon Bank)	1,594,320	1,409,314	13.1%
Leverage	1.94 x	1.92 x	1.5%
Leverage (Without Bank)	1.08 x	1.08 x	0.2%
ROE (last 12 months)	18.7%	33.9%	-15.2 p.p.
ROIC (last 12 months)	14.5%	16.4%	-1.9 p.p.

Amounts in R\$ Thousand, unless otherwise indicated.

<sup>1</sup> No elimination of intercompany sales. <sup>2</sup> Exports + Revenues Abroad

<sup>3</sup> Capex + Non-Organic + Paid-in Capital.



## Chapter 3

# Ethical and responsible management

> Chapters:



5

GENDER  
EQUALITY



8

DECENT WORK AND  
ECONOMIC GROWTH



10

REDUCED  
INEQUALITIES



17

PARTNERSHIPS  
FOR THE GOALS

**Andrei da Silva Borges**  
Administrative Assistant

# Governance that generates value

GRI 2-9 > 2-10 > 2-11

## Outlook

Randoncorp is a publicly traded Company, with shares traded at B3 under the tickers RAPT3 and RAPT4. At the end of 2022, our capital was composed of 116,515,527 common shares and 212,815,006 preferred shares, with a market value of R\$2.7 billion.

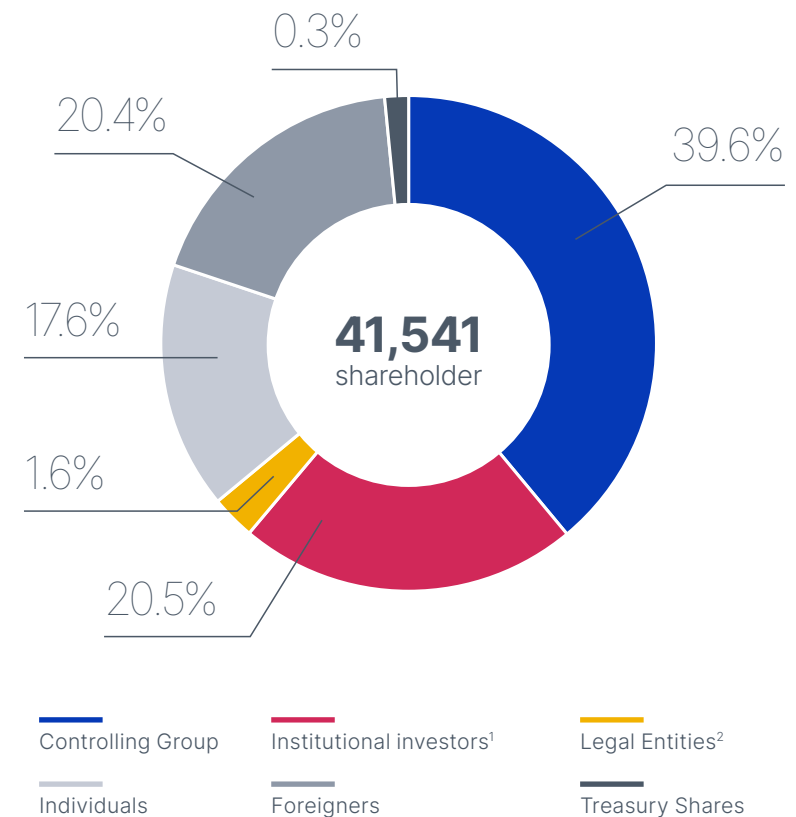
The founding group holds 95,206,561 common shares, representing 81.71% of the total of that kind of voting shares. In addition, they hold 34,969,676 preferred shares, totaling a position of 39.5% of the Company's total shares.

To ensure the continuous generation of long-term sustainable value, and the fulfillment of our commitment to transparency and ethics in the day-to-day business, we adopt the best corporate governance practices, in line with the recommendations of the Brazilian Institute of Corporate Governance (IBGC) and the Securities and Exchange Commission (CVM nº 586).

## Best practices

- Level 1 Corporate Governance in B3.
- 60.1% free float.
- 60% of independent members in the Board of Directors (BD) - 3 out of 5.
- 20% of women in the BD - 1 out of 5.
- Manual for Participation in Annual General Meetings.
- Internal Regulations for Boards (BD and Fiscal Council) and Executive Board.
- Governance Portal.
- Independent audit reporting to the Board of Directors.
- Outsourced and independent Reporting Channel.
- Corporate Policies.
- Corporate Governance Board.

## Shareholder Profile - Total Shares



<sup>1</sup> Investment Funds and Clubs.  
<sup>2</sup> Companies, Banks, Brokers and Associations.

## Recognized governance

Recognizing the implementation and adoption of best governance practices in the management and use of Governance, we received the **Digital Governance Award 2022**, presented by Atlas Governance.

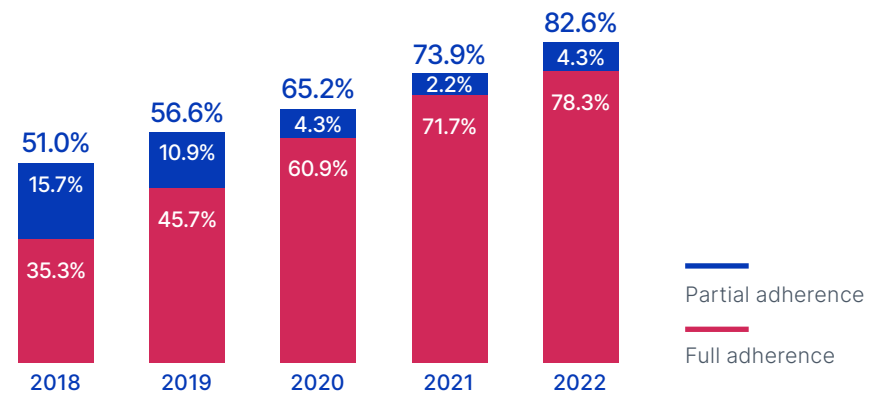
## Bylaws update

To meet the best corporate governance practices, in 2022 we updated our Bylaws, including guidelines such as:

- > Rule for cases of conflict of interest in General Shareholders' Meetings and Board of Directors' resolutions;
- > Minimum of 1/3 of Independent Board Members and definition of independence;
- > Statutory provision for an integration program for new Board Members;
- > Minimum number of six Board meetings per year;
- > Express authority of the Board to evaluate risk exposure and the effectiveness of risk management;
- > Dismemberment of the President Director's responsibilities, by creating the position of Executive General Director.

## Evolution in corporate governance

Throughout 2022 we have continued to evolve in adhering to the best Corporate Governance practices of the IBGC's Code of Best Governance Practices, reaching an adherence of 78.3% to recommended practices.



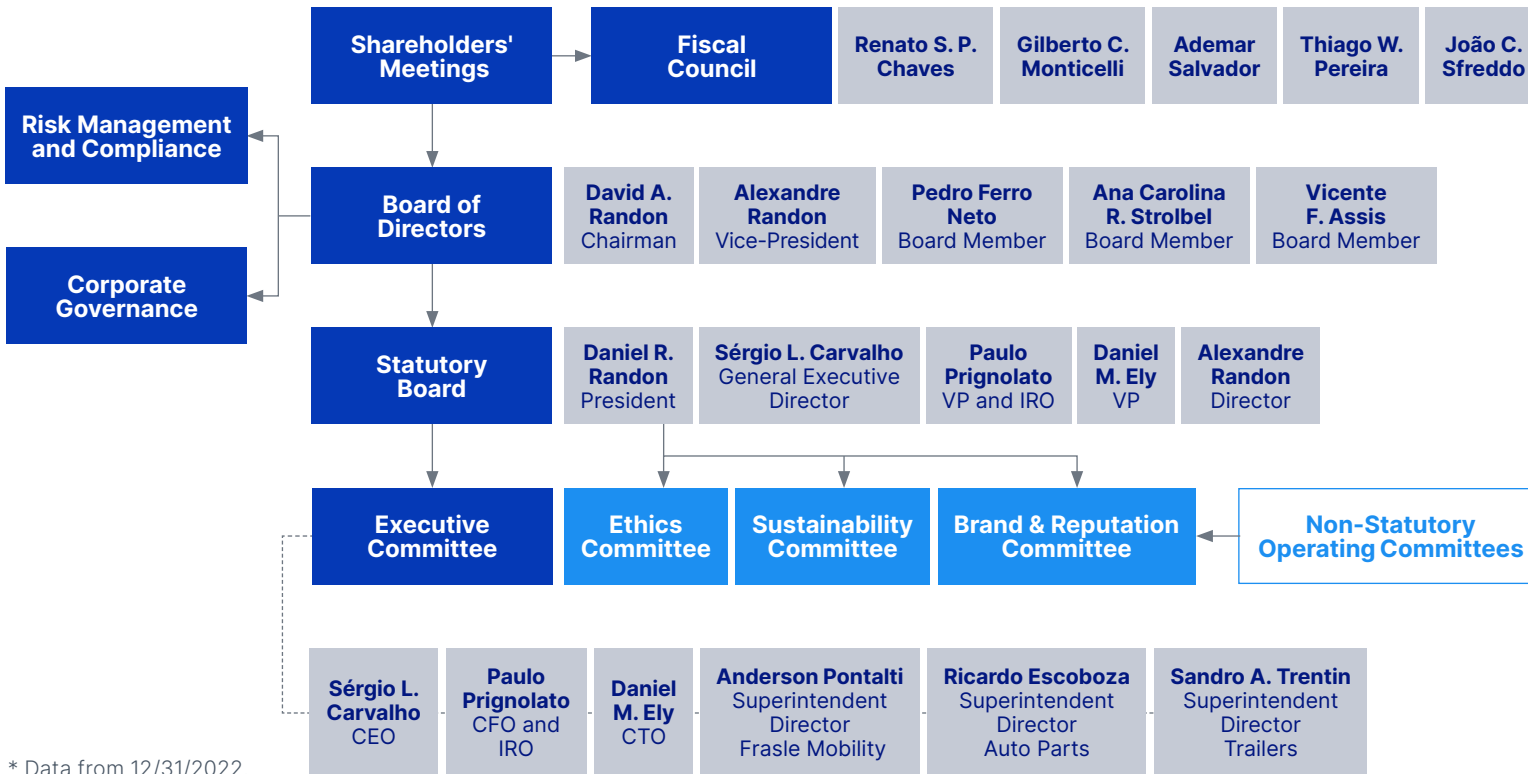
Among the advances made during the year, we can mention:

- > **Implementation of Board of Directors Evaluation (more on page 40).**
- > **Update of the Bylaws.**

To learn more about the practices adopted, access our Corporate Governance Report at: <https://ri.randoncorp.com/en/corporate-governance/corporate-governance-report/>

# Structure

GRI 2-19 > 2-20



\* Data from 12/31/2022.

As of 2023, a non-statutory People Committee was installed to advise the Board of Directors. And the Executive Committee underwent changes, with the addition of the Superintendent Director of the Advanced Technology vertical, Cesar Augusto Ferreira, and the new designation of the 2022 Superintendent Directors, who will become COOs of their respective verticals. Moreover, there was a change in the composition of the Fiscal Council with elections held at the last AGM.

## Evolution in the structure

As announced last year, as of January 1, 2022, the positions of President Director and CEO were separated and are now held by Daniel Randon and Sérgio L. Carvalho, respectively.

In the new structure, Daniel Randon reports to the Board of Directors and continues to support the new CEO and the Executive Committee, as well as leading the internal operating committees dedicated to the ESG agenda, strategies to strengthen the brand and reputation, and issues related to ethics and compliance.

Sergio L. Carvalho is the first market professional to hold the position of CEO in the Company's 74 years of existence, and his mission is to further strengthen the Company's internationalization, business diversification, and innovation processes.



## Board of Directors

GRI 2-12

Our Board of Directors (BD) is made up of members elected individually by the shareholders, at the General Meeting, and may have from three to nine members, with a unified term of office of two years and reelection permitted.

Composed of five members, three of whom are independent, with an average term of office of 5.4 years. During 2022, the Board of Directors met 24 times, with an average frequency of 100%.

The Board's responsibilities can be found in the [Internal Regulations](#) in our IR website.



From left to right, Alexandre Randon, Ana Carolina R. Strobel, David A. Randon, Vicente F. Assis and Pedro Ferro Neto, constituting the Board of Directors of Randoncorp.

### Composition on 12/31/2022

	Position	Number of terms	Attendance at meetings
David Abramo Randon	Chairman	2	100%
Alexandre Randon	Vice-President	8	100%
Pedro Ferro Neto	Independent Board Member	3	100%
Vicente Furletti Assis		0.5	100%
Ana Carolina Ribeiro Strobel		1	100%

To learn about the detailed professional experience of each Board member access our [IR website](#).

### Evolution of the board of directors

GRI 2-17 › 2-18

Following the best corporate governance practices, in 2022 we implemented the performance evaluation of the Board of Directors as a collegiate body.

The evaluation process became annual and was conducted internally, by means of self-assessment and evaluation questionnaires of the Board, made available on an online platform that allowed for anonymous answers. Based on the results of the evaluation, we implemented measures to improve the Board's efficiency, such as making meeting materials available in advance, as required by the Bylaws, and including topics suggested by Board members in the Annual Thematic Agenda.

Another important advance, in the continuous business expansion scenario, was the creation of Board of Directors meetings with the leaders of our various operating plants. In these events, in addition to the in-depth knowledge of each business reality, they can learn about projects and events linked to sustainable development, such as products with green technologies, renewable energies, and innovative production processes.



## Fiscal Council

The Fiscal Council (FC) is an independent body of the Management and External Audit, non-permanent, installed at the request of shareholders at an Annual General Meeting. It supervises the acts of the managers of the Company and its subsidiaries, examining and expressing its opinion on the financial statements.

It may have from three to five members, with the same number of alternates, the majority being elected by the controller, with a term of office of one year. In 2022, it was composed of five members, who met 9 times, attended by 98% of the members, on average. Also, this year, there were changes in the composition of the Fiscal Council, with elections held at the AGM.

To learn more about the duties and responsibilities of the FC, access the [Internal Rules](#) on our Investor Relations website.

### Composition on 12/31/2022

	Position	Number of terms	Attendance at meetings
Ademar Salvador		6	98%
João Carlos Sfreddo	Council Member elected by the Controller	11	100%
Renato Sobral Pires Chaves		6	100%
Gilberto Carlos Monticelli		1	100%
Thiago Wolf Pereira	Council Member elected by Minorities	1	100%

To learn about the detailed professional experience of each Board member access our [IR website](#).

## Statutory Board

The Board is a body composed of at least two members, and at most nine, being one the Chief Executive Officer, up to three with the designation of Vice-President Director, one Investor Relations Officer, and up to four Officers with no specific denomination.

The Board of Directors must elect all, with a unified term of two years and reelection permitted. Currently, our Board is composed of five members, who held 13 meetings during the year.

The competencies and responsibilities of the Board are described in the [Internal Regulations](#).

### Composition on 12/31/2022

	Position		Number of terms	Attendance at meetings
Daniel Raul Randon	President-Director		2	100%
Paulo Prignolato	Vice-President and Investor Relations Officer	Executive Committee Member (CFO and IRO)	2	100%
Sérgio L. Carvalho	General Executive Director	Executive Committee Member (CEO)	3	100%
Daniel M. Ely	Vice-President Director	Executive Committee Member (CTO)	1	100%
Alexandre Randon	Director		8	100%

To learn about the detailed professional experience of each Board member access our [IR website](#).

## Executive Committee

The Executive Committee (COMEX) is a non-statutory body, which in 2022 consisted of the CEO (Chief Executive Officer), the CFO (Chief Financial Officer), the CTO (Chief Transformation Officer) and three Superintendent Directors from the Trailers, Auto Parts and Motion Control verticals, with no fixed term of office.

In 2023, the Executive Committee went through changes, with the addition of the Superintendent Director of the Advanced Technology vertical, Cesar Augusto Ferreira, and the new designation of the 2022 Superintendent Directors, who will become COOs of their respective verticals.

The COMEX has the task of analyzing the operations and direct management of the Company and its subsidiaries and, when appropriate, submit the issues for the Board of Directors' resolution.



From left to right, Anderson Pontalti, Daniel M. Ely, Paulo Prignolato, Sérgio L. Carvalho, Sandro A. Trentin and Ricardo Escoboza, constitute the Executive Committee.

### Composition on 12/31/2022

<b>Sérgio L. Carvalho</b>	<b>Paulo Prignolato</b>	<b>Daniel M. Ely</b>	<b>Anderson Pontalti</b>	<b>Sandro A. Trentin</b>	<b>Ricardo Escoboza</b>
Chief Executive Officer (CEO)	Chief Financial Officer (CFO and IRO)	Chief Transformation Officer (CTO)	Superintendent Director - Frasle Mobility	Superintendent Director - Trailers	Superintendent Director - Auto Parts

## Remuneration

GRI 2-19 › 2-20

Our Remuneration Policy for senior management aims to attract, retain and engage the best professionals, contributing to the business longevity and value creation for our stakeholders. It provides that the remuneration must be established and updated based on an annual market survey and on the targets linked to the Company's strategic planning.

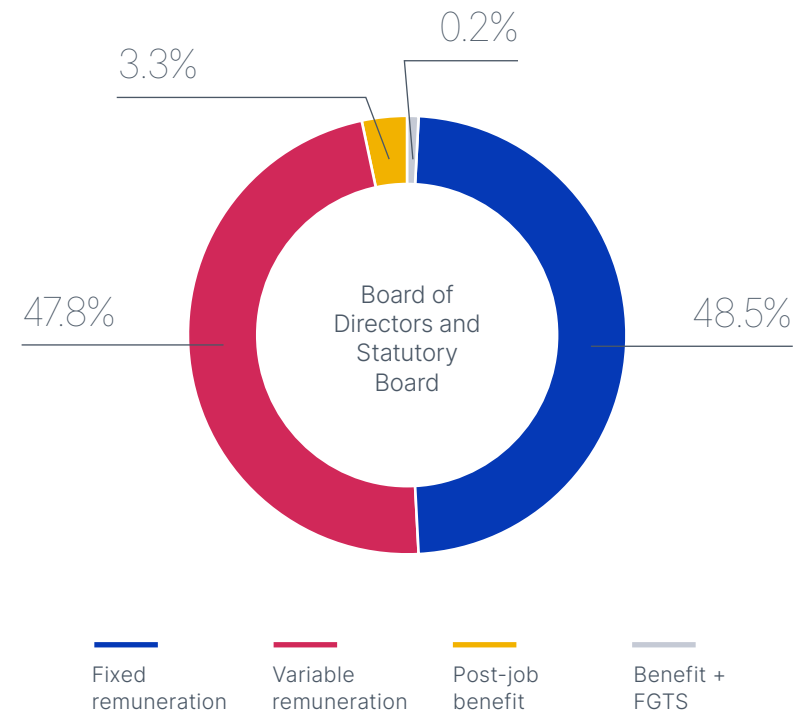
The Board of Directors, Executive Board and Fiscal Council's compensation is approved annually by the shareholders at the Shareholders' Meeting. Board of Directors members are paid a fixed monthly fee, distributed by the Directors at a meeting, which is part of the overall amount defined at the Meeting.

The Executive Board is entitled to a fixed remuneration, a benefits package and variable remuneration, as profit sharing, linked to the achievement of goals and the obtaining of short- and long-term results. The Fiscal Council Members, on the other hand, have equal fixed remuneration, plus the cost of travel expenses, as provided by law.

In 2022, we created a non-statutory People Committee, which began operating in 2023. Among its duties is the evaluation process for determining the remuneration of employees.

For further information about leadership remuneration, please access our [Remuneration Policy](#).

### R\$20 million distributed as follows:



# Ethics

GRI 2-23 › 2-24 › 3-3

We are committed to promoting an **ethical culture with respect for human rights in all our companies.**

Acting with integrity, transparency and accountability is our duty, both in our work environment and in our relationships, and we are continuously seeking practices to evolve in this area.

This commitment is guided by the Integrity Program, **ID Randon (“Randon ID”)**, that drives the evolution process towards ethical and responsible conduct, strengthening our values and principles. Through Randon ID, we ensure the adoption of tools that promote, guide, disseminate and monitor ethics and integrity in our business.



Our Code of Ethical Conduct establishes the principles and values to be observed by all employees, managers and business partners, in all the Company's subsidiaries. The document presents guidelines on what we expect and require in our relations, with practical examples that may occur on a daily basis.

Our Anti-Corruption Policy states that we do not tolerate any form of corruption and bribery, confirming and laying down methods that reinforce best practices in the fight against corruption.

Furthermore, we have 18 other corporate policies approved by the Board of Directors that govern topics such as compliance, anti-corruption and consequence management, among others. Visit our Policies and Code of Ethics and Conduct page for more information: <https://ri.randoncorp.com/en/corporate-governance/bylaws-codes-and-policies/>.



## Conflict of interests

GRI 2-15

Our Code of Ethical Conduct establishes that, whenever the personal interests of any manager or employee may override the Company's interests, he or she must step aside for the company's analysis. In this way, we ensure that decision-making is guided with the necessary impartiality and integrity.

In the document, we present conduct that can be understood as a conflict of interest, with guidelines on how to proceed in each case. Additionally, conflict of interest situations are also regulated in our Bylaws, Internal Rules of the Board of Directors, Internal Rules of the Board of Executive Officers and Policy on Transactions with Related Parties.

In case of conflicts within the Board of Directors, the members involved should speak out and not participate in the discussions and decisions about the related topics.







## Engagement

GRI 2-23 › 205-2 › 3-3

To strengthen our ethic and integrity culture, Randon ID program is presented to the employees as soon as they join the Company. New employees receive hard and digital copies of the Code of Ethical Conduct, in addition to undergoing training on the document. At the end of the process, they sign a statement of awareness and commitment to its guidelines.

Employees also undergo refresher training whenever the document is updated. As the Code of Ethical Conduct underwent a revision process in 2021, the Company's leaders attended refresher training in the same year, and the remaining employees were trained throughout 2022.

On the International Anti-Corruption Day, we launched our AntiCorruption Training on the Pra.VC platform, which also has other training on compliance, with videos and debates to encourage employees' reflection.

We also recurrently hold integrity journeys in the business units themselves, in order to reinforce the values and principles contained in our Code of Ethical Conduct.

## Monitoring

### Ethics Channel

GRI 2-25 › GRI 2-26

As part of our Integrity Program, we have an Ethics Channel through which all our stakeholders may report cases or suspected violations of our Code of Ethical Conduct, other corporate policies, or the legislation of the countries where we operate.

The Channel is an exclusive and safe means of communication, ensuring anonymity, protection and non-retaliation to the reporters. The information recorded is received by an independent and specialized company, ensuring absolute confidentiality and the appropriate handling of each situation. Next, the reports are sent to the Risk Management and Compliance area, which assigns the appropriate forwarding.

For confirmed cases of non-compliance with ethical conduct, disciplinary measures are applied in accordance with the Company's Consequences Policy. For specific cases, action plans are also prepared, with the objective of correcting them and preventing new occurrences.

In 2022, 470 reports were registered, being 94% finalized. Out of this amount, 53.7% were considered unfounded, 34.2% founded, 6.1% inconclusive, 2.7% with insufficient data, and 3.2% out of scope. The actions taken for the cases that had grounds included orientation, verbal warning, contract suspension, written warning, dismissal without fair cause, referral for training, and creation of procedures.

#### Ethics Channel

<https://www.canaldeetica.com.br/empresasrandon/>

Brazil: 0800-777-0768

United States: 1-800-245-8549

[compliance@empresasrandon.com.br](mailto:compliance@empresasrandon.com.br)

# Internal Audit

GRI 205-1 | 205-3

The Internal Audit is the area responsible for the independent and systematic evaluation of all processes and units of Randoncorp, with the objective of verifying whether they are in compliance with the current legislation and with internal policies and procedures, also evaluating the effectiveness of internal controls.

To define the area's annual work plan, with the processes and units to be audited, we take into account the following aspects: criticality of the risks of the corporate matrix, the strategic guidelines, the process and unit's relevance and materiality.

The corporate risk matrix considers the assessment of corruption risks and this assessment is reflected in the Regulatory Risk category. Currently, we have listed four risks as priorities concerning corruption:



## Environmental Risk

Non-compliance regarding environmental protection actions.

**Criticality level of the risk:** Significant.



## Third-Party And Partner Management Risk

Weaknesses, illegal acts in the relation with suppliers, service providers, distributors and franchisees.

**Criticality level of the risk:** Significant.



## Regulatory Compliance Risk

Lack or loss of institutional capacity to manage the regulatory complex of the Companies, violation of the norms and legislation in effect.

**Criticality level of the risk:** Significant.



## Ethical Conduct Risk

Employee acts diverging from the ethical standards established and accepted by the Companies.

**Criticality level of the risk:** Significant.

The Internal Audit area is also responsible for investigating reports and allegations of corruption received through the Ethics Channel, and the Risk Management and Compliance department is responsible for risk analysis and management of the fight against corruption in 100% of our operation. In 2022, there was no record of reports and accusations of corruption in the Ethics Channel.

# Risk Management

GRI 2-12 › 2-13 › 2-16

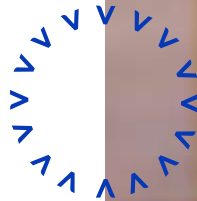
So as to manage the possible negative impacts on our business, we continue to advance in methodologies to ensure the continuous improvement of our risk management processes in an integrated, structured, customized and inclusive manner in all spheres of business and in all our companies.

Our Risk Management Policy sets out the Company's risk management guidelines, strategies, and responsibilities. According to the document, the Board of Directors is responsible for approving the policy and ensuring the effectiveness of the risk management systems.

The Executive Committee, on the other hand, is responsible for continuously evaluating the effectiveness of the risk management model, defining the risk appetite and owners, and approving its evaluation.

We also have other specific thematic policies linked to the theme, such as:

- › Asset Security Policy.
- › Information Security Policy.
- › Personal Data Privacy Policy.
- › Controllership Policy.
- › Finance Policy.
- › Health and Safety and Environment Policy.
- › Consequences Policy.
- › Corporate Purchasing Policy.
- › People Management Policy.
- › Compliance Policy.
- › Investment Management Policy.
- › Exchange Risk Management Policy.
- › Sponsorship and Donations Policy.
- › Policy for Hiring Extra-Audit Services.
- › Internal Audit Policy.
- › Result Allocation Policy.
- › Related Party Transactions Policy.



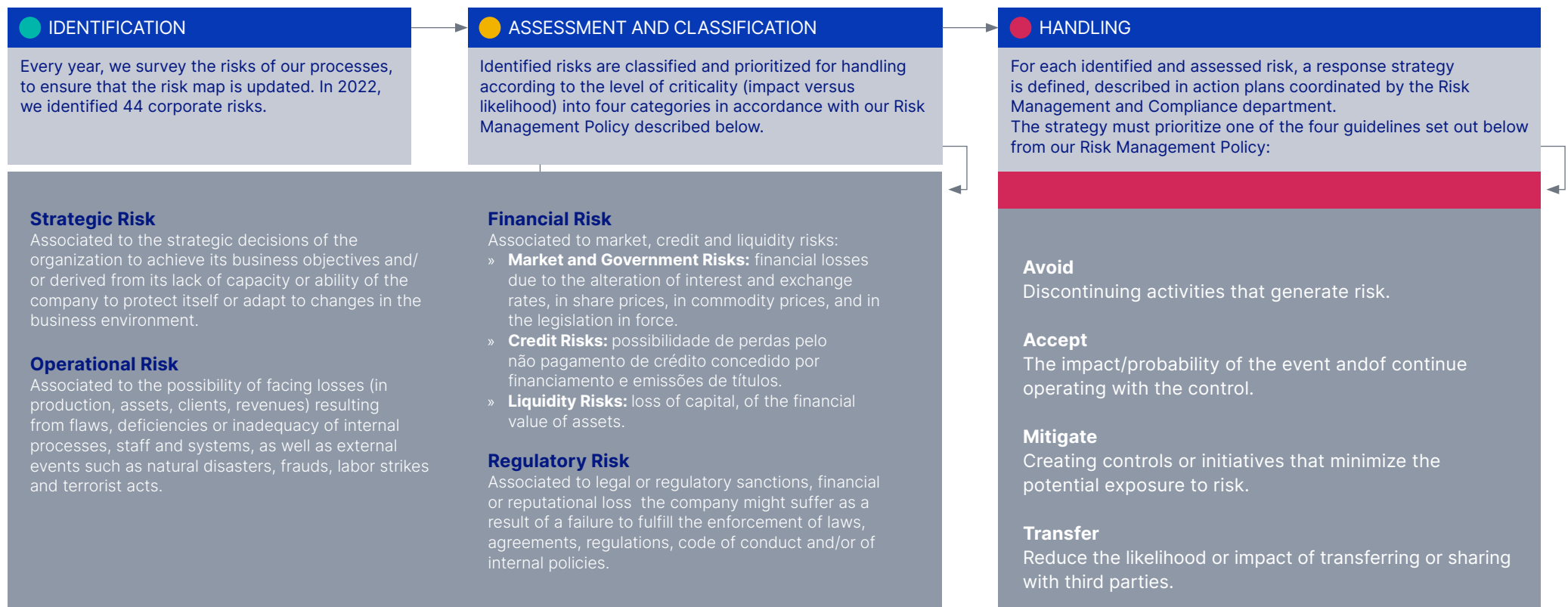
## Risk classification and handling

With the purpose of more efficiently identifying, assessing and classifying each risk inherent to our operations, we maintain a corporate risk map that is updated biannually. In 2022, we identified 44 corporate risks, which were classified and prioritized for treatment according to the level of impact and probability in four categories in accordance with our Risk Management Policy: strategic, financial, operational or regulatory.

For each risk identified and assessed in the corporate risk map, we define a risk treatment and response strategy, through a control activity or action plan, executed by the risk owners and monitored by the Risk Management and Compliance area.

Risk treatment should comply with the following guidelines:

### Processo de Gestão Integrada de Riscos





## Emerging risks

In our risk management process, we also monitor the presence of emerging risks, which are those resulting from hazards, which may generate significant exposure in the long term. Emerging risks were considered to be: Cybersecurity and Information Security and Macroeconomic and Political Factors. As we operate more and more globally, we become increasingly exposed to cyber threats and data breaches that can lead to reputational damage and regulatory penalties. Moreover, political and economic uncertainties in the domestic and foreign markets may negatively impact the segments in which Randoncorp operates. Therefore, we have expanded the risk Macroeconomic and Political Factors to Macroeconomic and Geopolitical Factors.

### Cybersecurity and information security

Protection, security and privacy of information error with evolving cyber threats.

**Type:** Operational

#### Main Potential Impacts:

- System downtimes (off-line);
- Data kidnapping or data leakage;
- Compensation to third parties for damages;
- Network damage;
- Image degradation; and
- Financial loss (fines and penalties).

#### Main mitigation actions:

- Attack Monitoring;
- Password Vault;
- Pentest;
- Cybersecurity Insurance;
- Privacy governance; and
- Projects related to the information security master plan.

**External emerging risk reasons:** regulation of personal data protection and an increase in more sophisticated cyber-attacks, affecting companies of various sectors and sizes.

### Macroeconomic and political factors

Changes in the macroeconomic and political environments that negatively affect the segments in which Randon Companies operate.

**Type:** Strategic

#### Main Potential Impacts:

- Financial loss;
- Loss of business opportunities and synergy;
- Investments with return different than expected;
- Reduction of sales and/or business margin;
- Increase in the price of raw materials.

#### Main mitigation actions:

- Monitoring of economic and socioeconomic indicators;
- Budgetary contingency plan;
- Institutional relations with class entities.

**External Emerging Risk Reasons:** Global geopolitical uncertainty, international trade disruptions, war in Ukraine.

Chapter 4

# Prosperity for all

> CHAPTERS:



Ryan Talisson da Silva  
Storekeeper



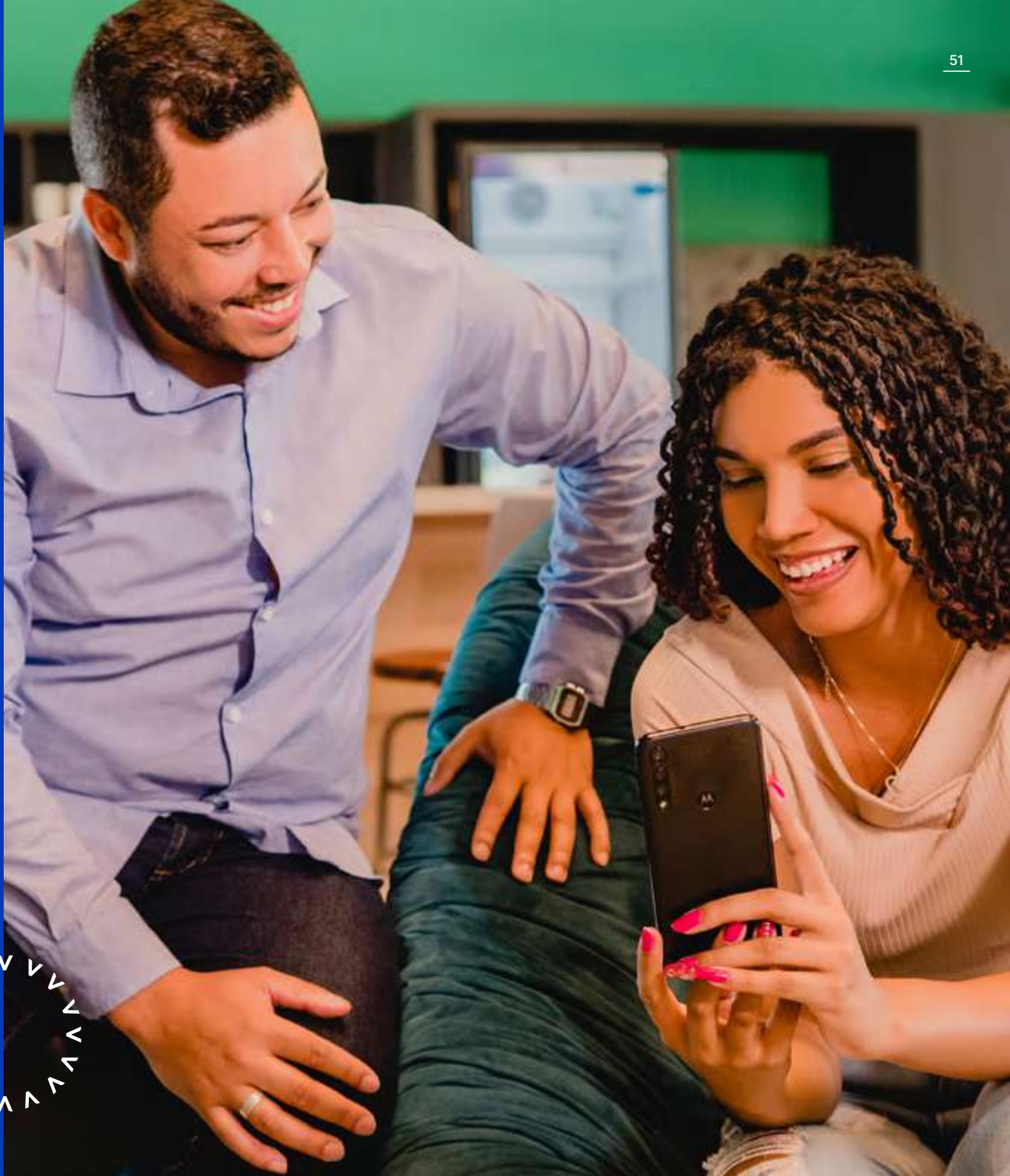
# Our people

GRI 2-29 > 3-3

One of the principles underlying the business of Randoncorp is that people are valued and respected. Therefore, we invest in creating a diverse and welcoming environment where employees feel comfortable to be leaders in their careers and make a difference in the performance of the business.

We base our relationship with our team on **trust, integrity and transparency.**

In this sense, our People Management Policy establishes the guidelines to ensure a strategic management of people in line with the best market practices, with justice, equality of treatment and opportunity for all.



## Diversity, Inclusion & Equity

GRI 3-3

At Randoncorp, we believe that the diversity of our team is one of our business strengths. It is through a team with multiple life stories, talents and worldviews that we increase our innovation and value creation.

Our commitment is to build an inclusive environment for all people, valuing differences and respecting human beings and their life trajectories.

Ensuring a happy, humanized, welcoming and safe environment is one of our goals as a company.

The promotion of best inclusion and equity practices are aligned with our principles of valuing people and we act on four fronts to drive our diversity strategy:

### Randoncorp's Diversity Fronts

#### > Institutional Commitment:

Creating representativeness goals, inclusive culture, and objectives for the themes of gender equity, race and ethnicity, people with disabilities, and LGBTQIAPN+.

#### > Strengthening Inclusive Culture:

Leadership development, communication actions with inclusive language, development of spokespeople, and face-to-face and online meetings to raise awareness about the issues.



#### > Expansion of the representation of minority and/or under-represented social groups:

Programs for expediting women's careers, training of reference persons to support PWD's, and review of policies and processes in the employee journey.

#### > Governance:

Creation of affinity groups with goals of representativeness, objectives and inclusive culture. Definition of boardsponsors to influence change and connect with business strategies.



Throughout 2022, we have advanced **inclusive culture initiatives**.

With the goal of promoting gender equity at all levels of the organization and ensuring our public commitment, our strategy is driven by career acceleration for women, tracking female leadership goals, attraction and selection, and inclusive processes.



Focused on the women's career development and on increasing their representation in leadership positions, we maintained our Women's Organizational Mentoring Program throughout 2022. The program aims to empower and strengthen female leadership through personal and professional development, in addition to facilitating the creation of networks among professionals and strengthening the synergy between the different business units. We strive to nurture a living learning process by sharing experiences and encouraging a culture of learning and sorority.

During the year, we ran a new cycle of this initiative, which included 26 female employees from different hierarchical levels, 13 mentors and 13 mentees, who participated in an intense process of exchange and learning aimed at preparing them for new challenges.

#### Commitment:

To double the number of women in leadership positions until 2025.

#### Result:

# 15%

BASE YEAR 2020: 11%

[Learn more at page 30.](#)

## #JORNADA DELAS

### Women's Journey

In 2022, we started Jornada Delas, a career acceleration program for female employees, aligned with our diversity and inclusion initiatives. The first group included 22 women who did not hold a leadership or management position, selected from among the applicants on a voluntary basis.

The training aims to develop skills such as self-knowledge, interpersonal relationships, influence, negotiation, and personal branding, with an emphasis on women's careers.

We continue to invest in actions to educate and raise awareness of our teams on the topic. We have, for example, the PRA.VC Diversity, Inclusion and Equity journey, which 803 people completed in 2022. And we also have more courses on the theme, with 1,108 concluded.

In addition, we held conversation rounds on topics such as Women's Month, LGBTQIA+ Pride, and Black Consciousness, as well as workshops for female employees in Caxias do Sul (RS).

Aiming to raise the awareness of leaders, we conducted two trainings on the role of leadership in promoting gender equality and implementing a culture based on respect for the LGBTQIA+ audience.

On an online basis, we organized a series of thematic livestreams, open to all employees, focusing on topics such as female leadership, motherhood, fatherhood, racial/ethnic diversity, immigrants' rights, LGBTQIA+ pride, and inclusion of people with disabilities.

- > **One woman inspires the other** - Empowerment on the agenda (Women's Day).
- > **Children in the curriculum** - An invitation to grow (Mother's Day).
- > **Not me, we!** > Different stories, same direction (day of migrants, immigrants, and refugees - ethno-racial).
- > **Diversity LGBTQIAPN+** > An agenda for all people (LGBTQIAPN+ Pride).
- > **Fathers who are together!** (Father's Day).
- > **Demystifying the myths about the inclusion of People with Disabilities** (International Day of People with Disabilities).
- > **Racial Literacy.**

In total, we registered almost  
**3,000 participants in live  
streams.**

## Affinity Groups

In 2022, we launched the training journeys of affinity groups, which bring together over 200 people allied with the theme to talk, debate, bring experiences and perspectives on how to advance in diversity and inclusion practices.

The people involved in the groups had a training day, learned about the company's strategies, integration, and the creation of ideas prioritized for planning and execution in 2023.

Check the purpose of each Affinity Group at Randoncorp:



### Women

Pursue gender equity with collective and individual actions that promote respect and empowerment of women at all levels of the organization, generating real changes.



### Race and ethnicity

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



### LGBTQIAPN+

To build a culture of belonging and authenticity at Randoncorp, respecting all LGBTQIAPN+ people by promoting a safe, democratic and inclusive environment, using all spaces.



### PWDs

To support the issues of physical and digital accessibility, providing inclusion conditions for people with disabilities, welcoming diversity and respecting the human being in its entirety and differences.



## Training geared to the participants of the affinity groups

- > **Awakening:** training meeting to broaden knowledge on the topics of diversity, inclusion, and equity, challenges of each social marker, corporate challenges and myths, and the role and responsibilities of affinity groups.
- > **Inter-being:** teambuilding teambuilding of the four affinity groups, which brings concepts about diversity and social markers and creation of the groups' identity, the purpose, values, expectations, and challenges that the members brought to generate significant changes.
- > **Connect:** participants meeting to get to know each social marker, also addressing the connection of the company's strategies with the interests of the groups and experiences with the theme.

The Groups have as a work front to stimulate positive influence, self-knowledge, and continuous learning. Besides having initiatives on commemorative dates, awareness raising, conversation rounds, and reflection groups, each group also has goals and objectives regarding representativeness and inclusive culture.



## Culture and employer brand

At Randoncorp, we know that the Company's success is related to our ability to recruit the best professionals for our business, with training, qualification and an innovative vision. To this end, we have a structured recruitment process, conducted online, focused on speed and on the candidate`s experience.

All job openings are advertised on our careers page on the Gupy platform and on social networks, and on our Work with Us page. In addition, we maintain contact with several educational institutions and education ecosystems, through which we hold lectures and events.

Throughout 2022, we continued our Employer Branding process, and implemented our employee value proposition, known as EVP (Employee Value Proposition). The initiative, led by a multidisciplinary team, defined our pillars:

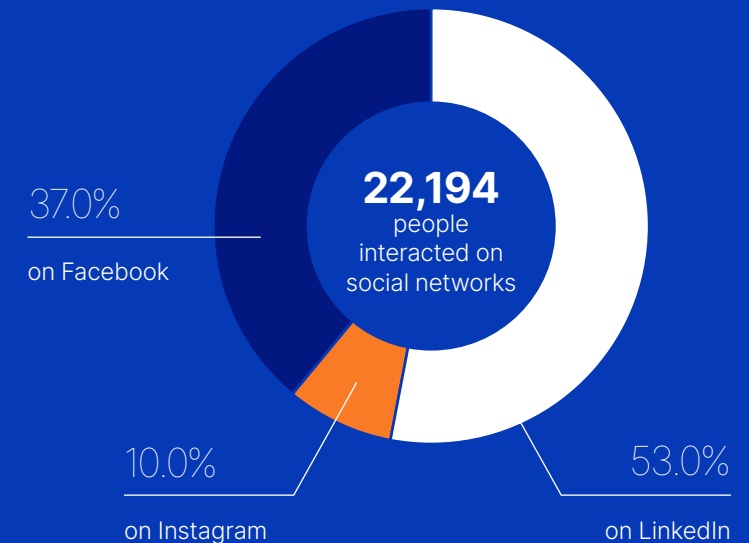
Global presence,  
Innovation and  
Technology, Dynamism,  
Sustainable Attitude,  
and Universe of  
Opportunities.

### Motto

**"Your Talent in Motion"**

As of 2022, with the weakening of the Covid-19 pandemic, the onboarding process is again 100% face-to-face, with the exception of employees hired in the telecommuting modality.

People who interacted with the **Employer Brand** cycle content



**5,198,871** people impacted

**4.2%** engaged with our content





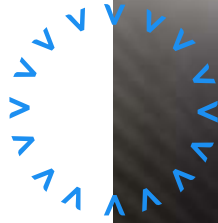
## Benefits

GRI 3-3 > 401-2

Our employees receive a robust benefits package, including health care, meal or meal voucher, life insurance, funeral aid, transportation, and a Christmas basket. In addition, full-time employees receive day care aid and bonuses for years of service.

Propelled by our digital transformation culture, we are also attentive to implement initiatives that seek innovation not only in products, but in all areas and processes of Randoncorp, including people management. Thus, we have established new work cycles and models such as coworking, innovation hubs, telecommuting and home-office.

In 2022, about 1,868 Randoncorp employees performed their activities in the home-office model and 52 in the teleworking model. Based on this initiative, we are also expanding this model to activities that do not require the physical structure of the company, such as the areas of Financial and Digital Services, IT and Digital Business.



# Development

GRI 3-3 › 404-2

We know that our people are the main players in the transformation of the Company and, for this reason, we invest in the development of the entire team, including senior management, managers and operational professionals.

In 2022, in line with the business evolution, we reviewed our organizational competencies, which guide the development of employees in their self-development journey. As a result of this process, the competencies Acting collaboratively and Guidance for execution are now formally included in Our Way of Being and Doing.

## Our Way of Doing

### Individual



#### Self-knowledge and continuous learning

It is constantly committed to holistic self-development (physical, emotional, intellectual), generating impact in an autonomous and sustainable way, with responsibility.

### Relation



#### Positive influence

Influences and inspires people, acting in accordance with the organization's principles and values, creating a collaborative and safe environment, promoting change and innovation. Demonstrates consistency between what he/she feels, says and does, to create positive experiences with those he/she relates to. Encourages colleagues to achieve the company's objectives with enthusiasm.



#### Collaborative action

Builds constructive working relationships, characterized by a high level of acceptance, cooperation, and mutual respect, relating empathetically and with dedication to relationships.

### Organization



#### Guidance for execution

Drives results through concrete actions completed and aligned with our purposes and values, the sustainable development of the business, and the generation of value for stakeholders.



#### Strategic vision

Recognizes trends, opportunities, and risks and translates them into the business, connecting the necessary agents to ensure the sustainability of the business, through continuous innovation, collaboration, and vision of the whole.

## Corporate Education

GRI 404-2

To conduct our employees' development, we have programs, guided by the People Management Policy and by the Education and Development Procedure. The programs include cycles of competence building, awareness-raising and specific training, which meet everything from mandatory needs to the demands of each employee.

We offer our team the PRA.VC, an online learning portal, which encourages independence and leading role in their personal and professional development, offering courses and learning journeys. Since 2021, we have made terminals available, with computers installed in work points, to simplify courses access.

Some programs:

### Quality

For employees to be able to meet the rules of the certifications, standards, and requirements of our customers according to the best practices of management systems.

### Safety

Continuous training about the necessary actions to maintain safety at work, maintaining a preventive culture about accidents and risks.

### Languages

We offer an online platform that promotes training in several languages in an interactive way. In 2022 we allocated 28 licenses for foreign immigrants living in Brazil to study the Portuguese language.

### Qualificar Program

Our Young Apprentice Program, developed in partnership with SENAI and Randon Professional Education Center. This program trains young talents in the Randon/SENAI Professional Education Center, located in the premises of the Company in Caxias do Sul (RS). In 2022, 142 young people took the course, and 64 are nearing completion.

The Educational Center has been perfecting itself in robotization and industrial automation, supporting the training of professionals in future skills. In 2022 a welding simulator was acquired to be part of the pedagogical part, bringing more safety and reduced inputs.

### Ser Digital

In 2022, we implemented a development program focused on DIGITAL, with the goal of awakening and influencing professionals to digital knowledge.

Randoncorp's Being Digital Program provides its employees with access to an immersive learning platform with over 1,200 courses on programming, digital transformation, data science and soft skills.



See the average training hours, by functional category, in the **Indicators Attachment**.



## Novos Caminhos (“New Paths”) Program

GRI 404-2

At Randoncorp, we recognize the trust and competence legacies through the career transition program Novos Caminhos (New Paths), which encourages the construction of new cycles of experience in active longevity.

Since its creation 20 years ago, 808 professionals have participated. The activities of this program also engage the participation of family members. In 2022, we conducted the biannual Active Longevity Survey with people disengaged in the last five years to analyze the impact of this preparation for external career transition.

Main results:

- 29% entrepreneurship;
- 71% took on new routines with the family;
- 92% practice physical activity;
- 89% have overall health wellness; and
- 11% have some type of health treatment in progress.

In 2022, we deepened the analysis of this organizational practice and established the purpose of valuing people's paths and providing connections for a sustainable future.



We updated the name to New Paths - Journey of Prosperity.

The learning axes have been recreated to Perceive, Rediscover, Connect, and Create new cycles of experiences, to be explored over two years.





## Leadership development

GRI 404-2

The **Leadership in Motion** program aims to prepare our leaders for the future of the business, seeking to strengthen organizational competencies, promote professional development, career advancement, engagement, and team building.

In 2022, the program focused on the Company's Business Pillar and on the development of an educating leadership. All meetings and learning communities were conducted by Randoncorp's internal leaders, from conception to presentation, with concepts on the themes and internal cases.

In addition, the program included the following initiatives:

- Coaching and mentoring.
- Executive Organizational Mentoring.
- Women's Organizational Mentoring (learn more on page 54).
- Visits for benchmarking.
- Behavioral development.
- Technical development.
- Diversity, Inclusion, and Equality Training Courses.
- Spokesperson Development.

In addition to development programs, we seek to keep our leaders engaged and aligned with business strategies with the Leadership Meeting, an annual meeting of leaders, aimed at reflecting on the future of our business. In 2022, the event was held in a mixed format and had the Synergy theme, with emphasis on the launch of the organizational competencies update (learn more on page 58) and the diversity theme (page 52).



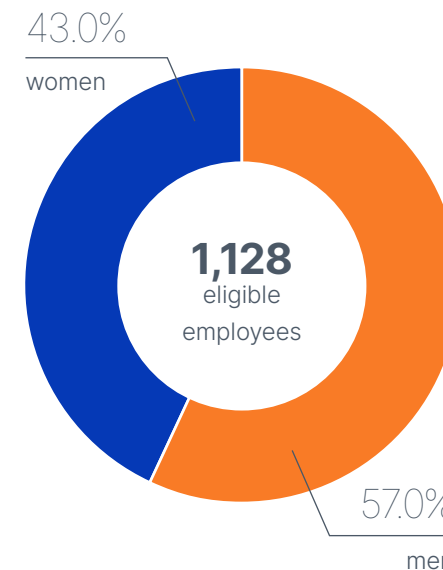
## Performance evaluation

GRI 404-3

The performance evaluation of our employees is adapted according to the different work levels within Randoncorp. It has been implemented in the Company since 2016, and the evaluation for administrative positions, since 2020.

Through the GED (Performance Management), platform, we conduct formal evaluation of Directors, Managers, Coordinators and administrative employees. Administrative employees are evaluated based on our five organizational competencies (learn more on page XX), in addition to a self-evaluation and feedback from the manager. Based on this evaluation, it is possible to analyze performance and opportunities, drawing up an individual development plan (IDP).

The Directors, on the other hand, go through the 360° evaluation, which includes peer evaluation, and the managerial and coordination levels go through the 270° evaluation, which consists of a self-evaluation, the manager's evaluation, and the subordinates' evaluation. All management levels go through the so-called calibration rounds with the participation of the higher levels.



**100%**

of eligible employees received a performance evaluation and represent **10.85% of the global workforce.**

# Value relations

## Suppliers

GRI 2-6 > 204-1 > 3-3

Encouraging the development of sustainable practices for our suppliers is an intrinsic part of our sustainability strategy. By relating to an ethical and responsible supply chain, we expand our capacity to create value for society and the environment, reinforcing our goal of generating prosperity for all.

In 2022, our supply chain was made up of 10,347 domestic and international companies, with the metalworking and chemical industries standing out. The main commodities purchased were steel, wheels, tires, castings and mechanical springs.

Besides this, we relied on 9,001 domestic suppliers, that is, based in Brazil, totaling an expenditure of R\$6.4 billion, which corresponds to 81% of the total spent with suppliers in 2022.

## Supply chain



## Supplier Selection and Monitoring

GRI 308-1 › 308-2 › 414-1 › 414-2

To join our supply chain, suppliers must declare, during the negotiation process, that they accept and comply with all the requirements presented in our policies, manuals and programs, including human rights and anti-corruption guidelines. We also evaluate their financial health, commercial conditions, quality of products and services offered, as well as commitment to ethical and socially responsible behavior.

The selection, evaluation, and monitoring process for suppliers of structural items, who provide materials and services applied in our products, establishes quality, logistics, after-sales, commercial, environmental, occupational health and safety, and social responsibility criteria during approval and for supply chain maintenance.

To do this, they must be able to demonstrate compliance with legal and regulatory requirements through the submission of Licenses and Certificates, as well as during certification and monitoring audits, which assess their integrated management system, including quality management system, environmental management system, occupational health and safety system, and social responsibility requirements. To proceed with the relationship, they must achieve a minimum 80% alignment with the practices assessed.

The audit is carried out at the time of contracting and on a recurring basis in the companies already approved, the schedule being defined according to the criticality of the items and the performance evaluated in previous audits.

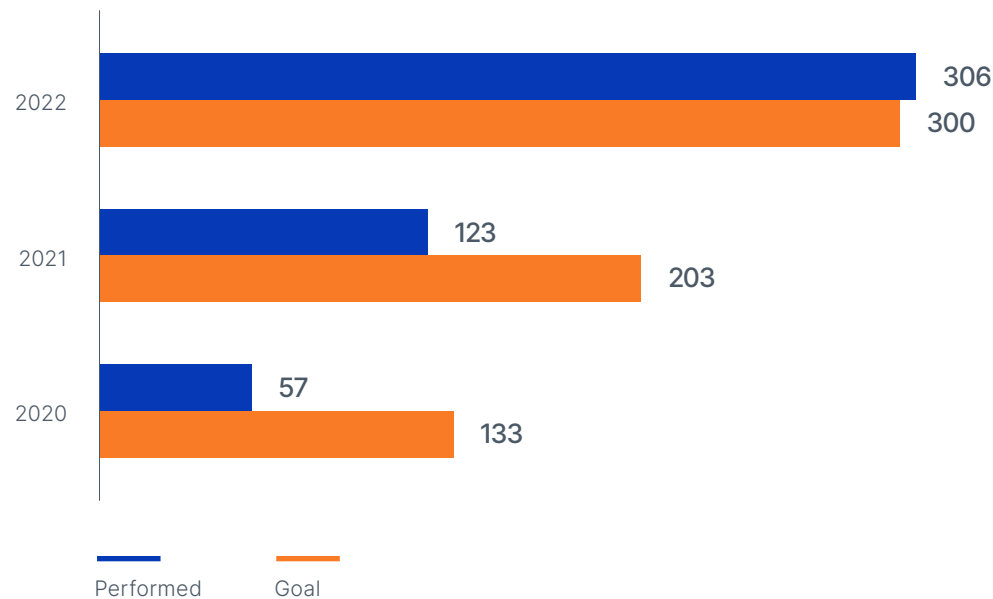
## Auditable requirements for suppliers

Social Responsibility	Environment	Occupational Health and Safety (OHS)
<ul style="list-style-type: none"> <li>➤ No child labor and forced labor or equivalent to slavery.</li> <li>➤ Corporate Policy on Health and Safety (ensure a safe and healthy work environment, as well as measures to prevent accidents and harm to collaborators' health).</li> <li>➤ Freedom of affiliation to workers unions and right to collective bargaining.</li> <li>➤ Forbid any discriminatory practice.</li> <li>➤ Not to employ any disciplinary practice (corporal or mental punishment, physical coercion and verbal abuse).</li> <li>➤ Workload defined according to the applicable legislation.</li> <li>➤ Fair remuneration.</li> <li>➤ Not to elaborate a "blacklist" of labor equivalent to slavery with the names of employers caught by Federal Government inspectors.</li> <li>➤ Corporate anticorruption, ethics and organizational governance policy.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Corporate environmental management policy.</li> <li>➤ To hold all the necessary environmental licenses.</li> <li>➤ Environmental Management System and permanent updates according to the requirements of the ISO 14001 norm.</li> <li>➤ Waste management.</li> <li>➤ Noise/vibration management.</li> <li>➤ Monitoring, reduction and optimization of the consumption of natural resources.</li> <li>➤ Management of environmental liabilities.</li> <li>➤ Environmental risk management.</li> <li>➤ Constant monitoring, recording and continuous improvement of the environmental management system.</li> </ul>	<ul style="list-style-type: none"> <li>➤ OHS Management System and permanent updates according to the requirements of the ISO 45001 norm.</li> <li>➤ Corporate OHS Policy with the commitment of ensuring safe and healthy working conditions to prevent harm to health associated to work assignments, and appropriate for the purpose, size and context of the company and to the specific nature of its risks and opportunities.</li> <li>➤ The Senior Management must ensure that this policy reaches all levels at the company.</li> <li>➤ The Organization must establish, implement and maintain OHS management monitoring processes.</li> </ul>

Throughout 2022, 306 direct suppliers had their processes audited, which exceeds the established target of 300 suppliers evaluated. Out of these, 45 were new suppliers joining our base. As a result of the process, no significant environmental and social incidents were identified.

In addition, no incidents or companies with risk of child labor and forced or compulsory labor were registered among the suppliers evaluated in our audits.

### Audits undertaken at direct suppliers <sup>1 2</sup>



<sup>1</sup> In 2020 and 2021, we saw a significant reduction in the number of audits performed due to the restrictions imposed by the covid-19 pandemic.

<sup>2</sup> Involved companies: Frasle Mobility, Controil, Jurid, Fremax, Master, Castertech, Suspensys, Randon Caxias do Sul, Araraquara, Chapecó, Messias and Erechim.



### Critical material suppliers

RT-IG-440a.1

Out of the 780 suppliers of direct items active in our chain in the year 2022, 114 are classified as critical due to the type of materials they supply, in relation to their application in our production chain, which represents 15% of the total.

For these cases, we have a risk management procedure associated with the supply of critical materials, provided for in, but not limited to, the commercial contracts signed. The Supplier Requirements Manual requires the company to provide advance notice of any material change or alternative supply in the event of material restriction, material unavailability, or supply disruption.

Furthermore, our risk matrix supports the evaluation and taking of action for suppliers classified with high supply risk, with pre-established criteria.



## Due Diligence

RT-IG-440a.1

The new Randoncorp suppliers undergo a third-party integrity analysis process, with the purpose of identifying facts or signs of non-compliance in topics such as ethics, anti-corruption, environment, labor rights, financial, tax and criminal aspects, privacy and reputation.

The management and operation of the due diligence portal is carried out by an independent and specialized company. The Risk and Compliance Management department is responsible for conducting the due diligence and notifying the Purchasing department about the level of risk identified in each supplier.

In 2022, 529 suppliers were evaluated. Out of these, 78% were classified as low risk, with no records of non-compliance, 20% were approved with reservations, classified as moderate or high risk (due to the presence of lawsuits still pending trial), and 2% were classified as critical risk, considered to have failed the evaluation.

## Global Supplier Performance Index (IDGF)

Every month, we evaluate the quality and performance of our suppliers, both in the current month and in the last quarter. By doing so, we can ascertain their momentary performance and identify trends, making it possible to draw up improvement plans and decide whether or not to keep the supplier in our chain.

The IDGF is divided into four blocks: Supplier Management Index (IGF), Commercial Performance Index (IDC), Logistics Performance Index (IDL) and Supply Performance Index (IDF). The results of these evaluations are compiled into management reports, which include, but are not limited to, the score obtained during the supplier process audit, the delivery credibility in the period, and the PPM index (defective parts per million parts supplied).

Altogether, these indicators feed the score of the Global Supplier Performance Index (IDGF), which qualifies the supplier in four classes, according to its presented performance:

- > suppliers with the best GSPI benefit from their performance, giving priority to new business with the Company.
- > suppliers that may participate in new purchasing processes but are not a priority.
- > low-performing suppliers, who must establish actions to correct the identified problems and level up.
- > suppliers who were unable to demonstrate improvement in their processes throughout the supply period and, therefore, have their relationship suspended.

When significant non-conformities are identified, the supplier must draw up an action plan to improve its performance. In case of problems in implementing the action plan, the Supplier Development area conducts IQ meetings (quality and performance follow-up meetings), which involve the supplier's team and our quality and engineering teams and other areas, which follow up and support the solution of the problem identified.

If, even so, the non-conformity is not resolved, as a last resort, we hold Super IQ meetings, which involve our board and the supplier's board, where conditions for supply permanence are established. Those that do not meet the stipulated deadlines and targets have their contracts suspended.

## Supplier Engagement

GRI 2-29

Every year we hold the Supplier Meeting, an event that brings together our supply chain to present our performance scenario, strategy, guidelines, and perspectives for each business vertical. In 2022 the event took place in Caxias do Sul (RS) and brought together 100 partner companies.

During the program, participants had access to our public ESG commitments and key strategies in innovation, industrial and product technologies, market and business perspectives.

Aimed at encouraging and promoting best sustainability practices, during the meeting we awarded the Supplier Awards, which recognizes suppliers that have developed projects in three categories: Competitiveness, Innovation and Technology, and ESG. In the 2022 edition, 45 projects were registered.



## Suppliers awarded in 2022

### Metalúgica Fey

Awarded in the Competitiveness category, it developed a fasteners optimization and unification project, which resulted in lead time reduction, productivity increase, and competitiveness.

### Braslux

Awarded in the Innovation and Technology category, the company, which specializes in solutions for lighting systems and injected technical parts, presented a rear module project for Randon`s New R line, with modernized design and innovative technology.

### Michelin

Awarded in the ESG category for the Rubberway project, a digital tool that allows environmental, social and economic monitoring of small, medium and large rubber tappers in Brazil, enabling socio-environmental assessment and action-taking in the search for an increasingly sustainable rubber chain.

# Customers

GRI 3-3

One of the principles of our business is Satisfied Customers.

For this reason, we listen and collect information about our customers' main needs by means of visits, meetings, technical and commercial training about our products, and participation in fairs and industry events.

Accordingly, the Financial and Digital Services vertical developed the Customer at the Center program, whose mission is to develop, evolve and the internal culture focused on the customer. In 2022, the program was revitalized from previous programs of Randon Consórcios, focusing on the entire Financial and Digital Services Vertical, under the tripod "Understand, Deliver and Surprise".

## Customer at the center



### Understand

- > Real listening.
- > Practicing empathy.
- > Asking with interest to help.
- > Making sure of the customer's need.



### Deliver

- > Delivering the best solution with the least effort to the customer.
- > Getting it right the first time.
- > Take ownership of the customer's request and solve it within the agreed-upon timeframe.



### Surprise

- > Impact the customer with the best experience.
- > Delivering a personalized, human service.
- > Doing the basics well.

During the year, as part of the program, we implemented several actions and initiatives that reinforce our customer focus:

- > Lecture on the theme.
- > Customer Week, which included special News, interactive panels and commemorative events;
- > Fixed agenda in the Via de Mão Dupla meetings, which bring together the management and employees of the units on a monthly basis to discuss indicators and initiatives, with different themes and approaches at each edition;
- > Theme present in the Strategic Planning and in management's speeches;

- > Survey of cases and social evidence;
- > Survey of indicators;
- > Manifestations Committee to monitor the new format.

We also provide customer service channels by 0800 phone and the Contact Us channel, available on our corporate website. In our social media (WhatsApp, Facebook, Instagram and LinkedIn), we answer all the messages received, clarifying doubts and solving problems and questions.



## Customer satisfaction

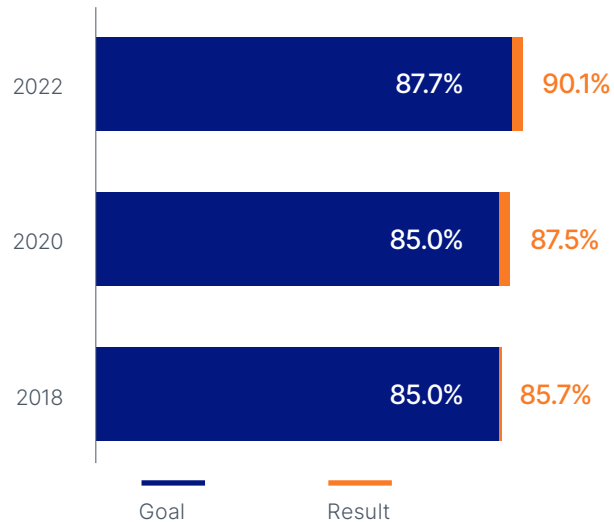
GRI 2-29

To measure whether we are meeting the demands and needs of our customers, we conduct satisfaction surveys focused on our brands and business verticals.

## OEM Vertical

Biennial Survey

### Satisfaction Index



## Motion Control Vertical

### Satisfaction level > 2021-2022\*

Net promoter score (%)

	<b>FRASLE</b> MOBILITY	<b>LonaFlex</b>	<b>Controil</b>	<b>FREMAX</b>
Domestic market	67	66	24	56
Foreign market	50	0	-10	15

## Domestic Market

### Satisfaction index

Net promoter score (%)

	2016	2018	2020
<b>NAKATA</b>	86	86	90
<b>2021</b>	<b>JURID</b> 85	<b>FERODO</b> 77	

\*Fras-le's Mobility survey changed its methodology in 2021, adopting the Net Promoter Score (NPS), which encompasses several contact points between the brand and the customer, such as: customer service, negotiation, prices, delivery time, success with the service, etc. In the NPS methodology, it is possible to identify the percentage of promoters and detractors customers of each brand:

- > Zone of Excellence (between 75% and 100%): most customers act as brand promoters.
- > Quality Zone (NPS between 50% and 74%): it has a higher number of promoters than detractors, resulting in a positive image.
- > Improvement Zone (NPS from 0% to 49%): it presents similar numbers of promoters, passives and detractors, indicating opportunities for improvement in terms of customer satisfaction.
- > Critical zone (NPS between -100% and -1%): it presents a higher number of detractor customers, indicating need for significant improvements in the relationship with customers.

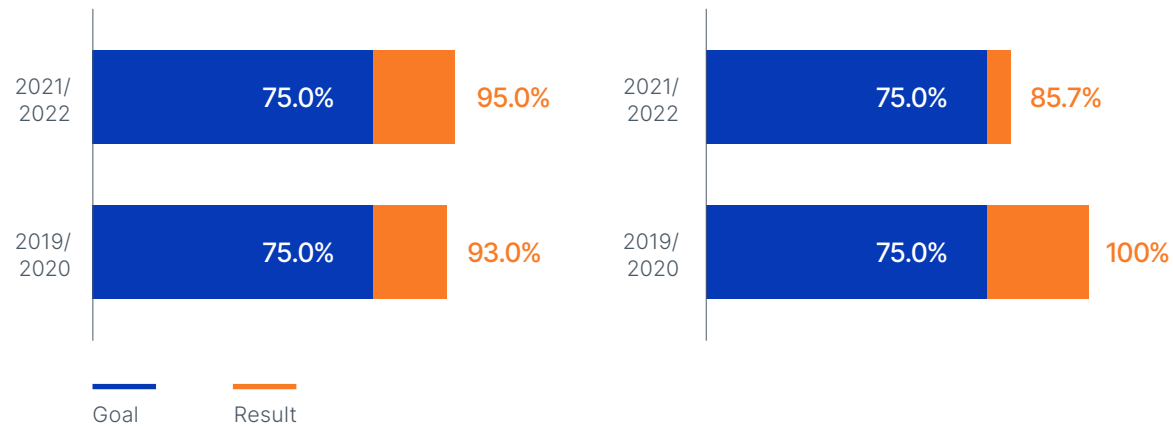


## Auto Parts Vertical

Domestic market

Foreign market

### Satisfaction level



In 2019, the survey was carried out in a consolidated manner for all Auto Parts Vertical units, every two years. Starting in 2020 we established that the satisfaction survey would be individual for each unit.

Master and JOST have revamped their survey procedures and set the application every three years, with the next one scheduled for 2023. While Castertech decided on a biennial form, with the next one also being applied in 2023.

## Financial and Digital Services Vertical

Randon Consórcios did not carry out its 2022 survey due to a change in the company's systems. Conexo carried out its first survey, where the goal was 60%. The company reached an NPS of 90%.

## Shareholders

GRI 2-29

In order to reach out to the Company's investors, we have an Investor Relations area. Among its activities are meetings with shareholders, capital market analysts and potential investors, presentations of quarterly results, participation in conferences, group meetings, live casts and podcasts.

To forge a close relationship with this public, we rely on our virtual platforms, such as the Investor Relations website, our LinkedIn page, and mailing list.

On our IR website, we offer videos, livecasts and videoconferences focused on material facts, quarterly results and the Company's ESG Ambition. Another important communication channel with our investors is Randon Day, an annual event held to present the Company's strategies. In the 2022 edition, the event had, for the first time, a mixed format, with in-person participants and online broadcasting.

Also in 2022, we received our investors at Fenatran to present the products launched by the Trailer, Auto Parts and Motion Control verticals. During the event, about 50 investors and capital market analysts participated in a meeting with our key executives, in which the expectations for the automotive sector and the Company's future strategies were discussed. Access the meeting's recording [here](#).



During the year, we also announced a new format for disclosing results, now reported in the form of the five business verticals. By doing so, we aim to show the market how we conduct our business, in a clear sign that we are prepared to maintain our fast growth, with even more focus on conducting operations, executing our strategy, and achieving sustainable growth.

In keeping with its practice of communicating projections, the Company releases its annual Guidance. In 2022, the disclosure underwent a change in its format. In addition to incorporating a new indicator (EBITDA margin), the projections are presented in a range of values and include qualitative information to explain them.



## Communities

GRI 3-3 > 413-1

Aiming to promote citizenship and social development in the communities where we operate, we have the Instituto Elisabetha Randon (IER), a Civil Society Organization of Public Interest (OSCIP) responsible for promoting the private social investment of Randoncorp. The Institute operates through programs, activities and projects that foster education, culture and social assistance, as well as support the challenges connected to the performance of the Company's businesses: education for traffic safety and vocational technical training.



### Vision

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To be a national reference in social development.

### Principles

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- > **Stakeholders**  
To fulfill the expectations of our target publics.
- > **Sustainability**  
To strive for financial, social and environmental equilibrium, as a means to perpetuate our operations.
- > **Quality in every action**  
To turn quality into our main strength.
- > **Valued and respected people**  
To respect human beings as the final recipients of everything we do.
- > **Ethics, integrity and reliability**  
To do everything according to the highest ethical standards.
- > **Image, a heritage to preserve**  
To preserve a good image is a commitment assumed by all of us.

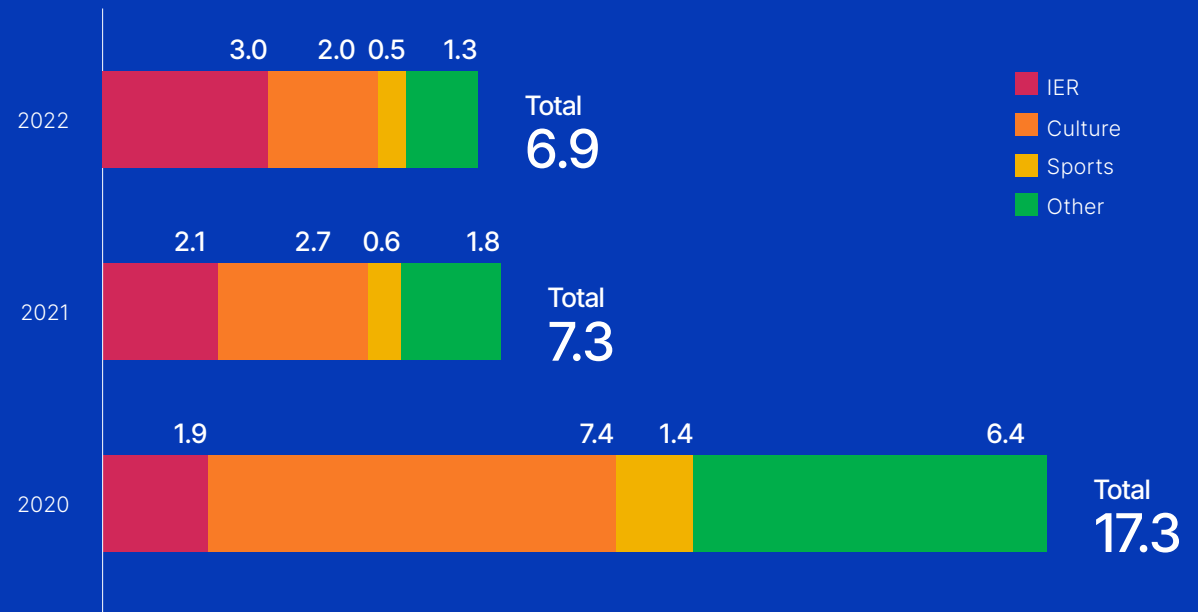
In 2022, we invested R\$3.0 million in the initiatives supported by IER, making it possible to sustain five social programs that benefited over 68 thousand people.

Since 2010, over R\$22.7 million have been allocated to IER, impacting over 750,000 people.

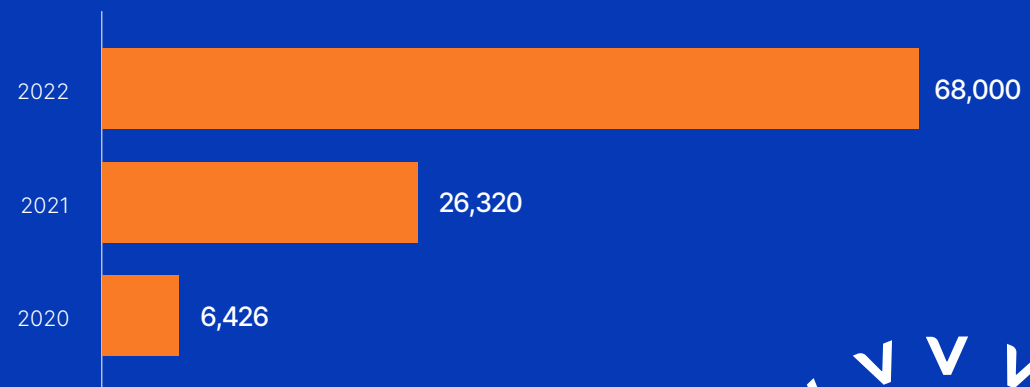
To learn more about Instituto Elisabetha Randon, access the website: <https://ier.randon.com.br>

Every year, the IER publishes its Activity Report, which covers the main supported activities, their results and impacts, and the financial statement for the period.

## Social investment (in R\$ million)



## Benefited people





## 20 years of the Florescer (“blooming”) Program

Created in 2002, the Florescer Program, an IER program, is a Coexistence and Bond Strengthening Service (SCFV) whose mission is to invest in children and teenagers in socially vulnerable situations, to enable them to take on citizenship and improve their quality of life, through pedagogical, cultural, and sports activities, and education for life.

Since its creation, the program has provided over 17,000 services to children and adolescents aged 6 to 15. To celebrate the Program's 20th anniversary, we have produced a video telling the story of the people impacted by the initiative, available at the link.

In 2022, we opened a new center of the Program in Joinville (SC), located next to Escola Municipal Evaldo Koehler, in partnership with Fremax and the City Hall. We also have two Florescer Homes, located next to Randoncorp's industrial parks in Caxias do Sul (RS), in addition to social franchises in cities of Rio Grande do Sul and Paraná.

After finishing their training in the Florescer Program, the youngsters who are interested in continuing in our programs can join the Florescer Program for Professional Initiation, a partnership between IER and the National Service for Industrial Learning (SENAI). In this stage, the teenagers participated in a technical-vocational course on Industrial Processes in Logistics, aiming for a better insertion in the job market.



**Children assisted**  
by the Florescer Joinville.

In 2022, the Florescer program served 1,188 children, with 376 services provided in the centers in Caxias do Sul and Joinville, and another 812 services provided in the social franchises located in Bento Gonçalves/RS, Erechim/RS, Maringá/PR, and Vacaria/RS.

The Florescer Professional Initiation program served and trained 64 adolescents for employability. Since the program's inception in 2004, the Florescer Professional Initiation program has trained 1,064 youngsters.

Activities offered by the Florescer Program:

- Awareness for life;
- Support for schooling;
- Basic notions of technology and information;
- Basic notions of the english language;
- Robotics;
- Sports and culture;
- Instrumental music and choral singing, through a partnership with the mais música project.



## Vida Sempre (“Life Always”) Program

As a transportation corporation, we are concerned with generating value for society by encouraging defensive driving and safe behavior in traffic, contributing to reducing the number of accidents.

Created in 2010, the Vida Sempre Program, by Elisabetha Randon Institute, is designed to educate drivers and pedestrians for safer and more appropriate behavior in traffic, by means of lectures, theatrical presentations, tips in the media, and printed material.

The program is structured on three fronts:

- Traveling theater, with Teatro Vida Sempre, which has a repertoire of four sketches offered and performed for free in the southern states of Brazil.
- Laço Amarelo (The Yellow Ribbon), a program in partnership with the National Road Safety Observatory (NRSO), which offers informative/educational materials and videos on good behavior in traffic to entities certified with the Laço Amarelo seal, such as Instituto Elisabetha Randon, which, in turn, makes the material available to Randoncorp employees.



- Course on Fuel-Efficient and Safe Driving for truck drivers from transport companies that are partners of Randon Implementos.

In 2022, the Vida Sempre program had an impact on some 65,000 people, among viewers of the Vida Sempre Theater and participants of the Fuel-Efficient and Safe Driving.

There were 186 free performances of the Vida Sempre Theater in 16 cities in Rio Grande do Sul, Santa Catarina and Paraná.

## Randon Memorial

The history of Randoncorp is directly related to the history of cargo transportation in Brazil and to the economic development of the Caxias do Sul (RS) region. The Randon Memorial, maintained by IER, is designed to preserve and disseminate this history by keeping a collection with over 57,000 historical documents related to the companies that are part of the Company.

Its physical space is still under construction and will feature research rooms, video library, auditorium, coffee shop/bistro, gift store, and exhibition space.

## SER VOLUNTÁRIO (“BEING A VOLUNTEER”)

To stimulate our employees' volunteerism in favor of actions in the communities, the Instituto Elisabetha Randon created, in 2005, the Ser Voluntário (Being a Volunteer), our volunteer program. Through it, volunteers donate their time to provide renovation and janitorial services in public schools in Caxias do Sul (RS), partners of the Florescer program, in addition to working in other social entities, by organizing lectures and events, among other activities.

Apart from generating value for the communities, the initiatives have a positive impact on the employees themselves, who awaken new skills and personal competencies, in addition to the feeling that, with small actions, it is possible to work for a better world.

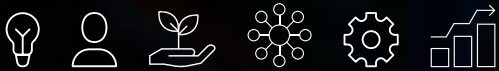
The actions of the Being a Volunteer in 2022 program impacted about a thousand people who live in the Euzébio Beltrão de Queiroz neighborhood, in Caxias do Sul.



Chapter 5

# Excellence and safety as a value

> CHAPTERS:



Vagner Jonas Schindwein  
Shipper

# Occupational Health and Safety

GRI 3-3 › 403-9 › 403-10 › RT-IG-320a.1

Safety is a non-negotiable value to Randoncorp, which must be prioritized in the care provided to employees in all our operations.

That is why our Occupational Health and Safety (OHS) Management is conducted in an integrated manner, is part of the Company's Management System (learn more on page 81), and is based on our Health, Safety and Environment Policy (HSE). The document establishes the guidelines to ensure a safe and healthy work environment, preventing undesirable occurrences.

Aimed at achieving excellence in health and safety, the document describes four guidelines to manage the theme:

## Our HSMA Guidelines



**Quality of  
life**



**Legal  
compliance**



**Prevention  
culture**



**New  
technologies**

Among the conditions laid down as essential for our management of this theme are the commitment of the leadership and compliance with the standards established by international certifications. Accordingly, the management systems of the companies Frasle Mobility, Suspensys, Master, Jurid do Brasil, Castertech (Headquarters), Suspensys, Randon (unit in Caxias do Sul) and CTR have received the ISO 45.001 certification, focused on Occupational Health and Safety.

In total, we invested **R\$28 million in health and safety** during the year.

Coupling the investments made, focused on minimizing risks, with the culture of prevention initiatives, we have made significant progress in reducing serious accidents in the companies. We recorded, in 2022, a serious injury rate of 0.11, with an LTIR (lost day accident rate) of 2.5 and LTIFR (lost time accident frequency rate) of 12.7. As for occupational diseases, we recorded a 0.79 rate and zero fatalities in the year (see all of our work-related injury indicators on page 78).

### Commitment:

Zero serious accidents in our operations.

### Result:

0.11 serious accident rate.

[Learn more on page 30.](#)



## Prevention Culture

To reinforce among our employees the commitment to best practices in occupational health and safety and spread a culture focused on prevention and safe behavior, we maintain and continuously strengthen, since 2018, Uma Atitude Muda Uma Vida ("An Attitude Changes a Life") Program, which is based on five attitudes. Each year, projects and actions that strengthen and reinforce these attitudes are defined. In 2022, the Occupational Accident Prevention Week had as its motto "The commitment starts with me".

Uma atitude  
muda uma  
**VIDA**

### Health and well-being

- › Pharmacy (Fras-Ie)
- › Partnerships
- › Parental leave
- › Breastfeeding Space
- › Day Care Aid
- › Maternal Aid
- › Home Office Aid



## 5 safety attitudes



**ACCEPT**  
the commitment.



**CARE**  
for myself, for  
each other, and  
for the whole.



**STOP**  
the activity in  
case of risk.



**REPORT**  
any non-  
compliant  
situation.



**VALUE**  
safety above all.

## Health & Safety risk management

GRI 403-2

Aimed at minimizing health and safety risks in our operations, the Health, Safety and Environment (HSE) department, in conjunction with leaders and other employees, carries out work focused on surveying the main hazards in our work environment. The result is shared with the rest of the team so that everyone may work on safer alternatives for the operation, as well as follow preventive and control measures.

Since 2020, as part of our strategy to zero serious accidents, we have identified and classified the so-called critical risks in each of our units. In addition, we monitor and manage critical risks through indicators that consider all accidents and incidents in this category: the Frequency Rate of SIFs (Serious Injuries and Fatalities) and PSIFs (Potential Serious Injuries and Fatalities). Both are reported regularly and followed up by the CEO and Managing Directors at the HSE meeting.

A multidisciplinary team investigates these occurrences, with the goal of identifying their causes, eliminating risks and sending alerts with information about the occurrence to everyone in the unit. In the case of critical occurrences, we rely on the lesson learned, a document prepared by a unit representative detailing the occurrence, root cause, and correction actions, shared with all units with the purpose of providing coverage so that everyone can take action to prevent similar situations from happening.

In case of new acquisitions, we conduct a risk assessment during the due diligence process and establish an action plan, which may extend for up to two years, aimed at minimizing risks considered critical.

In 2022, as part of the strategy to minimize critical risks, we identified the opportunity to increase the synergy among units that present similar risks, expediting the search for and implementation of solutions. Therefore, we created seven Thematic Groups, each group focusing on a critical risk, composed and led by industrial managers, supported by the occupational safety technical team.

The thematic groups meet monthly and work based on the results of the monthly indicators and on the lessons learned. Their work progress is reported to the Executive Committee on a regular basis.

### Reporting Risk Situations

Following the **ATTITUDE – Report any non-compliant situation**, we encourage employees and service providers to report occurrences, risk situations and suggestions for improvements in our reporting channels, such as the Randon App, and the Ethics Channel, with guaranteed confidentiality and anonymity. These occurrences are addressed to the responsible areas for evaluation, analyzed, when relevant, in the units' performance meetings and implemented if necessary.

In addition, all workers and contractors are instructed to follow the **ATTITUDE – Stop the activity in case of risk**, reporting the identified situation to the immediate manager.



## Health Services

GRI 403-3 › 403-6 › 403-7

Our employees may rely on health centers strategically located in the units and with a health plan operator of its own: SSI Health.

Through it, our team has access to a service center with local service, which offers clinical, emergency, and urgent care services, social assistance, dental and psychological care, test collection, audiometry, and nursing care.

Beneficiaries have guaranteed access to all health-related specialties, through a network of over 723 service providers, meeting all the requirements established by the National Supplementary Health Agency (ANS).

The SSI Saúde has an administrative headquarters and a service center for the beneficiaries, directing the Accredited Network according to medical specialties that support users' care.

For companies that do not have these internal resources, we make these services available through accredited services that serve in the city where the company is located.

We have a computer-based system to maintain the confidentiality of personal information related to the health of our employees, in addition to medical confidentiality. The guidelines of Randon ID ensure that the information related to the workers' health, as well as their participation in health services and programs, is not misused.



Furthermore, we offer a series of programs and initiatives aimed at employee health and prevention:

INITIATIVE	OBJECTIVE
Quality of Life	To promote the integrated management of health actions, making available the necessary tools and resources so that the workers may invest further in their health and well-being in the physical, emotional, social, and financial aspects
Psychological counseling	Individualized care for emotional needs and referral of critical situations for adequate treatment
Lectures & Workshops	Raising workers' awareness through specific activities to strengthen mental health

## Participation and engagement

GRI 403-4

In an effort to stimulate preventive attitudes and health and safety procedures, we maintain participative processes and consultations with employees and service providers through meetings, gatherings, and communication channels:

- > **Dialogues on HSE:** meetings held at least twice a week, to provide guidance and collect reports of occurrences in OSH.
- > **IAPC (Internal Accident Prevention Commission):** meetings that bring together employees, managers, and service providers to discuss the risk conditions in the workplace and pursue prevention measures.
- > **Monthly Performance Meetings:** monthly management meeting with the HSE team of each unit, to analyze indicators and report occurrences in the period.
- > **HSE meetings:** periodic meetings with the CEO and superintendent directors to monitor HSE indicators, performance evaluation and revalidation of adopted strategies.
- > **Relationship channels:** tools such as the Randon App and Corporate WhatsApp designed to listen and collect information that help us advance our preventive culture.

## Health and Safety Training and capacity building

GRI 403-5

Aiming to reinforce our guidelines among employees, we have a strong physical structure, technology and people for training and qualification in Occupational Health and Safety, available for training and recycling.

### Physical Structure & Technology

- > **HSE Excellence Center:** a space available to all Randoncorp, that offers special technologies applicable to training, workshops and events.
- > **Distance Training:** an online platform that provides training focused on Regulatory Standards and other relevant subjects in Health & Safety.
- > **Board and Card Games:** a playful activity aimed at improving risk perception and supporting our team's capacity building.

### Training sessions

We manage training through the education team, with follow-up at the units' monthly HSE performance meetings. For service providers, control is carried out via the Supplier Portal. If the certificate expires, the service provider is unable to access the company until a new certificate is issued.

**Specific trainings:** we offer a range of trainings to manage specific work-related risks and prevent occurrences and incidents, such as:

- > Safety onboarding for new employees;
- > Training regarding the Ergonomics Program;
- > Training regarding the Hearing Conservation Program;
- > Training regarding the Respiratory Protection Program;
- > NR 05 - CIPA;
- > NR 10 - Safety in installations and services in electricity;
- > NR 11 - Safety in the operation of industrial handling equipment;
- > NR 12 - Safety in machinery and equipment;
- > NR 20 - Safety and Health at Work with Flammables and Fuels;
- > NR 23 - Emergency Brigade;
- > NR 32 - Safety and health at work in health services;
- > NR 33 - Confined space;
- > NR 35 - Working at height;
- > ISO 45001 - Occupational health and safety management system.



# Product safety and excellence

GRI 3-3

Ensuring the quality and safety of our products is crucial to the Company's sustainability. Therefore, in addition to generating value for customers and consumers, we strengthen our brands and ensure the financial returns necessary for business continuity.

To this end, all our companies have a Management System (SG) that includes the Quality, Environment, Occupational Health and Safety and Laboratory Competence Systems. We also have tools to control and manage the processes, to verify the success of our actions and to seek continuous improvement.

To meet the legal and technical requirements and regulatory norms, our processes use a number of methodologies and standards, such as:

- Advanced Product Quality Planning (APQP).
- Failure Mode and Effect Analysis (FMEA).
- Continuous improvement programs to solve problems, such as 8D.
- Analysis and Trouble-shooting Methodology (MASP).
- Lean Six Sigma Program.

In order to guarantee to our customers the quality of our processes and products, our units have conquered throughout our history a series of certifications for quality, environmental, and health and safety management systems, among others.



In this direction, in 2022, Castertech Indaiatuba won the ISO 9001:2015 international certification, focusing on the Quality Management System. To achieve this, the unit went through a structured improvement process, which included mapping the organization's processes, assessing risks and opportunities, defining roles and responsibilities, preparing operational documentation and implementing indicators. In the same period, Randon Technological Center (CTR)

obtained, for its two acoustic measurement tracks, the ISO 10844:2014, which endorses the essential requirements for acoustic test tracks.

We also have technical certifications, which certify us as suppliers of quality materials for the automotive industry, both in Brazil and in other countries where we operate.

## Our main certifications

<b>ISO 9001</b> Quality management system	<b>ISO 14001</b> Environmental management system	<b>IATF 16949</b> Quality management system in the automotive industry
<b>ISO 45001</b> Occupational Health and Safety Management system	<b>OHSAS 18001</b> Occupational Health and Safety Management system	<b>ISO 17025</b> Requirements for testing and calibration laboratories

## Process innovation

GRI 403-4

To ensure the quality, safety and performance of our processes and products, we work on several innovation fronts:



**R&D:** in our units, we have structures dedicated to product innovation, focused on delivering solutions to customers with higher quality, safety, and lower environmental impact (learn more on page 89).



**Innovation in processes:** we have a specialized unit, Auttom, which focuses on industrial transformation, aiming at gains in automation, productivity, and performance (page 88).



**New products and solutions:** in partnership with Instituto Hercílio Randon, Randon Technological Center and Conexo, our companies are working towards the launch of solutions with greater strength and quality, ergonomic gains and less environmental impact (page 87).

## Our Certifications by unit

<b>Motion Control</b>	Frasle Mobility Fras-le EUA Jurid Fremax Controil Fras-le China	ISO9001 - IATF16949 - ISO14001 - ISO45001 - ISO/IEC17025 ISO9001 - IATF16949 - ISO14001 ISO9001 - IATF16949 - ISO14001 - ISO45001 ISO9001 - IATF16949 - ISO14001 ISO9001 - IATF16949
<b>Auto Parts</b>	Castertech Matriz Castertech Usinagem Castertech Indaiatuba Suspensys Caxias Suspensys Resende Master Mastertech Master Flores da Cunha JOST	ISO9001 - IATF16949 - ISO14001 - ISO45001 ISO9001 - IATF16949 ISO9001 ISO9001 - IATF16949 - ISO14001 - ISO45001 ISO9001 - IATF16949 ISO9001 - IATF16949 - ISO14001 - ISO45001 ISO9001 - IATF16949 - ISO14001 - ISO45001 ISO9001 - IATF16949 - ISO14001 - ISO45001
<b>Trailer</b>	Implementos Caxias Implementos Araraquara Implementos Chapecó	ISO9001 - ISO14001 - ISO45001 ISO9001 ISO9001
<b>Advanced Technology</b>	CTR	ISO/IEC 17025 - ISO45001



# Information security & privacy

GRI 3-3

At Randoncorp, we build lasting relationships with our stakeholders based on **transparency and trust.**

Therefore, we take special care with the security of personal data and the privacy of our employees, customers and suppliers.

This concern becomes even more important with the digitalization of our business and of the market itself, as well as the General Data Protection Law (LGPD) in Brazil. To regulate our performance in this theme, our Privacy Policy establishes the guidelines for the collection, use, storage, treatment and protection of data on our websites, platforms and internet applications.

In addition to this document, we have a series of procedures and policies that establish standards and guidelines to be followed by all employees and partners:

- Information Security Policy;
- Personal Data Privacy Policy;
- Ethical Conduct Code;
- Incident Management Control Procedure;
- Change Management Control Procedure;
- Access Management Control Procedure;
- Backup Procedure;
- Remote Work Control Procedure;
- Cloud Services Contracting Control Procedure;
- Mobile Device Standard Procedure;
- Server Standard Procedure; and

This topic is reported regularly to the Executive Committee and to the Company's Board of Directors.

In addition, we have an entire structure dedicated to privacy governance and data protection, consisting of:

- Information Security area;
- Information Security and Privacy Committee, made up of representatives from the Compliance, Legal, Information Security, Financial Services, and Digital Business Management departments;
- Risk Management and Compliance area.

In 2022, we recorded one information security incident, which impacted an isolated system of only one unit of the Company over a 24-hour period and resulted in no material impact.

## Data Subject Portal

Users of our platforms can access the Data Subject Portal, where we explain how we collect, protect and handle their personal data. In this space, they may request the updating of their data, the deletion and withdrawal of consent, among other data subject rights.

## Protection from cyber attacks

In order to protect our systems against the threat of cyber-attacks, we perform daily monitoring of all our technological assets, including applications and databases, on all devices.

Our operation macro-structures are anchored in specialized partner companies, focused on monitoring and responding to incidents of possible cyber-threats in real time. We also use tools for hacker attack simulations in the main systems of Randoncorp, in order to find weaknesses and assess the effectiveness of defense mechanisms.

## Information security culture

At Randoncorp, in addition to investments in technology, we seek to raise awareness among our stakeholders and spread a culture of information security through the Safe Connections Program. The program includes campaigns and training through the official channels of communication and corporate education.

The choice of content offered is based on the results of tests carried out to analyze employee behavior, including social engineering campaigns. To carry out the campaigns, we prioritize the sectors that interact with the most sensitive information.

In 2022, we partnered with teams dedicated to producing awareness and dissemination pieces for all Randoncorp companies, using internal communication channels. Additionally, we hold custom-built workshops and forums that consider the content important to the target audience.

For service providers who access Randoncorp systems, we share at the Suppliers Portal the educational materials of the Safe Connections Program. In addition, our contractual clauses describe the essential requirements to ensure the treatment and protection of personal data in order to guarantee safe and responsible handling of information.





Chapter 6

# Sustainable Innovation

> CHAPTERS:



**Caroline Seben Ghidini**  
R&D Laboratory Technician

# Continuous and disruptive innovation

GRI 3-3

## Innovation Strategy and Culture

At Randoncorp, we consider it our duty to invest in disruptive and continuous innovation, generating solutions aligned to the new market challenges and consumer needs. It is through the development of new, creative, innovative and competitive technologies that we are able to add value to our brands, customers and other stakeholders.

We have a robust innovation strategy, which involves teams and companies dedicated to the topic, as well as partners such as startups, universities and companies. The strategy is in synergy with our ESG Ambition, since it is also aimed at building a more sustainable transport sector, with lower resource consumption and less pollution.

Although we have structures dedicated exclusively to the theme, the strategy is conducted transversally across all business verticals. It is currently divided into two axes:



**Randon Solar:** concept refrigerated trailer, which features solar panels and patented technology unprecedented in Latin America.

- > **Evolutive axis:** seeks to innovate in solutions that add quality, safety, and efficiency to the products, improving the performance of our customers' vehicles.
- > **Disruptive axis:** strives to create solutions that meet the new market challenges and trends.

In this context, the fact that we are a globalized company, present in several countries around the globe, is a business strong point, because it connects us to new technologies and markets. But, at the same time, we maintain a strong culture, with domestic company features, which allows a greater penetration of the innovation culture among our employees.

As a result of this strategy, we have invested **R\$131.0 million in innovation in the year.**

Over the next few chapters, we will describe some of our innovation structures and initiatives, including the specific investments made during the year.





## Robust Structure

GRI 3-3

### Randon Technology Center (CTR)

Created in 2010, the CTR is one of the largest independent technology centers in Latin America, aimed at the development and homologation of products for the mobility industry. It is the first and most complete independent testing ground for trucks, buses, passenger cars, motorcycles, road equipment, and auto parts in the country.

Located in Farroupilha, in Serra Gaucha, it serves as an engineering hub that meets the main OEM companies of light and heavy vehicles, auto parts, machines and agricultural implements. Today, 60% of the tests performed in the complex are intended for companies outside Randoncorp.

In its area of over 90 hectares, it has over 20 tracks, totaling more than 15 kilometers, in different types of paving and conditions, to carry out tests, in addition to a technical space for vehicle preparation and a structural laboratory. It also offers a wide range of added services, such as an engineering team, test drivers, and technicians for data analysis.

All tracks and laboratories are aligned with the needs foreseen in the current regulations and with the most recent discussions in the industry and worldwide. This is the case with the goals set by the Air Pollution Control Program for Motor Vehicles (Proconve), which foresees the reduction in the level of noise pollution from vehicles between 2025 and 2029. Within this scenario, the CTR has two acoustic measurement tracks already compliant with the changes in legislation and with international certification, received in 2022 (learn more on page 81).

In 2022 we built a photovoltaic plant inside the complex, with an investment of R\$7 million, adding even more sustainability to the processes of this unit (page 105).

## Auttom

Auttom is our unit for acceleration and development of automation and intelligent systems for industrial processes. It produces and markets turnkey robotic cells, machines, devices and industrial tooling, and provides technical engineering and advisory services in industrial automation, acting on four fronts:

- > **Special Machines for Core Processes:** Design and construction of special machines and devices for core processes of Randoncorp companies.
- > **Automation:** use of technological elements and machinery in industrial processes.
- > **Handling:** development of autonomous machines and equipment, which operate with no human conductor.
- > **Smart Manufacturing:** uses manufacturing integrated to information technology, with machines connected to the Internet to monitor production processes.

Currently, automated cells implemented by Auttom have increased operational efficiency in different industrial units, such as the new Ecoplate side assembly line, of the grain semi-trailer.

In 2022, we signed an intention to buy DB Server, acquiring 51% of the company's equity shares. This move, which was approved by the Administrative Council for Economic Defense (CADE) in February 2023, expedites the operation of digital businesses across the group, expanding the business of the Financial and Digital Services vertical.

## Digital Business

Created in 2019, the Digital Business area represented an important evolution for Randoncorp by bringing new work methodologies and new skills to the internal environment of a group that is over 70 years old. It is a team focused on disseminating, massifying and developing new technologies supporting Randoncorp's digital transformation, based on new work models and stimulating internal learning and collaboration.

In line with the main technological advances in the market, we seek to boost the digital transformation of Randoncorp through the laboratory for the development of Digital Products.

Currently, the area works with a focus on processes such as automation, data intelligence, and skills development in the technology arena. Among its projects, we can mention:



### Robotic Process Automation

Automates processes by eliminating repetitive or low value-added activities.



### Artificial Intelligence

Develops Artificial Intelligence (AI) algorithms for application in products, people management, logistics and financial services.



### Blockchain

Studies, tests and proof of concept for product traceability and smart contracts.



### Analytics

Data-oriented culture, joining data analysis with business strategies (data driven).



### Agile Solutions

Focus on developing (build) digital solutions to add value and acquire technology (software development) knowledge.



### Academy

People development, through internal and external professional training and qualification (in partnership with academic institutions).



## Hercilio Randon Institute

Hercílio Randon Institute (IHR) is a private non-profit association whose mission is to carry out research activities. Since 2021, it has been operating as a Science and Technology Institute, associated to Randoncorp. In 2022, the Institute reached the record of 60 patents and a portfolio of 44 research projects.

Among its activities are the development of research and disruptive technologies for products in the cargo transport sector, in line with the megatrends in the automotive industry.

The Institute is organized in three knowledge verticals: Embedded Electronics, Mobility, and Smart Materials.



**Mobility**



**Embedded electronics**



**Smart Materials**

Research is developed through partnerships with different players in innovation ecosystems, such as universities, other research institutes, startups, companies and funding agencies.

The Institute operates through long-term technological partnerships, taking advantage of existing research know-how and infrastructure, as in the case of the Randon Technological Center (CTR). It has a multidisciplinary team, with researchers from different regions of Brazil and incorporates lean startup methodologies for the development of its research.

## Research, Development and Innovation (RD&I)

GRI 3-3 > RAND1

In 2022, we invested R\$131.0 million in Research, Development and Innovation (RD&I), finalized 30 projects, registered 64 patents. Since this year, we have started to calculate the impact of RD&I on our revenue by considering all Randoncorp companies in Brazil, whereas before we considered only the OEM Vertical. This way, we are able to analyze, in a more comprehensive way, the strategy and corporate pattern of our investments in research, development and innovation.

Get to know, as follows, the main highlights in products, processes, and services.

### Innovation in Products

**New R Modular Line:** reinforcing the pillars of modularity and sustainability, the new modular platform configurations promise to transform the cargo transportation concept. The structure is joined by structural rivets, reducing the use of welding by about 70%. Lighter, the platform increases the load capacity and reduces fuel consumption and maintenance.

**Randon Smart:** proprietary platform with telemetry and sensing systems that generate data to control and manage the road implement (learn more on page 93).

**Randon Solar:** concept refrigerated semi-trailer, which has solar panels and patented technology unprecedented in Latin America for the control and management of energy.



**E-Sys:** technical delivery and commercialization of the Hybrid R, a semi-trailer equipped with the e-Sys, an electric auxiliary traction axle that provides fuel savings and lower component wear (learn more on page 92).

**Products with niobium nanoparticles (long life):** Castertech's hubs and drums and spider (component of the brake system) of Master are now using a technology that incorporates nanometric niobium to the cast iron, promoting the improvement of mechanical properties, weight reduction, durability increase, and resistance of the components (learn more on page 94).

## Innovation in Processes

GRI 3-3

**Berlim project:** cell divided into four workstations, aiming at the safe and productive manufacturing of Master brake components, by means of a traceability system that allows to follow the manufacturing progress in real time, thus ensuring product quality.

**Buslink project:** cell with a welding robot and an automated assembly system for JOST Buslink, along with a product traceability system in all processes (welding and assembly), with information saved in the cloud for real-time follow-up.

**Elsa project:** retrofitting of the Elsa brake assembly cell, segmenting operations into workstations, in order to meet Master brake assembly quality and ergonomic requirements. At the same time, a product traceability system was implemented and the cell's productivity increased, by increasing equipment reliability.

**Solda do para-choque project:** Productivity improvement and gains in the bumper column welding process at Randon, through a welding robot, in order to ensure product quality and reduce ergonomic risks to employees.

**Smart Composites:** automated cell with four loading and unloading and handling robots for the manufacture of Randon's Ecoplate III panels, with greater approval in product quality, better ergonomics for employees and increased productivity.



## Innovation in Services

GRI 3-3

**Business expansion:** we have structured the new Randoncorp joint venture in partnership with Gerdau Next and launched the brand Addiante. With the purpose of boosting business for the future of mobility, the new company will operate, initially, with vehicle rental services.

**Consortium Laboratory:** Workshop with representatives of the sales network to share ideas and good practices, aiming at constant improvement in the partnership between the administrator and dealers. The laboratory unfolded into a number of strategies and actions, in order to enhance the results and broaden the sales force's portfolio.

**Matriciality:** Architecture redesign project to prepare the Financial and Digital Services Vertical for future challenges, respecting the knowledge acquired over the years and leveraging the business through existing synergies. The reinforcement of the areas is aligned with the market's evolution and the need for a structure that can support both physical and digital growth. To this end, the matrix model was used, where the professional broadens his view to a delivery performance for the different businesses, making the deliveries made in each action increasingly impactful and comprehensive.

**Digital Bank & Account App:** the APP of Randon Bank Digital Account was launched in May 2022 for employees of the Financial Services Vertical in a test mode. In November 2022, the Pix feature was launched, which improved the portfolio of already existing solutions, such as payment of bills, transfer between accounts and payment account. The forecast is that in 2023 the platform will be available to employees from other verticals and to the entire market in the app stores.

**Digital consortium:** Sale of consortium services (credit for renovations, parties, travel, medical and aesthetic procedures, studies, among others) that begins and ends in a digital environment. The implementation of the service allowed us to promote fluidity in the sales processes and meet the needs of the consumer who is prone to make online purchases. The digital consortium has enabled the creation of the Yeah Brand that constantly challenges the teams involved to create and relate in a new environment.



# Sustainable Mobility

GRI 3-3 › RAND3

At Randoncorp, we know that our progress in the main ESG guidelines of the sector is directly related to our ability to innovate, especially when it comes to fighting climate change. Building the future, today, means developing less polluting technological solutions that will translate into gains for customers, society and the environment.

Because it is the main logistic and passenger transport mode in the world and it is still dependent on the consumption of fossil fuels, the land transport sector is currently the second largest emitter of greenhouse gases, second only to the electrical sector.

Within the different transport segments, road transport accounts for 74% of emissions. It is precisely in this sector that we have a predominant performance, and we can offer products and technological solutions to help reduce emissions.

That is why we are committed to investing in sustainable mobility, seeking alternatives to build a transportation system that does not cause impacts to human health and to ecosystems, while still meeting the population's transportation needs.

In line with the most recent transformations in our industry, we work on sustainable mobility with a focus on the industry's main trends, described in the following chapters.

<sup>1</sup> Report on Transport and Climate Change Global Status Report (TCC).



# Electrification



TREND 1  
**MOBILITY OF ELECTRIFICATION**

Initiatives related to new propulsion concepts (with focus on electric traction), in addition to new concepts and modes of mobility for people and goods.

One of the major sustainability trends in the automotive industry is transportation electrification. Based on the search for new forms of vehicle propulsion, powered by electricity, the intention is to reduce the consumption of fossil fuels, which have a greater potential for pollution and greenhouse gas emissions.

We understand that we can operate in this scenario by developing solutions focused on propulsion and cargo mobility. We already have a product that has been tested, approved and launched in the market with these characteristics: the e-Sys, which has already started to be commercialized in 2022. This is an auxiliary electric traction system with an innovative and disruptive profile, produced exclusively by Suspensys for the cargo transportation market.

The e-Sys is an electromechanical set that aims to solve one of the main challenges for the electrification of heavy vehicles, which is the time required to load the vehicle and the lack of infrastructure on the highways



to do so. Using an intelligent algorithm, the solution causes the engine itself to work also as an energy generator.

Consisting of an electric engine coupled to an auxiliary drive shaft, a frequency inverter, a battery pack, and an electronic control unit (ECU), the technology stores the energy generated during braking and downhill driving, in order to apply it during uphill driving.

Depending on the application, the highway conditions, and the type of cargo carried, the system offers fuel savings of up to 20%, reducing greenhouse gas emissions and providing, also, less wear and tear on the components.

Equipped with technologies developed exclusively by the company and registered in global invention patents, it is the result of a joint development work between Suspensys, Randon Technological Center (CTR) and Hercílio Randon Institute (IHR).

In the first half of 2022, the technology was tested in Randon semi-trailers models at Randon Technological Center (CTR). With the success of these tests, the solution has reached the market as part of the Hybrid R line of semi-trailers and is even being exported.

In line with this initiative, in the second quarter of the year, the National Transit Council (Contran) authorized the free circulation of road trailers with electric auxiliary axles. Randoncorp was involved in the creation of the Resolution.

**Innovation and R&D projects on sustainable mobility trends**

**ELECTRIFICATION MOBILITY**

2020	2021	2022
4	5	7



## Embedded Electronics



### TREND 2

#### EMBEDDED ELECTRONICS

Development of solutions with complex electronic systems for vehicles.

From the introduction of complex electronic systems, composed of microprocessors and dedicated software, we develop solutions that extend our products' features.

In 2022, we had some important launches in line with this trend:

**Randon Smart:** platform installed in the Randon New R line (learn more on page 89), with telemetry and sensing systems that provide data for tracking and managing the semi-trailer fleet, with more savings and safety in the operation.

With the technology, it is possible to monitor the semi-trailer in real time, with location sharing, mileage controls, onboard scales for weight control, and georeferencing to delimit zones of interest between loading and unloading points. By obtaining detailed reports from the platform, the fleet manager can optimize the trip planning, taking advantage of the best performance.



**Brake Linings Wear Control:** Master used on-board electronics to enhance safety in transportation. Through a brake lining wear control system installed on the S-axle of the brakes, it is possible to measure the wear of linings through sensing. The technology allows connectivity with other systems and vehicle data, improving maintenance control and increasing the vehicle's availability.

**Sensors:** JOST Brazil used the technology of embedded electronics in coupling sensors, automated opening (air release) and integrated camera (king pin finder).

#### Innovation and R&D projects on sustainable mobility trends

##### EMBEDDED ELECTRONICS

2020	2021	2022
3	10	10

## Smart Materials



### TRED 3 SMART MATERIALS

Development of alternative solutions to the use of materials (essentially steel) in vehicular applications, with a focus on reducing weight and increasing efficiency.

To replace the use of essential materials in our production with items that have new, lighter, and more efficient properties, we have invested in the discovery of smart materials.

In this sense, since 2021, Frasle Mobility has marketed a line of products in composite materials which enable the development of lighter and more efficient products. One example is the use of this technology in fender supports, which has generated a reduction of up to 65% in their weight. This line was called Fras-le Smart Composites until the end of 2022. As of 2023, the brand went through an evolution and became COMPOSS.

The result is a better performing and more sustainable product, since lighter vehicles burn less fuel and, consequently, emit fewer pollutants.

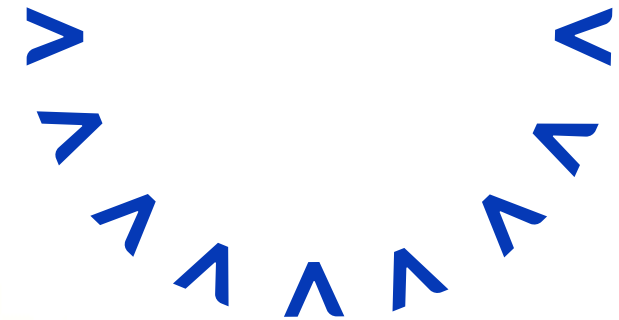


The technology integrates several new product launches and new product settings, such as the taillight support and the fender support for heavy vehicles, trucks, buses, and light SUVs.

### Innovation and R&D projects on sustainable mobility trends

#### SMART MATERIALS

2020	2021	2022
9	24	25



## NIONE

NIONE is a business unit focused on the development of nanotechnology, at the frontier of what is most cutting-edge in the intersection between sustainability and innovation.

Its very existence is the result of our investments in cutting-edge science, since the technology exploited arose from studies conducted by Randon Technological Center (CTR) and by Hercílio Randon Institute (IHR), which have discovered how to produce niobium nanoparticles on a large scale.

With a globally required patent, the innovation has multiple applications, which can enhance the physical-chemical properties of materials used in industry, bringing out their best versions, more efficient and with unique features.

With a team of highly trained researchers and engineers and a modern manufacturing unit, NIONE develops, produces and markets solutions for various industrial segments, not limited only to the automotive industry.

At the close of 2021, in partnership with WEG Tintas, the unit's first product was launched: a premix with niobium oxide nanoparticles, which serves as a base for application in WEG's protective coatings. The technology was applied in Fremax`s brake discs, a subsidiary of Frasle Mobility, in search of greater protection against corrosion.

In 2022, Castertech Fundação e Tecnologia launched a concept line of hubs and drums, the N-Series Materials, which uses nanotechnology in the formulation of the products, promoting improvement in mechanical properties, weight reduction, and increased lifetime and strength of the components.

Master Sistemas Automotivos has launched a brake spider developed with niobium particles. The structural change reduced the product's weight by about 20%, increasing its resistance and lifespan.

NIONE ended the year with 61 ongoing projects, developed in partnership with large companies, in 17 sectors, ranging from cast alloys to the cosmetics industry. Of these initiatives, 32 are in TRL 5<sup>2</sup>.

<sup>2</sup> TRL 5: Technological Readiness Level. Validation of component and/or test board in relevant environment.



## Environmental benefits of nanotechnology produced by the NIONE



### Energy Efficiency

Increases the life cycle of electric vehicle batteries, contributing towards technology availability.



### Resistance

Improves the mechanical resistance of materials and reduces mass, thus lowering the consumption of raw materials and energy.



### Lightness

Makes it possible to build lighter vehicles, reducing fuel consumption and increasing load capacity.



### Durability

Extends the durability of components, positively impacting the entire production chain, right up to disposal.



### Anti-corrosion barrier

Significantly improves corrosion resistance, increasing durability while reducing the application layer and drying time.

# Collaboration & Innovation

GRI 3-3

We know that if we want to innovate and positively impact the world, we cannot rely solely on our own efforts. For this reason, we have developed a number of initiatives to act in tandem with researchers, startups, universities, employees, and other partners, creating a true innovation ecosystem.



## Conexo Estructure



### Physical space

Located in Caxias do Sul (RS), with space for events, training, coworking, meeting rooms, experimental technologies, and parking.



### Digital space

Online platform intended to stimulate the exchange of knowledge among people with common talents and interests, as well as to connect companies with projects and startups. It can be accessed through the link: [hub.conexo.io](https://hub.conexo.io).



### C-ROOM

Virtual reality environment developed in partnership with DB for immersive experiences, providing participants with technological and emotional experiences.

Conexo is an innovation platform that generates connections and brings partner companies closer to entrepreneurs, startups, universities, the community and the entire innovation ecosystem. It operates from diagnosis to the development of a culture of innovation to deliver real results.

Conexo serves the companies that are part of Randoncorp, from the metal-mechanic and furniture industries to agribusiness, health and welfare, and financial services. The platform drives innovation throughout the ecosystem through a range of services, divided into three pillars:

### Ecosystem positioning

- » Coworking
- » Space rental
- » Activation of support and sponsorship

### Innovation culture

- » Culture Diagnosis
- » Human and organizational development
- » Events

### Innovation

- » Programs, co-creation and mentoring
- » Structuring and governance of innovation environments
- » Projects





## Start

The Start Program has the purpose of stimulating intrapreneurship, exploring problems and opportunities of low complexity in companies, validating hypotheses and prototyping solutions. At the end of the seven-week program, participants have a solution project for the problem mapped out.

In 2022, we had 41 participants from 13 different companies, who presented 19 projects (12 fully approved and 7 partially approved).

## Challenge

The Challenge aims to connect Conexo's partner companies with startups, educational institutions, research centers, and entrepreneurs who help solve their low and medium complexity challenges.

In 2022, we had 21 challenges as part of the Program, with 20 participants and 214 startups/IES registered. There were 45 applications approved for Demoday, with 14 proofs of concept approved and 9 still under evaluation. Among the participating companies, we can mention: Suspensys, Castertech, Master, Holding, Randon Consórcios, Randon, TI&CSC, Jost, Frasle Mobility, Sicredi Pioneira and Conexo itself.

## ExO

The ExO Program aims to speed up the participants' hard and soft skills, using active learning methodologies, with the objective of developing and modeling strategic projects of high and medium complexity for the participating companies.

This year we had 22 participants from 14 different companies. As a result, 95% of the positive behavior indicators grew in comparison to the beginning of the Program, and 89% of the negative indicators decreased.

## Mapping the innovation ecosystem of serra gaúcha

With the objective of strengthening the connection between people and institutions to exchange experiences, partnerships and business, in 2022, Conexo developed the first edition of the Mapping of the Ecosystem of Serra Gaúcha. The document, which was published in December, identifies and highlights the players responsible for the development of innovative projects in the region.

It mapped 50 startups, 9 companies with innovation cases, 4 educational institutions, 6 innovation agents, 3 innovation incentive laws, 24 innovation spaces, and 18 events focused on innovative culture.

[Find out more here.](#)



## Helice Institute

The Hélice Institute is aimed at creating a collaborative innovation ecosystem in Serra Gaucha through the connection between companies and mature startups. Currently, the organization is supported by Randoncorp and four other companies in Serra Gaucha.

The Institute promotes open innovation through dialogues, exchanges, challenges, diagnostics and training, helping its members find innovative solutions to the challenges of their business.

Learn more about the Hélice Institute at the website: <https://helice.network>

**RANDON**

## VENTURES

### Randon Ventures

GRI 3-3 · RAND2

Randon Ventures is an initiative of Randoncorp aimed at investing in start-ups with ready-made products and a dedicated team. The goal is to support innovative projects in the market that are in synergy with our business.

#### Invested segments



**Fintechs**  
Access to credit



**Insurtechs**  
Digitalization and distribution of insurance



**Autotechs**  
Electric mobility and automotive technologies



**Logtechs**  
Complementing the portfolio



**Indústria 4.0**  
Smart manufacturing



**Deeptechs**  
Complex, high-impact technologies

By being invested by Randon Ventures, startups have the confidence and trust of a solid company in the domestic and international markets, in addition to receiving mentoring and training from top executives of Randoncorp and having access to environments to test and develop pilot projects.

Apart from the investments made, in 2022 we consolidated some synergies between the startups invested in previous years and Randoncorp companies. Some important examples are Randon Smart (learn more on page XX) and new financial solutions offered via Randon Bank, such as advancing receivables and the post-paid freight product, which were developed jointly with the companies Motorista PX, Trugghub and Delta Global.

See next the startups invested by Randon Ventures in 2022 and their innovative solutions for the logistics and transport sector.

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## Money Money Invest

Randon Ventures has led an investment round of R\$7 million in fintech Money Money Invest, a platform that connects investors willing to lend money to small and medium entrepreneurs seeking credit.

Through the model known as P2P lending, the startup offers loans to small and medium-sized businesses with more attractive conditions than those offered by traditional financial institutions, using an online platform that simplifies and makes access to credit more accessible.

Founded in 2019, Money Money Invest has already lent more than R\$50 million to about 820 small and medium-sized companies. For Randoncorp, the partnership with the startup acts as a tool to accelerate the processes carried out by the Financial Services and Digital business units.

To learn more about the startups invested in previous years, access the 2021 Sustainability Report at [here](#).

## Sirros IoT

Sirros IoT is a startup specializing in solutions for Industry 4.0, marketing IoT devices with secure, cloud-based connectivity and real-time control to help with decision making, productivity and efficiency for other businesses.

Founded in 2016, in Rio Grande do Sul, Sirros IoT is present in eight Brazilian states and works with 25 of the largest companies in the country. At Randoncorp, the startup is already working on more than 18 Industry 4.0 projects.

Randon Ventures led a round of investments in the startup, amounting to R\$5.2 million. The investment was made with the participation of ArcelorMittal, through Açolab Ventures, and the national angel investment association BR Angels Smart Network. With the funds, the startup intends to optimize the cloud IoT Platform and scale the service to industrial plants.

## Gerdau Next Ventures

In 2022 we entered into a partnership to participate in the 3rd acceleration batch of Gerdau Next Ventures, the new business division of the Gerdau Company. The program aimed to seek innovative solutions and business opportunities in the logistics and supply chain sector.

In all, 325 businesses were mapped, 211 enrolled in the program, and 68 interviews were conducted with the entrepreneurs. Five startups were selected to benefit from acceleration and mentoring until March 2023.



## Chapter 7

# Commitment to the environment

> CHAPTERS:



Taise Gotardo  
Corporate HSE



# Environmental management

GRI 3-3

At Randoncorp, we recognize the relevance of pursuing a sustainable business growth, attentive to the limited resources of the environment and to the environmental impacts of our products and operations.

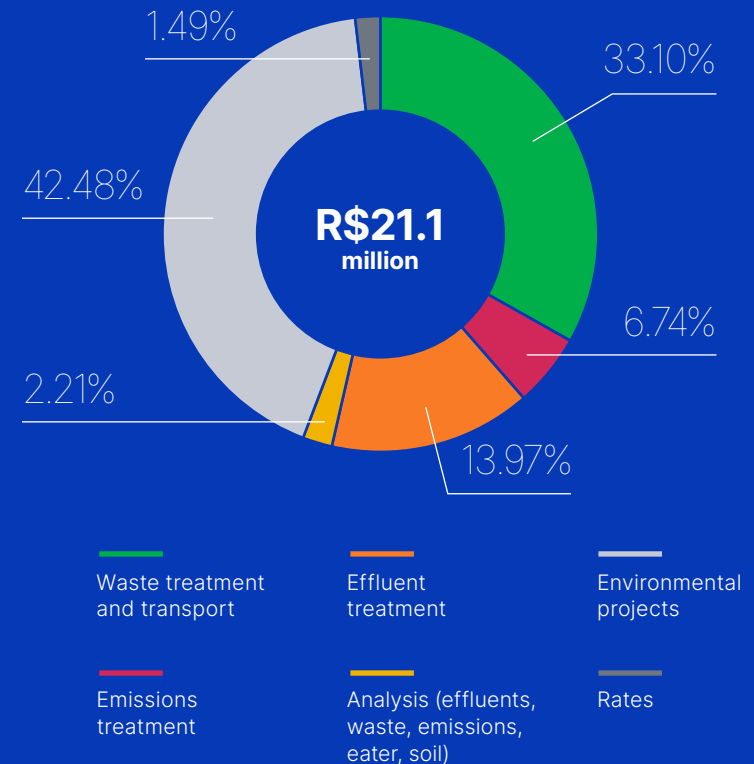
This is the only way to fulfill our purpose of **connecting people and riches, generating real prosperity** that is sustained in the long term.

To this end, we rely on an integrated Management System that precisely monitors our environmental performance in aspects such as waste generation, energy and water consumption. The management of this issue is governed by the Health, Safety and Environment Policy, which establishes as vital elements the commitment of senior management and compliance with requirements established by international certifications.

In this sense, Frasle Mobility (parent company), Castertech (parent company), Suspensys, Master, Jurid do Brazil, Frasle North America, Fremax, Randon Caxias, FANACIF, Castertech Schroeder and Jost are certified by ISO 14001, which assesses environmental management systems in relation to their entire value chain, including risks and opportunities in the product life cycle.

Furthermore, we rely on the Environment Manual, which brings the guidelines that steer our strategic fundamentals, so that the operations are based on the preservation of people's integrity and the protection of the environment.

## Investments in environmental management initiatives



### MAIN PROJECTS

Renewable energy, carbon footprint and effluent reuse.

# Rota Verde (“Green Route”)

GRI 3-3

In order to establish the main actions and targets to be developed to mitigate the Company's environmental impact, we established the Green Route program. The initiative is structured in three pillars and three major challenges.

## Green route program pillars



### Sustainable environmental development

More responsible economic growth and consumption



### Environmental technologies and innovations

Results in operational efficiency, with better use of inputs and raw materials and reduced waste



### Environmental responsibility

Culture of prevention and support to the communities where the company operates.

## Our Goals



## Environmental culture - SEMEAR

Every year, we hold the Randon Environment Week (SEMEAR), a space where we engage our employees and seek new ideas to transform the business and build a better and more sustainable future for all. In 2022, the event had the theme "Our Commitment to the Environment", reinforcing the initiatives of the Rota Verde Program.

Among the activities performed, we highlight.

Entre as atividades realizadas, destacamos:

- Thematic dialogues;
- Reverse logistics campaign for electronics;
- Launch of the "Erase this Habit" project, in which cigarette butts are recycled and transformed into cellulose used in social projects. Besides encouraging recycling, the initiative encourages the reduction of tobacco consumption;
- Awareness actions with the children of the Florescer program.



## Randon's new sustainable logistics center

In 2022, Randon opened its new logistics center: a 9,000 square-meter area located next to the Company's headquarters, in Caxias do Sul (RS). The building was designed with a focus on new processes and sustainable initiatives, especially the use of clean energy, automated processes and centralized control of operations.

The structure has its own solar power generation plant, a new electric gantry for moving parts, machines for internal operation with lithium batteries, and structures such as tree walls and flower beds on the sides, which help to run a clean operation.

In partnership with RTS Industry, Randon has also invested in new automated processes, such as an autonomous vehicle for towing components for internal transportation between the production areas of the plant and the logistics center, in addition to a new layout and verticalization of stocks, optimizing work and storage areas and spaces.

All these technologies make the internal logistics process of inputs and parts used for the manufacturing of the Company's products more efficient, safe, and sustainable.



# Combating climate change

GRI 3-3 › 302-1 › 302-4 › 305-1 › 305-2 › 305-4 › 305-5

At Randoncorp, we recognize the urgency of acting against climate change. Not only the future of our business depends on it, but the **well-being of humanity itself.**





Therefore, we are publicly committed to reducing our emission of greenhouse gases through combined actions involving the use of clean fuels and energy, adoption of low-carbon technologies, and improvement in energy efficiency.

**Commitment:** To reduce greenhouse gas emissions by 40% (tonCO<sub>2</sub>e/ hours worked, referring to Scopes 1 and 2) by 2030.

**Result:**  
We reduced 8% of emissions intensity, with an intensity of 2.51 in 2022, compared to 2.72 in 2020.

[Learn more on page 30.](#)



Aligned with our public commitment, in 2022 we announced an investment of R\$100 million in renewable energy projects to supply our units in Brazil and worldwide until 2030.

The first delivery of this investment was the construction of a photovoltaic plant with 2,408 solar panels at Randon Technological Center (CTR), in Farroupilha (RS). The construction of the plant was completed in December and it is scheduled to start operating in the first half of 2023. The plant has the capacity to generate 1,991 MWh/a and should meet 100% of CTR's energy demand over the next 25 years.

The initiative also aims to ensure the supply of energy for the development of projects focused on electric mobility, allowing all vehicles developed and tested in the Technological Center to use clean energy. In addition, with the energy generated, it will meet 30% of the current energy consumption of Randon shipping.

Simultaneously, we built and inaugurated, in June 2022, a photovoltaic plant, at Fras-le Friction Material, located in China, in partnership with the local government. The panels supply 20% of this unit's energy.

Besides these two projects, the logistic building of Randon Caxias is also being fed by solar panels, with the installation of 102 panels on the roof of the structure, generating an average of 7,000kWh/month.

We have also had other initiatives aimed at reducing CO<sub>2</sub> emissions, such as the replacement of air conditioning equipment that use R22 gas for R410A at Suspensys, which emits seven times less carbon to the atmosphere. Out of the 85 pieces of equipment that use this gas, 69 have already been replaced.

In an effort to be in line with our commitment to reduce Greenhouse Gas (GHG) emissions, we continue to develop and monitor our GHG emissions inventory. This way we can identify the main opportunities to reach our 40% emissions reduction target. Therefore, in 2022, considering the base year of 2020, we had an 8% reduction in greenhouse gas emissions intensity.

Our Scope 1 emissions registered a total of 40 thousand tCO<sub>2e</sub>, in 2022. For Scope 2, we totaled 11 thousand tCO<sub>2e</sub>, a 66% reduction over 2021. Part of this result was due to the emission factor of the Brazilian energy matrix. We also registered a drop in total emissions and in the intensity of emissions in relation to the previous year, of 31% and 25%, respectively.

In addition, we continually monitor our energy consumption. In 2022 we consumed 1.9 million GJ of energy, an increase of 11% over last year. The energy intensity was 0.08 GJ/hours worked, compared to 0.07 GJ/hours worked in 2021.



## Decarbonization of products and processes

In 2022, we calculated the carbon footprint based on NBR ISO 14.044 and ISO 14.040 methodologies in a first project in order to compare two products with different raw material composition and different manufacturing process of the controlled Frasle Mobility.

The pilot project was made on the railroad shoe, with changes in the manufacturing and formulation process. A tool was also developed

so that all changes, both in process and raw material, can take into consideration the carbon footprint.

As a result, we have reduced this product carbon footprint by 43%. This result is based on ISO methodology and considers as a premise a 20% increase in the useful life of the new product when compared to the previous one.

You can access the full material consumption indicators in the Attachments on page 123.



# Prioritizing the circular economy

Our business model entails the consumption of a large volume and variety of raw materials for the production of our automotive equipment and systems. At the same time, we generate waste from production leftovers, product packaging and end-of-life disposal.

To reduce the impact of our production process, we seek to expand the concept of circular economy in the different stages of our operation, reducing material use, increasing product useful life, and investing in strategies to recycle and reuse waste.

In this sense, we pursue the challenge taken on with the Green Route to zero waste disposal in industrial landfills by 2025 (compared to the base year of 2020). To achieve this public commitment, we have the Eco Sand project, which aims to use foundry sand to be incorporated into asphalt paving. The project is in the phase of environmental licensing and research and development studies for the waste slag and foundry refractory. Currently, 76% of our waste is already diverted from industrial landfills.

**Commitment:**

Zero waste disposal in industrial landfills and reuse 100% of the treated effluent by 2025.

**Result:**

24% of waste disposal in industrial landfills and 50% of the effluent reused.

[Learn more on page 30.](#)

## Materials

GRI 301-1 › 301-2

Aligned with our commitment to the circular economy, we carry out continuous monitoring of indicators for the management of the materials used in manufacturing our products. In 2022, 21.8 thousand tons of renewable material were used in our operation. Our conversion rate, which represents the amount of raw material purchased that is converted into product, was 88%.

You can access the full material consumption indicators in the Attachments on Page 120.

## Waste

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

The waste generated in our operation comes mainly from the cutting and stamping processes of parts that generate scrap metal, as well as the disposal of packaging of raw materials and other materials and inputs used in production.

In line with the circular economy principles, our priority in the destination of waste is the reuse and recycling of the inputs used in the production process, especially in the intercompany model, as in the case of scrap metal generated in production processes, which returns as raw material for the furnaces in our foundries.

The oil emulsion generated in machining processes, for example, is recovered through a decantation process, in which the chip is separated from the cutting oil, and both are returned to the production process. Another example is the powder paint recovery process in painting booths, in which the exhaust system of the booth itself recovers and reuses the raw material.

We also value the correct disposal of our wooden packages and pallets, working on their recovery. In the case of plastic jerry cans, IBC barrels and used gallons, we return them to the original supplier or sell them for reuse.

Another technique we use to reduce the environmental impact in the final destination of our waste is co-processing, used primarily for waste with greater heating power.

The organic waste resulting from gardening pruning and sludge goes through a composting process and is later used as fertilizer.

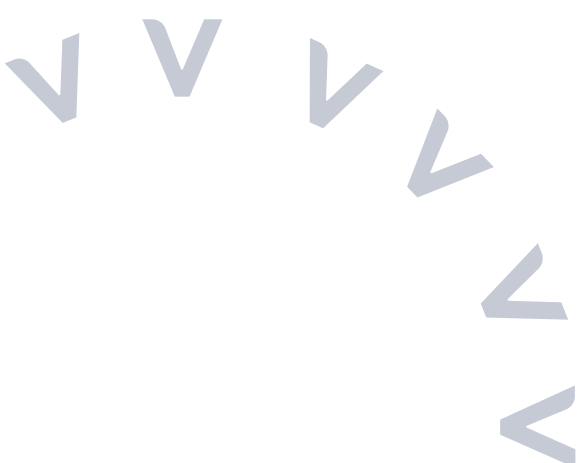
The suppliers responsible for waste management, including its disposal and transportation, are licensed and have the relevant documentation to perform the activity. We monitor the documents throughout the process, up to the issuance of the final waste disposal certificate by the supplier.

In 2022, we generated a total of 96.2 tons of non-hazardous waste. Of this total, 55% was sent for recycling and 10% for recovery operations. The amount sent to industrial landfills was 24%.

At the same time, we generated 8.9 tons of hazardous waste, 95% of which was recovered through the adoption of advanced treatment and reuse techniques, such as recycling, reprocessing and co-processing.

All the data regarding waste generation is monitored by the Environment Department through systems such as SAP and Waste Transport Manifest.

You can access the full waste indicators in the Attachments on page 124.





## Reverse logistics for customers

GRI 301-3

Supporting the circular economy, customers of some of our friction products benefit from reverse logistics services, where they can send the parts at the end of their useful life, and we take care of their recovery or final disposal.

At Frasle Mobility, we have the Pro-Environment Program, which operates in the states of Rio Grande do Sul, Santa Catarina, Paraná, São Paulo, Rio de Janeiro and Minas Gerais. With this program, used brake linings are collected and sent to coprocessing plants. At Fremax, the Safe Disposal Program collects brake discs, which are sent to the foundry and reincorporated into the company's production process, generating new products. The program covers the states of Rio Grande do Sul, Santa Catarina and Paraná. The project's investment increased significantly in 2022 due to the increase in scrap prices.

### Reverse logistics

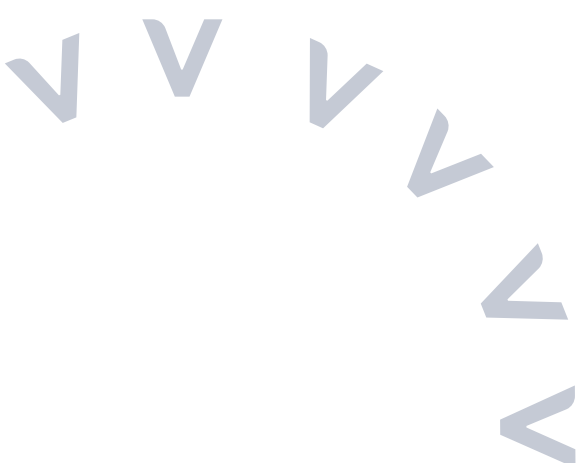
<b>Frasle</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Investment in the project (R\$ million)	0.92	0.99	1.14
Collected materials (tons)	861	1,021	1,003
<b>Fremax</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Investment in the project (R\$ million)	0.6	1.8	2.7
Collected materials (tons)	594.4	1,047	786.1

## Packaging recycling

GRI 301-3

UA major environmental impact of our business is caused by the packaging of our products, which is disposed of by our customers. Seeking to compensate for this impact and stimulate the recycling chain as a whole, Frasle Mobility has entered into a partnership with Eureciclo, an organization that operates in tracking the recycling chain and creating value for all agents involved in the process.

The initiative aims at supporting associations of recyclers and forwarding for recycling a quantity equivalent to at least 22% of the total packaging used by Frasle Mobility, Controil, Fremax and Nakata. By 2022, we have recovered 517.4 tons of packaging as part of the project, including plastic and paper waste.



# Water use

GRI 3-3 › 303-1 › 303-2 › 303-3 › 303-4 › 303-5

At Randoncorp, we are aware of the importance of treating water as a finite resource that must be preserved for the survival of future generations.

Therefore, the water used in our production processes - for cooling parts, for example - comes from artesian wells. In this case, its use is tied to the preservation of the water table, and this criterion is constantly monitored in our operations. Water for human consumption, on the other hand, comes from the local utility.

Besides these sources, we also capture rainwater and treat and reuse our effluents. In this case, the water is returned to the process and a percentage is discharged into the public network.

To reduce our operations environmental impact, we manage the use of water on two fronts: reducing consumption and reusing the treated effluent.

We seek to reduce water consumption by adopting technologies and awareness campaigns, both in the industrial and administrative areas. As a result, in 2022 we withdrew 470.15 ML of water, and discarded 105.9. As a result, our water consumption for the year was 365.06 ML. The water consumption indicator is calculated based on consolidated net revenue and in 2022 was 0.02.



Effluent reuse is a strategic indicator for our companies, important for our ESG Ambition, and is monitored and reported periodically in performance meetings with management. Our main goal is to achieve a closed loop of consumption, in which the production processes can be fed with no withdrawal of natural resources, except for human consumption.

With this goal in mind, in 2021, as part of the launch of the Green Route, we announced a public commitment to reuse 100% of the treated effluents from our units that have an Effluent Treatment Station (ETE), by 2025.

In 2022, we focused on carrying out a water balance in all units mapped with the possibility of reuse for later preparation of the executive project and definition of additional technologies to allow reuse in industrial processes.

You can access the full water consumption indicators in the Attachments on page 122.

## Effluents

GRI 303-2 › 303-4

To ensure the treatment of the effluents generated in our operation, we have five Effluent Treatment Stations (ETEs):

- › **Site Interlagos:** collects the effluents from JOST Brazil, Master, Castertech, Suspensys and Randon Caxias.
- › **Forqueta Site:** it collects effluents from Frasle Mobility.
- › **Randon Araraquara:** reuses 100% of the effluents.
- › **Fremax.**
- › **Jurid do Brazil.**

The other companies that do not have their own ETE have their effluents treated by third-party companies, which guarantee an environmentally adequate destination.

In the effluents generated in our operation, the substances that offer significant risk to the aquatic environment or to human health are DBO, DQO, nitrogen, phosphorus and metals, which have their release limits defined in the environmental licensing. In 2022, there was no record of deviations from the established physical/chemical and biological parameters.

Periodically, we carry out laboratory analyses to monitor the volume of the treated effluent, verifying compliance with the emission standards established in the applicable laws.

In 2022, the Frasle Mobility unit (Head Office) has been presenting an excess of released flow ( $\text{m}^3/\text{day}$ ) due to a change in the limit made during the renewal of the operating license ( $480 \text{ m}^3/\text{h.day}$  to  $135 \text{ m}^3/\text{h.day}$ ). This deviation has been reported to the environmental agency (FEPAM) and a request was made to correct the limit based on the measurement records.

Effluent treatment plant systems at the Interlagos site and Frasle Mobility have requirements for effluent discharge, considering the profile of the receiving water bodies, according to CONAMA Resolution 430 and CONSEMA 355/2017.

In 2022, we discarded 279.18 megaliters of water in our operation. As a result, we achieved 50.3% of our public commitment to eliminate the discharge of treated effluents between 2020 and 2025. The indicator is discussed in periodic meetings with management and is also monitored by the Ethics and Compliance department. Currently, we have projects and investments planned to achieve this goal.



## Chapter 8

# Attachments

> CHAPTERS:



**Dalton Ericson da Silva Moraes**  
Materials Scheduling Analyst



# Indicators

GRI 2-2

## Companies that are part of Randoncorp:

AUTO PARTS	MOTION CONTROL	TRAILERS	FINANCIAL & DIGITAL SERVICES	ADVANCED TECHNOLOGY AND HQ
Castertech	Armetal	Randon Araraquara	Banco Randon	Auttom Automação and Robótica
Castertech Indaiatuba	ASK Fras-le	Randon Argentina	Randon Consórcios	Auttom USA
Castertech Schroeder Fundição	Fanacif	Randon Caxias	Randon Corretora	CTR
Castertech Schroeder Usinagem	Farloc	Randon Chapecó	Randon Ventures	NIONE
Castertech Usinagem	Frasle Mobility	Randon Linhares	Randon Investimentos	Holding/Headquarter
Castertech Mogi Guaçu	Andina	Randon Messias	Randon Serviços e Participações	
Master	Frasle Mobility Argentina	Randon Porto Real	Addiante	
Master Flores da Cunha	Frasle Mobility Europe	Randon Triel-HT	DBServer	
JOST	Frasle Mobility Europe BV	Randon Venice	Conexo	
JOST Campinas	Frasle Mobility Friction Material	Randon Holdco USA		
Suspensys	Frasle Mobility México	Hercules Enterprises		
Suspensys México	Frasle Mobility Michigan			
Suspensys Resende	Frasle Mobility North America			
	Frasle Mobility Panamericana			
	Freios Controil			
	Fremax			
	Jiaxing Bafu Trading Co. Ltd			
	Jurid do Brazil			
	Nakata			
	AML Juratek			
	Tekjur Limited			
	Bettaparts Limited			
	Juratek Limited			

## Governance that creates value

GRI 2-14

The Board of Directors is periodically involved in the evaluation of topics related to the sustainability agenda, approving the Company's guidelines and initiatives. The preparation of the Report mirrors the actions taken and validated, as the case may be, by the Board of Directors.

## Our People

GRI 2-7 · RT-IG-000.B

### Total employees

REGIONAL DISTRIBUTION	2022		2021		
	TOTAL	%	TOTAL	%	
North America	204	1.3%	76	0.5%	
Asia	591	3.7%	666	4.3%	
Europe	14	0.1%	15	0.1%	
South America	574	3.6%	583	3.8%	
	Northeast	10	0.1%	11	0.1%
	Midwest	0	0%	5	0.0%
Brazil	Southeast	2,211	13.9%	1,566	10.1%
	South	12,346	77.4%	12,511	81.1%
	Total	14,567	91.3%	14,093	91.3%
<b>TOTAL</b>	<b>15,950</b>	<b>100%</b>	<b>15,433</b>	<b>100%</b>	

BY GENDER	TOTAL	%	TOTAL	%
Men	12,642	79.8%	12,645	81.9%
Women	3,188	20.2%	2,788	18.1%
<b>Total</b>	<b>15,880</b>	<b>100%</b>	<b>15,433</b>	<b>100%</b>

Note 1: Data from Hercules Enterprises has not been considered.

### Total employees, indefinite term (permanent)

BY GENDER	2022		2021	
	TOTAL	%	TOTAL	%
Men	11,918	74.7%	9,973	64.6%
Women	3,029	19.0%	2,270	14.7%
<b>Total</b>	<b>14,947</b>	<b>93.7%</b>	<b>12,243</b>	<b>79.3%</b>

Note 1: This data does not include interns, apprentices, and employees of Randon Argentina, Nakata, Castertech Schroeder, and Jurid.

REGIONAL DISTRIBUTION	2022		2021		
	TOTAL	%	TOTAL	%	
North America	186	1.2%	-	-	
Asia	245	1.5%	-	-	
Europe	12	0.1%	-	-	
South America	462	2.9%	-	-	
<b>Total</b>	<b>15,024</b>	<b>94.2%</b>	<b>12,243</b>	<b>76.8%</b>	
	Northeast	10	0,1%	10	0.1%
	Midwest	0	0%	5	0.03%
Brazil	Southeast	2,099	13.2%	780	5.1%
	South	12,010	75.3%	11,448	74.2%
	<b>Total</b>	<b>14,119</b>	<b>88.5%</b>	<b>12,243</b>	<b>76.8%</b>

Note 1: This data does not include interns, apprentices, and employees of Randon Argentina, Nakata, Castertech Schroeder, and Jurid.

## Total employees, by fixed term (temporary)

BY GENDER	2022		2021	
	TOTAL	%	TOTAL	%
Men	492	3.2%	257	1.7%
Women	18	0.1%	172	1.1%
<b>Total</b>	<b>510</b>	<b>3.3%</b>	<b>429</b>	<b>2.8%</b>

Note 1: This data does not include interns, apprentices, and employees of Randon Argentina, Nakata, Castertech Schroeder, and Jurid.

REGIONAL DISTRIBUTION	2022		2021		
	TOTAL	%	TOTAL	%	
North America	18	0.1%	-	-	
Asia	346	2.2%	-	-	
Europe	2	0.0%	-	-	
South America	104	0.7%	-	-	
<b>Total</b>	<b>510</b>	<b>3.2%</b>	<b>429</b>	<b>2.7%</b>	
Brazil	Northeast	0	0%	1	0.01%
	Midwest	0	0%	0	0%
	Southeast	40	0.3%	39	0.3%
	South	0	0%	389	2.5%
	<b>Total</b>	<b>40</b>	<b>0.3%</b>	<b>429</b>	<b>2.7%</b>

Note 1: This data does not include interns, apprentices, and employees of Randon Argentina, Nakata, Castertech Schroeder, and Jurid.

## Employees trained and communicated on anti-corruption policies and procedures

GRI 205-2

JOB CATEGORY	2022				2021			
	WOMEN		MEN		WOMEN		MEN	
	COMMUNICATED	%	TRAINED	%	COMMUNICATED	%	TRAINED	%
Members of the governance body	18	100%	18	100%	18	100%	18	100%
Own employees	15,950	100%	4,699	29.5%	15,433	100%	5,148	33.4%

## Hiring and turnover

GRI 401-1

	2022				2021			
BY GENDER	HIRING	HIRING RATE	DISMISSALS	HIRING RATE	HIRING	HIRING RATE	DISMISSALS	TURNOVER RATE
Men	3,604	26.66%	3,391	27.91%	4,694	50.7%	2,805	22.2%
Women	1,262	39.81%	860	27.13%	1,415	37.1%	728	26.1%
<b>BY AGE GROUP</b>								
Less than 30 years	2,650	56.92%	2,217	47.62%	3,507	72.6%	1,957	40.5%
Between 30 and 50 years	2,086	22.67%	1,852	20.13%	2,491	28,1%	1,425	16.1%
More than 50 years	130	9.77%	182	13.68%	111	9.3%	151	12.6%
<b>BY GEOGRAPHICAL DISTRIBUTION</b>								
Brazil	4,608	32%	4,038	28%	5,826	41%	3,388	24%
Northeast	0	0%	1	25%	4	36%	0	0%
Midwest	0	0%	0	0%	3	60%	2	40%
Southeast	1,102	44%	527	23%	498	32%	251	16%
South	3,953	29%	3,511	29%	5,321	43%	3,135	25%
North America		24%	54	29%	19	25%	16	21%
South America		33%	123	26%	229	39%	95	16%
Europe		33%	6	50%	4	27%	6	40%
Asia		22%	30	12%	31	5%	28	4%
<b>GENERAL – RANDONCORP</b>								
Total	4,866	22%	4,251	26.76%	6,109	39.6%	3,533	22.9%



## Parental Leave

GRI 401-3

	2022	
	WOMEN	MEN
Total number of employees entitled to take maternity/paternity leave	114	205
Total number of employees who took paternity/paternity leave	114	205
Total number of employees who returned to work after the end of maternity/paternity leave	64	202
Total number of employees who returned to work after the end of their maternity/paternity leave and were still employed twelve months after their return to work	35	132
Return rate	56.1%	95.5%
Retention rate	54.7%	65.3%

## Average training hours, by job category

GRI 404-1

	2022	2021
Coordination	58.5	53.8
Board of Directors	13.5	24.8
Management	34.9	41.9
Administrative	30.1	23.9
Production/operation	20.4	17.6
Internship	14.2	18.1
Apprentice	7.5	3.9

## Structure of the governance bodies

GRI 405-1

GENDER	BOARD OF DIRECTORS		EXECUTIVE BOARD	
	TOTAL	%	TOTAL	%
Men	4	80%	5	100%
Women	1	20%	0	0%
<b>Total</b>	<b>5</b>	<b>100%</b>	<b>5</b>	<b>100%</b>
AGE	TOTAL	%	TOTAL	%
Less than 30 years	0	0%	0	0%
Between 30 and 50 years	1	20%	2	40%
Over 50 years old	4	80%	3	60%
<b>Total</b>	<b>5</b>	<b>100%</b>	<b>5</b>	<b>100%</b>

## Employee diversity by employee category by gender (%)

EMPLOYEE CATEGORY	2022		2021		2020	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Apprentice	33%	67%	37%	63%	41%	59%
Internship	46%	54%	45%	55%	45%	55%
Production/operation	16%	84%	15%	85%	12%	88%
Administrative	57%	43%	55%	45%	55%	45%
Coordination	16%	84%	16%	84%	14%	86%
Management	19%	81%	13%	87%	12%	88%
Board of Directors	3%	97%	3%	97%	0%	100%

## Employee diversity by employee category by age group (%)

EMPLOYEE CATEGORY	2022			2021			2020		
	< 30 YEARS	30 TO 50 YEARS	> 50 YEARS	< 30 YEARS	30 TO 50 YEARS	> 50 YEARS	< 30 YEARS	30 TO 50 YEARS	> 50 YEARS
Apprentice	96%	3%	1%	100%	0%	0%	100%	0%	0%
Internship	89%	11%	0%	95%	5%	0	97%	3%	0%
Production/operation	31%	60%	9%	33%	59%	8%	32%	59%	9%
Administrative	30%	63%	8%	28%	64%	8%	31%	59%	10%
Coordination	8%	82%	10%	1%	85%	14%	0%	87%	13%
Management	0%	79%	21%	0%	79%	21%	0%	81%	19%
Board of Directors	0%	75%	25%	0%	70%	30%	0%	67%	33%

## Occupational Health & Safety

### Employees covered by an occupational health and safety management system

GRI 403-8

	2022		2021	
	EMPLOYEES	%	EMPLOYEES	%
Individuals covered by an occupational health and safety management system, based on legal requirements and/or recognized standards/guidelines	15,950	100%	15,433	100%
Individuals covered by an internally audited occupational health and safety management system, based on legal requirements and/or recognized standards/guidelines	15,950	100%	15,433	100%
Individuals covered by an occupational health and safety management system audited or certified by an external party, based on legal requirements and/or recognized standards/guidelines	9,797	61.4%	10,454	69%

## Suppliers

GRI 204-1

### Expenses with suppliers

REGION	2022		2021	
	TOTAL PAID TO SUPPLIERS	%	TOTAL PAID TO SUPPLIERS	%
South	R\$3,788,936,480.29	58.91%	R\$4,320,484,574	62.1%
Southeast	R\$2,497,913,285.16	38.84%	R\$1,937,016,352	27.9%
Northeast	R\$137,210,793.38	2.13%	R\$100,812,332	1.4%
Midwest	R\$6,166,259.85	0.10%	R\$4,960,707	0.1%
North	R\$1,278,112.46	0.02%	R\$609,630	0.02%
<b>Total</b>	<b>R\$6,431,504,931.14</b>	<b>83.90%</b>	<b>R\$6,954,172,617</b>	<b>92.1%</b>
<b>Imported</b>	<b>R\$1,233,222,716.11</b>	<b>16.09%</b>	<b>R\$590,289,002</b>	<b>8.5%</b>

## Communities

GRI 203-1

In 2022, the Company sponsored a project (PISEG) for the public security area of the State of Rio Grande do Sul, for the purchase of armored vehicles for the 12th Military Police Battalion of Caxias do Sul, including:

- > A discrete SUV, minimum 140CV, semi-armored, for the Police Station Specialized in Women's Assistance in Caxias do Sul, worth R\$226,000;
- > A 4x4 pickup truck, minimum 170CV, semi-armored, with cell and benches, for the Police Station of Ready Assistance in Caxias do Sul, worth R\$427.4 thousand.

GRI 413-1

In all units, we conduct social impact assessments through connections with the surrounding communities, conducted by the HSE and Brand and Reputation departments of Randoncorp companies. The social projects supported are described on pages 73 and 74.

## Environmental Management

GRI 301-1

### Materials used, broken down by type (ton)\*

MATERIAL TYPE	2022 <sup>1</sup>	%	2021 <sup>1</sup>	%	2020 <sup>2</sup>	%
Renewable	21,824.10	5.88%	16,772.5	0.1%	40,504.9	14.6%
Nonrenewable	349,184.71	94.12%	285.647,94	99.9%	236,370.7	85.4%
<b>Total</b>	<b>371.008,8</b>	<b>100%</b>	<b>302.420,44</b>	<b>100%</b>	<b>276,875.5</b>	<b>100%</b>

<sup>1</sup> Companies considered in 2022: NIONE, Suspensys, Master Caxias do Sul, Master Flores da Cunha, Randon Caxias, Randon Chapecó, Jost, Controil, Fanacif, Farloc, Fremax, Jurid, Fasia, Frasle Caxias.

<sup>2</sup> Companies considered in 2021: Castertech (Headquarters), Castertech Schroeder, Suspensys, Jost Brasil, Master, Master Flores da CunhaFrasle (Headquarters), Jurid do Brasil, Fremax, Frasle Friction Materials (China), ASK Frasle (India), Controil, Randon Implementos, Randon Chapecó.

<sup>3</sup> Companies considered in 2020: Castertech (Headquarters), Controil, Frasle (Headquarters), Jost Brasil, Fremax, Suspensys, Master, Randon (Headquarters), Randon Chapecó.

### Materials consumed in the operation from recycling

GRI 301-2

MATERIAL	WEIGHT (TONS)	%
Carbon Steel Scrap	17,973.81	100%
Exhaust Powder - Internal	18,482.36	100%
Exhaust Powder - Foundry	8,539.88	100%
Rubber	4,757.74	100%

### Five main materials used, broken down by type and weight

MATERIAL TYPE	WEIGHT (TONS)
<b>RENEWABLE</b>	
Natural sodium bentonite	6,044,360.0
Barite	9,172,808.97
Paper	230,000.00
Kaolin	4,613,197.0
Wood	1,723,740.98
<b>Total renewable material used</b>	<b>21,784,106.95</b>
<b>NOT RENEWABLES</b>	
GUSA iron	16,692,540.00
Steel scrap	17,973,808.08
Steel (sheets, profiles, tubes)	180,068,598.05
Foundries	33,298,254.21
Steel parts	41,250.207.77
<b>Total non-renewable material used</b>	<b>289,283,408.11</b>



## Non renewable fuel consumption

GRI 302-1 | TR-AP-130a.1

FUEL TYPE	2022		2021		2020	
	TOTAL CONSUMED (GJ)	%	TOTAL CONSUMED (GJ)	%	TOTAL CONSUMED (GJ)	%
Diesel oil	73,486.17	4.36%	15,376.1	0.86%	3,421.5	18%
Gasoline	327,72	0.02%	8.1	0%	308.5	0.02%
Electricity	705,146.98	41.81%	907,624.2	51.02%	1,192,806.2	64.45%
LPG	33,614.87	1.99%	136,071.1	7.6%	304,546.1	16.46%
Natural gas	667,462.90	39.57%	508,037.5	28.56%	304,546.1	16.46%
<b>TOTAL</b>	<b>1,480,038.65</b>	<b>87.75%</b>	<b>1,567,117.0</b>	<b>88.09%</b>	<b>1,805,628.4</b>	<b>97.56%</b>

## Renewable fuel consumption

FUEL TYPE	2022		2021		2020	
	TOTAL CONSUMED (GJ)	%	TOTAL CONSUMED (GJ)	%	TOTAL CONSUMED (GJ)	%
Electricity	202,857.78	12.03%	210,374.1	77.82%	39,430.9	2.13%
Firewood for direct burning	3,733.79	0.22%	7,094.21	0.4%	5,600.69	0.30%
Biodiesel	-	-	1,583.7	0.09%	81,0	0%
<b>TOTAL</b>	<b>206,591.57</b>	<b>12.25%</b>	<b>219,052.01</b>	<b>12.31%</b>	<b>45,112.59</b>	<b>2.44%</b>
Amount of Energy Consumed	<b>1,686,630.22</b>	<b>100%</b>	<b>1,779,066.7</b>	<b>100%</b>	<b>1,805,740.99</b>	<b>100%</b>

## Energy Intensity (GJ/HT)

GRI 302-3

	2022	2021	2020
<b>Energy Intensity</b>	<b>0.08</b>	<b>0.07</b>	<b>0.1</b>

Note 1: The calculation of the energy intensity, in 2022, was made considering 22,841,784.17 hours worked.

\*Companies considered: Fremax, Jurid, Fras-le Caxias, Nakata, FASIA, Interlagos location, (Suspensys, Castertech, Master, Jost and Randon Caxias.

GRI 301-3

<b>RECOVERED PRODUCTS (REVERSE LOGISTICS), IN TONS</b>	<b>TOTAL RECOVERED</b>	<b>QUANTITY OF PRODUCTS SOLD</b>	<b>% RECOVERED</b>
Frasle Brake Linings	1,003	19,693,434	5%
Fremax - Brake Discs	836	4,610,272	17%
<b>RECOVERED PACKAGES (EURECICLO) - 22%</b>		<b>TOTAL AMOUNT OF PACKAGES</b>	
Recovered Packaging - Paper	576	2,574	22%
Recovered Packaging - Plastic	393	1,784	22%
<b>Total</b>	<b>969</b>	<b>4,358</b>	<b>22%</b>

## Water Consumption\*

GRI 303-5

<b>AREAS</b>	<b>2022</b>		<b>2021</b>		<b>2020</b>	
	<b>ALL THE AREAS</b>	<b>AREAS WITH WATER STRESS</b>	<b>ALL THE AREAS</b>	<b>AREAS WITH WATER STRESS</b>	<b>ALL THE AREAS</b>	<b>AREAS WITH WATER STRESS</b>
Surface water (rivers, lakes, oceans)	-104.47	0.00	-127.00	0.00	-66.60	0.00
Groundwater (water table)	146.27	0.00	118.50	0.00	129.10	0.00
Seawater	0,00	0.00	0.00	0.00	0.00	0.00
Produced water (resulting from some process of the company)	0,00	0.00	0.00	0.00	0.00	0.00
Third-party water (municipal water supply or other companies)	323.26	0.00	221.62	5.10	155.90	0.00
<b>Total</b>	<b>365.06</b>	<b>0.00</b>	<b>213.12</b>	<b>5.10</b>	<b>218.40</b>	<b>0.00</b>

\*Companies considered: Fremax, Jurid, Fras-le Caxias, Nakata, FASIA, Interlagos location, (Suspensys, Castertech, Master, Jost and Randon Caxias.

## GHG emission source (tCO<sub>2</sub>e)

GRI 305-1 › 305-2 › 305-4

	2022	2021	2020
<b>EMISSION SCOPE 1</b>			
Stationary combustion	27,987.19	31,164.73	23,199.75
Mobile combustion	9,094.10	8,147.85	3,712.50
Fugitive emissions	320.94	267.05	1,736.47
Industrial processes	1,865.69	676.79	575.04
Solid waste	55.46	123.40	140.60
Effluents	694.99	454.33	304.23
<b>TOTAL SCOPE 1</b>	<b>40,018.37</b>	<b>40,834.16</b>	<b>29,668.60</b>
<b>EMISSION SCOPE 2</b>			
Energy purchased and consumed	11,384.85	33,546.35	16,675.92
<b>TOTAL SCOPE 2</b>	<b>11,384.85</b>	<b>33,546.35</b>	<b>16,675.90</b>
<b>BIOGENIC EMISSION</b>			
Biogenic CO <sub>2</sub>	1,394.99	1,388.15	158.47
<b>Total emissions (scope 1 and 2)</b>	<b>51,403.22</b>	<b>74,380.51</b>	<b>46,344.50</b>
<b>Emission intensity (kgCO<sub>2</sub>e/hours worked)</b>	<b>2.51</b>	<b>3.34</b>	<b>2.72</b>
Hours worked	20,464,922.01	22,276,019.17	17,059,020.66

Note: Data include the following companies: Jost, Castertech, Frasle, Suspensys, Master, Randon Caxias, Controil, Randon Chapecó, Randon Araraquara, Fremax, Randon Technological Center, Jurid, FNAI, FASIA, Randon Bank, Randon Consórcios.

## Waste

GRI 306-3 › 306-4 › 306-5

	CLASS	CLASSIFICATION	CONSOLIDATED
<b>NON-HAZARDOUS WASTE (TON.)</b>			
Foundry Sand - ADF (sand, slag and refractory)	II	Non-hazardous	21,873.08
Grease Box	II	Non-hazardous	380.67
Aluminum sliver	II	Non-hazardous	113.60
Empty Plastic Container	II	Non-hazardous	44.04
Construction	II	Non-hazardous	1,140.01
Civil Construction CTR	II	Non-hazardous	4.04
Raw material packaging	II	Non-hazardous	643.69
Wood	II	Non-hazardous	2,289.36
Sandpaper	II	Non-hazardous	11.23
ETE sludge and septic tank with non-toxic substances	II	Non-hazardous	3,523.34
Nylon	II	Non-hazardous	25.90
Clear metal	II	Non-hazardous	18.08
Used oil in the dining hall	II	Non-hazardous	0.02
Common waste	II	Non-hazardous	29.49
Organic (food scraps and toilet paper)	II	Non-hazardous	271.90
Aluminum parts	II	Non-hazardous	1.00
Uncontaminated paper and cardboard	II	Non-hazardous	803.40
Brake pads	II	Non-hazardous	302.61
Uncontaminated plastic	II	Non-hazardous	599.60



	<b>CLASS</b>	<b>CLASSIFICATION</b>	<b>CONSOLIDATED</b>
Exhaust Powder	II	Non-hazardous	7,806.91
Refractory	II	Non-hazardous	288.39
Used lining waste (SCRAP)	II	Non-hazardous	612.91
Glass waste	II	Non-hazardous	3.68
Wood waste	II	Non-hazardous	1,688.79
Metallic waste (Drums)	II	Non-hazardous	39.08
Plastic waste (Jerry cans)	II	Non-hazardous	1.22
Rejected parts containing sheet metal and mass	II	Non-hazardous	-
Ferrous metal scrap	II	Non-hazardous	39,014.00
Non-ferrous metal scrap	II	Non-hazardous	13,804.62
Polyurethane	II	Non-hazardous	31.86
Rubber	II	Non-hazardous	76.36
Chemical toilet	II	Non-hazardous	0.51
EPS	II	Non-hazardous	0.55
Pruning and Gardening Waste	II	Non-hazardous	13.24
Composite Material Waste	II	Non-hazardous	8.80
Sweeping waste	II	Non-hazardous	336.16
Blasting powder	II	Non-hazardous	495.02
Cigarette butts	II	Non-hazardous	0.07
<b>Total</b>	<b>II</b>	<b>Non-hazardous</b>	<b>96,297.22</b>

	CLASS	CLASSIFICATION	CONSOLIDATED
<b>HAZARDOUS WASTE (TON.)</b>			
Energy accumulators (batteries, cells)	I	Hazardous	0.72
Soaking bath	I	Hazardous	12.96
Borra de Cavaco	I	Hazardous	83.51
Contaminated Jerry cans	I	Hazardous	12.02
Ink sludge and grinding	I	Hazardous	439.92
Contaminated empty packaging (drums, IBC's, miscellaneous packaging)	I	Hazardous	616.42
Oil emulsion	I	Hazardous	2,300.14
Contaminated PPE	I	Hazardous	449.05
Contaminated fluid	I	Hazardous	30.00
Lamps	I	Hazardous	4.16
Used lubricating oil	I	Hazardous	74.03
Contaminated paper and cardboard	I	Hazardous	291.25
Contaminated plastics	I	Hazardous	278.41
Chemicals Products	I	Hazardous	2,901.88
Glue residue	I	Hazardous	-
Electronic waste	I	Hazardous	16.47
Hospital waste	I	Hazardous	0.04
Paints/thinner waste	I	Hazardous	5.59
Physical-Chemical Sludge ETE	I	Hazardous	717.72
Plasma sludge	I	Hazardous	302.55
Health waste	I	Hazardous	2.03
Contaminated Solids	I	Hazardous	178.41
Grease Cloth	I	Hazardous	2.64
<b>Total</b>	<b>I</b>	<b>Hazardous</b>	<b>8,719.92</b>

## Waste destined for recovery

<b>HAZARDOUS WASTE</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Preparation for reuse		2,430.8	43.4
Recycling	1,351.8	293.4	462.4
Other recovery operations	7,184.6	2,073.8	0
<b>TOTAL</b>	<b>8,536.5</b>	<b>4,798.0</b>	<b>505.8</b>
<b>NON-HAZARDOUS WASTE</b>			
Preparation for reuse	-	1,397.6	128.2
Recycling	52,933.3	61,923.9	33,035.4
Other recovery operations	15,608.9	10,374.2	4,682.1
<b>TOTAL</b>	<b>68,542.3</b>	<b>73,695.7</b>	<b>40,845.7</b>

## Waste destined for disposal

<b>HAZARDOUS WASTE</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Incinerated (no energy recovery)	2.18	5.1	0.1
Landfill containment	277.33	38.4	39.2
Other disposal operations	0	35.1	2,439.6
<b>TOTAL</b>	<b>279.4</b>	<b>78.5</b>	<b>2,478.9</b>
<b>NON-HAZARDOUS WASTE</b>			
Incinerated (no energy recovery)	0	0	39.2
Landfill containment	24,300.6	23,618.4	16,048.0
Other disposal operations	0.92	0	6,847.4
<b>TOTAL</b>	<b>24,300.9</b>	<b>23,618.4</b>	<b>22,934.6</b>

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## UNIVERSAL DISCLOSURES

## REFERENCE (PAGE) / DIRECT RESPONSE

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2-2	Entities included in the organization's sustainability reports	Page. 13
2-3	Reporting period, frequency and point of contact	January 1, 2022, to December 31, 2022. Publication frequency: annual. Page 3.
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2-5	External assurance	Page 136

#### Activities and workers

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2-8	Workers who are not employees	476 third-party contractors for catering, cleaning and security services - Managed by the CSC.

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2-23	Policy commitments	Pages 44 and 45.
2-24	Embedding policy commitments	Pages 44 and 45.
2-25	Processes to remediate negative impacts	Page 45.
2-26	Mechanisms for seeking advice and raising concerns	Page 45.
2-27	Compliance with laws and regulations	We received no fines or non-monetary sanctions in 2022.
2-28	Membership associations	Page 31.
<b>Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	Pages 51, 65, 68 and 70.
2-30	Collective bargaining agreements	88.5% of employees are covered by collective bargaining agreements, and in Brazil the percentage is 96.9%. In the units abroad where agreements are not applicable, we adopt the criteria of the legislation in force in each country and comply with local market practices
<b>Material Topics</b>		
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205-3	Confirmed incidents of corruption and actions taken	Page 46.

UNIVERSAL DISCLOSURES		REFERENCE (PAGE) / DIRECT RESPONSE
<b>Non-discrimination</b>		
406-1	Incidents of discrimination and corrective actions taken	In 2022, we registered no cases of discrimination in our Ethics Channel.
<b>Freedom of Association and Collective Bargaining</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	The right to exercise freedom of association and collective bargaining is evaluated during supplier approval and periodically, according to the criticality of the item or process and supplier performance. In 2022, 306 suppliers had their processes audited and no non-conformities were found in this requirement.
<b>Child Labor</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	No incidents of child labor were registered in the suppliers evaluated in our audits.
<b>Forced or Compulsory Labor</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No incidents of forced or analogous to slavery were registered in the suppliers evaluated in our audits.
<b>Material Topic: Prosperity for all</b>		
3-3	Management of material topics	Pages 51, 52, 57, 58, 62, 67 and 71.
<b>Indirect Economic Impacts</b>		
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413-1	Operations with local community engagement, impact assessments, and development programs	Pages 71 and 119.
<b>Supplier Social Assessment</b>		
414-1	New suppliers that were screened using social criteria	Page 63.
414-2	Negative social impacts in the supply chain and actions taken	Page 63.
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RT-IG-000.B	Number of employees	Page 114.
<b>Material Topic: Excellence and safety as a value</b>		
3-3	Management of material topics	Pages 76, 81 and 83.
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403-2	Hazard identification, risk assessment, and incident investigation	Page 78.
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403-5	Worker training on occupational health and safety	Page 80.
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403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 79.
403-8	Workers covered by an occupational health and safety management system	Page 119.
403-9	Work-related injuries	Page 76.

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RT-IG-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate and (3) near miss frequency rate (NMFR)	Page 76.
<b>Customer Privacy</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints, data breaches or data leaks registered.
<b>Material Topic: Sustainable Innovation</b>		
3-3	Management of material topics	Pages 86, 87, 89, 90, 91, 96 and 98.
OWN-RAND1	i) description of the RD&I strategy and structure; ii) amount invested in RD&I; iii) projects completed; iv) revenue of Randon Implementos from products launched in the last 5 years; v) new patents registered	Page 89.
OWN-RAND2	Number of startups supported by Randon Ventures, per year	Page 98.
OWN-RAND3	Number of innovation and R&D projects in sustainable mobility	Page 91.
<b>Material Topic: Commitment to the Environment</b>		
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<b>Materials</b>		
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302-1	Energy consumption within the organization	Pages 104 and 121.
302-3	Energy intensity	Page 121.
302-4	Energy consumption reduction	Page 104.
SASB TR-AP-130a.1	1) Total energy consumed, (2) percentage of electricity from the grid, (3) percentage of renewables	Page 121.



**UNIVERSAL DISCLOSURES****REFERENCE (PAGE) / DIRECT RESPONSE****Water and Effluents**

303-1	Interactions with water as a shared resource	The companies do not significantly impact the watersheds and are not located in water-stressed areas. Page 110.
303-2	Management of water discharge related impacts	Pages 110 and 111.
303-3	Total water withdrawal by withdrawal source, including in areas with water stress	Pages 110 and 122.
303-4	Breakdown of total water discharge by types of destination, including in areas with water stress	We are unable to break down the amount of water by type of destination, only the total amount.
303-5	Total water consumption	Page 110.

**Emissions**

305-1	Direct (Scope 1) GHG emissions	Pages 104 and 123.
305-2	Energy indirect (Scope 2) GHG emissions	Pages 104 and 123.
305-4	GHG emissions intensity	Pages 104 and 123.
305-5	Reduction of GHG emissions	Page 104.
RT-IG-130a.1	(1) Total energy consumed, (2) percentage of electricity from the grid, (3) percentage of renewables	Page 121.

**Waste**

306-1	Waste generation and significant waste-related impacts	Page 108.
306-2	Management of significant waste-related impacts	Page 108.
306-3	Total weight of waste generated in metric tons	Page 124.
306-4	Total weight of waste diverted from disposal in metric tons	Pages 108 and 124.
306-5	Total weight of waste directed to disposal in metric tons	Pages 108 and 124.

**Additional content****Economic Performance**

201-1	Direct economic value generated and distributed	Page 35.
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# Capitals Map



## Intellectual

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Pages 6, 26, 75 and 85.



## Human

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Pages 6, 26, 36, 50, 75 and 85.



## Natural

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Pages 6, 26, 75, 85, 100 and 112.



## Social and Relationship

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Pages 6, 26, 50, 75, 85, 100 and 112.



## Manufactured

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Pages 6, 26, 75 and 85.



## Financial

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Pages 6, 26, 75, 85, 100 and 112.



# SDG Map



Page 50



Page 112



Pages 50, 75 and 100



Page 50



Pages. 26, 36 and 50



Pages 26, 85,  
100 and 112



Pages 6, 26,  
36, 50, 75, 85,  
100 and 112



Pages 26, 75 and 85



Pages 36 and 50



Pages 26, 85, 110 and  
112



Pages 26, 75,  
85, 100 and  
112



Pages 26, 85,  
100 and 112



Pages 100 and 112



Page 75



Page 36

# Assurance Statement

GRI 2-5

ELEVATE has carried out an independent verification of the preparation process of Randoncorp's Sustainability Report 2022, prepared in accordance with GRI (Global Reporting Initiative) Standards 2021. The process aims to provide interested parties with an independent opinion on the quality of the information provided in the report.

## Independence, competence and responsibilities

We work independently and ensure that no member of ELEVATE has consulting contracts or other commercial ties with Randoncorp. ELEVATE is a company specialized in sustainability. The work was conducted by a team of experienced professionals trained in external verification processes. The preparation of the Sustainability Report, as well as the definition of its content, is the responsibility of Randoncorp. The verification of the report was the work of ELEVATE.

## Scope and Limitations

The scope of our work includes information from the full version of the Sustainability Report 2022, for the period covered by the report from January 1, 2022 to December 31, 2022. The independent verification process was conducted in accordance with AA1000AS v3 (AA1000 Assurance Standard v3), in Type 1 verification condition, providing a moderate level of Assurance. The verification of financial data was not the subject of ELEVATE Consulting's work. The financial data was audited by a specialized company as stated in the opinion of the Financial Statements.

## Methodology

The procedures developed during the assurance work included:

- Evaluation of the content of the 2022 Sustainability Report;
- Understanding the process flow of obtaining and generating information for the Sustainability Report;
- Selection of 20 items and indicators to verify the information provided;
- Interviews with managers from key areas regarding the relevance of information for sustainability reporting and management and source of information provided on the selected indicators;
- Based on sample testing, confirmation of the information in the Sustainability Report with supporting documentation, management reports, internal controls, and official correspondence;
- Checking compliance with the GRI Standards and requesting adjustments to the report.

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## Main Conclusions

Based on the analyses of the evidence and interviews conducted for the verification of selected indicators, we present in summary the following main conclusions:

- During the interviews with managers, ELEVATE verified the evidence for the following selected indicators: GRI 2-18, 2-20, 205-1, 205-2, 2-12, 301-3,



302-3, 303-4, 308-2, 403-1, 403-5, 404-2, 404-3, 413-1, in addition, for the following items data and controls were provided that support the information presented in the report: Certifications of the units; Data security culture campaigns; Impact of Research, Development, and Innovation, Impact of the ExO program, and Public commitment of women in leadership.

- It was found that the information related to these indicators and themes was collected in a consistent manner within the organization, through solid information management systems and with metrics that enable monitoring and comparability of data with previous years. In some cases, ELEVATE requested adjustments in the presentation of the data that were met by the reporting areas.
- After developing its ESG Agenda in 2021, the 2022 reporting period has allowed Randoncorp to move forward with the commitments made and to assess the progress of the goals presented per strategic pillar. Progress is presented in summary form, facilitating better monitoring of key indicators. As the company is constantly growing, it was necessary to maintain the base of companies initially considered in the baseline measurement. In case of divergences with the current base, the company provided the equivalent data for the current base of companies, giving the necessary explanations for any differences.

- The company defined the content on the basis of the list of material themes drawn up in 2021. All themes were addressed within the report with information about the management process and related indicators from the GRI Standards, SASB and own indicators. The presentation of data from at least one year prior to the reporting period allows for the monitoring of data and the reading of trends that favor a more effective management of the themes.
- Regarding the compliance with the GRI standards adopted in the Sustainability Report 2022, Randoncorp has followed the standards in its essence, using the metrics and formats provided by GRI. We recommend presenting the elements of content items not fully answered in the GRI index in future reports, but in our analysis there is no material information missing that could affect the view of the performance presented in the report.

## Concluding Remarks

Based on the scope of our work and the assurance procedures we have performed, we have concluded that nothing has come to our attention that causes us to believe that the information related to sustainability performance in the Sustainability Report 2022 of Randoncorp is not fairly presented in all material respects.

The company presents its performance in a clear way, in compliance with the GRI 2021 Standards and providing a balanced view of its sustainability management and the impacts linked to its operation.

São Paulo, April 26, 2023.

## ELEVATE – an LRQA Company



# Credits

## Coordination

Randoncorp Investor Relations and Brand and Reputation

## Editorial project, content writing, GRI consultancy and translation

[Ricca Sustentabilidade](#)

## Graphic design, illustrations and diagramming

[Ricca Sustentabilidade](#)

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Detailed results, commented by the management:

[Financial Statements](#)

Overview of relevant aspects of the business:

[Management Annual Report](#)

**RANDONCORP**