



Building the future of
sustainable mobility with you

2021
**Sustainability
Report**

INTRODUCTION

01

PRESENTATION

MESSAGE FROM THE CEO

GRI 2-22

A Year of Enchantment, Engagement, Innovation and Value Creation

The year 2021 was special in the history of Localiza and in mine. Many achievements, many challenges faced and great pride in being part of this company that **cares for people, enchants customers, innovates and generates value in the most diverse scenarios.**

As a result of a robust transition initiated in 2016, on April 27, 2021, I took over the position of Chief Executive Officer of the Company and Eugenio Mattar has become Executive Chairman of the Board of Directors. My commitment is to continue **building the future of sustainable mobility** with more than 12 thousand employees, around 13 million customers and all suppliers, partners, companies and people who are somehow connected to our journey. This succession, led by the Board, was carried out through a multi-year process in line with our high corporate governance criteria.

Getting into the context of the year, 2021 brought uncertainties and challenges with the continuity of the pandemic, including restriction of vehicle supply in the automotive market, increase in interest rates and in the cars' value, among other factors. However, our values guided the green-blooded team and kept us resilient, even in this challenging scenario.

At Localiza, we see adversities as opportunities to innovate and develop new competencies that will certainly place the company in an even better position in the post-pandemic future.

In the sector, we launched **Zarp Localiza**, a distinctive rental value proposition for app drivers, based on a modern and low-cost concept for agencies, besides the use of proprietary technology to create competitive advantages in



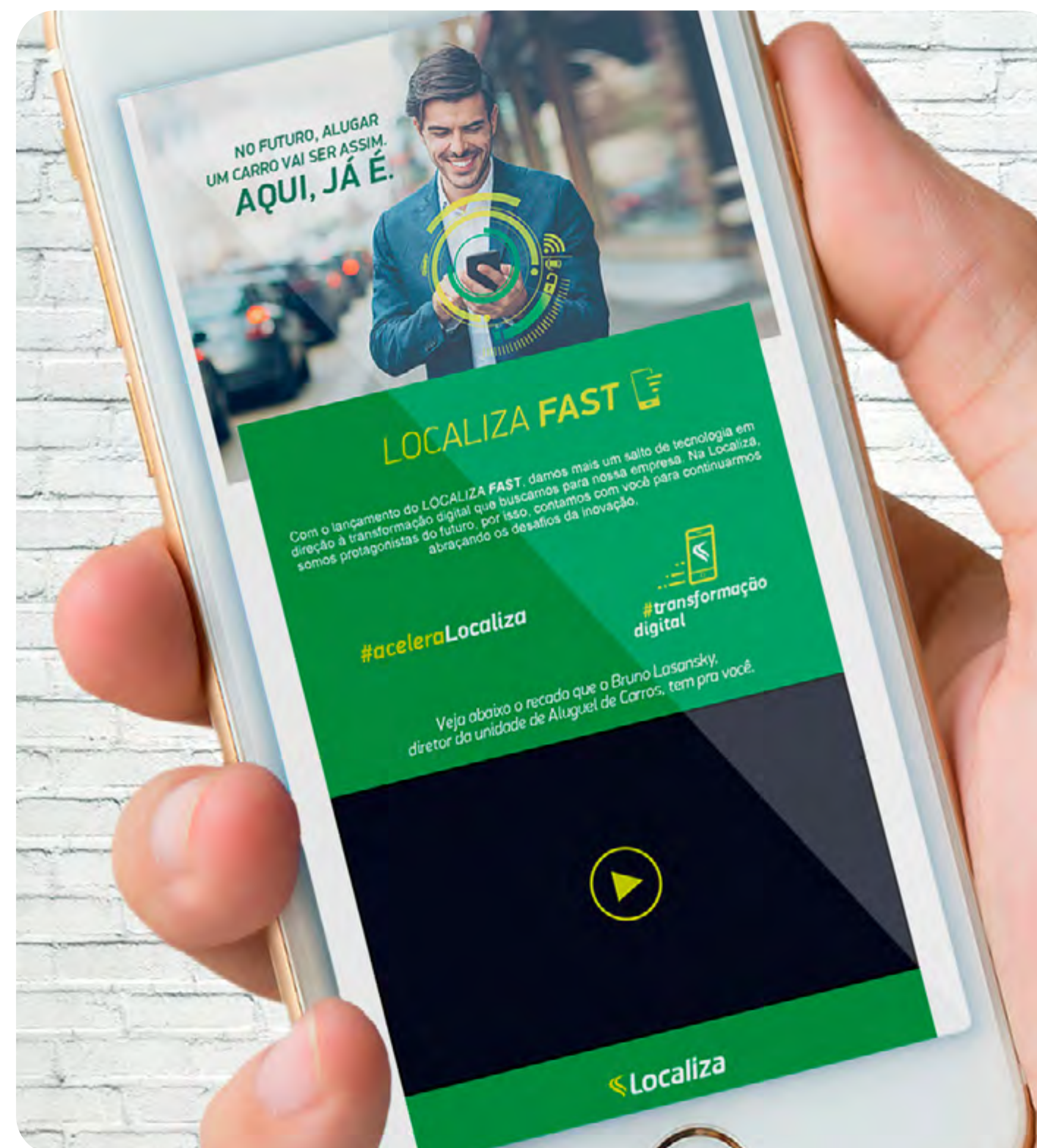
the segment. We continue to accelerate in our subscription car: we completed 12 months of **Localiza Meoo**, which was recognized as the best subscription car service by the annual ranking of the newspaper O Estado de S. Paulo. We had the approval of the **business combination with Unidas** by the Administrative Council for Economic Defense (CADE), which, although subject to conditions, and pending final approval, if approved, will allow us to **offer the best mobility solutions to our customers, in addition to generating value for shareholders.** The integration will give us extraordinary scale and will leverage the best of each of the companies.

Regarding the Company's performance in 2021, we achieved the **highest net income in our history**, surpassing the R\$ 2 billion mark. The Car Rental division's net revenue grew by almost 40% compared to 2020, and the Fleet Management

division, by almost 14%. ROIC (Return on Invested Capital) was 17%, a spread of 13 p.p. over the cost of debt after taxes.

We surpassed 180,000 connected cars, creating a differential in our fleet management and allowing cost reduction through data science and proprietary IoT (internet of things). Also, the convenience of **Localiza FAST**, our 100% digital rental, is already present in 45 large branches, showing, in 2021, a triple-digit growth in the number of daily rentals.

In addition to the important numbers that demonstrate our financial results, we have also advanced in the ESG pillars. In 2021, we carried out a new materiality study, which defined the main business themes linked to good sustainability practices.



The ten priority themes were grouped into three pillars – **Sustainable Mobility, Education and Entrepreneurship for Social Transformation and World Class Culture and Governance**, – which guide the path taken by Localiza to generate more and more value for our stakeholders, as well as for society.

On the social front, the year 2021 marked the beginning of the activities of **Instituto Localiza**, which aims to unite people for social transformation. The Institute's first public notice was launched, and 24 projects having been selected aimed at the development of young people in situations of vulnerability, in more than 15 Brazilian states.

Instituto Localiza also worked on the development of technical qualification programs in customer service, technology training and car maintenance for women and young people, contributing to their insertion in the job market.

With this same view of diversity and certain that we want to contribute to a more inclusive and equitable society, we continue to invest in effective initiatives through the Company's **Diversity and Inclusion Program**, which today has **more than 600 volunteer employees** and works on five priority fronts: **gender equality, LGBTI+, people with disabilities, migrants and people in refuge, and race**. Currently, our team is composed of **50% women in leadership**, an important number that makes us want to advance even more so that this percentage is also a reality in senior leadership positions.



Moreover, we reached 96% favorability in our annual Climate Survey in terms of diversity and inclusion, a record for the Company.

Still on the subject of caring for others, we have improved our quality of life, professional development and employee career practices. We maintained our commitment to the health and safety of the Localiza network, including customers, employees and their families.

On the environmental front, we made progress in initiatives related to gas emissions with **the neutralization of Localiza's direct emissions for 2020** (Scopes 1 and 2). In addition, we also made significant progress in our measurement: we included in

Scope 3 of our Greenhouse Gas (GHG) Inventory the emissions generated by the mileage driven by our customers, through a complete and audited process, which resulted in the achievement of the **gold seal in the GHG Protocol**.

We continue to invest extensively in the use of ethanol, used in around 99% of the supplies made by Localiza throughout 2021. We emphasize that biofuel emits, on average, up to 89% less GHG compared to gasoline, according to the Energy Information Administration (EIA).

Sustainability is a fundamental part of the Company's strategy, and, by 2022, we will continue to work **to reduce and neutralize our carbon footprint** by improving the fuel monitoring used by our customers, in addition to encouraging the use of ethanol and the neutralization of emissions resulting from leases.

We also announced the advance in the use and distribution of clean energy in Localiza's operations: we continue to invest in the generation of solar energy in our branches through the installation of photovoltaic panels and the acquisition of energy credits from three solar farms, located in the states of Minas Gerais, Rio de Janeiro and Pernambuco.

We were able to generate more than 3,200,000 kWh of clean energy in 2021, representing an increase of 68% when compared to the same period in 2020. As a result, even with the resumption of our business, which led to a total increase in consumption by the platform, we expanded by more than 7 p.p. our Coverage Ratio compared to the previous year, reaching around 24% of solar energy consumption in the operation.

Our advances in sustainability have been recognized by the market. Besides the specific awards for each pillar, we were listed among the companies that are best aligned to the new ESG standards, according to Bank of America, and we were once again awarded the Ecovadis Gold Seal.

As for the governance front, we revalidated the ISO 37001 certification, attesting to the quality of our anti-bribery and anti-corruption performance and management. In 2021, our Integrity Program worked on several fronts: 82% of employees with more than two years of service underwent refresher training, the objective of which was to recall the main points of the document and reaffirm the values and principles that govern the business.

In addition, we achieved approximately 85% of target audience adherence to the Anti-Bribery and Anti-Corruption Policy Training and approximately 98% of adherence to the Code of Conduct Training. For the other training courses disclosed by Compliance, we reached an average of 90% adherence, contributing to the dissemination of the Policies and Procedures that make up the Integrity Program.

With regard to information security, we have developed greater robustness in processes and projects in the technology area to **ensure the protection of the personal data of our customers, employees and partners**. We carry out mandatory training on the topic of Information Safety and the General Data Protection Law (GDPL), promoting clarity and training for the handling and treatment of personal data by our professionals.

All these results were only possible thanks to the dedication, commitment and very high engagement of Localiza's green-blooded team. I thank you from the bottom of my heart. In these 48 years of history, **our culture, passion for customers and extraordinary results continue sustaining our achievements**. I also thank our customers, shareholders, franchisees and suppliers for their excellent partnership and trust during this challenging year. Finally, I would like to thank Eugênio Mattar and the Board of Directors for trusting me.

As leaders in the mobility segment, we want to leave a positive legacy for the community and the planet we live on. Localiza enters 2022 prepared and capitalized to continue to take advantage of the growth opportunities that lie ahead and further expand our role in the future of sustainable mobility.



Bruno Lasansky
CEO

ABOUT THE REPORT

GRI 2-1 | 2-2 | 2-3 | 2-14

Localiza's 2021 Sustainability Report aims to inform our stakeholders about the Company's economic-financial development and ESG (Environmental, Social and Governance) aspects between January 1st and December 31st, 2021.

This publication was built in accordance with the Standards methodology of the Global Reporting Initiative (GRI), an internationally recognized reporting guideline, and also in accordance with the standards of the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD), in addition to including our efforts in line with the United Nations (UN) Sustainable Development Goals (SDGs). The content was guided by the Company's material themes, identified through a materiality process, detailed on page 21, and was approved by the Governance and Sustainability Committee (advisory committee of the Board of Directors), of the CEO and other internal spheres of Localiza.



Throughout the chapters and subchapters, we highlight the indicators with the symbol "**GRI XXX-X**". You can also find the complete index on page 77.

Learn more at: <https://www.globalreporting.com/>



Likewise, we highlight the SASB indicators, which proposes the reporting of priority ESG indicators for each sector, with the symbol "**SASB XXXX-XX**". The complete index can be found on page 83.

Learn more at: <https://www.sasb.org/>



With the mission of improving our reporting on the management of gas emissions and climate change risks, we adopted the **TCFD** for the first time, the index of which is on page 84.

Learn more at: <https://www.fsb-tcfd.org/>



Since Localiza is a signatory to the Universal Principles of the Global Compact, our Report is aligned with the 2030 Agenda, which aims to achieve the **17 Sustainable Development Goals (SDGs)** proposed by the United Nations (UN). You can find the map that relates our content to the SDGs on page 85.

Learn more at: <https://odsbrasil.gov.br/>

We emphasize that the information disclosed in the text and in the financial statements includes the operations of all companies in the Localiza structure, namely: Localiza Rent a Car S.A., Localiza Fleet S.A., Rental Brasil Administração e Participação S.A., Localiza Serviço Prime S.A., Car Assistance Serviços de Administração de Sinistros S.A., Localiza Franchising Brasil S.A., Localiza Franchising International S.R.L., Car Rental Systems S.A., MOBI7 Tecnologia em Mobilidade S.A., MOBI7 Sociedad de Responsabilidad Limitada de Capital Variable (MOBI7 México), CarSale Tecnologia e Comércio de Veículos Ltda., and Car As a Service Ltda. Additionally, we have Instituto Localiza, whose main sponsors are Localiza and Localiza Fleet.

Suggestions and requests

For more information about the report can be requested by e-mail sustentabilidade@localiza.com

2021 HIGHLIGHTS

Business



Result of R\$ 10 billion in **Net Revenue** and R\$ 2 billion in **Net Income**



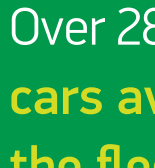
Approval of the merger with **Unidas** by CADE, subject to conditions



Launch of **Zarp Localiza**



Localiza presence in 366 **cities** in Brazil



Over 289 thousand **cars available in the fleet**, with over 180 thousand of them connected by **telemetry**, enabling cost reduction through **IoT**

Sustainable Mobility



Construction of the project **Climate Neutral Initiatives**



Gold Seal achievement four our GHG Protocol inventory



Improvement in **Scope 3** reporting of Localiza's emissions



B3's **IC02 index** maintenance



Participation in the **REDD+ Jari Amapá** project in a partnership with Instituto Ekos



About 99% of the Localiza fleet is **fueled with ethanol**, when the cars are fueled by Localiza

Education and Entrepreneurship for Social Transformation



+196 thousand **hours of training** offered in 2021



Launch of **Instituto Localiza** and its first public notice: *Juventude em Movimento*



Women occupy 50% of Localiza's leadership positions



GPTW Certification: Localiza is a great place to work

Significant advances in the **Diversity and Inclusion Program**, resulting in a record **favorability** of this item in our Climate Survey

+R\$ 2.7 million in **donations** to serve culture, health, education, leisure and services institutions

+9 thousand **suppliers benefited** throughout Brazil through Localiza operations

World Class Culture And Governance



97% adhesion in the **Localiza Climate Survey**, with 85% favorability: result that kept us in the **P90**



Achieving the maintenance of the **ISO 37001 Certificate**



Over 12,000 green-blooded **employees**

Review of the **materiality study** and definition of **priority themes** for the Company

AWARDS AND ACKNOWLEDGMENTS



CITIZEN COMPANY

- Humanized Companies Award in the BB Conscience Rating category, by Humanizadas;
- 4th position in Large Companies – Best Companies to Work for in Minas Gerais, by Great Place to Work;
- Great Place to Work certificate renewal, from Great Place to Work;
- 1st position in the Transport and Logistics category – Incredible Places to Work, by UOL and FIA;
- National Diversity and Inclusion Winner – Aberje Award 2021;
- Among the 20 Most Mentioned Brands in the Press on Diversity and Inclusion, by Knewin;
- We maintained the Ecovadis Gold Seal from CSR Rating;
- Best ESG Companies in Brazil, from Bank of America and Money Times;
- We evolved to the Gold Seal in the Greenhouse Gas Inventory of the GHG Protocol Program;
- We remained present in the IC02 Index - B3 Efficient Carbon Index;
- In December 2021, Localiza received an ESG Risk Rating of 12.0, down 3.5 points, and dropping from “negligible risk” of being financially impacted by ESG factors to “low risk” in the Sustainalytics assessment. But even with the drop, Localiza's ESG Risk Rating keeps it in 1st place in the Transport sector in this rating.



GOVERNANCE

- We remained in 1st place in all categories of the Latin American ranking by the international publication Institutional Investor, including: best CEO, best CFO, best IR professional and team, best IR program, best ESG company, best analyst event, best crisis management in the midst of covid-19 and recognized as the most honored company in Brazil.

AWARDS AND ACKNOWLEDGMENTS



BRAND AND REPUTATION

- Among Value Executives (Eugênio Mattar), by Valor Econômico;
- The 100+ Powerful in Tourism in the Mobility category (Bruno Lasansky), by Panrotas;
- Regional Highlight – Most Admired HR in Brazil 2021 (Daniel Linhares), from Grupo Gestão RH;
- Best companies on the 2021 Stock Exchange, Infomoney and Economática;
- 29th position – The 70 Most Valuable Brands in Brazil, by Brand Dx;
- Minas Gerais Highlight Company of the Year – The 50 Best and Largest Companies in the Common Market;
- 24th position (one position lower compared to 2020) – 25 Most Valuable Brazilian Brands, by Interbrand;
- TOP5 – Highlights TOP 100 Open Corps 2021, by Open Startups;
- 9th position – Broadcast Companies Award 2021, from Estadão;
- 11th position – ABRASCA Annual Report Award, from Abrasca.



QUALITY

- Best Car Rental Company – As Melhores da Dinheiro, by IstoÉ Dinheiro;
- 2nd place in the Services category (we advanced two positions compared to 2020) – Época Negócios 360° Yearbook, by Época Negócios;
- We remained in the 2nd position in the Transport and Logistics category – Valor Inovação, by Valor Econômico;
- We remained in the 1st position in the Car Rental category – Marca Mais, by Estadão and Troiano Branding;
- We received, once again, the 2021 International Franchise Certificate in the Mega category, by ABF;
- Reclame Aqui Award in the Car Rental and Car Dealership categories, by Reclame Aqui;
- Mobility Award for Best Subscription Car Service (Localiza Meoo), by Estadão.

LOCALIZA

WHO WE ARE

GRI 2-1 | 2-6

Founded in 1973 in the city of Belo Horizonte (MG), Localiza is a Brazilian company that started operations with a fleet of just six used Beetles, purchased on credit.

Over these 48 years, the Company has stood out in the sustainable mobility segment with extraordinary growth, focused on the quality of the solutions offered, on excellent service and support for our customers, suppliers and employees, in addition to numerous innovation actions that make the brand a reference in the market.

We work to ensure that our values and purpose are reflected in the daily lives of all employees and other stakeholders who work with us, thus building the future of sustainable mobility. At the end of 2021, we had **12,223 employees, 620 car rental agencies in South America, 127 used cars stores and 289,796 of our own cars in the fleet.**

Learn more about our history on the [timeline](#).

Purpose

BUILDING THE FUTURE OF SUSTAINABLE MOBILITY WITH YOU

Our Values

 <i>The Client</i> IS OUR PASSION	 <i>People</i> THAT INSPIRE AND TRANSFORM	 <i>Extraordinary</i> RESULTS DRIVE US
✓ THIS WE DO	✓ THIS WE DO	✓ THIS WE DO
Being loved by the client	Being hold and protagonists	Growing and generating value
Serving with sympathy	Practicing meritocracy	Innovating to perpetuate
Cultivating long term relationships	Creating opportunities to fulfill ourselves	Being a civil company
× THIS WE DON'T DO	× THIS WE DON'T DO	× THIS WE DON'T DO
Not prioritizing the client	Lacking collaboration and care for one another protagonists	Neglecting our good reputation
Letting go of simplicity and agility	Acting with arrogance	Seeking results at any cost
Accepting bureaucracy	Keeping silent when we should speak up	Havind unchallenging goals

TRUST AND ETHICS

BEING AN ADMIRABLE COMPANY



INTERNATIONALIZATION

Localiza is the largest player in the mobility segment in South America,
with more than 289 thousand cars in its fleet



Our Business

GRI 203-1 | 203-2

Localiza's business platform has two main activities: Car Rental and Fleet Management which, in turn, are supported by Used cars. With the continuous launch of new solutions, improvement of our telemetry management and strategic planning, we work to ensure that both activities provide the best solutions to our customers in the mobility segment.

In 2021, we opened, expanded and moved 70 branches, in addition to renovating and adapting another 120, at an investment cost of around R\$ 60 million. These initiatives increased the reach of the Localiza network, generating more convenience for our customers and more direct and indirect jobs.



Car Rental

Founded in 1973, Localiza's Car Rental division offers daily or monthly rental options to a diverse customer base, comprising individuals and corporations, including numerous insurance companies. Not only that, the segment is responsible for franchising the brand in Brazil and abroad.

We offer several car models, including economic, intermediate, executive, utility, luxury and armored vehicles, so that they best suit the needs of our customers, who have amenities such as rental with a driver, baby seats and GPS.

In addition, we offer convenience and the innovative experience of **Localiza FAST**, our 100% digital rental.

As a result of the need for fleet renewal, Localiza sells demobilized cars after 12 months of use. To reduce intermediation costs in the sale of decommissioned cars, about half of the vehicles are sold directly to final consumers.

This way, the Company optimizes the recovery value of these assets, reducing the depreciation

of the cars and the net investment for fleet renewal, since the sales expenses of our own store network are lower than the discount required by the dealers, in addition to avoiding being entirely dependent on third parties to make those sales. The year 2021 ended with 76,906 of the cars in the Company's fleet sold to dealers or end consumers, through 127 Used car stores in 85 cities in Brazil.

Also, in order to promote solid relationships and contribute to the success of our franchisees, we transfer know-how efficiently: we monitor the quality of the services provided through a business management system, training, instructional guides, development visits and consulting board.

ON RENTAL CAR FRONT:

**WE ENDED
2021 WITH**



216.293
owned cars



546 owned and franchised agencies in Brazil,
and another **74** franchised agencies abroad.



Zarp Localiza

Launched in 2021, Zarp Localiza is the Company's newest product in the Car Rental division, representing the continuity of our innovation process and concern for excellent service. We offer car rental options to app drivers with the facilities and security that only Localiza can provide. Among the main advantages and benefits, the customer has 24-hour service throughout their route, car inspection and maintenance at no additional cost, savings of up to 50% on breakdowns, claims and theft, as well as easy payment of our rent, which takes place through weekly plans according to Uber's direct earnings.

Zarp Localiza uses our telemetry technology, which means that 100% of the cars in this product are connected and have efficient data management, providing a series of feedbacks to drivers about their performance behind the wheel. These data are used in order to guarantee an increasingly effective work towards traffic safety and accident reduction (more information on page 48).

Through the
Zarp solution, we
contribute to the
income generation
capacity of
thousands of
Brazilians.



PRECAUTIONS IN THE PANDEMIC

All stores, as well as services offered by Localiza throughout 2021, strictly followed the health protocols given by the World Health Organization (WHO).

We seek to ensure the safety of our customers and employees through the mandatory use of masks, social distancing, daily hygiene in common places, the availability of gel alcohol and awareness messages for disease prevention. In addition, we strongly encourage vaccination against covid-19 for all those connected to the business.

Fleet Management

Established in 1999, the Fleet Management division operates through long-term leases (generally between 24 and 36 months), scaling the size and type of fleet that will best meet each client's demand. Decommissioned cars from Fleet Management, as well as Car Rentals, are sold at the end of contracts signed directly to final consumers or to dealers, always through its own network of points of sale, that is, **Used Cars**.

We are responsible for the acquisition, adaptation, rental, maintenance and replacement of damaged or end-of-life cars, in addition to offering management tools for monitoring the fleet in real time, such as cars connected through telemetry, technical assistance (which indicates mechanical workshops and winches throughout the country) and an exclusive service channel.

Therefore, our expertise in the business ensures cost reduction and increased control, productivity and security of companies, even helping them in the management of the asset base and ensuring greater focus on their relevant activities. **In 2021, we sold 15,939 cars from this segment and ended the year with 73,503 cars of our own.**

Localiza Meoo

Announced in 2020, Localiza Meoo is a subscription car rental product (within the Fleet Management division) designed to make life easier for our customers, as a completely innovative mobility solution, serving from individuals to small and medium-sized companies.

The customer can choose from six car styles – economy, intermediate, executive, SUV, utility and premium – and customize the signature by color, model, engine type, among other items of your choice. In addition to security, Localiza Meoo brings a series of advantages, such as:

- **Practicality:** the concern with registration and documentation is on us, and the customer is the one who chooses how he wants the car to be delivered (at his home or at one of Localiza's partners). Also, during the waiting time for the new car, you can opt for a temporary one of the same category as the contracted one;
- **Peace of mind:** we offer a 24-hour service for emergencies and take care of all vehicle maintenance;
- **Economy:** the client can go for a walk, travel with the family or do business with a brand new car, but without the cost of having a good vehicle. With plans of up to 48 months, Localiza Meoo allows savings when compared to owning a car, since the customer does not have expenses with inspections, maintenance, regularization of documents, insurance and unforeseen events (losses, theft or seizures), in addition to providing several benefits, such as the advantages club, which offers discounts on hotel chains and luggage protection.



SOCIAL CONTRIBUTION

As a Citizen Company, Localiza is concerned with ensuring that its business model reflects the development of a fairer and less unequal society. Therefore, for each car hired by **Localiza Meoo**, we donate a percentage to various projects focused on the education area, such as the Democratization and Internet Access project of the **Gerando Falcões Institute**, which serves communities in situations of social vulnerability.



ECONOMIC-FINANCIAL RESULTS

GRI 2-1

Quarterly, Localiza publishes financial information, through which a series of data is made available to the market to assess the business results. These reports are public and available on the Results Center of our Investor Relations website, as well as on the website of the Securities and Exchange Commission (“CVM”).

Macroeconomic Scenario

In 2021, we had to deal with the continuity of the new coronavirus pandemic, which reached alarming peaks of new cases between March and April. The negative impacts were severe, and were perceived in several sectors of the country, with little investment in public and private projects, a drop in the average income of families, delay in the educational

development of children and young people, as well as low commercial turnover due to isolation, affecting areas such as tourism, leisure, culture and services. The automotive industry was also largely affected by the shortage of some supplies, notably semiconductors (chips), resulting in a reduction in the supply of cars and an increase in prices charged by automakers.

Brazil reached an inflation rate of 10% at the end of the year, with an unemployment rate of 11.1% at the end of 2021, which naturally created insecurity for investors, entrepreneurs and the population as a whole. However, with the start of vaccination and the consequent loosening of social isolation in the second half of the year, we have seen a consistent resumption of demand.

Despite the numerous challenges still present, we started 2022 with confidence, betting on the continued stabilization of the pandemic scenario and the moderate growth of the economy. Despite the difficulties in the period, Localiza maintained its robust results.

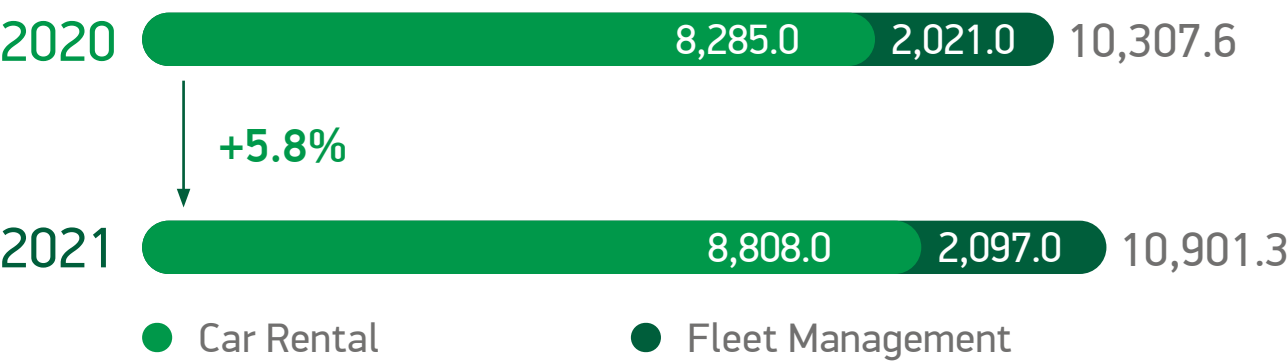
2021 Performance

GRI 201-1

With the low supply of vehicles by the automakers and the increase in car prices throughout the year, Localiza started to focus on extending the useful life of the cars, with the reinforcement of fleet maintenance protocols.

Thus, we have seen an appreciation of our capital from the lower depreciation of vehicles, and we reached more than 50 million daily rentals at the end of the year.

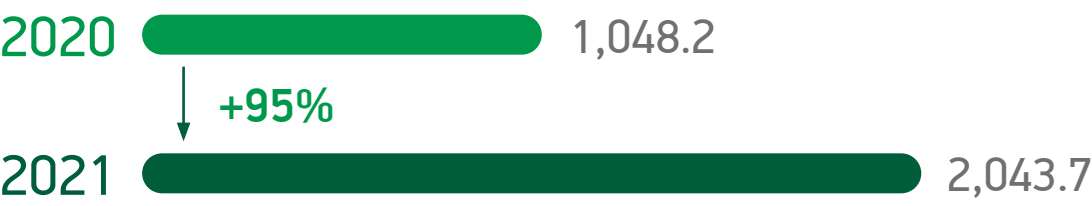
NET REVENUE (R\$ MILLION)



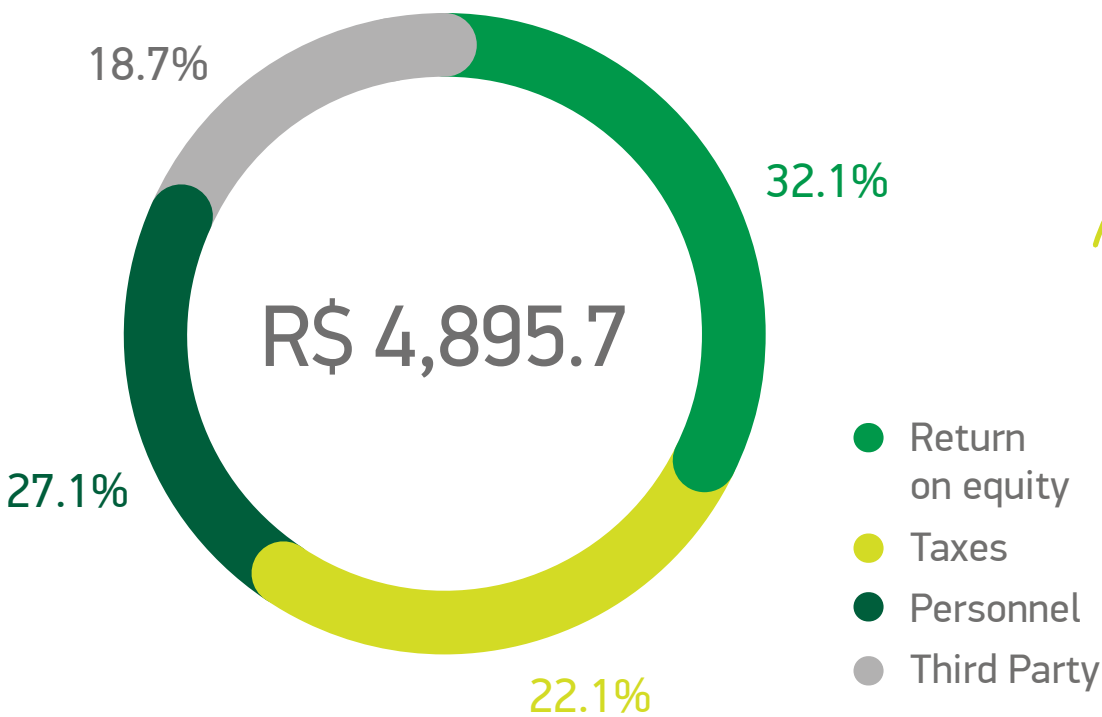
EBITDA (R\$ MILLION)



NET PROFIT (R\$ MILLION)



VALUE-ADDED DISTRIBUTION



In 2021, we advanced 5.8% in consolidated net revenue compared to the previous year, with a record net income of more than R\$ 2 billion, and achieving a ROIC of 17%, spread 13 p.p. on the after-tax cost of debt. Even in the pandemic context and the reduction in the production of new cars, which impacted the Company's growth rate, we were compensated by the increase in car prices and the consequent reduction in Localiza's depreciation costs.

We know that these results were only possible thanks to the planning and execution of the internal areas, which took into account the dynamism of market changes, as well as the business potential. In this sense, we guarantee a focus on innovation, with the solutions portfolio advancement, in addition to the readjustment of our operations, as mentioned above. We feel extremely proud of the achievements so far and confident about the future.

Find out the details of the operating results in our Consolidated Income Statement, available at: <https://bit.ly/3J0M5nw>

SUSTAINABLE STRATEGY

GRI 2-17

Localiza's purpose is to **build the future of sustainable mobility**. For this reason, we carefully look at the value creation fronts of the business, taking into account world-class governance, extraordinary financial results and the alignment of our strategy to the highest socio-environmental aspects and criteria.

In this sense, we have the Governance and Sustainability Committee, which advises the Board of Directors, and the Sustainability Committee, a multidisciplinary executive committee, formed by employees from different areas and which reports to the first mentioned body. The reports take place in at least four meetings held per year. These moments are important for aligning guidelines and monitoring progress on each action front, in accordance with the Company's strategy.

We highlight the active participation of the Board of Directors members in defining the strategy, as well as in the discussion of the relevant topics mentioned above. In 2021, the directors participated in specific engagements with financial market stakeholders and in the construction of the Company's materiality based on exchanges and benchmarks. In this process, we invested in a consultancy that, together with the Company's Board of Directors and executives, helped us build our strategy for the coming years.

It's worth noting that our actions are mainly guided by **material themes** and the **Sustainable Development Goals (SDGs)** of the 2030 Agenda.

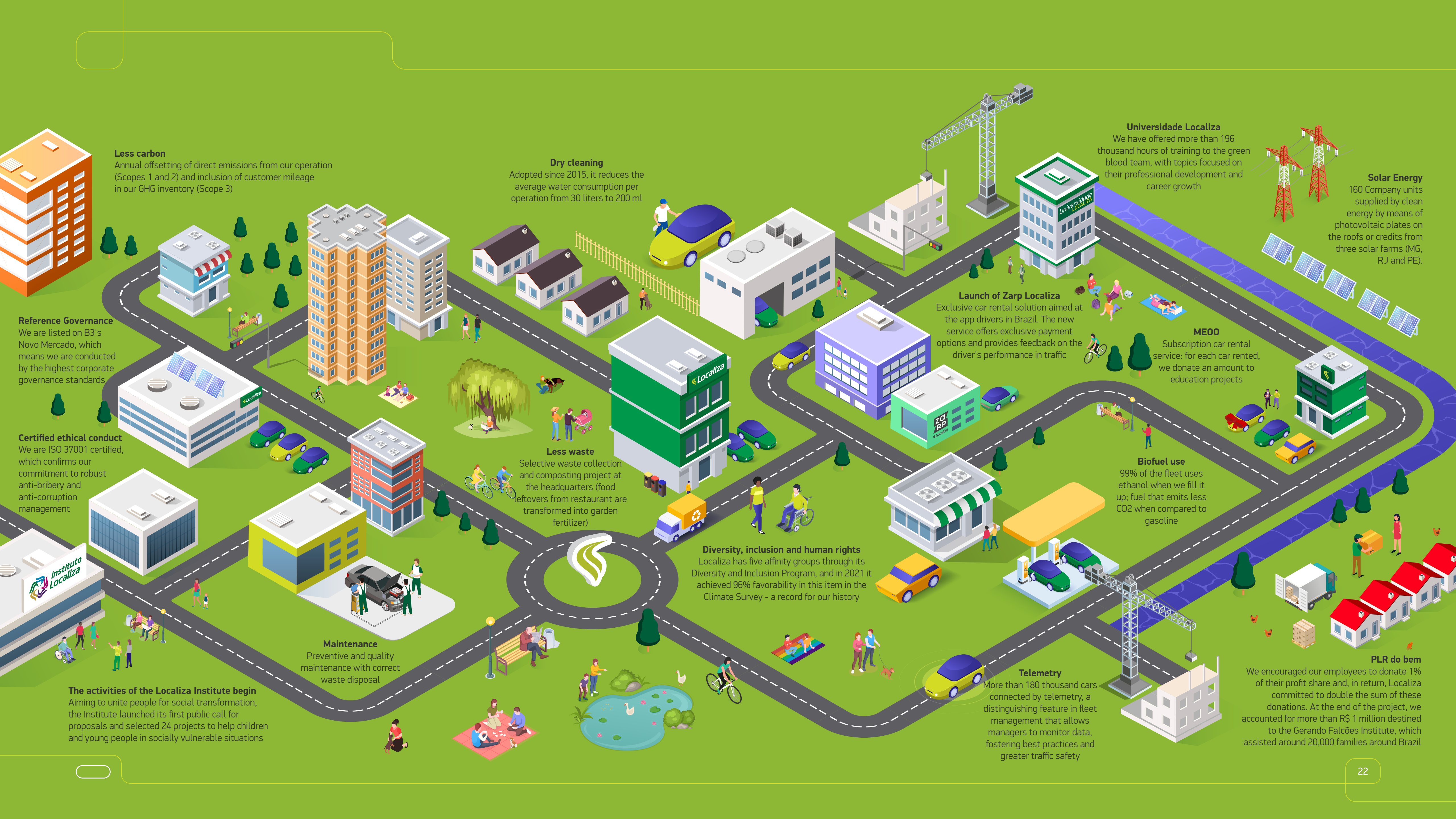
Materiality

GRI 2-4 | 2-17 | 3-1 | 3-2 | 3-3

In 2021, as mentioned above, the Board of Directors, together with the other Localiza stakeholders, carried out an ESG diagnosis in order to identify material issues for the sustainable development of the business. Throughout the year, we revisited and deepened this study in order to ensure the best possible capillarity and focus, assuming a robust strategy for the coming years. Based on this analysis, we arrived at the Company's ten priority themes, which are structured in three main pillars: **World Class Culture and Governance; Sustainable Mobility; and Education and Entrepreneurship for Social Transformation.**

Check below the themes, initiatives, strategic choices and SDGs that make up the three pillars of our materiality:

PILLAR	STRATEGIC CHOICES	THEMES	INITIATIVES	SDG	ENABLER
Sustainable Mobility	Move towards a low-carbon economy and use resources efficiently	Gas Emissions	Reduction of vehicle emissions by using Ethanol	 	Maintain transparency and dialogue based on consistent and reliable information, and on the assessment of ESG ratings evolution.
			Neutralization of remaining emissions		
		Waste, Energy and Water Management	Expansion of clean energy consumption at the branches	   	
			Management of waste generated by vehicle maintenance		
			Reduced water use through dry cleaning		
		Encourage safe driving while preserving lives	Intelligent and Sustainable Car Use	Implementation of telemetry for intelligent use of the cars	
	Traffic Safety		Implementation of the traffic safety program		
	Quality in Services		Business actions associated with our value proposition to customers		
	Education and Entrepreneurship for Social Transformation	Building a more equal and inclusive world	People Development and Retention	Retention of key people	
Evolution in employee satisfaction					
Diversity, Inclusion and Human Rights			Implementation of the Diversity and Inclusion program	     	
Social Development			Launch and consolidation of the Localiza Institute		
World Class Culture and Governance	Maintain high standards of governance and integrity	Ethics, Integrity and Transparency	Training of employees in the code of conduct	  	
			Maintenance of ISO37001 certification		
			Dissemination of the anti-bribery and anti-corruption policy		
			Management of the whistleblowing channel		
		Corporate Governance	Evolution in ESG practices		



Reference Governance
We are listed on B3's Novo Mercado, which means we are conducted by the highest corporate governance standards

Certified ethical conduct
We are ISO 37001 certified, which confirms our commitment to robust anti-bribery and anti-corruption management

The activities of the Localiza Institute begin
Aiming to unite people for social transformation, the Institute launched its first public call for proposals and selected 24 projects to help children and young people in socially vulnerable situations

Less carbon
Annual offsetting of direct emissions from our operation (Scopes 1 and 2) and inclusion of customer mileage in our GHG inventory (Scope 3)

Dry cleaning
Adopted since 2015, it reduces the average water consumption per operation from 30 liters to 200 ml

Less waste
Selective waste collection and composting project at the headquarters (food leftovers from restaurant are transformed into garden fertilizer)

Maintenance
Preventive and quality maintenance with correct waste disposal

Diversity, inclusion and human rights
Localiza has five affinity groups through its Diversity and Inclusion Program, and in 2021 it achieved 96% favorability in this item in the Climate Survey - a record for our history

Launch of Zarp Localiza
Exclusive car rental solution aimed at the app drivers in Brazil. The new service offers exclusive payment options and provides feedback on the driver's performance in traffic

Universidade Localiza
We have offered more than 196 thousand hours of training to the green blood team, with topics focused on their professional development and career growth

ME00
Subscription car rental service: for each car rented, we donate an amount to education projects

Biofuel use
99% of the fleet uses ethanol when we fill it up; fuel that emits less CO2 when compared to gasoline

Telemetry
More than 180 thousand cars connected by telemetry, a distinguishing feature in fleet management that allows managers to monitor data, fostering best practices and greater traffic safety

Solar Energy
160 Company units supplied by clean energy by means of photovoltaic plates on the roofs or credits from three solar farms (MG, RJ and PE).

PLR do bem
We encouraged our employees to donate 1% of their profit share and, in return, Localiza committed to double the sum of these donations. At the end of the project, we accounted for more than R\$ 1 million destined to the Gerando Falcões Institute, which assisted around 20,000 families around Brazil

02

WORLD
CLASS
CULTURE AND
GOVERNANCE

ETHICS AND GOVERNANCE

ETHICS, INTEGRITY AND TRANSPARENCY

GRI 2-24 | 2-25 | 205-1 | 205-2 | 205-3 | 206-1 | 412-2

Reference in the market, Localiza's management model is one of its strengths, being guided by a performance of equity, transparency, compliance and accountability for all the Company's stakeholders. Our actions on this topic are based on the act of **preventing, detecting and dealing with issues related to integrity in the corporate environment**. To ensure the system's success, we rely on integrity risk assessment, policies and procedures, training, control activities and, of course, the leaders' good example.

Our Integrity Program is continuously reinforced with our employees and suppliers, carrying out communication and training initiatives. In 2020, we launched **Localiza's new Code of Conduct**, which, through lighter, more friendly and accessible language, presents dilemmas and solutions to ethical issues, conflicts of interest, integrity in internal relationships, as well as practices not tolerated by the Company with respect to bribery and corruption. At the end, the document contains a

term of commitment that was signed by all employees who received the training throughout 2021, in addition to carrying out refresher training for those with more than two years of service.

During 2021, we carried out 23 communication actions on our Policies and Procedures of the Anti-Bribery and Anti-Corruption Management System, reaching 100% of employees, 100% of senior management and several suppliers of our operation (over the next cycles, we will map the effectiveness of this impact on external partners).

Regarding the training itself, in 2021, 82% of our employees with more than two years at the company took the refresher training on the Code of Conduct. In addition, we reached a rate of 98% for employees with less than two years with the Company. Below, you can see the data related to our training on the Code of Conduct and Anti-Corruption and Anti-Bribery, according to our functional categories and regions.



CODE OF CONDUCT TRAINING	Midwest		Northeast		North		Southeast		South		Total	
	No	%	No	%	No	%	No	%	No	%	No	%
Interns	0	-	0	-	0	-	76	74	1	14	77	44
Service	143	99	335	100	113	100	916	99	253	100	1,760	100
Operations	220	97	619	98	172	97	1,609	96	467	96	3,087	97
Professionals	42	93	136	96	32	100	1,564	97	112	96	1,886	96
Sales Team	39	100	112	100	40	100	1,570	99	120	95	1,881	99
Analyst	0	-	28	100	0	-	1,002	98	34	89	1,064	96
Supervision	42	98	85	100	31	100	499	99	87	100	744	99
Coordination	0	-	0	-	0	-	41	100	0	-	41	100
Senior Leadership	8	100	29	100	5	100	295	97	20	100	357	99
Executive Board	0	-	0	-	0	-	10	100	0	-	10	100
Total	494	98	1,344	99	393	100	7,582	95	1,094	86	10,907	98%


ANTI-CORRUPTION AND ANTI-BRIBERY TRAINING	Midwest		Northeast		North		Southeast		South		Total	
	No	%	No	%	No	%	No	%	No	%	No	%
Interns	0	-	0	-	0	-	67	65	2	29	69	47
Service	128	89	313	93	108	96	801	87	241	95	1591	92
Operations	174	77	539	85	148	84	1,299	78	419	86	2,579	82
Professionals	37	82	112	79	22	69	1,233	77	100	85	1,504	78
Sales Team	31	79	93	83	29	73	1,453	91	107	85	1,713	82
Analyst	0	-	28	100	0	-	842	82	35	92	905	91
Supervision	42	98	85	100	31	100	499	99	87	100	744	99
Coordination	0	-	0	-	0	-	41	100	0	-	41	100
Senior Leadership	8	100	29	100	5	100	291	96	20	100	353	99
Executive Board	0	-	0	-	0	-	10	100	0	-	10	100
Total	420	88	1,199	92	343	87	6,536	87	1,011	84	9,509	85%

In 2021, Localiza trained 98% of its employees on the Company's Code of Conduct, almost 2 p.p. above the same period in 2020.

Not only does the Company have a Conflict of Interest Procedure that establishes the guidelines, responsibilities and actions for the declaration, analysis and treatment of situations involving the topic, with the Compliance area being responsible for recommending the mitigation of declared and identified conflicts (the communication of conflicts is carried out to stakeholders in a timely manner).

In 2021, Localiza complied with all laws and regulations within its competence, with no application of fines.

In 2021, we kept the ISO 37001 certificate, which confirms the quality of our work in the fight against bribery and corruption.



Confidential Channel

GRI 2-26

Since 2012, we have had a confidential channel that is open to everyone: employees, customers, franchisees, investors and anyone else who wants to access it. Manifestations through it contribute to identify violations of our values, our Code of Conduct, Localiza's policies and procedures and current legislation, in addition to clarifying doubts about its operation. Operated by a specialized and independent company, the channel is available 24 hours a day by telephone, from Brazil or abroad, web and e-mail.

It's worth mentioning that the Compliance area is responsible for monitoring critical concerns. The topics raised are discussed at the Integrity Committee meetings and, when necessary, the Audit, Risks and Compliance Committee meetings, in order

to outline all necessary action plans. At the end of the year, we had a total of six Audit Committee meetings and 12 Integrity Committee meetings.

The (anonymous or identified) reporting generates a protocol, which the complainant can use to consult the progress of the investigation under the responsibility of the Internal Audit area. If desired, they can also include additional information to those already provided. In 2021, our channel received 645 complaints, of which 28 employees were terminated after analyzing and investigating the cases.

Among the negotiations, we have just cause, suspension, disqualified suppliers, criminal prosecution, warnings and reorientations, including actions to develop and improve Localiza's internal processes.



Access our **Confidential Channel** at: <https://www.canalconfidencial.com.br/localiza/>

CORPORATE GOVERNANCE

GRI 2-29

Localiza is also a reference in the market for its Corporate Governance, whose main pillars are: transparency with all its stakeholders, compliance, equity and accountability.

In 2021, we carried out the Company's first engagement cycle for its shareholders, focusing on ESG topics. More than ten sessions were held with institutional investors, whose objectives focused on: understanding their concerns, demands and expectations in relation to our sustainability initiatives; explain and get to know the vision and perceptions of risk in relation to the succession process of the Executive Board's founding partners; and absorb recommendations in relation to Localiza's performance and communication regarding ESG factors.

Such dynamics have been reflected in a better and more agile functioning of our governance bodies, through revisited policies and practices that lead to the improvement of their mechanisms and decision-making.

We have high governance standards and continue to evolve and improve our practices year after year.

A publicly traded company (S.A.) on B3 since 2005, we are part of **Novo Mercado**, which establishes the highest level of corporate governance. In addition, we adopt the Abrasca Code of Self-Regulation and Good Practices for Publicly-held Companies and follow the recommendations of the Brazilian Code of Corporate Governance – Publicly-held Companies of the Brazilian Institute of Corporate Governance (IBGC).



Succession of the Presidency

In April 2021, Eugênio Mattar, one of the Company's founders, resigned from the position of Localiza's CEO after eight years of contribution in the position and more than 48 years in the Company's management, and took on the role of Executive Chairman of the Board of Directors. Throughout his history, we have been able to observe Localiza's progress in matters related to our business strategy, as well as in valuing our employees and in ESG practices.

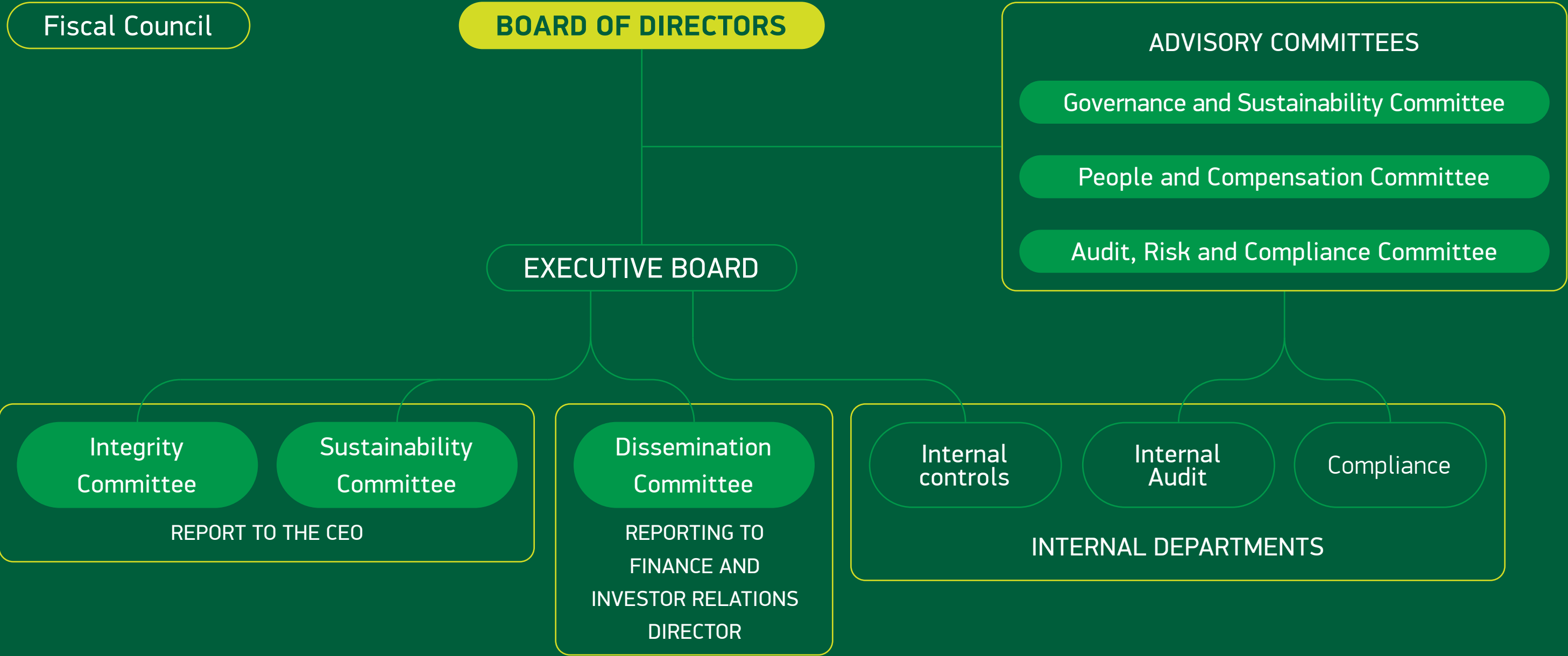
Eugênio was responsible for guiding us on a path of innovation, ethics, integrity, trust and increasingly robust governance standards. Thus, in compliance with the best corporate governance practices, Bruno Lasansky participated in a structured succession process, **ensuring alignment with the business' values and culture and in-depth knowledge of its operations and, consequently, ensuring the continuity of the Company's strategy implementation.**

With his diversified experience, Bruno provides continuity to Localiza's projects from a medium and long-term perspective, seeking to promote our role in the future of sustainable mobility, in the development of a high-performance team and in the improvement of leadership on the topics of sustainability that govern us.



Governance Structure

GRI 2-9 | 2-13 | 2-23



Localiza's management standards are consolidated on a structure formed by the Board of Directors (BD), with six members, five of whom are independent. Also, we have the Statutory Board and three advisory committees – Audit, Risk and Compliance Committee; Governance and Sustainability Committee; and People and Compensation Committee – to support the Board of Directors in monitoring, analysis and decisions. Additionally, there are two advisory committees to the Executive Board, the Integrity Committee and Sustainability Committee reporting to the CEO and the Disclosure Committee reporting to the CFO.

Be sure to consult our [Corporate Governance Guidelines](#), in detail, as well as the [members of the Board of Directors, Executive Board and Committees](#), including training and curriculum (both available on the Localiza Investor Relations website).

Remuneration Policy

GRI 2-19 | 2-20

With the objective of evaluating the senior leadership's global remuneration consistency value through the market, the Company, in partnership with independent consulting companies and specialized in the subject, carries out a series of external surveys to compare with the internal remuneration standards, according to the criteria established by the Management Remuneration Policy.

In this sense, **the compensation composition is in line with Localiza's strategy of generating long-term value**, remunerating its executives in accordance with the responsibilities of the positions and achievement of defined goals and objectives, in addition to seeking to ensure the retention and alignment of shareholders' interests with our business.

In the case of the Board of Directors, the remuneration is fixed, monthly, in line with market practice and seeks to remunerate the directors' services according to the time dedicated to the functions, competence and professional reputation, in addition to the scope of responsibility attributed to the respective member of the Company's Board of Directors. The directors who participate in the

internal advisory committees of the Board of Directors, as members or coordinators, are remunerated with an additional 25% or 50%, respectively, levied on their fixed monthly remuneration.

Regarding the Executive Board, depending on the hiring regime, there are fixed and/or variable compensation plans and long-term incentive plans, which are linked to the achievement of the Company's corporate results and ESG goals, in addition to the achievement of individual goals in accordance with the scope of each director.

The detailed composition of management compensation is publicly available in Localiza's Management Compensation Policy. [Click here](#) to access.



Board of Directors

GRI 2-10 | 2-11 | 2-12 | 2-18

Guardians of Localiza's values, principles and purpose, the Board of Directors is the Company's highest corporate governance body, responsible for the general guidelines and policies of the business. It is the Board that, among other functions, determines, supervises and monitors the activities of the directors, as well as chooses, dismisses and convenes independent auditors. Likewise, it has the role of ensuring the permanent search for an agenda with sustainability guidelines for all directorates, ensuring the remediation of negative impacts and risks for the brand, through the management of internal controls, an integrity system and approval of policies related to Localiza's Compliance Program.


In accordance with the Bylaws in effect on December 31, 2021, the Board of Directors is composed of a minimum of six and a maximum of eight members elected by the General Meeting for a unified term of office of two years (reelection being permitted).

The proposed composition of the Board of Directors was directed towards the diversity of competencies in line with the strategic objectives, including younger directors, with new perspectives on disruption, while maintaining the high percentage of independent directors, as indicated in the tables below.

Its members are evaluated individually and collectively annually by an external and independent consultancy. The individual assessment considers aspects such as business knowledge, participation and attendance in discussions, presentation of topics for meetings, and so on. The group's joint assessment, on the other hand, analyzes points such as the quality, quantity and variety of information received on strategic topics, such as the performance of committees and the elaboration of a long-term strategy.

APPOINTMENT AND SELECTION

The process for appointing and selecting the Board of Directors members and their respective committees is available in the Company's [Appointment Policy](#), as well as in the respective Internal Regulations of the bodies.



BOARD COMPOSITION

Summary of Board Members' experiences and qualifications		Eugenio Mattar	Oscar Bernardes	Irlau Machado	Letícia Costa	Paulo Veras	Pedro Bueno
Experiences	Experience in CEO/PCA positions	✓	✓	✓	✓	✓	✓
	International experience		✓	✓	✓	✓	✓
	Organizational Transformation and Culture	✓		✓		✓	✓
	New Business Models/Innovation	✓		✓		✓	✓
	Business to Consumer	✓		✓	✓	✓	✓
Sectors of Operation	Automotive	✓	✓		✓		
	Financial	✓		✓		✓	✓
	Mobility	✓	✓		✓	✓	
	Retail	✓			✓	✓	
	Technology				✓	✓	
	Consumer Goods		✓		✓		
	Services		✓	✓		✓	✓
Functional Qualifications	Strategy	✓	✓	✓	✓	✓	✓
	Finance and Accounting	✓	✓	✓	✓		✓
	Risk Management	✓	✓	✓	✓		
	Corporate Governance	✓	✓	✓	✓	✓	✓
	Marketing and Communication	✓		✓			
	Operations	✓		✓	✓		
	Sustainability	✓	✓	✓			
	Talent Management	✓	✓	✓		✓	✓
	IT	✓		✓	✓		
	Innovation and Digital Transformation	✓		✓	✓	✓	✓

Evaluation process performed by an external consulting firm:

Year preceding the election of board members for the next term:

- 10-dimensional individual evaluation;
- Full collegiate and committees' evaluation.

The process also includes:

- Time allocated to each topic;
- Diversity of skills;
- Level of occupation outside Localiza;
- Frequency of meetings.

Year after BD's election:

- Methodology focused on monitoring the improvement action plan and surveying opportunities.

Name	Age	Independent?	Term of office (in years)	Advisory committees	Participation in other boards
Eugênio Pacelli Mattar	69	No	24	Governance and Sustainability Committee	2
Oscar de Paula Bernardes Neto	75	Yes	14	Governance and Sustainability Committee and Audit, Risk and Compliance Committee	4
Irlau Machado Filho	55	Yes	<1	People and Compensation Committee	2
Maria Letícia de Freitas Costa	62	Yes	12	Audit, Risk and Compliance Committee and Governance and Sustainability Committee	4
Paulo Antunes Veras	49	Yes	2	Audit, Risk and Compliance Committee	2
Pedro de Godoy Bueno	32	Yes	2	People and Compensation Committee	2

Statutory Board

GRI 202-2

Responsible for the management of the Company's business, the Statutory Board must be composed of at least four and at most twelve directors; all resident in Brazil and elected by the Board of Directors.

Below is the composition of the Statutory Executive Board of Localiza and Localiza Fleet as of December 31, 2021, counting nine directors, with one of them contracted for the year.

STATUTORY BOARD

Name	Position
Bruno Sebastian Lasansky	Chief Executive Officer
Rodrigo Tavares Gonçalves de Sousa	Chief Financial Officer and Investor Relations Officer
André Luiz Lopes Petenussi	Executive Director of Technology
Daniel Guerra Linhares	People Executive Director
Elvio Lupo Neto	Executive Director of Car Rental
Flávio Mergener Salles	Executive Director of Used Cars
João Hilário de Ávila Valgas Filho	Executive Director of Operations
Suzana Fagundes Ribeiro de Oliveira	Legal and Institutional Relations Officer
João Alberto Mazoni Andrade	Executive Director of Fleet Management

Fiscal Council

Responsible for ensuring compliance with all of the Company's tax and legal issues before the bodies involved, the Fiscal Council has a one-year mandate, valid between the period of each Extraordinary General Meeting (April to April), and is composed of, at least, three and a maximum of five effective members, equal to the number of alternates; all resident in Brazil and elected by the General Meeting.

Below is the composition of Localiza's Fiscal Council as of December 31, 2021.

FISCAL COUNCIL

Name	Position
Luiz Carlos Naninni	Effective member
Fernando Antônio Lopes Matoso	Alternate member
Carla Alessandra Trematore	Effective member
Juliano Lima Pinheiro	Alternate member
Antônio de Pádua Soares Pelicarpó	Effective member
Marco Antônio Pereira	Alternate member



Committees

Created to help monitor specific issues, we ended 2021 with the support of six internal committees, three of which provided advice to the Board of Directors and the other three advising the Statutory Board.

ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

AUDIT, RISK AND COMPLIANCE COMMITTEE

Responsible for monitoring and evaluating the work of the independent audit and following up on strategic risks and the Company's Integrity Program, in addition to expressing opinions on the quality of financial reports, accounting principles and the effectiveness of the internal control structure.	Name	Independence	Executive or Non-Executive	Does it represent any interested parties?
	Maria Letícia de Freitas Costa	Independent	Non-Executive	No
	Oscar de Paula Bernardes Neto	Independent	Non-Executive	No
	Estela Maris Vieira de Souza	Independent	Non-Executive	No

PEOPLE AND COMPENSATION COMMITTEE

Responsible for proposing to the Board of Directors the remuneration policies, performance evaluation, profit sharing program and long-term incentive programs, in addition to general personnel management policies.	Name	Independence	Executive or Non-Executive	Does it represent any interested parties?
	Irlau Machado Filho	Independent	Non-Executive	No
	Paulo Antunes Veras	Independent	Non-Executive	No
	Renata Sawchuk Moura	Independent	Non-Executive	No
	Daniel Guerra Linhares	Not independent	Executive	No

GOVERNANCE AND SUSTAINABILITY COMMITTEE

Responsible for promoting and monitoring the adoption of good corporate governance practices and the Company's strategy regarding ESG issues.	Name	Independence	Executive or Non-Executive	Does it represent any interested parties?
	Maria Letícia de Freitas Costa	Independent	Non-Executive	No
	Oscar de Paula Bernardes Neto	Independent	Non-Executive	No
	Eugênio Pacelli Mattar	Not independent	Non-Executive	No

ADVISORY COMMITTEES TO THE EXECUTIVE BOARD

Integrity Committee

Responsible for ensuring the implementation of the Company's Integrity Program, supporting the Compliance Officer and Internal Audit as necessary, including respect for Localiza's ethical premises and values, as well as for its continuous propagation and rigorous compliance.

- Suzana Fagundes Ribeiro de Oliveira – Coordinator;
- Daniel Guerra Linhares – Member;
- Eugenia Maria Rafael de Oliveira – Member;
- João Hilário de Ávila Valgas Filho – Member;
- Ludmila de Almeida Linhares - Secretary.

Sustainability Committee

Responsible for implementing, monitoring and dealing with matters involving the Company's corporate sustainability (ESG), including those that may represent some risk or relevant impact on the business, Localiza's image, relationship with customers, community, employees and suppliers. The Sustainability Committee implements the strategy defined by the Board and Governance and Sustainability Committee. Annually, the members of the Sustainability Committee are re-elected or replaced considering the acceleration of the proposed ESG agenda for the following year. Additionally, in addition to the committee members, the leaders of each of the 17 initiatives can be convened according to the agenda.

- Daniel Guerra Linhares – Coordinator;
- Antônio Augusto – Member;
- Emerson Ferreira Gomes – Member;
- Fernando Vilela – Member;
- Marcelo Dantas – Member;
- Nora Lanari – Member;
- Rozalia Del Gáudio – Member;
- Suzana Fagundes – Member.

Dissemination Committee

Responsible for reviewing draft documents and information of an economic and financial nature, which must be sent to the Securities and Exchange Commission (CMV).

- Rodrigo Tavares Gonçalves de Sousa – Coordinator;
- Alehandra Castro Brant – Member;
- Antônio Hiroyuki Hyodo – Member;
- Bruno Sebastian Lasansky – Member;
- Elvio Lupo Neto – Member;
- Flávio Mergener Salles – Member;
- João Alberto Mazzoni Andrade – Member;
- João Hilário De Ávila Valgas Filho – Member;
- Myrian Buenos Aires – Member;
- Nora Mascarenhas Lanari – Member;
- Suzana Fagundes Ribeiro de Oliveira – Member.

RISK MANAGEMENT

GRI 2-15 | 2-16 | 2-25 | 2-27

The Risk Management and Internal Controls Policy, approved by the Board of Directors, is the instrument used by the governance areas (Internal Audit, Internal Controls and Compliance) to direct activities related to the monitoring and inspection of all corporate, operational and financial processes that may present some risk to the Company.

Our objective is to adopt and monitor, in a standardized and formalized manner, preventive, prospective and proactive risk control practices, and the areas mentioned above are responsible for reporting ongoing cases to the advisory committees of the Board of Directors, as well as their status and action plans.

Localiza's risk management is divided into six stages:

- 1

Identification: defines the set of events, external or internal, that may impact Localiza's objectives, including those related to intangible assets;
- 2

Analysis: verifies the origin of events, causes, probability of implementation and consequence;
- 3

Assessment: assesses the impacts in the event of a possible risk occurrence, considering its financial or other consequences, quantifiable or not;
- 4

Treatment: defines the treatment to be adopted, considering the following actions: avoid, mitigate, share or accept;
- 5

Monitoring: ensures the effectiveness and adequacy of internal controls and obtains information for improvements in the risk management process. Monitoring must be carried out through auditing, which makes continuous and unbiased assessments. Another form of monitoring is team visits to branches to observe how risk management takes place at the end of the business;
- 6

Information and Communication: communicates clearly and objectively – to all interested parties – the results of all stages of the risk management process in order for the situation and the effectiveness of action plans to be understood.

For Localiza, being sustainable means establishing itself as an ethical and respected company that works in an innovative way to generate a positive impact on society.

Data Protection

GRI 418-1

In compliance with the General Data Protection Law (GDPL) and other regulations on the subject, we have developed, over the last few years, a series of good practices to ensure the efficient information security management and personal data protection. Among the main initiatives, we have a **Privacy and Data Protection Policy**, which defines privacy guidelines in order to ensure that all personal data under the Company's responsibility are protected.

We also have the **Privacy Portal**, with the purpose of informing how personal data are used within Localiza, enabling a direct communication channel with the holders of personal data and reflecting the commitment to the transparency and security of the information they share with us. Within the platform, the holder has full autonomy to request rights of access, exclusion, registration alteration, as well as clarifying doubts about the operation of Localiza's privacy and information protection system. Throughout 2021, we answered more than 8,000 requests from holders to exercise their rights, as established by the GDPL.



Regarding internal care, we developed the **Transparency Portal**, exclusively for employees. The portal contains procedures and documentation that inform employees of their privacy rights and how to act, in accordance with the GDPL, when processing personal data in the exercise of their duties. As privacy, information security and data protection are everyone's responsibility, we count on the

support and commitment of each one to put into practice the actions on the subject. Therefore, throughout 2021, Localiza did not find any complaints received from external parties or regulatory agencies regarding the violation of customer privacy, with no leaks, theft or loss of data identified in the period.

SUSTAINABLE MOBILITY

03



ENVIRONMENTAL COMMITMENT

GRI 203-1

Care and concern for the environment are part of our purpose and strategy. We recognize our role in society and **seek efficiency in the use of natural resources and in the development of the best environmental initiatives.** In practice, this translates into the control and neutralization of the Company's greenhouse gas (GHG) emissions (Scope 1 and 2); in the rational use of energy and water; in the development and consumption of renewable energy sources; in the correct disposal of waste; and in the dissemination of sustainable attitudes among employees and our supply chain.

Thus, even though Localiza's activity itself is not subject to environmental licensing, according to current legislation, we monitor the structural and legal compliance of ancillary activities, seeking an increasingly sustainable operation through pragmatic actions that guarantee the mitigation of negative impacts.

ECOLOGICAL PRIVATE RESERVE

In line with our environmental commitment, in 2021 the Municipal Environment Council of Belo Horizonte (MG) approved the creation of a Private Ecological Reserve in an area of 9,140m² of our property, which will help maintain the local environmental balance, as well as the preservation of the surrounding fauna and flora, among them, endangered species.

In all, we counted **813 native tree specimens**, among different botanical families and plant species, in addition to countless other species of avifauna, including the identification of breeding sites.

We emphasize the **importance of the initiative to preserve a permeable and unpaved area**, which will allow the natural infiltration of rainwater into the groundwater, thus helping the environmental balance of the region.

GAS EMISSIONS

GRI 305-5 | 307-1 | TCFD Strategy 3 | Metrics and Targets 2

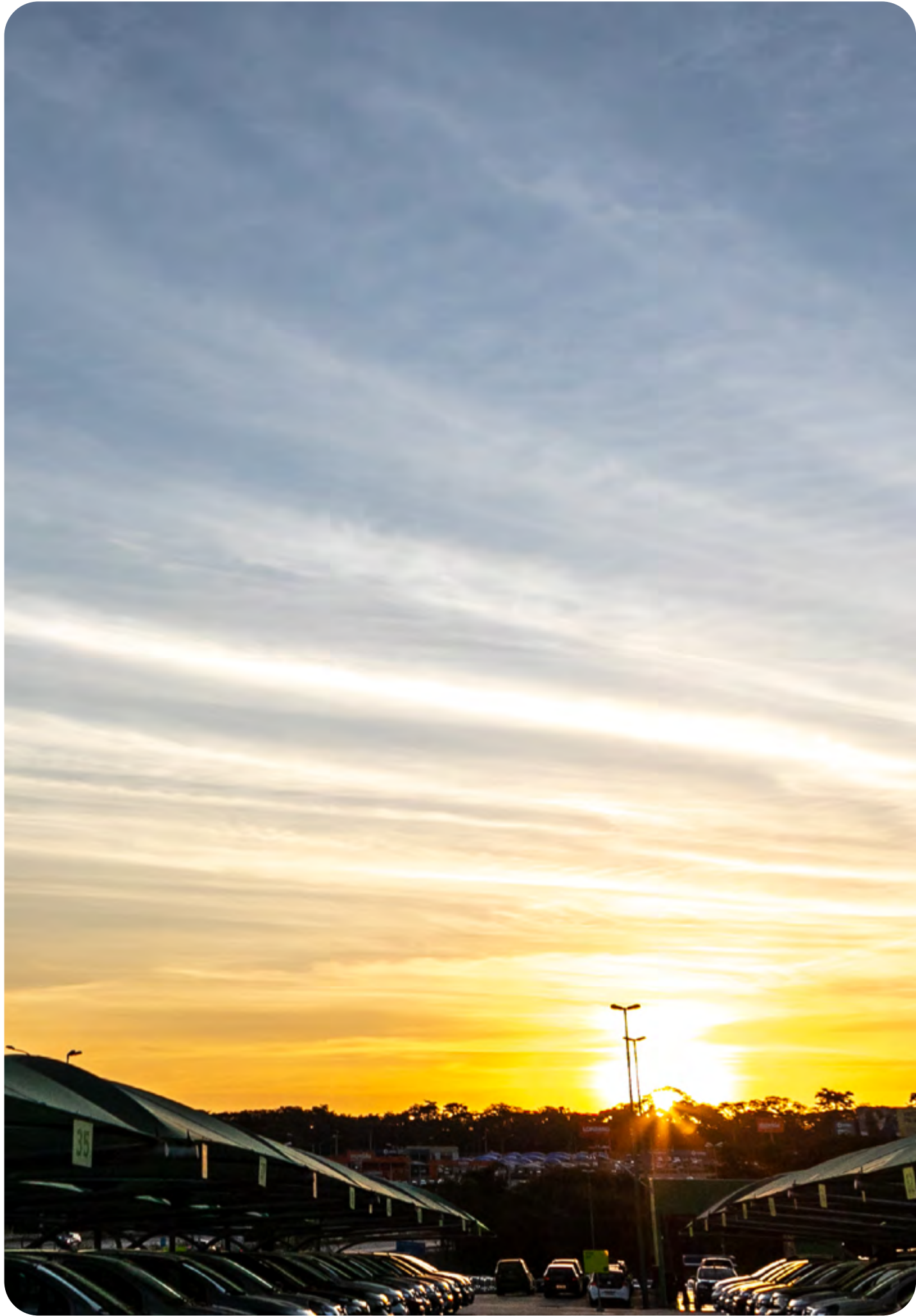
Climate Neutral Initiatives

Climate change and pollution are one of the main challenges of the century, and the sector in which we operate behaves as an emitter of greenhouse gases (GHG), responsible for generating high-impact waste, such as tires, batteries and oils. Currently, our strategy is based on three pillars - and they guide initiatives aimed at our environmental commitment. They are:

- 1 **Measure:** considered the key to assess the effectiveness of the implemented actions and adjust, ensuring greater impact and efficiency;
- 2 **Reduce:** is Localiza's priority. To this end, the Company seeks solutions for the short, medium and long term, such as encouraging the use of ethanol and constantly evaluating solutions and technologies aimed at reducing GHG emissions;
- 3 **Offset:** is an important means of mitigating remaining emissions. This is done through the purchase of carbon credits generated by projects that have a positive impact.

In 2021, we published, for the third year in a row, our GHG inventory in the GHG Protocol Public Emissions Registry. Every year, we have improved our emissions mapping process and we can say that we have reached a level of excellence and data reliability that we are proud of.

For the first time, we carried out an external audit of the Inventory and published the Scope 3 issue in an even more complete way, considering the impact of the mileage traveled by our customers. As a result of our improvement and advancement with the theme, we were recognized with the **Gold Seal of the GHG Protocol**. In addition, we remained in B3's Carbon Efficient Index (ICO2) portfolio, responsible for selecting companies from the IbrX-100, which demonstrate commitment to the transparency of their emissions and that anticipate how they are preparing for a low carbon economy.



Within an evolutionary vision, we joined the **Net Zero Ambition Program**, of the UN Global Compact, for the development of science-based initiatives to reduce GHG emissions. Another relevant measure in 2021 was the continuity of our partnership with the **Climate Commitment Program**, through institutional support to the Ekos Institute, which aims to engage the private sector in climate responsibility actions. Through the platform, projects for GHG compensation are made available – all evaluated using strict criteria in order to guarantee quality and effectiveness.

The project chosen by Localiza to offset its Scope 1 and 2 emissions was the **Jari Amapá REDD+**, highlighted below.

REDD+ JARI AMAPÁ PROJECT

The **Jari Amapá REDD+ Project** promotes forest conservation through the generation of carbon credits. Thus, it guarantees benefits to the climate, biodiversity and the communities of Laranjal do Jari and Vitória do Jari in Amapá, the Brazilian Amazon region.

Based on an economic development model that values the forest, the project's activities combine low-impact forest management with the commercialization of carbon credits, in addition to conducting training in rural production, agricultural and forestry techniques, according to the communities' family interests, making them capable of enabling constant income generation from food production. The positive impact is also seen in the deforestation monitoring, which is carried out through satellite images, as well as patrolling by waterways and land.

We emphasize that the Jari Amapá REDD+ Project has the Gold Seal **for Biodiversity (CCBS)** and has Biofílica, Fundação Jari and Jari Celulose as proponents; and Localiza acts in its financing in partnership with Instituto Ekos.

Learn more about this initiative at: <https://tinyurl.com/2awd82j6>



We emphasize that the data analysis for the inventory of our emissions is carried out in a meticulous way so that they faithfully reflect Localiza's direct and indirect carbon footprint. Check it out below:

SCOPE 1 EMISSIONS (TCO ₂ EQUIVALENT)				GRI 305-1	
	2018	2019	2020		
Stationary combustion	13.67	9.88	32.9		
Mobile combustion	9,507.09	10,725.78	6,578.72		
Fugitives	6,372.26	7,615.56	8,084.72		
Total	15,893.06	18,351.21	14,696.33		

Biogenic CO₂: 9,198,270

SCOPE 2 EMISSIONS (TCO ₂ EQUIVALENT)				GRI 305-2	
	2018	2019	2020		
Electricity acquisition – location	1,158.00	1,188.27	990.18		
Acquisition of electrical energy – purchase choice	Unavailable information	Unavailable information	601.16		

SCOPE 3 EMISSIONS (TCO ₂ EQUIVALENT)				GRI 305-3	
	2018	2019	2020		
Waste generated in the operation	54.79	153.40	107.67		
Business trips	916.48	994.88	1,081.87		
Displacement of employees (home-work)	219.60	236.49	2,866.94		
Leased assets (and organization as a lessor)	Unavailable information	Unavailable information	475,947.13		
Franchises	Unavailable information	40.26	22.12		
Total	1,190.87	1,425.03	480,025.73		

Note: Since there is unavailable information for 2018 and 2019, it is not yet possible to draw a comparative line between the total annual results. However, over the next cycles this point will already be adjusted.

Note 2: Consolidated data for 2021 will be published by August 2022 in the Public Emissions Registry of the Brazilian GHG Protocol Program, on which date we will also update this Report.



NEUTRALIZA PROGRAM

Reinforcing our commitment to sustainability, in March 2022, we launched a product that aims to contribute to the fight against climate change: **Neutraliza**. With consolidated initiatives to neutralize Scope 1 and 2 GHG emissions, those related to its direct operation, Localiza is advancing to mitigate Scope 3 impact, which are the emissions from the vehicles used by its clients and, in this way, cover its entire value chain.

The Neutraliza service aims to neutralize all the GHG emitted during the car rental period and consists of an additional and optional charge that will be destined to the acquisition of carbon credits. The clients who choose this service will receive a Compensation Certificate at the end of their rental.

Besides complementing the range of Localiza's initiatives directed to this theme, the program also meets a growing demand from society which seeks more and more sustainable solutions.

The inclusion of customer mileage in Scope 3 in our GHG inventory reflects Localiza's maturity in advancing its climate agenda, giving it a relevance level in the market.

Scope 1 emissions have been reduced thanks to the use of ethanol instead of gasoline in the vehicles supplied by us. As for Scope 2, the reduction in emissions was mainly due to the negative variation - around 18% - in the average annual emission factor of electricity from the national grid, between 2019 and 2020. It's worth noting that this comparison considers the calculation of emissions in the “by choice of location” approach, addressing solar energy produced at branch offices, at our three solar farms and the clean energy purchased for headquarters.

Access our inventory for more details:
<https://tinyurl.com/yxmuj2kx>

Ethanol

We contribute to minimizing environmental impacts by ensuring that 100% of Localiza's bi-fuel (flex) cars are internally fueled with **ethanol**, which represents around **99% of our fleet**.

In addition, in 2021 the policies for administrative and sales cars were changed, adding to the first the recommendation of refueling with ethanol and, to the second, the possibility of reimbursement only for refueling with this fuel.

Ethanol plays a very important role in reducing and controlling emissions from our operations, as this biofuel emits around 89% less greenhouse gases when compared to gasoline, according to the Energy Information Administration (EIA).

This is because this fuel is obtained from sugarcane, which, in turn, is a renewable source that captures CO₂ from the atmosphere during cultivation.



WASTE, ENERGY AND WATER MANAGEMENT

Our environmental agenda also includes waste, energy and water management, **as we seek to ensure the rational use and disposal of these resources**. This occurs both in the operations of stores and branches, as well as in the day-to-day of the administrative headquarters, permeating all our activities in a transversal way.

We have awareness practices and we carry out specific actions for the proper use of water and electricity, such as the migration of common light bulbs to LED technology, awareness and consumption goals in an employee management contract, exchange of air conditioning equipment at the branches for the inverter model, use of timers to switch the external lighting of vehicles on and off and dry cleaning.

Energy

GRI 302-1 | 302-3 | 302-4

In 2021, we continued to advance in the distributed generation of clean energy through the **installation of photovoltaic panels in the Company's own units** (Car Rental and Used Cars front), closing the year with 101 units impacted.

Not just that, we have 59 branches benefiting from clean energy credits from three solar farms in the states of Minas Gerais, Rio de Janeiro and Pernambuco, totaling 160 network units served by clean energy.

With the project's progress, we generated more than 3,200,000 kWh of clean energy in our branches in the year, which represents an increase of more than 68% compared to 2020.

We created the Localiza clean energy seal for stores and branches that meet our indicators' criteria, thus generating a value perception for the customer.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION(GJ)

Type	Value consumed
Gasoline	6.7
Diesel	34.1
Platform consumption	63,717
Solar power	11,717
Total	75,475

Note: The value of energy sold in 2021 was 10,827 GJ, resulting from the surplus of our matrix in the Free Energy Market

ENERGY INTENSITY

0,029 GJ/Rented Car

Localiza did not show a reduction in energy consumption in the period due to the expansion of the platform and the strong resumption of business in 2021, when compared to 2020. However, we observed good performance, especially in the second semester, and we ended the period at 6.85 kWh /CA, a result below the proposed target of 6.95 kWh/CA. It is worth mentioning that the strong



increase in the project of distributed generation of clean energy in the branches contributed a lot to the reduction of consumption in the captive market. In this way, we continue to search for other renewable energy sources, while advancing with the energy marketplace (certified purchase), with consumption telemetry and with the process of migrating units to the free market.

Water

GRI 303-1 | 303-2

The Company's water collection is mainly done through the local concessionaires, and in some agencies, water can be collected from artesian wells. Once inside the operation, most of the Company's water consumption is intended for washing our fleet's vehicles, while the remainder is used in property cleaning processes and in the common use of the branches by employees and customers (drinking fountains, changing rooms, bathrooms and pantry).

Localiza is working continuously to find alternatives for online and on-time measurement of consumption, through telemetry, in addition to actions such as the installation of flow reducers and dual-activation basin toilets, and advances in the treatment and reuse systems of branches.

Regarding vehicle washing, since 2015 Localiza has adopted dry cleaning for most of its network, which allows for a reduction in average consumption of about 95% in each operation.



That is, for every 30 liters of water that would be spent in a conventional wash, we use only 200 ml. The teams responsible for the car wash undergo training on the dry cleaning process that is part of their essential learning trail. Not just that, the products used in this type of cleaning are checked and supplied by approved brands, in addition to being, for the most part, cataloged as biodegradable. In this way, **we avoid using materials that can cause damage to health or the environment.**

At the end of 2021, 61% of the fleet underwent dry cleaning when washed at our branches.

The rest was sanitized with water and biodegradable shampoo, as some cars need traditional removal to treat specific types of dirt. Finally, it's worth noting that we **always organize training in efficient hygiene techniques for our employees and suppliers, guaranteeing quality and cost-effective work.**

Waste

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

We are committed to building efficient management in order to ensure the most correct and sustainable disposal of all waste produced in our operation, especially those arising from fleet maintenance and deactivation.

For this reason, **Localiza has partnerships with reverse logistics projects in order to mitigate these impacts**, allowing the tire suppliers themselves or partner companies to collect the carcasses when they reach the end of their useful life. In 2021, this partnership allocated more than 13,300 units of tires to be reused by other companies in the automotive sector, and almost 8,000 to recyclers who used the crushed tires to supply kilns in the cement industry. The same happened with the destination of windshields, from which we returned to the supplier around 24,000 units.

In addition, almost 17 tons of sewage cleaning residues, considered non-hazardous, were sent to Class 2 landfills, and another 360m³ of effluents were sent for appropriate external treatment.

As for hazardous waste, over 2021, more than 8.5 tons of waste contaminated with oils and other hazardous substances (such as rags, cloths, personal protective equipment (PPE), oil filters, plastic packaging, sludge of water and oil separator boxes) were destined for co-processing; almost a ton of this type of waste was sent to landfills capable of receiving Class I waste. In addition, 13 tons of waste from desanders and water and oil separators were sent to effluent treatment systems.

Through reverse logistics, **we sent more than 170 thousand liters of automotive oil for re-refining**; recycling procedure that transforms used oil into new, leaving it ready to be reused.

Thus, aiming at a better destination of our waste, we adopted selective collection (eight tons of waste from the matrix were for recycling in 2021) and promoted a composting program that transforms leftover food from the restaurant at our headquarters into fertilizer for the gardens.

DESTINATION OF GENERATED WASTE (BY TYPE)

Items consumed	Unit	Reverse Logistics	2021
Motor oil	Liter	Yes	2,287,330
Oil filter	Unit	Yes	555,497
Fuel filter	Unit	No	387,580
Tire	Unit	Yes	415,436
Light bulb	Unit	No	249,963
Brake pads set	Set	No	147,303
Air filter	Unit	No	143,102
Hubcaps	Unit	No	57,869
Windshield	Unit	No	48,369
Anti-pollen filter	Unit	No	102,851
Mudguard	Unit	No	32,818
Spark plug	Unit	No	55,323
Bumper	Unit	No	23,599
Brake oil	Liter	Yes	20,866
Radiator additive	Liter	Yes	29,536
Gear oil	Liter	Yes	16,924
Transmission oil	Liter	Yes	4,167
Power steering oil	Liter	Yes	2,661
Compressor oil	Liter	Yes	2,544

INNOVATION AND SAFETY

SMART AND SUSTAINABLE USE OF CARS

To continue to delight and exceed our customers' expectations, we increasingly invest in innovation and safety.

All agencies and branches only work with cars in excellent mechanical and usable conditions, guaranteed through structured preventive and corrective maintenance processes. We also comply with any and all inspections provided for in Detran, Denatran and Contran resolutions, with actions guided by the Civil Code, Consumer Defense Code and the Brazilian Traffic Code. It is worth mentioning that the

deactivated cars of the Car Rental and Fleet Management for Used Cars undergo a complete review, in order to allow maximum performance, as well as safety, to the new user.

Still, we work on new business strategy guidelines based on customer feedback, which takes place through satisfaction surveys. Through them, we are able to measure the Net Promoter Score (NPS) and new user demands, recording everything scored. The customer never goes unanswered and, in the most critical cases, we give priority to service to mitigate possible dissatisfaction. These surveys have also been conducted with fleet providers to provide our partners with the same caring experiences we provide our customers.



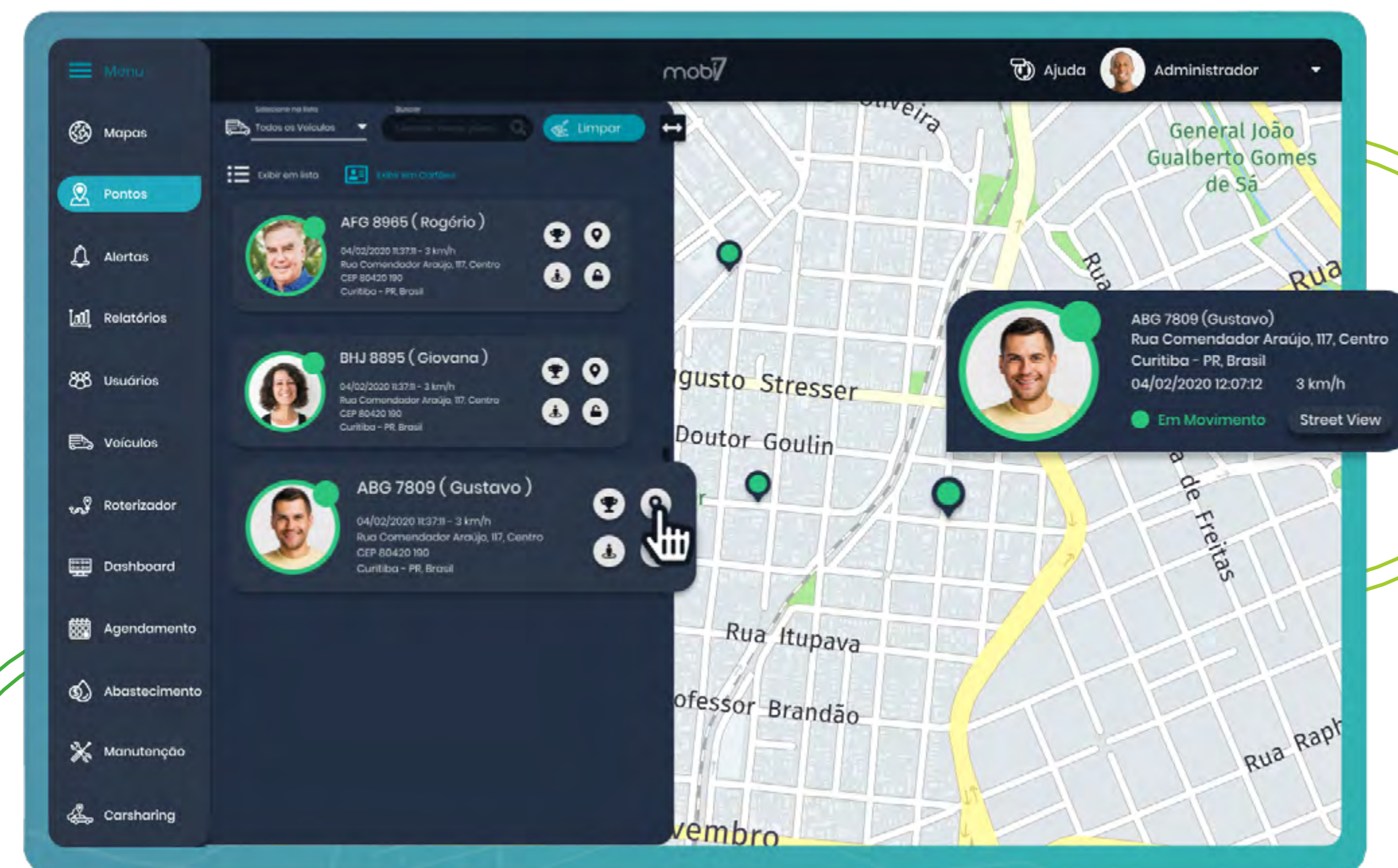
Telemetry

In 2020, with the acquisition of Mobi7 Tecnologia em Mobilidade S.A., we expanded our management offer and, in 2021, we surpassed 180,000 connected cars, creating a differential in our fleet's management and allowing cost reductions through the IoT (internet of things) owner. The system works with sensors capable of providing full-time online information, such as location, average speed, assertiveness of curves, fuel supply data, among others.

Thanks to these advances, we offer an interesting competitive advantage for our corporate clients, including corporate clients in car rental and our Fleet Management division. Through telemetry, managers now are able to access information about each driver's driving, enabling better practices and greater traffic safety, which are supported by Localiza with initiatives such as the Verde Vida Program, detailed on page 51.

In 2021, we started using telemetry to also track Zarp Localiza drivers, who receive weekly feedback on their traffic performance through Zarp no Volante. The objective of this initiative is to provide training for better service to passengers, as well as for safer and more conscious driving, reducing the risk of accidents and collisions.

Combining sustainability actions, we offer an ethanol fuel voucher of R\$ 60.00 if the app driver is well evaluated by Zarp no Volante for four consecutive weeks, allowing for a safer driving.



Innovation

Localiza breathes innovation.

We are completely open to new ideas, and we are constantly building solutions that contribute to sustainable mobility in an efficient and continuous way, based on our cultural pillars. No wonder, in a short period, **we saw the technology team grow significantly, reflecting the consolidation of the digital era within the Company.**

In 2021, we saw great progress in the use of data through a more descriptive and prescriptive use, in addition to a notable technical evolution in terms of performance, scalability gains and use of the cloud system.

Based on the advance in the management of agile methodologies, which are already part of Localiza's way of being and doing, we have several practices of greater dynamism and communication between teams rooted in our culture. With this new vision and other models, we seek to respond quickly to the new context of remote work, adapting and anticipating the Company to the most varied world dynamics.





Localiza Labs

Localiza Labs, developed and launched in 2020, is our mobility technology lab. With a team of more than 1,000 professionals, the area works with the data intelligence of the entire business, seeking to add value to our strategies, products and customers through enthusiasm for digital transformation.

Two spaces are under construction that will offer a unique experience to Localiza Labs employees: the first in **Belo Horizonte**, close to the Company's administrative headquarters, and the second in **Recife**, which was chosen for housing an important technology hub in the country. Both spaces were designed to have integrated, bold and contemporary structures,

dedicated to the **creation of mobility solutions to boost the growth of Localiza's business.**

One of the main legacies of the architectural projects of the laboratories is the fact that the buildings are being built using the highest concepts of sustainability, guaranteeing energy efficiency, rational use of water, life cycle of materials and health and comfort for all people who use the space. And, therefore, the Labs space in Belo Horizonte (MG) is eligible for the **LEED Certification**, that will take place in the 2nd half of 2022, whose international recognition and audit standard validates the strategies during the construction stages, aiming to reduce the impacts caused by civil construction to the environment.

Agile Management

We adopt management methodologies aligned with the principles of agility, such as SAFe, Scrum and Kanban, for technology teams, based on an orientation focused on the business value chain, and no longer considering only software competencies. Today, squads (teams) and tribes (groups of teams) guide the prioritization and development of their backlog (list of activities, initiatives and product evolutions) through Objectives and Key Results (OKRs) and Key Performance Indicators (KPIs).

The tribes work in quarterly planning cycles called PI (Program Increment), which are revisited every sprint (two-week interval). Thus, we provide **greater flexibility and adaptability to changes**, the dynamics of which establish constant interaction between the team and break with the old models focused on the contract.

In 2022, our challenge will be to continue expanding these methodologies to other areas of the Company, continuing the changes made in 2021 in the Marketing Department (which already has five tribes) and the People Department (which already has two squads), which will make **agile management an even greater part of our culture.**


TRAFFIC SAFETY

Unlike 2020, which had empty streets due to intense social isolation, 2021 represented the year of a gradual resumption of activities. During this period, we witnessed the anxiety of people who could not wait to leave the house again. Thus, we understood that it was necessary to act to promote the greatest possible safety in traffic, with informed and aware drivers.

And so the Verde Vida program was born, in mid-September, supervised by the front of **Frotas Experience**, our free and exclusive education platform for Localiza Gestão de Frotas customers, which includes professional education, free courses, events and safety topics in traffic; all through online classes, training and diverse content.

By joining the project, Gestão de Frotas customers now have access to exclusive content modules, aimed at qualifying their team's management in the areas of: "defensive driving," "sustainable driving and legislation" and "fines" (the latter applied in 2022). At the end of the training, the fleet will be monitored by Localiza's telemetry indicators, so that the companies with the best results are recognized.

Therefore, we are able to contribute to greater team engagement, with fewer accidents, fewer fines, less corrective maintenance, lower greenhouse gas emissions and, consequently, lower operating costs.



Verde Vida is the Localiza's Fleet Management program that promotes actions for a more humane, safe and sustainable traffic.

Learn more about the program:
<https://www.localiza.com/verde-vida/>

NCAP Indicator

SASB TC-CR-250A.1

Meeting customer satisfaction standards in the car rental industry means ensuring that vehicles are in proper working order and that consumers understand how to use them as safely as possible. In this sense, the Latin New Car Assessment Program (NCAP) is an automotive safety assessment program, which adopts the methodology used by Euro NCAP. Its objective is to test the active and passive safety of cars sold in Latin America and the Caribbean, being used as a safety indicator by the sector.

PERCENTAGE OF VEHICLE MODELS RATED BY NCAP PROGRAMS WITH AN OVERALL SAFETY RATING OF FIVE STARS, BY REGION

Region	% NCAP5
Midwest	16.8%
Northeast	16.0%
North	14.1%
Southeast	16.9%
South	18.5%
Total	16.8%

Note: Localiza used the last position of the RAC fleet as of December 2021 as a premise.



EDUCATION AND ENTREPRENEURSHIP FOR SOCIAL TRANSFORMATION

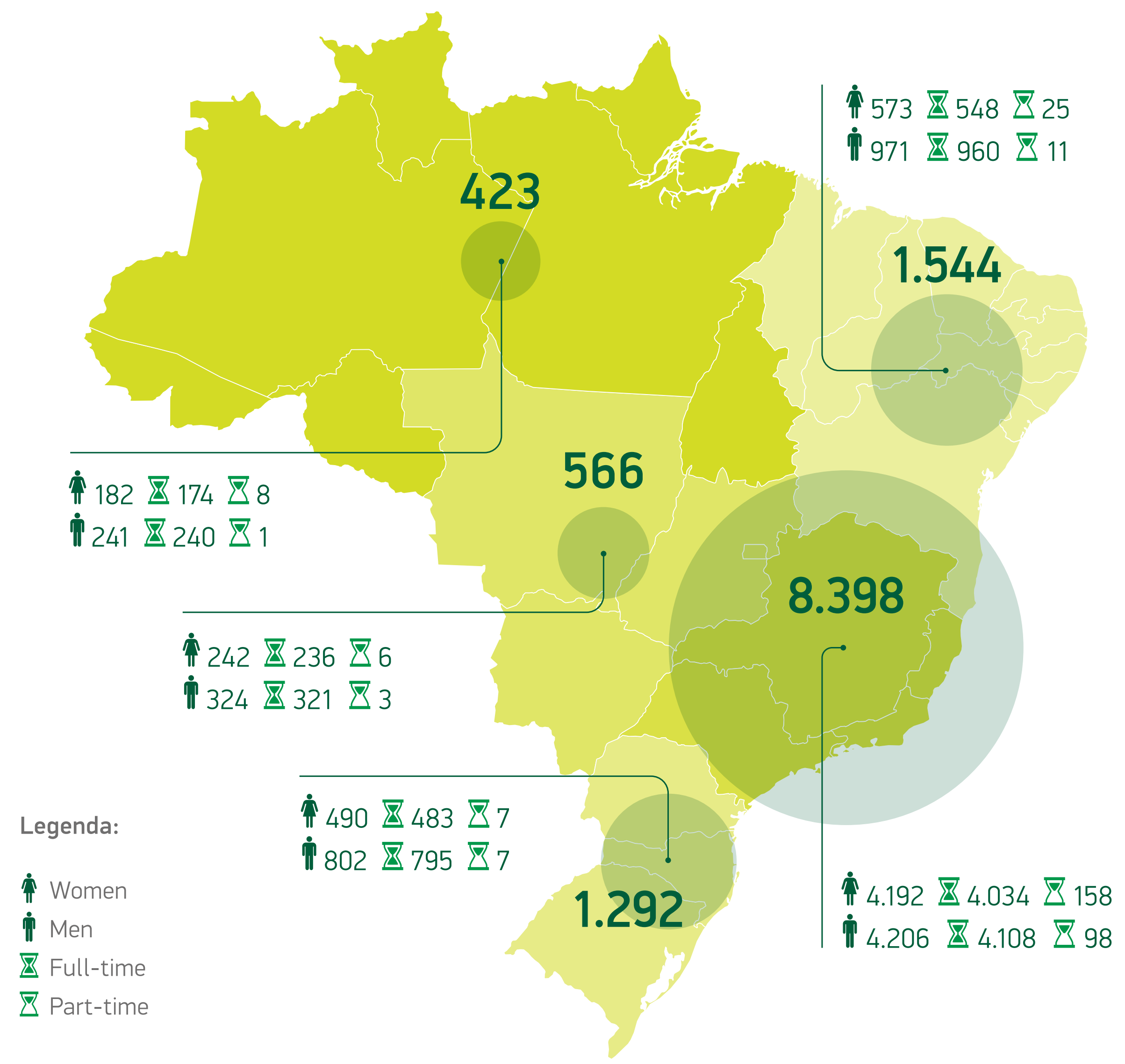
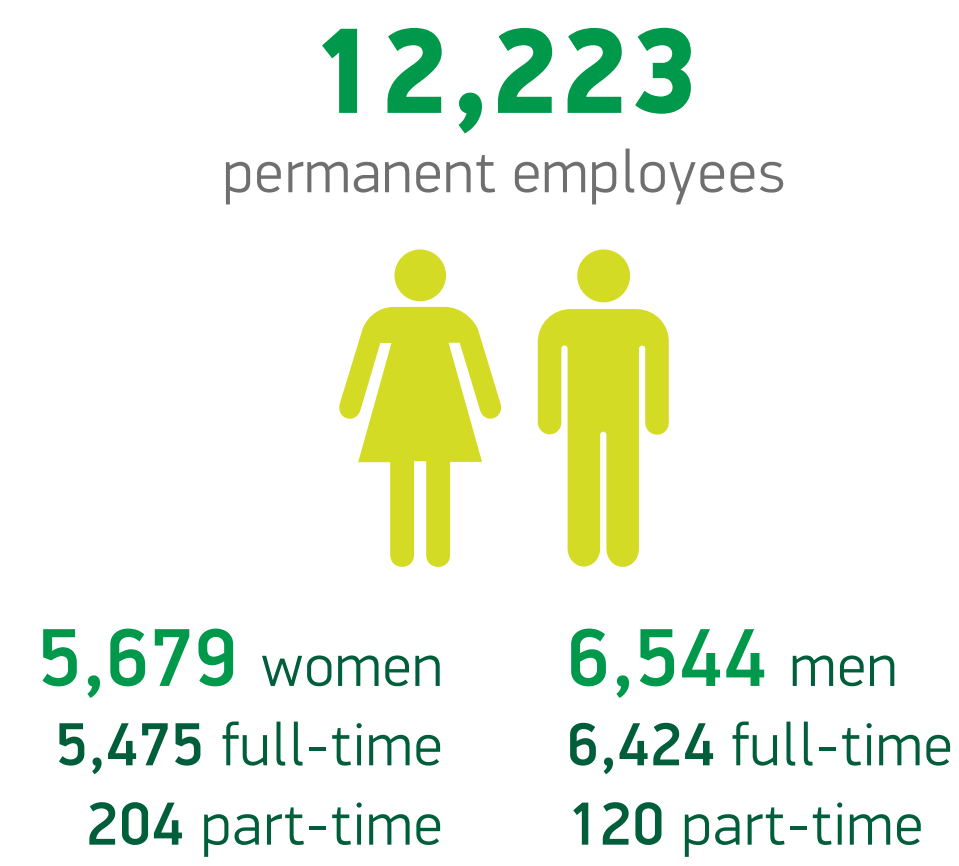
04

OUR EMPLOYEES

GRI 2-7 | 2-8 | 405-1

Localiza is made up of people who inspire and transform.

We have a team that works with passion day after day to build a more sustainable future. Whether in stores, branches or offices, our employees experience an increasingly agile management, with structured career plans, the possibility of flexible working hours, health and well-being care, in addition to a corporate culture that values diversity, respect and the inclusion of all.





Our team's employees, following the experience period, work with a contract without a fixed period. In addition to them, Localiza also has a staff of interns in the operation, whose operating model lasts for up to two years and is characterized by a development program. Our main objective is to promote the professional career of each of these talents, who experience their first contact with the corporate world, making them capable of taking on the

Company's future challenges and contributing to the advancement of the green-blooded team.

Additionally, we have 637 outsourced workers in our operations, who work on the IT, administrative and apprenticeship fronts.

GENERAL INTERNS PROFILE

Region	Women	Men	Total
Southeast	35	69	104
South	1	7	8
Overall Total	36	76	112

FULL-TIME INTERNS*

Region	Women	Men	Total
Southeast	32	57	89
South	1	7	8
Overall Total	33	64	97

PART-TIME INTERNS*

Region	Women	Men	Total
Southeast	3	12	15

*Those who work six hours a day were considered full-time interns, and those who work four hours a day were considered part-time interns.

TEAM DIVERSITY

Functional category	Gender		Age		
	Women	Men	< 30	Between 30 and 50	> 50
Apprentice	63%	37%	100%	0%	0%
Operational	34%	66%	27%	68%	5%
Administrative	71%	29%	40%	55%	5%
Trainee	67%	33%	100%	0%	0%
Technician/supervision	44%	56%	26%	70%	4%
Leadership/coordination	41%	59%	7%	84%	9%
Management	27%	73%	4%	82%	14%
Board	9%	91%	0%	73%	27%

Women make up 50% of the leadership, when adding up the supervision, leadership/coordination, management and board categories.

PEOPLE DEVELOPMENT AND RETENTION

GRI 202-2 | 401-1 | 401-2 | 401-3 | 404-1 | 404-3

Universidade Localiza

Universidade Localiza acts with the purpose of driving employees' development with content that promotes connection with our culture and strategy, stimulating continuous learning, leadership, innovation and career mobility.

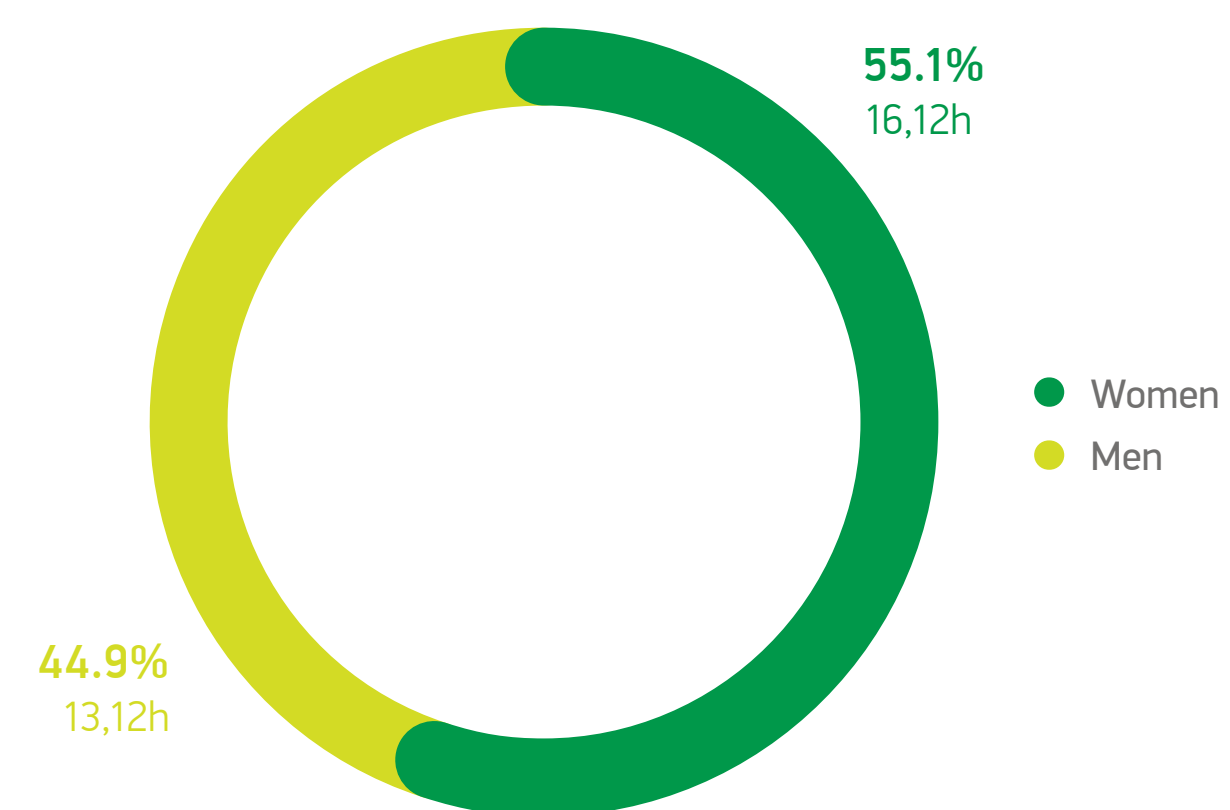
Our education model is segmented by Academies and learning profiles, as shown below. Each profile goes through two Learning Journeys designed and made possible by the University, that is, Essential Journey and Complementary Journey. It is worth mentioning that our average NPS, evaluated by the employees, is 94 points.

- **Leadership:** actions aimed at all the Company's leaders;
- **Individual Contributor:** actions aimed at analysts and specialists;
- **Business:** actions aimed at service, sales and operations employees;
- **Professionals:** actions aimed at the public of assistants and administrative staff;
- **LocalizaLabs:** activities aimed at the Tech public.





AVERAGE HOURS OF TRAINING BY GENDER



196 thousand hours
of training offered
in 2021



AVERAGE HOURS OF TRAINING BY FUNCTIONAL CATEGORY

Functional category	Women	Men	Total Average
Apprentice	2:12:00	2:11:00	2:12:00
Intern	8:40:00	11:05:00	10:15:00
Trainee	22:50:00	20:55:00	22:20:00
Service	20:18:00	14:37:00	19:15:00
Sales Team	10:11:00	11:37:00	11:08:00
Operations	13:03:00	13:30:00	13:27:00
No Journey Profile	12:50:00	-	6:25:00
Individual Employee	24:11:00	28:50:00	26:30:00
Professionals	9:06:00	9:58:00	9:24:00
Supervision	17:11:00	12:38:00	15:17:00
Executive Director	4:00:00	3:45:00	3:47:00
Senior Leadership	20:52:00	13:29:00	17:00:00
Total Average	16:12:00	13:12:00	14:34:00

MAIN PROGRAMS AND TOPICS COVERED

DIVISIONAL, REGIONAL AND DISTRICT PROGRAMS

Support to leaders in management and business challenges in order to strengthen their leadership skills. To this end, the program is based on three pillars: Culture, Business and Management

SUPERVISORS PROGRAM

Support in the development of leaderships through the improvement of existing skills, as well as in the promotion of new competences for the improvement of processes

WE LABS PROGRAM

Promotion of educational actions to "create a high-performance environment with productivity, engagement, motivation and attractiveness for digital talent"

DIVERSITY PROGRAM

Engagement in Diversity and Inclusion themes in the Essential Journey of newly hired employees (value of diversity, unconscious biases, inclusive leadership, among others

KNOWLEDGE FACILITATORS PROGRAM

Dissemination of strategic and critical knowledge from volunteer employees, who act as facilitators for learning new skills

ESSENTIAL LEARNING JOURNEYS

Consolidation of development actions for the dissemination of DNA Localiza (institutional, business and culture) and performance in the function

COMPLEMENTARY LEARNING JOURNEY (PDI)

Customization of actions for the development and protagonism of the employee through the construction of a PDI, together with the leader

MKT TECHNICAL TRACK

Development of a technical track for RAC's Marketing Board, focusing on: continuous learning, greater efficiency, productivity, customer satisfaction, team engagement and retention, and climate improvement



Talent Retention

At the same time, we understand that the retention of the best talent involves both the development of their careers and opportunities, as well as the recognition of good results. In 2021, we renewed the benefits program, with increases in the Day Care Allowance, Food Stamps, Meal Tickets and allowance for Remote Work, as well as the permanence of Medical and Dental Assistance, Discount Club, Gym Agreement, among others.

Another important achievement on the gender equality front, linked to our **Diversity and Inclusion Program**, was the adhesion to the **Citizen Company Program**, in December 2021, which extends maternity leave for another 60 days and paternity leave for another 60 days; 15 days beyond the period provided by law.

In addition, we carry out continuous monitoring, which takes place through mentoring, conversations with Localiza's Business Partners, annual performance evaluation (learn more on page 60) and constant reviews of salary increases and promotions by our responsible committees, in order to guarantee the next professional step of each employee according to their performance and deliveries. In this way, we believe that it is possible to **engage each and every one of those who work with us** daily, who have the opportunity to develop their professional talents and contribute to the future of sustainable mobility.

During 2021, we stabilized the Company's turnover at 15%, an index that we consider to be quite optimistic.

Hiring

EMPLOYEES HIRED BY GENDER

	No. of hires	Hiring rate
Women	1,682	0.3
Men	2,161	0.33
Total	3,843	0.31

EMPLOYEES HIRED BY REGION

	No. of hires	Hiring rate
North	117	0.28
Northeast	476	0.31
Midwest	179	0.32
Southeast	2,606	0.31
South	465	0.36
Total	3,843	0.31

EMPLOYEES HIRED BY AGE GROUP

	No. of hires	Hiring rate
Below 30 years old	1,491	0.39
Between 30 and 50 years old	2,250	0.29
Over 50	102	0.19
Total	3,843	0.31

OXYGEN PROGRAM

In 2021, we held another edition of the **Oxygen Program**, with the objective of promoting the development and career acceleration of individual junior and full-time contributors from the matrix, strengthening our talent retention process.

After a selection stage, which, in this edition, selected 33 employees, a robust path of skills and projects development began, which will be completed in August 2022.

Turnover

EMPLOYEES WHO LEFT THE COMPANY BY GENDER

	No. of terminations	Turnover rate
Women	1,069	0.19
Men	1,818	0.28
Total	2,887	0.24

EMPLOYEES WHO LEFT THE COMPANY BY REGION

	No. of terminations	Turnover rate
North	130	0.31
Northeast	387	0.25
Midwest	168	0.30
Southeast	1,808	0.21
South	394	0.32
Total	2,887	0.24

EMPLOYEES WHO LEFT THE COMPANY BY AGE GROUP

	No. of terminations	Turnover rate
Under 30 years old	922	0.24
Between 30 and 50 years old	1,853	0.24
Over 50	112	0.20
Total	2,887	0.24



MATERNITY AND PATERNITY LEAVE IN 2021

	Women	Men
Employees who were entitled to take advantage of the leave	5,679	6,544
Employees who took leave	210 (141 returning in 2021)	195 (189 returning in 2021)
Employees who returned to work after their leave ended in 2021	196	187
Return rates	0.99	0.99
Employees who have completed 12 months after returning from leave in 2021	180 (180 would complete one year after returning in 2021)	183 (185 would complete one year after returning in 2021)
Retention rate	1.00	0.99

Talent Attraction

In 2021, we continued our Entry Programs, whose objective is to attract new talents that match Localiza's culture: a strong, dynamic culture, committed to extraordinary results and that works towards an increasingly sustainable mobility. Not only with the aim of attracting, the Entry Programs but also value the permanence of the selected groups, since the Company guarantees continuous monitoring and feedback. Check out the 2021 programs below:

- Internship Program;
- Trainee Program;
- Branch, Store and Operations Trainee Program **(new)**;
- Young Apprentice Program;
- Digital Talents Program.



Performance Evaluation

To ensure that each green-blooded person has the possibility to expand their career in a promising and consistent way, enhancing talents and improving gaps, we carry out an annual performance evaluation, consisting of the monitoring of the management contract and the assessment of competence. The project stages consist of the manager's self-assessment, evaluation and formal feedback and, soon after, the joint construction of a current development plan until the next cycle, subject to route adjustments, when necessary. This plan includes technical training to improve employee activities, as well as mandatory training on Localiza's culture, safety and compliance. The result of this evaluation is the metric used to pay the employees' profit sharing.

In 2021, the assessments took place in an online model and had the participation of 91% of employees, representing 100% of employees eligible for the process in 2021. Check it out in detail:

PERCENTAGE OF EMPLOYEES WHO UNDERWENT A PERFORMANCE ASSESSMENT

Functional categories	Women	Men	Total
Professional	94%	92%	93%
Contributor	91%	90%	90%
Leader	98%	97%	97%
Total	91%	91%	91%

Care during the pandemic

With the continuity of the coronavirus throughout 2021, Localiza focused its efforts on maintaining and improving all the care and safety protocols that have been applied since 2020. **We created and developed measures to ensure the physical and mental health of our employees, caring even for their family members.** Since the beginning of the pandemic period, our corporate team has been working remotely, while the teams at stores and branches, whose activities require face-to-face work, have followed all the Organization's health, hygiene, distancing and protection protocols. World Health Organization (WHO), which are reinforced and monitored daily by our leadership. Even so, employees in risk groups were removed without any salary loss.

Based on a digital “vaccinometer”, Localiza has broadly encouraged all its employees to be vaccinated against the coronavirus in 2021, in addition to monitoring the advance in vaccination rates.



TELEMEDICINE – Saúde 24 horas allows employees and their dependents to ask questions about covid-19 anytime and anywhere in the country. If they present any symptoms of the disease, they can enter a teleconference with specialized doctors for further guidance.

CUIDANDO DE VOCÊ - Specific channel to disseminate information about the coronavirus, with data from internal initiatives, news about the pandemic and services available to employees.

FUNCTIONAL CARD – Through this card, our employees obtained special conditions in the purchase of medicines in several pharmacies in the country, with discounts of up to 80%.

WELLBEING SURVEYS – Conducted weekly, the surveys helped us understand how employees were adapting to remote work and how they felt physically and emotionally.

ACOLHER PROGRAM – Created to offer financial, legal and psychological guidance to employees and their dependents, with confidential service available 24 hours a day.

HEALTH INSURANCE EXTENSION - Employees who left the Company in 2021 had the right to use the health insurance for another three months.

FINANCIAL SUPPORT – We remain attentive to the possible financial difficulties of our employees, due to unforeseen expenses during the pandemic. Thus, we created an interest-free loan system through a credited amount that corresponded to an employee's salary.

Climate Survey

As a result of these various initiatives aimed at developing, retaining and caring for each green-blooded employee, we were able to achieve a 97% adherence rate in our 2021 organizational climate survey, whose overall favorability reached the 85% mark. This result keeps us, once again, in the 90 percentile of Korn Ferry, which means that we are among the 10% of companies with the best internal climate in the country.

It's worth mentioning that this was the first year in which we evaluated the perception of employees through the Company's performance on the topic of Sustainability, based on the following statement: “Localiza is committed to promoting Sustainability (in environmental, social and governance issues) in its processes, culture and way of being and doing.” We reached a favorability index of 94%, evidencing our progress and improvement in ESG practices over the last few years.

In addition, the favorability in relation to the Diversity and Inclusion item grew nine points compared to 2019 and one point compared to 2020, reaching a total of 96%.

During 2021, Localiza saw an increase in its employees “pride to belong,” according to the Climate Survey, which reflects the care taken by the Company and senior leadership.

DIVERSITY, INCLUSION AND HUMAN RIGHTS

GRI 2-20 | 405-1 | 412-3

Taking care of people is valuing who they really are. It's learning, respecting and embracing differences. It's reinforcing our commitment as a citizen company, being the protagonist of the changes we want to promote in society. We work to provide a psychologically safe, diverse and inclusive environment with a high performance team, engaged and proud to belong.

For this purpose, in 2021, we further accelerated our **Diversity and Inclusion Program**, created in 2020, which is based on five priority fronts: gender equity, LGBTI+, people with disabilities, migrants and people in refuge, and race, all of which are composed of affinity groups. Furthermore, in order to advance strategically and consistently, the program has a **Diversity and Inclusion Committee**, which is sponsored by the People Director, Daniel Linhares, and the Legal and Institutional Relations Director, Suzana Fagundes, in addition to eight other members.

AFFINITY GROUPS

Each group is formed by a leader, a co-leader, volunteers and allies and a godfather or godmother. The leaders and co-leaders are defined based on a careful selection process, which takes into account living with the reality of the priority front in question. The positions of volunteers and allies are open to anyone who wants to participate.

The purpose of each group is, therefore, to develop actions that can permeate different areas of the Company, such as recruitment and selection, communication, culture, training, development, benefits and employee experience.

In 2021, we put into practice the actions deliberated in 2020.



Find out more about the actions carried out in the period for each of the priority action fronts below:

GENDER EQUITY: Localiza has an extensive history of approaching the subject, always reinforcing information and awareness guidelines, as well as affirmative practices and structuring actions to promote more equity.

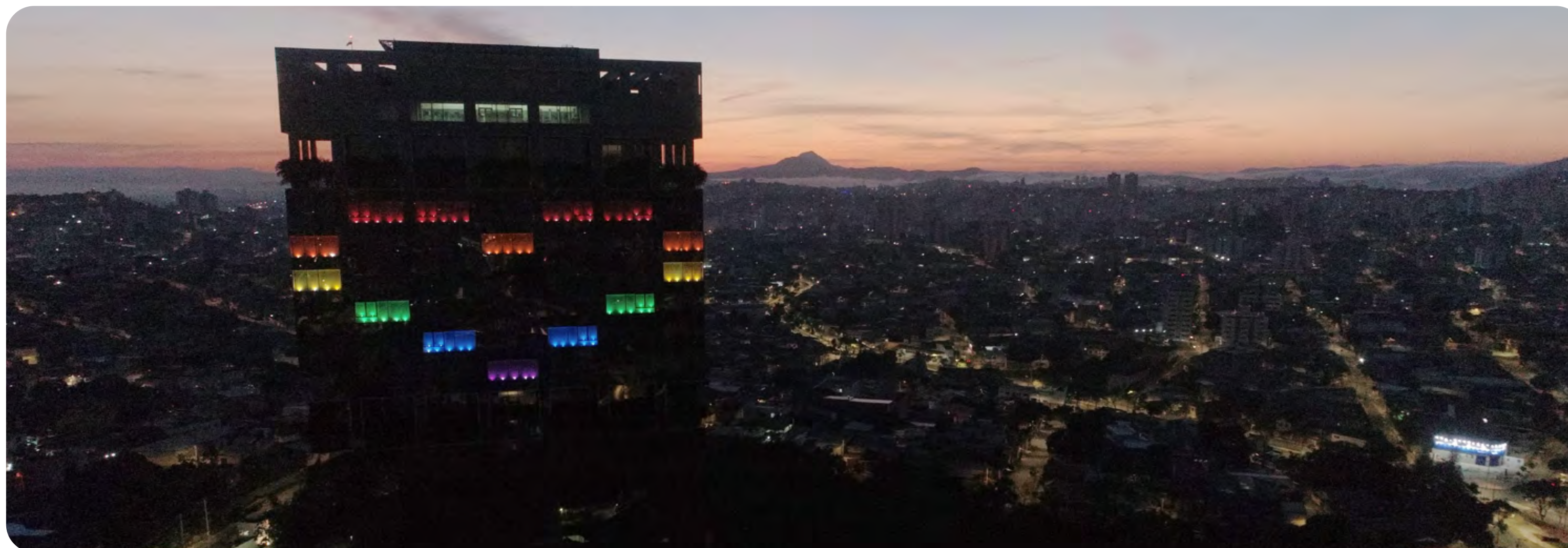
Currently, **women represent 46% of our employees and 50% of management positions**, but we know that we have a long way to go, because as leadership positions become more seniors and closer to the top of the hierarchy, the number of women also drops significantly compared to men.

Our operating strategy is to reduce this gap over the years, in addition to promoting an increasingly stronger equity culture. Several actions were put into effect during 2021, some of which are:

- Adherence to the UN Women's **Women's Empowerment Principles**;

- **Podcast Eles com Elas**, which featured chats on current issues for gender equity;
- **Women's month Campaign**, in which we address reflections and bring information and development for a more inclusive culture;
- **Live with female market leaders**;
- **Mulheres na Cor**: social program carried out together with Instituto Localiza to develop vulnerable women in the automotive body shop and painting area, thus increasing employability and gender equity in the car maintenance sector;
- **Garota Tecnológica**: social program carried out together with Instituto Localiza to arouse the interest of high school girls, on the outskirts of Belo Horizonte, in the area of technology (the project took place through virtual classes);
- **Strengthening the hiring of women as van drivers**, a position previously held mostly by men;
- **Launch of the extended maternity and paternity leave benefit**, with the Company joining the Citizen Company Program.





LGBTI+: Localiza has been a signatory to the LGBTI+ Business and Rights Forum since 2020, and has been working to make further progress in the ten commitments related to the topic. To this end, we have developed a series of actions throughout 2021:

- **Review of the Benefit Policies**, aiming to bring inclusion and clarity of information to the specificities of the LGBTI+ public, which resulted, for example, in the partnership with psychologists specialized in the subject;
- Review of processes and improvements for registering the **social name** of employees;

- **Conversation on trans issues**, on Trans Visibility Day;
- **Campaign and engagement actions on the LGBTI+ Pride Day**, with content aimed at combating LGBTphobia;
- **Active participation of our CEO in the meetings** of the LGBTI+ Business and Rights Forum;
- **Inter-sectional conversation wheel on LGBTI+ and race issues**;
- **Public position on PL504** – a bill that represented a setback in terms of inclusion.

DISABLED PEOPLE: In 2021, continuing the hiring and inclusion program, we have revalidated our internal processes and formulated new precautions, such as:

- Strategy with the partnership areas for **attractiveness and increase in the hiring and retention** of people with disabilities;
- **Mapping of the main physical and digital needs** of our employees, interfering with jobs whenever necessary;
- **Availability of adapted cars** for rent;
- **Actions to raise awareness** in the month of the Fight for People with Disabilities and Down Syndrome Day;
- **Launch of the Libras course** at Universidade Localiza;
- **Launch of the Mobiliza Program**, to encourage physical activity, with exclusive prizes for People with Disabilities.

MIGRANTS AND PEOPLE IN REFUGE: Since 2016, in partnership with NGOs, the Company has had a program to hire migrants or people who arrive in Brazil in a refugee situation. We ended 2021 with 128 immigrants in our workforce, covering 24 nationalities. With the objective of guaranteeing the inclusion and reception of this public in Localiza, we put the following actions into practice:

- **Adherence to the Business with Refugees Forum** of the UN Refugee Agency (UNHCR);
- **Launch of “Cultural Diversity Ambassadors,”** a program that aims to prepare volunteer employees to provide constant support to immigrants;
- **Hiring a bilingual attendant on #FaleComAGente,** our employee service channel;
- **Translation of basic track training** for new employees;
- **Partnership with several NGOs** for greater attractiveness and **hiring of immigrants** and people arriving in refugee situations, such as SJMR Brasil – Jesuit Service, Migrants and Refugees, ADUS and Refúgio 343;
- **Conversation circle with immigrants;**
- **“Getting to Know More about the Immigrant”** action, to disseminate the stories and culture of migrant employees;
- **Action to welcome and support** immigrants coming from the Republic of Haiti, right after the earthquake in the country.

RACE: We work with the objective of promoting racial equity and an anti-racist culture through awareness campaigns, training, process improvements and specific development programs. We operate through various initiatives, such as:

- **Adherence to the Business Coalition for Racial and Gender Equity;**
- **Launch of Pluraliza:** pilot program for the development of black people in the Reservations and Customer Assistance Center
- **Conversation circle** on the Fight Against Racial Discrimination Day;
- **Campaign with testimonies** on Black Consciousness Day;

Localiza has taken a leap in terms of diversity and inclusion, promoting cultural change from the inside out.

All the Company's investment processes, that is, the purchase of companies, undergo integrity due diligence to understand and assess risks present in the relationships between Localiza and potential suppliers, franchisees and partners. Any notes are, therefore, evaluated by our competent bodies, and their approval depends on the analysis of results based on the highest transparency and ethics criteria present at Localiza.



Employee Compensation

We know that the compensation process is an important factor for the retention and satisfaction of our employees, so Localiza works with a periodic **review of salary ranges compared to the market**, in order to guarantee an increasingly fair and competitive environment, that always complies with the established laws in force.

RATIO OF BASE SALARY AND REMUNERATION RECEIVED BY WOMEN AND THOSE RECEIVED BY MEN IN 2021 (STATUTORY DISREGARDED)*

GRI 405-2

Functional Group	Base salary	Average Remuneration
	Proportion**	Proportion**
Apprentice	0.98	0.98
Operational	1.26	1.24
Administrative	0.99	0.99
Trainee	0.97	0.97
Technician/supervision	0.92	0.80
Leadership/coordination	0.99	0.90
Management	1.00	0.97
Board	0.85	0.86

*For the average remuneration, we consider: fixed and variable remuneration, vacations and 13th salary.

**The proportion represents the average salary/compensation of female employees in the category by the average salary/compensation of male employees in the same category.

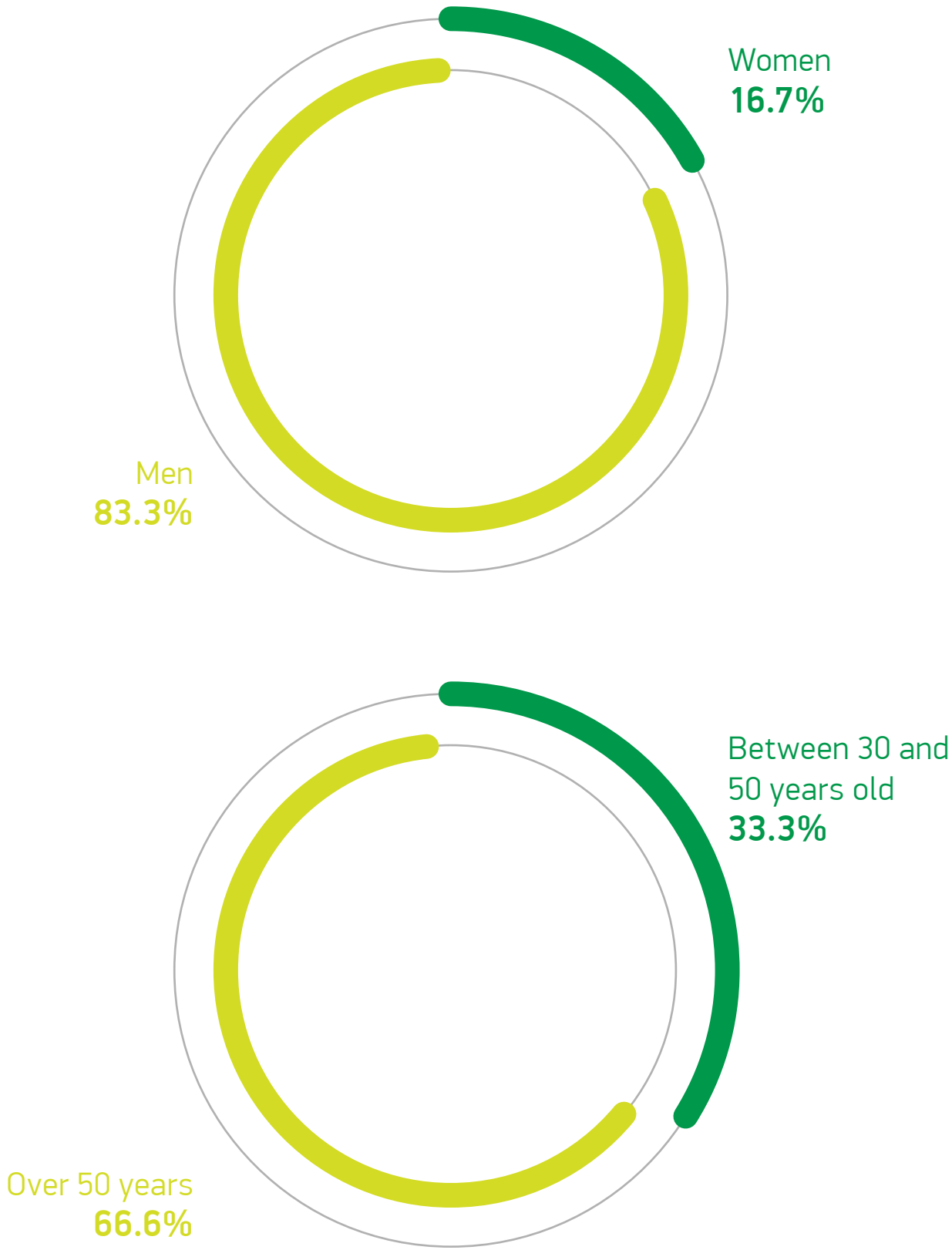
We follow a compensation management policy in which positions are evaluated based on their complexity and scope of work. From there, a salary range is determined for each hierarchical level with the objective of shielding inequalities between genders. The lower representation of women in some categories can impact the average remuneration proportion calculation. In the board category, for example, we have boards with different scopes and complexities and the predominance of men in more complex boards.

VARIATION BETWEEN THE LOWEST WAGE AND THE MINIMUM WAGE BY GENDER (R\$)

GRI 202-1

	Women	Men
Lowest salary paid by the Company	R\$1,100.00	R\$1,100.00
Minimum wage determined by legislation or union	R\$1,100.00	R\$1,100.00

BOARD OF DIRECTORS PROFILE



CARE IN RELATIONSHIPS

SOCIAL DEVELOPMENT

GRI 203-2

With the worsening of the pandemic during the first half of 2021, our community-oriented social development actions and campaigns became even more necessary.

Caring about people is a value for Localiza.

Through the Company and Instituto Localiza, we make **donations that encourage culture, health, education and leisure, in addition to assisting children, young people and adults in vulnerable situations**. An example of these initiatives is the partnership with Instituto GM, in Manaus – AM, in which we contributed R\$ 25,000 to a project that distributed more than 1,000 food baskets in the outskirts of the city. In Belo Horizonte (MG), we supported the Divina Providência System with R\$ 120,000 for the reception of 1,300 families with regard to the monthly delivery of food and psychosocial support.

Another R\$ 191,000 was donated to social organizations to support them in their activities, including Fundação Benjamim Guimarães, Movimento Brasil Competitivo, Instituto Millenium, Instituto Minas pela Paz and Junior Achievement – Minas Gerais.



In 2021, **we also donated 2.5 tons of fabrics and accessories to Instituto Minas Paz**, which, in its joint actions with the Association for the Protection and Assistance of Convicts (APACs), served as a basis for the manufacture of clothing, bedding and table pieces. In addition to benefiting production in APACs, the initiative favored **professional training, income generation and work for program participants**. The female APACs of Belo Horizonte, Conselheiro Lafaiete, Governador Valadares, Itaúna, Pouso Alegre, Rio Piracicaba, São João del Rei, as well as the male APAC of Nova Lima were benefited.

These donations and financial partnerships totaled R\$ 2.7 million, of which around R\$ 1.5 million comes from tax benefits through the following incentive laws:

- Childhood and Adolescence Fund (R\$ 750 thousand donated);
- Elderly Fund (R\$ 750 thousand donated);
- Pronas (R\$ 62.5 thousand donated).

The institutions with benefited projects were *Fa.vela* and Junior Achievement, in Minas Gerais; the Alternative Technology Service (Serta) and the Pernambuco Development and Citizenship Center; and APAE Altamira, in Pará.

Furthermore, Localiza's efforts to contribute to social development in this period were also present in support actions for the publics that permeate our business. We granted the anticipation of receivables to more than two thousand suppliers, an important measure that aimed to collaborate with the financial health and cash flow of our partners in times of a pandemic.

It's worth noting that in 2021, the Company had a volume of around 4,250 suppliers of active workshops (including mechanical, bodywork and painting workshops, and tire services), and, based on the SEBRAE-SP surveys, the average number of employees per workshop in Brazil is 7.88, which, if replicated in the context of Localiza, leads to a positive impact on more than 33,500 lives.

All these actions contributed to the source of income for thousands of families, helping the economy and the development of the local community.

PLR DO BEM

In 2021, Localiza launched a social action to encourage its employees to donate 1% of what they received from their annual PLR (profit sharing). On this side, we are committed to doubling the sum of these donations.

We are proud to announce that, at the end of the stipulated period, we had more than R\$ 513 thousand donated by more than three thousand green blood employees, which resulted in a final amount of more than **R\$ 1 million for Instituto Gerando Falcões**. Through the Panela Cheia campaign, we serve 20,000 families in situations of food vulnerability in the peripheral regions of Brazil.

Together we make a difference.





GRI 2-29 | 413-1



Instituto Localiza started its activities in 2021, with the purpose of uniting people for social transformation

We seek to develop initiatives that could reach young people in situations of social or economic vulnerability, especially those who were in places with high rates of unemployment or youth violence and low school performance in high school.

Aiming at the intersection between the aspirations of young people and the economic activities linked to the Localiza ecosystem, we reach the themes that are

transversal to our work, namely: **technology, culture, audiovisual, mobility, tourism and gastronomy.**

For this reason, we defined our promotion of projects linked to these themes and convergent with the two pillars that are the basis of the Institute's purpose:

1. Education translated into technical training for the job market and the entrepreneurship sphere;
2. Productive inclusion and job opportunities with the aim of generating resources.

Through a process that involved the active listening of 43 social organizations and more than 1,000 employees, Instituto Localiza understood the importance of investing in areas normally not reached by resources.

We launched the first Public Notice of the Institute: Juventude em Movimento – Productive inclusion of young people, whose result was published on December 9, 2021.

We selected 24 projects, serving the most varied audiences in different regions of Brazil, with a total contribution of R\$ 2.5 million. In addition to the quarterly disbursements to the projects, which will continue throughout 2022, the Institute's premise is to encourage the exchange of experiences between the executing organizations and contribute to processes of management strengthening and monitoring the impact generated by the projects. Find below the categories and details of the investment:

RECOGNIZE CATEGORY



Recognizes consolidated strategies and methodologies of initiatives that already have proven expressive results and that can be replicated



Value by project: R\$ 400,000.00



Selected project: IOS Recife (Instituto Oportunidade Social)

QUALIFY CATEGORY



It qualifies initiatives with proven or innovative methodologies, which need resources to be leveraged and increase their social impact



Value by project: R\$ 200,000.00



Selected projects: Generation Brasil: Java Jr Full-Stack Developer Classes in Recife (Generation Brasil) | • Recode Pro (Recode) • Cozinha do Amanhã (Instituto Capim Santo)

DRIVE CATEGORY



It drives initiatives at an early stage of execution, with good potential for impact, that need resources to better structure themselves to achieve their goals



Selected projects: Juventude Empreendedora Project: Pimenta do Reino Culinary School (Cáritas Teresina) • Mulheres de Corpo e Alga (FBC) • Impulsionando sonhos: qualifications and guidelines for favela micro-entrepreneurs (Associação Arca de Noé de Apoio Social) • Um Novo Amanhã (Ambulatório da Providência) • Motivar Technology and Employability Hub (ABFBB-Motivar Project) • Sowing and driving youth protagonism in the mid-backwoods of Paraíba (Centro Semear) • Juventude Qualificada (Casa do Menor Trabalhador de Natal) • Prosperar - gastronomic training and income generation for people with disabilities (Instituto Social Pertence) • Futuro Digital (Instituto PEB) • Novos Caminhos (Apae Marau)



Value by project:
R\$ 100,000.00

FOSTER CATEGORY



Fosters experimental initiatives, with innovative potential, that need resources to be executed



Selected projects: Vambora andar, São João! (Associação Casa de Maria) • Mais Sertão Mais Vida – Community-based tourism in the northeastern semi-arid region (Instituto Novo Sertão) • Apoie um Ar(u)tista (Associação Pais e Amor) • Employability and Social Inclusion (APABB) • MBM Projects (Black Money Movement) • CONECTE – Programando o Futuro (Instituto Futebol de Rua) • Digital Marketing Course for young artisans of Imperatriz (Instituto Tatajuba) • Vivência dos Saberes (Instituto Estrada Real) • Me leva - Professional qualification (CEDHOR) • Empreender Nato Project – generating income with craft creation (Associação Artesanal Chitarte de Cachoeira Bahia)



Value by project:
R\$ 50,000.00

There were 444 projects from all regions of Brazil enrolled in the first Public Notice of Instituto Localiza.

With the same enthusiasm, internal areas of the Company were mobilized throughout the year and called on the Institute to act as a partner in other social actions, such as Localiza's Reservations Center, with the **Na Rota** program, for training and hiring residents of the communities neighboring the headquarters for customer service positions, which benefited ten young people from the community. Localiza Labs also had a partnership with the Institute for the **Garota Tecnológica** (Technological Girl), to mobilize public school female students for a project focused on teaching technology. After the success of the first year, the female students will move on to a deeper stage in 2022, always aiming to prepare them for the job market.

We also have other partnerships, such as the one carried out with AkzoNobel, one of those responsible for the **Mulheres na Cor** project, which promoted the training of women, in situations of vulnerability, in the practice of automotive bodywork and painting, a segment mostly occupied by men: this action enables greater progress in terms of gender equity in the automotive repair sector. Finally, we could not fail to mention Localiza's support, under the Institute's management, to the program carried out by the Management Development Foundation (FDG) which, during 2021, developed a process to improve teaching-learning with the Elementary School of 1,009 public schools of Minas Gerais, reaching 370 thousand students and more than 35 thousand education professionals. The project presented significant



results in the diagnostic evaluation of the Secretary of Education of the State of Minas Gerais, contributing to the increase in the average performance of students compared to previous years.

From now on, we will monitor the development of the 24 projects selected in the public notice, which will have full autonomy and support from the Institute in the next period, in addition to continuing to work tirelessly to ensure that Localiza is a protagonist in the construction of a more just, egalitarian and sustainable society.

Our focus is on promoting actions that are increasingly more structural and less one-off.

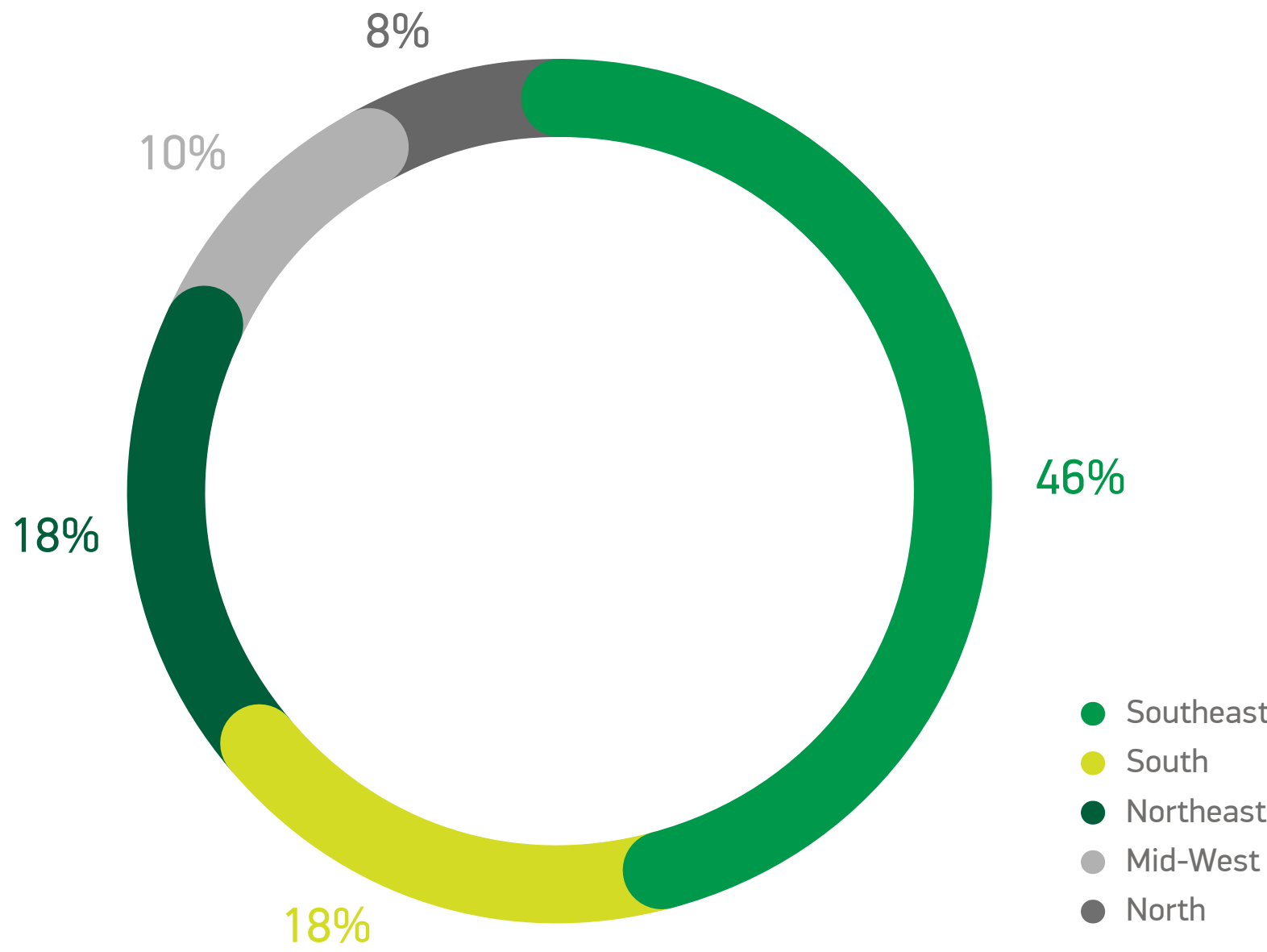
DISSEMINATING GOOD PRACTICES

GRI 2-6 | 2-29

Our suppliers and partners are important agents in achieving our business goals, working together with Localiza because they are aligned with our purpose of achieving the future of sustainable mobility.

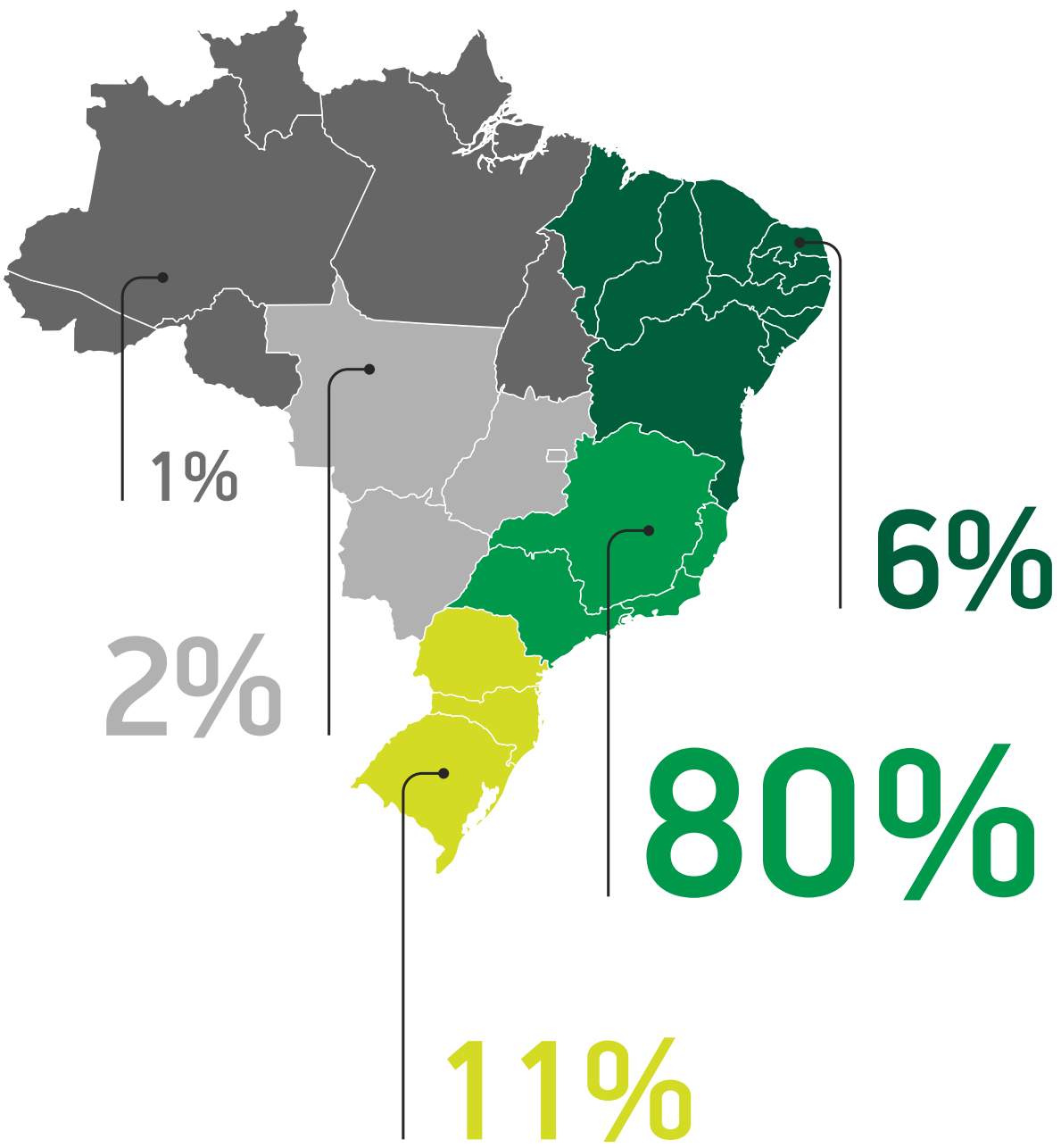
From the moment of hiring, and throughout our partnership, these stakeholders are aware of the criteria for action and socio-environmental responsibility that govern us. Currently, our supply chain is divided between direct and indirect suppliers. Direct suppliers are automakers and partners responsible for car maintenance (mechanical workshops, sale of parts and accessories, bodywork, painting, washing and other services for the fleet), while indirect suppliers refer to the Company's consumables and fixed assets.

DIRECT SUPPLIERS DISTRIBUTED BY REGION



We have **9,158** direct suppliers distributed throughout Brazil, moving a total of **R\$ 7.6 billion**

700 indirect suppliers



We always carry out a thorough technical evaluation in order to guarantee the operational capacity and all the necessary documentation for the most varied activities, in addition to verifying that the partner organization complies with the protection of Human Rights. Not only, with the aim of strengthening our medium and long-term relationships, in 2021, the Company's Compliance area carried out a series of training sessions with its partners, focused on anti-corruption and anti-bribery policies.

Also during this period, we offered training on cost management and market news for mechanic shop partners, an initiative focused on promoting their development during this period of greater instability.

It's worth mentioning that we prioritize suppliers close to the branches, aiming to contribute to the local economy, as well as to the social development of the region, in addition to establishing broad and open communication, through channels such as the Suppliers' Portal (a platform on which we also carry out feedback and satisfaction surveys), specific phone and email, and recurring visits from our team.



Hiring car maintenance providers close to the branches, in addition to contributing to the local economy, also speeds up fleet repair time, reduces fuel consumption and reduces the risk of fines, accidents and theft on long journeys with vehicles.

Value Chain

GRI 2-28

With the objective of guaranteeing the distribution of value to all our shareholders and stakeholders, we participate and support entities that work with the Localiza segment, even promoting a more sustainable development for the society in which we operate. In this sense, in 2021, we included the following organizations:

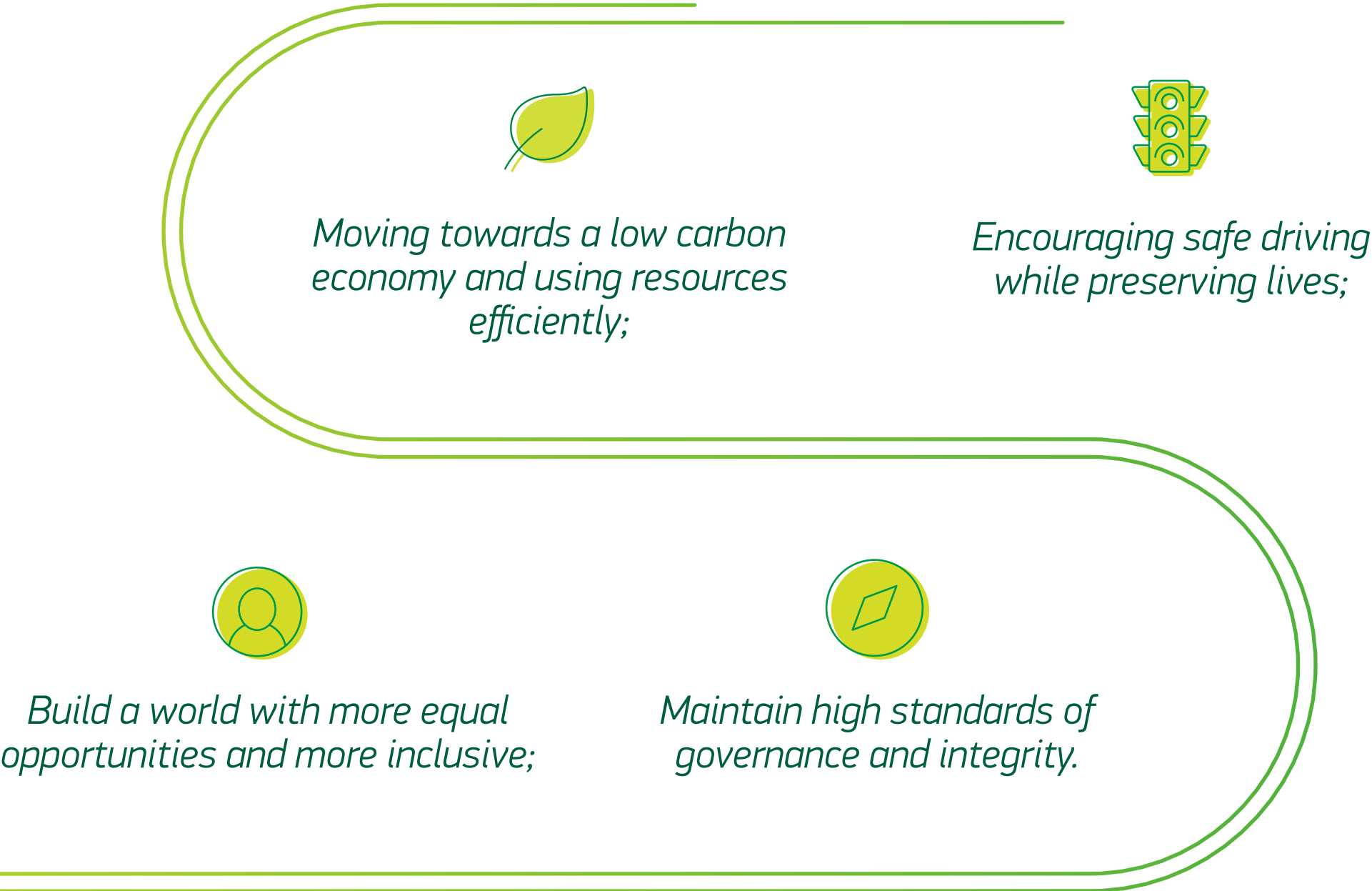
- **ABRASCA** – Brazilian Association of Publicly Held Companies;
- **ANAV** – National Association of Vehicle Rental and Fleet Management Companies (with a seat on the Board and participation in committees);
- **GETAP** – Applied Tax Studies Group;
- **IBGC** – Brazilian Institute of Corporate Governance;
- **ACMINAS** – Commercial and Business Association of Minas;
- **AMCHAM** – American Chamber of Commerce for Brazil;
- **ABERJE** - Brazilian Association of Business Communication;
- **ABF** - Brazilian Franchising Association;
- **FIEMG** - Federation of Industries of the State of Minas Gerais.

THE END OF A CYCLE AND THE BEGINNING OF A JOURNEY

The year 2021 brought a maturation and advancement in our ESG agenda.

Updating our materiality allowed us to expand our knowledge of the risks and opportunities of our activity and the structuring of ESG governance made it possible to improve the management rites, indicators, and goals.

This theme is certainly even more rooted in our culture and across the Company, with clarity and priority in our strategic choices, which are:



We have broken down the priority actions into goals that make up the incentive program of the leaders of each initiative and the company's senior leadership, demonstrating our search for increasingly extraordinary and lasting results.

We are moving forward in building the future of sustainable mobility, inspired by the results of 2021 and confident in the transformation journey that we have ahead.

[Click here](#) and contribute to our Sustainability Report answering a quick survey.

ATTACHMENTS

 **Localiza**

05



CONTENT MAP

GRI CONTENT SUMMARY

GRI DISCLOSURE	DESCRIPTION	DIRECT ANSWER/PAGE
The organization and its reporting practices		
2-1	Organizational details	Pages 08, 12 and 18
2-2	Entities included in the organization’s sustainability reporting	Page 08
2-3	Reporting period, frequency and contact point	Page 08
2-4	Restatements of information	There was none.
2-5	External assurance	This publication has not undergone external verification.
Activities and workers		
2-6	Activities, value chain and other business relationships	Pages 12 and 73
2-7	Employees	Page 53
2-8	Workers who are not employees	Page 53
Governance		
2-9	Governance structure and composition	Page 29
2-10	Nomination and selection of the highest governance body	Page 31
2-11	Chair of the highest governance body	The Chairman of the Company's Board does not hold executive functions. His attributions and powers are provided for in the regulations and in the Board of Directors' Internal Regulations.
2-12	Role of the highest governance body in overseeing the management of impacts	Page 31
2-13	Delegation of responsibility for managing impacts	Page 29
2-14	Role of the highest governance body in sustainability reporting	Page 08
2-15	Conflicts of interest	Page 36
2-16	Communication of critical concerns	Critical concerns are presented by the Compliance area to the Audit Committee, which reports directly to the Board of Directors, however the number of concerns raised, and the nature of the topics are confidential to the business. More information is available on page 36.

GRI DISCLOSURE	DESCRIPTION	DIRECT ANSWER/PAGE
2-17	Collective knowledge of the highest governance body	Pages 20 and 21
2-18	Evaluation of the performance of the highest governance body	Page 31
2-19	Remuneration policies	Page 30
2-20	Process to determine remuneration	Pages 30 and 63
2-21	Annual total compensation ratio	In 2021, the proportion of annual remuneration of the highest paid individual in relation to the average of other employees was 44.94x. When compared to 2020, the highest paid individual had an increase in annual remuneration 3.24x higher than the average of the others.
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Page 04
2-23	Policy commitments	Page 29
2-24	Embedding policy commitments	Page 24
2-25	Processes to remediate negative impacts	Pages 24 and 36
2-26	Mechanisms for seeking advice and raising concerns	Page 26
2-27	Compliance with laws and regulations	Page 36
2-28	Membership associations	Page 74
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Pages 27, 70 and 73
2-30	Collective bargaining agreements	98.75% of the Company's employees are covered by collective bargaining agreements. For the others (1.25%), without a union or without a collective bargaining agreement signed by the representative union, Localiza applies early readjustment and grants benefits in accordance with its internal policy.
Material Topics		
3-1	Process to determine material topics	Page 21
3-2	List of material topics	Page 21
3-3	Management of material topics	Page 21

SPECIFIC STANDARDS	DESCRIPTION	DIRECT ANSWER/PAGE
Economic disclosures		
Economic Performance		
201-1	Direct economic value generated and distributed	Page 19
Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Page 67
202-2	Proportion of senior management hired from the local community	Pages 33 and 55
Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	Pages 14 and 39
203-2	Significant indirect economic impacts	Pages 14 and 68
Procurement Practices		
204-1	Proportion of spending on local suppliers	100% of vehicle maintenance supplier spending, and more than 99% of supply supplier spending, is carried out nationally.
Anti-corruption		
205-1	Total number and percentage of operations assessed for risks related to corruption and significant risks related to corruption identified	Page 24
205-2	Communication and training about anti-corruption policies and procedures	Page 24
205-3	Confirmed incidents of corruption and actions taken	Page 24
Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices and main outcomes	There was none. Page 24
Environmental disclosures		
Energy		
302-1	Energy consumption within the organization	Page 44
302-3	Energy intensity	Page 44
302-4	Reduction of energy consumption	Page 44
Water and Effluents		
303-1	Interactions with water as a shared resource	Page 45
303-2	Management of water discharge related impacts	Page 45
Emissions		
305-1	Direct (Scope 1) GHG emissions	Page 42

SPECIFIC STANDARDS	DESCRIPTION	DIRECT ANSWER/PAGE
305-2	Energy indirect (Scope 2) GHG emissions	Page 42
305-3	Other indirect (Scope 3) GHG emissions	Page 42
305-5	Reduction of GHG emissions	Page 40
Waste		
306-1	Waste generation and significant waste-related impacts	Page 46
306-2	Management of significant waste-related impacts	Page 46
306-3	Total weight of waste generated in metric tons	Page 46
306-4	Total weight of waste diverted from disposal in metric tons	Page 46
306-5	Total weight of waste directed to disposal in metric tons	Page 46
Environmental Compliance		
307-1	Total monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and/or regulations	No cases of non-compliance with environmental laws and regulations. Page 40
Supplier Environmental Assessment		
308-1	Total monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and/or regulations	Understanding the importance of working with partners aligned with the Company's values, we are committed to measuring the percentage of suppliers hired based on environmental criteria from 2022 onwards, improving our management and value chain in relation to the topic (until 2021, Localiza had no data history for this indicator). It's worth noting, however, that all suppliers whose risk rating is greater than "low" (according to our corruption and bribery risk matrix) undergo the Compliance area's training and due diligence process.
Social disclosures		
Employment		
401-1	Total number and rate of new employee hires and rate of employee turnover, by age group, gender and region	Page 55
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 55
401-3	Return to work and retention rates of employees that took parental leave, by gender	Page 55
Training and Education		
404-1	Average hours of training per year per employee, by gender and employee category	Page 55

SPECIFIC STANDARDS	DESCRIPTION	DIRECT ANSWER/PAGE
404-2	Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment	The LocalizaPrev pension plan is available to all employees who have an employment relationship with Localiza for at least ninety (90) days, counting from the date of admission, except interns and apprentices. The Private Pension Benefit offered by Localiza is made available through a partnership with BrasilPrev, a company specialized in pension services, sharing our objective of promoting financial planning, in order to guarantee a more peaceful future for the employee.
404-3	Percentage of employees receiving regular performance and career development reviews, by gender and employee category	Page 55
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees with percentage of individuals by gender, age group, minority or vulnerable groups and other indicators of diversity	Pages 53 and 63
405-2	Ratio of basic salary and remuneration of women to men	Page 67
Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	There were no cases of discrimination recorded in 2021.
Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There is none. We have a dedicated structure to guarantee freedom of association, with specific procedures for the subject. The management of the topic is the responsibility of the Union Relations area under the Rewards and Welfare Directorate.
Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	There is none. In order to avoid future situations in the supply chain, starting in 2022, we will start a management program, which will evaluate our partners on the pillars of sustainability and legal requirements, being initially piloted in three categories and approximately 70 suppliers.
Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	There is none. In order to avoid future situations in the supply chain, starting in 2022, we will start a management program, which will evaluate our partners on the pillars of sustainability and legal requirements, being initially piloted in three categories and approximately 70 suppliers.
Human Rights Assessment		
412-1	Operations that have been subject to human rights reviews or impact assessments	All Localiza's operations are subject to assessments on the subject by the Compliance area, and, in accordance with the due diligence processes, 100% of the supplier base is evaluated quarterly in relation to the lists of public restrictions.
412-2	Employee training on human rights policies or procedures	Page 24

SPECIFIC STANDARDS	DESCRIPTION	DIRECT ANSWER/PAGE
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Page 63
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Page 70
413-2	Operations with significant actual and potential negative impacts on local communities	We have not identified any negative impacts on local communities arising from our operations.
Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Understanding the importance of working with partners aligned with the Company's values, we are committed to measuring the percentage of suppliers hired based on social criteria from 2022 onwards, improving our management and value chain in relation to the topic (until 2021, Localiza had no data history for this indicator). It's worth noting, however, that all suppliers whose risk rating is greater than “low” (according to our corruption and bribery risk matrix) undergo the Compliance area's training and due diligence process.
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no complaints received in this regard, nor cases of loss of customer data. Page 37
Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	In 2022, Localiza will pay the amount of R\$ 1.5 million for not reaching the minimum number of PWD contractors in the period from 2019 to 2021. However, we reinforce that the topic is of extreme urgency for our leadership, and several action plans are already being put into practice to correct this metric, especially with regard to better dissemination of open positions.

SASB TABLE

INDICATOR	DESCRIPTION	REFERENCE (PAGE)/ DIRECT RESPONSE
TR-CR-250a.1	Percentage of rental fleet vehicles rated by NCAP programs with an overall 5-star safety rating, by region	Page 51
TR-CR-250a.2	Number of vehicles recalled	At the end of 2021, we found that 3,746 cars in the Localiza fleet underwent 3,911 recall interventions, according to campaigns released by the automakers.
TR-CR-410a.1	Rental day-weighted average rental fleet fuel economy, by region	With internal advances in our tracking metrics, we expect to have the data for this indicator over the next few months.
TR-CR-410a.2	Fleet utilization rate	We totaled 79.8% for car rental and 98.0% for Fleet Management. Calculation based on the company's own fleet of 289,796 vehicles at the end of the year, excluding cars in activation and deactivation.
TR-CR-000.A	Average vehicle age	When we consider the average age of the operating fleet, the values are 13.9 months for Car Rental and 20.3 for Fleet Management. When considering the cars sold, we totaled 21.9 months for Car Rental and 31.8 months for Fleet Management.
TR-CR-000.B	Total available rental days	We totaled 76,613.9 days at the end of the year, of which 53,756.6 for Car Rental and 22,857.3 for Fleet Management.
TR-CR-000.C	Average rental fleet size	At the end of 2021, our fleet had 151,686 vehicles for Rent and 63,493 for Fleet Management, totaling 215,179 vehicles.

TCFD TABLE

INDICATOR	DESCRIPTION	REFERENCE (PAGE)/ DIRECT RESPONSE
Governance 1	Describe the board’s oversight of climate-related risks and opportunities.	The Company's Governance Committee is responsible for supervising the activities carried out by the Sustainability Committee, reporting them, at a meeting, to the Board of Directors. Furthermore, since the gas emissions agenda is one of our priority topics, there is continuous monitoring by the CEO and other members of senior leadership.
Governance 2	Describe management’s role in assessing and managing climate-related risks and opportunities.	The management of risks and opportunities related to climate change is being incorporated into the Company, so that we have greater clarity on the role of the bodies as of the 2022 cycle.
Strategy 1	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Localiza has not yet identified risks with a potential financial or strategic impact on its business. However, with the advancement of our management on the subject, we will be able to improve this analysis over the next cycles.
Strategy 2	Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	Localiza has not yet identified risks with a potential financial or strategic impact on its business. However, with the advancement of our management on the subject, we will be able to improve this analysis over the next cycles.
Strategy 3	Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Currently, considering different climate change scenarios, Localiza's biggest challenge is measuring the impact of its activity, since the vast majority of its emissions occur when the cars are in the possession of customers. In 2021, we were able to disclose this data, based on a thorough analysis, which faithfully reflects the Company’s direct and indirect carbon footprint. Over the next cycles, we will advance in the decarbonization project in order to further expand our contribution to the topic (learn more on page 40).
Risk management 1	Describe the organization’s processes for identifying and assessing climate-related risks.	The management of risks and opportunities related to climate change is being incorporated into the Company, so that we have greater clarity on the identification processes as of the 2022 cycle.
Risk management 2	Describe the organization’s processes for managing climate-related risks.	The management of risks and opportunities related to climate change is being incorporated into the Company, so that we have greater clarity on the management processes as of the 2022 cycle.
Risk management 3	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	The topic of integrating climate change-related risks into the Company's general risk management will be defined in the second half of 2022 by the competent committees.
Metrics and goals 1	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	The management of risks and opportunities related to climate change is being incorporated into the Company, so that we have greater clarity in the evaluation of metrics and goals as of the 2022 cycle.
Metrics and goals 2	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Pages 40 and 42
Metrics and goals 3	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	The management of risks and opportunities related to climate change is being incorporated into the Company, so that we have greater clarity in the management of metrics and goals as of the 2022 cycle.

SDG MAP



Our Employees, page 53
Care in Relationships, page 68



Innovation and Safety, page 47



Our Employees, page 53



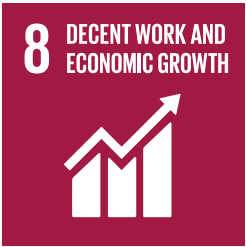
Our Employees, page 53



Environmental Commitment, page 39



Environmental Commitment, page 39



Localiza, page 12
Ethics and Governance, page 24
Our Employees, page 53
Care in Relationships, page 68



Care in Relationships, page 68



Environmental Commitment, page 39
Innovation and Safety, page 47



Localiza, page 12
Environmental Commitment, page 39
Innovation and Safety, page 47



Environmental Commitment, page 39



Ethics and Governance, page 24
Care in Relationships, page 68



Ethics and Governance, page 24
Care in Relationships, page 68

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This report was produced thanks to the contribution and commitment of the green-blooded team to the future of sustainable mobility. We deeply thank you for your work and dedicate this publication to you.

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