



4

VALUE

● GENERATION



Business model

Following the review of the materiality process that mapped the impacts of the various operations and services provided by the subsidiaries in the perception of the external stakeholders, and interviews with leaders of the subsidiaries and the holding company itself, SIMPAR restructured its business model. The objective is to measure and show how the relationships between its various operating units and the customers they serve are affected by the capital resources defined by the IIRC, as well as the ability to generate value over time.



Business model



CAPITAL AS AN INPUT

Beginning of value generation

HUMAN CAPITAL



Qualified workforce

Engaged leaders who are aligned with its values

FINANCIAL CAPITAL



Access to the capital markets

Investments in highly liquid operating assets

Portfolio of companies with strong growth potential

Investment in subsidiaries listed on B3

INTELLECTUAL AND ORGANIZACIONAL CAPITAL



Experience in the maintenance and depreciation of operating assets

History of incorporating the companies acquired

Leading or well-positioned brands in the sectors in which they operate

Serving customers with technology platforms and digital solutions

Ability to develop processes and obtain financial results in order to take the subsidiaries public (IPO)

SOCIAL AND RELATIONSHIP CAPITAL



Service DNA, with the focus on obtaining customer loyalty through equitable business relationships

Relationship of trust with shareholders, suppliers and creditors

Social investments through the Julio Simões Institute



Management model and expertise built up over 64 years

A holding company controlling a group of six independent companies, with the dedication of over 21,000 employees

Values:
Devotion to Serving;
People;
Simplicity;
Owner's Attitude;
Sustainability;
Profit

High corporate governance standards

Leaders or well-positioned in sectors with high growth potential

Proven track record of acquisitions and development of new businesses

Diversification, resilience and scale

Sound culture and differentiated workforce



CAPITAL AS VALUE CREATED

HUMAN CAPITAL



Ligado em Você Program: Support for psychological, social or medical problems which, in 2020, also monitored employees with Covid-19 symptoms, providing the necessary round-the-clock support and guidance

Digital financial services: Digital financial services: BBC Conta Digital, to enhance the drivers' relationship with the banking industry

Commitment to Diversity: 60% of the employees.

FINANCIAL CAPITAL



Adjusted Net Income: R\$ 522.1 million.

Record Adjusted EBITDA: R\$ 2.3 billion

SVA:

Personnel and payroll charges – R\$ 1,478 million

Federal Taxes – R\$ 514 million

State Taxes – R\$ 422 million

Municipal Taxes – R\$ 82 million

Interest and bank charges – R\$ 1,054 million

Leases – R\$ 48 million

Dividends and interest on own capital for the period - R\$ 98 million

Retained earnings – R\$ 300 million

Total value added to be distributed – R\$ 3,995 million

Dividends distributed: Total gross amount of R\$ 24 million (representing R\$ 0.116607945 per share)

SOCIAL AND RELATIONSHIP CAPITAL



Optimization of customers' businesses

Economies of scale and productivity for customers

Transparent participation in procurement/tender processes: Maintenance of a Policy on Participation in Procurement/Tender Processes| Monitored bidding room with secure, controlled access |Rollout in 2020 of the Transparency Portal at CS Brasil

Rapid steps taken to minimize the effects of Covid-19: Donation of around R\$ 13.7 million in food baskets, purchases of PPE kits and distribution logistics that benefited close to 5 million people

NATURAL CAPITAL



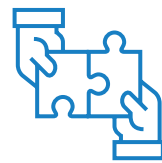
Efficient management: Emissions Management Program, with a 22.82% reduction in direct GHG emissions| Two branches certified to ISO 14001, with key performance indicators and established energy efficiency targets

Commitment to the mitigation of climate change: Macro reduction target of a 15% in GHG emissions between 2021 and 2030

Rational consumption of resources: 84.20% of the energy consumed is from renewable sources | 83.6% of total waste not earmarked for final disposal (recycled, reused or treated) | Seven branches and stores with closed cycle water treatment systems – once treated, water returns to the operations

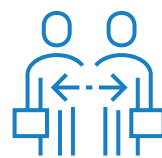
Intangible assets

Based on a track record that has accompanied and contributed to Brazil's socioeconomic development, SIMPAR stands apart for its differential competitive advantages:



Diversification, resilience and scale

- Six independent companies with highly diversified services, clients and areas of operation.
- Largest purchaser of trucks and one of the largest buyers of light vehicles and highway transport inputs in Brazil.



Management model and expertise constructed over 64 years

- Serving is in our DNA, with the focus on obtaining customer loyalty through equitable business relationships.



Market leader or well positioned in sectors with high growth potential

- JSL and Vamos are the absolute leaders in sectors that are fragmented and underpenetrated.
- Movida and CS Brazil remain positioned to capture growth in vehicle rentals.



High standards of corporate governance

- Companies listed on the Novo Mercado segment of B3, the highest governance standard in Brazil.
- Approved corporate restructuring delegated to the non-controlling shareholders and unanimously concluded.



Solid culture and differentiated workforce

- Devotion to Serving, People, Simplicity, Owner's Attitude, Sustainability and Profit.



Proven track record of acquisitions and development of new businesses

- Successful acquisitions in the logistics industry (Transcofer, TGABC, Lubiani, Quick, Schio, Fadel and Transmoreno).
- Development of new business in sectors with high growth potential (Vamos, Movida and CS Brasil).

SAFETY IN CITIES AND ON HIGHWAYS

[GRI 103-1](#) | [103-2](#) | [103-3](#) – [Renewal of the Brazilian fleet](#)

Investments in renewing the fleet of its subsidiaries are one of SIMPAR's key differentiating features. The average age of our fleet is, therefore, much lower than the national average, arising from asset turnover primarily of heavy and light vehicles belonging to the subsidiaries. In addition, the company stresses this practice with its partners, so that they incorporate the same guidance into their activities.

The average age of the SIMPAR truck fleet (including trucks of JSL and Vamos) is around 2,6 years. The vehicles of Movida – Car Rentals run for an average of 30,000 km or 12 months and are subsequently sold. The vehicles used by customers of CS Brasil are renewed, on average, every 24 months or according to the invitation to tender. In the case of our partners, the average age is 9.9 years, but the target is to reduce this to 9 years in December 2021.

Moreover, the management of our branches and stores are always aware of the state of the vehicles and the premises and, whenever possible, encourage the adoption of renewable fuels. This is the case of Movida, which prioritizes the use of ethanol, with 90 % of the fleet capable of running on this fuel.

In addition, once a year, the Executive Board approves the list of vehicles and equipment of the in-house fleet slated for renewal the following year, following indication of the assets earmarked by the Operations area. The Asset Management team is responsible for planning and consolidating this action, while management of the partner drivers' fleet rests with a team responsible for controlling and monitoring the vehicles – including evaluating information about average age and renewal. This information is compiled once a month and forwarded to the Executive Board.

ANTI-COVID-19 ACTIONS

SOCIETY

SIMPAR, through the [Instituto Julio Simões](#), seeks to contribute to the sustainable development of the communities in which it is located. Based on this commitment, the holding company has engaged in actions for tackling Covid-19. For these initiatives to be effective, it reached out to the public bodies in the municipalities where the subsidiaries operate, mapping the key needs. Based on the data collated, **around R\$ 1 million was invested in purchasing personal protection equipment (PPE) kits for city administrations and hospitals in locations identified as most vulnerabl**, benefiting 16 municipalities and somewhere around 300,000 people. In addition, the Institute sent food baskets to social institutions and saw to the transportation of the donations made by the companies in the portfolio, contributing to the rapid delivery of food, hygiene products and respirators, among others. When the logistics actions are factored in, a total of around R\$ 13.7 million was donated, affecting approximately 5 million people.

Part of the actions were joint initiatives with customers.

Together with JSL, bars of soap were provided to residents of the Rocinha and Morro do Alemão communities in Rio de Janeiro; respirators in the state of São Paulo were shipped for repair, and logistic support was provided to deliver 14,000 liters of hypochlorite.

Movida devoted special attention to app car-hailing drivers seriously affected within the context of the pandemic. In the case of customers with more than six consecutive months of relationship with Movida, diagnosed with coronavirus, following the quarantine period they were offered car rentals for 60 days free of monthly fees. This initiative, which remained in force until May 30, applied to customers who produced at the store a positive Covid-19 test (in the customer's name or that of a family member, and documentary proof of kinship).

Furthermore, during the early months of the pandemic, customers of BBC Leasing & Conta Digital facing financial hardship were assisted with previously assumed obligations, **while those out of work or working less, were able to opt for the grace period on outstanding installments.**





Antonio Jameson Alves da Silva - a JSL partner

EMPLOYEES, PARTNERS AND CONTRACTORS

GRI 403-6

Rooted in the People value, SIMPAR channeled its efforts to ensure the health of the employees, drivers and partners (drivers who provide services) of its companies. The program, **Ligado em Você, providing support for psychological, social or medical problems, which already existed for employees, was extended to partner truck drivers and became a direct around-the-clock support and communication channel, attending to over 4,000 people at the height of the pandemic.** The channel was used to monitor those with symptoms of Covid-19, providing the necessary support and guidance. In the case of truck drivers, they were also able to consult information about support points along the highways and how to avail of the emergency assistance provided by the Brazilian government. In addition, **drivers were provided with food kits, on account of the closure of highway service stations,** as well as widely disclosed tips on hygiene and prevention. Partners whose customers temporarily suspended their operations received food baskets or were redeployed, while those diagnosed with Covid-19 received expenses allowances. Gel alcohol was also distributed, stressing the importance of using it.

In the case of employees and their families, the Ligado em Você social program was augmented and began dealing

with issues of Covid-19, including a 24-hour service that clarified doubts while providing all necessary support within the new context. A team of doctors and psychologists was on standby for remote appointments throughout Brazil, closely monitoring those infected with the coronavirus. Furthermore, priority was given to home office working, with the suspension of domestic and international travel and collective events (trainings, trade shows, etc.), which thereafter were held using videoconferencing resources. The return to the work environments, with the exception of those in the risk groups, was also controlled and phased in, respecting the wishes of those professionals who preferred to continue working remotely. And **vehicles were also provided for employees who needed to be in the operations center and who used public transport.** In the stores, those of Movida, for example, plexiglass was installed on the counters to separate the attendants from the customers. Office space was demarcated with the minimum distance required by protocol, while priority was given to employees rotation, reducing the number of people in the same surroundings. Additionally, **workplaces were submitted to more intense disinfection and cleaning, and temperatures were taken on entering and leaving the units.**