



Complementary Report on Good Practices

ESG

2022



INTRODUCTION

SIMPAR is one of the largest and most complete business groups in the mobility, logistics and infrastructure sectors in Brazil, a position achieved with the continuous diversification of businesses present in sectors of the real economy, with resilient revenues and a focus on understanding customer needs as a way to serve them with excellence, promoting their loyalty. The holding consolidates and controls the companies JSL, Movida, Grupo Vamos, CS Brasil, Automob, BBC and CS Infra - which have more than 45,000 employees under the same Culture and Values and which operate with a management model with an independent operations company guided by a commitment to Governance that produces sustainable results and is aligned with the best ESG practices.

SIMPAR and its companies are committed to developing a Culture of Sustainability in their business decisions and strategies and in daily practices, serving as a reference and in line with the Company's Culture and Values.

Our ESG strategy addresses material topics defined based on the demands of our stakeholders and also aims to meet the execution of the strategic planning and the future development of the Company in a sustainable manner. For each material issue, there is an action plan with goals and its evolution is monitored and certified by different institutions and, as a result, we have recognition in various indices and ratings that ratify our actions, compliance with legislation and customer demands, investors, suppliers, capital markets and other stakeholders. This ESG governance model feeds back on evidence of the company's commitment to the continuous evolution of ESG ratios and consistently generating value for our stakeholders.

This document aims to consolidate and present strategies, actions and indicators, focusing on the Group's transparency. In addition, it aims to be a guide document for addressing issues of the Corporate Sustainability Assessment (CSA), which is an index used to assess the sustainability performance of companies listed on the various ESG indices managed by Standard and Poors (S&P).





GOVERNANCE



SIMPAR's ESG Strategy



In line with best practices, SIMPAR's ESG strategy and guidelines follow the following cycle:

- 1) Consultation with stakeholders to identify material topics that involve risks and opportunities for the business;
- 2) Selection of the most relevant topics and definition of impact actions for customers, communities and other stakeholders in line with the business strategy;
- 3) Definition of goals and indicators that are monitored in relation to their execution and evolution;
- 4) Performance and evolution of shares audited and validated by institutions recognized by the market with the presence of the Company and/or its subsidiaries in indexes or certifications;
- 5) Transparent, broad and available communication in reports through internal and external tools, on and offline (proprietary media, social networks, among other means).





Materiality

Materiality



MATERIALITY ANALYSIS

Faced with sectorial and global scenarios of transformation, SIMPAR considers the aspects that may influence its business and the effects of its activities on society and the environment. In 2022, in accordance with good practice, a new materiality was promoted, the last one carried out in 2020, based on a context assessment and consultation with the Company's stakeholders.

SIMPAR's materiality review process was carried out from September to November 2022, with the aim of identifying the topics that may affect the company's value generation, as well as the impacts that it causes with its activities. Following the guidelines of the Global Reporting Initiative (GRI) and the Integrated Reporting Framework, from the perspective of dual materiality, this process assists in directing the projects and actions carried out by SIMPAR in favor of sustainability, as well as serving as support for defining the aspects to be highlighted in the company's Integrated Annual Report.

Materiality

RESULT



- Materiality process conducted every 2 years or as needed.
- Involvement of executives, top leadership, employees, customers and other external stakeholders.
- Follows the guidelines of the Global Reporting Initiative (GRI) and the Integrated Reporting Framework, from the perspective of dual materiality.
- Approved by the Sustainability Committee.

Last process conducted between September and November 2022

Materiality

Value creation for internal and external stakeholders

Next, we highlight material topics that stand out in terms of their impact on generating value for the organization and external stakeholders.



	Topic 1	Topic 2	Topic 3
Material topic	Climate strategy and environmental management	Valuing people and human rights	People's health and safety
Associated material topic	Climate transition and physical risks	Human rights	Employee well-being, health and safety
Context on the material topic	<p>The transport sector is very relevant with regard to Greenhouse Gas (GHG) emissions and, consequently, to climate change. Thus, environmental management and climate change are social requirements for business development in the medium and long term. The company must be aware of these aspects as a risk and also as an opportunity, with the development of solutions that can address or neutralize the negative impacts of operations</p>	<p>Due to its rapid growth and the sectors in which it operates, marked by the provision of services, SIMPAR considers the human capital of its invested companies to be one of its most strategic differentials. The holding has a preponderant role in the management of organizational culture and in encouraging good practices for attracting, developing and retaining talent, also acting in the scope of guaranteeing respect for human rights, diversity and inclusion. In this way, the company's priority is to ensure the perpetuity and dissemination of the organizational culture in the controlled and acquired companies through the engagement and appreciation of people, with the retention, attraction and inclusion of professionals and respect for human rights throughout the company productive chain</p>	<p>Traffic safety is a worldwide issue and prioritizing people's safety and health and ensuring the safety and health of those involved in the value chain is a relevant topic due to the large number of people who work in SIMPAR companies. On the other hand, the physical and emotional health of direct and indirect employees and, in particular, the attention given to the subject as a result of the impacts brought by the Covid-19 pandemic in the provision of services, reinforce the holding's commitment to valuing life . Therefore, the prioritization of the topic aims to guarantee the protection of life, health and safety of all people in the value chain, focusing on employees and communities.</p>
Type of impact	Risks	Risks	Risks

Materiality

Value creation for internal and external stakeholders

Next, we highlight material topics that stand out in terms of their impact on generating value for the organization and external stakeholders.



	Topic 1	Topic 2	Topic 3
Material topic	Climate strategy and environmental management	Valuing people and human rights	People's health and safety
Associated material topic	Climate transition and physical risks	Human rights	Employee well-being, health and safety
Business strategy on the topic	<p>The Company continues to invest in minimizing environmental impacts, with the continuous renewal of fleets and the launch of the Climate Change Policy, in line with the public target of reducing the Group's emissions by 15% by 2030.</p> <p>It is important to highlight Movida's alliance with BYD, reinforcing its position with the largest fleet of 100% electric vehicles in Brazil. In 2022, Movida joined the Science Based Targets Initiative, an action to improve the management of climate risks and opportunities with science-based targets.</p> <p>The company aims to have actions focused on the mitigation of gases, such as: prioritizing the use of ethanol; fleet electrification; use of renewable energy at the facilities, as well as carbon sequestration projects. Automob also established alliances with BYD and Great Wall Motors for the sale of electric vehicles at dealerships in different states of the country.</p>	<p>In 2022, SIMPAR developed the Human Rights Policy, a document approved by the Sustainability Committee and the Board of Directors, which aims to establish basic guidelines for the protection and preservation of human rights and for the promotion of these rights throughout the value chain and influence sphere.</p> <p>Aligned with the material topic and aiming to promote a positive impact on communities, Simpar created in 2021 the program "Você Quer? Você Pode!" (Do you want? You can!) to train and promote professional inclusion of young people who live in shelters or in situations of extreme social vulnerability in the surroundings of Simpar's operations.</p> <p>In addition to providing training, whenever possible Simpar hires participants as young apprentices to work in the Group's companies. Since 2022, the program has a dedicated team in the People and Culture department, with a senior professional leading the initiative.</p>	<p>Simpar is committed to achieving zero accidents and continuously guaranteeing the health, safety and well-being of its more than 42,000 employees. For this, we carry out assessments of hazards and risks in the work environment and, before the start of activities, we conduct safety integrations that addresses topics related to the activities that will be developed, with specific guidelines for each function, in addition to risk factors for accidents in transport operations and internal movements.</p> <p>We have structured processes, as well as policies and standards (such as the Occupational Health and Safety Standard) gathered in an Integrated Management System (SGI), certified by ISO 9001 and ISO 14001 standards, and a Health and Safety Management System that covers all employees (excluding third parties) to monitor legal requirements and indicators such as those of the Environmental Risk Prevention Program (PPRA) and Medical Control and Occupational Health.</p>

Materiality

Based on the material topics, we set goals according to each ESG pillar together with the Sustainability Committee. These targets were publicly disclosed in the 2022 Integrated Annual Report, highlighting the following topics:



	Topic 1	Topic 2	Topic 3
Topic	Climate strategy and environmental management	Valuing people and human rights	People's health and safety
Metric associated with the material theme (with goal)	15% reduction in the intensity of GHG emissions by 2030 (114.37 tCO ₂ e / BRL MM - scopes 1, 2 and 3 per total net revenue) Available in Simpar's integrated report (p.44) and SLB framework	Training 1,000 young people in social vulnerability from surrounding communities "Você Quer? Você Pode!" (Do you want? You can!) program in 2022 Available in Simpar's integrated report (p.44)	2022 safety target: annual rate of vehicle accidents per km up to 0.46 and rate of accidents with lost time up to 0.63.
Target achievement year	2030	2022	2022
Progress against the goal	<p>Simpar discloses progress on its emissions as described on pages 73 and 74 of the integrated report.</p> <p>In 2022, the total GHG emissions intensity index was 108.30 tCO₂ e /R\$ MM</p>	<p>In 2022, more time was needed to train the team dedicated to the program, which is why the training of young people had to be postponed. In addition, an initial diagnosis was carried out in each region to customize the project according to local and business demands, which also required more time than expected. At the end of the year, around 270 young people graduated and approximately 730 will join the program throughout 2023</p>	<p>Both goals were achieved with results of, specifically, 0.40 and 0.49.</p>
Connection with variable remuneration	Regarding the topic of Environmental Management and Climate Strategy, 21% of Movida's directors have goals linked to the topic.	The People and Culture department has the goal of training young people through the Program.	JSL maintains a bonus program (ICP) linked to the achievement of individual annual goals related to topics such as safety.

Materialidade

Among the topics considered material, we highlight 2 that have the greatest impact on external stakeholders and their respective metrics:



	Topic 1	Topic 2
Material topic with impact on external stakeholders	Topic: Climate Strategy and Environmental Management Category: Climate transition and physical risks	Valuing people and human rights Category: Human Rights
Cause of impact	Operations / Products and services Represent more than 50% of commercial activity	Operations Products and services Supply chain Represent more than 50% of commercial activity
Impacted value chain	Environment Society Final clients and consumers	Society
Context about the generated impact	Negative impact	Positive
Metrics of results	Number of trees planted (Carbon Free) Tons of CO2e avoided Restored area in hectares # carbon credits	Discount and lending amount granted to beneficiary institutions Number of people impacted by the action of the beneficiary institution Total number of initiatives and actions mobilized with the use of cars
Impact assessment	Environmental value lost/gained	Access to product/service with positive impact provided
Impact metrics	Number of trees planted (Carbon Free) Tons of CO2e avoided Protected area # carbon credits	Number of people impacted by the beneficiary institution's action Total number of initiatives and actions mobilized with the use of cars

Corporate governance

Corporate governance

Additional indicators



	2022
Length of stay of board members	The current Board of Directors has an average tenure of 3 years.
% participation of board members in meetings	The average participation was 100% considering the current board members during the year 2022

The other indicators and information on SIMPAR's Corporate Governance can be checked on the Investor Relations page - <https://ri.simpar.com.br/en/>

CEO and other statutory directors compensation indicators

Financial return metrics: the variable compensation program for executives provides for the use of the following KPIs:

- Gross revenue = 25% of weight
- EBIT = 25% by weight
- Net profit = 30% of weight
- ROIC = 20% by weight

Political influence

Political influence

Contributions

SIMPAR and its subsidiaries are signatories of commitments to contribute to the socio-environmental and economic development of the Group and its stakeholders. Membership in these organizations promotes our participation in discussions and forums whose primary function is to create or influence public policy, legislation and regulations. These are organizations that we are part of:



In 2022, SIMPAR became a member of CEBEDS, a non-profit civil association that promotes sustainable development through articulation with governments and civil society, in addition to disseminating the most current concepts and practices on the subject. There is a financial contribution to participate in the organization. The Company participates in forums related to climate change, biodiversity and other ESG topics and agrees with the entity's position.



Movement to combat the sexual exploitation of children and adolescents on Brazilian highways, a commitment shared by SIMPAR, JSL, Movida, VAMOS and Rodomeu. There are financial contributions to the institution and the Company supports the organization's position.



In 2022, SIMPAR and its subsidiaries were associated with the Ethos Institute, whose mission is to mobilize, raise awareness and help companies manage their businesses in a socially responsible manner, making them partners in building a just and sustainable society.



SIMPAR, JSL, Movida, CS Brasil, VAMOS and Original are signatories. SIMPAR also participates in the Integrity Working Group and the UN Global Compact Climate Platform - Rede Brasil. In the year 2022, the Company had participants in the publication of the study 'Commercial transport and zero 2050: paths for the decarbonization of road transport in Brazil'. There is a financial contribution to participate in the organization.



The Brazilian Association of Logistic Operators is supported by JSL and aims to regulate the activities of Logistic Operators (LOs), responsible for management, storage, distribution and inventory control services, thus guaranteeing greater legal certainty, competitiveness and sustainability for the sector.

Political influence

Major Contributions

In accordance with Brazilian law, SIMPAR does not provide any political funding, including political funds, election funds for political groups and lobbying funds for political parties. The company, through sectoral organizations of political neutrality, collaborates with the development of public policies of interest to society and supports various initiatives within the respective organizations.

	2022
CEBDS	R\$ 92,150.00
Instituto Ethos	R\$ 63,000.00
Associação Brasileira de Operadores Logístico (Association of Logistic Operators)	R\$ 59,172.42

	2020	2021	2022
Lobbying, representation of interests or similar	0	0	0
Local, regional or national political campaigns/organizations/candidates	0	0	0
Trade associations or tax-exempt groups (e.g., think tanks)	R\$ 278,362.81	R\$ 2,032,783.71	R\$ 708,331.80
Other (for example, expenses related to electoral measures or referendums)	0	0	R\$ 352,462.50
Total contributions and other expenses	R\$ 278,362.81	R\$ 2,032,783.71	R\$ 1,060,774.30



Political influence

Lobby and Trade Associations - Climate Alignment

According to Law nº 12846/2013, lobbying is not an activity allowed in Brazil. Therefore, SIMPAR's relationship with its stakeholders, including industry associations, is guided by a collaborative approach, with limited support and without direct political objectives, following the legislation and the limits established in its Code of Conduct, Anti-Corruption Manual and Policy of Sustainability, which encompasses all of its jurisdictions and operations.

For example, SIMPAR actively promotes sustainability issues such as climate change, which have become central themes in business associations such as CEBDS, which the company regularly monitors.





ENVIRONMENTAL



Environmental Policy and Management Systems

Environmental Policy and Management Systems

Certification/ Audit/ Verification



Certification/ Audit/ Verification	Coverage (%)
EMS is verified according to international standards (eg ISO 14001, JIS Q 14001, EMAS certification).	37.50 ISO 14000 (Automob, JSL and Vamos)
Third party certification/audit/verification by specialized companies.	12,50 B Corp (Movida)
Certification/audit/internal verification by specialists from the parent company itself.	50,00 Internal verification (others)

Environmental Policy and Management Systems

Certification/ Audit/ Verification



	2019	2020	2021	2022
Number of violations of legal obligations/regulations	0	0	0	0
Amount of fines/penalties	0	0	0	0
Environmental liabilities accrued at the end of the year	0	0	0	0

We have not paid significant fines (>\$10,000) related to environmental or ecological issues in the past four fiscal years.

Environmental Policy and Management Systems



Environmental management in M&A process

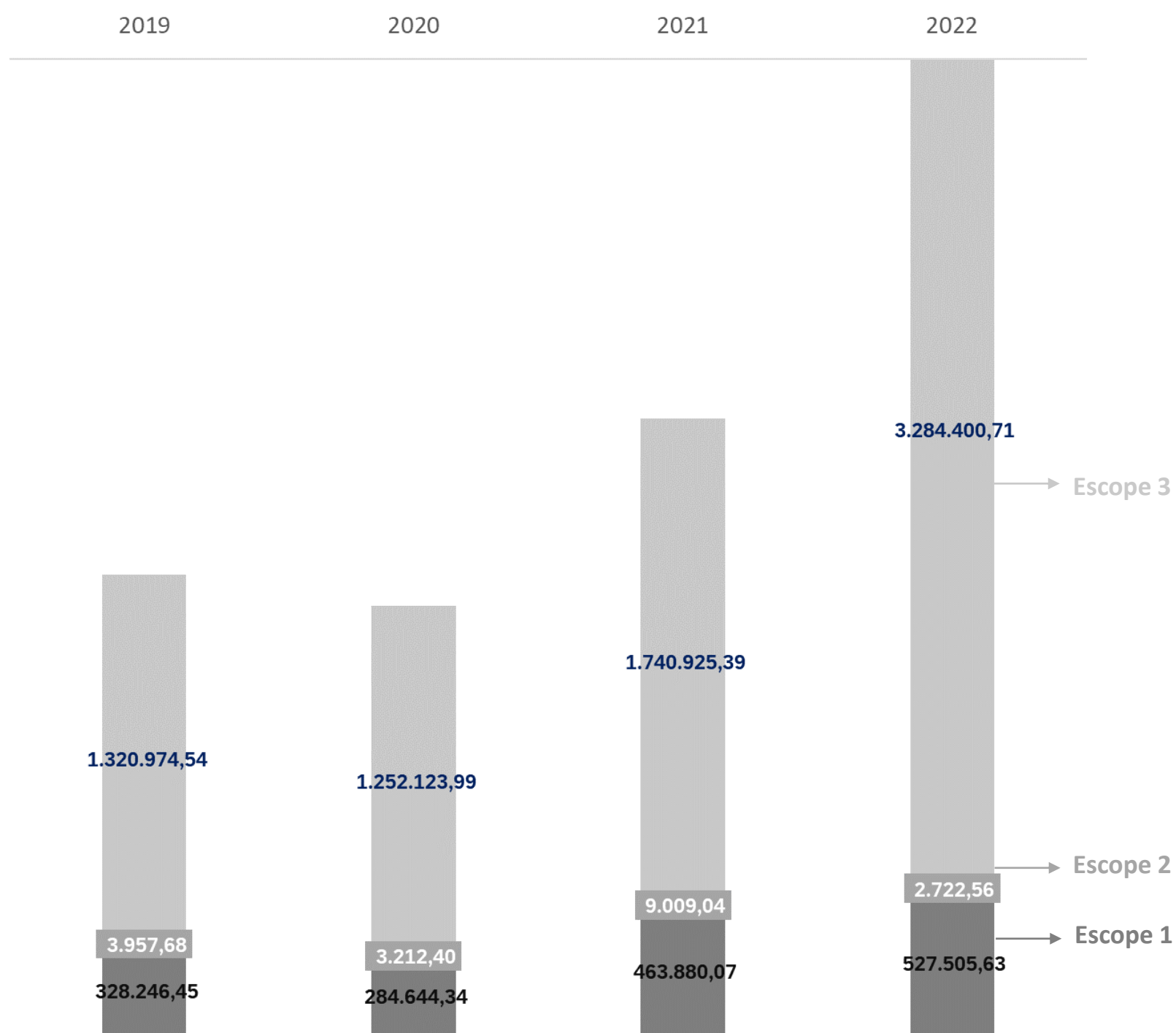
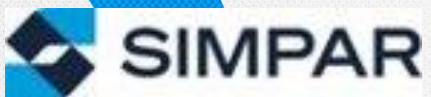
The M&A area, during its due diligence process, performs legal due diligence related to environmental material. If necessary, **SIMPAR** carries out environmental assessment reports on properties where potentially polluting activities are carried out.

Climate Strategy

Emissions

Scopes 1, 2 and 3

SIMPAR Group GHG Emissions
Inventory 2019 to 2022



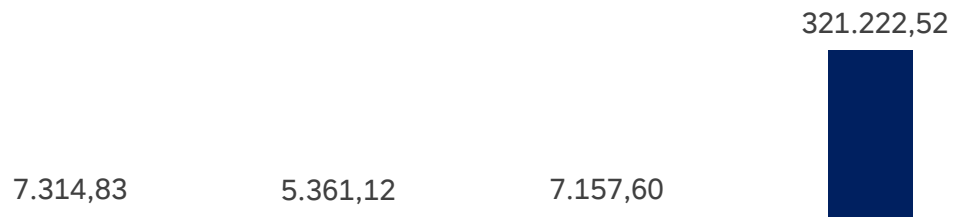
Emissions

Scope 3 | Composition

SIMPAR Group GHG Emissions
Inventory 2019 to 2022



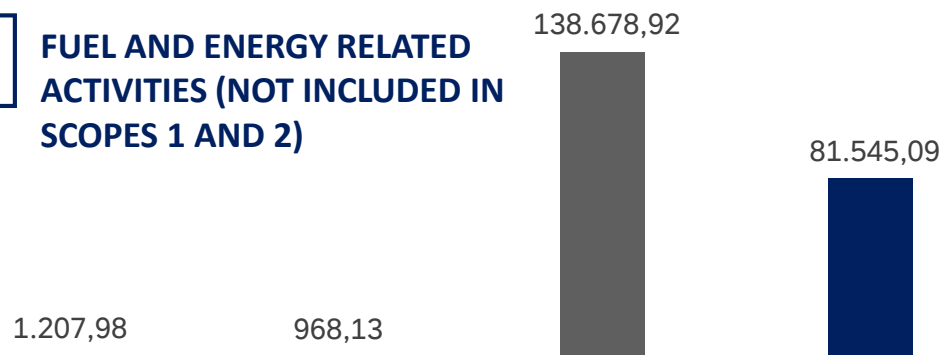
1 GOODS AND SERVICES PURCHASED



2 CAPITAL GOODS



3 FUEL AND ENERGY RELATED ACTIVITIES (NOT INCLUDED IN SCOPES 1 AND 2)



Emissions

Scope 3 | Composition

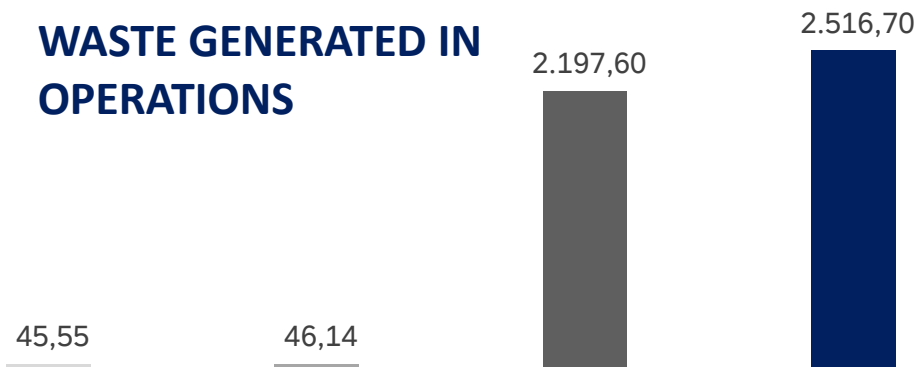
SIMPAR Group GHG Emissions
Inventory 2019 to 2022



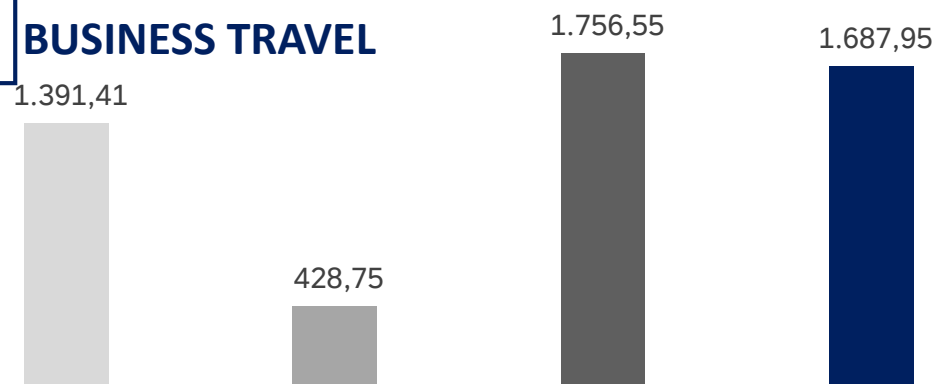
4 TRANSPORT AND DISTRIBUTION (UPSTREAM)



5 WASTE GENERATED IN OPERATIONS



6 BUSINESS TRAVEL



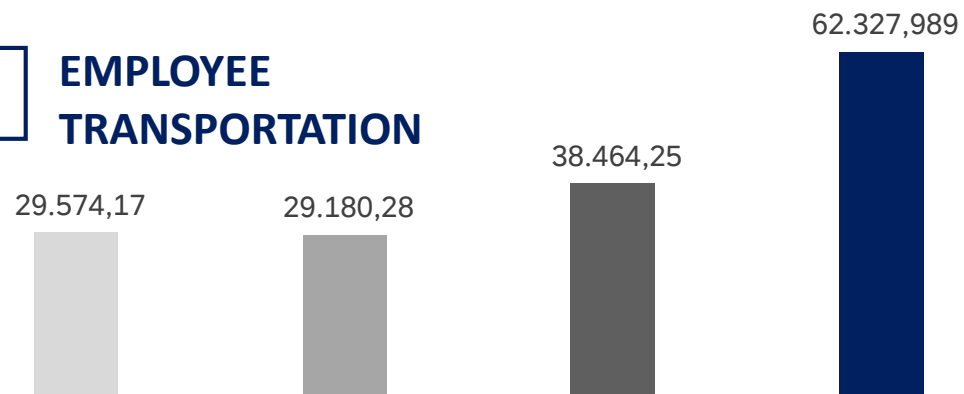
Emissions

Scope 3 | Composition

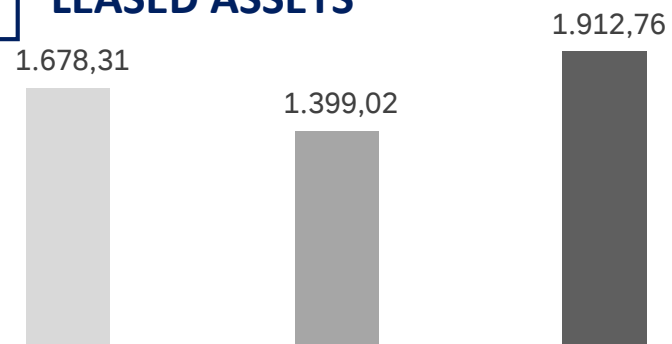
SIMPAR Group GHG Emissions
Inventory 2019 to 2022



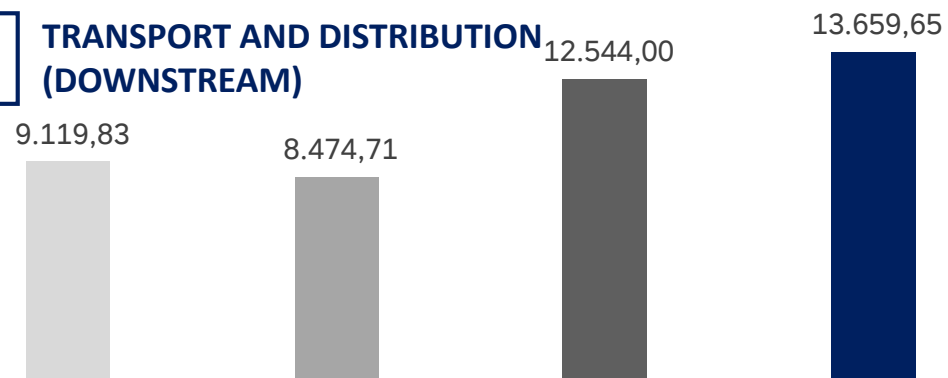
7 EMPLOYEE TRANSPORTATION



8 LEASED ASSETS



9 TRANSPORT AND DISTRIBUTION (DOWNSTREAM)



Emissions

Scope 3 | Composition

SIMPAR Group GHG Emissions
Inventory 2019 to 2022



148.464,88



11

USE OF SOLD GOODS
AND SERVICES

- - - -

13

GOODS LEASED TO
THIRD PARTIES

981.631,62



1.053.232,27



1.366.644,09



2.191.521,79



15

INVESTMENTS

10.625,37



2019

2020

2021

2022

Climate Strategy

Climate-related management incentives

At SIMPAR and its subsidiaries, there are incentives for managing climate-related issues. The goals related to climate change are linked to the result of their achievement, directly related to the payment of annual bonus by the Company, in addition to the promotion of long-term financial incentives, such as the availability of Company shares.

At JSL, in 2022, the CEO's target panel contained a target linked to GHG emissions aimed at evaluating and disclosing the complete Scope 3, in addition to the essential categories previously calculated.

At Movida, the incentive is based on the establishment of goals related to adherence to the Carbon Free Program to neutralize emissions, energy consumption, B Certification, participation in the Corporate Sustainability Index (ISE) portfolio of the Brazilian Stock Exchange (B3) and CDP, which include the Company's position on the subject.

At SIMPAR, corporate management has goals related to policies, risk matrix and climate inventory.



Climate Strategy

Climate-related management incentives



Who is entitled to benefit from this incentive?	Type of incentive	Indicator
Sustainability Manager	Monetary reward	1) Approval of the Climate Change Policy by the Board of Directors; 2) Approval of SIMPAR's Sustainability Matrix by the Board of Directors; 3) Action plan for scope 3 refinement.
Executive Director (CEO) Vamos	Monetary reward	The CEO's goal is to obtain Company B Certification (B CORP) and/or remain in the Corporate Sustainability Index (ISE) portfolio of the Brazilian Stock Exchange (B3). The company understands that climate change management is a prerequisite for obtaining the company's engagement in the climate change agenda and consequently achieving the B Certification.
Executive Director (CEO) JSL	Monetary reward	Variable remuneration linked to the ESG Target. JSL maintains a bonus program (ICP) linked to the achievement of annual individual goals related to topics such as employee safety, retention and development. The CEO has a goal tied to the Company's emissions.
Executive Director (CEO) MOVIDA	Monetary reward	Movida's CEO acts as a member of the sustainability committee and his variable compensation is related to the sustainability goal: Maintain Certification (B CORP) in 2022. The company obtained B Corp Certification at the end of 2019, reaching a score of 83 points and, in 2022, the company started the recertification process. Movida's variable compensation is partly based on shares and salary bonus, whose incentive plan is carried out immediately and over time, having a short and long term character. The benefit is received depending on the company's annual result and the individual's individual performance in relation to the reported target, the incentive is passed on in the form of a salary bonus and company shares.

Climate Strategy

Climate-related management

SIMPAR and its subsidiaries have a Climate Risk Management process integrated into the multidisciplinary risk management process of the company as a whole. The process considers:



	From (years)	To (years)	Explanation
Short-term	0	2	At SIMPAR and its subsidiaries, climate-related risk assessments considered the analysis of short-term horizons, in line with the Company's Risk Management Policy and the Global Risks Report, as management of its climate transition plan, held annually. With the aim of refining its strategy in relation to combating climate change and preparing for the risks and impacts to be experienced in the short, medium and long term, SIMPAR has a plan to evaluate science-based reduction targets in the next 2 years.
Medium-term	2	10	SIMPAR considers that some transitory climate risks, such as policies, technologies and markets, are likely to adjust and shift to a medium-term scenario. Therefore, SIMPAR strategically considers medium-term scenarios in its assessment of climate risks, as an important factor to prepare and adapt to the possible impacts that climate change may have on its operations, and carries out annual assessments.
Long-term	10	30	SIMPAR believes that the assessment of exposure to climate-related risks, over different time horizons, contributes to building a corporate strategy in line with the transition to a low-carbon economy (premises of the Paris Agreement). Consideration of long-term scenarios was crucial for the Company to be able to outline its climate strategy in line with national and global climate challenges, such as managing its climate transition plan, which is reassessed annually.

Climate Strategy

Climate Risk Management | Risks mapped

	Relevance and inclusion	Explanation
Current regulations	Relevant, always included	Regulatory risk is relevant to SIMPAR, as its Sustainability Policy establishes an environmental compliance clause formalizing its responsibility for complying with current environmental legislation as a priority criterion for conducting its operations. Thus, it becomes a priority to monitor compliance with current legislation. Any failure to comply with regulations and legislation may result in the generation of fines and administrative sanctions by regulatory bodies, generating unplanned administrative costs. Non-compliance with current environmental legislation, in addition to generating fines and sanctions, goes against SIMPAR's position in relation to its Sustainability strategy. Example: Payment of fines and environmental assessments imposed by applicable jurisdictions due to non-compliance with existing environmental legislation (which involves the climate issue), causing unplanned internal costs and increased risks to the Company's reputation and image.
Emerging regulation	Relevant, always included	The emerging regulatory risk is very relevant for SIMPAR and is included in the sustainability risk matrix, as its Sustainability Policy establishes an environmental compliance clause formalizing its responsibility for compliance with current environmental legislation as a priority criterion for conducting its operations. Thus, it becomes a priority to monitor compliance with current legislation. The effects of climate change will drive the emergence of new laws and regulations focused on making the transition to a low-carbon economy viable, in order to restrict business models that contribute to the adverse effects of climate change. These emerging regulatory scenarios may result in increased internal costs for the Company, given the application of new fees and taxes to highly carbon-intensive sectors. This risk is monitored at the corporate level and characterized as critical, as SIMPAR and its companies have a business model that is intense in carbon and dependent on fossil fuels for its operationalization. As a result, the topic is monitored at the corporate level by the sustainability area through professional associations (CEBDS, ABOL and CNT) and monitoring of the national and international climate change agenda. Example: Implementation of a national greenhouse gas management system with pricing and taxation of Brazilian carbon and, therefore, increasing unplanned direct internal costs.
Technological	Relevant, always included	Technological risk is relevant for SIMPAR and is included in the sustainability risk matrix. The production processes of vehicle manufacturers are still carbon intensive and offer few technological alternatives for reducing the carbon footprint per unit of vehicle produced (such as the mass production of electric cars), which contributes to the maintenance of high emission rates of carbon. This risk is monitored at the corporate level and characterized as significant. As a result, the Company plans to structure strategic partnerships with Automobile Manufacturers with the aim of encouraging/provoking the development and implementation of technological alternatives in their production processes, with lower carbon emissions. In addition, the Company created the Corporate Supply Policy, whose objective is to create mechanisms to encourage the supply of vehicles with renewable fuels only. Example: High cost of internal investment in the production of more technological vehicles to enable the Company to fully achieve its total emissions reduction strategy (scopes 1, 2 and 3).
Physical chronic	Relevant, always included	Chronic physical risk is relevant to SIMPAR and is included in the sustainability risk matrix. Transport and logistics operations can be impacted by the occurrence of severe weather events. The identification and analysis of this type of risk are associated with the occurrence of gradual changes in climate, such as changes in average temperature patterns; changes in precipitation patterns and changes in ocean levels that could harm and disrupt the operation of the company's business in a long-term scenario. As a result, the issue is monitored at the Company's corporate level and is included in the sustainability risk matrix. Example: Increased global temperature and more severe weather events, causing rising sea levels and flooding due to heavy rains and, therefore, affecting the storage and transportation of products in risk areas.

Climate Strategy

Climate Risk Management | Risks mapped

	Relevance and inclusion	Explanation
Legal	Relevant, always included	This risk is relevant to the company and is included both in our Policy and in our Sustainability risk matrix. For excellence in service provision, one of our principles is to act in compliance with all current legislation and regulations related to the company's operations. Any failure to comply with regulations and legislation may result in the generation of fines and administrative sanctions by regulatory bodies, generating unplanned administrative costs, in addition to being contrary to the Company's position in relation to its Sustainability strategy. These risks are monitored at the company's corporate and operational levels, through periodic monitoring of current legislation. Example: Payment of fines and environmental assessments imposed by the applicable jurisdictions due to non-compliance with existing environmental legislation (which involves the climate issue), causing unplanned internal costs and also a direct connection with risk of image nature, given the ESG positioning of the company.
Market	Relevant, always included	This risk is relevant and is foreseen in the sustainability risk matrix, as it deals with changes in the supply and demand of certain goods, products and services in the face of a new climate scenario. The effects of climate change may cause/induce changes in society's behavior that may consequently reflect changes in current consumption habits. Example: Due to society's greater awareness of climate change, the search for low-carbon cars, such as electric or gas-powered, may increase. This risk is monitored at the corporate level and characterized as significant. As a result, the company maintains studies/investments in new businesses aligned with a low-carbon economy and a robust ESG strategy, with a focus on reducing and neutralizing its impacts on climate change.
Reputation	Relevant, always included	All the risks associated with changing the perceptions of customers, shareholders, investors, business partners or the community about an organization's potential to contribute to the worsening effects of climate change could negatively impact the brand image, affecting the reputation and credibility of the company. This risk is assessed in the sustainability risk matrix. Example: Changing the perception of different audiences about how the use of combustion engine vehicles contribute to worsening the effects of climate change, which could impact the brand image, due to the high carbon emissions intrinsic to the company's business model, regardless of conducting a solid ESG strategy focused on reducing and neutralizing carbon emissions. This risk is monitored at the corporate level and characterized as significant.
Acute physical parameter	Relevant, always included	This risk is relevant to SIMPAR and was included in the sustainability risk matrix due to the operational impacts that it may have on the Company's businesses. The identification and analysis of this type of risk is associated with the occurrence of sudden and acute climatic events that may adversely affect and interrupt the operation of the company's businesses, facts that have already been observed in the last two years. Example: Intense rainfall in a short period of time may cause loss or damage to assets (vehicles available for leasing activity), in addition to damage to the company's building structures due to flooding in large urban centers. These risks are routinely monitored at the Company's corporate and operational levels.

Climate Strategy

Physical risks

In 2022, the company carried out a mapping of climate, physical and transition risks for its units. For physical risks, INPE's Eta regional model was used, applied to the Hadgem2-ES global model. The scenarios adopted were RCP 4.5 (which predicts an average temperature increase of 2.4°C) and RCP 8.5 (which predicts an average temperature increase of 4.3°C).

Impacts can be classified into:

- CHRONIC PHYSICAL: changes in precipitation patterns and extreme variability in weather patterns.
- ACUTE PHYSICAL: Increased severity and frequency of extreme weather events such as cyclones and floods.

After the risk assessment, the treatment (controls and/or action plans) that will be given to the risks is defined and how these should be monitored and communicated to the various stakeholders. Addressing risks consists of avoiding, mitigating, sharing or accepting.

The decision depends mainly on the company's degree of risk appetite. For the physical risks identified, the Company implemented specific mitigation controls, for example: Beginning of mapping of branches present in areas with a history of flooding, with the objective of mapping the branches that are more exposed and vulnerable to these events.

This control aims to mitigate exposure to the identified acute physical risk.



Climate Strategy

Low carbon products

Aggregation level	% of total revenue from "climate change" product(s) in fiscal 2022	Total estimated emissions avoided per year	Explanation
MOVIDA Product or service	5.7	77,530	Part of Movida's decarbonization strategy is the acquisition of electric vehicles and making them available for rent. Our goal is to electrify our fleet by 20% by 2030. In 2022, we acquired 364 electric vehicles and invested in expanding the infrastructure to accommodate them.
JSL Product or service	0.01	8.17	<p>In a JSL operation, 8 light cars were requested. The cars offered, in line with both companies' commitment to decarbonization, were electric models.</p> <p>In this way, we calculate through the GHG Protocol the emission equivalent to the use of these cars by the projected KM compared to electric cars that do not emit pollutants in use. If the cars were powered by gasoline, there would be an emission of 8.17 tons of CO₂e.</p>
JSL Product or service	0.7	123.83	At JSL, 83% of our forklift fleet that handles materials in yards/distribution centers are electric. The avoided emissions were calculated considering the scenario if all the forklifts were powered by combustion, thus, in their use phase, the electric ones do not generate emissions.

Climate Strategy

Low carbon products

Aggregation level	% of total revenue from "climate change" product(s) in fiscal 2022	Total estimated emissions avoided per year	Explanation
JSL Product or service	0,05	139,95	JSL's portfolio includes gas trucks that can also run on biomethane.
VAMOS Group of products or services	4,04	1,229,094	At the end of 2022, the Company had 2,847 electric forklifts with active lease agreements with customers. Through the leasing of intralogistics equipment (electric forklift trucks) which, according to the manufacturer BYD (depending on the type of equipment), can save, per piece of equipment, around 36 ton of CO2e in an estimated use of 400 hours of operation/month, generating savings of 1,229,094 tonCO2e/year in the use of equipment in our customers' operations, data with which we calculate avoided emissions.
VAMOS Group of products or services	0,02	2,300	Part of Vamos' approach is investment in the electrification of the fleet, as a way to remain at the forefront in the leasing sector, with 130 electric trucks and 29 powered by biogas in our fleet by the end of 2022.

Return on environmental investments

Always seeking the best environmental practices, the Company has shown an increase in its investment related to the topic over the last 3 years. The investment history is presented in the table below:



Year	2020	2021	2022
Capital investment:	R\$ 30,354,109.98	R\$ 218,356,323.79	R\$ 557,682,009.02
Despesas operacionais Total Expenses (= Capital Investment + Operating Expenses)	R\$ 2,742,016.84	R\$ 2,620,389.10	R\$ 12,878,029.52
Total Expenses (= Capital Investment + Operating Expenses)	R\$ 33,096,126.82	R\$ 220,976,712.89	R\$ 570,560,038.54
Savings, cost reduction, income, tax incentives, etc.	-	-	R\$ 6,627,064.83
% of transactions covered	100%	100%	100%
Indicate the coverage base (revenue, production volume, employees, etc.):			

Observation:

Capital investment: Data compiled from the companies JSL, Movida, Vamos and CS Brasil, considering investments in alternative vehicles and solar panels (including consultancy).

Operating expenses: Expenses with employees in the Sustainability and Environment areas. Investment in a management system, waste disposal, consulting and specialized audits related to environmental issues.

Savings, cost reduction, income, tax incentives, etc: Data compiled from the year 2022, based on the values saved with: the use of solar energy, energy purchased from the free market and the saved when comparing the cost with fuel vs cost of charging electric cars.

% of operations covered: The holding's Sustainability team serves all the Group's companies, in addition to the businesses themselves having specific sustainability and/or environmental professionals.

Biodiversidade

Commitments

In SIMPAR's Climate Change Policy, we define the following as a priority: Acting so that practices to combat climate change bring benefits to biodiversity and local and indigenous communities, as well as prioritizing actions and relationships that curb illegal deforestation.

To access the document in its entirety, use the link:

<https://api.mziq.com/mzfilemanager/v2/d/0f7b667d-72c4-4013-ad2f-58abeff9b857/85fe2206-2d53-e2a8-1730-4906fddaa616?origin=1>



Waste

Waste Disposal KPI

Technology	2020	2021	2022
Total waste recycled/ reused	4248.64 t	386.94 t	5599.09 t
Total waste disposed	138.8 t	924.55 t	4084.23 t
- Waste landfilled	138.8 t	924.55 t	3367.08 t
- Waste incinerated with energy recovery	0	0	0
- Waste incinerated without energy recovery	0	0	80.59 t
- Waste otherwise disposed	0	0	636.56 t
- Waste with unknown disposal method	0	0	0

Notes

- The data were based on the Declarations of Waste Movements on the platforms of the environmental bodies (Sigor, Sinir, Feam, Fepam, among others). The Waste Indicator consolidates data from all SIMPAR Group companies.
- Movida started monitoring waste indicators in 2021.
- In 2022, JSL compiled data from 56 units that handle waste.
- CS Brasil started monitoring the indicators in July 2021.
- Waste data referring to CS Infra started to be disclosed from the 2022 report, with Ciclus being incorporated into the company in October 2021. CS Infra Porto Aratu – CSPA was taken over in June 2022, therefore its data were only added from the second half.



Fleet Decarbonization

Percentage of fleet by category

	FY 2019	FY 2020	FY 2021	FY 2022
% of Battery Electric Vehicles (BEVs)	0.37	0.38	0.56	1.23
% of Hybrid Vehicles	0.00	0.01	0.09	0.07
% of Natural Gas Vehicles	0.53	0.47	0.39	1.02
% of Flex Fuel Vehicles	87.91	87.56	84.84	79.6

Decarbonization of the fleet

GHG intensity

Average greenhouse gas (GHG) emissions per passenger kilometer and ton kilometer:



	FY 2019	FY 2020	FY 2021	FY 2022
GHG intensity per passenger (kg CO2eq per passenger kilometer)	0,1107	0,1047	0,0858	0,0915

	FY 2019	FY 2020	FY 2021	FY 2022
GHG intensity per load (kg CO2eq per ton-kilometer)	Not calculated	Not calculated	Not calculated	Not calculated





SOCIAL



Customer Relationship Management

Customer satisfaction measurement



Our **customers** are part of the Company's values. The reason for our business existence.

We listen to our customers to understand and meet their needs. Also to identify opportunities that contribute to the generation of value and sustainable growth for the Company, promoting relationships of trust.

Measuring customer satisfaction is essential to identify opportunities for improvement and service strengths.

As a result, the Group companies: **Movida, JSL, Vamos, CS Brasil, BBC and Automob** have tools and indicators such as the Net Promoter Score (NPS), which are applied at intervals defined by the business itself, according to its strategies.

Exemplifying the commitment to the satisfaction survey, the history of the last 4 years of **Movida's** NPS is presented below.



Measurement	Unit	FY 2019	FY 2020	FY 2021	FY 2022
Satisfaction measurement	NPS	72	78	80	81

Valuing people



Employee support programs

SIMPAR considers **People** its greatest differential. The Company works on its Culture and Values pillars throughout the Group, as well as directing investments towards professional training, safety, health and wellbeing of its employees.

Below are some of our practices:

Empresa Cidadã Program

Maternity leave (six months, that is, 180 days or 29 weeks) and paternity leave (20 days or 3 weeks) extended to employees.

Move Carreiras Program

Program that offers opportunities to employees, who can apply for lateral positions or even higher positions

Family Appreciation Program

Program focused on hiring family members and, thus, narrowing and expanding the generation of jobs, income and benefits to the families of employees

Ligado em Você Program

Available for employees and their families to undergo assistance in the social, professional, health and legal areas and which, in 2022, initiated contacts also through WhatsApp

People Cycle Program (Ciclo de Gente)

Assesses behavioral skills and performance, with feedback and Individual Development Plans

SIMPAR University

Platform that brings together training and courses from each of the Group's companies.



 **SIMPAR**

