



# RANDONCORP

Building tomorrow

**Sustainability** Report 2023



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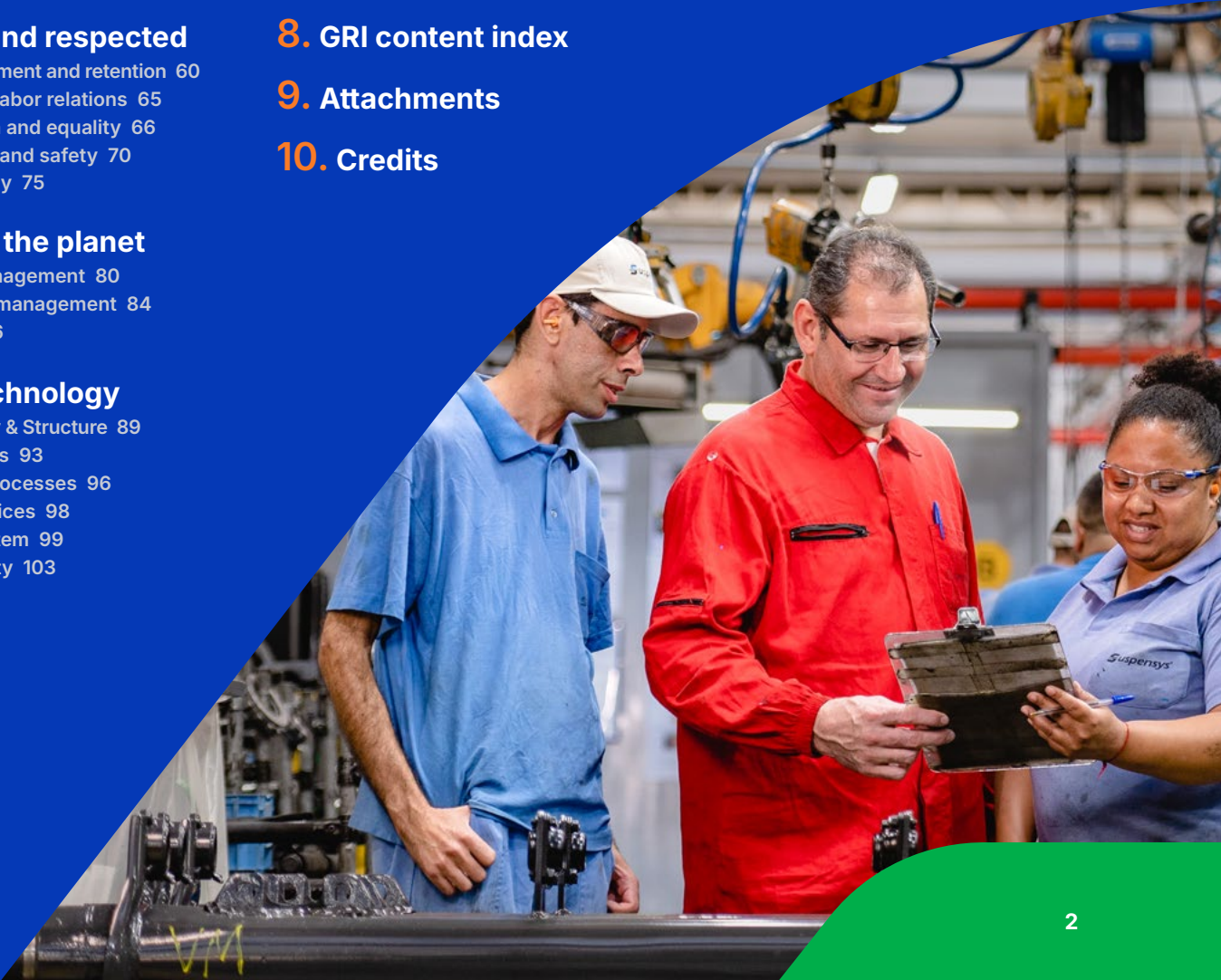
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# 1

# Introduction

- > About the report
- > Message from Management
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Glauca Regina Leite dos Santos,  
Randon Bank Treasury Manager.

# About the report GRI 2-1, 2-3

Any doubts or suggestions can be sent to e-mail: [ri@randoncorp.com](mailto:ri@randoncorp.com)

## Welcome to Randoncorp Sustainability Report 2023!

In this document, we present our results, challenges, initiatives and key highlights in the environmental, social, operational, financial and governance areas of Randoncorp and its subsidiaries for the period from January 1 to December 31, 2023.

We publish our report annually aiming at fostering transparency along with our stakeholders and promoting accountability to society. In this regard, we recognize the relevance of involving them from the very beginning of the reporting process, i.e., at the stage of defining the material topics to guide this content.

You can read more about this process in the Materiality section starting on [page 07](#), where we explain that we have adopted the definition of double materiality for the first time, in line with market practices and requirements. We also adopt the most internationally recommended guidelines.

Get to know the standards and *frameworks* applied herein:



We have adopted the Global Reporting Initiative (GRI) version 2021 standards for the baseline option. This is the fifth consecutive year that we have followed this standard, which is considered the world's most widely adopted sustainability reporting. Our indicators are identified throughout the content by the GRI acronym, and the full list can be found in the Content Index, from [page 106](#).



For the third year in a row, we followed the Sustainability Accounting Standards Board (SASB) guidelines, which are adopted internationally for sector reporting. These indicators are referred to throughout the content by the acronym SASB. The full list of indicators can be found from [page 106](#), in the Content Index.



We also consider the Integrated Report guidelines, developed by the International Integrated Reporting Council (IIRC). Our business model, on [page 32](#), shows how we create value in each capital. We also included a capitals map at the end of the document.



We are signatories of the United Nations Organization (UN) Global Compact, therefore, we have a commitment toward the Sustainable Development Goals. In the Materiality chapter, on [page 07](#), you can find how our material topics are related to the SDG. At the end of the document, we published a SDG map.

**Enjoy the reading!**



"Our vision for the future is grounded on financial sustainability, customer-centricity, innovation and socioenvironmental responsibility".

## Message from Board of Directors GRI 2-22

Outstanding. This is how I define 2023 for Randoncorp. Guided by a strategic plan with a solid foundation, we have achieved significant milestones that reflect our true and continuing commitment to excellence.

Innovation is part of our culture and history, and in 2023 we bolstered this guideline by broadening new solutions in processes, products and services. We have adopted technological advances that are leading us towards a more sustainable future. We developed materials for products that also contribute to our customers' sustainability goals. Examples include Composs, a line of composite materials, and the electric axle, a solution already in use on Brazilian and international roads. We also announced our project, in partnership with the Hercílio Randon Institute (IHR), to develop technology for autonomous vehicles, fully connected to the future of mobility.

Concerning sustainability, our ESG Ambition is the driving force behind our actions, with clear goals to protect the planet, value people and ensure business continuity. Our commitments include lowering greenhouse gas emissions by 40% by 2030, zero waste directed to industrial landfills by 2025, and bolstering diversity and inclusion by doubling the number of women in leadership positions. Our work, however, is not restricted to our commitments, but encompasses various initiatives presented in this report.

The prospects for Randoncorp are promising. We invite you to learn more about this path of continuous growth, innovation and commitment to sustainability that we followed in 2023.

Our vision for the future is grounded on financial sustainability, customer-centricity, innovation and socioenvironmental responsibility.

**Sincerely yours,**

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

"Together, we are building a more prosperous and responsible future."

# Message from the President

## GRI 2-22

We ended another year of hard work and positive results. Our innovative approach and relentless commitment to continuous advancement have enabled us to achieve significant milestones in various areas of our business. Concerning sustainability, in 2023 we reviewed our materiality, redefining the most relevant focuses for monitoring and reporting to *stakeholders*. Topics are in line with commitments, goals and three pillars of our ESG Ambition: Planet, People and Businesses.

People pillar deals with the value connections we maintain with our various stakeholders. Among them, I would like to highlight our nearly 16 thousand employees, who were the main players of the year's achievements. In our people management practices, we value ethics, respect and equal opportunities. This is an assumption of our founders that will always be a non-negotiable legacy for the Company.

It is worth noting that during completion of this report, we were going through an extremely complex period in the state of Rio Grande do Sul, where Randoncorp was founded and where it concentrates most of its activities. Our state was hit by heavy rainfall that resulted in an unprecedented catastrophe. From the very beginning, Randoncorp was mobilized to support employees and the afflicted community in various ways, and to take all necessary measures to adapt its operations to the scenario, with everyone's safety at the forefront.

In the Planet pillar, we continually strive to reduce our environmental impact by setting ambitious targets and monitoring our advances against indicators. Among the various actions outlined in this report, I would like to highlight our initiatives for a cleaner energy matrix. In this regard, in 2023 we inaugurated a photovoltaic power plant next to the Centro Tecnológico Randon (CTR) and we are building the 'Caldeira Verde' (Green Boiler) to be installed at the Frasle Mobility subsidiary to replace the use of natural gas with biomass, thus lessening our CO<sub>2</sub> emissions.

In the Business Pillar, we have invested in technology and disruptive innovation to stay ahead of what we see in the domestic and international markets. We have an environment poised for innovation and, most importantly, people who are willing and with lots of energy to develop breakthrough and effective solutions. Numerous projects have been developed across all business verticals, fostering not only initiatives for Randoncorp, but also leveraging the innovation ecosystem in the regions where we operate.

Committed to good integrity practices, we follow our Randoncorp ID program, which in 2023 trained more than seven thousand employees from all regions where we operate, reinforcing topics from our Code of Ethical Conduct. The fact that we are present in +120 countries with different languages is no obstacle for all of us to focus on ethics and responsible business practices. We also seek to align all our operations with the good cyber security practices adopted by the Company.



**We reviewed our materiality, redefining the most relevant focuses for monitoring and reporting to stakeholders, in line with commitments, goals and ESG Ambition pillars. Planet, People and Businesses.**

Concerning financial results, we evidenced strength and stability with an EBITDA of R\$1.6 billion. Our resilience, which reflects the effectiveness of our strategy and the dedication of our team, are paramount to Randoncorp's ongoing sustainable growth.

**Enjoy the reading!**

**Daniel Raul Randon**  
President







# Materiality

GRI 3-1, 3-2

In 2023, Randoncorp continued to evolve its reporting by undertaking, for the first time, a process to define its double materiality. In this regard, it relied on the support of a specialized consulting firm to identify the key topics connected with the potential financial and socioenvironmental impacts of the Company's business strategy, taking into account both risks and opportunities in its internal and external flows.

Although double materiality is not yet mandatory under the rules adopted for the preparation of this report, Randoncorp has opted for this process to provide even greater transparency to content of interest to its various stakeholders, who were consulted in addition to the board of directors.

The double materiality aims to bring even more transparency to content of interest to its various stakeholders.

Analysis made	Prioritization criteria	Stakeholders involved	Method
 <b>Financial</b>	Probability and magnitude of financial impacts	Board of executive officers, controlling shareholders, governance bodies, asset management company, financial analysts and businesses partners ( <i>joint ventures</i> )	 <b>Interviews and online consultations</b>
 <b>Socioenvironmental</b>	Type of impact, probability, reversibility (for negative impacts), intensity and extent of effects	Internal and external specialists	 <b>Interviews and work meetings</b>
 <b>Relevance perception</b>	Assessment of topics relevance	Customers, employees, service managers, outsourced workers, suppliers, community leaders, people or families supported by social organizations, investors, business partners, franchises, and distributors.	 <b>Online consultations</b>

The process was split into five stages:

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

Through specialized consultancy's taxonomy, a customized list of macro topics was proposed for Randoncorp, using the Company's internal documents and topics defined by sector standards (SASB and MSCI ESG Industry Materiality Map) and *benchmarking* with peer companies. The process of identifying impacts encompassed both direct and value chain activities.

**2** **Stakeholders mapping and material topics list refining.**

Besides in-depth interviews with representatives of the board of directors, groups of stakeholders (community, service providers, employees, suppliers, customers and others) were mapped out and heard through group interviews or online consultations. The key criteria for prioritizing material topics and their impacts included severity, probability and relevance.

**3** **Topics prioritized from stakeholders' perspective.**

At this stage, the topics were classified under the Environmental, Social and Governance pillars, using the nomenclature of the Company's ESG Ambition (Planet, People and Business).

**4** **Analysis of results and elaboration of materiality with recommendations.**

The responses from the different stakeholders were broken down into axes that guided the design of the materiality.

**5** **Validation with board of directors.**

After the prioritization and analysis processes, Randoncorp's board of directors validated the nine topics resulting from the previous stage (see the topics on page 9). The CEO and the Executive Committee were liable for approving the material topics and presenting them to the Company's Board of Directors.



- 1. Innovation & technology
- 2. Product safety and excellence
- 3. Ethics, integrity and compliance
- 4. Climate change and air quality
- 5. Data privacy and security
- 6. Employee health, well-being and safety
- 7. Human rights & labor relations
- 8. Employee attraction, development and retention
- 9. Waste management
- 10. Product life-cycle management
- 11. Supply chain management
- 12. Diversity, inclusion and equality
- 13. Water and effluents management
- 14. Energy efficiency
- 15. Community relationship



**Material topics** GRI 3-2

ESG Ambition Pillar	Material Topic	Description	Related SDG
 <b>Planet</b>	Product life-cycle management	Assessment of impacts throughout the product life cycle, seeking to map and lessen its environmental footprint, change the use of raw materials, and innovate in design to boost performance and socioenvironmental impact.	6, 7, 9, 11, 12, 13 and 14
	Climate change and air quality	Greenhouse gas (GHG) management, including emissions from processes, such as: burning fossil fuels (oil, coal and natural gas) to generate energy consumed in the operation of own vehicles and facilities; and air pollutant emissions management, considering the impact of emissions from machinery and fleet.	3, 7, 9, 11 and 13
 <b>People</b>	Employee attraction, development and retention	Mechanisms connected with people management and culture to leverage engagement by devising strategies to train, develop and recognize employees in order to reduce turnover and enhance the Company's performance as an employer.	1, 5, 8, 10 and 16
	Human rights and labor relations	Ensure in-house processes that prevent and resolve cases of violation to human and labor rights in its operations and the supply chain. Promotion and respect for diversity and inclusion within the Company.	5, 8, 10, 12 and 16
	Employee health, well-being and safety	Ensure the employee well-being and health by managing the organizational environment, guaranteeing the mental and physical health of employees and their families.	3, 8, 10 and 16
 <b>Businesses</b>	Innovation & technology	Investing in innovation, connecting with the entire ecosystem in search of breakthrough solutions that enable products to adapt to new scenarios, market trends, and business model changes.	9
	Data privacy and security	Securely manage the collection, storage, and use of sensitive and confidential data, ensuring cyber security and privacy in the use of information in compliance with personal data protection laws.	9, 12 and 16
	Product safety and excellence	Management and investment to guarantee the safety and high quality of products and services for the automotive market, ensuring their efficiency and the end user's safety. It includes the management of social and environmental impacts resulting from the use of the product. In addition, we seek to invest in mitigating potential reputational and regulatory risks arising from improper practices in the marketing of products.	7, 9, 11, 12, 13 and 17
	Ethics, integrity & compliance	Accounting transparency, compliance with standards, laws and anti-corruption practices, promotion of the code of ethical conduct in organizational processes, well-structured and regulated governance bodies, combating anti-competitive practices and bribery.	8 and 16



Dyevelenn de Oliveira Gomes,  
administrative assistant at Suspensys.

## Material topics in 2023



Product life-cycle management



Climate change and air quality



Employee attraction, development and retention



Human rights and labor relations



Employee health, well-being and safety



Innovation and technology



Data privacy and security



Product safety and excellence



Ethics, integrity & compliance

Randoncorp opted for double materiality to provide even greater transparency to its impact topics from a risk and opportunity perspective.

Main changes in the list of material topics compared to the previous materiality:

In 2023 materiality, the management of Diversity & Inclusion was embedded into the topics "Employee attraction, development and retention" and "Human Rights and Labor Relations". And the topic Water and Effluents now composes the "Product life-cycle management".

The Company maintained all its public commitments relating to the previous materiality.

A new configuration, by excluding some topics and grouping others, characterizes the Company's new materiality.

# Stakeholder engagement

GRI 2-29

Randoncorp's stakeholders are identified through the Stakeholders Mapping. As part of the Company's sustainability strategy and in an effort to strengthen relationships with the different stakeholders involved in its business, various engagement initiatives are implemented.

Get to know the priority stakeholders and the relationship actions promoted with each of them:

- > **Employees:** we promote new employees' onboarding, in-house events, celebrations of special dates, cultural and engagement programs, we also present the strategic planning development. We hold the "Via de Mão Dupla" (Two-Way Street) meeting every month. We also promote Family Visits, Coffees with Management and the CEO, and the traditional Christmas Party.
- > **Suppliers:** we organize an annual meeting, *workshops* and *techdays* to bolster our relations and exchange knowledge.

- > **Shareholders and investors:** we hold the Randoncorp Day, we update *our website*, we organize events concerned with environmental, social and governance (ESG) issues and *site visits*. We take part in conferences and *road shows* promoted by the capital market, we publish quarterly earnings releases and we hold results video conference.
- > **Communities:** we maintain social relevance where we operate, through the programs of the Elisabetha Randon Institute (IER), seeking to contribute positively to communities' development.
- > **Customers:** We conduct satisfaction surveys, provide customer service, and organize engagement activities coordinated by the marketing teams to ensure a close and satisfying relationship with our customers.



Elton Júnior Saraiva, product marketing analyst at Frasle Mobility, Caxias site.

The Company also maintains relationship with different stakeholders, among employees, suppliers, shareholders, investors, customers and community.

# 2023 Highlights

## Sustainable businesses



We unveiled our new corporate brand, Randoncorp, reinforcing our vision for the future with our stakeholders.

We launched Rands, a brand that represents our Financial and Digital Services vertical.

**+7 thousand employees trained** across all the regions where we operate in ethics, integrity and *compliance procedures*.

## Commitment to the planet



We inaugurated a photovoltaic power plant with 2.4 thousand solar panels and capacity to generate 1.3 MWp (1.3 megawatt-peak) at the Centro Tecnológico Randon (CTR).

**85%** rate of conversion of waste into raw material in the production process.

## People valued and respected



We celebrate Elisabetha Randon Institute's (IER) 20th-year anniversary.

**+35 thousand people impacted** by IER's programs and initiatives.

**400 women**

attended the women's career development program "**Jornada Delas**" (Women's Journey).

## Value creation



We updated our ESG **Ambition**, from five to three pillars, keeping the commitments already undertaken.

**R\$10.9 billion** consolidated net revenue in 2023.

## Innovation & technology



**R\$193 million** invested in Research, Development and Innovation.

**R\$16 million** raised by Centro Tecnológico Randon with Financier of Studies and Projects (Finep), aiming at converting it into a groundbreaking center of excellence in vehicle testing in Brazil.

**66 patents registered** in Brazil and **60 abroad**.

**119 startups connected**.



# Awards received

In 2023, we were recognized by regional and national awards.

## The Best Companies in ESG

For the second year running, we received the Best of ESG Award from Exame magazine, winning the Capital Goods and Electronics category.

## Most reminded brands in Rio Grande do Sul (RS)

We are one of the most reminded brands and preferred by business leaders and executives in the Rio Grande do Sul market. The recognition was indicated by the Marcas de Quem Decide survey, promoted for 25 years by the newspaper *Jornal do Comércio*.

## Valor 1000 Award

As in 2022, we were recognized in the vehicles and parts segment of the yearbook promoted by the newspaper Valor Econômico, which evaluates the largest Brazilian companies.



## Shared Services Center of the Year

We won 3rd place in the Shared Services Center and Innovation Case awards, bestowed by the Brazilian Shared Services Association (ABSC).

## Best legal department

Our legal department was recognized as the best in the automotive sector by Filasa - Finance and Law Summit Awards - and by the 7th Best Practices in Legal Department Management Award, promoted by Intelijur. In turn, our Legal-Tax Officer, Gustavo Polese, was voted the most admired financial legal executive by Análise Editorial.

## O Equibrista Award

Paulo Prignolato, Randoncorp's CFO and investor relations officer was one of the highlights of the 33rd edition of the Equibrista Award of the Brazilian Institute of Finance Executives of RS (Ibef-RS).



## Engineer of the Year

Randoncorp's Chairman of the Board of Directors, David Randon, received the Engineer of the Year 2022 award from the Engineering Society of Rio Grande do Sul (Sergs). The recognition was bestowed in June 2023.

## Latin America's 100 Innovative People

Our President Daniel Randon, joined this list, updated by Bloomberg Línea.

## Farroupilha Medal of Merit

Daniel Randon, the Company's President, was honored with the Farroupilha Medal of Merit. The award, the highest honor of the State Legislature of Rio Grande do Sul, is bestowed to personalities who have made a significant contribution to the economic, social and cultural development of the state. He was also awarded the title of Emeritus Citizen by the Caxias do Sul (RS) City Council.

## 100 Open Startups Ranking 2023

We were recognized among the top Brazilian companies that connect with open innovation initiatives by receiving the TOP Open Corps Award. In turn, Conexo was recognized with the TOP Ecosystem of private entities.



## Great Place to Work

The Master Sistemas Automotivos, Frasle Mobility (Colombia), JOST units, the Information Technology, Shared Solutions Center (IT&SSC) corporate area and the Financial and Digital Services vertical were recognized as the best companies to work for by the Great Place To Work (GPTW) consultancy firm.

## Champions of Innovation

We took first place in the Strategy category and stood out in the Processes category in the 19th edition of the Champions of Innovation ranking, promoted by Grupo Amanhã.

## 500 Largest Companies in the South Ranking and Top of Mind of RS

We ranked 21st in the Grupo Amanhã's 500 Largest Companies in the South. We are also one of the most reminded brands by the people of Rio Grande do Sul in the Top Of Mind 2023 - The Brands of Rio Grande Award of magazine Amanhã.

## Best Annual Report

Our report for 2022 was among the five best Annual Reports in the 25th Abrasca Awards. We also won an honorable mention for Risk Management Structure, Internal Controls and Compliance.

## Investor Relations best practices and initiatives

We were recognized for the best Investor Relations practices and initiatives in the country, among companies trading on the stock exchange, as Small and Middle Caps. The award was organized by the Brazilian Association of Capital Market Analysts and Investment Professionals (Apimec Brasil) and the Brazilian Institute of Investor Relations (IBRI).

## Institutional Investor Ranking

Among the companies classified as Small Caps, we won the top ranking in the categories of Best CEO, Best CFO, Best ESG Practices, Best Board of Directors, Best Investor Event, Best Investor Relations Program and Best Investor Relations Team.

### RS Export Award

We stood out in the RS Export Award, in the International Branding category, with the Randon brand. In addition, Randoncorp's President, Daniel Randon, was recognized as an International Competitive Personality.

### Brand of the Year in the transportation sector

Randon is the Brand of the Year in the Top Five Award - Road Equipment 2023, promoted by the magazine Frota&Cia. This is the second consecutive year that the brand has topped the ranking, reaching the top in a combined 12 categories.

### Transport Top of Mind

The Transport Top of Mind 2023 award, promoted by the TranspoData publishing group, named Randon the most reminded company in the sector in the road equipment category.

### NTC Award

Randon won the 21st NTC Transportation Suppliers Award in the Body or Trailer Manufacturer category. The Company was selected in a vote that mobilized cargo carriers from all over the country.

### Sindirepa-SP Award

Fremax has remained the absolute leader in brake discs in the "Sindirepa-SP Best of the Year Award" for seven consecutive editions, receiving the Gold seal.

### Inova 2023 Award

Fras-le was awarded as the best brand in brake pads, according to the opinion of 500 entrepreneurs and managers of auto parts stores throughout the country.

### Marcas da Oficina survey

Frasle Mobility and its subsidiaries stood out in the 7th edition of the national Marcas da Oficina survey, carried out annually by Central de Inteligência Automotiva, which composes the Oficina Brasil Editorial Group.



### Automotive Business Award

Suspensys won in the supplier category for its groundbreaking e-Sys solution for electromobility.

### laaf Award

Juratek was recognized by The Independent Automotive Aftermarket Federation in the Automotive Supplier of the Year category.

### Supplier of the Year

Frasle Mobility was awarded by Iveco Group as supplier of the year for Composs development.

# 2

# Randoncorp

- > Who we are
- > Business verticals
- > Vision for the future



Employees Anderson Murilo da Luz (marketing assistant at Randon Consórcios), Adriana Pereira da Cruz (insurance administrative analyst at Randon Seguros) and Elda Maria Esteves Homem (marketing and communication analyst at Randon Consórcios).



# Who we are

## Our purpose

Connecting people and riches, generating prosperity.

We are Randoncorp, a global company built by people. Our headquarters are based in Caxias do Sul (state of Rio Grande do Sul), we are present in +120 countries, including subsidiaries and *joint ventures*. We produce equipment, automotive systems and offer transportation services, grounded on valuing people, building sustainable profit, trust, innovation and technology. Our history spans over 75 years with a diversified business model that offers solutions for the future of mobility.

## Our principles



**Satisfied customer**



**People valued and respected**



**Ethics**



**Preservation of image and legacy**



**Innovation & technology**



**Safety & quality**



**Sustainable profit**



**We are Randoncorp**

## New brand and identity

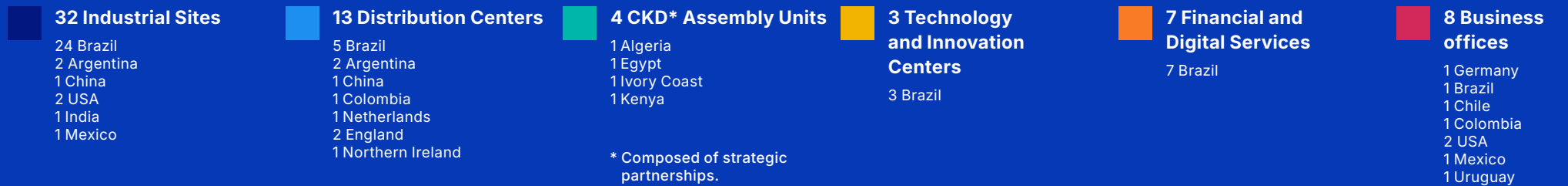
# RANDONCORP

On April 28, 2023, the Company announced its new corporate brand: Randoncorp. This move denotes a significant moment of transformation and reaffirms the Company's commitment to developing sustainable mobility solutions. The new identity denotes not only the Company's legacy, but also a vision for the future focused on sustainable growth for the benefit of the business, people and the planet. Concurrently, we launched the "Construindo o amanhã" (Building tomorrow) campaign, reflecting our eye for trends and our relentless drive to evolve our ecosystem with a strong focus on innovation and a long-term sustainable business model.

To learn about the Randoncorp Manifest, access: [randoncorp.com](https://randoncorp.com)



## Global presence GRI 2-6



# Business verticals

To achieve our purpose of connecting people and riches, generating prosperity, we offer complementary solutions in five business verticals that synergize with each other. Within each vertical, we present brands that are benchmarks in their markets.

Our five business verticals offer complementary solutions for our customers.



**Auto Parts**  
Vertical



**Motion Control**  
Vertical



**OEM**  
Vertical



**Financial and Digital Services**  
Vertical



**Advanced Technology**  
Vertical



Learn more about our verticals below.

# Auto Parts

## Vertical

It supplies brake systems, axles and suspensions, coupling systems, electromobility, foundry and machining, among others.



**Customers:** main global OEMs (trucks and buses), trailer manufacturers, aftermarket, and farming product manufacturers.



**Structure:** 13 industrial units, of which 12 in Brazil and 1 abroad and 3 distribution centers in the country.



South America's leading manufacturer of brake systems for trucks, buses, trailers and semi-trailers



Leader in Latin America in suspension and axle system solutions and services for commercial vehicles. Currently adding electromobility solutions to its portfolio.



Brazil's leader in technological solutions for running gear systems, producing hub and drum assemblies, cast supports for axles, suspensions and parts for agricultural equipment.



World leader in fifth-wheel technology. It develops, manufactures, sells and provides associated services for components and systems for trucks, towed vehicles and buses.



## New units in Mogi Guaçu, SP

The inauguration of the new Castertech unit in Mogi Guaçu - SP, dedicated to the production of brake drums, and the construction of the new Suspensys unit, which will supply front axles for 100% of the vehicles produced by Mercedes-Benz do Brasil from 2025, are scheduled for 2024.

# Motion Control

**Vertical**

It supplies the market with products for motion control, such as friction materials, components for brake, suspension, steering and powertrain systems.



**Customers:** OEMs, distributors and auto parts retailers.



**Structure:** 10 industrial units (5 in Brazil and 5 abroad); 9 distribution centers (1 in Brazil and 8 abroad); 4 business offices; and 1 technology center.



In 2023, Fras-le was renamed Frasle Mobility, a move that reinforces the Company's house of brands business strategy as a global company, focused on safety and innovation in its products and services, offering fully-fledged solutions for customers and partners through 17 brands recognized by the market. The Company is a global leader in the development, manufacturing and trade of friction and non-friction materials for braking and suspension systems, offering premium quality products and a broad portfolio of components for brakes, transmissions, engines and suspensions. Frasle Mobility sells its products in +120 countries and operates plants in strategic sites, such as Brazil, United States, Argentina, India and China.

**Get to know Frasle Mobility's portfolio brands:**



## Frasle Mobility's expansion in the European market

In February 2023, Frasle Mobility announced the acquisition of AML Juratek, a company operating in the European aftermarket with lines of braking products, such as discs, brake pads, calipers and actuators. The acquisition reinforces Frasle Mobility's global presence and broadens its diversified products and portfolio brands.



# OEM

## Vertical

It offers the market equipment for freight transportation, including models of trailers, truck bodies, rail cars and aftermarket.



**Customers:** large truckload carriers, generators of truck loads, fleet owners and self-employed customers.



**Structure:** 8 industrial units (6 in Brazil and 2 abroad); 1 distribution center; 1 business office; and 1 holding abroad. 4 strategic partners; 89 service outlets in Brazil; and 85 abroad.



Rozilei de Dordi, assembler and installer at Randon.

# RAN DON

Our brand within the OEM vertical, Randon stands out as the Latin America's largest trailers manufacturer, and among the world's top 10. It is also recognized as the main Brazilian exporter in the segment, averaging 70% of the sector's exports.

# Financial and Digital Services

## Vertical

It offers coop-payment plans for the acquisition of goods, financial services, insurance, digital services, investments and startups acceleration, vehicle rental, heavy vehicle and equipment rental, SaaS and an open innovation platform for connecting businesses, people and *startups*.



**Customers:** suppliers, distributors and customers of Randoncorp, manufacturers of agricultural machinery and equipment and operators in the logistics ecosystem, large retailers and information technology companies.



**Structure:** it comprises 7 units: 1 financial institution, 1 consortia administrator, 1 open innovation company, 1 insurance broker, 1 venture capital, 1 heavy vehicle rental company and 1 software solutions unit.

# Rands

## Banco Randon

It develops financial products and services for the transportation and logistics industry.

## Randon Consórcios

This is a credit alternative offered for the sale of its products and a safe and economical way of acquiring goods.

## Randon Seguros

Insurance solutions are offered for personal, business, home and vehicle protection.

## Randon Ventures

Investment and acceleration company for startups, focused on segments adjacent to Randoncorp's businesses.

## Conexo

Innovation platform that builds connections between partner companies, entrepreneurs, startups, universities and the community.

## Addiante

A *joint venture* between Randoncorp and Gerdau Next, operates in heavy vehicle and equipment rental services.

## DB

It works on the design, construction and support of digital solutions.

## Randoncorp consolidates financial and digital services into Rands brand

In 2023, we launched Rands, consolidating our financial and digital services portfolio. The new brand introduces itself to the market as a complete suite of financial services and solutions for the transportation and logistics segment. The service model is customer centric, reinforces customer loyalty strategies, and leverages the resources that were already offered independently by the units - and now act in a highly synergistic manner.



# Advanced Technology and Headquarter

## Vertical

It develops new product technologies connected to the megatrends of mobility and the acceleration of our industrial digitization process through automation, robotization and data intelligence. Our *headquarters* provide the strategic and administrative support throughout the Company.



**Customers:** Randoncorp's companies, industries and *startups*.



**Structure:** 1 industrial automation unit, 1 technology center, 1 business office and 1 industry and 1 headquarters.



One of the largest independent technology centers in the Latin America's automotive sector, the Centro Tecnológico Randon is dedicated to the development and approval of products for the mobility industry.



It offers the development of customized industrial automation solutions.



Company specializing in the development, production and application of nanotechnology in products such as polymers, paint pre-treatment, cosmetics and energy.

## Headquarters

It mainly focuses on defining the Company's strategic guidelines with a view to optimizing and standardizing processes, creating synergies and leveraging all business units' results.

It includes the Holding, Information Technology and Shared Solutions Center (IT&SSC) and Corporate Procurement areas.



## CTR raises R\$16 million funds

In 2023, Centro Tecnológico Randon raised R\$16 million with Financier of Studies and Projects (Finep). The funding aims to convert the CTR into a groundbreaking center of excellence in vehicle testing, evolving its service portfolio to include active (Adas) and passive safety testing and its laboratory testing capacity. This move allows the business to expand and grow sustainably.

## Auttom merger

We have completed the full merger of Auttom Automação e Robótica, bolstering our position in the industrial automation and robotics market. The acquisition of Auttom, that took place by mid-2021, involved 80% equity interest in the company. During these two years, the unit has widened its portfolio, advancing project development and opening a branch in the United States.



# Vision for the **future**

We build the future through our people, innovation, ethics and sustainability. Our planning is built on our strategic guidelines, which influence our aspirations for the next ten years, and from there we translate our aspirations into measurable metrics and indicators.

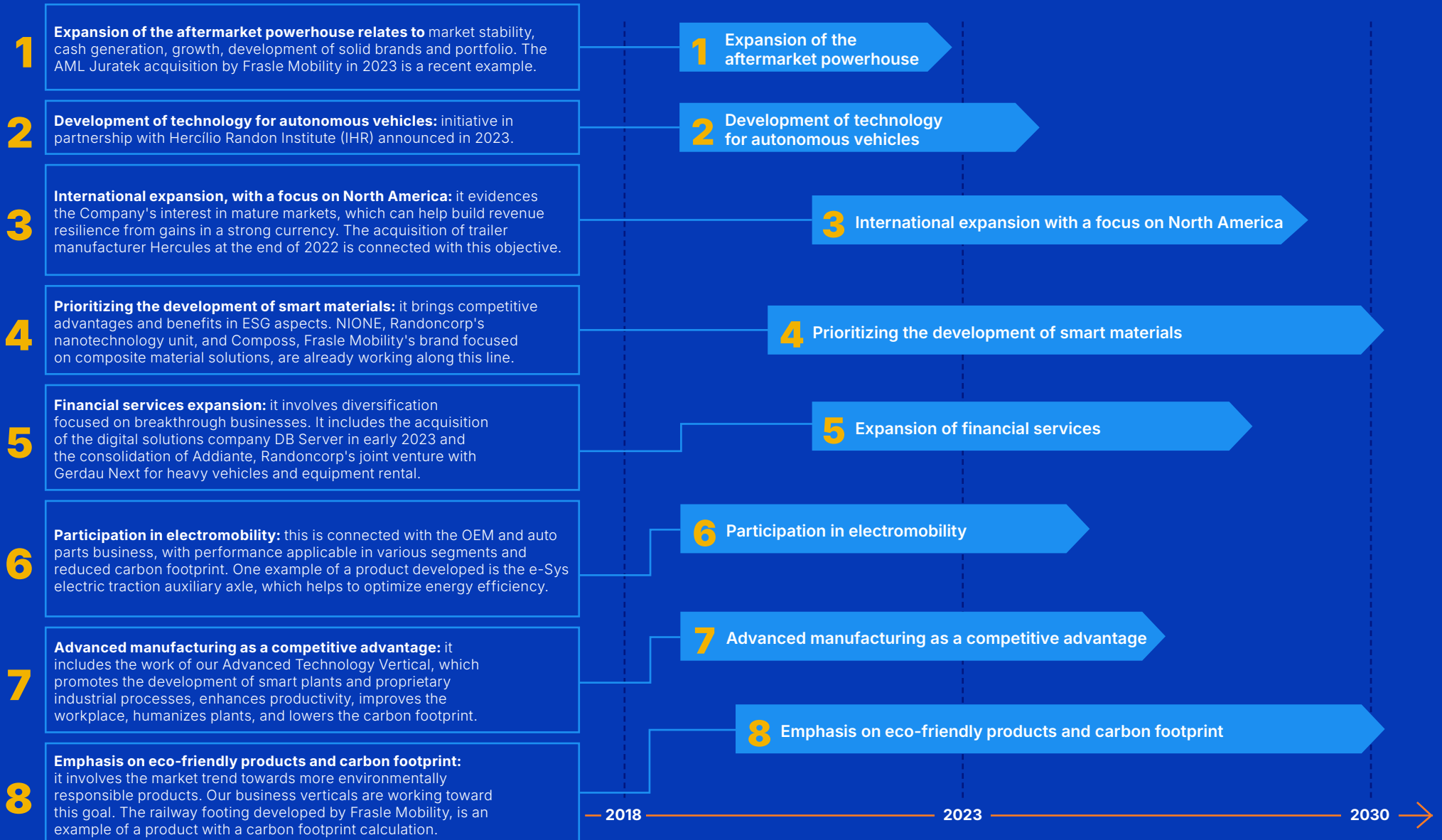
## Strategic **guidelines**

Our business verticals follow the same planning methodology, which considers long-, medium- and short-term perspectives, always taking ESG aspects into account at all stages. Specifically, our planning objectively identifies investments in environmental, social and governance projects that support the Company's sustainability agenda and meet our public commitments.

- Absolute focus on customers
- Focused diversification
- Financial strength
- Competitive advantage in innovation & technology
- Leveraging synergies
- Desired company to work for
- Prioritized sustainability (ESG)

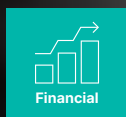
Sabrina Noronha Maciel, operational assistant at Frasle Mobility.

# Strategic objectives over time



# 3 Value creation

- > ESG Ambition
- > Business model
- > Financial results



Mateus Dias Ribeiro, assembler and welder at Randon.

# ESG Ambition

It is only possible to build a viable future for the Company if it is grounded on solid foundations, based on the environmental, social and governance pillars. In this regard, in 2021 we launched our ESG ambition, based on the diagnosis of that year, through a materiality study that identified the most relevant topics for the Company, taking into account the investors' perspective (from the market ESG indexes), the main frameworks (GRI, SASB and SDG), the sector's best practices and the Company's operational strategy. Based on this, we set goals, commitments, and strategic pillars, with 2020 as the base year and a firm commitment to building a sustainable future for our businesses, to design our ESG Ambition.

In 2023, we reviewed our materiality (read more on [page 07](#)), revisited the pillars of the ESG ambition, which became three out of five, and linked them to the latest material topics. However, the public commitments made in 2021 remain the same and we continue to act with focus, so that each of them is achieved.

DESCRIPTION

RELATED MATERIAL TOPICS



**Identify and develop** opportunities for eco-efficiency gains in our operation, with a focus on promoting circularity, the efficient use of resources and combating climate change, besides fomenting advances in the environmental management of suppliers and customers.

**Leverage** stakeholder value creation by supporting employee development, a diverse and inclusive environment, encouraging the advancement of sustainable practices among our suppliers, and socioeconomic inclusion in communities.

**Ensure** the business sustainability through innovation and technology, quality, safety and excellence, pursuing advances in freight transportation and the value chain, leveraging sustainable development, and maintaining ethics, transparency and accountability to all our stakeholders.

Climate change and air quality	SDG 6 12 13	Employee attraction, development and retention	SDG 5 8	Innovation & technology	SDG 9
Product life-cycle management	SDG 12 13	Human rights and labor relations	SDG 5 8	Data privacy and security	SDG 9
		Employee health, well-being and safety	SDG 3	Ethics, integrity & compliance	SDG 8
				Product safety and excellence	SDG 12

# ESG Ambition

Pillars	Our commitments	2020 base year	2023	Assumptions	Objective
 <b>Planet</b>	Reduce by 40% greenhouse gas emissions by 2030.	2.72	2.41	kgCO <sub>2</sub> e/hours worked of emissions referring to scopes 1 and 2. Methodology: GHG Protocol	Minimize the impact of greenhouse gas emissions on climate change in line with sustainable development goals.
	Zero waste directed to industrial landfill by 2025.	24%	23.3%	Waste directed to industrial landfill in relation to the waste generated in our operations.	Foment the circular economy by adding value to the waste generated, as well as eliminating the possibility of environmental liabilities.
	Reuse 100% of treated effluent by 2025.	50%	50%	Reuse of effluents from units that have their own treatment station.	Sustainable water management by optimizing the use of this natural resource in our operations.
 <b>People</b>	Double the number of women in leadership positions by 2025	11%	16%	This indicator considers leaders, coordinators, managers and executive officers positions in companies located in Brazil.	Increase women's representation and equal opportunities for leadership across all levels of the Company, through a diverse and inclusive culture.
	Zero serious accidents.	-	0.18	Serious accidents are those that result in permanent injuries and/or fatalities. Serious injury rate: No. of serious accidents x 1,000,000/hours worked.	Promote safe and secure workplaces, ensuring employees adequate conditions to perform their activities.
 <b>Businesses</b>	Increase the annual net revenue generated by new products.	-	57.4%	Revenues from products launched in the last five years by companies located in Brazil are considered, divided by the Company's net revenues from its Brazilian units.	Ensure the Company's sustainability by continuously developing and launching products that provide benefits to society, especially socioenvironmental benefits.

# Governance and ESG Committee

Over the years, Randoncorp has consolidated its governance with a solid structure and delineation of roles for each of its bodies and areas.

For Randoncorp, sustainability is an interdisciplinary issue, dealt with by various areas, driven by the ESG Committee and monitored by the Executive Committee and the Board of Directors. The Company does not have a dedicated sustainability department, but it has set up an ESG Squad, made up of employees from different areas, liable for proposing the ESG Committee's agenda.

The Committee, a non-statutory and operational body, is composed of business representatives from the areas related to the ESG Ambition's material topics. It is chaired by the representative of Randoncorp's Executive Committee, COO Anderson Pontalti, who reports to President Daniel Randon on a quarterly basis.

Among the Committee's duties we point out:

- > **Assure** that ESG practices and strategic planning for sustainable growth are connected to Randoncorp's strategy.
- > **Evaluate and propose** participation in voluntary initiatives and commitments relating to sustainability and ensuring their compliance.
- > **Revise** Randoncorp's Annual Sustainability Report.
- > **Monitor the execution** of projects to enhance sustainability practices in the environmental, social and governance (ESG) dimensions, originating from strategic planning.
- > **Monitor the observance of** the public and in-house commitments made by Randoncorp within the ESG Ambition's scope.
- > **Support areas and managers**, in situations involving ESG agenda-related topics.
- > **Revise the sustainability policy**, proposing updates and pursuing the alignment with the best market practices.
- > **Analyze and propose strategies** based on global trends concerned with the topic.

## Sustainable funding

In February 2024, the Company announced a sustainable funding agreement with the International Finance Corporation (IFC), one of the leading global private sector development institutions in emerging markets, affiliated to the World Bank Group.

The agreement involves a total funding of R\$500 million, shared equally between Randon and Fras-le S.A., with a payment term of up to nine years and a two-year grace period for the start of principal repayment.

The funds will be earmarked mainly to projects aligned with the Company's ESG Ambition, including the development of ecologically sustainable products and the higher use of energy from renewable sources.

This funding is classified as a sustainability-linked loan (SLL) as it is subject to the achievement of sustainable performance indicators (KPIs) related to the Company's public commitment to environmental, social and governance (ESG) issues, in particular the decline of greenhouse gas emissions by 40% in Scopes 1 and 2 by 2030.

Achieving this target will lead to reducing interest on the financing from 2026, as agreed upon between the parties.

## Membership in associations

### GRI 2-28

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

## Global Compact

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

## Business pact for integrity and against corruption

Since 2019, we have been a signatory of the Business Pact for Integrity and Against Corruption, promoted by the Ethos Institute, which aims to promote a more honest and ethical market and to eradicate bribery and corruption.



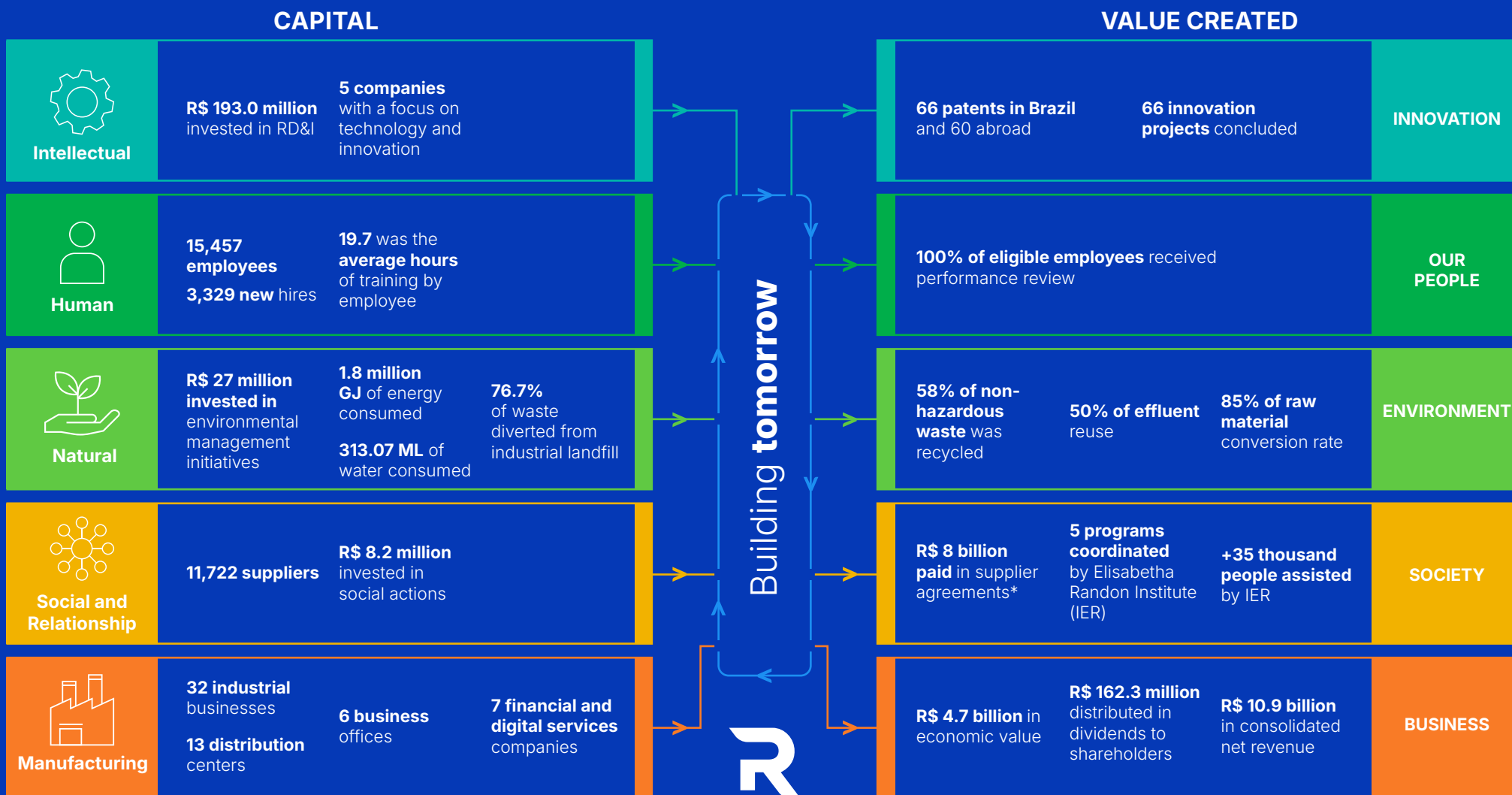
## Transforma RS Hub

We participate in Transforma RS, a hub that connects businesses, government, universities and society with the aim of supporting the sustainable development of the state of Rio Grande do Sul.

In addition, we maintain relationship with the following associations:

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

# Business model



\*Companies considered for reporting the number of suppliers and respective amount paid in agreements: Frasle Mobility, Caxias do Sul, Controil, Fremax and Sorocaba sites; Randon, Caxias do Sul, Chapecó, Messias, Araraquara and Triel-HT sites; Cast-ertech, Indaiatuba, Schroeder I Schroeder II sites; Master, Caxias do Sul and Flores da Cunha sites; Suspensys, Caxias do Sul site; NIONE; Centro Tecnológico Randon; Banco Randon; Randon Consórcios and Randon Corretora.



## Financial results

Direct economic value generated 2023  
GRI 201-1

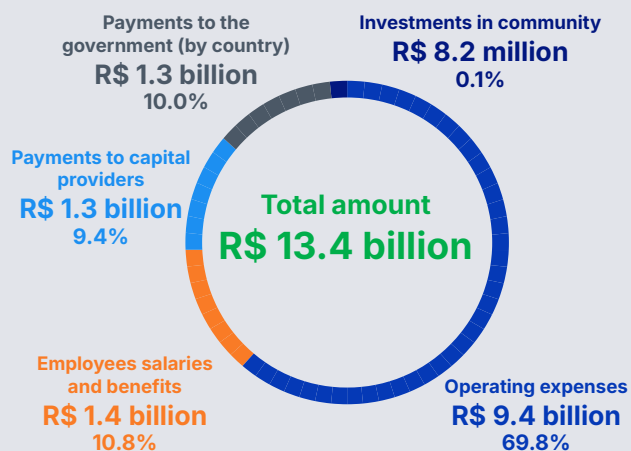
**R\$ 13.5 billion**

Economic value retained GRI 201-1

**R\$ 83.1 million**

Economic value distributed

GRI 201-1



## Economic highlights (R\$ thousand)

Economic Highlights	2023	2022	Change (%)
Total Gross Revenue	13,398,120	13,698,035	-2.2
Consolidated Net Revenue	10,887,843	11,152,417	-2.4
International Market Revenues US\$	466,691	436,463	6.9
Consolidated Gross Profit	2,793,355	2,624,762	6.4
Gross Margin (%)	25.7	23.5	2.1 p.p.
Consolidated Ebitda	1,570,220	1,504,964	4.3
Ebitda Margin (%)	14.4	13.5	0.9 p.p.
Adjusted Ebitda	1,576,728	1,510,443	4.4
Adjusted Ebitda Margin (%)	14.5	13.5	0.9 p.p.
Consolidated Net Income	381,687	471,719	-19.1
Net Margin (%)	3.5	4.2	-0.7 p.p.
Earnings per Share R\$	1.16	1.43	-18.7

## Financial Highlights (R\$ thousand)

Financial Highlights	2023	2022	Change (%)
Consolidated Shareholders' Equity	2,777,776	2,744,765	1.2
Investments*	948,221	1,221,200	-22.4
Net Debt	3,174,679	2,925,301	8.5
Net Debt (Ex-Banco Randon)	1,584,986	1,594,320	-0.6
Leverage	2.02	1.94	4.0
Leverage (Ex-Banco Randon)	1.03	1.08	-4.6
ROE (LTM)	13.9	18.7	-4.8
ROIC (LTM)	14.1	14.8	-0.6

\*Capex + Non-Organics + Payment of Capital.

# 4 Sustainable businesses

- > Governance structure
- > Ethics, integrity and compliance
- > Data privacy and security
- > Product safety and excellence
- > Supplier management



Julia Censi, SSC (Shared Solutions Center) analyst.

# Governance structure

GRI 2-9, 2-10

Listed on B3's Level 1 of Corporate Governance, Randoncorp is attentive to best practices, following market trends and procedures recognized worldwide, including the recommendations of the Brazilian Institute of Corporate Governance (IBGC) and the Brazilian Securities and Exchange Commission (CVM). Its governance structure is composed of agents, which include the General Shareholders' Meeting, the Board of Directors with its committees and related areas, the Fiscal Council, the Statutory Executive Board, the Executive Committee and the Operational Committees. Each plays an important role in the Company to ensure an environment conducive to effective business management and the development of a long-term, sustainable value chain.

We pursue the trust of our stakeholders by following the best governance practices.

## General Shareholders' Meeting

The General Shareholders' Meeting is held at least once a year and may be called on an extraordinary basis whenever necessary. Among other duties, the General Shareholders' Meeting decides on the financial statements, the allocation of net income for the year, the distribution of dividends and the election of members of the Board of Directors and the Fiscal Council.

Decisions are approved by majority vote of attendees. In order to assist and facilitate shareholders' attendance and voting decisions prior to the Meetings, the Company has made available the Attendance Manual, which contains guidelines and details of the items on the agenda. In addition, Shareholders' Meetings have been held in a hybrid format, allowing shareholders to choose to attend via the Remote Voting Form, by accessing the digital platform or by attending in person at the Company's headquarters. For additional information on Shareholders' Meeting dynamics, access the [Company's Bylaws](#).

The Board is advised by the People Committee which, among other duties, evaluates human resources policies and remuneration methodology.

## Board of Directors GRI 2-13

The Board of Directors is the highest governing body, with decision-making duties and responsibilities provided for by laws, the Company's Bylaws and Charter, prioritizing guidelines and overall business guidance, taking into account Randoncorp's impact on society and the environment, far beyond economic and financial performance.

The composition of the Board of Directors may vary from three to nine members, whether or not they are shareholders, with flawless reputation, elected by the Shareholders' Meeting for a combined two-year term of office, re-election is allowed, in compliance with diversity and independence criteria. The chairman and vice-chairman are appointed by the board members at the first meeting of the term of office.

The Board holds at least six annual meetings, and extraordinary meetings may be called whenever the Company's interests so require, and decisions are taken by majority vote. The Board may set up committees or working groups to advise on its work. The members of the committees are elected by the Board of Directors from among the board members and executives, without prejudice to seeking out specialists in the topics assigned to each committee.

Currently, the Board of Directors is advised by the People Committee, which so far previously reviews the human resources policy and the management's remuneration model, besides contributing to the improvement of various processes, such as performance review, succession planning and organizational culture. The acting People Committee is composed of two men and three women, two of whom are sitting members and one of whom is a guest, a member of the third generation of the Randon family. The term of office is combined and coincides with that of the Board of Directors.



**The selection of Board members takes into account, among others, business experience, flawless reputation, lack of conflicts of interest, time available to devote to the Company, cultural diversity, and expertise.**

## Composition of the Board of Directors

Acting Board of Directors is composed of five members, three of them are independent, with term of office until April 2025. The table opposite gives an overview of the characteristics of the Board of Directors' members.



Randoncorp and Frasle Mobility Board members, Ana Carolina Strobel and Mônica Pires da Silva.

Board members' full profiles can be accessed [on the website](#).

	David Abramo Randon Chairman	Alexandre Randon Vice chairman	Ana Carolina Ribeiro Strobel Board member	Pedro Ferro Neto Board member	Vicente Furletti Assis Board member	
<b>Diversity</b>	<b>Gender</b>					
	<b>Age group</b>	60-70	60-70	50-60	60-70	
	<b>Length of tenure since 1st election</b>	7 years	19 years	3 years	4 years	2 years
<b>Effectiveness</b>	<b>Independence</b>	No	No	Yes	Yes	Yes
	<b>Attendance at Committees</b>	No	Yes	Yes	No	No
<b>Experiences</b>	<b>Management</b>	●	●	●	●	●
	<b>M&amp;A</b>	●	●	●	●	
	<b>Automotive sector</b>	●	●		●	●
	<b>Technology</b>			●	●	
	<b>People</b>	●	●	●		●
	<b>ESG</b>			●	●	●

## Performance and continuing education

The Board of Directors is evaluated every two years by adopting specific questionnaires, answered by the board members and by the executives, and which are made available on an online platform to ensure anonymity. The purpose of the evaluation is to verify the effectiveness of the members' actions and identify opportunities for improvement. Based on the results, actions are implemented to bolster the Board's efficiency. **GRI 2-18**

In addition, the Board Members participate annually in continuing education initiatives proposed by the Chairman supported by the Corporate Governance area. The Board is also liable for assessing the Company's initiatives linked to ESG criteria and encouraging the adoption of best practices in line with global trends.

At least twice a year, the Board members visit and meet with the business units, which brings the Board even closer to the core business and gives them the opportunity to be "in loco" and learn about projects and solutions aimed at leveraging Randoncorp's sustainable development. **GRI 2-17**

## Fiscal Council

The Fiscal Council is an independent body of management and the external audit, liable for analyzing the registration and control processes, the management acts of the Company and its subsidiaries, and issuing an opinion on the financial statements, among other duties conferred thereto by law.

It can be composed of three to five members, with an equal number of alternates, elected at the Shareholders' Meeting. It currently consists of five sitting members and five alternate members, three men and two women, including one representative of the minority shareholders and one representative of the preferred shareholders and their alternates.

The Fiscal Council's dynamics, composition, operation, duties and responsibilities are set forth in its Charter, which can be accessed [here](#).

**Current board members' full profiles can be accessed [on the website](#).**

## Statutory Board of Executive Officers

The Board of Executive Officers can be composed from two to nine members, comprising a President, a General Executive Officer, up to three Vice Presidents, an Investor Relations Officer, and up to three officers without specific designation. The Executive Officers are liable for managing the business, conducting the executive management in accordance with the Board of Directors' guidelines, the Company's representation before third parties, the preparation of reports and budget proposals, among other duties. Information on the operation and detailed responsibilities of the Board of Executive Officers can be accessed in the [Company's Bylaws and in its Charter](#).

Officers are elected by the Board of Directors for a two-year combined term of office, with re-election allowed, and currently, the Company's Board of Executive Officers consists of five members elected in April 2023 and will serve until April 2025.

The Board of Executive Officers' management of business, operations and the development of strategic projects must be in line with the Board of Directors' guidelines, built on the Company's purpose and strategic guidance, best corporate governance practices, external and internal rules.

**Officers' full profiles can be accessed [on the website](#).**



Part of the Board of Directors visiting Frasle Mobility, Extrema unit.

## Executive Committee

The Executive Committee (Comex) is a non-statutory body composed of statutory and non-statutory officers, liable for directly and strategically managing the operations of Randoncorp's business units, with no fixed tenure.

Comex is currently composed of the statutory officers General Executive Officer (CEO), Vice President and IRO (CFO) and Vice President (Financial and Digital Business Vertical COO), as well as the non-statutory officers: Motion Control Vertical COO, Trailers Vertical COO, Auto Parts Vertical COO, and Advanced Technology Vertical CTIO.

Comex is composed of 7 members: a Chief Executive Officer (CEO), a Chief Financial Officer (CFO), 4 Chief Operating Officers (COOs) and a Chief Technology Innovation Officer (CTIO).

Comex's members full profiles can be accessed on the [website](#).

## Risk & Compliance Management Area

The Risk Management and Compliance Area has defined roles in accordance with its operations. With regard to Risk Management, the area must identify corporate risks and classify those considered to be a priority, setting out the methodology for managing the risks identified. For each risk assessed, a response and treatment strategy must be defined. This area also has the mission of sharing the risk management culture and monitoring its indicators, always in partnership with the business verticals. Risk management must be structured, integrated, customized, inclusive, dynamic, have the best information, consider human and cultural factors, and maintain continuous improvement.

As a Compliance area, it is liable for disseminating the Randoncorp ID culture and Integrity Program, besides ensuring compliance with laws, regulations and Company commitments, as well as managing the Ethics Channel to prevent, detect and remedy risks, aiming at aligning everyone's actions, guided by Randoncorp's purpose and principles. The principle of Randoncorp ID is to mitigate compliance risks through regular training; include compliance responsibilities in job descriptions and employee performance management processes; and monitor compliance performance indicators.



From left to the right: Sandro Trentin (Trailers COO), Daniel M. Ely (Financial and Digital Services COO), Anderson Pontalti (Motion Control COO), Sérgio L. Carvalho (CEO), Paulo Prignolato (CFO and IRO), César Augusto Ferreira (CTIO) and Ricardo Escoboza (Auto Parts COO).

## Internal Audit Area

The Internal Audit is linked to the Board of Directors and has the role of protecting and adding value to internal control processes. Its professionals perform their work independently, impartially and objectively, ensuring the effectiveness of operations by verifying management processes, administrative internal controls and governance.

## Corporate Governance Area

The Corporate Governance area, which is linked to the Board of Directors, strives to enhance the corporate governance system, aiming the Company's sustainability and greater agility in the decision-making process, continually seeking improvement opportunities. It works to maximize the performance of governance bodies by ensuring that the decision-making and opinion-rendering process is well-informed and well-reasoned, and that supporting materials are provided in due time and in an appropriate format, size and content.

## Independent Auditors

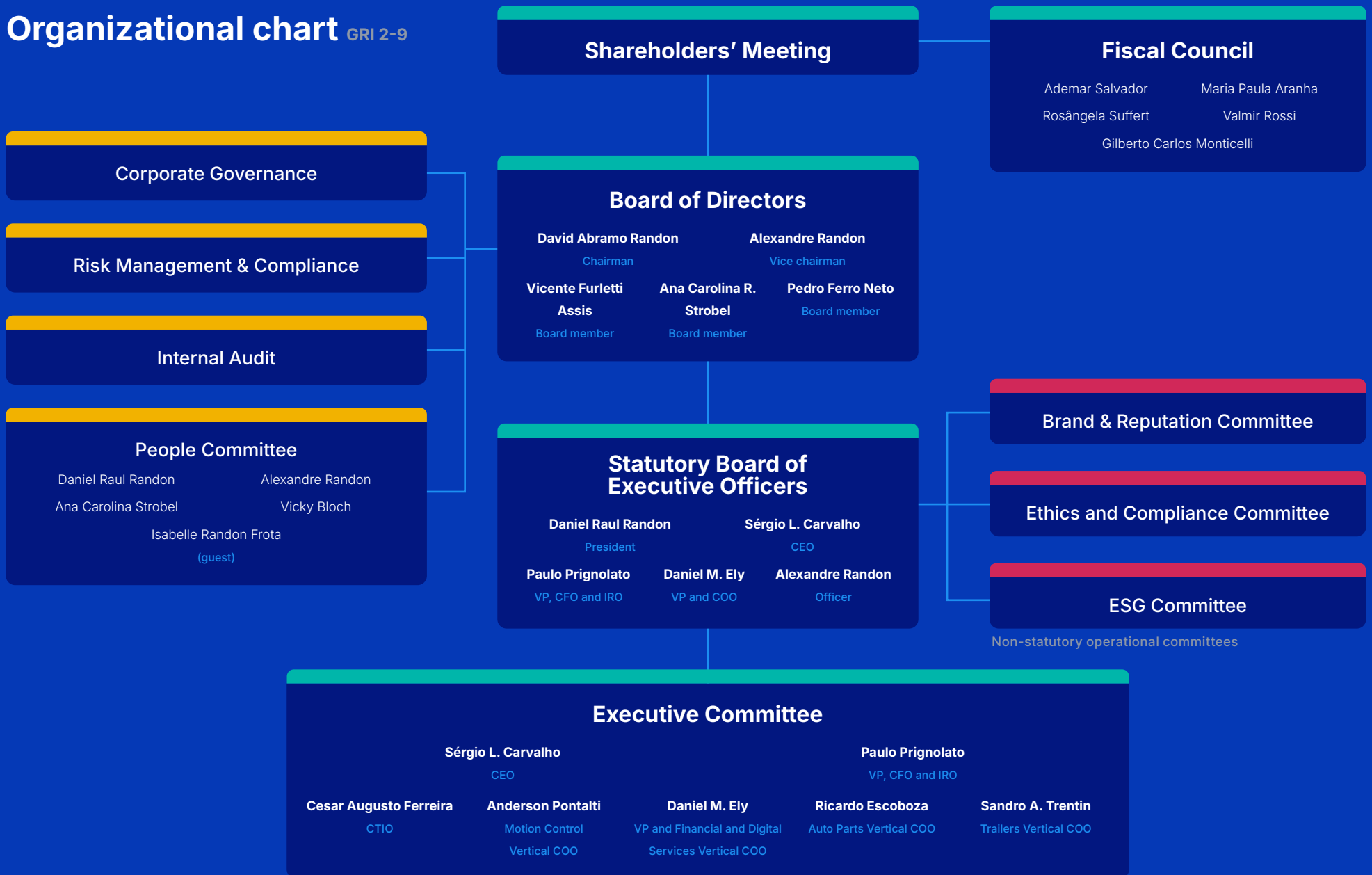
The Company is audited by an independent, internationally recognized auditing firm, which is liable for verifying the accounting records and internal controls, issuing its opinions in specific reports.

The selection and replacement of the auditing firm is the Board of Directors' responsibility, which may demand periodic reports on the work carried out and in progress, as well as an expansion of the scope if necessary.

The Corporate Governance, Internal Audit and Independent Audit areas are linked to the Board of Directors.



# Organizational chart GRI 2-9



# Remuneration

## GRI 2-19, 2-20

Our Remuneration Policy for the board of directors aims to attract, retain and engage outstanding professionals, contributing to the business continuity and value creation. The remuneration of management and supervisory bodies members takes into account an annual market survey based on companies in various sectors comparable to the Company to ensure competitiveness and to assess the need for salary adjustments.

The members of the Board of Directors receive fixed monthly remuneration, while the Executive Board has fixed monthly remuneration plus a benefits package and variable remuneration linked to short- and long-term targets. The Fiscal Council members have equal fixed remuneration and travel expenses paid.

The proposal for the overall annual remuneration goes through the following stages:

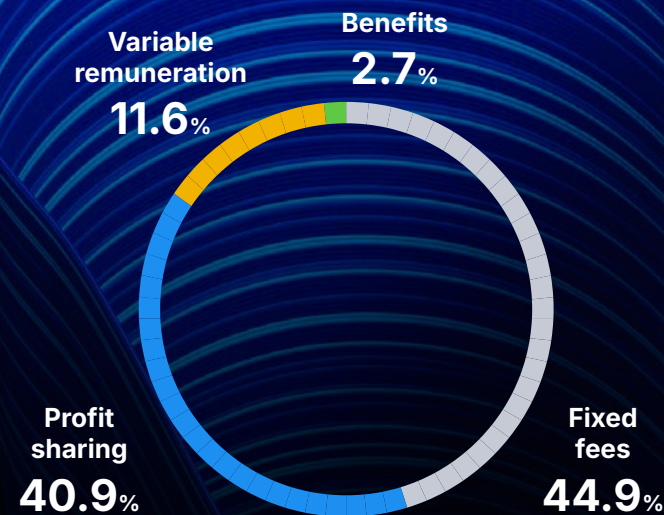
- > Elaboration by People & Culture corporate area;
- > Analysis by People Committee;
- > Board of Directors' opinion;
- > Shareholders' resolution at the Annual General Meeting.

To ensure transparency and clear voting decision, the Company makes the proposal available to shareholders prior to the Meeting. After approval, the distribution/individualization of remuneration among the statutory officers and board members is conducted by the Board of Directors.

## Remuneration policies GRI 2-19



**R\$ 24.6 million**  
distributed to the Board  
of Directors and Statutory  
Board of Executive Officers



## Investor Relations

We value transparency in our relationship with investors and in our communications with the market. In our materials and interactions, we seek to align expectations and talk about the future of the Company to build a relationship of credibility and trust. In 2023, our capital market relations practices were recognized by the Institutional Investor ranking, achieving first place in seven of the eight categories evaluated. This is the fourth year in a row that we have topped the sector and been among the best-ranked of all the participating listed companies.

We maintain an Investor Relations website which contains the Company's main information and results. We also hold results video conferences to present our quarterly performance and, every year, we hold Randoncorp Day, an event where our leaders present our growth and innovation strategies to investors, capital market analysts and interested parties.

In 2023, we held two editions of Randoncorp Day. The first took place at the B3 headquarters in São Paulo, where we presented panels on the Company's long-term strategies, and the second edition was held in Caxias do Sul, where investors got to know our main industrial plants and took part in thematic Q&A sessions with Randoncorp's top executives.

We are also attentive to market demands concerning sustainability. We publish our Sustainability Report every year with the aim of building transparency and indicating our advances. We are always seeking improvements in this process, such as the adoption of double materiality in 2023 and external assurance, conducted for the third consecutive year. We also present the ESG Ambition event every year to highlight the results of our sustainability strategy. The event is recorded and available on our Investor Relations website and YouTube channel.

To keep updated  
on the Company's  
main information,  
access the website  
[ri.randoncorp.com](http://ri.randoncorp.com).



Paulo Prignolatto, VP, CFO and IRO of Randoncorp  
at the Randoncorp Day event in São Paulo

Other market recognitions received by Randoncorp

## 4th Apimec Ibri Award

Promoted by the Brazilian Association of Capital Market Analysts and Investment Professionals (Apimec Brasil) and the Brazilian Institute of Investor Relations (Ibri). The Company was awarded for the best Investor Relations practices and initiatives in the country, among businesses that trade on the stock exchange as Small and Middle Caps.

## 25th Abrasca Award

From the Brazilian Association of Publicly-Held Companies, among the five best annual reports in Brazil. Randoncorp also won an honorable mention for Risk Management Structure, Internal Controls and Compliance, among publicly-held corporations.

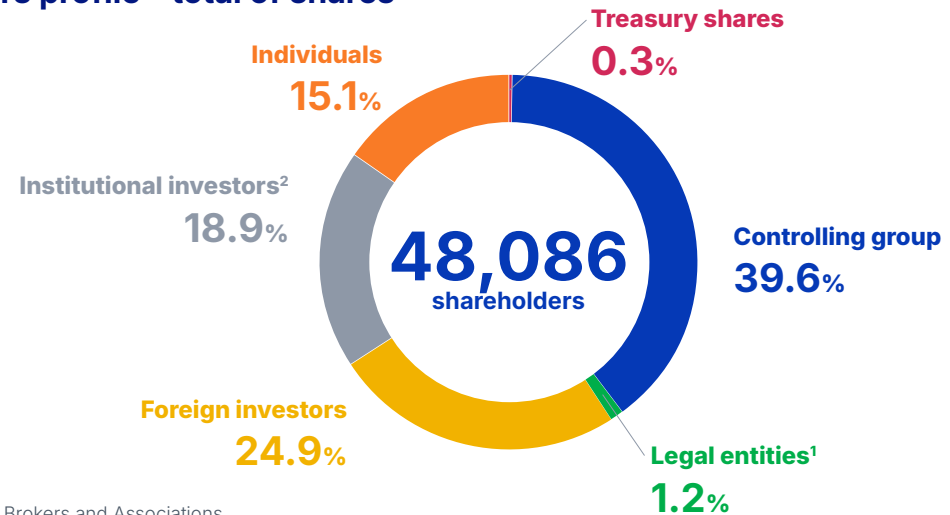


Randoncorp Day Site Visit 2023.

## Shareholders profile

Randoncorp's shares are traded at B3 under the ticker symbols RAPT3 and RAPT4. These are 116,515,527 common shares and 212,815,006 preferred shares, with market cap of R\$ 4.1 billion at the end of 2023. The controlling group holds 39.6% of the Company's total shares.

### Shareholders profile – total of shares



<sup>1</sup> Companies, Banks, Brokers and Associations.

<sup>2</sup> Investment funds and clubs.

\*Information as of 12/31/2023

# Ethics, integrity and **compliance**

GRI 2-23, 205-2, 3-3

We do not waive acting ethically in business and the same is required of every professional, partner and supplier who works with Randoncorp. This commitment to corporate integrity is compiled in the Integrity Program, Randoncorp ID, which aims to promote, guide, disseminate and monitor good practices in our business. In 2023, we developed the ID Journey, a Randoncorp ID initiative to train and raise awareness among teams *in loco*. With this initiative, we have impacted more than 7,000 employees across all the regions where we operate. In some business verticals, we have reached 100% of the employees trained, and we will move forward with our efforts in 2024 to achieve the application of the journey to all the units' employees with the integrity program in place.

The ID Journey covered topics, such as the Code of Ethical Conduct, anti-corruption measures, combating harassment and conflicts of interest. By adapting training to the different cultures and regions where we operate, we ensure a deeper and more relevant connection with employees, while respecting each site's particularities. We also focused on training the Internal Accident and Harassment Prevention Committees (Cipas) on moral and sexual harassment, reaffirming our dedication to fostering safe and respectful workplaces.

During 2023, we also launched an online platform, the UGRC portal, for training and communications on the universe of governance, risks and *compliance*. The pilot project was applied at Frasl Mobility's Caxias do Sul unit, and expansion to other business units and suppliers is planned for 2024. The UGRC portal allows the incorporation of practical examples and case studies, enriching the learning process, as well as providing greater flexibility for distance training. Among the training courses already offered are the Code of Ethical Conduct, anti-corruption and compliance *topics*.

The Anti-Corruption Policy and the Code of Ethical Conduct are communicated in forums, such as the Suppliers' Meeting, the Suppliers' Manual, earnings release conferences, the Company's official communication channels and due diligence analyses for new suppliers. Documents are public to all those involved with Randoncorp, and are available at the Company's website ([randoncorp.com](http://randoncorp.com)) and at the Investor Relations web page ([ri.randoncorp.com](http://ri.randoncorp.com)).



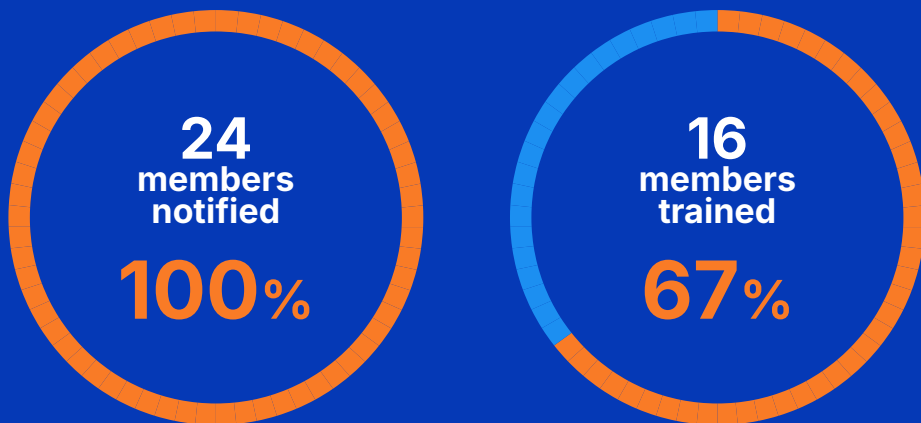
Ryan Talisson da Silva,  
stockroom employee  
at Randon.

Potential financial impacts identified and referring to ethics and compliance include higher costs related to eventual sanctions and legal proceedings, compliance with new regulations and policies, impact on the cost of capital, and a potential lower demand for the Company's services connected with cases of corruption. In addition, there are socioenvironmental impacts involving changes in standards of ethical behavior, as well as in the reliability of the ethics channel and the brand's

reputation. The Company prevents impacts through its corporate policies, and deals with real situations with specific procedures, such as risk management, due diligence and the Ethics Channel.

The effectiveness of the measures is assessed based on the achievement of the expected results. The lessons learned are built into corporate policies and procedures.

**Total number and percentage of governance body members who have been communicated and trained on the anti-corruption policies and procedures adopted by the organization** GRI 205-2



Note: Note: governance bodies consider the Board of Directors, Fiscal Council, Executive Committee and Statutory Board of Executive Officers.

To assess the effectiveness of the measures, specific targets and indicators are adopted, such as:



**Training:** percentage of employees who took part in the ID Journey, with a target of 100% of employees trained.



**KRI (key risk indicators):** prioritized corporate risk indicators as part of the monitoring process.

## Code of Ethical Conduct

GRI 2-23

The Code of Ethical Conduct is the document that consolidates our vision on the subject and provides guidelines to ensure that our business is aligned with our values and principles and contributes to a healthy, safe and respectful workplace. The document is approved by the Board of Directors and applies to all employees, who receive hard and digital copies upon hire and must sign an acknowledgment statement and commitment to the guidelines.

In addition to the Code of Ethical Conduct, our Anti-Corruption Policy and Compliance Policy set forth best practice mechanisms to prevent any form of corruption and bribery. Other Company documents deal with issues, such as donations and sponsorships, related party transactions, among others.

## Ethics Channel GRI 2-25, 2-26, 2-16

We have an Ethics Channel, which allows everyone involved with the Company - employees, customers, suppliers and other stakeholders - to report any suspected or actual violations of our Code of Ethical Conduct, corporate policies or prevailing laws. The channel is a secure and confidential communication tool, managed by an external company, where we ensure anonymity and protect whistleblowers from retaliation.

Reports received through the Ethics Channel are managed by an independent and specialized company and forwarded to the Risk Management and Compliance area, which is responsible for addressing and resolving them. In situations where a breach of conduct is confirmed, the Company applies the disciplinary measures set out in the Policy of Consequences. In addition, we have devised

specific action plans to correct the faults identified and prevent future occurrences, reaffirming our commitment to integrity and business ethics.

We have a dashboard to monitor the effectiveness of the Ethics Channel. On a quarterly basis, we report to the Ethics Committee and the Board of Directors on the effectiveness of the mechanism and the treatment of reports. In addition to the Ethics Channel, we have a tool where employees can ask for advice on the implementation of policies and practices, which is answered by the Risk Management and Compliance area.



## Ethics Channel Contacts

[www.canaldeetica.com.br/randoncorp/](http://www.canaldeetica.com.br/randoncorp/)  
 Brazil: 0800-777-0768  
 United States: 1-800-245-8549  
[compliance@randoncorp.com](mailto:compliance@randoncorp.com)

Our Code of Ethical Conduct provides clear guidelines for preventing and managing conflicts, based on transparency, ethics and integrity.

## Conflicts of interests GRI 2-15

Conflicts of interest are situations in which personal decisions or behavior can harm third parties or the company itself. The Code of Ethical Conduct sets out clear guidelines for managing and avoiding conflicts, aiming at maintaining integrity, transparency and ethics within the Company. In this document, we identify conduct that may be a conflict and provide guidance on the appropriate course of action in each case. All in all, employees are advised to step away from the situation and report it to the Company.

Conflicts of interest are also addressed in our Bylaws, the Board of Directors' Charter, the Statutory Board of Executive Officers' Charter and our Related Party Transactions Policy. In the case of the Board of Directors, the board members involved are advised to speak up and not participate in discussions and decisions where there is a conflict. This also applies to shareholders attending the Shareholders' Meeting.

Stakeholder reporting takes place through the notes to the financial statements and the reference form and, when it involves relevant values or strategic issues, these are individually reported through a specific notice to the CVM.

## Impacts management

GRI 2-12, 2-16, 2-23, 2-24

Making a profit while maintaining sustainability is one of the Company's principles. For this reason, the Board of Directors regularly discusses the development, approval and updating of sustainable development-related policies. In turn, the executive board follows the Board's guidance and also participates in the ESG Committee, where strategies and developments are monitored throughout the organization.

Corporate policies are based on our principles and our culture. They should be adopted as a guide to assist in the decision-making process and to create consistency in the organization's behavior. Compliance is mandatory and claiming not to know will not be accepted. These are designed for the long term, but are subject to adjustment to ensure compliance with regulators, laws, market conditions and organizational changes. We have an in-house corporate standards process that provides for an annual review of our policy commitments.

Some of the ways in which the Board of Directors manages economic, environmental and human

impacts include monitoring the execution of the annual operating plan, quarterly reports, investments in clean energy generation and green products, monitoring issues related to the safety and integrity of employees and contractors, and others.

Critical issues are outlined in our ESG Ambition public commitments, included in the risk map and communicated to the Board of Directors at meetings, recorded in the minutes and released on the Investor Relations website. When they are not disclosed, these refer to strategic issues that are dealt with exclusively the Board of Directors. The body's supporting committees also have the duty of analyzing the main critical issues on their meeting agendas.

In addition, we involve the stakeholders in the construction of the materiality, so that they point out the topics whose impacts need to be monitored. For issues related to the sustainability strategy and commitments made, the Board of Directors is liable for analyzing the progress of initiatives that contribute to achieving the goals.

Our corporate policies are approved by the Board of Directors.

The Company published its Sustainability Policy on March 12, 2024, which was approved by the Board of Directors and can be accessed [here](#).

Current policies can be accessed on our Investor Relations website. Access [here](#).



## Risk management GRI 2-12, 2-13

We always try to analyze risks in order to reduce negative impacts and boost opportunities. In this regard, we have adopted the best risk management practices on the market, such as the COSO (The Committee of Sponsoring Organizations) framework and the recommendations of the ISO 31001 standard. The corporate risk assessment process directs efforts to maximize opportunities and mitigate adverse impacts that could affect the Company's strategic objectives.

The Risk Management Policy, approved by the Board of Directors, sets out guidelines, strategies and responsibilities. In addition, the Company has formalized procedures that outline the corporate risk management process and design internal control activities. The Board of Directors and the Executive Committee define the priority risks, those responsible for their management and the allocation of resources, besides monitoring mitigation initiatives.

## The in-house governance bodies involved are:

- 1**

---

**Risk & Compliance Management Area**  
 Liable for continuous monitoring of corporate risks and the Integrity Program, keeping the executive board and the Board of Directors informed of indicators and responses to risks.
- 2**

---

**Executive Committee**  
 Defines corporate risk appetite and tolerance based on the assessment of internal and external risk factors.
- 3**

---

**Board of Directors**  
 Assesses and approves the corporate risk map. It also ensures the effectiveness of risk management systems and regularly monitors them.
- 4**

---

**Support committees**  
 to the Board have the duty of analyzing the main critical issues in a complementary way and incorporating them into its meeting agendas. This seamless approach ensures that significant concerns are systematically communicated and considered at the highest level of the organization's governance.

The integrated risk management process is conducted in three stages: identification, assessment and classification by level of criticality and risk category (strategic, operational, financial and regulatory), and finally treatment. The recommended treatment can vary between avoiding, accepting, mitigating or transferring the risk.

The corporate risk map is reviewed every two years. The most recent one took place in 2023, through a process involving all the executive boards, which assessed the 43 corporate risks identified. In the end, we have the corporate risks classified according to their level of criticality (low, moderate, significant or critical).

Prioritized risks are treated and monitored in order to mitigate and prepare the Company to cope with adverse events. The Board of Directors regularly monitors the progress of the mitigation plans.

For each risk monitored, we look for references in the market and analyze its impact to understand its relationship with the acronym's environmental, social or governance pillars.

Rafael Pazetto, Shared Solutions Center's administrative assistant.



# Integrated Risk Management Process

## Stages

**1 Identification:**  
we identified 43 corporate risks in 2023.

**2 Assessment and classification:**  
criticality assessment (impact X probability) and risk categories.

**3 Treatment and monitoring:**  
each risk has a response strategy.

## Treatments

> **Avoid:**  
discontinue activities generating risk.

> **Accept:**  
assume the impact/probability and maintain current control.

> **Mitigate:**  
create controls and initiatives that minimize exposure.

> **Transfer:**  
mitigate the probability or impact through transfer or sharing with third parties.

## Risk categories:



### Strategic

associated with the organization's decisions to achieve its objectives or failure to adapt to environmental conditions.



### Operational:

these refer to eventual losses (of production, assets, customers or revenue) due to failures in processes, people and systems or external events, such as natural disasters.



### Financial

associated with the market (changes in interest rates, exchange rates, legislation), credit or liquidity.



### Regulatory

these refer to sanctions or reputational damage connected with failures to comply with laws, agreements or in-house policies.

# Data privacy and security

GRI 3-3

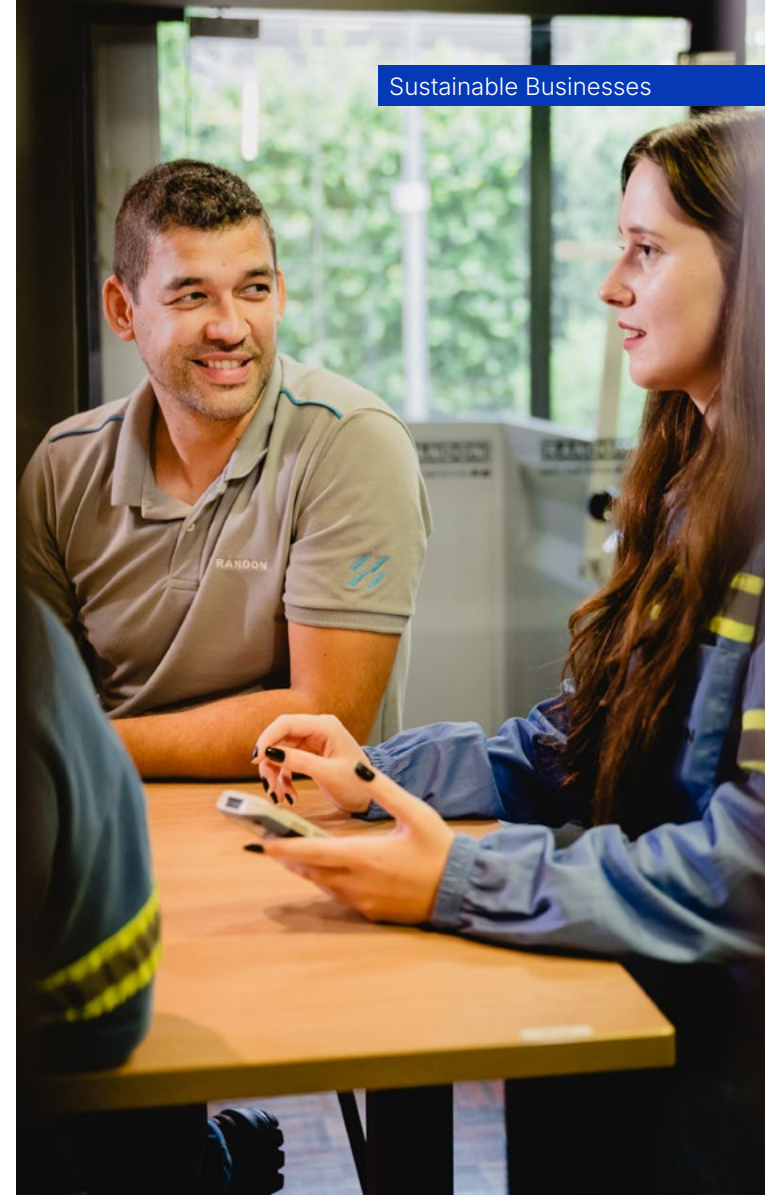
Promoting cyber security is one of the priority issues for Randoncorp, which adopts a holistic approach encompassing governance, culture and technology. By developing strict policies and procedures, we ensure that everyone involved follows clear guidelines to protect and maintain the integrity of operations.

The topic involves potential financial and socioenvironmental impacts. Financially, the impacts mapped include higher costs for technological upgrades, loss of revenue due to core systems disruption, reputational damage and cyber attacks-related costs. Potential socioenvironmental impacts include the management and leakage of sensitive employee, customer, supplier, and executive data, as well as issues, such as fraud and anti-competitive practices.

To mitigate these risks, Randoncorp takes various proactive measures, such as raising awareness and providing ongoing training to employees and partners on cyber risks, and implementing a robust incident management process to minimize and repair damage. These efforts are paramount to identifying and neutralizing cyber threats, ensuring sound technological infrastructure and the security of the Company's vital information.

The Company implements various controls that can be technological, physical or administrative, supported by various procedures that cover issues, such as access management, remote working, contracting cloud services, cyber crisis management, information security risk management, system security configuration, among others. The Company also has a Cyber Crisis Committee, which responds to critical incidents in the cyber environment.

The technological environment's security is constantly monitored, with corrective actions being taken to wipe out vulnerabilities. The effectiveness of the measures is ensured by internal and external audits and adherence to legal and customer requirements. The maturity of information security processes is regularly assessed and goals and objectives are aligned with corporate strategy, reflecting an ongoing commitment to information protection and business sustainability.



Randon's employees, Ismael da Silva (machine programmer) and Alessandra Muller (storekeeper).

## Security and Privacy Policies GRI 3-3

We have an Information Security Policy that sets out guidelines for the topic, aiming at meeting the business' needs, the legal protection of the company, and the individuals involved. The policy applies to all employees, trainees, suppliers and service providers, as well as anyone who uses Randoncorp information, and is based on the pillars of confidentiality, integrity and availability of information and data.

The document specifies that the Board of Directors, the Risk Management and Compliance area, the Information Security area, managers and employees have specific roles in approving, reviewing, monitoring, complying with and disseminating the information security culture. The policy also highlights the importance of protecting information and reporting any leaks of sensitive data through the Ethics Channel.

The Code of Ethical Conduct also provides guidance on handling personal data and sharing data with external stakeholders. The document recommends protecting sensitive company information during negotiations or discussions with customers, suppliers and other third parties at corporate events or benchmarking meetings.

**The Information Security Policy and the Code of Ethical Conduct are available at our Investor Relations website.**

## Personal Data Protection

The continuous improvement of processes for the protection and processing of personal data is part of Randoncorp's privacy governance program, which is managed by the Risk Management and Compliance area. The Corporate Personal Data Privacy Policy sets out the guidelines, strategies and responsibilities in the governance of personal data privacy to ensure compliance with treatment. In addition, the Company set up an Information Privacy and Security Committee, which aims to discuss actions related to corporate personal data privacy issues.

In terms of culture, in addition to the actions carried out in accordance with the annual privacy and personal data protection training and communication plan, the Company holds two annual seasons of the online game on personal data protection with employees' voluntary participation. The main goal of this friendly competition is to foster the culture and enhance employee awareness of privacy and personal data protection.

In addition, the Company ensures the right of the personal data holder to obtain, at any time and upon request, access to their data, modification of the data and confirmation of the existence of treatment. The Holder Portal is made available to facilitate such access.

### Holder Portal

[https://portal.dotitular.randoncorp.com/titular\\_randon](https://portal.dotitular.randoncorp.com/titular_randon)

Camila Simon Gattelli, operation analyst at Banco Randon.

## Technology and security culture

The security of the technology infrastructures adopted by the Company is constantly monitored. Since 2022, we have conducted assessments to identify positive points and gaps in information security. The initiative updates the Information Security Master Plan, which includes the main initiatives to mitigate the related risks. To help us devise corrective and educational actions, we constantly run tests with our employees, involving social engineering.

### Safety Connections

Besides technology, people's engagement is paramount for information security. In this regard, we have developed an awareness program called Conexões Seguras (Safety Connections), which aims to bring qualitative information on cyber security across the Company through newsletters, e-books, campaigns and training sessions. The program is developed in several languages, with the aim of including Randoncorp's international operations. We also carry out educational activities aimed at employees who are considered to be more vulnerable to cyber attacks.

In October, which is Information Security Awareness Month, we kicked off a series of themed events. The first lecture focused on security in industrial environments, while other courses and classes covered data security, financial services, and other topics. We also addressed these issues with suppliers in forums, meetings and audits.



Randoncorp has well-structured programs to ensure information security.



# Product safety and excellence

GRI 3-3

We strive for continuous quality in our products, services and processes in order to serve our customers efficiently and sustainably. In accordance with the guidelines of our Code of Ethical Conduct, we do not allow violations or shortcuts in the execution of technical and operational procedures and standards. We work for safety, excellence, well-being and responsible profit.

All our companies implement a comprehensive Management System (SG) that encompasses the Quality, Environmental, Occupational Health and Safety, and Laboratory Competence Systems. We apply dedicated tools to control and manage processes, allowing us to evaluate the success of our actions and continually strive for improvement.

For the material topic of product safety and excellence, the potential financial impacts include higher legal costs, the need to adapt to new regulations, the impact on the cost of capital, the eventual lower financial efficiency, product recalls, and lower demand due to negative associations related to adverse consequences of their products. In addition, we consider possible socioenvironmental impacts to include the quality and safety of the services offered, as well as customer satisfaction.

To prevent or mitigate potential adverse impacts, we adopt methodologies and standards such as Advanced Product Quality Planning (APQP), Failure Mode and Effect Analysis (FMEA) and continuous improvement programs such as 8D. To address real negative impacts and arrange for their repair or cooperation, we adopt the Method of Analysis and Problem Solving (MASP), the Lean Six Sigma Program, and also continuous improvement programs.

Monitoring the effectiveness of measures and progress towards objectives and targets is carried out by administering the Management System's objectives, which are represented by strategic indicators. These indicators derived from the Management System Policy and the Company's Public Commitments.

Our companies have quality, environmental, safety and occupational health management systems.



Trade Marketing Analysts at Frasle Mobility, Priscila Brando and Anderlize Goebel Cavalli.

## Certifications GRI 3-3

To ensure the quality of our processes and products, we have obtained a number of certifications throughout our history, including quality, environmental, and health and safety management systems. All certifications obtained or in the process of being obtained are prioritized according to customer needs and market trends.

In 2023, NIONE won the international certification ISO 9001:2015 focused on Quality Management System, while Frasle Mobility units, Osasco and Extrema sites received ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management) and ISO 45001:2018 (Health and Occupational Safety Management). In addition, we maintained the recognitions already obtained by other units.

The certifications are the result of a structured improvement process that includes mapping processes, assessing risks and opportunities, defining roles and responsibilities, and elaborating operational documentation. The effectiveness of these measures is tracked through internal and external audits, and progress is evaluated within the Management System, with specific objectives, targets and indicators. The lessons learned from these processes are built into the organization's operational policies and procedures, ensuring continuous adaptation and improvement.



NIONE Employees

### Our main certifications

**ISO 9001**  
Quality management system

**ISO 14001**  
Environmental management system

**IATF 16949**  
Automotive industry quality management system

**ISO 45001**  
Occupational health and safety management system

**ISO 17025**  
Requirements for testing and calibration laboratories

In 2023, NIONE received the ISO 9001:2015 certification focused on Quality Management System.

# Supplier management

GRI 408-1, 409-1

We assess and monitor the supply chain based on the Supplier Requirements Manual. This manual covers advanced quality engineering requirements, procurement, logistics, warranties, and auditable requirements related to social responsibility, the environment, occupational health and safety, including measures to prevent forced or compulsory labor and child labor. We also conduct regular audits of our supply chain and carry out integrity reviews (due diligence) for new suppliers, following the guidelines of the Code of Ethical Conduct and Corporate Policies available on our website. **GRI 2-23**

The management and operation of the Risk Check Portal, used in the due diligence activity, is conducted by an independent and specialized company. The Risk Management and Compliance area is responsible for due diligence and recording the level of risk identified in each supplier. During the year, no risks of slave, analogous to slave or child labor were identified through due diligence. There were also no complaints filed with the Ethics Channel.

In 2023, the Internal Audit area implemented a continuous audit process focused on Corporate Procurement, which operates on a 24/7 basis.

The platform is connected to the Company's system and triggers alerts whenever occurs a deviation from the pre-defined rules, contributing to the integrity and efficiency of operations.

Every year, we hold the Suppliers Meeting, when we bring together the supply chain, presenting scenarios, strategies and guidelines for each business vertical at the event. In 2023, the event relied on the attendance of 100 partner companies. During the event, ESG and cybersecurity commitments were shared, as well as discussions on innovation and sustainability.

We have a Supplier Requirements Manual including guidelines on quality, social responsibility, occupational safety and other issues that should be considered by partners.



## Supplier Awards

To encourage and develop our supply chain ambitions, the meeting promotes the Supplier Awards, where we recognize our suppliers in the categories of Competitiveness, Innovation and Technology, and ESG. In 2023, we received 81 applications for projects in the three categories, 44 of which focused on the ESG pillars.



## Selection & monitoring

A new supplier is selected by our corporate procurement department, which adopts a broad list of factors and criteria related to economic and financial, commercial aspects, quality and safety of the products and services offered, as well as commitment to ethical and socially responsible behavior. Our Supplier Requirements Manual requires all direct suppliers to be carefully evaluated and selected based on a rigorous analysis of quality, logistics, after-sales, commercial, environmental, occupational health and safety, and social responsibility. In order to promote continuous improvement, we recently launched the 9th edition of the Manual, which now includes specific criteria related to ESG actions.

When evaluating suppliers through approval audits, the integrated management system is analyzed, including the requirements mentioned above. The business relationship only continues if the supplier passes the evaluation methodology applied. For companies already approved, surveillance audits are conducted according to a schedule determined by the criticality of the items and the performance evaluated in previous audits.

We are at the 9<sup>th</sup> edition of our Supplier Requirements Manual which relies on ESG criteria.

## IDGF - Global Supplier Performance Index

Every month, we evaluate the quality and performance of our suppliers, both for the current month and for the last quarter. This allows us to evaluate their performance and identify trends, so we can design improvement plans and decide whether or not to keep them in our chain.

The IDGF - Global Supplier Performance Index - 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 assessments are summarized in managerial reports, which include the supplier's process audit score, on-time delivery performance, and PPM index (defective parts per million parts shipped).

Together, these indicators feed into the Global Supplier Performance Index (GSDI) score, which qualifies the supplier into four classes according to its performance:

- 1** Suppliers with the best IDGF are benefited for their performance and are given priority in new business with the Company.
- 2** Suppliers who can participate in new procurement processes, but are not a priority.
- 3** Suppliers with low performance, who must establish actions to correct the problems identified and move up a level.
- 4** Suppliers who have failed to evidence improvement in their processes during the supply period and therefore have their relationship re-evaluated.

## Auditable requirements for suppliers in social, environmental, health and safety aspects

We have adopted an extensive list of requirements for contracting new suppliers, including environmental documentation, certifications and legal requirements.

1

### Social Responsibility

- > No occurrence of child, forced or compulsory labor;
- > Corporate Health and Safety Policy (ensuring a safe and healthy workplace, as well as measures to prevent accidents and damage to employees' health);
- > Freedom of association with trade unions and the right to collective bargaining;
- > Do not allow practices of discrimination;
- > Do not use disciplinary practices (corporal punishment, mental or physical coercion and verbal abuse);
- > Workload defined in accordance with current legislation;
- > Equitable pay;
- > Not being on the "dirty list" of forced labor, which contains the names of employers who have been caught by federal government inspections;
- > Corporate policy of anti-corruption, ethics and organizational governance.

2

### Environment

- > Environmental management corporate policy;
- > Have environmental licensing;
- > Environmental management system and permanent updates according to ISO 14001 requirements;
- > Waste management;
- > Noise/vibrations management;
- > Monitoring, reducing and optimizing the consumption of natural resources;
- > Environmental liabilities management;
- > Environmental risk management;
- > Constant monitoring, recording and continuous improvement of the environmental management system.

3

### Occupational Health and Safety (OHS)

- > OHS Management System and continued updates according to ISO 45001 requirements;
- > OHS Corporate Policy Committed to providing safe and healthy working conditions to prevent work-related health harm, appropriate to the purpose, size and context of the company and the specific nature of its risks and opportunities;
- > The board of directors must ensure that this policy reaches all levels of the Company;
- > The Organization must set out, implement and keep OHS management monitoring processes.

# 5

## People valued and respected

- > Attraction, development and engagement
- > Human rights and labor relations
- > Diversity, inclusion and equality
- > Health, well-being and safety
- > Social responsibility



James Ricardo Altidor, welder at JOST.



Global presence, innovation and technology, dynamism, sustainable approach and opportunity are the pillars of our value proposition to employees.

# Talent attraction, **development** and **engagement**

GRI 2-7, 2-8, 3-3, SASB RT-IG-000.B

At Randoncorp, we value the contribution of all people and are dedicated to shaping a diverse, healthy and attractive workplace. We understand that each employee plays an important role in building and perpetuating our brand. That is why we are committed to providing opportunities for everyone to grow and thrive. In this context, we rely on a People Management Policy that prioritizes ethics, equality, equal opportunities and treatment. The document lays the foundations for the management of our human capital, considering the best practices.

With the goal of reinforcing our employer brand to attract and retain professionals, we conducted an employer branding project in 2021-2022 that culminated in the creation of the Employee Value Proposition (EVP), our value proposition to employees. Our EVP is based on the following pillars: Global presence, innovation and technology, dynamism, sustainable approach and opportunity. The EVP gave rise to an action plan and, as of 2023, the employer brand has become a core strategy for the Company.

In line with the EVP, we have devised a digital and structured talent attraction and recruitment process, focused on agility and the candidate experience. Vacancies are advertised on the careers page, social media and the Work with Us portal. Similar to other Company's procedures, we follow our People Management Policy.

To assess progress in attracting and engaging employees, we have objectives, targets and indicators. These include effectiveness rate (90-day retention), overall internal success rate, management success rate, voluntary turnover, total turnover, consolidated annual NPS, percentage of women in leadership positions, and inclusion of people with disabilities. We also conduct climate surveys in the units, corporate online listening and monitor indicators via platforms with evaluations of the company made by former employees.

The lessons learned are being embedded into our operational policies and procedures. In addition, we continually review our processes, ensuring that they are aligned with our attraction and engagement strategies.

Juliana Rodrigues Kich, dispatch employee at Castertech.

## Remuneration and benefits GRI 401-2

Our employees receive a solid benefits package, including: healthcare plan, health center, telemedicine (SSI), dental plan, food or meal vouchers, transportation, life insurance, personal accident insurance, parental leave, lactation room, daycare assistance, flexible working hours (administrative) and the PRA.VC learning portal.

We also offer the Randonprev Plan, our private pension plan, which was remodeled in 2023 in order to increase the number of beneficiaries with the Company's contribution. Other benefits include a funeral allowance, tribute for length of service and a Christmas basket. Every year, we review our remuneration processes in order to maintain the Company's competitiveness in the market.

## Development GRI 404-2

To foster our employees' development, we have implemented organizational education programs in line with our People Management Policy and in our organizational competencies. Programs include skills, awareness and targeted training, ranging from mandatory requirements to individual needs resulting from performance reviews.

Our business units have the autonomy to financially support courses and training activities for their professionals according to their strategy and needs.

### The topics discussed in our development actions include:



**Quality:** training to meet certification, management system standards and customer requirements.



**Safety:** continuing occupational safety training, promoting a culture of prevention.



**Languages:** interactive learning of various languages via an online platform.

In addition, we develop the following initiatives:

### PRA.VC

The PRA.VC (Randoncorp's Learning Portal) is an online platform *that* promotes individual and professional development through various courses. It includes a catalog of courses available for all professionals to choose from and some of them are mandatory, such as regulatory standards. We facilitate access to learning through a few computer terminals in the Company. In 2023, the platform was redesigned and went live with a focus on lifelong learning.

### SER DIGITAL Program

Implemented in 2022, the program offers employees access to an immersive learning platform with +1,200 courses in programming, digital transformation, data science and soft skills. In 2023, nearly 100 professionals were licensed to use the platform.

### Qualificar Program

The Qualificar is our Young Apprentice program. In partnership with Senai (National Service for Industrial Apprenticeship) and the Randoncorp Professional Education Center, the initiative prepares young talents in emerging areas, such as robotization and industrial automation. Since its inception, more than 1 thousand young students have benefited from the program. In 2023, 146 young students took part in the Qualificar Program and, of these, 66 have already completed the course and graduated. More than 200 internal apprentices came together to present advances to the business units at the first Qualificar Exhibition.



## Leadership in motion program

Designed to help leaders meet the challenges of expanding business and cultural transformation, this program seeks to bolster organizational skills, promote professional development, career advancement, engagement, and team development. The initiative includes individual coaching and mentoring programs, behavioral development, relevant technical training and benchmarking visits to other organizations. We also hold an annual Leadership Meeting to reinforce the organizational culture and discuss the future of the business. In 2023, the topic was People and Business.

## Executive Committee Development

Conduct behavioral development in partnership with external consultants, underlining individual coaching and team building to promote team integration and high performance.

## Succession

We conduct assessments to identify talents and leaders with potential to hold managerial positions. We assess their readiness and areas to be developed, drawing up Individual Development Plans (IDPs).

## Engagement with external institutions

We are actively involved with various educational institutions and educational ecosystems, collaborating to share knowledge through lectures and meetings with our professionals. We present our company to talents at universities and events. In addition, we support +praTI, a non-profit organization that seeks to identify and train new talent in the IT area by offering content, mentoring, technical challenges and job opportunities.

## Average hours of training by organization's employees during reporting period, by gender GRI 404-1

### Average hours of training 2023

Men	20.2
Women	18.1

**Total average 19.7 hours**



Valéria de Abreu Neves Muller, Randoncorp's People & Culture, Brand & Reputation Manager at the Leadership Meeting event.

# Performance review GRI 404-3

Our performance management is tailored to different employee levels, ensuring that all employees receive feedback from managers to align expectations and discuss development opportunities. Since 2016, we have been conducting formal evaluations for leadership positions and, since 2020, for administrative positions using the GED (performance management) platform.

Administrative staff are assessed on organizational competencies, perform self-assessments, and receive management feedback to identify opportunities for improvement. Officers undergo a 360° evaluation, while managers and coordinators undergo a 270° evaluation.

Management levels go through rounds of calibration to ensure consistency. Our goal is to help employees realize their potential and advance their careers by setting goals that encourage continuous development and contribute to the talent pool paramount to the Company's growth.

During the reporting period, 100% of eligible employees\* (42.3% women and 57.7% men) received performance and career development reviews.

\*Note: Those eligible are those in management, leadership, positions classified as administrative labor, and positions of an administrative nature related to engineering, logistics, and procurement. Units linked to the SAP that have gone through the program awareness process (GED). Board of executive officers level includes C-level executives.



Pedro Basso Poletto, Corporate Venture Capital Analyst at Randon Ventures.



# Human rights and labor relations

GRI 3-3

As a signatory to the UN Global Compact, we are committed to its ten principles in the areas of human rights, labor, the environment and anti-corruption. This commitment reflects the adoption of business practices that respect and promote human dignity both internally and externally.

We have developed an in-house culture of respect for diversity and inclusion. We maintain programs to enhance the representation of minority social groups, create affinity groups and reinforce an inclusive culture. This issue is covered by our Code of Ethics, which has been adopted by the entire Company.

We maintain a Labor and Union Relations Department, which reports to the Legal Department, to facilitate dialogue and build solutions to the Company's needs and employee representatives. We have taken a number of steps to prevent or mitigate potential adverse effects, including negotiating collective bargaining agreements covering issues, such as bank hours, home office, holiday swaps, profit sharing, shifts and working hours. We also conduct process audits to provide remediation or cooperation in the event of real negative impacts. Our specialized area also actively participates in employer commissions and committees, promoting studies and the exchange of experiences.

Externally, we seek to promote human rights among our suppliers. During the hiring process, they must declare that they accept and comply with all the requirements presented in our policies, manuals and programs. This includes human rights and anti-corruption guidelines.

In addition, we implement practices set out in the Supplier Requirements Manual, which includes auditable criteria related to social responsibility, the environment, and occupational health and safety, to prevent or mitigate potential adverse impacts. The Supplier Meeting mentioned earlier in this report poses an opportunity to discuss the Company's human rights policy.

The effectiveness of the Company's measures is analyzed through meetings, negotiations and compliance with laws and collective agreements. The Company also sets targets and related indicators, such as the Global Supplier Performance Index. The lessons learned from the negotiation processes and the feedback from stakeholders are embedded as a way of improving the Company's practices.



To curb violations, we have made available the **Ethics Channel**, which composes the Company's Integrity Program, already mentioned herein. The channel receives anonymous complaints, which are screened and duly dealt with.

# Diversity, inclusion and equality

GRI 405-1

We are committed to building an environment that is inclusive of all people, that values differences, and that respects people and their life journeys.

We perform in **four fronts** to drive our diversity strategy:

1

**Institutional commitment:** we have developed representativeness goals, inclusive culture and objectives for the topics of equal gender, race and ethnicity, people with disabilities and inclusion of LGBTQIAPN+ people.

2

**Reinforcing an inclusive culture:** Our initiatives include leadership development programs, the adoption of communications with inclusive language, talks, in-person and online meetings to promote discussion and awareness of the issues.

3

**Greater representativeness of minority and/or underrepresented social groups:** To achieve equality, we have developed programs to accelerate women's careers, train professionals to support people with disabilities, and review policies and processes in the employee journey.

4

**Governance:** through our affinity groups we stipulate representativeness goals and inclusive culture objectives. We also rely on the participation of the board of executive officers' sponsors who act as agents of change and connect the issue with business strategies.



## Get to know some of our programs:



The Jornada Delas (Women's Journey) Program is focused on accelerating women's careers and developing women professionals at Randoncorp. This program is a strategic initiative to promote diversity, inclusion and foster women's leadership potential, in line with the Company's objectives and its goal related to SDG 5.

In 2023, we concluded the Jornada Delas (Women's Journey) class launched the previous year, with +80 hours of training, resulting in the promotion of six participants to managerial positions, accounting for 27% of the total. In addition, we involved 420 women in various initiatives. Get to know the activities:

### Sustain & Connect: Women's Organizational Mentoring:

It creates opportunities for women in the Company to develop and expand their networks. In 2021 and 2022, 44 women, including leaders, coordinators, managers and officers, participated as mentors and mentees. The program provided mentoring training plus eight meetings between the pairs, focusing on personal and professional development.

### Develop and Step Up: Developing Leadership Potential

This program provided a one-year development journey (between October 2022 and October 2023) for 22 non-management women, six of whom were promoted for leadership and coordination. The initiative included a Leadership Potential Assessment and modules on development, contribution, empowerment, relationship, influence and performance.

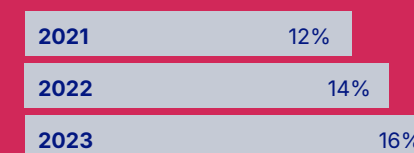
### Expand and Connect: Career Mentoring

Launched in March 2023, this initiative aims to empower women and build connections through mentoring, workshops and masterclasses on career development. Topics discussed included emotional intelligence, leadership, and communication, among others. 350 women were selected to take part as mentors or mentees, from a pool of 420 applicants. Those who were not selected for mentoring took part in the other modalities, such as workshops and masterclasses.

41% of the participants in Jornada Delas - Career Acceleration were promoted to leadership positions in 2023.

We are committed to doubling the percentage of women in leadership positions by 2025, taking 2020 as the base year, when the percentage was 11%. Keep track of the Company's status:

Percentage of women in leadership positions\*

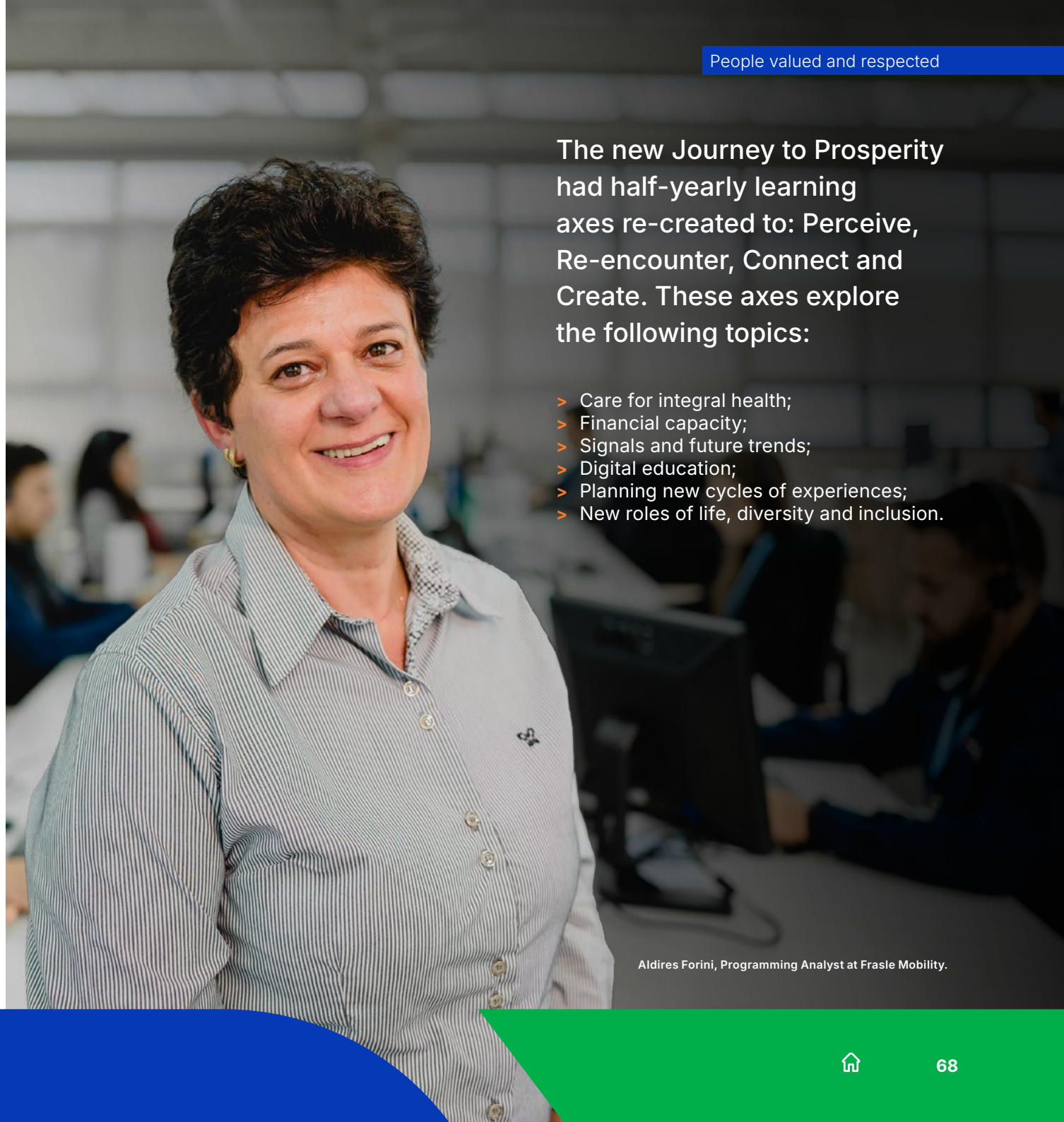


\* Indicator excludes companies acquired after 2020, base year for public commitment.

## New Paths | Journey to Prosperity

In 2023, the New Paths Program was redesigned and renamed New Paths | Journey to Prosperity. The main changes included extending the benefit to units in Brazil and a revision of the journey offered to people who want to prepare for the organization's external transition. The goal is to recognize people's legacies and provide the conditions to create and connect new cycles of experience in their interaction with the world, valuing their trajectories and building connections for a sustainable future. Since its inception, 21 years ago, 810 professionals took part in the New Paths program.

This redesign was developed in conjunction with the expansion of the RandonPrev benefit. The business units' leaders in Brazil were trained to engage in the advancement of inter-generational learning and pension culture with the teams.



The new Journey to Prosperity had half-yearly learning axes re-created to: Perceive, Re-encounter, Connect and Create. These axes explore the following topics:

- > Care for integral health;
- > Financial capacity;
- > Signals and future trends;
- > Digital education;
- > Planning new cycles of experiences;
- > New roles of life, diversity and inclusion.

Aldires Forini, Programming Analyst at Frasle Mobility.

## Affinity Groups

The affinity groups began to be set up in 2022, involving +200 people committed to advancing diversity and inclusion practices at Randoncorp. In 2023, this figure increased, reaching 380 participants.

Affinity groups provide a space for discussions, sharing experiences and reflecting on activities that can be carried out in the organization.

Learn more about each group’s purpose, the campaigns and actions built in 2023 around the celebration dates to raise awareness and educate on the issues.



## Women

Achieve gender equality through collective and individual actions that promote respect for and empowerment of women at all levels of the organization.

### Women in all their forms!

We held more than 6 meetings on careers, motherhood, parenting and information on combating gender-based violence, as well as 18 biography sessions. Through the [TODAS exhibition](#), we represent women in all their forms.

## Race and Ethnicity

Act with commitment and awareness, connected to our origins, to transform Randoncorp into an environment of ethnic and racial equality, leaving a legacy of opportunity, respect, empathy, fairness and connection, starting now.

**With pride and respect, we have made history. For a world without racism the change is now.** In November, we worked on Black consciousness with the goal of bringing racial literacy to people. 14 education and awareness initiatives were promoted. We presented the [Race Exhibition](#) in partnership with Tati Sperry. We invited members of the Affinity Group to portray the different skin tones of black people. Tracing the historical facts of the construction of our country's population means understanding the creation and conception of the structural racism still experienced in the country.

## People with Disabilities

Support physical and digital accessibility, create conditions for inclusion of people with disabilities, embrace diversity, and respect people in their entirety and differences.

### Acting to include and transform spaces, relationships and opportunities.

Through this call to action we sensitize our people to the inclusion of all disabilities. We held 17 meetings on the different conditions and how behavior impacts on inclusive culture.

## LGBTQIAPN+

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

### We play on the team of RESPECT.

The month of June is LGBTQIAPN+ Pride Day, an important date for the community. As we recognize that it is a day to raise awareness about the issue, we organize talks on gender identity, sexual orientation, and the importance of an inclusive environment and the LGBTQIAPN+ community’s rights. We held more than 20 meetings, including biography sessions with our professionals on the subject.



Caroline Pereira Teixeira, storekeeper at Frasle Mobility.

# Health, **well-being** and safety

GRI 3-3, 403-1

One of our commitments is to zero serious accidents.

Invest in health, well-being and safety is one of our driving forces. Developing a culture of prevention is part of our strategy to improve our people's quality of life. We work with the concept of integral health, directing preventive projects in physical and mental health.

Our Health, Safety and Environment (HSE) policy sets out the necessary guidelines to ensure that activities are conducted under conditions that prevent the occurrence of undesirable conditions, besides ensuring that no emergency, production or result compromises health, safety and environmental protection. We have two major fronts for implementing the health and safety policy and guidelines with the goal of zero serious accidents: the "One Attitude Changes a Life" initiative, which aims to engage employees in preventive and safe behaviors, raise awareness among leaders, and train, educate and guide everyone to promote a culture of prevention and excellence; and workplace adaptations, for which we apply a methodology to identify and classify risks, prioritizing those defined as critical, and directing projects and resources to wipe out or minimize them whenever possible.

We maintain an Occupational Health and Safety Management System that covers all employees and contractors, including routine and non-routine activities. The system follows the guidelines of ISO 45001 certification, with internal and external audits to guarantee its governance and the controls effectiveness. All the units follow the ISO system and good practices, and several of them are certified.

We have adopted various measures to prevent or mitigate potential negative impacts, ranging from strategic projects in this area to risk management programs and routines, consistent and grounded technical definitions, and credible health and safety management that is continuously verified through internal and external audit processes.

We maintain an internal health and safety committee where specialists, representatives from each operating unit meet to share experiences, answer questions, and share improvements and lessons learned. This synergy is also achieved with external commissions and committees where we rely on representatives to share experiences and set up study groups on the topics.

We are committed to zero serious accidents, allocating resources to curtail risks classified as critical by our in-house methodology. We are also stepping up our initiatives to expand the culture of prevention.

However, in 2023, the Randon Triel-HT unit suffered a fatality, despite efforts to rescue the employee and get him to the local hospital.

The Company bolstered its security initiatives following the incident and implemented additional measures, including enhancements to current systems to prevent direct human access to vehicle areas and the installation of new monitoring sensors in vehicles to detect human presence.

These measures were shared with other Randoncorp industrial units, reiterating the Company's commitment to the safety and integrity of its employees as a top priority. We also offered individualized psychological care to employees and their families, with the aim of meeting their emotional needs.

The main processes for tracking the effectiveness of the measures include internal and external audits conducted by Randoncorp's management team. In addition to Executive Committee oversight, we hold systematic performance review meetings, which are held monthly at the unit level and every two months at the corporate level. Lessons learned are built into the organization's operational policies and procedures through new documents formatting, ensuring the dissemination of knowledge.

We invest to mitigate risks classified as critical and work towards the goal of zero serious accidents in our operations.

Centro Tecnológico Randon's employees, Nathalia Souza (Tests Engineer) and Marciano dos Santos (Tests Driver).

## Health & safety risk management GRI 403-2

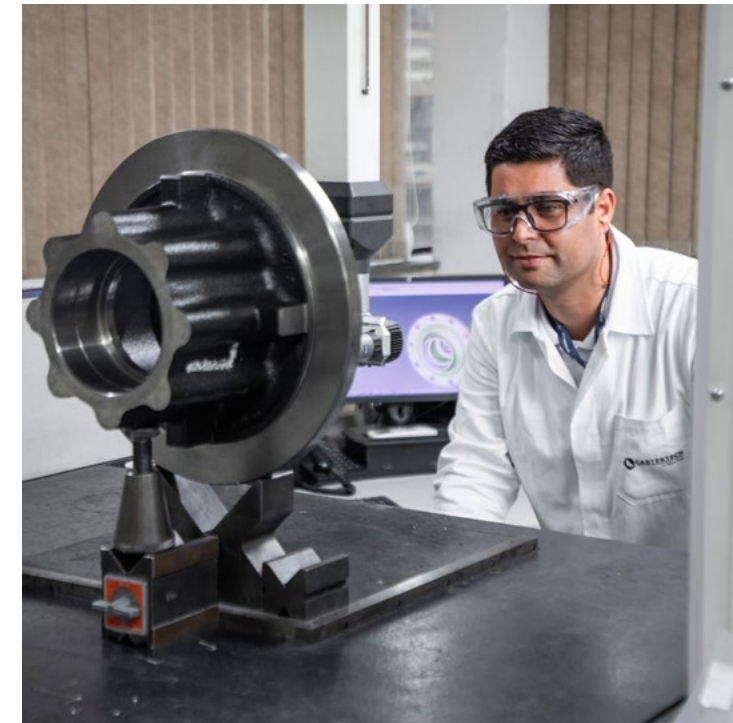
We have thematic groups that work on the main mapped critical risks connected with safety in industrial operations, seeking technological alternatives for their elimination or mitigation. The groups analyze monthly indicators and incidents reported by the units (including causes and corrective actions), define safer operating standards, systematize knowledge in e-books, procedures and instructions, and foment minimum safety guidelines and operating criteria for all units.

The groups are composed and led by industrial managers from the units where the risk is located, with technical support from occupational safety engineering. We currently have six thematic groups covering the key critical risks, which meet monthly and report regularly to the Executive Committee on the progress of their work.

The HSE department also conducts hazard surveys, involving managers and employees, and then shares the data so that everyone can contribute with safer alternatives, know and follow the preventive measures and controls already in place. The most serious incidents are managed using indicators: Frequency Rate of SIFs (Serious Injury and Fatalities) and PSIFs (Potential Serious Injury and Fatalities), both reported and monitored by the Company's Executive Committee at the HSE meeting. **GRI 403-7**

For newly acquired companies, we apply the risk categorization methodology during the due diligence to assess their status. Subsequently, we defined an action plan with a two-year compliance deadline for the risks considered critical.

We conduct an investigation with the support of our multidisciplinary team when an accident or incident occurs. All investigations are fed back into the hazard and risk identification system for corrective or preventive action and, above all, to prevent recurrence. We prioritize the hierarchy of control, starting with the verification of engineering solutions and the application of new technologies in our processes. The progress of the actions is monitored in monthly performance meetings. Information about incidents is shared through the issuance of alerts, and for critical risks, a group with representatives from all units receives documentation of the lessons learned, including the root cause and corrective actions.



Leaders and employees are involved in identifying hazards and accident risks and finding safe solutions.



## Incident reporting GRI 403-2

We encourage employees and service providers to report incidents and suggestions for improvement through the reporting programs set out by the business units. The reports are analyzed by the occupational safety team and forwarded to the relevant areas. This process is also monitored at performance meetings. The HSE areas also run various continuous improvement programs, involving numerous areas, competitions and awards.

In our maintenance system, we prioritize safety needs and all employees and contractors are instructed to stop the activity in the event of a hazard and report the identified situation to the immediate supervisor. The activity is only resumed once the problem has been solved.

Workers and contractors can also report situations relating to health and safety issues on the Ethics Channel. The process is confidential and anonymity is ensured. Reports are addressed to the areas responsible for the evaluation.

**We strictly comply with the Cipa's legal requirements, with union overseeing the elections. Some units have collective agreements for regular visits and safety consultations.**

## Workers' participation

**GRI 403-4**

We have adopted the following participatory and consultation practices:

- > HSE dialogues: held systematically to provide guidance and collect reports on occupational health and safety.
- > CIPA (Internal Accident Prevention Committee) meetings: discussion of risks and prevention in the workplace.
- > Monthly performance meetings: with analysis of indicators, incidents and presentation of good practices, organized by the HSE team with the unit management's participation.
- > HSE meetings: with the CEO and officers to critically analyze performance and assess strategies.
- > Relationship Channels: such as the Randoncorp APP and corporate WhatsApp to collect information and advance the preventive culture.
- > Incident Reporting: programs and Ethics Channel for reporting incidents and unsafe situations.
- > Health and Safety Promotion Week: involves all areas with actions, lives and themed talks.

## Health and safety training GRI 403-5

We promote technical and legal training for employees and service providers, under the management of the education team. In addition to the legal training requirements, we have selected specific topics in the following areas: defensive driving, ergonomics, hearing and respiratory protection, electrical safety, and others. We also carry out safety integration for new employees and Health and Safety dialogues at all our units.

For our team, trained employees are monitored at units' HSE monthly performance meetings, and service providers are monitored through the Contractors Portal. If the certificate expires, the provider is unable to access the Company until a new one is issued.

To facilitate training, we make available:

- > Center of Excellence in HSE: it has cutting-edge technologies for training and events.
- > EaD practices: online courses focused on regulatory standards and health, safety and environmental issues.
- > Playful activities: games to improve risk perception.

## Promoting employee health GRI 3-3, 403-3, 403-6

We rely on the Integral Health System (SSI), which has health centers strategically located to ensure employees access to occupational and assistance services. We have teams specializing in occupational health, care and preventive issues. We also rely on outsourced services, serving different geographies.

### Health services offered by the Company include:

- > Periodic examinations and ergonomic analysis.
- > Hearing care programs.
- > Active Care Workshops.
- > Quality of life programs.
- > Psychological counseling.
- > Lectures and workshops.

Occupational monitoring takes place by calling for examinations and raising awareness through campaigns. Preventive medicine activities include strategies and actions that are based on mapping the employees epidemiological profile. Employees are invited to take part in volunteer programs focused on their profile. Some of the topics covered are prevention of breast cancer, prostate cancer, STDs and chronic kidney disease, the fight against smoking, post-Covid recovery and support for pregnant women.

In addition, the health operator contracted by Randoncorp offers a variety of services. Beneficiaries have access to all health-related specialties through a wide network of service providers.

The confidentiality of health information is maintained by the system, besides medical confidentiality. Randoncorp ID's guidelines ensure that information about employees' health and participation in services and programs is not used inappropriately.

### Work-related ill health GRI 403-10

100% of employees are covered by an occupational health and safety management system. In 2023, 17 cases of work-related ill health of mandatory communication were registered, covering problems related to ergonomics, hearing and musculoskeletal disorders. Work-related ill health hazards are mapped in the risk management program and addressed through specific projects for each situation, typically involving collective protection, exhaust systems and, in some cases, machine enclosures. Hazards are identified and monitored by specialized professionals and followed up by the occupational health and safety department.



In 2023, we promoted initiatives to integrate psycho-social assessments for employees in high-risk activities, and this process will be repeated in periodic reviews and/or whenever necessary.

Check other indicators relating to people management [on page 119](#).

# Social responsibility

Randoncorp's social activities are effectively carried out through the Elisabetha Randon Institute (IER), a Civil Society Organization in the Public Interest (Oscip) supported by the Company and its employees, which coordinates all the Company's social programs directed to the community. Founded in 2003, the organization promotes education, culture, social welfare and traffic safety activities that transform lives.

Besides the programs that we conduct on a regular basis, with a focus on traffic safety education and on children and adolescents, assisted by the Coexistence and Bonding Service (SCFV), we also collaborate with specific actions at times when the community needs it most, always seeking to help those closest to us.

Every year, the users and families of the programs run by IER are interviewed to assess the impact of the initiatives. Randoncorp publicly discloses the results of social impact assessments through the IER website, Sustainability Reports, the IER Annual Activity Report, events, press releases, among other communication channels.

Our social work is carried out mainly through the Elisabetha Randon Institute, a Civil Society Organization in the Public Interest, supported by the Company.



Bryan Pereira Cidade,  
Florescer Program's  
participant.

## Get to know the programs developed by **Elisabetha Randon Institute**

### Professional Initiation

Young people who have taken part in the Florescer Program can join the Professional Initiation Program, a partnership between the IER and the National Service of Industrial Apprenticeship (Senai). Through this initiative, the adolescents attend a technical-vocational course in industrial logistics processes, which helps them find a better place in the job market. With 19 years of history, the program already benefited 1,118 adolescents. Only in 2023, 74 adolescents concluded the course.

### Florescer Program

For more than 20 years, the program has been promoting educational, cultural, sports activities for socially vulnerable children and adolescents during the after-school period. In 2023, the program celebrated one year of activities of the Joinville (SC) center and on-site activities at the Erechim (RS) franchise.



Sustainability Report 2023

**780**  
children assisted in social franchises (Bento Gonçalves, Vacaria, Erechim and Maringá)

**340**  
children assisted in Caxias do Sul centers (Interlagos and Forqueta)

**20**  
children assisted in Joinville center

## Vida Sempre Program

Launched in 2010, the Vida Sempre program's goal is to educate drivers and pedestrians to behave more safely and appropriately on the road. Vida Sempre is built in three fronts:

- > **Traveling Theater:** The Vida Sempre Theater presents sketches for free in the southern states of Brazil.
- > **Yellow Ribbon, in partnership with the National Road Safety Observatory (ONSV):** provides educational materials and videos to organizations certified with the Yellow Ribbon seal and to Randoncorp employees.
- > Randon's partner carriers **offer economical and safe driving courses** for truck drivers.

**32 thousand**  
viewers

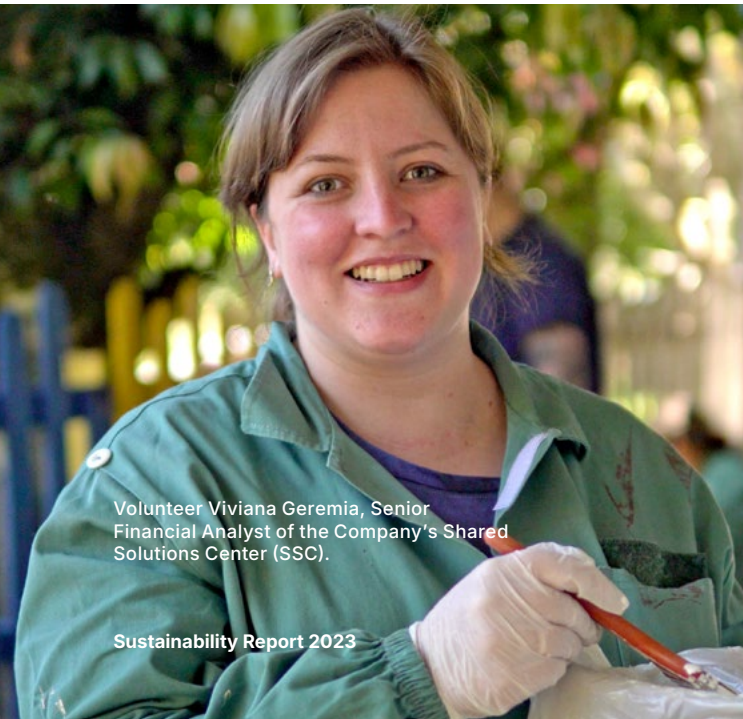
**13**  
cities in three states

**120**  
presentations

## Investments in infrastructure GRI 203-1

Thanks to the fundraising concept of the Elisabetha Randon Institute and the support of Randoncorp through the State Incentive Law, two projects in Rio Grande do Sul received funds for infrastructure investments. The Company contributed 10% of the amounts earmarked, totaling R\$ 625,000 in ICMS (State VAT).

- > **Incentive Program for the Public Security Equipment (Piseg) for Caxias do Sul and São Leopoldo:** it received a transfer of R\$500,000 in ICMS, 10% of which was directly invested by Randoncorp in the purchase of vehicles and supplies for the Military Brigade of the afflicted cities. The expected impacts are related to greater security in communities and for public security workers themselves.
- > **Lar de Velhice São Francisco de Assis and Recanto da Compaixão Frei Salvador:** renovation of two long-term nursing homes for the socially vulnerable elderly in Caxias do Sul, thus, increasing vacancies to accommodate 145 people.



Volunteer Viviana Ceremia, Senior Financial Analyst of the Company's Shared Solutions Center (SSC).

## Ser Voluntário (Volunteering Program)

Through Ser Voluntário program, our employees dedicate part of their time to provide renovation and janitorial services in public schools in Caxias do Sul (RS) that are partners of the Florescer program. They also work with other social entities by organizing talks and events, among other activities.

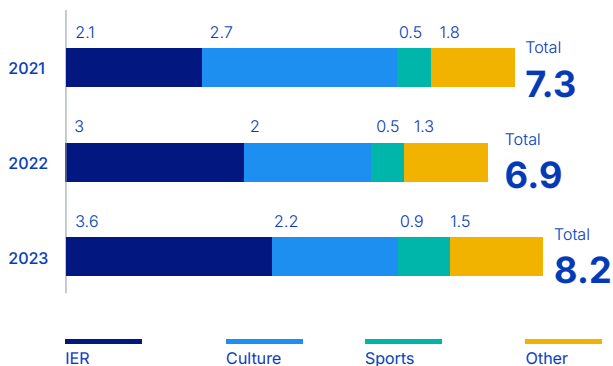
In 2023, in the context of the floods in Taquari Valley (RS), volunteers helped the Civil Defense with the collection, sorting and forwarding of materials, as well as cleaning affected properties. The Ser Voluntário Program received the VOL 2023 Award in the "Best Volunteering Practice in Organizations" category.

## Managing impacts on community

Among the bodies used by the Company to discuss its impact on the local community are the occupational health and safety committees, the Council for the Rights of Children and Adolescents (Comdica), the Union of Districts Associations (UAB) and the Social Welfare Council (CMAS). The HSE department, which has indicators for this purpose, carries out environmental impact assessments.

The Company has committees and processes for broad consultation with the local community, such as the ESG Committee. We also maintain channels for formal complaint processes, including a toll-free telephone number (0800 7512158), contact email, suggestion box, social networks and digital media, community meetings and consultations, an ombudsman, and partnerships with local organizations.

### Social investment (R\$ million)



**R\$ 8.2 million**  
in social investments in 2023

In May 2024, in light of the unparalleled tragedy faced by Rio Grande do Sul (RS), the state where Randoncorp's history began, we have focused our efforts on caring for our people and the afflicted communities. Besides financial support, we work on various fronts which will be detailed in the next edition of our sustainability report.

To learn more about our initiatives, click [here](#).

# 6 Commitment to the planet

- > Environmental management
- > Product life-cycle management
- > Climate change



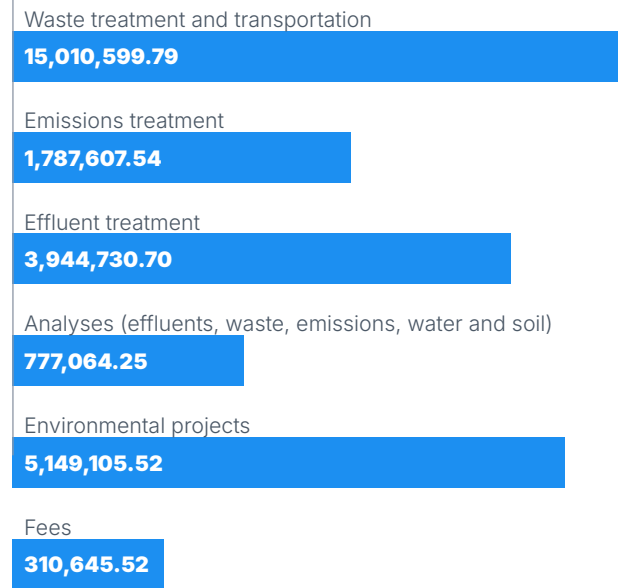
# Environmental management

We prioritize sustainability and efficiency in our processes and products, having made public commitments related to environmental management. We rely on an Integrated Management System, a Health, Safety and Environmental Policy and an Environmental Manual that outline the guidelines to be followed in our operations to maintain the integrity of the environment and people.

We monitor our environmental performance, promote continuous advances and have 11 ISO 14001 certified units: Frasle Mobility, Caxias do Sul, Extrema, Sorocaba, Alabama and Fremax sites; Suspensys, Caxias do Sul site; Master, Caxias do Sul site; Randon, Caxias do Sul site, Castertech and JOST, Caxias do Sul site. ISO 14001 sets out the requirements for an environmental management system and shows the company's responsibility to lessen its impact and achieve sustainability.

In 2023, we invested R\$ 27 million in environmental management.

## Investments in Environmental Management-2023 (R\$)\*



\*Sites Reported: Randon, Caxias do Sul and Araraquara sites; Castertech, Caxias do Sul and Shroeder sites; Suspensys, Caxias do Sul site; Master, Caxias do Sul and Flores da Cunha sites; Centro Tecnológico Randon; Frasle Mobility, Caxias do Sul, Control, Fremax, Sorocaba, Extrema, Garin, Montevideo, Pinghu and ASK-Fras-le sites.  
Main Projects: Treatment of particulate emissions and improvements to waste disposal and reuse.

## Rota Verde Program

Launched in 2021, the Rota Verde Program includes concrete actions and targets to mitigate the Company's environmental impact and is built around three pillars:



**Sustainable environmental development**, with economic growth and more responsible consumption



**Environmental technologies and innovations**, resulting in operating efficiency with better use of inputs and raw materials and reduced waste



**Environmental responsibility**, through a culture of prevention and support to the communities where we operate



## Randoncorp's environmental public commitments

↓ **Reduce** by 40% greenhouse gas emissions by 2030.

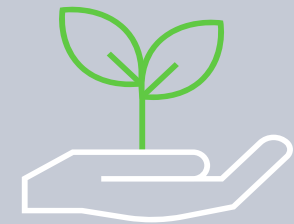
↓ **Zero waste** directed to industrial landfill by 2025.

↻ **Reuse** 100% of effluent treated by 2025.



## Environment Week promotes employees' awareness

Good environmental management requires everyone's commitment. To celebrate World Environment Day on June 5, we held various activities to raise awareness among our employees during Semear - Randoncorp Environment Week. Among the planned activities were talks and guided tours led by the units' environmental teams. We also held hybrid events, with the aim of reaching those who were unable to attend the face-to-face events. The program covered topics, such as the correct waste disposal, the generation of energy from waste and a visit to the photovoltaic power plant at the Centro Tecnológico Randon (CTR).



## Water and effluents management GRI 303-1, 303-2

Water is a necessary resource for Randoncorp's production processes. It is also used for general consumption purposes in our facilities. The water used in the processes comes from artesian wells, effluent reuse, rainwater withdrawal and the local utility, while the water used for consumption comes from the public utility. Effluent is reused in toilets, for cooling parts and for cleaning.

Our processes do not require a large amount of water, the most demanding being surface pre-treatment for painting and the cooling of parts.

All the effluent generated goes through treatment systems. As part of the Rota Verde Program, all units with in-house treatment have a target of 100% reuse of treated effluent by 2025. The main goal is to achieve a closed-loop consumption cycle in which our processes can be fed without using natural resources, except for human consumption.

The units that have their own effluent treatment station (ETE) and undertook a public commitment until 2025 are: Randon Araraquara site, Frasle Mobility Fremax site, Frasle Mobility, Sorocaba site, Frasle Mobility, Caxias do Sul site and Interlagos site (Randon, Caxias do Sul site, Suspensys, Castertech, Master and JOST, Caxias do Sul site). The reuse indicator is monitored and reported regularly in meetings with management. Companies that do not have an ETE hire specialized companies to ensure that the treated volume is properly disposed of.

The effluent treatment stations have been designed in accordance with discharge requirements that take into account the receiving water bodies' profile, as set forth by Conama Resolution 430 and state resolutions. There are no specific standards set out for the sector. All of them have the necessary Operation Licenses.

All the units with ETE have structured projects under development and execution, with a view of reusing the effluent in various activities. To this end, we will be investing in new treatment technologies, such as reverse osmosis and ultrafiltration.

Through our Rota Verde Program, by 2025, all public commitment units (base 2020) will have 100% of the treated effluent reused.

## Technology for treatment

The ETE installed at Interlagos site is an example of technology. It has a modern automated system for measuring parameters such as pH, temperature, flow and dissolved oxygen (DO), which provides greater control over processes. The chemical products are dosed according to the parameters of the effluent in line. The aerators are switched on or off according to the reactors' DO level, which saves on electricity and chemicals, as well as improving operator safety, real-time monitoring and historical operation reports. The treatment system is also integrated with the plant's effluent pumping stations and equipment, facilitating preventive maintenance.



## Lower consumption GRI 303-1

In addition to the strategic indicator of effluent reuse, the units have an operational control indicator for water consumption. It is monitored periodically in meetings involving management. Each unit has its monthly target. We also assessed the structuring of reduction projects and the existence of communication programs in both the industrial and administrative areas.

Lower consumption includes the reuse of oily emulsions in machining processes, the recovery of galvanizing rinse water through ion exchange, the use of faucets with timers and double-acting valves, flow reducers, among others.

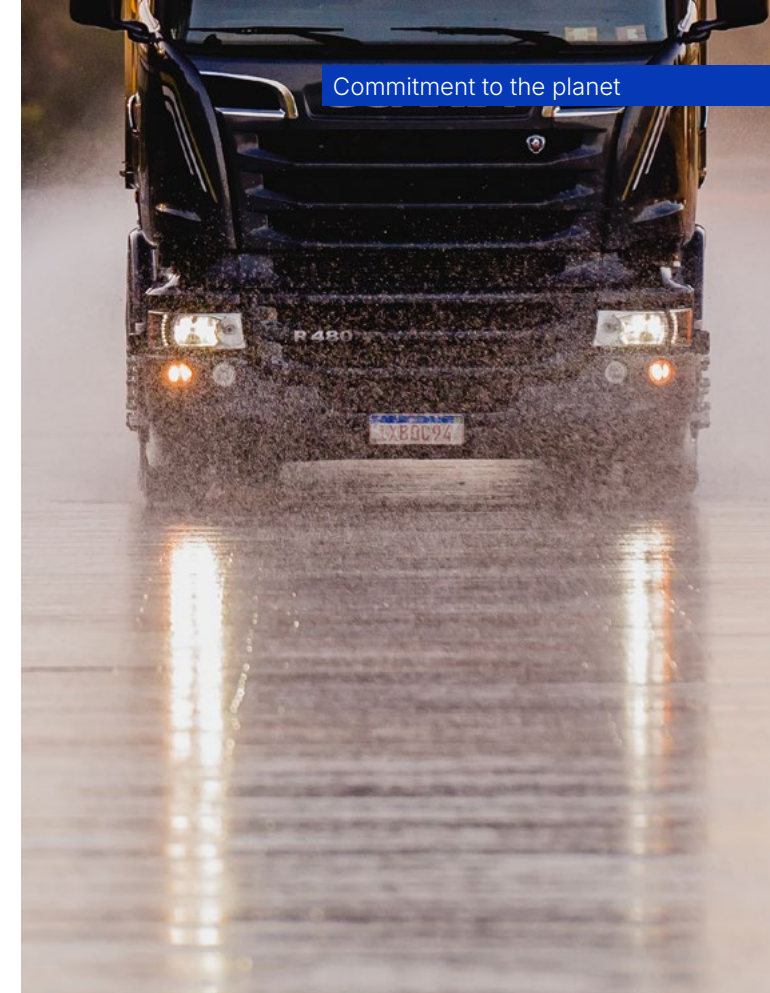
After effluent treatment, part of the water returns to the industrial process for reuse.

## Water-related impact management GRI 303-2

Our controls observe the guidelines mentioned in operating licenses. After effluent treatment, the water is returned to the process and a percentage is discharged to the public sewer system. Periodically, we perform laboratory analyses to verify that the parameters of the treated effluent meet the emission standards set out in the operating license and in the applicable laws. No in-house standards or guidelines have been developed relating to water quality, all of which comply with laws. We consider the receiving body's profile so that the load discharged does not cause changes.

The ideal effluent treatment is indicated according to the pollution load and the presence of contaminants. The processes are classified as physical, chemical and biological and all operating areas have local disposal requirements. As in Brazil, the units located abroad follow local requirements. The audits carried out by the procurement area considered water-related aspects, besides other ISO 14001 items in their assessments.

The use of well water has a permit and is conditional on the preservation of the water table, which is constantly monitored to ensure this criterion. Our operations do not cause a significant impact on river basins, and most of our units are not located in water-stressed regions. We work together with internal and external committees to mitigate any impacts.



### Randoncorp's commitment

Reuse 100% of treated effluent by 2025.

# Product life-cycle management

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

Aiming at enhancing environmental efficiency and lessen the impact of our operations, we have developed various activities to minimize the environmental footprint of our products, optimize the use of natural resources, recycle or reuse waste in the production process, reduce the use of raw materials, and extend the useful life of products. In 2023, we conducted our first comparative carbon footprint calculation on a product, based on the ISO 14067 methodology. For the other products, we are starting to study them by setting up a dedicated area so that this activity becomes a process.

One strategic indicator is the "conversion rate", which relates the raw material consumed to the amount of waste generated. Currently, this indicator stands at 85% and the business units also have specific operational targets and projects. As part of the Rota Verde Program, we want to zero waste directed to industrial landfills by 2025, with foundry waste (sand, slag and refractory) being the biggest challenge for the Company.

The waste generated in our production process includes scrap metal, packaging and leftover materials and inputs. As disposal, the priority is reuse and recycling, especially through partnerships with other companies. Currently, most of our internal waste and also that related to the end of life of our products is metallic, i.e. with added value for recycling. For other waste, in order to eliminate environmental liabilities, we adopt cutting-edge technologies for final disposal, such as co-processing.

Our main raw material is carbon steel, all of which is recycled and most of which is embedded into our own foundries. Nearly 80% of the scrap metal used as raw material in our foundries comes from the waste generated in our operations. We also recover other inputs, such as oil and powder paint, avoiding further waste generation.

We recover the wooden or pallet packaging and send the plastic drums, IBC barrels and gallons back to

the original supplier or for reuse. The Motion Control Vertical uses paper and plastic packaging, 30% of which is recycled. The Suspensys unit recycles 100% of its paper and plastic packaging, both through a partnership with a specialized supplier. Organic waste from pruning and gardening and sludge is composted and used as fertilizer. Hazardous waste and contaminated waste are sent for co-processing, accounting for 7% of the amount of waste generated.

All waste generation data is monitored by the Environment department using systems, such as SAP and the Waste Transportation Manifest. The suppliers liable for waste management, from transportation to final disposal, are licensed and hold all the required documentation. The Company monitors the documents throughout the process. We adopt periodic audits and assessments that take into account the best practices based on ISO 14001.

## Reverse logistics

Some Randoncorp units offer reverse logistics services to their customers. The parts return to the plants at the end of their useful life to be recovered or disposed of correctly. Get to know Frasle Mobility's reverse logistics projects at Caxias do Sul and Fremax sites:

- > Pro-Environment Program: developed by Frasle Mobility, it collects used brake linings, which are sent to co-processing plants. This initiative operates in the states of Rio Grande do Sul, Santa Catarina, Paraná, São Paulo, Rio de Janeiro and Minas Gerais.
- > Safe Disposal Program: developed by Frasle Mobility, Fremax site, it collects brake discs and drums, which are sent to the foundry and reincorporated into the Company's production process. The program comprises the states of Rio Grande do Sul, Santa Catarina and Paraná. In 2023 this program was extended to the states of São Paulo, Minas Gerais, Rio de Janeiro and Espírito Santo.

**80%**  
of the scrap metal used as raw material in our foundries derives from the waste generated in our operations.

## Waste as raw material

As part of our efforts to enhance the circularity of our processes, we have launched the Eco-sand project, which aims to find a productive use for the sand generated by the foundry process. Discarded foundry sand (ADF) accounts for more than 70% of Castertech's waste volume. Through a partnership with a specialized company, ADF is being reinserted into the market as a raw material.

ADF derives from clean silica sand, coal and bentonite (natural clay). It has a high compaction capacity and is therefore used to form the molds for casting metals, especially steel and iron. After being used for several cycles, the sand loses its original characteristics and needs to be disposed of. However, it is still very useful in the construction industry. Because of its mineral origin, it can be used as a base for asphalt mix on roads and pavements as a partial replacement for gravel dust. Nearly 400 tons of sand will be delivered to the partner by Castertech every month. Besides the unit, Frasle Mobility, Fremax site and Castertech Shcroeder also send foundry sand to a construction project.

## Randoncorp's Commitment

Zero waste directed to industrial landfill by 2025.



Castertech's Eco-sand project, a partnership for foundry sand recycling.

# Climate change

GRI 3-3

We are committed to lowering emissions from our operations. Through the greenhouse gas inventory, we have identified our main sources of emissions, especially electricity and stationary combustion with natural gas. Therefore, we are seeking to bolster the use of fuels and energy from renewable sources, adopt low-carbon technologies and step up our energy efficiency.

Moving forward with our Capex plan in renewable energy generation, which includes the allocation of +R\$ 100 million to projects for this purpose, we inaugurated a photovoltaic power plant next to the Centro Tecnológico Randon (CTR) in Farroupilha (RS) in 2023. The installation consists of approximately 2,400 solar panels and has a capacity of 1.3 MWp (1.3 megawatts peak), enough to meet CTR's current and future energy needs. In addition, 30% of the energy generated will be used in the shipping area of Randon's Caxias do Sul site.

Other examples of renewable energy investments already in operation include:

- > The photovoltaic power plant installed at Frasle Mobility's Pinghu site, located in China, liable for generating 20% of the energy consumed by the unit, with an approximate production of 1,200 MWh/year.
- > Randon's logistics center, inaugurated in 2022 in Caxias do Sul (RS), received 102 solar panels on the roof of the structure, with an average generation of 7,000 kWh/month.

Another initiative, this time in the construction phase, is the Green Boiler, which will be installed at Frasle Mobility's Caxias do Sul site. Instead of natural gas, the new boiler will use biomass from reforestation areas and waste from the pulp industry, deriving from approved and sustainable sources. The project has planned investments of R\$ 17 million to be made in 2023 and 2024, with startup expected in the first quarter of 2025.

See more indicators relating to environmental management on page 127.

**The Green Boiler is expected to reduce emissions at Frasle Mobility's Caxias do Sul site by 60% compared to the base year of 2020.**

For Randoncorp as a whole, the project is expected to result in a 20% reduction, representing 50% of the Company's ESG commitment to cut emissions by 40% by 2030, considering Scopes 1 and 2 and the base year of 2020.

In 2022, we defined reduction targets by verticals. Our initial strategies are to use 50% renewable energy by 2030, lower natural gas consumption by 30% and diesel by 65%, and zero the use of natural gas vehicles (NGVs) and liquefied petroleum gas (LPG). The letter of strategic guidelines also mentions the need to draw up an emissions inventory for all Randoncorp units, which is verified by a third party. The companies currently considered in the inventory are: Randon, Caxias do Sul, Araraquara and Chapecó sites; Suspensys, Caxias do Sul site; Castertech, Caxias do Sul site; Centro Tecnológico Randon; Frasle Mobility, Caxias do Sul, Controil, Fremax, Sorocaba, Pinghu and Alabama sites, Master, Caxias do Sul and Flores da Cunha sites; JOST, Caxias do Sul site.

The monitoring of GHG emissions and the setting of specific targets by business unit are followed up in systematic meetings, with progress assessed annually. The actual reduction in CO2 emissions is verified in the new emissions inventory, which adopts the GHG Protocol methodology, drawn up in accordance with ISO 14064-1 and verified by a third party.



Reduce by 40% the greenhouse gas emissions by 2030.

# 7 Innovation and technology

- > Innovation in products and services
- > Innovation ecosystem
- > Sustainable Mobility

 <p>Intellectual</p>	<p>5 IGUALDADE DE GÊNERO</p> 	<p>7 ENERGIA LIMPA E ACESÍVEL</p> 	<p>8 TRABALHO DECENTE E CRESCIMENTO ECONÔMICO</p> 	<p>9 INDÚSTRIA, INOVAÇÃO E INFRAESTRUTURA</p> 	<p>11 CIDADES E COMUNIDADES SUSTENTÁVEIS</p> 
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Daniella Candido dos Santos, brand & reputation analyst at Randoncorp.

# Innovation Strategy & Structure

GRI 3-3, RAND1

Innovation is in the core of our operations, strategy and corporate culture. We keep an eye on market trends and solve problems using technology. By innovating in products and services, we build value for our brands and meet our customers' expectations. Innovation is also paramount to our ESG Ambition, collaborating through the development of more sustainable products and processes.

As one of the Company's material topics, innovation is important not only in terms of risks, but also opportunities. From a financial perspective, Randoncorp maintains a solid strategy of investing in research, development and innovation (RD&I), bolstering efficiency and productivity, and leveraging its product portfolio, thereby mitigating the risks of higher costs due to loss of efficiency and competitiveness, as well as revenue losses due to failure to adapt to market preferences and needs.

1. Referring to the following verticals and respective companies: Auto parts (Castertech, JOST, Master and Suspensys), Motion Control (Frasle Mobility, Caxias do Sul site), Trailers (Randon), Financial and Digital Services (Banco Randon, Randon Corretora and Randon Consórcios) and Advanced Technology (NIONE).  
 2. This indicator does not consider revenues from foreign companies.

## 2023 Highlights

**R\$ 193 million** invested in RD&I

**66 patents** registered in Brazil, 60 abroad

**R\$ 4.9 billion** net revenue from products launched in the last five years (57.4% of the sales of companies located in Brazil<sup>2</sup>).

All of these results evidence the great opportunities we can realize with a serious and sustained investment in this area.

## Get to know the strategy and structure of our brands or verticals

The companies composing Randoncorp are committed to innovation and the ongoing pursuit of new technologies to build value to our brands and meet our customers' expectations. All the units rely on CTR and IHR support to product development.

### Auto parts

## Castertech

Technical expertise and interdisciplinary collaboration are the strengths of Castertech's RD&I strategy. The Company relies on a team of 11 part-time members and a 1,000 m<sup>2</sup> engineering and laboratory area for running experiments, tests and advanced analyses. Strategic collaborations with research institutions and universities contribute to continuous innovation.

## JOST

The Company relies on a 14-member product engineering team that shares validation resources with the Centro Tecnológico Randon, allowing the development of products adapted to the Brazilian market.

## Suspensys

The unit's RD&I strategy aims at stimulating business growth by solving key challenges in the metal mechanics and electromobility sectors, combining the search for new products, methods and processes that enable the implementation of new technologies in the sector.

Suspensys currently has a team of 11 engineers dedicated exclusively to RD&I projects, as well as technical support from third parties, such as institutes and universities. We highlight the partnership with the Hercilio Randon Institute (IHR), for scientific

research and the development of new technologies, and with the Centro Tecnológico Randon (CTR), for the validation of tests. We also rely on a dedicated internal area for developing projects and prototypes.

As part of our commitment to innovation and the pursuit of new technologies, we recently inaugurated a production unit dedicated exclusively to electromobility solutions, located at the Company's headquarters in Caxias do Sul (RS).

Suspensys e-Mobility, the first automotive battery factory in Brazil, assembles and produces batteries with the capacity to supply light vehicles, commercial vehicles and agricultural implements, among others. With an investment of R\$ 60 million, the factory has upgraded technology and advanced features, such as a special fire prevention system. The plant also excels in the manufacture of e-Sys, an electric auxiliary traction system, which seeks 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 highways, in addition to contributing positively to ESG, reducing polluting gases and fuel consumption.

## Master

Master's product engineering structure has 11 employees working part-time in the RD&I area. The Company also relies on two test laboratories equipped for product development and validation, and uses the services of the Centro Tecnológico Randon for vehicle track evaluation.

Motion Control

## Frasle Mobility

Frasle's RD&I strategy aims to leverage business growth through four pillars: qualified people, partnerships with scientific institutions, a robust structure and a dedicated budget. The Company's Research and Development Center is a leader in Latin America, with advanced laboratories for creating competitive products and technologies.

Trailers

## Randon

The Company has a strategy focused on opportunity generation, from monitoring new technologies to launching the product to market. The RD&I structure includes a team of more than 60 engineers and the use of advanced software for modeling and simulation. The investment in patents aims to protect the intellectual property of the solutions, while the prototypes tested at the Centro Tecnológico Randon (CTR) seek to guarantee their quality and conformity. In addition to its own structure, the Company's main partner is the Herculio Randon Institute (IHR), which focuses on scientific research and technological development.

Financial and Digital Services

## RANDS

The innovation strategy at RANDS focuses on building and disseminating an innovation culture, adopting new technologies and designing groundbreaking products, besides investing in and accelerating startups. This strategy aligns with the vertical's strategic and tactical plans to ensure that our innovation efforts directly bolster productivity/efficiency, uplift customer satisfaction, and contribute to revenue growth.

As innovation structure, we rely on companies focused on this topic: **DB, Conexo and Randon Ventures.**

The main highlight for 2023 was the unification of Randoncorp's Digital Business unit, created in 2019 to bring new working methods and new skills to the in-house environment, with the DB company acquired in 2023.

DB has been in the market for over 30 years, with experience in design, development and innovation in digital solutions. It has nearly 600 information technology professionals working on domestic and international projects.

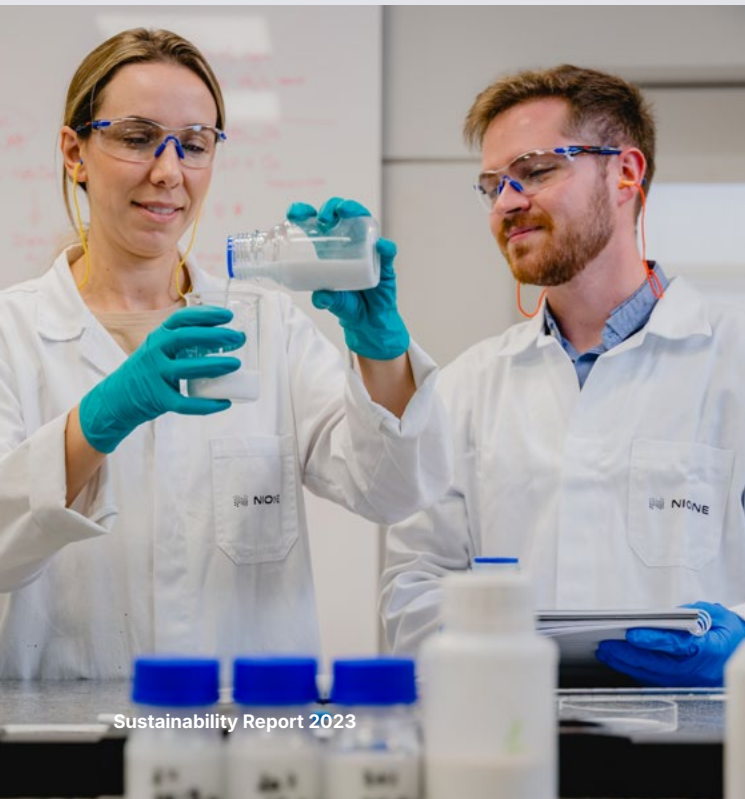
### Among the topics covered by the area, we highlight:

- 1 **Structuring** of a R&DI laboratory (DBLab).
- 2 **Automation** of processes through robots.
- 3 **Development** of artificial intelligence algorithms to apply to products, people management, logistics and services.
- 4 **Studies and tests** to track products using blockchain.
- 5 **Development** of a data-driven culture.
- 6 **Development** of digital products.
- 7 **Adoption** of agile methodologies.

Advanced Technology

## NIONE

The Company specializes in the development, production and application of nanotechnology, pioneering the large-scale production of niobium nanoparticles. It relies on a team of specialists composed of doctors, masters and bachelors. The unit currently has 65 projects in its portfolio in partnership with 35 potential customers. By partnering with market-leading companies that use NIONE solutions to differentiate their products and processes in their markets, particularly in polymers, paint pre-treatment, metals, cosmetics, energy and other sectors.



## CTR

One of Latin America's most advanced independent technology centers, the Centro Tecnológico Randon is dedicated to the development and approval of products for the mobility industry. The CTR has the industry's first independent proving ground, as well as technical facilities for vehicle preparation. It also relies on a breakthrough environment, with technologies geared towards a structural laboratory, where it has made major investments in vehicle safety and experimental durability, contributing to the Company's ESG ambitions. Added services include engineering teams, test pilots and data analysis technicians.

CTR's key figures are:

**92** hectares of area

**20** types of testing tracks, totaling +15 Km

**2.4** thousand solar panels in photovoltaic power plant with capacity to generate 1.3 MWh

Building with **2,200** m<sup>2</sup>, with structural laboratories and passive safety



## AUTTOM

Auttom has innovation at its core business as it offers the market the development of customized industrial automation solutions based on the collection and use of data (AI) connected to our proprietary manufacturing management platform, EasyMES, in line with the latest Smart Factory (4.0) concepts. Through this unit, the other Randoncorp companies upgrade their manufacturing processes, gaining competitiveness and efficiency.

## Innovative products

In 2023, we consolidated and expanded the solutions presented to the market and continued to launch new groundbreaking and sustainable products. We moved forward with our journey in search of environmentally friendly solutions and advanced technologies. These efforts evidence an ongoing commitment to innovation, to understanding industry trends, and to preparing the Company for the future.



Some recent highlights in innovative products in the table opposite:

### Auto parts

#### Bus articulation

In 2022, Jost launched the bus joint and inaugurated a manufacturing plant in Campinas. The bus articulation is developed with lighter materials and a modern design. In 2023, the Company achieved high production volumes of this product, becoming the market leader in Brazil.

#### Fifth Wheel

In 2023, Jost introduced incremental improvements to other products, such as the automated opening system for Fifth Wheel called Air Release. It also launched the JSK38CXW/S Fifth Wheel, with replaceable wear plates, increasing durability and eliminating the need for lubrication.

The Company applies advanced technological resources in a modular concept (they can be installed or removed), including wear plates with self-lubricating material that avoids the use of grease, decreasing the need for maintenance and operating costs. It is suitable for use in sugarcane, forestry and mining transportation.

#### Multi-function panel

The subsidiary Master has been working hard to expand its portfolio. In 2023, it launched the multi-function panel for trailers, which offers faster parking brake release, attaches directly to the vehicle chassis and is designed for up to three pneumatic attachments. As well as being an international benchmark, it also has a patent for the innovation.

#### New e-Sys application

In 2023, Suspensys E-mobility presented a new application of the e-Sys system to the market, extending the use of the technology to the agricultural market, contributing significantly to the operation and reduction of emissions in the environment.

The developed solution is equipped with an ethanol-fueled generator that provides the vehicle with the energy storage needed to operate the system, optimizing field operations and ensuring a better cost-benefit ratio for the producer. Among the benefits achieved with the new application is the power added to operate the agricultural tractor that moves the implement in the field. The electric engines in the e-Sys system provide an additional 200 hp, and have customizable voltages of up to 24 V, depending on the application and power supply. Basic system items, such as the axle and suspension and system control unit, can also be adapted according to field use.

Motion Control

## Nanotechnology for brake discs and drums

Frasle Mobility, through Fremax, has started marketing the Maxcoating product line. Officially launched at Automec 2023 fair, the new line introduces to the global market brake discs and drums coated with an exclusive patented paint nanotechnology. The Maxcoating line receives a protective coating containing niobium pentoxide nanoparticles, which act to enhance paint performance and corrosion resistance.

## Brake pads

The Fras-le EHnergy brake pad range is designed to meet the needs of new mobility models. The pads feature the exclusive Electric+ technology, a formulation developed to meet the stability and braking power requirements of electric and hybrid vehicles.

## Copper-free components

In line with its commitment to invest in increasingly competitive and sustainable mobility technologies, Frasle Mobility is celebrating advances in the development of copper-free brake pads, a metal used in the manufacture of friction materials that from 2021 have been banned in some U.S. states and from 2025 will be discontinued pursuant to local laws. With the research's success, the Company has already been applying the new technology to new businesses in the United States.

## Railway footing

Fras-le presented the market with a railway footing with a 43% reduction in carbon footprint compared to the traditional model. With the project kicked off in 2022, the unit sought to calculate the product's carbon footprint based on ISO 14067. Analysis led to changes in the part's manufacturing process and formulation. The success of this case has allowed Fras-le to expand its studies into the decarbonization of other products and manufacturing processes.



Trailers

## Modular trailer line

Launched in 2022, the line of modular concept trailers features unprecedented modular manufacturing technology, with a framework joined by structural rivets, resulting in a 70% lower use of welding, making the trailer approximately one ton lighter. In June 2023, Randon continued to invest in the modular product line and launched the Sider Modular New R product, with an array of advantages that offer greater profitability for the carrier and safe operation. The new version has configurations that allow multiple axle combinations, streamlining routine maintenance and enhancing availability. The Sider Modular New R enables greater net load gain, positively impacting on the carrier's profitability and operating costs, with fuel savings and less wear and tear on components.

## Randon Solar

Randon has developed a refrigerated trailer, unveiled as a concept product at Fenatran in 2022, with high-efficiency, ultra-thin and weather-resistant solar panels on the top. These plates generate energy to power the hybrid refrigeration unit, which reduces diesel consumption during operation. The entire operation is automated, with no need for the driver to intervene, who also gains more comfort from lower noise in operations. The power installed with the system can reach 15 kW, with the possibility of generating up to 11,500 kW per year. It is estimated that the diesel savings could be up to 1,800 liters per year. Field tests kicked off in 2024, in partnership with a customer.

Advanced Technology and Headquarters

## Treatment of metal surfaces

NIONE, Randoncorp's nanotechnology unit, has launched a new solution for metal surface treatments using nanostructured niobium oxide. The additive, developed in partnership with Klintex Insumos Industriais, increases corrosion resistance by up to 70%, providing a sustainable alternative to traditional treatments, such as tricalcium phosphate. The solution, called "Nanotex NBK 70", shortness the use of baths and energy consumption, and eliminates harmful metals, such as zinc and nickel in some applications. This product represents a significant advance in the field of paint pre-treatment, combining high performance with environmental sustainability.

## Technology for autonomous vehicles

Randoncorp presented to the market a new technology for autonomous vehicles, which consists of a seamless solution of hardware, artificial intelligence and machine learning. It was developed in partnership with the Hercílio Randon Institute (IHR), and is currently undergoing validation tests. It is intended for autonomous vehicles for transporting and handling cargo on trailers, to be applied in controlled environments.



## Groundbreaking processes

We have embraced innovation in our manufacturing processes to improve efficiency, safety and sustainability. We also stay on top of the most important technological advances in the market to bring more productivity to our team and added value to our customers.

Some examples of process innovation implemented throughout 2023:



Through partnerships with startups we invest in open innovation to bring new solutions to our companies.

## Manufacturing innovation in partnership with startups

The startup invested in through Randon Ventures, Sirros, implemented several projects in Randon, the trailers vertical, in 2023. Highlights include:

- > **Reduce scrap production** in the stamping sector through Data Lake and Analytics (for more detail [click here](#));
- > **Industrial vehicle telemetry**, with IoT for vehicle efficiency control, uberization and safety related to proximity to people;
- > **IoT for welding machine control**, a device that enables weld quality control, applied productivity and machine monitoring;
- > **Proximity beacon**, an IoT device that detects the proximity of people and vehicles and signals them in real time;
- > **Storage control**, IoT sensor that allows to detect packages with storage problems in the warehouse, preventing accidents;
- > **Geolocation of assets** and packaging via IoT device.

In addition to the aforementioned initiatives, startup Flowls, in partnership with Frasle Mobility and the headquarters (IT&SSC), implemented the logtracking project, which digitized the supply chain, connecting information from the different agents in real time, lowering inventory costs and anticipating actions to mitigate disruptions. Flowls was accelerated by Randon Ventures in 2023, in batch #3, and carried out jointly with Gerdau Ventures.

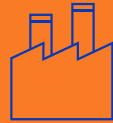




## Expansion of Randon's warehouse

In 2023, Randon increased its installed capacity in the thermal laser cutting sector by 40%, expanding 12 towers in the storage system and acquiring two 12 kW fiber lasers. These initiatives have resulted in lower non-quality costs and corrective maintenance hours, besides higher average uptime of installed machinery and increased raw material inventory.

In addition to the upgrade itself, the warehouse automation also brings benefits, such as greater worker safety due to less movement of the steel sheets, and quality owing to the standardization of the process and higher cutting precision through the use of fiber optics.



**40%**  
greater installed  
capacity in  
laser thermal  
cutting sector

## Sustainable automation

In addition to efficiency and productivity gains, automation projects implemented in 2023 focused on sustainability gains. As examples, we have:

- > **A device for manufacturing beams** for road equipment, which not only improved safety, but also enhanced the quality of precision in assembly and reduced the need for maintenance;
- > **New panel assembly line** for bulk trailers, which uplifted production capacity from 640 panels/day to 1,300 panels/day, and which, besides ensuring standardization and quality of parts, also diminished scrap due to handling and improved safety in operation;
- > **Frasle Mobility's production line**, dedicated to the manufacture of composite components, Composs, is fully automated and was developed with Auttom's support, which makes the process safer and more productive, and also stands out due to the reuse of surplus raw materials for the production of biosynthetic wood.



## Breakthrough services

Through digital transformation, we seek to expand the range of services and technologies on offer, especially in the logistics and transportation chain.

Check out some of the highlights in innovative services:

### Motion Control

## Auto Experts Platform

Frasle Mobility has unveiled a new geolocation feature on the Auto Experts platform, which brings together the auto parts catalog of various group's brands. This feature allows users to locate the parts they need at stores near their location, including +1,200 sellers and distributors nationwide. The platform, launched three years ago, has 11,600 product references and offers searches by license plate, vehicle type, year, version and product line.

### Trailers

## Randon Warranties Immersive Platform

An interactive platform designed to serve users of Randon's technical assistance services. The system is fed with resources and precise information aimed at speeding up the process for the user. Benefits of the app include reduced time to complete service requests, real-time registration, and fewer trips to the workshop.

### Advanced Technology

## Adas (Advanced Driver Assistance Systems)

The Centro Tecnológico Randon (CTR) has raised funds with Financiér of Studies and Projects (Finep), a Brazilian government agency linked to the Ministry of Science, Technology and Innovation, to incorporate solutions for testing Advanced Driver Assistance Systems (Adas). This breakthrough service in Brazil, makes the CTR a pioneering center of excellence in vehicle testing, supporting Randoncorp's technological evolution.

### Financial and Digital Services

## Postpaid Freight

Innovative service, developed in partnership with investee startup Motorista PX, which is gaining popularity in the transportation and logistics sector due to its practicality and efficiency. It enables carriers and fleet managers to anticipate payments and manage freight spend with greater agility and flexibility. Randon Bank's financial solution allows companies to accelerate their business and face financial challenges with greater security and efficiency.

One of its main advantages is improving the carriers' cash flow. Resources are available from the start of the shipment. It is not necessary to complete the shipment to access the advance amount. This means greater independence and operational agility for the carrier, who can use Post-Paid Freight on shipments from all of his shippers.

The service also stands out for its financial flexibility. The interest rate, which is fairly calculated, incurs only to the amount used and is adjusted at the time of the operation. With variable payment options, ranging from 15 to 60 days, Banco Randon offers solutions that suit to business needs.

## Innovation ecosystem

### RAND 2

To maximize the legacy of our innovative culture, we partner with researchers, universities, startups and other institutions. We aim to create a fully-fledged innovation ecosystem focused on mobility and sustainability. In 2023, Randoncorp connected with 109 startups by supporting, investing in or hiring them as service providers.

The financial and digital services vertical has the most initiatives in this area, particularly in investing in and accelerating startups.



## Investment and startups acceleration

Randon Ventures (RV), a subsidiary of Randoncorp dedicated to investing in startups at more advanced stages of business, in 2024 will operate to accelerate the creation and structuring of businesses, leveraging their growth processes. This unit's repositioning complements the already consolidated Corporate Venture Capital (CVC) program. RV will analyze innovative projects that can add other businesses to the Company, embedding it into the Corporate Venture Building (CVB) segment.

In this regard, it has allocated resources in a contract with Darwin Startups for the acceleration of new businesses in line with Randoncorp's strategy. By combining Randoncorp's extensive market experience with Darwin Startups' deep knowledge of entrepreneurship, we are committed to offering a unique and customized journey for each participating startup. Our goal is to provide a program that not only shapes each business's reality, but also leverages it by enabling access to specialized expertise, strategic resources and networking opportunities.. Together, we create an environment where bold visions can be turned into concrete achievements.

Among the segments with the greatest potential to receive investment or acceleration from Randon Ventures are Logtechs, Fintechs, Autotechs, Insurtechs, Indtechs and Deeptechs.

**119**

startups were connected with Randoncorp in 2023.

## Randon Ventures

Randon Ventures' key figures are:

**+480**  
startups assessed

**R\$ 25.4 million**  
capital invested

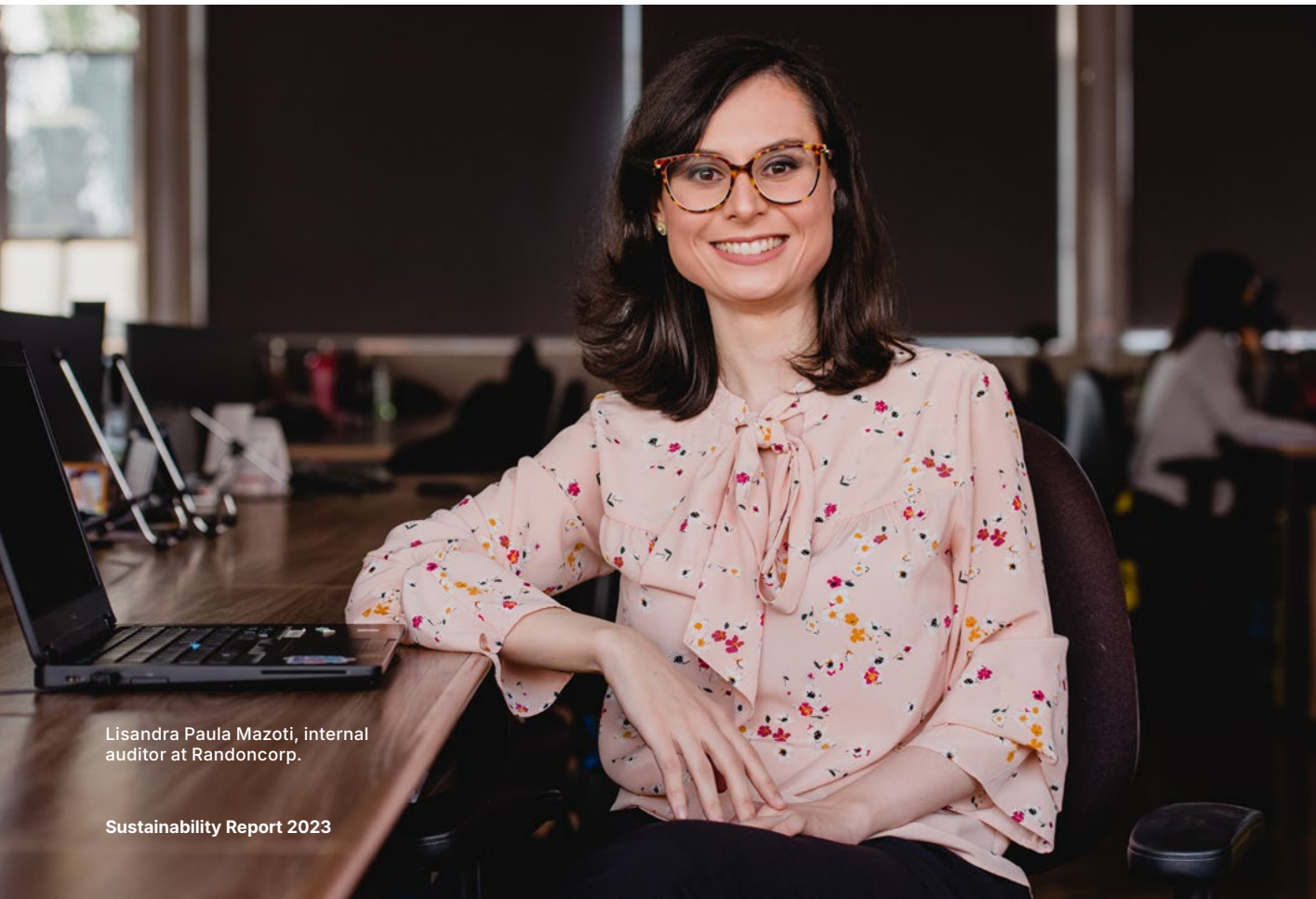
**7**  
startups invested

**25**  
startups co-invested via funds

## Development of products and projects in partnership with investee startups

Collaborations with investee startups led to the creation or partnership in the distribution of products, such as post-paid freight in partnership with Motorista PX and the anticipation of receivables in partnership with Delta, mentioned in the Breakthrough Services chapter.

We have also carried out several projects in Randoncorp's manufacturing areas with our investee Sirros, and facilitated credit for suppliers through a partnership between Money Money and Banco Randon.



Lisandra Paula Mazoti, internal auditor at Randoncorp.

## Support to women's entrepreneurship

In 2023, Randon Ventures became the co-promoter of a women's entrepreneurship program sponsored by Meta Ventures in its second edition. This referred to the "Women in Tech: The Next Gen", a competition aimed at startups whose purpose is to recognize and highlight women entrepreneurs.

The focus of The Next Gen is to find the new generation of women entrepreneurs operating in the Software as a Service (SaaS) business model, with an emphasis on the B2B and B2B2C markets, and startups that have women in leadership positions, such as CEO and/or founding partners. Businesses need to be in the final stages of validation and traction.

The three outstanding startups in 2024 will be mentored by leaders in the technology and innovation market, with exclusive advantages offered by the challenge's partners, besides the possibility of receiving an investment of up to R\$ 1.5 million.

To learn more about this initiative, [click here](#).

## DBLab

DB, a company composing the Financial and Digital Services vertical, maintains the DBLab focused on innovation and trends, exploring topics, such as Artificial Intelligence, blockchain and IoT (Internet of Things).

Involved with the most diverse technologies, from microcontroller programming to the use of IoT platforms, from machine learning and artificial intelligence analytics to new interfaces, such as augmented and virtual reality, DBLab has a highly trained and dedicated team that enables the development of POCs (Proofs of Concept) and MVPs (Minimum Viable Products) with predictable time and cost.

## Hélice Institute

Randoncorp is one of the sponsors of Hélice Institute, an organization that promotes the connection between businesses and startups in Serra Gaúcha region. Through the concept of open innovation, the institute promotes dialogues, training and networking among its members. Participants also enjoy investment opportunities and partnership projects.

To learn more about this initiative, access: <https://helice.network/>



## Caldeira Institute

Randoncorp has been a member of Caldeira Institute since June 2022. And in November 2023, Rands (the financial and digital services vertical) relied on a physical space at the Institute in the city of Porto Alegre, RS, giving its employees, customers and suppliers even more direct contact with the innovation ecosystem.

Rands is committed to revolutionizing the transportation and logistics solutions and services sector, and the Caldeira Institute provides us with a unique opportunity to co-create and foster open innovation, reinforcing our commitment to advancing and transforming the segment.



## Partnership with Cubo Itaú

In 2023, Randon Ventures became a digital membership in Cubo Itaú. This partnership allows access to +400 startups in different categories, as well as participation in events and presence in this great ecosystem. Cubo is the great facilitator of these connections, and the market recognizes the quality of its initiatives, which reinforces its members' commitment as companies that support innovation and entrepreneurship.

**+400**  
startups compose Cubo Itaú, our partner

## Conexo

Randoncorp's innovation platform that helps professionals and organizations innovate with results. Collaboration, co-creation and co-existence serve as the guiding principles for all the actions developed, with the emphasis on four pillars of action: Leadership and Talent Development; Trends; Digital Literacy and Productivity; and Connection with the Ecosystem.

### Collaboration & innovation

We know that if we want to innovate and have a positive impact on the world, we cannot just rely on our own efforts. For this reason, we have developed various initiatives to work together with researchers, startups, universities, collaborators and other partners, building a true innovation ecosystem.

**Physical space: located in Caxias do Sul, a space for events, training, co-working, meeting rooms, experimental technologies and car parking.**

**C-room:** virtual reality environment developed in partnership with DB for immersive experiences, providing participants with technological and emotional involvement.

Conexo serves the companies that are part of Randoncorp as well as the entire ecosystem, from metalworking and furniture to agribusiness, health and wellness, and financial services.

### Conexo develops three programs:

**1 Start:** aims to stimulate intrapreneurship, exploring problems and opportunities of low complexity in companies, validating hypotheses and prototyping solutions. At the end of the seven-week program, participants come up with a solution to the problem they have mapped out. In 2023, we relied on 21 participants from seven different companies: Castertech, Randoncorp (holding), Jost, Suspensys, Randon Consórcios, Master and Randon.

**2 Challenge:** aims to connect Conexo's partner companies with startups, educational institutions, research centers and entrepreneurs who can help solve their low and medium complexity challenges. In 2023, we had 10 challenges as part of the Program, with 54 startups/IES enrolled. 27 enrollments were approved for the Demoday. Among the participating companies, we highlight: Randon, Randoncorp (holding), Randon Consórcios, Castertech and Master.

**3 ExO:** is designed to accelerate the participants' hard and soft skills, applying active learning methodologies to develop and model strategic projects of high and medium complexity for the participating companies. In 2023, we registered 19 participants from 12 different companies.

## Conexo researches the innovation ecosystem of Serra Gaúcha region

For the second time, Conexo has conducted the research Mapping the Serra Gaúcha's Innovation Ecosystem, presented during the Fimma international fair in Bento Gonçalves (RS). The survey lists 130 innovation players in the region, including 44 local startups. 17 collaborative workspaces, 19 innovation events, 23 cases and five investor agents were also mapped. Five educational and research institutions are working on innovative initiatives in the region, which has three municipal incentive laws.



## Sustainable Mobility RAND3

We develop less polluting technological solutions that result in benefits for customers, society and the environment. We aim to lead the energy transition in the transportation sector, focusing on solutions that lower emissions and benefit health and ecosystems.

We are connected to the mobility megatrends that are driving major changes, impacts and advances in the automotive sector, shaping new paths for the future of transportation around the world. Driven by technological advances, changing consumer preferences, environmental concerns, government regulations, and the changing global energy matrix, we develop and implement technologies that favor renewable energy sources, always with a focus on sustainable innovation.

Our product development in this concept takes place in partnership with the Hercílio Randon Institute, built on three major fronts:

- 1** Mobility and electrification
- 2** Onboard Electronics
- 3** Smart Materials

## Mobility and electrification

The electrification of freight and passenger transportation is changing the commercial vehicles scenario, such as trucks and buses, where the massive use of fossil fuels is beginning to give way to hybrid and electric drive systems. This change is in line with global efforts to curtail greenhouse gas emissions and promote environmental sustainability.

With increasing technological advances in energy storage, propulsion and electronic control systems, electric and hybrid commercial vehicles appear to be a great bet for energy optimization in road transportation, offering benefits, such as lower emissions of polluting gases, less noise and air pollution, and operational gains for the carrier.

### Number of electrification projects



A recent example of a product developed using this concept and already on the market is the e-Sys electric traction system, which offers numerous benefits to carriers, including fuel savings of up to 25% and lower emissions of polluting gases, as mentioned earlier in this report.



## Onboard Electronics

Onboard electronics refers to the development and integration of electronic systems into vehicles and equipment. These systems play a key role in efficient operation, control and safety in transportation. This vertical also develops direct and indirect sensing systems to monitor critical product functions, bolster performance and reduce operating costs.

On-board electronics play an important role in renovating and improving vehicles by managing and controlling functions that can provide greater safety, comfort, convenience, and operating efficiency, and can be a competitive advantage. The research also enables integration with emerging technologies, such as autonomous vehicles and vehicle communication networks.

As key benefits, we can mention:

- > **Control and management systems**, which guarantee optimized performance and a safe driving experience;
- > **Connectivity systems**, which allow communication and connectivity with external devices;
- > **Driver's safety and assistance**, preventing accidents and protecting drivers and passengers;
- > **Telematics and remote diagnostics**, allowing vehicle data to be collected and transmitted for remote analysis, as well as problem diagnosis and predictive maintenance;
- > **Fuel efficiency** and emissions reduction through the use of hybrid and electric power management and energy recovery technologies.

### Number of onboard electronics projects



An example of a product launched on this front is Randon Smart, a proprietary platform with telemetry and sensor systems that generate data for fleet control and management, which is already widely traded by Randon.

We invest in onboard electronics projects to renovate and improve vehicles, enhancing safety, comfort, convenience and efficiency.





## Smart Materials

The development of smart materials, which have thermal, mechanical and chemical properties superior to those of conventional materials available on the market, offers energy-saving solutions for structural components, as they are lighter and have properties that meet the severe operating conditions typical of the automotive sector.

All projects in this knowledge vertical are developed with sustainability in mind, with researchers evaluating the component's value chain in search of environmentally friendly solutions and with a focus on the circular economy. Concepts such as biomimetics, computational mathematical modeling and generative design are tools that support research in this vertical.

Our focus is on the use of these materials in the products we manufacture that improve durability, safety and efficiency, while reducing weight which generates greater autonomy to vehicles and lower greenhouse gas emissions.

Frasle Mobility has a specific production line that uses composite materials, Composs, as mentioned above, developed in partnership with IHR.

### Number of smart materials projects



## Hercílio Randon Institute (IHR)

The IHR is a private, non-profit Science and Technology Institute (STI) focused on innovation and the development of breakthrough technologies for products, in line with mobility megatrends. Research is conducted through partnerships with various players in the innovation ecosystem, such as universities, other institutes, startups, companies, and development agencies. Randoncorp is one of the associate members of IHR.

### The institute works in three areas of expertise: mobility, onboard electronics and smart materials.

**1**

**Mobility:**  
solutions to meet global needs, such as electric mobility, to bolster energy efficiency and diminish carbon footprint.

**2**

**Onboard electronics: it aims to make vehicles smarter and more integrated, facilitating communication between the user and the environment.**

**3**

**Smart materials:**  
use of a variety of materials to create new combinations that provide a significant increase in existing properties and performance gains.

Learn more on the website:  
<https://ihr.tec.br/>

Composs and e-Sys are examples of cases developed along with IHR. The institute also develops researches in partnership with NIONE and other Randoncorp's verticals.

# GRI Content Index

Use statement	Randocorp reported based on GRI standards for the period from January 1 to December 31, 2023.
GRI 1 adopted	GRI 1: General Disclosures 2021

GRI STANDARD/ ANOTHER SOURCE	CONTENT	LOCATION	SDG
<b>General disclosures</b>			
GRI 2: General disclosures 2021	2-1 Name of the organization	4	
	2-2 Entities included in the organization's sustainability reporting	115	
	2-3 Reporting period, frequency and contact point	4	
	2-4 Restatements of information	127, 128, 133	
	2-5 External assurance	135	
	2-6 Activities, value chain and other business relations	18	
	2-7 Employees	60, 119, 120	8, 10
	2-8 Workers who are not employees	60, 120 The Company has a total of 545 contractors' outsourced workers for food, cleaning and security services. Companies out of SAP are not considered.	8
	2-9 Governance structure and composition	35, 41	5, 16
	2-10 Nomination and selection for the highest governance body	35	5.16
	2-11 Chair of the highest governance body	The chairman of the Board of Directors and chief executive officer of the Board of Executive Officers are not the same persons.	16
	2-12 Roles of the highest governance body in overseeing the management of impacts	48, 49	16
	2-13 Delegation of responsibility for managing impacts	36, 49	

GRI STANDARD/ ANOTHER SOURCE	CONTENT	LOCATION	SDG
GRI 2: General disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	The Sustainability Report is reviewed by Randoncorp's governance bodies, which confirm its content. The Board of Directors receives the post-review material prior to publication and may express its opinion before publication.	
	2-15 Conflicts of interest	48	16
	2-16 Communication of critical concerns	47, 48	
	2-17 Collective knowledge of the highest governance body	38	
	2-18 Performance review of the highest governance body	38	
	2-19 Remuneration policies	42	
	2-20 Process to determine remuneration	42	
	2-21 Annual total remuneration ratio	The company considers this data as confidential.	
	2-22 Statement of sustainable development strategy	5, 6	
	2-23 Policy commitments	45, 47, 48, 56	16
	2-24 Embedding policy commitments	48	
	2-25 Processes to remediate negative impacts	47	
	2-26 Advice mechanisms and presentation of concerns	47	16
	2-27 Compliance with laws and regulations	No relevant cases of non-compliance. Significant cases of non-compliance are defined in Randoncorp's Anti-corruption policy available at <a href="https://www.randoncorp.com/pt/quem-somos/#governanca-corporativa">https://www.randoncorp.com/pt/quem-somos/#governanca-corporativa</a> . They are also included in other corporate policies that deal with specific issues, in addition to current legislation.	
2-28 Membership associations	31		
2-29 Approach to stakeholder <i>engagement</i>	11		
2-30 Collective bargaining agreements	93.2% of employees are covered by collective bargaining agreement, in Brazil the percentage is 95.1%. In foreign units, where agreements are not applicable, we adopt the criteria of the legislation in force in each country and observe local market practices.	8	

GRI STANDARD/ ANOTHER SOURCE	CONTENT	LOCATION	SDG
<b>Material topics</b>			
GRI 3: Material topics 2021	3-1 Process to determine material topics	7	
	3-2 List of material topics	7	
<b>Material topic Climate change and air quality</b>			
GRI 3: Material topics 2021	3-3 Management of material topics	86	
GRI 201: Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Our planning includes mapping climate risks and opportunities in 2024.	13
GRI 302: Energy 2016	302-1 Energy consumption within the organization	133	7, 8, 12, 13
GRI 302: Energy 2016	302-3 Energy intensity	133	7, 8, 12, 13
GRI 302: Energy 2016	302-4 Reduction of energy consumption	No reduction in energy consumption.	7, 8, 12, 13
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	134	3, 12, 13, 14, 15
GRI 305: Emissions 2016	305-2 Indirect (Scope 2) GHG emissions deriving from energy acquisition	134	3, 12, 13, 14, 15
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	We are in process of mapping Scope 3 and developing related strategy.	3, 12, 13, 14, 15
GRI 305: Emissions 2016	305-4 Greenhouse gas (GHG) emissions intensity	134	13, 14, 15
SASB TR-AP-130a.1	1) total energy consumed, (2) percentage of grid electricity, (3) renewable percentage	133	
SASB RT-IG-130a.1	1) total energy consumed, (2) percentage of grid electricity, (3) renewable percentage	133	

GRI STANDARD/ ANOTHER SOURCE	CONTENT	LOCATION	SDG
<b>Material topic Ethics, integrity &amp; compliance</b>			
GRI 3: Material topics 2021	3-3 Management of material topics	45	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	61.69% of the organization's operations have been assessed for risks associated with corruption. No significant risks related to corruption were identified, as stated in the due diligence reviews carried out on new suppliers.	16
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	45, 46, 116, 117, 118	16
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	No cases of corruption were registered.	16
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, antitrust and monopoly practices	None.	16
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	117	
GRI 308: Supplier environmental assessment 2016	308-2 Negative social impacts in the supply chain and actions taken	No suppliers causing negative environmental impacts were identified.	
<b>Material topic Product life cycle management</b>			
GRI 3: Material topics 2021	3-3 Management of material topics	84	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	127	8, 12
GRI 301: Materials 2016	301-2 Recycled input materials used	128	8, 12
GRI 301: Materials 2016	301-3 Products and recovered packages	128	8, 12
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	84	3, 6, 11, 12
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	84	3, 6, 8, 11, 12
GRI 306: Waste 2020	306-3 Waste generated	129	3, 6, 11, 12
GRI 306: Waste 2020	306-4 Waste diverted from disposal	131	3, 11, 12

GRI STANDARD/ ANOTHER SOURCE	CONTENT	LOCATION	SDG
GRI 306: Waste 2020	306-5 Waste directed to disposal	132	3, 6, 11, 12, 15
<b>Material topic Employee attraction, development and retention</b>			
GRI 3: Material topics 2021	3-3 Management of material topics	60	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	120, 121, 122	4, 5, 8, 10
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	61	3, 5, 8
GRI 401: Employment 2016	401-3 Parental leave	122	5, 8
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	63, 124	4, 5, 8, 10
GRI 404: Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	62	8
GRI 404: Training and education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	64	5, 8, 10
SASB RT-IG-000.B	Headcount	60	
<b>Material topic Employee health, well-being and safety</b>			
GRI 3: Material topics 2021	3-3 Management of material topics	70	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	70	8
GRI 403: Occupational health and safety 2018	403-2 Hazard identification, risk assessment and incident investigation	72, 73	8
GRI 403: Occupational health and safety 2018	403-3 Occupational health services	74	8
GRI 403: Occupational health and safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	73	8, 16
GRI 403: Occupational health and safety 2018	403-5 Worker training on occupational health and safety	73	9

GRI STANDARD/ ANOTHER SOURCE	CONTENT	LOCATION	SDG
GRI 403: Occupational health and safety 2018	403-6 Promotion of worker health	74	3
GRI 403: Occupational health and safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	72	8
GRI 403: Occupational health and safety 2018	403-8 Workers covered by an occupational health and safety management system	125	8
GRI 403: Occupational health and safety 2018	403-9 Work-related injuries	126	3, 8, 16
GRI 403: Occupational health and safety 2018	403-10 Work-related ill health	74	3, 8, 16
<b>Material topic: human rights and labor relations</b>			
GRI 3: Material topics 2021	3-3 Management of material topics	65	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	10 cases of discrimination were registered in 2023, all of them already concluded. We carry out exploratory and confirmatory interviews, implementing actions, such as individual guidance, training and disciplinary measures when necessary.	5, 8
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	We did not identify direct operations and suppliers in which the right to freedom of association and collective bargaining may be at risk. Our companies respect the right to individual membership and take the necessary measures to register and remit appropriate union dues. Verifications are carried out by means of periodic audits of the supply chain (Companies considered in this scope: Frasle Mobility, Caxias do Sul, Sorocaba, Controil, Fremax, Extrema sites; Caster-tech, Caxias do Sul and Indaiatuba sites; Master, Caxias do Sul and Flores da Cunha sites; Suspensys, Caxias do Sul site; Randon, Caxias do Sul, Araraquara, Chapecó and Randon Triel-HT sites; NIONE).	8
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	56	5, 8, 16
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	56	5, 8
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	Percentage of new suppliers screened using social criteria: 98.21%	5, 8, 16

GRI STANDARD/ ANOTHER SOURCE	CONTENT	LOCATION	SDG
GRI 414: Supplier social assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	A total of 413 suppliers were assessed for social impacts, with no incidents recorded. The checks take place through periodic audits of the supply chain.	5, 8, 16
<b>Material topic Innovation &amp; technology</b>			
GRI 3: Material topics 2021	3-3 Management of material topics	89	
RAND1	i) description of the RD&I strategy and structure; ii) amount invested in RD&I; iii) projects completed; iv) Randon Implementos' revenue from products launched in the last 5 years; v) new patents registered	89	
RAND2	No. of <i>startups</i> connected through Randoncorp p.a.	Total of 119 startups connected.	
RAND3	No. of innovation projects and R&D in sustainable mobility	103	
<b>Material topic Product safety and excellence</b>			
GRI 3: Material topics 2021	3-3 Management of material topics	54	
GRI 416: Consumer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	At the moment, we do not have consolidated information to report on this indicator. The Company is organizing to provide a reply in the next cycle.	
<b>Material topic Data privacy and security</b>			
GRI 3: Material topics 2021	3-3 Management of material topics	51	
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and loss of customer data	Our monitoring processes did not identify any occurrence.	16

### Topics defined as non-material

TOPIC	LOCATION
<b>GRI 201: Economic performance 2016</b>	
201-1 Direct economic value generated and distributed	33
<b>GRI 203: Indirect economic impacts 2016</b>	
203-1 Infrastructure investments and services supported	77
<b>GRI 303: Water and effluents 2018</b>	
303-1 Interactions with water as a shared resource	82, 83

TOPIC	LOCATION
303-2 Management of water discharge-related impacts	82, 83
303-3 Water withdrawal	129
303-4 Water discharge	129
303-5 Water consumption	129
<b>GRI 405: Diversity and equal opportunity 2016</b>	
405-1 Diversity of governance bodies and employees	66, 123, 124



# Map of capitals

**Intellectual**  
Pages [91](#), [92](#), [99](#)

**Human capital**  
Pages [60](#), [75](#)



**Natural**  
Pages [82](#), [84](#), [86](#)

**Social and Relationship**  
Pages [43](#), [56](#), [75](#), [99](#)

**Manufacturing**  
Pages [54](#), [93](#)

**Financial**  
Pages [33](#), [43](#)

# SDG Map

Sustainable Development Goals	Pages
 1. End poverty in all its forms everywhere	<a href="#">56</a> , <a href="#">61</a>
 2. Zero hunger and sustainable agriculture	<a href="#">60</a>
 3. Health and well-being	<a href="#">70</a>
 4. Quality education	<a href="#">62</a>
 5. Gender equality	<a href="#">66</a> , <a href="#">93</a>
 6. Clean water and sanitation	<a href="#">82</a>
 7. Affordable and clean energy	<a href="#">80</a> , <a href="#">84</a> , <a href="#">93</a> , <a href="#">96</a>
 8. Decent work and economic growth	<a href="#">45</a> , <a href="#">56</a> , <a href="#">60</a> , <a href="#">99</a>
 9. Industry, innovation and infrastructure	<a href="#">55</a> , <a href="#">92</a> , <a href="#">99</a>

Sustainable Development Goals	Pages
 10. Reduced inequalities	<a href="#">56</a> , <a href="#">60</a> , <a href="#">75</a>
 11. Sustainable cities and communities	<a href="#">51</a> , <a href="#">75</a> , <a href="#">82</a> , <a href="#">84</a> , <a href="#">86</a> , <a href="#">93</a> , <a href="#">96</a> , <a href="#">99</a>
 12. Responsible consumption and production	<a href="#">54</a> , <a href="#">56</a> , <a href="#">80</a> , <a href="#">82</a> , <a href="#">84</a> , <a href="#">86</a>
 13. Climate action	<a href="#">84</a> , <a href="#">86</a>
 14. Life below water	<a href="#">82</a>
 15. Life on land	<a href="#">80</a> , <a href="#">84</a> , <a href="#">86</a>
 16. Peace, justice and strong institutions	<a href="#">45</a> , <a href="#">56</a>
 17. Partnerships for the goals	<a href="#">43</a> , <a href="#">56</a>

# Attachments



Ismael Da Silva, Alessandra Müller, Ana Maria Bernardes and Marisete Vaz de Azeredo, Randon's employees.

# Randoncorp

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

AUTO PARTS	MOTION CONTROL	TRAILERS	FINANCIAL AND DIGITAL SERVICES	ADVANCED TECHNOLOGY & HQ
Castertech, Indaiatuba site	Frasle Mobility - Garin site	Randon, Messias site	Addiante S.A.	NIONE
Castertech, Mogi Guaçu site	Frasle Mobility - ASK-Fras-le site	Randon, Araraquara site	Banco Randon	Randon Auttom Automação e Robótica Ltda
Castertech, Schroeder I site	Frasle Mobility - AM Bradford Distribution Center	Randon, Argentina site	DBServer Assessoria em Sistemas de Informação Ltda	Randon Auttom Ltda.
Castertech, Schroeder II site	Frasle Mobility - Montevideo site	Randon, Caxias do Sul site	Randon Consórcios	Randon Auttom USA
JOST, Caxias do Sul site	Frasle Mobility - Sales Office Chile	Randon, Linhares site	Randon Serviços e Participações	
Jost, Campinas site	Frasle Mobility - Garin site	Randon, Porto Real site	RVC Venture	
Master, Caxias do Sul site	Frasle Mobility - AM Netherlands Distribution Center	Randon Triel-HT		
Suspensys, Caxias do Sul site	Frasle Mobility - Head Office and Colombia	Randon Venice		
Suspensys, Mexico site	Frasle Mobility - Sales Office Chile			
Suspensys, Mogi Guaçu site	Frasle Mobility - Head of USA			
Suspensys, Resende site	Frasle Mobility - Alabama site			
	Frasle Mobility - AM Cartagena Distribution Center			
	Frasle Mobility - Controil site			
	Frasle Mobility - Fremax site			
	Frasle Mobility - Pinghu site			
	Frasle Mobility - Doncaster site			
	Frasle Mobility - Sorocaba site			
	Frasle Mobility - Extrema site			
	Frasle Mobility - Osasco site			
	Frasle Mobility - Caxias do Sul site			
	Frasle Mobility - AM Belfast Distribution Center			

The financial information is consolidated for all companies, except for Addiante, which is a joint venture with Gerdau. Some companies were mentioned but are not yet operational, such as Castertech Mogi Guaçu and Suspensys Mogi Guaçu. Whenever it is not possible to include a company in the data, the appropriate clarification is made. Fras-le S.A. is also a listed company, with audited and public figures, and has an individual report, but is considered in Randoncorp's report.

We control all the units composing the group, except for Addiante, and therefore we consolidate most of the companies' results, treating the stake in Addiante as equity accounting. For mergers and acquisitions, we consolidate the results from the closing of the operation. The accounting standards are adopted in consolidation of information.

# Sustainable businesses

## Communication and training on anti-corruption topics<sup>1</sup> GRI 205-2

**Total number and percentage of employees who have been communicated and trained on the anti-corruption policies and procedures adopted by the organization, by employee category** GRI 205-2

	2023	
	Notified	Trained
<b>Executive Board</b>		
<b>Total headcount</b>		28
Total headcount notified/trained	28	16
Percentage of employees notified/trained (%)	100	57.14
<b>Managers</b>		
<b>Total headcount</b>		47
Total headcount notified/trained	47	21
Percentage of employees notified/trained (%)	100	44.68
<b>Coordination</b>		
<b>Total headcount</b>		138
Total headcount notified/trained	138	102
Percentage of employees notified/trained (%)	100	73.91

	2023	
	Notified	Trained
<b>Administrative</b>		
<b>Total headcount</b>		1,439
Total headcount notified/trained	1,439	703
Percentage of employees notified/trained (%)	100	48.85
<b>Production/Operation</b>		
<b>Total headcount</b>		11,482
Total headcount notified/trained	11,482	7,437
Percentage of employees notified/trained (%)	100	64.77
<b>Total</b>		
<b>Total headcount</b>		13,134
Total headcount notified/trained	13,134	8,279
Percentage of employees notified/trained (%)	100	63.03

**Total number and percentage of employees who have been communicated and trained on the anti-corruption policies and procedures adopted by the organization, by employee category** GRI 205-2

	2023	
	Notified	Trained
<b>Apprentice</b>		
<b>Total headcount</b>		266
Total headcount notified/trained	266	146
Percentage of employees notified/trained (%)	100	54.89
<b>Trainee</b>		
<b>Total headcount</b>		136
Total headcount notified/trained	136	88
Percentage of employees notified/trained (%)	100	64.71
<b>Total</b>		
<b>Total headcount</b>		402
Total headcount notified/trained	402	234
Percentage of employees notified/trained (%)	100	58.21

**Total number and percentage of business partners<sup>2</sup> who have been communicated on the anti-corruption policies and procedures adopted by the organization, by region** GRI 205-2

	2023	
	Notified	Trained
<b>Total No. pf partners</b>		704
Total no. of partners notified/trained	704	0
Percentage of partners notified/trained	100	0

1. To calculate this indicator, only companies that have the Randoncorp ID Program in place were considered.
2. As communicated business partners, new suppliers that undergo due diligence analysis were considered, and it was not possible to specify by region.

**Percentage of new suppliers (hired) that were screened using environmental criteria\*** GRI 308-1

	2023
Suppliers	Nº. of suppliers
Total new suppliers hired	601
Total new suppliers hired based on environmental criteria	383
Percentage of new suppliers (hired) that were screened using environmental criteria (%)	63.73

Companies considered: Frasle Mobility, Caxias do Sul, Sorocaba, Controil, Fremax and Extrema sites; Castertech, Caxias do Sul, Schroeder, Indaiatuba and Mogi Guaçu sites; Master, Caxias do Sul and Flores da Cunha sites; JOST, Caxias do Sul and Campinas sites; Suspensys, Caxias do Sul site; Randon, Araraquara, Caxias do Sul, Chapecó, Linhares, Messias, Triel HT and Venice sites; NIONE; Centro Tecnológico Randon; Auttom; Banco Randon; Conexo; DBServer; Randon Consórcios, Corretora and Ventures.

**Total number and percentage of employees who have been communicated and trained on the anti-corruption policies and procedures adopted by the organization, by region GRI 205-2**

	2023*			
	Notified	%	Trained	%
<b>Abroad</b>				
South America	131	69.31	131	69.31
<b>Brazil</b>				
Southeast	1,791	100	891	49.75
South	11,556	100	7,491	64.82
<b>Total</b>	<b>13,478</b>	<b>99.57</b>	<b>8,513</b>	<b>62.89</b>

<b>New certifications by unit</b>	
<b>Motion Control Vertical</b>	
Frasle Mobility - Caxias do Sul site	ISO 9001 - IATF 16949 - ISO 14001 - ISO 45001 - ISO/IEC 17025
Frasle Mobility, Alabama site	ISO 9001 - IATF 16949 - ISO 14001
Frasle Mobility - Sorocaba site	ISO 9001 - IATF 16949 - ISO 14001 - ISO 45001
Frasle Mobility - Fremax site	ISO 9001 - IATF 16949 - ISO 14001 - ISO 45001
Frasle Mobility - Controil site	ISO 9001 - IATF 16949
Frasle Mobility - Pinghu site	ISO 9001 - IATF 16949
Frasle Mobility - Extrema site	ISO 9001 - ISO 14001 - ISO 45001
<b>Auto Parts Vertical</b>	
Castertech, Caxias do Sul I site	ISO 9001 - IATF 16949 - ISO 14001 - ISO 45001
Castertech, Caxias do Sul II site	ISO 9001
Castertech, Indaiatuba site	ISO 9001
Castertech, Schroeder site	ISO 9001 - IATF 16949 - ISO 14001
Suspensys, Caxias do Sul site	ISO9001 - IATF 16949 - ISO 14001 - ISO 45001
Suspensys, Resende site	ISO9001 - IATF 16949
Master, Caxias do Sul site	ISO 9001 - IATF 16949 - ISO 14001 - ISO 45001
Master, Flores da Cunha site	ISO 9001
JOST, CAXIAS DO SUL SITE	ISO 9001 - IATF 16949 - ISO 14001 - ISO 45001
<b>Trailers Vertical</b>	
Randon, Caxias site	ISO 9001 - ISO 14001 - ISO 45001
Randon, Araraquara site	ISO 9001
Randon, Chapecó site	ISO 9001
<b>Advanced Technology Vertical</b>	
Centro Tecnológico Randon	ISO/IEC 17025 - ISO 45001
NIONE	ISO 9001

# People valued and respected

## Total headcount, breaking down total by gender and region GRI 2-7

Regional distribution*	2021		2022		2023				
	Total	%	Total	%	Men	Women	Total	%	
North America	76	0.5	204	1.3	143	34	177	1.24	
Asia	666	4.3	591	3.7	728	22	750	5.27	
Europe	15	0.1	14	0.1	12	3	15	0.11	
South America	583	3.8	574	3.6	352	58	410	2.88	
Brazil	Northeast	11	0.1	10	0.1	2	2	4	0.03
	Mid-West	5	0.0	-	-	-	-	-	-
	Southeast	1,566	10.1	2,211	13.9	1,878	334	2,212	15.54
	South	12,511	81.1	12,346	77.4	8,440	2,479	10,919	76.72
	Subtotal	14,093	91.3	14,567	91.3	10,320	2,815	13,135	92.29
<b>Total</b>	<b>15,433</b>	<b>100</b>	<b>15,950</b>	<b>100</b>	<b>11,555</b>	<b>2,932</b>	<b>14,487</b>	<b>100</b>	

\* The data considers all SAP and Extra SAP units, disregarding apprentices and trainees and the number of people on leave. The statistics do not take into account the figures for DB Server and Juratek, companies acquired in 2023, which have 508 and 71 employees, respectively. For previous years, there was no gender breakdown. Considering employees of companies acquired in 2023 (579 employees), apprentices and trainees (391 employees), the Company ended the year with 15,457 employees.

## Total headcount by employment agreement, by gender GRI 2-7

Permanent*	2021		2022		2023	
	Total	%	Total	%	Total	%
Men	9,973	64.6	11,918	74.7	9,032	62.35
Women	2,270	14.7	3,029	19	2,689	18.56
<b>Total</b>	<b>12,243</b>	<b>79.3</b>	<b>14,947</b>	<b>93.7</b>	<b>11,721</b>	<b>80.91</b>

\*No temporary workers were hired in 2023. The data on the number of men and women is based on the administrative contracts connected with the business units belonging to Randoncorp in Brazil and linked with SAP until the present date of December 31, 2023, taking into account the total number of employees, including scholarship holders, trainees and apprentices, and excluding leaves of absence.

## Total headcount by employment agreement, by region GRI 2-7

Permanent*	2021		2022		2023		
	Total	%	Total	%	Total	%	
North America	-	-	186	1.2	0	0	
Asia	-	-	245	1.5	0	0	
Europe	-	-	12	0.1	0	0	
South America	-	-	462	2.9	0	0	
Brazil	Northeast	10	0.1	10	0.1	4	0.03
	Mid-West	5	0.0	0	0	0	0
	Southeast	780	5.1	2,099	13.2	843	5.82
	South	11,448	74.2	12,010	75.3	10,874	75.06
<b>Total</b>	<b>12,243</b>	<b>76.8</b>	<b>14,119</b>	<b>88.5</b>	<b>11,721</b>	<b>80.91</b>	

\*No temporary workers were hired in 2023.

**Total headcount by type of employment, by gender** GRI 2-7

2023			
Type of employment	Full-time employment	Part-time employment	Total
Men	8,825	207	9,032
Women	2,532	157	2,689
<b>Total</b>	<b>11,357</b>	<b>364</b>	<b>11,721</b>

**Total headcount by type of employment (full or part-time), by region** GRI 2-7

Regional distribution				2023
		Full-time employment	Part-time employment	Total
North America		0	0	0
Asia		0	0	0
Europe		0	0	0
South America		0	0	0
Brazil	Northeast region	4	0	4
	Southeast region	793	50	843
	South region	10,560	314	10,874
<b>Subtotal</b>		<b>11,357</b>	<b>364</b>	<b>11,721</b>
<b>Total</b>		<b>11,357</b>	<b>364</b>	<b>11,721</b>

**Workers who are not employees, but whose work and/or workplace is controlled by the organization, by gender\*** GRI 2-8

2023			
Employee category	Men	Women	Total
	146	105	251
	61	52	113
<b>Total</b>	<b>207</b>	<b>157</b>	<b>364</b>

\*Regarding apprentices and trainees, as of December 31, 2023, only those from Randoncorp's SAP company have been accounted for. The number of apprentices fluctuates during the year due to specific admission periods and contract terminations, typically in December and June of each year.

**New employee hires, employees dismissed and turnover, by age group** GRI 401-1

2021			
Age group	Hires	Dismissals	Turnover rate
Under 30 years old	3,507	1,957	40.5
Between 30 and 50 years old	2,491	1,425	16.1
Above 50 years old	111	151	12.6
2022			
Age group	Hires	Dismissals	Turnover rate
Under 30 years old	2,650	2,217	47.62
Between 30 and 50 years old	2,086	1,852	20.13
Above 50 years old	130	182	13.68
2023			
Age group	Hires	Dismissals	Turnover rate
Under 30 years old	1,747	1,717	38.33
Between 30 and 50 years old	1,498	2,154	20.34
Above 50 years old	84	184	8.94



**New employee hires, employees dismissed and turnover, by gender** GRI 401-1

2021			
Gender	Hires	Dismissals	Turnover rate
Men	4,694	2,805	22.2
Women	1,415	728	26.1

2022			
Gender	Hires	Dismissals	Turnover rate
Men	3,604	3,391	27.91
Women	1,262	860	27.13

2023			
Gender	Hires	Dismissals	Turnover rate
Men	2,425	3,286	24.65
Women	904	769	24.52

**New employee hires, employees dismissed and turnover, by region\* GRI 401-1**

Region	2021			2022			2023		
	Hires	Dismissals	Turnover rate	Hires	Dismissals	Turnover rate	Hires	Dismissals	Turnover rate
Brazil	5,826	3,388	24.0	4,608	4,038	28.0	3,160	3,738	25.20
Northeast	4	0	0.0	0	1	25.0	0	0	0
Mid-West	3	2	40.0	0	0	0	0	0	0
Southeast	498	251	16.0	1,102	527	23	405	715	32.86
South	5,321	3,135	25.0	3,953	3,511	29	2,755	3,023	23.22
North America	19	16	21.0	44	54	29	92	88	47.62
South America	229	95	16.0	157	123	26	19	187	26.01
Europe	4	6	40.0	4	6	50	9	10	63.33
Asia	31	28	4.0	53	30	12	49	32	16.46

\*SAP and Extra SAP are considered. Apprentices and trainees are not considered. Under leave of absence.

**Parental leave GRI 401-3**

	2022	2023
<b>Total employees</b>		
Men	11,918	9,791
Women	3,029	2,930
<b>Total no. of employees who took parental leave during current year</b>		
Men	205	347
Women	114	122
<b>Employees who returned to work, after the end of parental leave in the previous year</b>		
Men	202	347
Women	64	97

	2022	2023
<b>Employees who returned to work after parental leave and remained employed 12 months after returning to work</b>		
Men	132	284
Women	35	56
<b>Rate of return</b>		
Men	95.5	99.43
Women	56.1	80.83
<b>Rate of retention</b>		
Men	65.3	95.95
Women	54.7	75.68

Note: only considering SAP companies.

**Percentage of workers by employee category and gender GRI 405-1**

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Executive Board	97	3	97	3	96	4
Managers	87	13	81	19	74	26
Coordination	84	16	84	16	81	19
Administrative	45	55	43	57	57	43
Production/Operation	85	15	84	16	83	17
Apprentice	55	45	54	46	54	46
Trainee	63	37	67	33	58	42

**Percentage of workers by employee category and age group GRI 405-1**

Category	Age group	2021	2022	2023
		Percentage	Percentage	Percentage
Executive Board	Under 30 years old	0	0	0
	Between 30 and 50 years old	70	75	61
	Above 50 years old	30	25	39
Managers	Under 30 years old	0	0	0
	Between 30 and 50 years old	79	79	78
	Above 50 years old	21	21	22
Coordination	Under 30 years old	1	8	3
	Between 30 and 50 years old	85	82	86
	Above 50 years old	14	10	11
Administrative	Under 30 years old	28	30	32
	Between 30 and 50 years old	64	63	63
	Above 50 years old	8	8	5
Production/Operation	Under 30 years old	33	31	31
	Between 30 and 50 years old	59	60	58
	Above 50 years old	8	9	11
Trainee	Under 30 years old	95	89	99
	Between 30 and 50 years old	5	11	1
	Above 50 years old	0	0	0
Apprentice	Under 30 years old	100	96	98
	Between 30 and 50 years old	0	3	2
	Above 50 years old	0	1	0

### Percentage of individuals within the organization's governance bodies by gender GRI 405-1

2023		
Board of Directors	Men	Women
Percentage of members of governance bodies by gender	78	22

### Percentage of individuals within the organization's governance bodies by age group GRI 405-1

2023	
Board of Directors	Percentage
Under 30 years old	0
Between 30 and 50 years old	11
Above 50 years old	89

### Average hours of training by organization's employees during reporting period, by employee category\* GRI 404-1

Employee category	2021	2022	2023
	Average hours of training	Average hours of training	Average hours of training
Executive Board	24.8	13.5	8.5
Managers	41.9	34.9	32.4
Coordination	53.8	58.5	48.4
Administrative	23.9	30.1	20.5
Production/Operation	17.6	20.4	19.4
Trainee	18.1	14.2	15.7
Apprentice	3.9	7.5	3.5

\*Only SAP companies were considered, except for Castertech Mogi Guaçu and Randon Triel-HT, which did not use the SSC's training services in 2023.

### Workers from minority and/or vulnerable groups by employee category\* GRI 405-1

2023	
	Percentage
[PwD]	
Executive Board	0
Managers	1.22
Coordination	2.13
Administrative	3.73
Production/Operation	4.64
Trainee	0
Apprentice	4.38

\*Only table of SAP companies were considered.

Percentage of women in leadership positions by category*		2023
Executive Board		3%
Managers		19%
Coordination		19%
Leadership		14%
<b>Total</b>		<b>16%</b>

\* The calculation basis refers to current composition of companies.

# Health & Safety

## Coverage of occupational health and safety management system GRI 403-8

Class	2021		2022		2023	
	Employees	Workers who are not employees, but whose work and/or workplace is controlled by the organization.	Employees	Workers who are not employees, but whose work and/or workplace is controlled by the organization.	Employees	Workers who are not employees, but whose work and/or workplace is controlled by the organization.
<b>Total headcount</b>	-	-	-	-	14,838	2,044
No. of individuals covered by the system;	15,433	-	15,950	-	14,724	2,044
Percentage of individuals covered by the system;	100	-	100	-	99.23	100
No. of individuals covered by the system, internally audited;	15,433	-	15,950	-	12,696	1,937
Percentage of individuals covered by an occupational health and safety management system based on legal requirements and/or standards/guidelines recognized, internally audited.	100	-	100	-	85.56	94.77
No. of individuals covered by the system, internally audited or certified by an external party	10,454	-	9,797	-	9,782	1,937
Percentage of individuals covered by the system which was internally audited or certified by an external party	69	-	61.4	-	65.93	94.77

\*No. of employees excluding apprentices and trainees were considered.

**Work-related injuries\* GRI 403-9**

			2023
Class	Employees	Workers who are not employees, but whose work and/or workplace is controlled by the organization.	
No. of hours worked	28,523,951.68	856,667.88	
No. of fatalities resulting from work-related injuries	1	0	
Index of fatalities resulting from work-related injuries	0.04	0	
No. of work-related injuries with serious outcome (except for fatalities)	4	0	
Index of work-related injuries with serious outcome (except for fatalities)	0.14	0	
No. of work-related injuries of mandatory communication; (include fatalities)	614	5	
Index of work-related injuries of mandatory communication (include fatalities)	21.53	5.84	

Notes: \*Work-related injuries were not registered for Financial and Digital Services Vertical. Basis of no. of hours worked: 1,000,000 hours.

The main types of work-related injuries include foreign bodies in the eyes, bruises, sprained limbs, muscle strains, splinters in the eye, sprained feet, cuts to the hands and burns. These accidents are often associated with operating errors, handling parts and equipment, moving industrial vehicles and manual activities.

In the Auto Parts vertical, the serious hazards are related to liquid metal and industrial vehicles. Investments made in industrial processes at the foundry units in 2023 resulted in a significant decline in this risk potential.

The Motion Control vertical has implemented various mitigation measures in areas, such as storage at height, working with energy, handling loads and others. Training activities were provided,

procedures have been revised and collective protection equipment was implemented, as well as a routine of periodic inspections of pallet trucks.

In the Trailers vertical, the main incidents are related to critical risks involving suspended loads and industrial vehicles.

As far as the Financial and Digital Services vertical is concerned, the activity is considered low risk and safety guidelines are provided through Cipa's dialogues. Lastly, for the Advanced Technology vertical, investigations are carried out into accidents, changes in technology, processes, investments and discussions in thematic groups.

# Commitment to the planet

## Materials

### Materials used, broken down by type (t) GRI 301-1

MATERIALS USED	2021 <sup>3</sup>		2022 <sup>2</sup>		2023 <sup>1</sup>	
	Total	%	Total	%	Total	%
Renewables	234.42	0.08	1,696.73	0.45	3,630.77	1.00
Non-renewables	302,181.94	99.92	371,618.07	99.55	360,171.80	99.00
<b>Total</b>	<b>302,416.36</b>	<b>100</b>	<b>373,314.80</b>	<b>100</b>	<b>363,80.57</b>	<b>100</b>

<sup>1</sup> Companies considered in 2023: All Randoncorp's companies.

<sup>2</sup> Companies considered in 2022: NIONE Suspensys, Caxias do Sul site; Master, Caxias do Sul and Flores da Cunha sites; Randon, Caxias do Sul and Chapecó sites; JOST, Caxias do Sul site; Frasle Mobility, Caxias do Sul, Controil, Fremax, Sorocaba, Montevideo, Garin and Pinghu sites.

<sup>3</sup> Companies considered in 2021: Castertech, Caxias do Sul and Schroeder sites; Suspensys, Caxias do Sul site; JOST, Caxias do Sul site; Master, Caxias do Sul and Flores da Cunha sites; Randon, Caxias do Sul and Chapecó sites; Frasle Mobility, Caxias do Sul, Controil, Fremax, Sorocaba, Pinghu and ASK-Fras-le sites.

<sup>4</sup> GRI 2-4: We identified that in the 2022 report the values were incorrect or with the wrong unit of measurement (in kilos instead of tons). We also found that for 2021 and 2022, the materials fiberglass, bentonite, barite and Caulium were incorrectly classified as renewable. Errors have been corrected.

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

#### GRI 301-1

Type of material	Weight (t)
<b>Renewables*</b>	
Clay	2,138.73
Timber	936.00
Charcoal powder	555.60
Deionized water	0.44
<b>Total renewable material</b>	<b>3,630.77</b>
<b>Non-renewables</b>	
Steel	115,160.87
Scrap steel	72,101.41
Castings	28,326.67
Steel parts	25,057.93
Resins	14,191.84
<b>Total non-renewable material</b>	<b>360,171.80</b>

Only four types of renewable materials were used in 2023.

**Materials consumed in operation from recycling (t) GRI 301-2**

Name of material	2022			2023		
	Quantity used	Quantity of recycled material	Percentage	Quantity used	Quantity of recycled material	Percentage
Rubber (t)	4,757.74 <sup>1</sup>	4,757.74	100	5,175.28	5,175.28	100
Exhaust powder (t)	18,482.36 <sup>1</sup>	18,482.36	100	18,838.17	18,838.17	100
Exhaust powder – casting (t)	8,539.88 <sup>1</sup>	8,539.88	100	8,241.66	8,241.66	100
Scrap carbon steel (t)	17,973.81 <sup>1</sup>	17,973.81	100	72,582.25 <sup>2</sup>	72,582.25	100
High-density polyethylene (HDP)	-	-	-	105.38	9.48	9
Scrap cast iron	-	-	-	6,514.54	6,514.54	100

<sup>1</sup> GRI 2-4: For the 2022 data, a mistake was detected in the unit of measurement for the weight of the material, which was being expressed in kilos instead of tons. This error has been corrected.

<sup>2</sup> In 2023, there was an increase in the use of "Scrap carbon steel", driven by increased production for Frasle Mobility's Fremax site and Castertech's Caxias do Sul site, as well as the inclusion of Castertech's Indaiatuba and Schroeder sites.

**Percentage of products and packages reused for each product category GRI 301-3**

PRODUCTS RECOVERED (REVERSE LOGISTICS)						
	2022			2023		
	Quantity reused (t)	Quantity of products sold	% Recovered	Quantity reused (t)	Quantity of products sold	% Recovered
Brake linings	1,003	19,693*	5	1,275	26,922	5
Brake discs	884	17,760*	5	2,407	17,617	14
PACKAGES RECOVERED (EURECICLO)						
Paper packages	576	2,574	22	1,318	4,384	30
Plastic packages	393	1,784	22	509	1,686	30

\*GRI 2-4: For the 2022 data, a mistake was identified in the unit of measurement for "Products recovered (reverse logistics)" in the item "quantity of products sold", which was expressed in kilos instead of tons. This error has been corrected.

There is a reverse logistics system for packaging, through a partnership with the "Eureciclo" program. Paper and plastic packaging is recycled nationwide.



**Total volume of water withdrawn across all areas and water-stressed areas, in megaliters, by source (ML)** GRI 303-3, 303-4, 303-5

Water from third parties (acquired) (total)	2021		2022		2023	
	All the areas	Water-stressed areas	All the areas	Water-stressed areas	All the areas	Water-stressed areas*
Surface water	-127.00	0.00	-104.47	0.00	-104.25	0.00
Underground water	118.50	0.00	146.27	0.00	165.73	13.41
Water from third parties	221.62	2.10	323.06	0.00	221.71	16.47
<b>Total volume of water withdrawn (ML)</b>	<b>213.12</b>	<b>5.10</b>	<b>365.06</b>	<b>0.00</b>	<b>283.19</b>	<b>29.88</b>

\*Companies in water-stressed areas: Fraslé Mobility, China and India sites; Suspensys, Mexico site.

## Waste

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

	Class	Quantity generated (t)
Energy accumulators (cells and batteries)	II	4.84
Ferrous metal filings and turnings	II	5.59
Foundry sand	II	22.0,93,26
Cigarette butts	II	0.32
Chip sludge	II	57.46
Paint residue	II	137.26
Rubber (tyres)	II	0.18
Grease trap	II	40.38
Medication pack	II	0.02
Civil construction	II	708.46
Industrial effluent	II	1,815.50
Raw material packages	II	545.87

	Class	Quantity generated (t)
Casting slag	II	3,505.76
Fiber glass	II	0.93
Plaster	II	5.30
Sandpaper	II	7.68
ETE sludge	II	510.74
Used canvas	II	211.53
Timber	II	5,242.50
Composite material	II	83.28
Non-contaminated	II	481.17
Nylon and cardboard	II	12.86
Cooking oil	II	5.00
Non-contaminated paper and cardboard	II	9,426.00

	Class	Quantity generated (t)
Brake pads	II	245.70
Non-contaminated plastic	II	748.61
Exhaust powder	II	10,096.96
Grinding powder	II	139.33
Garden pruning	II	1,740.00
Polyurethane	II	21.83
Recycled	II	35.25
Common waste	II	36.95
Electronic waste	II	16.70
Sweeping waste	II	200.35
Organic waste	II	686.23
General solid waste (production scrap, ashes)	II	145.23
Stainless steel scrap	II	23.85
Aluminum scrap	II	37.40
Ferrous metal scrap	II	35,307.20
Non-ferrous metal scrap	II	1,422.31
Mixed scrap	II	838.65
Drums	II	13.00
Glass	II	17.23
<b>TOTAL</b>	<b>II</b>	<b>96,674.67</b>

Hazardous waste	Class	Quantity generated
Asphalt	I	0.80
Soaking bath	I	25.10
Contaminated containers	I	22.42
Oily sludge	I	120.13
Paint residue	I	398.34
Rubber	I	51.00
Contaminated gravel	I	1.25
Grease trap	I	143.00
Activated carbon	I	1.44
Ashes	I	3.00
Container IBC's	I	40.88
Contaminated (solids and liquids)	I	108.26
Septic tank effluent	I	252.62
Liquid effluent	I	38.18
Contaminated metal packaging	I	133.91
Oily emulsion	I	2,370.30
Contaminated PPE	I	173.76
Contaminated fluid (purge water)	I	26.00
Lamps	I	5.59
Septic tank sludge	I	274.21
Plasma sludge	I	151.21
Industrial effluent sludge	I	297.48
Contaminated oil	I	321.12
Contaminated paper and cardboard	I	130.70
Contaminated paper and plastic	I	227.31
Exhaust powder	I	282.77

Hazardous waste	Class	Quantity generated
Grit powder	I	539.13
Chemical products	I	0.85
Cotton waste	I	0.02
Glue residue	I	3.72
Inhibitor residue	I	7.21
Health residue	I	110.45
Electronic waste	I	5.95
Biological healthcare waste	I	4.32
Various contaminated waste	I	699.43
Contaminated solvent	I	11.55
Aluminum scrap	I	138.00
Scrap iron	I	897.00
Scrap tape, blocks and rolls	I	16.46
Drums	I	23.17
Tile	I	2.75
Solvent-containing paint	I	2.74
Varnish	I	3.37
<b>Total hazardous waste</b>	I	<b>8,062.58</b>

**Total hazardous and non-hazardous waste diverted from disposal, by recovery operation (t) GRI 306-4**

2023			
Operation	Within the organization/onsite	Outside the organization/offsite	Total
<b>Hazardous</b>			
Preparation for use	-	-	-
Recycling	0.01	177.32	177.33
Other recovery operations	0.02	4,845.43	4,845.45
<b>Total</b>	<b>0.03</b>	<b>5,022.75</b>	<b>5,022.78</b>
<b>Non-hazardous</b>			
Preparation for use		0.02	0.02
Recycling	2,508.28	18,585.17	21,093.45
Other recovery operations	1,127.58	11,635.00	12,762.58
<b>Total</b>	<b>3,635.86</b>	<b>30,220.19</b>	<b>33,856.05</b>

**Waste directed to recovery (t)** GRI 306-5

	2021	2022	2023
<b>Hazardous</b>			
Preparation for reuse	2,430.8	-	1,866.25
Recycling	293.4	1,351.8	201.43
Other recovery operations	2,073.8	7,184.6	5,324.02
<b>Total</b>	<b>4,798.0</b>	<b>8,536.5</b>	<b>7,391.70</b>
<b>Non-hazardous</b>			
Preparation for reuse	1,397.6	-	702.56
Recycling	61,923.9	52,933.3	52,913.48
Other recovery operations	10,374.2	15,608.9	10,520.12
<b>Total</b>	<b>73,695.7</b>	<b>68,542.3</b>	<b>64,136.16</b>

**Waste directed to disposal (t)** GRI 306-5

	2021	2022	2023
<b>Hazardous</b>			
Incineration (without energy recovery)	5.1	2.18	138.72
Landfill containment	38.4	277.3	1,023.66
Other disposal operations	35.1	0	7.90
<b>Total</b>	<b>78.5</b>	<b>279.4</b>	<b>1,170.29</b>
<b>Non-hazardous</b>			
Incineration (without energy recovery)	0	0	145.23
Landfill containment	23,618.4	24,300.6	25,449.81
Other disposal operations	0	0.92	187.95
<b>Total</b>	<b>23,618.4</b>	<b>24,300.9</b>	<b>25,782.99</b>

# Climate change

## Fuel consumption from non-renewable sources (GJ) GRI 302-1 | SASB RT-IG-130a.1 | TR-AP-130a.1

Non-renewable source	2021		2022		2023	
	Total	Percentage	Total	Percentage	Total	Percentage
Diesel oil	15,376.10	0.86	73,486.17	4.36	105,032.42	5.76
Gasoline	8.10	0.00	327.72	0.02	8,820.65	0.48
Electricity	907,624.20	51.02	705,146.98	41.81	803,748.59	44.07
LPG	136,071.10	7.60	33,614.87	1.99	60,281.08	3.31
Natural gas	508,037.50	28.56	667,462.90	39.57	490,580.89	26.90
<b>Total</b>	<b>1,567,117.00</b>	<b>88.09</b>	<b>1,480,038.65</b>	<b>87.75</b>	<b>1,468,463.63</b>	<b>80.52</b>

## Fuel consumption from renewable sources (GJ) GRI 302-1 | SASB RT-IG-130a.1 | TR-AP-130a.1

Renewable source	2021		2022		2023	
	Total	Percentage	Total	Percentage	Total	Percentage
Electricity	210,374.10	11.82	202,857.78	12.03	352,009.65	19.30
Wood for direct burning	7,094.21	0.40	3,733.79	0.22	3,297.00	0.18
Biodiesel	1,583.70	0.09	-	-	-	-
<b>Total</b>	<b>219,052.01</b>	<b>12.31</b>	<b>206,591.57</b>	<b>12.25</b>	<b>355,306.65</b>	<b>19.48</b>

## Total energy consumed (GJ) GRI 302-1 | SASB RT-IG-130a.1 | TR-AP-130a.1

	2021	2022	2023
<b>Total energy consumed by type</b>	Quantity (GJ)	Quantity (GJ)	Quantity (GJ)
Fuels from non-renewable sources	1,567,117.00	1,480,038.65	1,468,463.63
Fuels from renewable sources	219,052.01	206,591.57	355,306.65
<b>Total</b>	<b>1,779,066.70</b>	<b>1,686,630.22</b>	<b>1,823,770.28</b>

## Total energy intensity for the organization GRI 302-3

	2021	2022	2023
Energy intensity*	0.07	0.08	0.07

\*The energy intensity calculation takes into account energy consumption within the organization and the number of hours worked, which for 2023 was 26,270,989.34 hours.

## Greenhouse gas emissions (tCO<sub>2</sub> equivalent)

GRI 305-1, 305-2, 305-4

	2021	2022	2023
<b>EMISSION SCOPE 1<sup>1,2</sup></b>			
Stationary combustion	31,164.73	32,651.39	30,043.39
Mobile combustion	8,147.85	4,421.54	4,088.65
Fugitive emissions	267.05	1,219.78	4,034.33
Industrial Processes	-	-	-
Solid waste	12.55	22.48	15.59
Waste and effluents treatment	454.33	62.78	93.57
<b>Total scope 1</b>	<b>40,834.16</b>	<b>38,377.97</b>	<b>38,275.53</b>
<b>EMISSION SCOPES 2<sup>3</sup></b>			
Energy purchased and consumed	38,332.43	16,054.26	14,347.16
<b>Total scope 2</b>	<b>38,332.43</b>	<b>16,054.26</b>	<b>14,347.16</b>
<b>BIOGENIC EMISSIONS</b>			
CO <sub>2</sub> biogenic	1,388.15	934.14	886.80
<b>Total emissions (Scopes 1 and 2)</b>	<b>79,055.74</b>	<b>54,432.23</b>	<b>52,622.29</b>
<b>EMISSIONS INTENSITY<sup>4</sup></b>			
Hours worked	22,276,019.17	20,464,922.01	21,837,682.3
<b>Emissions Intensity (kgCO<sub>2</sub>e/hours worked)</b>	<b>3.34</b>	<b>2.51</b>	<b>2.41</b>

<sup>1</sup> For emissions indicators (305's), the following companies were considered: Frasle Mobility, Controil, Fremax, Sorocaba, Pinghu and Alabama sites; Randon, Caxias do Sul, Chapecó and Araraquara sites; Castertech, Caxias do Sul site; JOST, Caxias do Sul site; Master, Caxias do Sul and Flores da Cunha sites; Suspensys, Caxias do Sul site; Centro Tecnológico Randon. Emissions by country (tCO<sub>2</sub> equivalent): Brazil: 38,369.69; China: 19.45; United States: 1.38. Gases considered: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and HFCs. Methodology adopted: GHG Protocol Total emissions in base year (2020) in scope 1 (tCO<sub>2</sub> equivalent): 29,668.6.

<sup>2</sup> GRI 2-4: 2021 and 2022 amounts were corrected for better methodology adherence.

<sup>3</sup> Emissions by country (tCO<sub>2</sub> equivalent): Brazil: 9,539.58; United States: 2,044.40; China: 2,726.61. Gases considered: CO<sub>2</sub>. Total emissions in base year (2020) in scope 2 (tCO<sub>2</sub> equivalent): 16,675.9.

<sup>4</sup> Despite an increase in the number of working hours compared to 2022, we managed to reduce emissions intensity by 4% for 2023.

# Assurance report

## CLAIM OF INDEPENDENT VERIFICATION – BUREAU VERITAS



### INTRODUCTION

Bureau Veritas Certification Brazil (Bureau Veritas) was contracted by Randon S.A Implementos e Participações (RANDONCORP) to conduct an independent verification of its 2023 Sustainability Report (hereinafter referred to as the Report).

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

### SCOPE OF WORK

The scope of this verification covered the standards and Principles<sup>1</sup> of the Global Reporting Initiative™ for Sustainability Reporting, including specific Sustainability Accounting Standards Board (SASB) indicators, and refers to accountability for the period from January 1 to December 31, 2023.

In geographical terms, we clarify that we verify RANDONCORP data and information on a global level.

### RESPONSIBILITIES OF RANDONCORP AND BUREAU VERITAS

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

### METHODOLOGY

The verification covered the following activities:

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

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



5. Remote evaluations of sustainability indicators in the following Units: Randoncorp (Corporate); operational units located in Brazil – Frasle Mobility site Caxias do Sul, Frasle Mobility site Sorocaba, Randon (Caxias do Sul branch), Castertech (Suspensys branch), Banco Randon and Centro Tecnológico Randon (CTR) – and abroad, Frasle Mobility site Alabama.
6. Documentary analysis of *stakeholder* engagement activities developed by RANDONCORP.

The verification level adopted was Hybrid (Limited\* and Reasonable\*\*), in accordance with the requirements of the ISAE 3000<sup>2</sup> standard, incorporated into Bureau Veritas' internal verification protocols.

\* Limited verification level: International scope.

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

In addition to this scope of verification, RANDONCORP's Greenhouse Gas (GHG) inventory was subject to an external verification conducted by DNV.

### LIMITATIONS AND EXCLUSIONS

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

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

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



**OPINION ON THE REPORT AND THE VERIFICATION PROCESS**

- RANDONCORP prepared the Report following the GRI Standards and Principles, in the "based" option;
- We identified that Randoncorp carried out strategic materiality in 2019 and 2020, and used this study to establish the ESG Ambition, which includes the public commitments made in 2025 and 2030;
- We verify in 2023 RANDONCORP reviewed the materiality, including the scope of double materiality, and then a *stakeholder* review and audience weighting were carried out. From this process, 9 material themes were defined, presented in the report.
- Still on the dual materiality process, we identified that themes that were not considered material, such as Water and effluents, Diversity and inclusion, Value relationships (suppliers and community), were incorporated into other themes, as they are related to the ESG Ambition strategy, in the Planet, People and Business pillars. We understand that the result obtained realistically reflects the topics relevant to the Report.
- On the topic of relationship with the community, we verify that RANDONCORP presents information regarding social actions and programs developed by Instituto Elisabetha Randon (IER), although it does not present the related data in accordance with the requirements of indicator GRI 413-1;
- In the context of the ESG strategy at RANDONCORP, we verify the management and performance associated with the ESG Ambition Public Commitments. We are of the opinion that the commitments are aligned with the material themes of the company and have established governance and metrics, with emphasis on the theme Innovation and Technology;
- We verify that RANDONCORP adopted the use of an online platform for data collection and consolidation. We are of the opinion that the methodology should be improved in order to ensure the reliability of the data. The inconsistencies found in the data calculation and in the Report were adjusted during the process and were satisfactorily corrected;
- The Report publishes information on the indicators associated with the material aspects following the GRI Standards guidelines. However, we emphasize the importance of standardizing and systematizing some practices, since part of the indicators verified by our team presented differences in format and application in some of the regions where RANDONCORP operates and in consolidation;

- The data presented to meet the GHG emissions indicators is part of RANDONCORP's GHG emissions inventory, which has been verified by the company DNV through an independent assurance process. We found that the presentation of the inventory data followed the methodologies of the GHG Protocol and also met the criteria of the GRI;
- On the subject of suppliers, we identified an opportunity to improve the analysis and reporting of the organization's performance, in order to present data covering related aspects, such as risk management associated with the universe of indirect suppliers, inclusion of units that do not use the SAP system and potential risk analysis approach, in order to ensure the verifiability of the data;
- We verify the management implemented for the Compliance theme, with regard to Risk Management and Compliance and Ethics Channel, with emphasis on aspects such as transparency, reliability, and accuracy of data throughout the process.

**RECOMMENDATIONS**

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

**CONCLUSION**

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

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





**CLAIM OF INDEPENDENCE AND IMPARTIALITY**

Bureau Veritas Certification is an independent professional services company specializing in Quality, Health, Safety, Social and Environmental management with over 195 years of experience in independent evaluation services.

Bureau Veritas has implemented and applies a Code of Ethics throughout its business to ensure that its employees maintain the highest standards in their daily activities. We are particularly attentive to avoid conflicts of interest.

The verification team does not have any other link with RANDONCORP, other than the independent verification of the Sustainability Report. We understand that there is no conflict between other services performed by Bureau Veritas and this verification carried out by our team.

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

**CONTACT**

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

São Paulo, May 2024.



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Bureau Veritas Certification – Brazil



# Credits

Coordination  
**Investor Relations**  
**Randoncorp Brand & Reputation**

Project management, drafting, edition, layout,  
 graphic design, materiality and consultancy  
**Grupo report**

Translation  
**Celia Yamashita**

Photo production  
**Randoncorp Image Database**  
**Alex Battistel**  
**Tamborim Filmes**  
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