



Expresses the ability to share information to improve individual and collective well-being

7.

SOCIAL AND RELATIONSHIP CAPITAL

Social and relationship capital

Over R\$ 301,000

raised in the Caminho do Bem campaign, 27.7% more than in 2019

Maintenance of the Julio Simões Institute to **create value in the communities**

72% of purchases from **local companies**

Approval of the **Social Investment Policy**

17,927 suppliers in the procurement base

Supplier management

GRI 103-1, 103-2, 103-3 - Sustainability in the value chain | GRI 102-9 | 102-10

Following significant progress in managing the production chain in 2019, within the scope of the **Supplier Management Project**, in 2020 SIMPAR improved its supplier selection process by introducing vetting in which social aspects are evaluated. A further advance during the year was the corporate restructuring, with **strong companies under the umbrella of the same holding company**, guaranteeing a robust cash structure, security in its relations with suppliers and greater bargaining power. These differentials were fundamental for guaranteeing supplies of the items essential to the businesses of the subsidiaries within the context of the Covid-19 pandemic. Aware that it would be difficult to purchase inputs, SIMPAR listed the items most frequently used in their operations, closing supply contracts that guaranteed inventories for a six-month period. Among these materials considered critical for the Group's business are tires, replacement parts for vehicles and inputs, like lubricants. Given the quantity of items purchased, we were able to engage in specific negotiations resulting in an **approximate financial gain of R\$ 3.17 million**.

Besides these items, the company has business partners, such as car companies who provide fleet services (maintenance); offer benefits (meal and supermarket vouchers, healthcare plans, etc.); uniforms and PPE; OFFICE materials and software programs; among others. At the year-end, there were 17,927 suppliers on our supplies base, on whom we spent **R\$ 7.11 billion**, 4.4% more than the R\$ 6.81 billion in 2019.

The company works to drive the development of the states where its subsidiaries operate, for which reason it prioritizes partnerships with local companies, so much so that in 2020, of total purchases and expenditures on services, 72% was with local suppliers (from the states where the Group has its branches). Besides this commitment, SIMPAR, in order to maintain the **excellence of its production chain**, requires partners to abide by socioenvironmental requisites, respect for human rights, and high labor and health standards. In 2020, 90.23% of our new partners, totaling 3,140 suppliers, were selected based on social criteria. The breakdown by Group company can be found in the [GRI Exhibits](#). [GRI 414-1](#)

DUE DILIGENCE PROCESS

[GRI 103-1 | 103-2 | 103-3 - Corporate governance, ethics and transparency | GRI 103-1 | 103-2 | 103-3 - Sustainability in the value chain](#)

During the registration process, SIMPAR makes enquiries to evaluate the good standing of its potential partners, for example the company's good standing based on its corporate taxpayer registration (CNPJ), state/municipal registration number and tax clearance certificates (municipal, state and federal taxes, and social security contributions). A search is also carried out on the registers of companies on the child or hard labor lists, and those sanctioned or barred from contracting with the government (National Register of



Unscrupulous and Suspended Companies – Ceis and the National Register of Sanctioned Companies – Cenep).

Also at registration time, the contractor responds to a questionnaire that aims to **identify the criticality of their activity and business they will do with holding company or the subsidiaries**. Furthermore, the potential supplier must warrant they are aware of the guidelines to the [Code of Ethics](#) and fill out a third-part diligence questionnaire that evaluates their engagement with the government and potential conflicts of interests. After registration is concluded, areas like Compliance, Health, Security, The Environment and Procurement monitor in real time the conditions of the suppliers.

Another **monitoring tool used is G-Certifica**, a third-party due diligence system. During the year, we embarked on the implementation phase of a tool that encourages periodic enquiries about tax and labor law good standing and compliance in general. An additional short-term development will be to define, for each category of purchase, the specific documentation requirements to ensure excellence throughout the entire production chain of SIMPAR.



Social management

GRI 413-1 | 413-2

Through the [Julio Simões](#), Institute, SIMPAR and its subsidiaries channel social investments that **improve the relationships with the communities while fostering the creation of value in the locations** where they are to be found. In 2020, the Institute, under this commitment, engaged in [various assistance actions](#) vouagainst Covid-19.

Besides this valuable support for emergency actions, we have a series of own projects, like **Julio Cidadão (Doutores Palhaços)** which, since 2007 aims to encourage social engagement and the exercise of citizenship by the employees of the subsidiaries by creating “Hospital Humanizers”. The volunteers make visits to long-stay hospitals and institutions for the elderly (ILPI). During the year, to avoid interrupting these activities, the humanization actions took place by video, benefiting a total of 720 people.

Another stand-out program was **Natal de Emoções**, (Christmas Emotions), which seeks to involve the employees of the portfolio companies in social projects, encouraging volunteer work and solidarity. During the year, the campaign run by the professionals of the subsidiaries and the holding company donated non-perishable food and money, using a QR Code, for the purchase of food baskets. SIMPAR doubled the volume raised and, in all, **2,538.35 kilos of food were sent to social institutions and socially vulnerable families**. It is estimated that 670 benefited from the donations.

But the projects we hold annually, like **“Você quer? Você pode!”**, **“KM do Bem”** and **“Gincana Cultural”** did not take place in 2020 following determinations by the National Agency for Supplementary Health (ANS) to, within the context of the Covid-19 pandemic, guarantee the of the employees and the community. The description of how each program functions can be found on the site of the [Institute](#).

ENGAGEMENT

For its actions to be effective, SIMPAR **adopts engagement plans and assesses the impact of its Group's operations** while also maintaining complaints channels for communicating with local communities. Metrics are also applied to the corporate programs, and these are evaluated using

specific indicators. To that end, a diagnosis carried out in 2019 served as the basis, in 2020, for mapping the needs of the municipalities in order to structure **action plans focused on sustainable development.**

Percentage of operations with engagement actions that produced positive impacts on the local communities¹ [GRI 413-1](#)

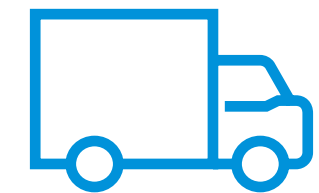
	2018	2019	2020
Social impact assessments, including gender impact assessments based on participative processes	9.91%	13.72%	39.26%
Environmental impact assessments and continuous monitoring	0.3%	0.3%	0.3%
Public disclosure of the outcome of environmental and social impact assessments	100.0%	100.0%	100.0%
Local development programs based on local community needs	100.0%	100.0%	100.0%
Stakeholder engagement plans based on mapping these parties	0.0%	0.0%	100.0%
Committees and processes for extensive consultation with the local community, including vulnerable groups	0.0%	4.9%	28.2%
Work councils, occupational health and safety commissions and other entities representing employees to discuss impacts	12.0%	11.1%	11.1%
Formal processes for complaints by local communities	100.0%	100.0%	100.0%

1. The operations were considered to be those locations where SIMPAR has branches and stores, based on their corporate tax registration (CNPJ).

Using the diagnostic, SIMPAR listed the main potential and actual adverse impacts involving the operations of the subsidiary companies. The most significant ones are linked to traffic accidents and people being run over; passenger transport accidents; highway wear and tear; emissions of pollutants; and possible sexual exploitation of minors along the highways. These risks are **mapped and managed to minimize the impacts**, especially the surrounding communities in situations of greater vulnerability:

- **Degree of physical or economic isolation of the local community:** The diagnostic analysis was carried out based on the work and income-related information gathered. According to the survey in July 2020, based on data disclosed by the Brazilian Census Office (IBGE) (2018), around 87% of the municipalities where the Group has operations show an average monthly wage of twice the basic wage. At the same time, to recognize the value of local labor, an analysis was done of the number of employees who work and live in the municipalities where the subsidiaries have branches, so as to understand and intervene to value and develop the local workforce, which will directly impact the local economy.
- **Level of socioeconomic development in the community and the state of the socioeconomic infrastructure (health, education):** Factoring into the diagnostic analysis the socioeconomic development and infrastructure conditions, over 50% of the municipalities can be classified as of medium or low vulnerability in relation to the criteria of work, health, education and security. Within this context, SIMPAR will foster contact with the social assistance services and make visits to the more vulnerable municipalities to obtain in-depth knowledge of the local reality and to schedule interventions that directly impact the social indicators.

- **Soundness and quality of the governance of local and national institutions in the proximity of the local communities:** In 2020, the company held meetings with teams and visited the institutions it donates to, although it does not directly monitor the soundness and quality of the governance of those institutions, the degree of gender equality in the local communities and the level of social enterprise. However, the visits that were made enabled us to identify that, judging from their management, the work of the institutions was serious and socially meaningful. By the same measure, every institution supported is subject to analyses by the Compliance area of SIMPAR, which affords greater certainty in regard to governance quality issues. In addition, based on the diagnostic analysis of the communities, actions are contemplated for obtaining further knowledge about the structures of the local and national institutions for the purpose of direct interventions to minimize the vulnerabilities.



SIMPAR will obtain study in depth the local reality and schedule interventions that **directly impact social indicators.**

Operations with significant potential impacts or real adverse impacts on the local communities [GRI 413-2](#)

Impacts	Group operations/ companies where the impacts occurred	Intensity or severity of the impacts	Probable duration of the impacts	Reversibility of the impacts	Scale of the impacts and where they occur (States of Brazil)
Traffic accidents (real impact)	JSL e CS Transporte	Variable, deriving from the type of accident	Variable, deriving from the type of accident	Variable, deriving from the type of accident	Local: Alagoas, Amazonas, Bahia, Ceará, Distrito Federal, Espírito Santo, Goiás, Maranhão, Minas Gerais, Mato Grosso do Sul, Mato Grosso, Pará, Paraíba, Pernambuco, Paraná, Rio De Janeiro, Rio Grande do Norte, Rio Grande do Sul, Santa Catarina, Sergipe, São Paulo, Tocantins
Sexual exploitation of minors along the highways (potential impact)	JSL	High	Variable	Reversible, considering that it is possible to intensify the discussion of the issue and awareness actions to bring about a change in behavior; and irreversible, from the point of view of the victim's rights having been violated	Local and/or regional, bearing in mind that drivers drive through various municipalities: Alagoas, Amazonas, Bahia, Ceará, Distrito Federal, Espírito Santo, Goiás, Maranhão, Minas Gerais, Mato Grosso do Sul, Mato Grosso, Pará, Pernambuco, Paraná, Rio de Janeiro, Rio Grande do Norte, Rio Grande do Sul, Santa Catarina, Sergipe, São Paulo, Tocantins
Wear and tear of the highway networks (real impact)	All companies, with the exception of BBC Leasing & Conta Digital	Medium	Variable, because it will depend on road maintenance	Reversible	Local: Acre, Alagoas, Amazonas, Amapá, Bahia, Ceará, Distrito Federal, Espírito Santo, Goiás, Maranhão, Minas Gerais, Mato Grosso do Sul, Mato Grosso, Parauapebas, Paraíba, Pernambuco, Piauí, Paraná, Rio de Janeiro, Rio Grande do Norte, Rondônia, Roraima, Rio Grande do Sul, Santa Catarina, Sergipe, São Paulo, Tocantins
Passenger transport accidents (real impact)	CS Transporte de Passageiros, Mogi Mob and TPG Transporte de Passageiros	Variable, deriving from the type of accident	Variable, deriving from the type of accident	Reversible	Local: Amazonas, Bahia, Ceará, Espírito Santo, Goiás, Pará, Paraíba, Pernambuco, Paraná, Rio de Janeiro, Rio Grande do Norte, Rio Grande do Sul, Santa Catarina, São Paulo
Contribution to producing pollutants (real impact)	All companies, with the exception of BBC Leasing & Conta Digital	High	High	Reversible, bearing in mind that actions exist for neutralizing the emissions	Regional, considerando que a fonte é móvel: Acre, Alagoas, Amazonas, Amapá, Bahia, Ceará, Distrito Federal, Espírito Santo, Goiás, Maranhão, Minas Gerais, Mato Grosso do Sul, Mato Grosso, Parauapebas, Paraíba, Pernambuco, Piauí, Paraná, Rio de Janeiro, Rio Grande do Norte, Rondônia, Roraima, Rio Grande do Sul, Santa Catarina, Sergipe, São Paulo, Tocantins

POLICIES

To be ethical when undertaking its social actions, SIMPAR has a **Donations and Sponsorships Policy**, reviewed once a year, but which was not reviewed in 2020. The **Voluntary Service Policy**, scheduled for launch during the year, was postponed until 2021 on account of the atypical context and the emphasis on emergency assistance.

The **Social Investment Policy** was drawn up and published during the period, after approval by the Sustainability Committee. The document, which is aligned with the principles stipulated in the Global Compact and the Sustainable Development Goals (SDG) of the United Nations, as well as the values that Brazil has signed up to internationally, consolidates SIMPAR's social investment strategy of continuous generation of value. Moreover, the allocation of resources and projects – developed through initiatives based on synergies with the business of the subsidiaries – take into account the real development needs of each location ascertained by ascertaining impacts on the main communities where they operate. Based on this study, the company created the **Social Vulnerability Index (IVS)**, which in 2021 will enable discussion with social assistance services, engagement with various local players and inclusion in the various discussion forums actions aimed at guaranteeing human rights.



CAMINHO DO BEM

SIMPAR believes that fostering social impact depends on everyone collaborating and, since 2019, it has been running the Caminho do Bem campaign that provides employees with the opportunity to allocate 6% of their payable income tax to projects already supported by the Julio Simões Institute. It is expected that in em 2020, 10,656 people were affected by the action. In the 2nd edition, R\$ 301,590.00 were raised, 27.7% above the R\$ 236,200.00 raised in 2019. The estimate is that 18,000 people stand to gain from this campaign in 2021.



COMMITMENTS

GRI 102-12 | 102-13

SIMPAR and its subsidiaries are signatories to commitments intended to generate socioenvironmental value, and they continue to endorse institutions and initiatives with which they share the ideals of sustainable development.

WE SUPPORT



The Global Compact and the UN: The company became a signatory to the United Nations Global Compact in 2014 and, in 2020, the subsidiaries JSL, Movida, CS Brasil, Vamos Locação de Caminhões, Máquinas e Equipamentos and Original Veículos also joined the initiative of the United Nations Organization (UNO). Moreover, SIMPAR **participates in the Integrity Working Group of the UN Global Compact – Brazil Network.**



Movimento Mulher 360: SIMPAR signed up, in 2019, to the Movimento Mulher 360 whose aim is to contribute to the economic empowerment of Brazilian women by fostering, systematizing and disclosing advances in business policies and practices, with the emphasis on engaging the Brazilian business community and society in general on the issue.



Corporate Sustainability Index (local acronym, ISE) It was announced that Movida joined the 16th portfolio of the B3 ISE on 12/1/2020; the portfolio will remain in force from the period January 4, 2021 to December 30, 2021.

Sistema



B System: In January 2020, Movida became the first Brazilian car rental company to receive Company B Certification, the second São Paulo B3-listed company and the 12th in the world.



Business Pact for Integrity and Against Corruption: SIMPAR will formally join the Business Pact for Integrity and Against Corruption, of the Instituto Ethos, in 2021. Since 2018, JSL, Movida, Vamos, CS Brasil e Original Concessionárias have been signatories to the commitment that seeks to foster a more honest and ethical market while eradicating bribery and corruption. In addition, SIMPAR participates in the Integrity Working Group of Instituto Ethos.



Sectorial Pact for Honesty in Urban Cleaning, Solid Waste and Effluents: in 2019, CS Brasil signed the Sectorial Pact for Honesty in Urban Cleaning, Solid Waste and Effluents. This is a collective action by businesses in solid waste, urban cleaning and effluent sector, and the class associations (Selurb, Abetre, ABLP, Abrager and Abrelpe), coordinated by the UN Global Compact and Instituto Ethos.



GHG Protocol: In 2020, SIMPAR became a member of the GHG Protocol (Cycle 2021); the JSL Group had joined the year before. The program provides a tool used for understanding, quantifying and managing GHG emissions. SIMPAR 's inventory is available for consultation by the general public, reinforcing transparency in the disclosure of its subsidiaries' emissions.



Na Mão Certa Program: Since 2007, JSL has been a signatory to the Na Mão Certa Program that aims to unite efforts to put an end to sexual exploitation of minors on Brazilian highways.



Liberta Institute: SIMPAR is a partner of Liberta Institute whose mission is to counter the sexual exploitation of minors in Brazil.



In 2019, Movida also signed up to **Conscientious Capitalism** and, during the pandemic, to several specific initiatives about the ESG agenda created to address the economic recovery by focusing on a more conscientious and sustainable economy.

IMPERATIVE 21

Reset Capitalism and Imperative 21: Movida was the first publicly-listed Brazilian company to support the Reset Capitalism and Imperative 21 initiatives, an international initiative headed up by the B System.



Recover Better Statement: Movida was one of more than 150 large companies who signed the statement "Uniting companies and governments for a better recovery", a letter on sustainable recovery drawn up by the UN Global Compact, with an invitation to the member companies of the Science-Based Targets (SBTi) and Business Ambitions for 1.5°C initiatives.



CoVida²⁰

CoVIDA Fund: The subsidiary allocated resources and participated in creating a fund to finance positive impact businesses.



In 2020, Movida became the first signatory to the initiatives related to climate change – Business Ambition for 1.5°C (linked to the Global Compact), Action4Climate, Science-Based Targets (linked to the CDP and the Global Compact) and Net Zero 2030 (linked to the B System) – and diversity – WEPS (linked to UN Women) and Gender Equality (linked to the Global Compact).