



Together,
innovating
for a
better
future.



Sustainability Report 2021



Companies





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About the report

GRI 2-3

Welcome to another edition of the Randon Companies Sustainability Report.

In this document, we present the main environmental, social, economic and governance aspects relevant to the Company's sustainability and report on how our strategy, operation and results have generated value for employees, customers, suppliers, investors, the community and other stakeholders during the last fiscal year.

This report was structured based on an in-depth study of the topics that most impact our stakeholders. The full description of our sustainability strategy can be found on page 22.

If you have questions, suggestions or wish to know a little more about any topic presented in this report, e-mail us!

ri@randon.com.br

Best practices



For the 3rd consecutive year, we adhered to the guidelines of the Global Reporting Initiative (GRI) Standard, a voluntary global best practice for monitoring and reporting ESG performance (Environmental, Social and Governance). At the beginning of each subchapter, you will find the disclosures reported, using the acronym GRI-XX. You can also see the complete list of disclosures on page 135.



For the 2nd consecutive year, we followed the Integrated Reporting guidelines, created by the International Integrated Reporting Council (IIRC), with the objective of reporting, with greater clarity, the interconnection between different financial and non-financial factors, and their relevance to the generation of value to the business in the long-term. At the chapter openings, you will find the Capital XX marker, indicating which capital was addressed and, at the end of the report, on page 146, the capital map points to the pages where they were cited.



For the 1st time, we also adopted the guidelines of the Sustainability Accounting Standards Board (SASB), a voluntary standard for sectorial sustainability reporting. The index is available on page 135 and the corresponding content is indicated by the acronym SASB at the beginning of each subchapter.




The United Nations (UN) Sustainable Development Goals (SDGs) are another guideline that guides the report. At the beginning of each chapter, you can find the logos of each SDG. In addition, on page 27 we present our contribution to reach those considered priorities and, in the end, on page 147, the SDG map refers to the relevant content for each impacted SDG.

INTERACTIVITY

Throughout the report you can explore complementary and additional information by clicking on the symbols:

 **Hover over the icon to see complementary information.**

 **a Hiperlink that gives access to additional information on the web.**

Message from the Board of Directors

GRI 2-9; 2-22

The year of 2021 was a historic year for the Randon Companies. In addition to the record results we achieved over the period, surpassing our initial projections, we made important breakthroughs in our sustainability performance, with the consolidation of our ESG Ambition.

Following the structuring of the Sustainability Committee, a non-statutory body that reports directly to the Company's CEO, Randon Companies are now more closely monitoring the advances made in the governance, social and environmental pillars. We have also disclosed important commitments in ESG, reinforcing our contribution to overcome the challenges posed by a world in constant change. It is an indication of how ready we are to work in innovation and collaboratively to increase our positive impact on the environment, in the community where we operate and always having an ethical and responsible management as a guide.

We also advanced in our governance, separating the positions of President and CEO to speed up our internationalization and ESG agendas. In addition, we welcomed a new board

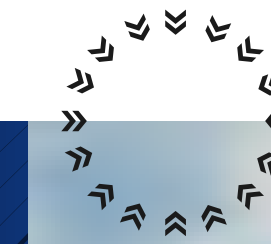
member, Ana Carolina Ribeiro Strobel, bringing aspects of the innovation ecosystem and the new economy to the Board of Directors, working together with the other members to fulfill our strategic objectives.

The results shown in this Sustainability Report consolidate the performance of a company connected with the future, which invests in research and development to bring solutions linked to the megatrends of mobility and to respond to environmental challenges.

All this achievement is a reflection of the work of our leaders and our teams. The year of growth and the commitments assumed in the face of a challenging scenario were only possible thanks to a team of people connected to the principles that govern our Organization and the Company's strategic guidelines, which underpin a bold development plan for the coming years. I would like to thank everyone who worked on these results.

David Abramo Randon

Chairman of the Board of Directors





Message from the President

GRI 2-9; 2-22

In 2021, our journey was intense.

We faced uncertainties along the way, some still resulting from the effects of the Covid-19 pandemic, which required the ability to adapt, but we overcame the challenges, and most importantly: we have achieved relevant goals that will be remembered in the history of Randon Companies.

We made progress in our sustainability strategy with the launch of ESG Ambition, through which we made public commitments in line with the business strategy, which synthesize our efforts in search of increasingly secure, sustainable and value-generating solutions and relations.

We also advanced in our corporate governance, with the separation of the positions of President and CEO that, since the beginning of 2022, have been held by me and Sergio L. Carvalho, respectively. This move is highly significant for our company and reinforces the constant evolution of our governance, always in line with the best market practices.

As we have always done in the company's over 70-year history, our principle of "valued and respected people" remained the focus for every action we performed throughout 2021. We continue to care for and support our employees, investing in health and safety, career development and actions to promote diversity in our units.

Our social initiatives, represented by Instituto Elisabetha Randon, have been redesigned to meet the needs of the communities where we operate, reinforcing our belief that looking at children and young people is crucial for the effective transformation of society.

From our business standpoint, 2021 was a year with great achievements.

We were able to continue our fast-paced growth, with record net revenue results, reaching R\$ 9.1 billion, a 67% year-on-year

rise, which demonstrates the consistency of a diversified and increasingly resilient business model.

This performance is also the result of an innovation strategy involving projects and investments aligned to megatrends in the segment - which has placed us among the world benchmarks in technological innovation while increasing the competitiveness of Randon Companies. Such is the case of the discovery of an innovative method to manufacture niobium nanoparticles on a large scale - which originated the company NIONE -, the launching of Fras-le Smart Composites, which offers alternative solutions to more traditional materials such as steel, and the presentation of Randon Concept Trailer, a new semi-trailer made of high-quality materials, on-board technology and innovative production process.

In recent years, we have started a new growth cycle, and this became very evident during 2021. We have made important acquisitions, such as CNCS, Auttom and Randon Corretora de Seguros. In addition, we established Castertech Schroeder and our first fintech, R4 Digital, and we continued to invest in strategic startups through Randon Ventures. Therefore, we are preparing

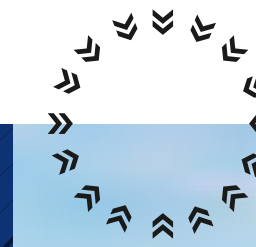
ourselves to be a company that operates throughout the whole chain, developing end-to-end solutions using the excellence of our over 70-year history.

Given this background, 2022 will be a year of major challenges and also of achievements through the collaboration of our more than 15 thousand employees, whom I like to call the main characters. It is our people who drive Randon Companies.

Our customers, investors and partners are also key to our growth path. These connections, people and our purpose of connecting people and riches, generating prosperity, are the reasons why we clearly see the future of Randon Companies: a solid and increasingly sustainable path.

Enjoy your reading!

Daniel Raul Randon
President

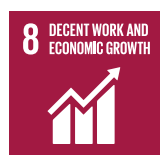


Randon Companies

» Related capitals

» Sustainable Development Goals

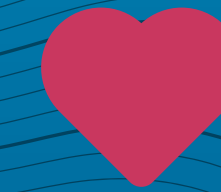
Our contribution to the SDGs, a universal action plan for people and planet, now and in the future.



Randon Concept Trailer, a concept product developed by Randon Implementos that brings reduced environmental impact and better performance

About us

We are Randon Companies and, for over 70 years, we have been developing solutions in transportation equipment, automotive systems and logistic services. Our brand has a global footprint, based on quality, innovation and ethics, to sustain value-generating relationships with our stakeholders and the environment.



PRINCIPLES

- » People are valued and respected.
- » Satisfied clients.
- » Safety and quality.
- » To preserve corporate image and legacy.
- » Ethics.
- » Profit with sustainability.
- » Innovation and technology.
- » Randon is all of us.



PURPOSE

Connecting people and riches, to generate prosperity.



Watch our manifesto and get to know what drives us



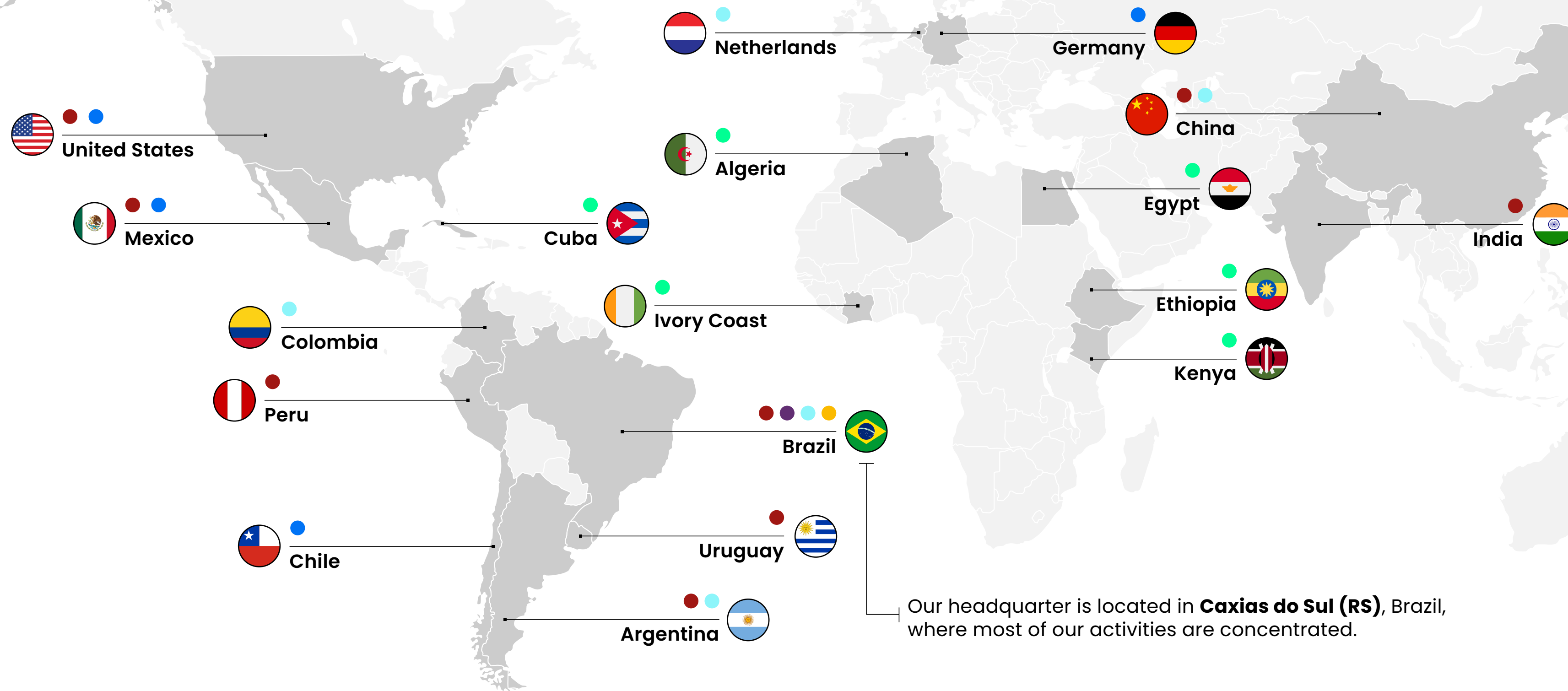
STRATEGIC GUIDELINES

- » Innovation and technology as differentiators
- » Absolute focus on customers
- » Diversification with focus
- » Financial strength
- » Leveraging synergies
- » Company desired to work
- » Sustainability (ESG) prioritized.

Global Presence

GRI 2-1; 2-6

We operate with 29 industrial units, with a structure in 18 countries and we sell our products and services in more than 120 countries, on all continents of the world.



Our headquarter is located in **Caxias do Sul (RS)**, Brazil, where most of our activities are concentrated.

29 Industrial units

- 21 Brazil
- 2 Argentina
- 1 China
- 1 USA
- 1 India
- 1 Mexico
- 1 Peru
- 1 Uruguay

7 Distribution centers

- 2 Argentina
- 2 Brazil
- 1 China
- 1 Colombia
- 1 Netherlands

5 Commercial offices

- 1 Germany
- 1 Chile
- 2 USA
- 1 Mexico

6 Technology and Innovation Centers

- 6 Brazil

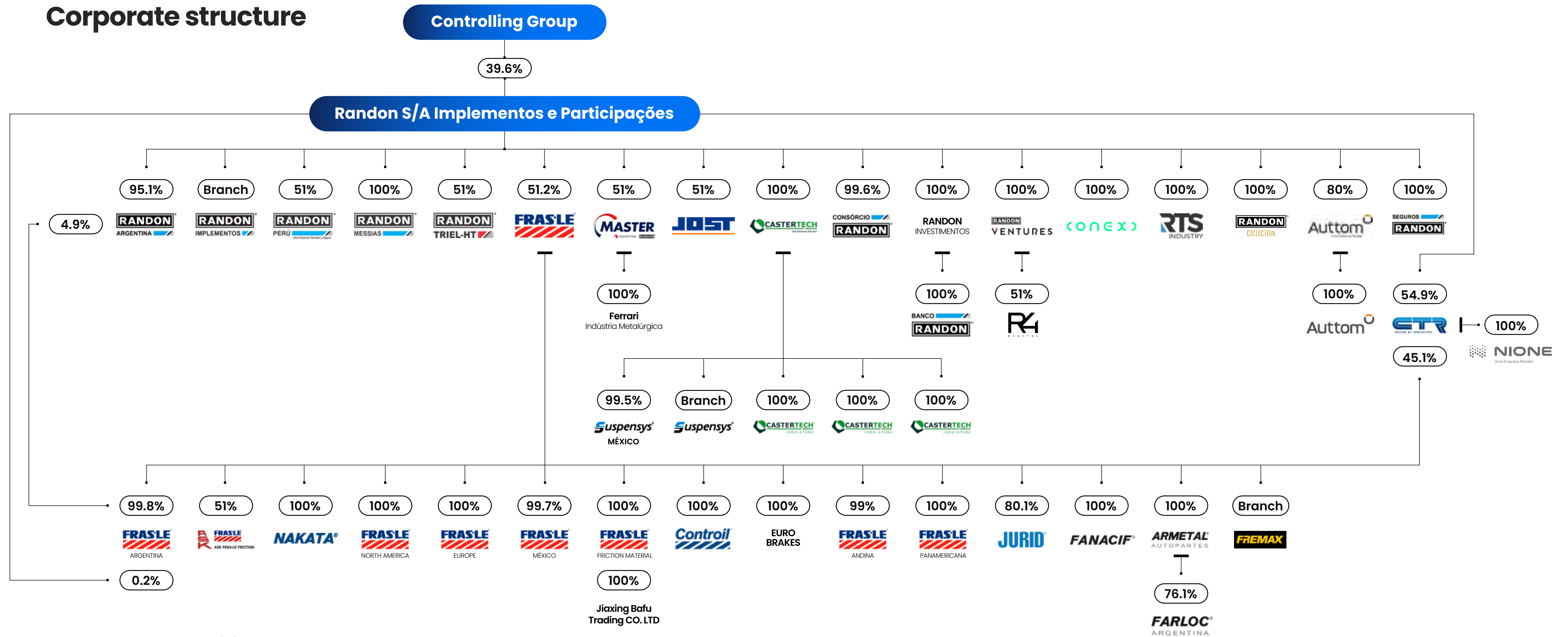
4 Financial and Digital Services

- 4 Brazil

6 Trailers and CKD Units

- 1 Algeria
- 1 Egypt
- 1 Ethiopia
- 1 Ivory Coast
- 1 Cuba
- 1 Kenya

Corporate structure



*Organization chart updated on 12/31/2021.

STAY TUNED!

Throughout the content, whenever we use the terms "Randon Companies" or "Company", we refer to all the companies that make up the Group. When we specifically refer to one of the businesses, we use the names of each company. You can get to know them individually in the following subchapter, Our Businesses.



Introduction
Annexes

Our businesses

GRI 2-6

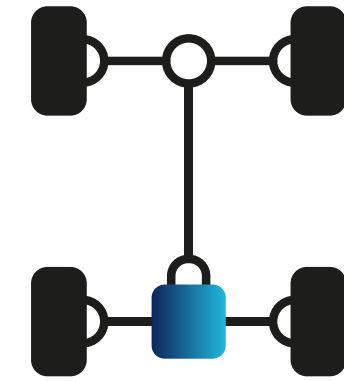
We are among the largest private companies in Brazil and we are leaders in most of the segments in which we operate.

OUR OPERATING SEGMENTS



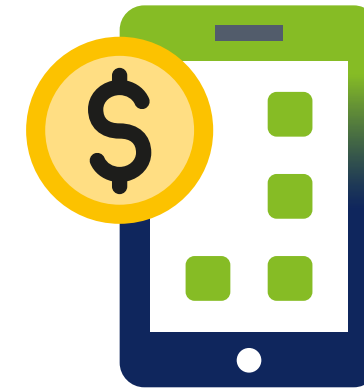
TRAILERS

Equipment for cargo transport (trailers/semi-trailers and railcars) and aftermarket.



AUTO PARTS

Suspensions, axles and brake systems, coupling and foundry and machining.



FINANCIAL AND DIGITAL SERVICES

Consortia for acquisition of capital goods, financial products and services, insurance and digital services and investments in startups.



MOTION CONTROL

Motion control products such as friction materials, components for brake systems and for suspension, steering and powertrain systems.



ADVANCED TECHNOLOGY AND HEADQUARTER

Development of products and solutions in mobility. Innovation of manufacturing processes and solutions in automation and industrial robotics. Solutions in materials with application of nanotechnology. Encourage open and collaborative innovation. Management support for operations.



It is the largest manufacturer of trailers and semi-trailers in Latin America and one of the 10 largest in the world. It produces truck bodies, trailers, semi-trailers and railcars.



A global leader in friction materials and components for brake systems, Fras-le is a reference in auto parts Aftermarket, with premium quality products.



A Brazilian leader in the manufacturing of brakes for light and heavy commercial vehicles, it is a joint venture between Randon and Meritor, and the largest manufacturer of brake systems for trucks, buses, trailers and semi-trailers in South America.



As the largest fifth wheel manufacturer in Brazil, Jost Brasil specializes in components and coupling systems for commercial vehicles and is the main supplier to the largest truck and trailer manufacturers in the country.



Specializing in solutions for wheel end systems and cast and machined supports, CasterTech manufactures hub and drum assemblies and cast supports for axles and suspensions for buses, trucks, trailers, agricultural machinery and tractors.



LAST AWARDS

- » Winner in the Global Advance Highlight category of the **49th edition of the RS Export Awards**.
- » Best Brazilian company, among the manufacturers of truck bodies and trailers, by the **Biggest in Transport and Best in Transport 2021** award.
- » Awarded for the 4th consecutive year as the most remembered brand in the trailers segment by **Top of Mind do Transporte**, a TranspoData award.
- » For the 2nd consecutive year, it received the Bronze Seal in the Best Brake Pad category at the **Best of the Year Award from Sindirepa-SP**.
- » Fras-le was winner of the **Inova Award**, which elects Indústrias do Novo Varejo, based on a survey carried out by After.Lab. Fras-le occupies the 1st place in the Brake Pad category, Nakata the 1st place in the Pivot and Terminal category and Fremax the 1st place in the Brake Disc category.
- » 1st place in the “best known brand” and “most purchased brand” categories for the Brake Lining segment. For the Brake Pads segment, it occupies the 2nd place in the “most purchased” category, and 3rd place in the “best known” category by the “**O Mecânico**” survey, carried out in partnership with IPEC (Intelligence in Research and Consulting Institute), which reveals the preferred brands in the automotive sector by mechanics.



It supplies axles and suspensions to the main assemblers of trucks, buses and trailers in Brazil and is the industry leader in Latin America. It has engineering teams dedicated to developing disruptive projects and new products, with a focus on electrification.



As a bank focused on the transport and logistics industry, it offers financial products, solutions and services in tune with the Randon Companies ecosystem, promoting the financial development of people and businesses.



As one of the largest consortium administrators in Brazil, it offers business partners a credit alternative for the sale of their products and, to customers, a safe and economical way of acquiring goods.



With expertise in insurance to protect assets, Randon Corretora de Seguros (“Randon Insurance Broker”) operates in the national market, offering insurance solutions for personal, business, residential and vehicle protection, in partnership with the main insurance companies in the country.



It is an investment company in startups that brings us closer to new businesses and innovation ecosystems, stimulating the creation of new solutions for our customers.



This is an open innovation platform that promotes physical and digital connections to bring Randon Companies and other companies in the Serra Gaúcha region closer to different ecosystems, connecting talents and offering a space for learning and integrating different generations.



Randon Tech Solutions Industry (RTS Industry) works in the innovation of manufacturing processes and in the support and development of automation, promoting industrial transformation.



Auttom operates in several segments, offering technological solutions in automation and industrial robotics, such as robotic cells, customized electrical panels, machine safety and telemetry.



One of the largest independent technology centers in the automotive sector in South America, the Randon Technological Center (CTR) is a complex dedicated to the development and approval of products for the mobility industry.



NIONE, our newest business unit, works in the development, production and application of nanotechnology, enabling innovative technological solutions in materials.



Highlights 2021

GRI 2-6

The main highlights of the Company during this year will be presented on the following pages.

To learn more about each one, click on the arrow at the end of each item to access our news portal on the web.

Innovation and Technology

- » **RANDON COMPANIES DISCOVER AN UNPRECEDENTED METHOD IN THE WORLD MARKET FOR THE PRODUCTION OF NIOBIUM NANOPARTICLES** on a large scale, generating opportunities for different sectors of the transformation industry with great reduction of environmental impact, and announce their new unit of research, production and application of nanotechnology, namely **NIONE**. [▶](#)
- » **NIONE, LAUNCHES ITS FIRST PRODUCT**, a pre-mix for use in protective coatings, with the first application foreseen in Fremax products. [▶](#)
- » **FRAS-LE LAUNCHES A NEW LINE OF PRODUCTS IN COMPOSITE MATERIALS**, which are 65% lighter, Fras-le Smart Composites, focusing on sustainability and global megatrends. [▶](#)
- » **RANDON LAUNCHES ITS FIRST STARTUP IN PARTNERSHIP WITH 4ALL, FINTECH R4 DIGITAL**, in partnership with the Banco Randon and the Phi platform, which offers financial products and services for the logistics sector. [▶](#)
- » **THE BANCO RANDON ADVANCES IN ITS BUSINESS TRANSFORMATION PROCESS** and presents a new digital financial services application. [▶](#)



- » **RANDON IMPLEMENTOS DEVELOPS AN INNOVATIVE SEMI-TRAILER CONCEPT**, the Concept Trailer, designed to increase performance and reduce operating costs for carriers. [▶](#)
- » **RANDON VENTURES INVESTS IN FOUR MORE STARTUPS WITH INNOVATIVE SERVICES** in different segments of the logistics ecosystem, Motorista PX, TruggHub, Abbiamo and Grupo Delta. [▶](#) [▶](#) [▶](#) [▶](#)
- » **THE HERCÍLIO RANDON INSTITUTE BECOMES AN INSTITUTE OF SCIENCE AND TECHNOLOGY (IST)**, the main private institute in the country in the areas of mobility, embedded electronics and materials, developing disruptive research. [▶](#)
- » **THE RANDON TECHNOLOGICAL CENTER** presents a new positioning and aims at innovations for the future of mobility with investments in new solutions for testing and engineering services focused on electromobility. [▶](#)



Executives formalize acquisition of CNCS by Castertech

Business expansion

- » **CASTERTECH EXPANDS ITS PRODUCTION CAPACITY IN MACHINING AND FOUNDRY PROCESSES** and strengthens its position in the agricultural segment with the acquisition of the company CNCS Tecnologia em Usinagem, in Caxias do Sul (RS), and the independent production unit of Foundry and Machining of the Menegotti Group, in Santa Catarina. [▶](#) [▶](#)
- » **RANDON IMPLEMENTOS EXPANDS THE PRODUCTION CAPACITY OF THE ARARAQUARA UNIT** and invests in the redistribution of production lines to new work fronts. [▶](#)
- » **MASTER INAUGURATES A FACTORY AND FORGE EXPANSION IN CAXIAS DO SUL (RS)**, with an area of 24 thousand m2. The installation will apply an unprecedented process, with robotization, for the manufacturing of brake systems components. [▶](#)
- » **THE RANDON COMPANIES ACQUIRE AUTTOM**, a technology solutions company in automation and industrial robotics that took a step towards internationalization with the opening of a new office in the United States, a **Auttom USA**. [▶](#) [▶](#)

Financial

Record Consolidated Net Revenue of

R\$ 9.1 billion

(+67.0% vs. 2020).

Record EBITDA of

R\$ 1.3 billion

(+10.7% vs. 2020).

Record net income of

R\$ 697.9 million

(+5.0% vs. 2020).

Investment of

R\$ 586.9 million

both in CAPEX and in acquisitions and paid-in capital.



Socio-environmental

- » **LAUNCH OF ESG AMBITION**, our sustainability strategy that sets out public commitments. ▶
- » **LAUNCH OF THE ROTA VERDE (“GREEN ROUTE”) PROGRAM**, with goals established until 2025 and 2030, reinforcing our environmental commitment. ▶
- » **THE RANDON TECHNOLOGICAL CENTER** achieves the ISO 45001:2018 management certification for occupational safety and health and **Fremax** achieves the international certification in environmental management 14001:2015. ▶▶
- » **RESUMPTION OF MEETINGS WITH THE LOCAL COMMUNITY** with the participation of community, cultural and social leaders. ▶
- » **RENEWAL OF RANDON COMPANIES’ ETHICAL CONDUCT CODE**. ▶
- » **ADHERENCE TO THE GLOBAL COMPACT**, an initiative of the United Nations (UN) that aims to mobilize the business community for sustainable development.
- » **START OF JORNADA PLURAL (“PLURAL JOURNEY”)**, a leadership training program that seeks to raise awareness and promote diversity and inclusion within the Company.

Our results

GRI 2-6; 201-1

The consolidated results of Randon Companies in 2021 exceeded initial expectations for the year, due to a combination of factors: a diversified business model, the capture of synergies between the operating units, the return on investments in innovation and productivity, and a heated market that made it possible to advance in the main financial indicators.

As a result, Consolidated EBITDA was R\$ 1.3 billion, 10.7% higher than in 2020 (R\$ 1.2 billion). The EBITDA margin was 14.7% in 2021 compared to 22.1% in 2020. Consolidated Net Income, in turn, totaled R\$ 697.9 million in 2021, with a net margin of 7.7%, which reflects an ROE of 33.9% (last 12 months).



TRANSPARENCY TROPHY 2021

For the third year in a row, we won the Transparency Trophy, an initiative of the National Association of Executives (ANEFAC)—with technical analysis by the Foundation Institute of Accounting, Actuarial and Financial Research (FIECAFI)—which highlights companies that have the best transparency practices in accounting information, published to the market through its financial statements.



The record results, both for EBITDA and for Net Income, can be explained by:

- » increase in volumes sold in the main product lines;
- » addition of revenues from acquired companies and expansion of the portfolio, increasing our exposure to the agribusiness and industrial technology market;
- » expansion in the international market, with growth in exports and revenues in new countries and regions;
- » price adjustment due to high inflation;
- » increased large-scale production;
- » control of administrative and commercial expenses, which reduced their representation in relation to the consolidated net revenue.

In relation to the international market, revenues totaled US\$ 316.5 million in 2021, registering an increase of 47.6% compared to 2020 (US\$ 214.4 million). These revenues represented 18.9% of the Company's consolidated net revenue in 2021. Moreover, we had US\$ 130.3 million related to exports, from companies located in Brazil, and US\$ 186.1 million of revenues from units located abroad.

In terms of investment, in 2021, we made organic investments (CAPEX) of R\$ 358.1 million, non-organic investments of R\$ 84.3 million and capital paid-in of R\$ 144.5 million, totaling an amount of R\$ 586.9 million.

VOLUME OF PRODUCTS AND SERVICES SOLD AND NET REVENUE IN 2021, BY DIVISION

TRAILERS	QUANTITY	NET REVENUE (R\$ THOUSAND)
Brazil semi-trailers	29,039	2,773,331
Semi-trailers International Market (un.)	4,207	519,609
Railcars (un.)	459	238,968
Aftermarket ¹	-	372,887
Special Vehicles (un.) ¹	-	428
Others ²	-	18,545
AUTO PARTS		
Friction materials (thousand/unit.)	102,053	1,237,422
Other products Fras-le (thousand/unit.) ²	38,694	1,292,587
Brakes (un.)	917,532	651,532
Coupling Systems (un.)	152,997	331,100
Axles and Suspensions (unit.)	197,377	771,194
Hubs and Drums (un.)	827,512	564,560
Others ³	-	11,497
FINANCIAL AND DIGITAL SERVICES		
Consortium Shares Sold	16,669	198,594
Randon Investimentos (Banco Randon)	-	70,901
Others ⁴	-	4,729

1. It refers to the operations of the companies RTS Industry and Randon Autom which, at the moment, are allocated within the Trailers unit.

2. The volumes of products from the indirect subsidiary Nakata Automotiva started to be included in this line as of September 2020.

3. It refers to CTR activities, which were allocated within Fras-le. CTR now operates separately, with its own CNPJ.

4. Randon Collection, Conexo, Randon Correitora and Randon Ventures.

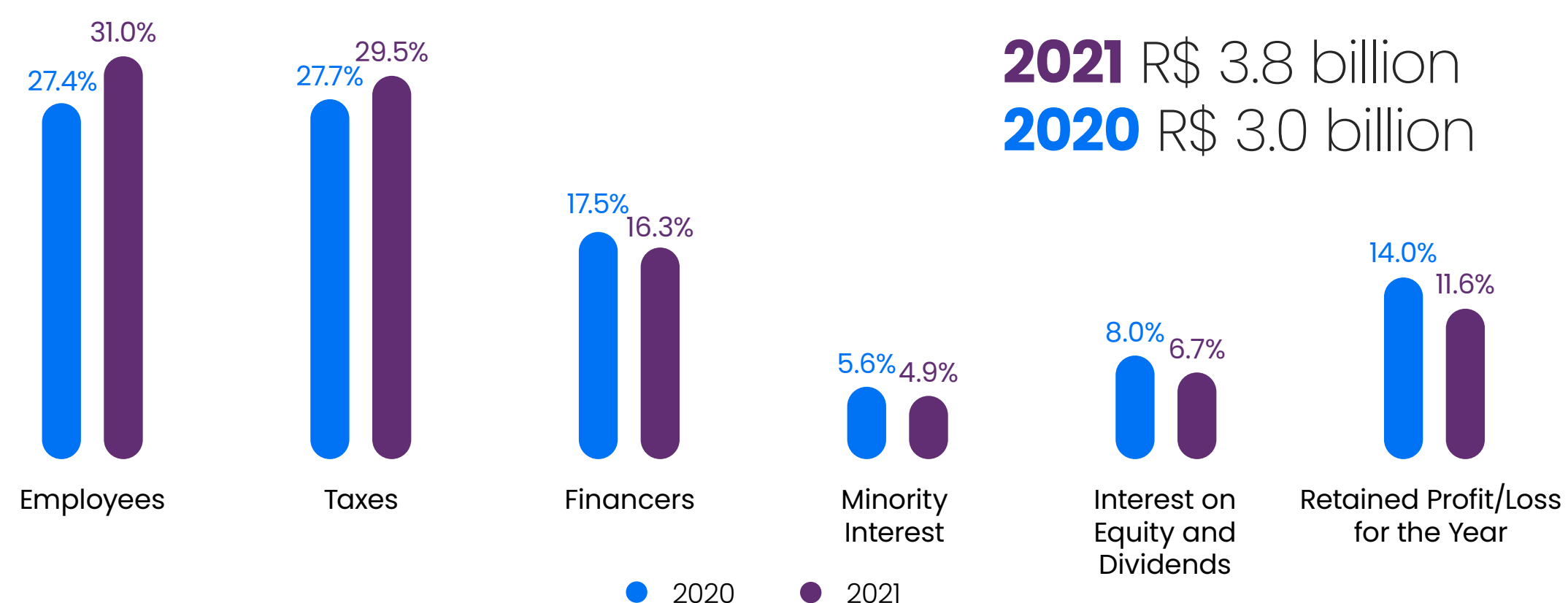
SUMMARY OF THE INCOME STATEMENT (IN R\$ THOUSAND)

	2021	2020	Δ%
Total Gross Revenue ¹	13,233,768	7,696,484	71.9%
Consolidated Net Revenue	9,057,885	5,424,864	67.0%
International Market Revenues US\$ ²	316,480	214,408	47.6%
Consolidated EBITDA	1,327,310	1,199,375	10.7%
EBITDA Margin (%)	14.7%	22.1%	-7.5 p.p.
Consolidated Net Profit	697,876	664,674	5.0%
Investments ³	586,893	618,553	-5.1%

1. No elimination of intercompany sales.

2. Consolidated Exports + Revenues Abroad

3. Capex + Non-Organic + Paid-in Capital

Statement of Added Value – SAV

To read the complete Income Statement and have more details on the figures mentioned in this chapter, access the **2021 Annual Report**. [▶](#)

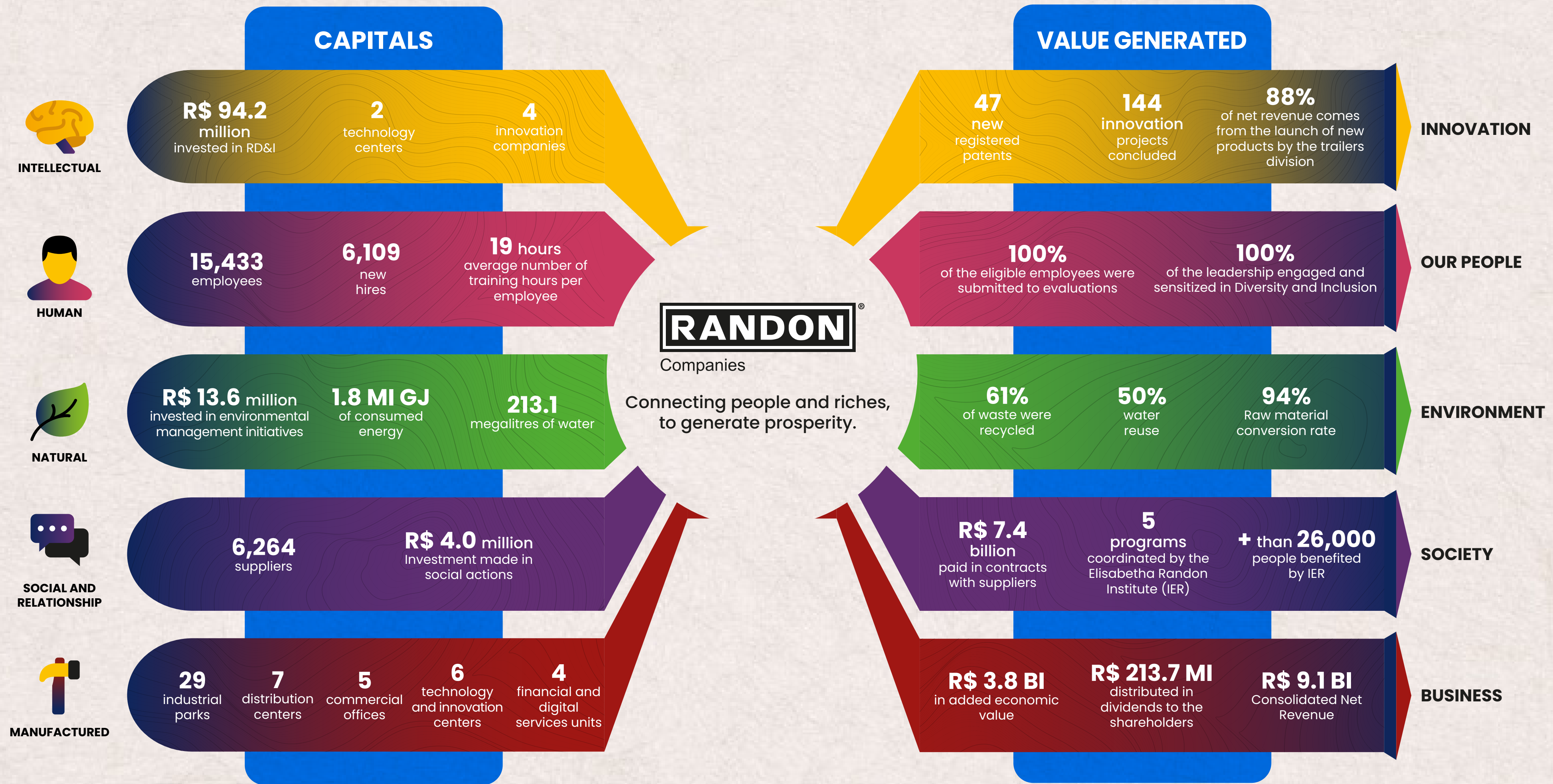
Tax management

At Randon Companies, we maintain the Tax Planning area, which works together with the Tax and Accounting areas, and is responsible for mitigating tax impacts, in a conscious and responsible way, so that the tax benefits allowed by law are used in a balanced way, weighting the fiscal equity and economic efficiency of the business.

The main projects, opportunities and risks are shared and handled in the non-statutory Tax Committee, which is composed of the CFO (Chief Financial Officer), Legal and Tax Planning Director, Shared Solutions Director, Controllership Managers of the business units, and other members responsible for the fiscal, accounting, and tax departments, along with tax consulting.

We also have the Tax Compliance area, created in 2021, which works to ensure adherence and compliance with all current legislation. We monitor risks, through the implementation of tax and corporate procedures, and follow the main changes in the legislation, in order to foresee the impacts and opportunities for the Company.

Value Generation



Together, innovating for a better future

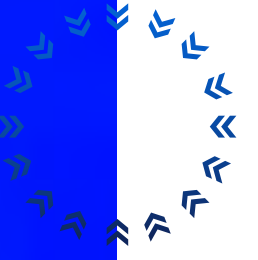
» Related capitals

» Sustainable Development Goals

Our contribution to the SDG, a universal action plan for people and planet, now and in the future.



Laura Avila, a Qualifying Program student who completed her course in December 2021



Our ESG Ambition

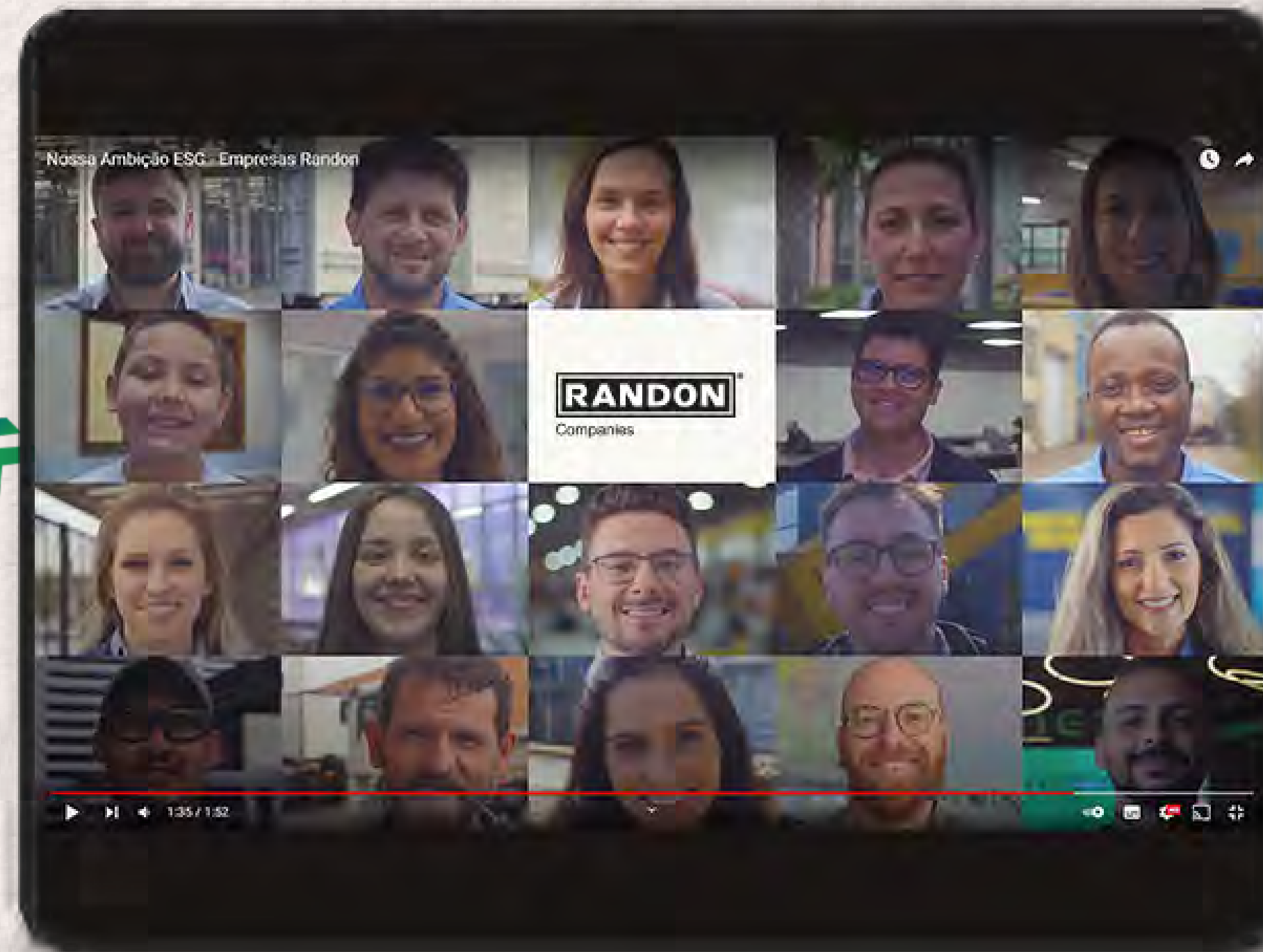
GRI 2-22; 3-1; 3-2

We believe that the future is not a frontier:
it is an opportunity to build the new.
 A new one even better, for being more responsible, efficient and prosperous for all.

For Randon Companies, sustainability means connecting to this construction the search for value-generating, safe and sustainable solutions and relationships. Therefore, in 2021, we launched our **ESG Ambition**, which defines the strategic pillars, commitments and goals established between 2025 and 2030 to promote the sustainability of the business and its value chain.

Our efforts go beyond meeting short-term and long-term goals. Our main objective is to continually evolve in our way of doing business, to maximize the positive impact on society in the present and in the future, anticipating changes that guarantee a sustainable development.





Watch our **ESG Manifesto** and learn more about how we are building today a more sustainable tomorrow.



Listen to our podcast at the **Randoncast** no Spotify

#22 ESG: how to connect sustainability and business strategies and learn more about how ESG has been gaining increasing space in the corporate world.

GOVERNANCE IN SUSTAINABILITY

GRI 2-9

In 2021, we structured the non-statutory ESG Committee, a multidisciplinary group responsible for aligning sustainability policies and processes within the Company. Coordinated by the Director of Operational Excellence, Bernardo Bregoli Soares, and composed of members from several areas—Management Systems, Health, Safety and Environment, the Elisabetha Randon Institute, People and Culture, Ethics and Compliance, Investor Relations, Strategic Planning, Brand and Reputation, and business unit representatives—the ESG Committee must:

- » monitor sustainability projects and programs;
- » support the development of actions that reinforce our performance in the five pillars of the ESG Ambition, and monitor the fulfillment of the established commitments;
- » report the results to the Company's Presidency.



To identify and develop eco-efficiency gains opportunities in our operations, with a focus on promoting circularity and the efficient use of resources, fighting climate change, and stimulating advancements in environmental, supplier and client management practices.

To optimize the generation of value to our publics, while supporting the development of our employees and a diversified and inclusive work environment, and stimulating the development of sustainable practices by our suppliers and socio-economic inclusion in local communities.

To ensure business sustainability through continuous, disruptive, and collaborative innovation while striving for advancements in sustainable cargo transportation and in our value chain.

To remain a reference in terms of quality and safety in all areas of our operations, with a focus on the safety of our employees, data security, and product excellence to ensure safety to our clients.

To optimize the sustainable development of our business by assuming institutional commitments and adopting better sustainable management practices, with ethics and corporate governance, while keeping transparency and rendering accounts to all of our stakeholders.

Collaboration and commitments

GRI 2-28

To contribute to the transformation of the transport sector, we actively participate in organizations, through discussions and the proposition of public policies.

In addition, we collaborate with initiatives that promote sustainability and contribute to the development of our business. Find out more below:

SUSTAINABILITY



In 2021, we became signatories of the Global Compact, a United Nations (UN) initiative that aims to mobilize the business community to align their business strategies with the 10 universal principles that reflect fundamental values in the areas of human rights, labor relations, environment and fighting corruption. Learn more at: [▶](#)

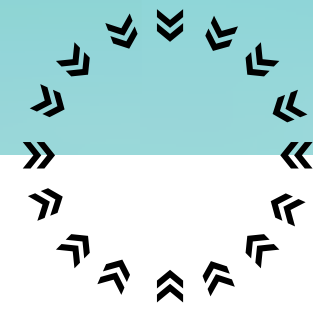


We are also signatories of the Ethos Institute's Business Pact for Integrity and Against Corruption, whose objective is to promote a more honest and ethical market and eradicate bribery and corruption. Since 2019, we have made a public commitment to integrity in the business environment.



We are part of Transforma RS, a hub that connects companies, government, universities and society with the purpose of supporting the sustainable development of Rio Grande do Sul. Learn more at: [▶](#)





SECTORS

- » American Chamber of Commerce for Brazil (Amcham Brasil)
- » Brazilian Association of the Railway Industry (Abifer)
- » Brazilian Association of Publicly-Held Companies (Abrasca)
- » Brazilian Association of Consortium Administrators (Abac)
- » Brazilian Foundry Association (Abifa)
- » Association of Capital Market Analysts and Professionals (Apimec)
- » National Association of Auto Parts Distributors (Andap)
- » National Association of Road Implement Manufacturers (Anfir)
- » National Association of Finance, Administration and Accounting Executives (Anefac)
- » Chamber of Industry, Commerce and Services of Caxias do Sul (CIC Caxias)
- » Center of Business Excellence (Cenex)
- » Federation of Industries in Rio Grande do Sul (Fiergs)
- » Heavy Duty Manufacturers Association
- » Innova RS
- » Helice Institute
- » Union of Metallurgical and Electrical Materials Industries of Caxias do Sul (Simecs)
- » Interstate Union of Railway and Highway Materials and Equipment (Simefre)
- » National Union of Industry and Components for Motor Vehicles (Sindipeças)



Contribution to the SDGs

The Sustainable Development Goals (SDG) are an universal action plan for people and the planet, now and in the future.

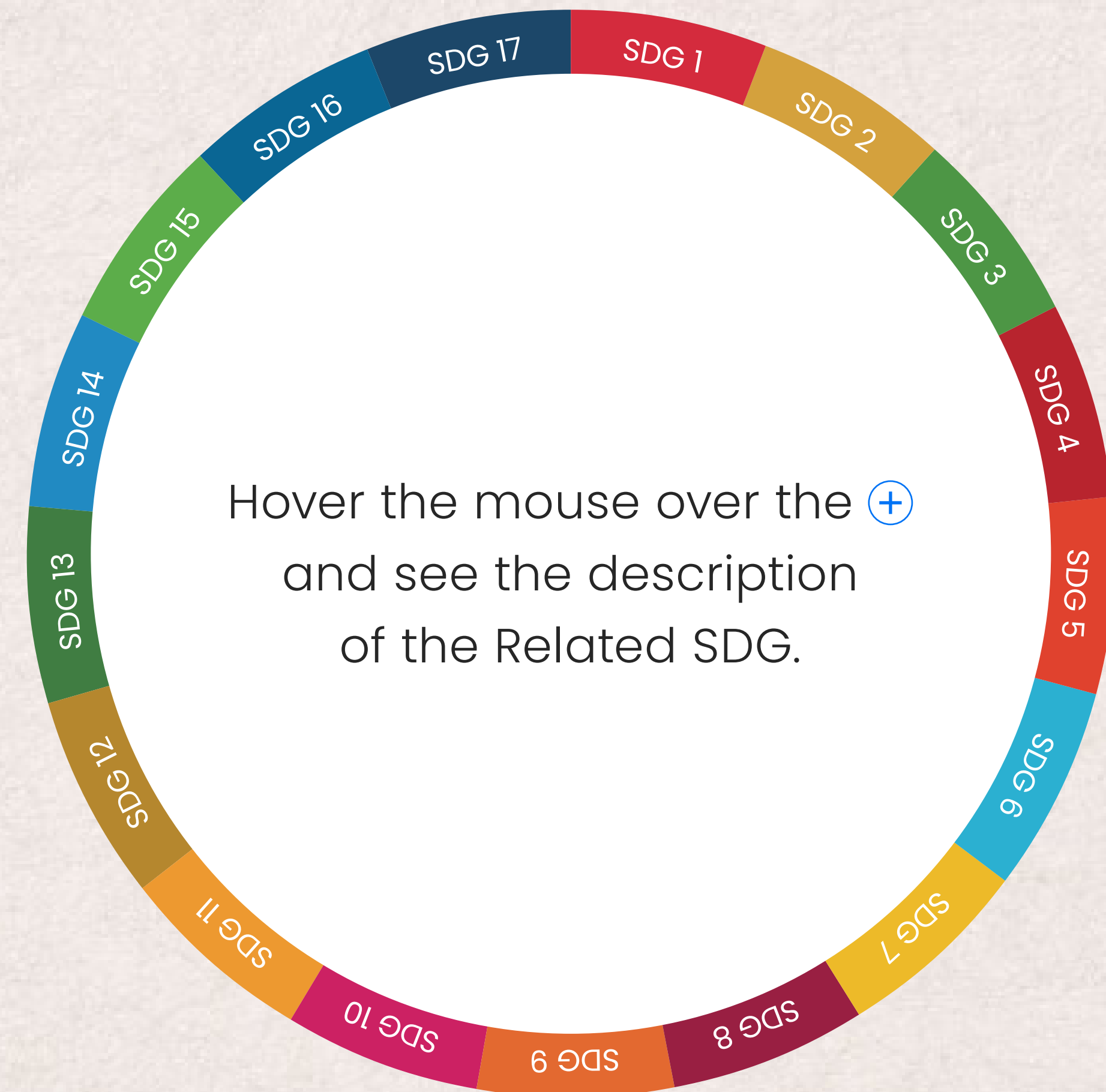
Together, they represent collective actions to be developed by the international community to promote sustainable development and face the main global challenges of our times.

The 17 objectives, and their 169 goals, are integrated and propose to balance the three dimensions of sustainable development: economic, social and environmental.

These goals acknowledge the synergy between topics such as economic growth, education, diversity, health, and environmental care as essential to promote significant changes and ensure a more resilient and prosperous future for all.

Our contribution

We acknowledge that our business affects at least 15 goals at different levels. In order to list those whose impacts are seen as a priority to our business, we have made an evaluation and identified the seven most relevant ones.



Ethical and responsible management

» Our Ambition

To optimize the sustainable development of our business by adopting institutional commitments and better management practices in terms of sustainability, ethics and corporate governance, while maintaining transparency and rendering accounts to all of our stakeholders.

» Related capitals

» Sustainable Development Goals

Our contribution to the SDGs, a universal action plan for people and planet, now and in the future.



Performance in 2021

20%

of women in the Board of Directors

R\$ 22.7 MI

distributed to managers

100%

Employees informed about anticorruption policies and procedures

Topics



Governance that generates value



Ethics

Rosana Nobuko Ishii Machida, Ethics and Compliance Administrative Assistant

Governance that generates value

GRI 3-3

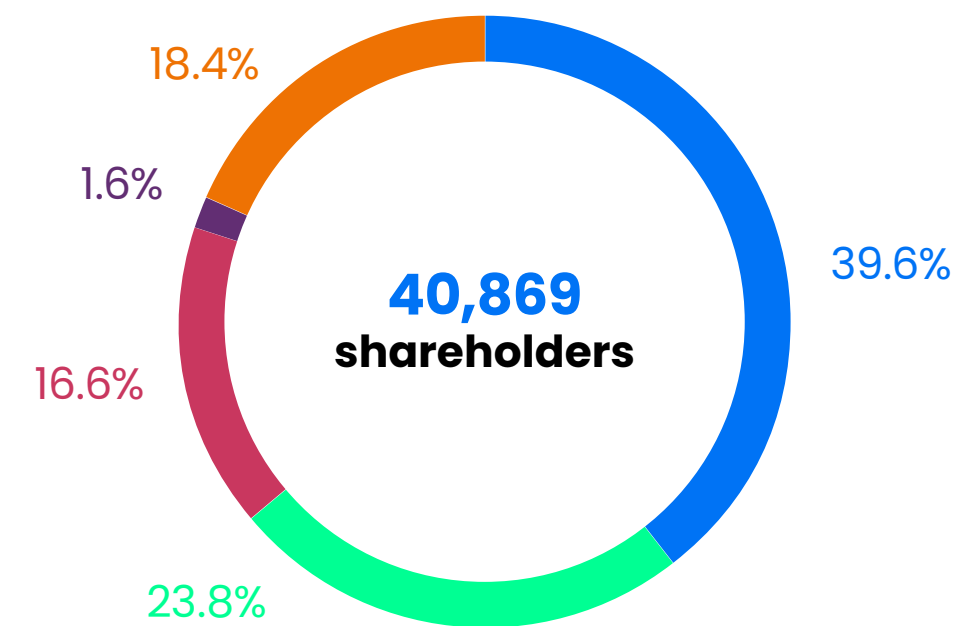
Background

We are publicly traded, comprising 116,515,527 common shares and 212,815,006 preferred shares, with a market value of R\$ 3.8 billion at the end of 2021, traded on B3 under the tickers RAPT3 and RAPT4.

SHARES IN TREASURY

In 2021, we had a reduction in the number of preferred shares, compared to 2020, in the total of 16,445,276 shares, as a result of the cancellation of treasury shares, without par value, issued by the Company.

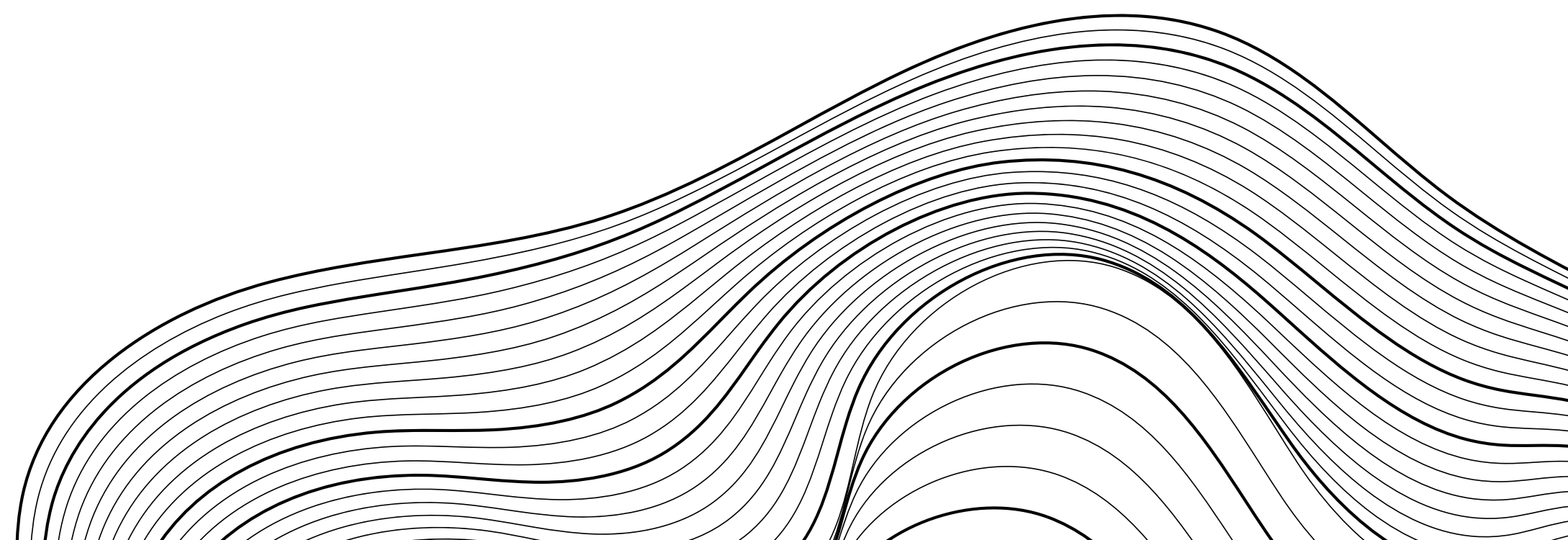
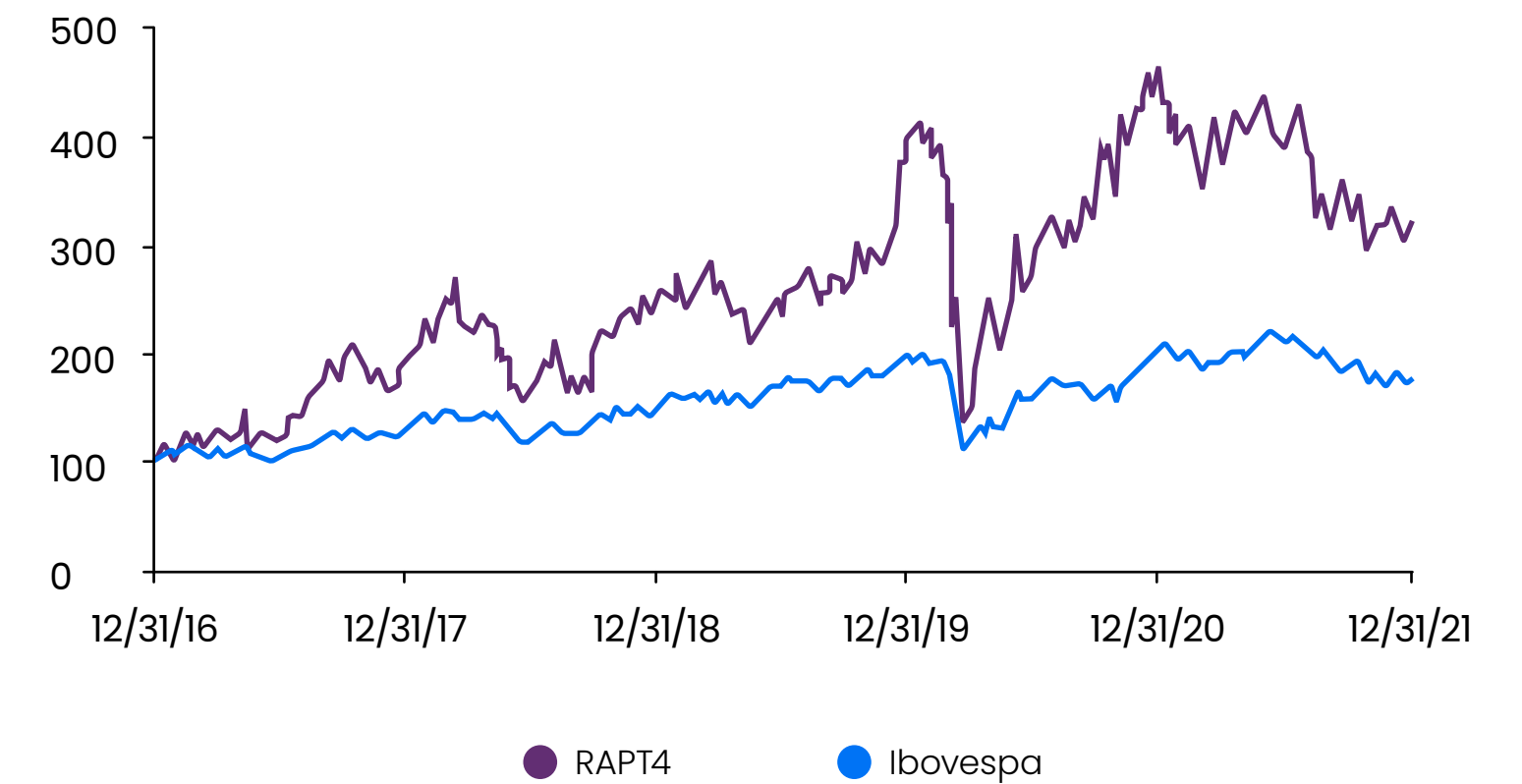
Shareholder Profile - Total Shares



- Controlling Group
- Institutional investors¹
- Individuals
- Legal Entities²
- Foreigners

1. Investment Funds and Clubs.
2. Companies, Banks, Brokers and Associations

RAPT4 (100=12/31/2021)



Best practices

GRI 3-3

To ensure the continuous generation of long-term sustainable value, and the fulfillment of our commitment to transparency and ethics in the day-to-day business, we adopt the best corporate governance practices, in line with the recommendations of the Brazilian Institute of Corporate Governance (IBGC) and the Securities and Exchange Commission (CVM nº 586).

- » **Level 1** Corporate Governance in B3
- » **60.4%** of free float
- » **60% of independent members** in the Board of Directors (BD) - 3 out of 5
- » **20%** of women in the BD - 1 out of 5
- » Manual for **Participation in Annual General Meetings**
- » **Internal Regulations** for Boards (BD and Fiscal Council) and Executive Board
- » **Governance Portal**
- » **Independent audit** reporting to the Board of Directors
- » **Internal and Compliance audit** reporting to the BD
- » Outsourced and independent **Reporting Channel**
- » **Corporate Policies**
- » **Corporate Governance Board**



In 2021, the company's results began to be released by videoconference.

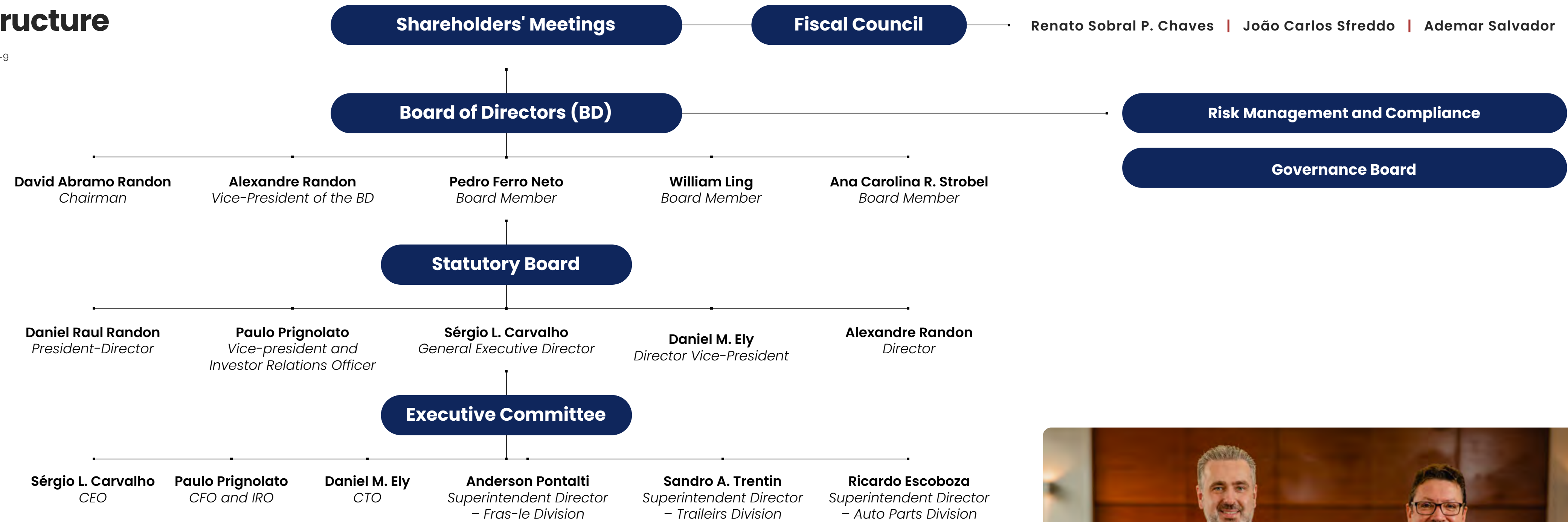
As a result, our shares are listed in several B3 indexes and segments, which group companies with best governance practices and shareholder value creation, as shown below:



The Corporate Governance Report is available on our Investor Relations website, which provides details on the practices adopted. Access: [▶](#)

Structure

GRI 2-9



NEW GOVERNANCE STRUCTURE

As part of our efforts to continuously evolve in governance, we announced, still in December 2021, the segregation of the roles of President-Director and CEO, exercised, until the end of this fiscal year, by Daniel Raul Randon. With the new configuration, which took effect in January 2022, the Vice-President and COO, Sérgio L. Carvalho, assumes the role of CEO of Randon Companies and Daniel Randon, as President-Director, will have the mission to ensure speed to internationalization and to the agendas of ESG and innovation, considered central to the Group's strategy, while continuing to support the new CEO and the Executive Committee.



Board of Directors (BD)

GRI 2-9; 2-10; 2-11

Our Board of Directors (BD) is made up of members elected individually by the shareholders, at the General Meeting, and may have from three to nine members, with a unified term of office of two years and reelection permitted. Composed of five members, in 2021, the average term of office of the Board was 4.2 years. The Board of Directors met 25 times, with a 99% average attendance.

The Board's duties are provided for in the [Bylaws](#) and in the [Internal Regulations](#), both available on the Investor Relations website.

COMPOSITION ON 12/31/2021

To know the detailed professional experience of each member of the BD, hover over the [+](#)

David Abramo Randon

Number of terms: 2
Attendance at meetings: 100%

Alexandre Randon

Number of terms: 8
Attendance at meetings: 100%

Pedro Ferro Neto

Number of terms: 3
Attendance at meetings: 100%

William Ling

Number of terms: 2
Attendance at meetings: 96%

Ana Carolina Ribeiro Strobel

Number of terms: 1
Attendance at meetings: 100%

Fiscal Council (FC)

GRI 2-9

Our Fiscal Council (FC) is a non-permanent, independent body on the Management and the External Audit, installed at the request of the shareholders at the Annual General Meeting. It works by inspecting the actions of the managers of the Company and its subsidiaries, examining and giving an opinion on the financial statements.

The Board may have from three to five members, with the same number of alternates, the majority being elected by the controller, with a term of office of one year. In 2021, it consisted of three members, who met 11 times, with 100% attendance.

To learn more about the FC's attributions and powers, access the [Internal Regulations](#) on our Investor Relations website.

COMPOSITION ON 12/31/2021

To know the detailed professional experience of each FC member, hover over the

Ademar Salvador

Number of terms: 5
Attendance at meetings: 100%

João Carlos Sfreddo

Number of terms: 10
Attendance at meetings: 100%

Renato Sobral Pires Chaves

Number of terms: 5
Attendance at meetings: 100%

Statutory Board

GRI 2-9

Our Statutory Board is made up of members elected by the Board of Directors (BD), shareholders or not, with a unified two-year mandate and reelection allowed.

The body may have from two to nine members, including a Chief Executive Officer, three Vice-Presidents, an Investor Relations Officer and up to four Officers without specific designation. Comprised of four members, who meet regularly, in 2021, the Board held eight meetings.

Moreover, that year, the Board of Directors' [Internal Regulation](#) was approved, which details the body's attributions and responsibilities.

COMPOSITION ON 12/31/2021

To see the detailed professional experience of each Officer, hover the cursor over the [+](#)

Daniel Raul Randon

Number of mandates: 2
Attendance at meetings: 100%

Paulo Prignolato

Number of mandates: 2
Attendance at meetings: 100%

Sérgio L. Carvalho

Number of mandates: 3
Attendance at meetings: 100%

Daniel M. Ely

Number of mandates: 1
Attendance at meetings: 100%

Alexandre Randon

Number of mandates: 8
Attendance at meetings: 100%

Executive Committee

GRI 2-9

The Executive Committee (COMEX) is a non-statutory body, made up of the CEO (Chief Executive Officer), the CFO (Chief Financial Officer), the CTO (Chief Transformation Officer) and three (non-statutory) superintendent directors from the Trailers, Autoparts and Fras-le, without a fixed term.

With an advisory and deliberative nature, in accordance with the demands of the business, COMEX is responsible for analyzing the operations and direct management of the Company and its subsidiaries and, when applicable, forwarding the topics to the Board of Directors for deliberation.

Following the separation of the Chairman and CEO positions, already mentioned in this report, as of January 2022, this is the composition of the COMEX:



Sérgio L. Carvalho
CEO

Paulo Prignolato
CFO and IRO

Daniel M. Ely
CTO

Anderson Pontalti
Superintendent Director | Fras-le Division

Ricardo Escoboza
Superintendent Director | Auto Parts Division

Sandro Trentin
Superintendent Director | Trailers Division

Remuneration

GRI 2-19; 2-20

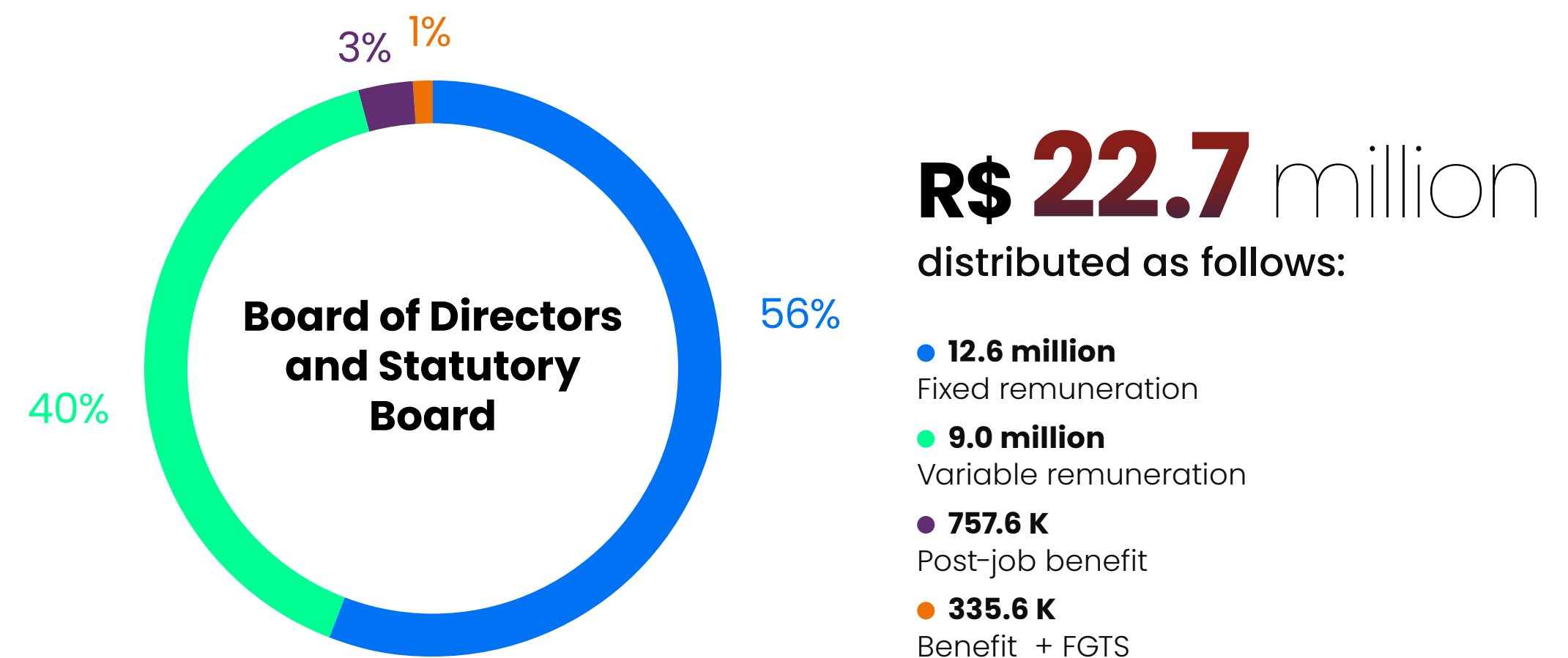
We have a Remuneration Policy for Senior Leadership, aimed at promoting the continuity of the business, based on the best market practices and on goals linked to strategic planning.

The Board of Directors, Executive Board, and Fiscal Council's remuneration is approved by the shareholders at the Annual General Meeting ("AGM"). The Board of Directors, in turn, distributes the remuneration approved in a global amount, for each of its members and for the Officers. The Fiscal Councilors have equal fixed remuneration already approved at the AGM itself, plus the cost of travel expenses, as provided by law.

The Executive Officers are entitled to fixed remuneration, a benefits package and variable remuneration (profit sharing), linked to the achievement of targets and obtaining short and long-term results. The Board of Directors members, on the other hand, do not earn profit sharing.

Get access to our [Remuneration Policy](#) on our IR website.

Remuneration 2021



Ethics

GRI 2-23; 2-24; 2-25; 2-26; 3-3

We have a solid commitment to integrity and the promotion of an ethical culture and respect for human rights, both in our business environment and in our relations.



This commitment is guided by the Integrity Program, **ID Randon ("Randon ID")**, which aims to ensure the adoption of mechanisms to promote ethics and integrity in line with our principles.

ID Randon guides, disseminates and monitors the principles and values to be observed by all employees, managers and business partners in all the Company's companies.



SOLID COMMITMENT


We are signatories of the Ethos Institute's Business Pact for Integrity and Against Corruption, and we assume a public commitment in favor of integrity in the business environment.

Principles and guidelines

We have instruments that guide our governance, strengthen our values and principles, and guide ethical and responsible behavior in all spheres of our business. In 2021, our Code of Ethics Conduct was updated and our policies were reviewed and approved by the Board of Directors.

POLICIES AND MECHANISMS | ID RANDON



 Get to know ID Randon and our Code of Conduct Ethics also through the institutional video.

GUIDING POLICIES ON SPECIFIC ISSUES

- » Anticorruption Policy
- » Compliance Policy
- » Corporate Procurement Policy
- » Consequences Policy
- » Extra-Audit Service Contracting Policy
- » Controllership Policy
- » Finance Policy
- » International Exchange Risk Management Policy
- » Investment Management Policy
- » Staff Management Policy
- » Risk Management Policy
- » Sponsorship and Donation Policy
- » Personal Data Privacy Policy
- » Health, Safety and Environmental Policy
- » Information Security Policy
- » Asset Security Policy
- » Policy on Transactions with Related Parties

 [Learn more about our policies.](#)

CONFLICT OF INTERESTS

GRI 2-15

Issues related to conflict of interest are guided by our **Code of Ethical Conduct**, which establishes that the Company's corporate interests must not be harmed, or overlapped, by the personal interests of its employees and managers.

In the document, we present some conduct that can be interpreted as a conflict of interest, such as family relationships, professional referrals and investment in partnership with partners, guiding how our employees and managers should proceed.

Thus, to ensure that decision-making is based on impartiality and integrity, we advise all employees to inform their leaders of possible conflicts of interest and to renew the report whenever there is a change in their situation. For our managers, we also advise to report the conflict situation in advance, as well as to refrain from decisions related to the topic.

Engagement

GRI 3-3; 205-2

To continuously strengthen a culture aligned with ethical principles and respect for human rights, we present the Integrity Program already in the integration of our employees. Our Ethical Conduct Code is delivered in a physical or digital version, and everyone is invited to sign the acknowledgment and commitment term.

We carry out periodic internal communication campaigns with the aim of reinforcing the values and principles that govern our business. Our training courses, available on our Pra.VC platform, feature content such as the Ethical Conduct Code and the fight against corruption, with videos and forums, to encourage reflection and promote the appreciation of respect in relations between the Company's audiences.

We also promote lectures on the topic at events and special days, such as the live session held on the International Anti-Corruption Day, and the lecture "Ethics and Sustainability" at the Randon Companies Summit event (learn more on page 81).

All new employees hired undergo training on the Ethical Conduct Code and, whenever the document is reviewed, they are invited to participate in refresher training. Also in 2021, the members of the Board of Directors, Fiscal Council, Executive Committee and leaders participated in recycling training. For the other employees, training is scheduled for 2022.

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

EMPLOYEES	2021 ¹	%	2020 ²	%	2019	%
Trained	5,148	33.4%	4,195	34.3%	4,337	42.6%
Notified	15,433	100%	12,239	100%	10,181	100%

GOVERNING BODY MEMBERS

	2021 ¹	%
Trained	18	100%
Notified	18	100%

1. Total number of employees who are part of companies that have the integrity program.

2. Companies considered in 2020: Banco Randon, Randon Consórcios, Holding – Compras, Holding – Corporativo, Holding – CSC, Holding – TI, Caster-tech, Controil, Fras-le Controller, Fremax, Jost Brasil, Jurid do Brasil, Master, Suspensys, Randon Araraquara, Randon Implementos, Randon Chapecó, Randon Linhares and Randon Veículos.

Monitoring

GRI 3-3





ETHICS CHANNEL

To support the Integrity Program and the protection of human rights in the operation and in the supply chain, we have the Ethics Channel, for reporting cases of suspected violation of our policies and guidelines and/or non-compliance with the legislation of the countries where we operate.

This channel is a communication tool managed by an independent and specialized company, which ensures the secrecy and confidentiality of information. The reports received, which may be anonymous, are dealt with in the first instance by the independent company and forwarded to the Risk Management and Compliance area.

For confirmed cases of non-compliance with ethical conduct, disciplinary measures are applied in accordance with the Company's Consequences Policy. For specific cases, action plans are also prepared, with the objective of correcting them and preventing new occurrences.

ETHICS CHANNEL

-  www.canaldeetica.com.br/empresasrandon
-  **Brazil: 0800 777 0768 / USA: 1-800-245-8549**
-  compliance@empresasrandon.com.br
-  **Intranet | Ethics and Compliance Portal**

ETHICS AND COMPLIANCE COMMITTEE

GRI 2-9; 2-16; 3-3

The non-statutory Ethics and Compliance Committee—composed of the Chief Executive Officer, members of the Executive Committee and the Risk and Compliance Manager— bi-monthly monitors the results of the ID Randon Program, evaluating:

- » the occurrences received by the Ethics Channel and the monitoring of the main incidents;
- » results of the due diligence of service providers (learn more on page 58);
- » need to review the Corporate Policies and the Ethical Conduct Code;
- » progress in communication campaigns and ethics and compliance training.

INTERNAL AUDIT

GRI 3-3; 205-1; 205-3

The Internal Audit is the area responsible for the independent and systematic evaluation of all processes and units of Randon Companies, with the objective of verifying whether they are in compliance with the current legislation and with internal policies and procedures, also evaluating the effectiveness of internal controls applied to ensure such compliance.

To define the processes and units to be evaluated, the following aspects are considered: the criticality of the risks of the corporate matrix (learn more on page 40), the strategic guidelines, the relevance and materiality of the process and the unit. Together, they result in a prioritization list of processes and units, which will be audited throughout the year, in accordance with the annual work plan.

If reports or corruption claims are identified in the Ethics Channel, the area is also responsible for investigating the occurrence, performing risk analysis and managing the fight against corruption in 100% of our operation. In 2021, no reports, claims or cases of corruption involving Randon Companies were identified.

Learn about our priority risks related to corruption:



REGULATORY COMPLIANCE RISK: lack or loss of the institutional capacity to manage the complex of regulatory requirements, difficulty to identify activities such as fraud, money laundering, violation of sanctions, market abuse, bribery, corruption and tax evasion.

Criticality level of the risk: Significant.



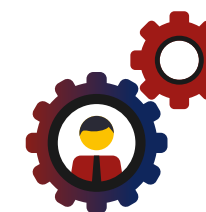
ENVIRONMENTAL RISK: noncompliance with local and international environmental regulations, difficulty to identify activities such as bribery and corruption.

Criticality level of the risk: Significant.



ETHICAL CONDUCT RISK: possibility of acts by employees outside the ethical standards established and accepted by the Company.

Criticality level of the risk: Significant.



THIRD-PARTY AND PARTNER MANAGEMENT RISK: flaws in the Company's relationship with suppliers/service providers/franchisees, which may generate a legal risk derived from sanctions by regulatory bodies and indemnifications for damages derived from the breach of the applicable legislation.

Criticality level of the risk: Significant.

Risk Management

GRI 2-12; 2-13; 2-16; 3-3

To control and manage the impacts inherent to our activities, we have a risk management structure that seeks to promote the continuous improvement of our processes in an integrated, structured, personalized and inclusive manner in all our subsidiaries.

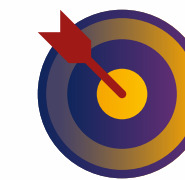
Policies for integrated risk management

Our risk management is guided by the Risk Management Policy, which establishes the principles, guidelines, response strategies and responsibilities in the process of integrated management of corporate risks at Randon Companies. Further, we have specific thematic policies that support risk control.

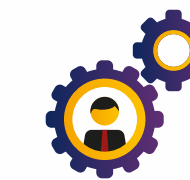
- » Asset Security Policy
- » Information Security Policy
- » Personal Data Privacy Policy
- » Controllership Policy
- » Finance Policy
- » Health and Safety and Environment Policy
- » Consequences Policy
- » Corporate Purchasing Policy
- » People Management Policy
- » Compliance Policy
- » Investment Management Policy
- » Exchange Risk Management Policy
- » Sponsorship and Donations Policy
- » Policy for Hiring Extra-Audit Services
- » Related Party Transactions Policy.

Identification, assessment and risk classification

To understand the context of risk management, we keep the corporate risk map updated, which aims to identify, assess and classify the risks inherent to our activities. We identified 43 corporate risks, which were classified and prioritized for treatment according to the level of criticality (impact versus probability) classified into four categories presented below:



Strategic Risk



Operational Risk



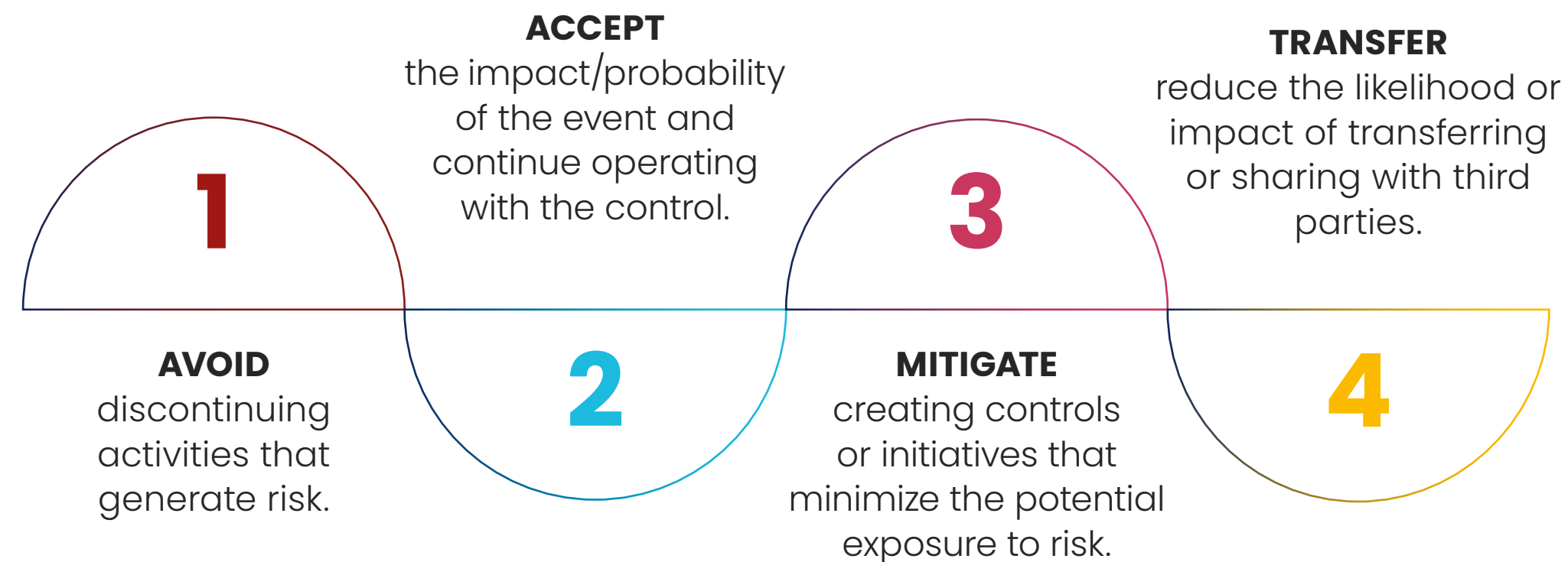
Financial Risk



Regulatory Risk

Handling and monitoring

For each corporate risk identified and assessed, we define a response strategy. Risk handling should prioritize the following guidelines: avoid, accept, mitigate or transfer. The different risk response strategies must be organized into action plans and/or useful, practical and economical controls performed by those responsible for the risks, and monitored by the Risk Management and Compliance area.



The risk management process is continuously monitored and reviewed by the Executive Committee, which submits its analysis to the Board of Directors for deliberation.

Emerging Risks

We also identify the main emerging risks, those with the highest degree of importance for the business, such as:

CYBERSECURITY AND INFORMATION SECURITY

Impact: potential cyber threats may cause systems downtime, leakage of confidential information, fraud and damage to the Company, including reputational damage.

Mitigation: we have a solid cybersecurity and information security strategy and structure, good practices in compliance with the General Data Protection Law (LGPD) and we continuously promote a safety culture among our employees (learn more on page 84).

MACROECONOMIC AND POLITICAL FACTORS

Impact: possible changes in macroeconomic and political environments, such as political and economic uncertainty, high currency volatility, consumption pattern and unemployment, may cause raw material prices to rise, weaken local suppliers and make it difficult to sell products in certain markets, causing financial and competitiveness losses.

Mitigation: we carry out economic analysis (trends and projections including markets and scenarios); we monitor political and economic movements that may impact the companies' business with class entities and, when subjected to crises, whenever necessary, we activate a committee to define action plans in response.

Prosperity for all

» **Our Ambition**

To optimize the generation of value to our publics, while supporting the development of our employees and a diversified and inclusive work environment and stimulating the development of sustainable practices by our suppliers and socio-economic inclusion in local communities.

» **Public Commitment**

To double the number of women in leadership positions until 2025 (base year 2020).

» **Related capitals**

» **Sustainable Development Goals**

Our contribution to the SDGs, a universal action plan for people and planet, now and in the future.



Performance in 2021

15,433
employees

6,264
suppliers

18.1%
are women

R\$7.4BI
paid to suppliers

12% (+1 p.p.)
of women in
leadership positions
(2020 base year: 11%)

R\$4.0MI
invested in IER

over 26 thousand
people benefited

Topics

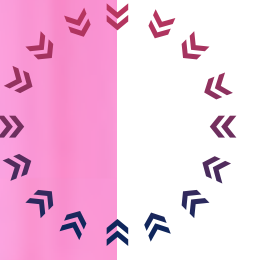


OUR PEOPLE



VALUABLE RELATIONSHIPS

Júlia Carbonera, Administrative Assistant at the Corporate Center



Our people

GRI 2-29; 3-3

At Randon Companies, our purpose is to connect people and riches, to generate prosperity.

Therefore, we work to offer a welcoming environment that allows a positive experience, rich in opportunities for our team.

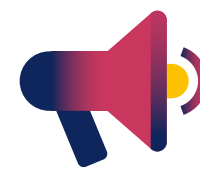
Our priority is to ensure that each employee feels valued and respected and, for that, we have the People Management Policy, which establishes guidelines to guarantee a strategic management of people aligned with best practices, with justice, equity and equality of treatment and opportunity to all our more than 15 thousand employees.

Learn more about our care for the health, safety and well-being of our employees, in the Excellence and Safety as a Value chapter, on page 72.

Check out the profile of our people by gender, age group, regional distribution, turnover and new hires in the **Indicators Annex**.

Employer brand

We work hard to find and retain the best talent, aware that people's commitment and dedication is what sustains our growth and the achievement of our purpose. Thus, we have a recruitment process focused on the candidate's experience, with a wide dissemination of vacancies and also integration practices to guarantee our team is welcomed.



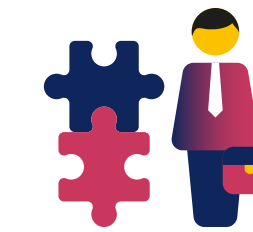
WIDE DISSEMINATION

All job openings are disclosed in our [career homepage \(Gupy\)](#) and in our social media: [Facebook](#), [LinkedIn](#), [Instagram](#) and in the [Work for Us webpage](#).



DIGITAL RECRUITMENT

The selection process is fully digital and applicants are able to follow the online process, thus providing greater speed and facilitating the experience of every applicant.



ONBOARDING

After an applicant has been hired, he/she takes part in an corporate online onboarding process, where he/she gets in touch with our culture (Code of Ethics, Our Way of Being and Doing Things), and also an onsite onboarding process, in order to know his/her workplace and his/her colleagues and receive specific guidance on his/her new function.



TALENT ATTRACTION

We are connected with several teaching institutions and education ecosystems, collaborating to disseminate knowledge through lectures and meetings with our best professionals, introducing the Company to talents at universities and events.

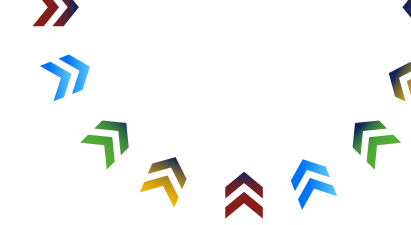
This year, we offered a free development course, with the objective of qualifying professionals in the technology area, such as developers, bringing immediate hiring opportunities to the best students. In all, three young people were hired by the Company.

We are also supporters of +praTI, a non-profit corporation that seeks to find and train new talent in the IT area, offering content, mentoring, technical challenges and job opportunities.

With the objective of strengthening our talent attraction, retention and engagement practices, we started Employer Branding, a project that seeks to position our employer brand, in order to attract and retain talents that are aligned with our way of being and that help us to overcome future challenges, sharing our purpose as a Company.

In 2021, we increased our workforce to 6,109 employees as part of our business expansion strategy. We also rely on an internal transfer of talents program that retains more and more professionals through internal moves among the Company's companies.

At Randon Companies, we seek to accelerate our innovation ecosystem, offering opportunities for careers in technology, with the support of our **Digital Business** team, which frequently provides lectures on innovation at public and private universities in Serra Gaúcha. Watch here the testimonies of what it's like to work with technology at Randon Companies, [here!](#)



Culture focused on innovation

Our Corporate Culture, in line with global trends, is strongly oriented towards innovation and is undergoing an important transformation process.

Driven by the cultural and digital transformation journey, we are engaging people from different areas to implement innovation projects not only in products, where we already have a robust process, but in all areas and processes of our companies.

We have implemented new work cycles and models, such as coworking, innovation hubs, telework and remote work, to reinforce strong cultural traits—such as autonomy, openness, flexibility and trust—and enable new connections that encourage creativity, experimentation and collaboration.

- » **Coworking:** physical space for collaborative work that encourages the exchange of experiences between employees from different businesses and (or) companies.
- » **Innovation Hubs:** a physical or virtual space where entrepreneurs from different ecosystems meet to create connections, exchange experiences, generate and accelerate new businesses.

» **Hybrid Remote Work:** a model in which work can be carried out partly outside the premises of the administrative areas and partly in person using, in this case, the premises of the companies.

» **Telework:** work can be carried out entirely externally (outside the premises of the administrative areas), with the use of technological resources and the waiver of working hours.

In 2021, around 1,100 employees of Randon Companies performed their activities from home and 11 in a telework model. In addition, we have extended this model to activities that do not require the company's physical structure, such as the areas of Financial and Digital Services, I.T. and the Digital Business area.



Employee Cesar Augusto Tome participated in the Novos Caminhos Program in 2021.

NOVOS CAMINHOS (“NEW PATHS”) PROGRAM

Our career management includes the recognition of the legacy of people in the Organization and provides the opportunity for the Career Transition Journey for all professional positions in the structure, stimulating professional autonomy in the construction of new cycles of experience, and the longevity of careers with vision and action for new challenges. Since its creation, 19 years ago, 785 professionals have participated, including Company employees and their direct relatives, to whom the program is also extended.

Great Place To Work®

GREAT PLACE TO WORK (GPTW)

Randon Companies, once again, are among the **Best Companies to Work For**, a ranking developed by the organization Great Place To Work (GPTW) in partnership with the National Confederation of Industry (CNI). The companies and area classified in 2021 were:

- » **Jost Brasil:** ranks 12th among medium-sized companies in the Industry and Rio Grande do Sul sector.
- » **Master:** holds the 20th position among large companies in the Rio Grande do Sul sector.
- » **TI&CSC:** the corporate area of Information Technology and Shared Solutions Center (IT&CSC) of Randon Companies was also classified by the ranking in the Rio Grande do Sul.

Development

GRI 404-2

COMPETENCIES

Our Way of Being and Doing brings together the set of organizational competencies that clearly guide the paths to be followed by our employees in their self-development journey.

OUR WAY OF BEING AND DOING



Self-knowledge and **continuous learning**



Positive **influence**



Inspires **with confidence**



Results with a **strategic vision**

CORPORATE EDUCATION

GRI 404-1

Our organizational education program, guided by the People Management Policy, covers cycles of competencies building, awareness and specific building that meet the requirements of the profile of each position, to specific demands resulting from performance evaluations.

QUALITY

Training for our employees to know the best quality practices and be able to meet the requirements of certifications, standards and demands from our customers.

SAFETY

Continuous training for employees to know and keep up-to-date on the actions necessary to ensure safety at work, sustaining a preventive culture to avoid accidents and risks.

LANGUAGES

As an international company, we offer an online platform that provides training in 24 languages in an interactive way.

TRAINING YOUNG TALENTS

We invest in the training of young talents through the **Qualificar Program**, our Young Apprentice project, developed at the Randon/SENAI Professional Education Center, on the Company's premises in Caxias do Sul (RS).

In partnership with RTS Industry, robotization and industrial automation became part of the curriculum of the program, supporting the training of professionals in competencies of the future. Since its creation, 1,950 young people have passed through the program and 934 have completed it. In 2021, 142 young people took the course and 64 are nearing completion.



Pra.VC

Our online learning portal encourages autonomy and leadership in the personal and professional development of employees, offering quality content in courses and learning journeys. In 2021, we launched the distance education project for training courses on mandatory safety regulatory standards that certify employees to perform certain roles, through the platform, and we installed terminals, with computers, at various work points within the Company to facilitate access to and completion of courses.

Average of
19hours
 of training per
 employee



See also the average hours of training, by employee category, in the **Indicators Annex**.



TOP HUMAN BEING AWARD ABRH/RS 2021

We were recognized in the Organization category by the Brazilian Association of Human Resources (ABRH) – Rio Grande do Sul Section, as a result of our best people management practices and the development of the Cultural Transformation project. Implemented in 2019, the initiative encourages employees to gain a greater sense of belonging and pride in being part of the team.

PERFORMANCE EVALUATION

GRI 404-3

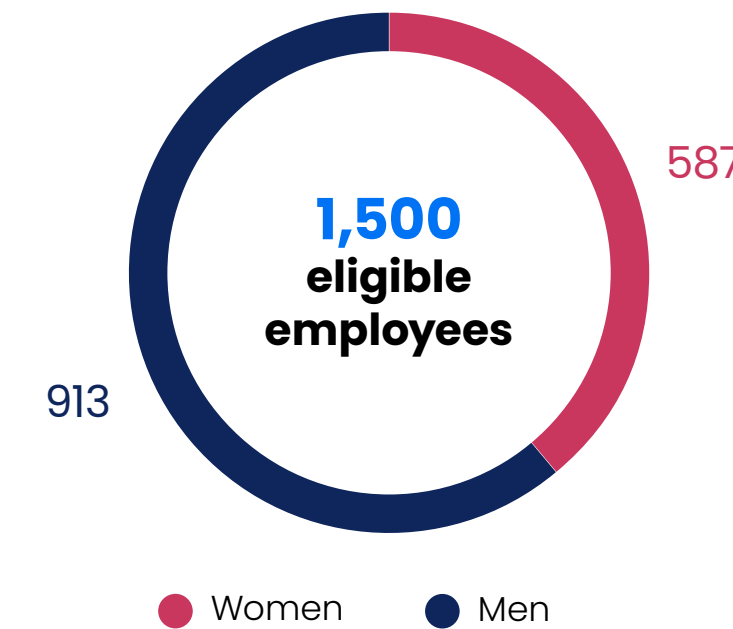
Our performance management is structured according to different functional levels. All the company's employees receive feedback from their managers, with the aim of aligning expectations and discussing development opportunities.

For Directors, Managers, Coordinators and administrative employees, about 1,500 eligible people, we have a formal assessment, carried out by the GED platform. The administrative staff are evaluated based on organizational competencies (learn more on page 47) as well as conducting a self-assessment and feedback with their respective managers, to analyze their performance and opportunities for improvement in order to draw up an individual development plan (IDP).

The Directors undergo 360° evaluations, which include the peers of the person being evaluated in the composition of their evaluation. The management and coordination levels perform a 270° evaluation, with self-evaluation, manager evaluation, and subordinates' evaluation. For all three levels a calibration step is performed, consisting of a consensus evaluation of these steps.

In this way, we support our employees to reach their full potential and progress in their careers, with the establishment of clear goals that guarantee the continuous development of our teams and a talent pool essential to the growth objectives of our business.

Employees who carried out the formal performance evaluation in 2021



100%

of eligible employees were submitted to performance evaluations and represent **9.7% of the overall picture.**

21.1% of women

7.2% of men

LEADERSHIP DEVELOPMENT

In order to prepare our leaders for the challenges of the business—which continues at an intense pace of expansion—we have Liderança em Movimento (“Leadership in Movement”), a formal development program for our management, which seeks to strengthen organizational competencies, promote professional development, career advancement, engagement and team building:

- » **Coaching e mentoring:** programs that support and speed up the development of organizational skills and increase the performance of leaders.
- » **Visits for benchmarking:** our managers visit other national and international organizations to learn and exchange experiences.
- » **Behavioral development:** we have a partnership with the CENEX institution, which offers solutions for learning, training and behavioral development of leaders.
- » **Technical development:** we offer trails and technical training on topics relevant to leaders.

In addition to development programs, we seek to keep our leaders engaged and aligned with business strategies. That is why we held the **Leadership Meeting**, an annual meeting of leaders, aimed at reflecting on the future of our business.

In 2021, the event’s theme was **#StrategicVision**, highlighting the launch of ESG Ambition and Strategic Ambition 2021-2025. Once again, due to the Covid-19 pandemic, it was held in virtual format and was attended by 350 people.



SUCCESSION PROGRAM

To ensure a bank of talents and leaders necessary for the continuity of the business, we carry out assessments to identify professionals with the potential to occupy management positions—Coordination, Management, Direction and C-level—evaluating their levels of readiness and the points to be developed in a Individual Development Plan (IDP).

Diversity and Inclusion

At Randon Companies, diversity means being equal in the differences.

We seek to provide a diverse and inclusive environment for our employees, customers, community and partners, always reinforcing one of our principles: **valued and respected people**. Thus, we also promote our purpose of **connecting people and riches, to generate prosperity**.

Our diversity strategy was based on a diagnosis that identified the main challenges for diversity and inclusion. To achieve our objective and meet the established goals, we have a working group formed by the areas of People and Culture, the Shared Solutions Center, Ethics and Compliance, which works in the management of diversity on three fronts:



DIVERSITY

- » Awareness-building;
- » Sensitization
- » Education on relevant issues;
- » Dissemination;
- » Unconscious biases.

Focus

INDIVIDUAL

INCLUSION

- » Affinity committees and groups;
- » Multipliers of plurality;
- » Diagnostic census;
- » Minorities' Day;
- » Communication actions.

Focus

RELATIONSHIP

EQUALITY

- » People are valued and respected;
- » Ethics Channel and Code of Ethics;
- » Revision of policies and processes
- » Brand and Reputation.

Focus

ORGANIZATION

EDUCATION AND COMMUNICATION FOR DIVERSITY

We understand that, for our Company to be truly inclusive, it is necessary to encourage actions to disseminate information, raise awareness and promote knowledge that deconstruct prejudices and form bridges between different people and thus, we have the initiatives presented below.

- » **Jornada Plural (“Plural Journey”):** web seminar courses aimed at training our leaders on the subject, with specialized external consultancy.
- » **Diversity Tour:** we held internal conversation circles, mediated by the diversity center, to encourage reflection on the teams' perceptions of diversity in the daily lives of Randon Companies.
- » **Communication and awareness:** we take advantage of commemorative dates or agendas to fight for rights aimed at minority groups, thus launching communication materials for our employees.

OUR ACTIONS IN 2021

PLURAL JOURNEY

100%

of the Leadership sensitized

100%

of Directors took part in webinars

80%

of the Leadership concluded the Plural Journey

4,247

people concluded 6 courses on Diversity and Inclusion at Pra.VC.

COMMUNICATION AND SENSITIZATION

- » 2 live casts about the International Women's Day.
- » 2 live casts about Mothers' Day.
- » 1 live cast about Fathers' Day.
- » 1 live cast about Sign Language and deaf people.
- » 1 live cast about the LGBTQIA+ community.
- » 1 live cast about the Black Awareness Day.

over 1,700 viewers in all

To inform everybody that our live casts count on a sign language interpreter.

INSTRUMENTS TO PROMOTE EQUITY

GRI 406-1

In order to ensure the effectiveness of our strategy, we have created tools to transform our corporate policies and processes into more inclusive models, and we have established goals and affirmative actions to increase equity and representativeness in the workforce.

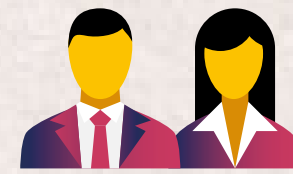
As a result, in 2021, we revised and updated our Ethical Conduct Code, highlighting our commitment to diversity and inclusion, to reinforce, together with our employees, the role of each one in this journey.

Moreover, we are reformulating our communication policies, integration practices, recruitment and selection policies and immigrant-oriented days, to expand and implement our good practices in diversity.

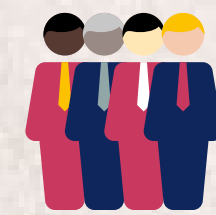
In 2021, we recorded six cases of discrimination in our Ethics Channel. The corrective measures taken in relation to the cases were: disciplinary suspension, medical/social care, written warning, referral for training and extrajudicial notification.

AFFINITY COMMITTEES AND GROUPS

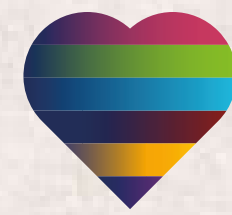
Our strategy is based on the perspective of diversity from the multiple identities represented within the Company itself, contemplating five specific groups that we want to impact, as follows:



GENDER EQUALITY: to promote women's empowerment and gender equality; to double the number of women in leadership positions by 2025 (base year 2020); to promote the development of female talents; to raise awareness about maternity and career; and to raise awareness and discuss gender violence.



ETHNIC AND RACIAL EQUALITY: to promote awareness about racial and ethnic issues.



RESPECT FOR THE RIGHTS OF LGBTQIA+ PEOPLE: to raise awareness, and promote respect and sensitization about this issue; to disseminate a culture of authenticity.



INCLUSION OF DISABLED PERSONS: to enhance comprehension in relation to the adequacy of resources for this group; to reduce development barriers; to ensure a percentage quota according to the applicable legislation.



AGE DIVERSITY (GENERATIONS): to sensitize people on the issue; to promote digital literacy; to structure a trainee program; to update the Career Transition program.

On the gender equality front, we launched the Women's Mentoring Program to leverage women's career development and increase the representation of this group in leadership positions.

With the participation of 26 women from different hierarchical levels, 13 of whom are mentors and 13 mentees, we promote a process of learning and exchanging experiences that seeks to prepare them for the challenges of the business in new positions.

We also created spaces for breastfeeding mothers to support our women who are returning from maternity leave by offering welcoming environments for breastfeeding. The initiative, in addition to helping women to return to work, seeks to contribute to maintaining the bond between mothers and their children during this very important period.

As for the inclusion of people with disabilities, we promoted *Jornada de Libras* ("Sign Language Journey"), offering an introductory course for all employees interested in learning Brazilian Sign Language. With this action, we seek to increase the inclusion of deaf people, contributing to an inclusive communication and accessibility for this group.

Value relations

GRI 3-3

Suppliers

PROFILE

GRI 2-6; 2-29; 204-1

We are committed to building value relationships and we have a supply chain that values quality and ethical and responsible behavior.

Our supply chain is made up of 6,264 companies, national and international. In 2021, we paid R\$ 7.4 billion in contracts with direct suppliers, 91% of which were directed to Brazilian (local) suppliers.

Profile of our supply chain



6,264

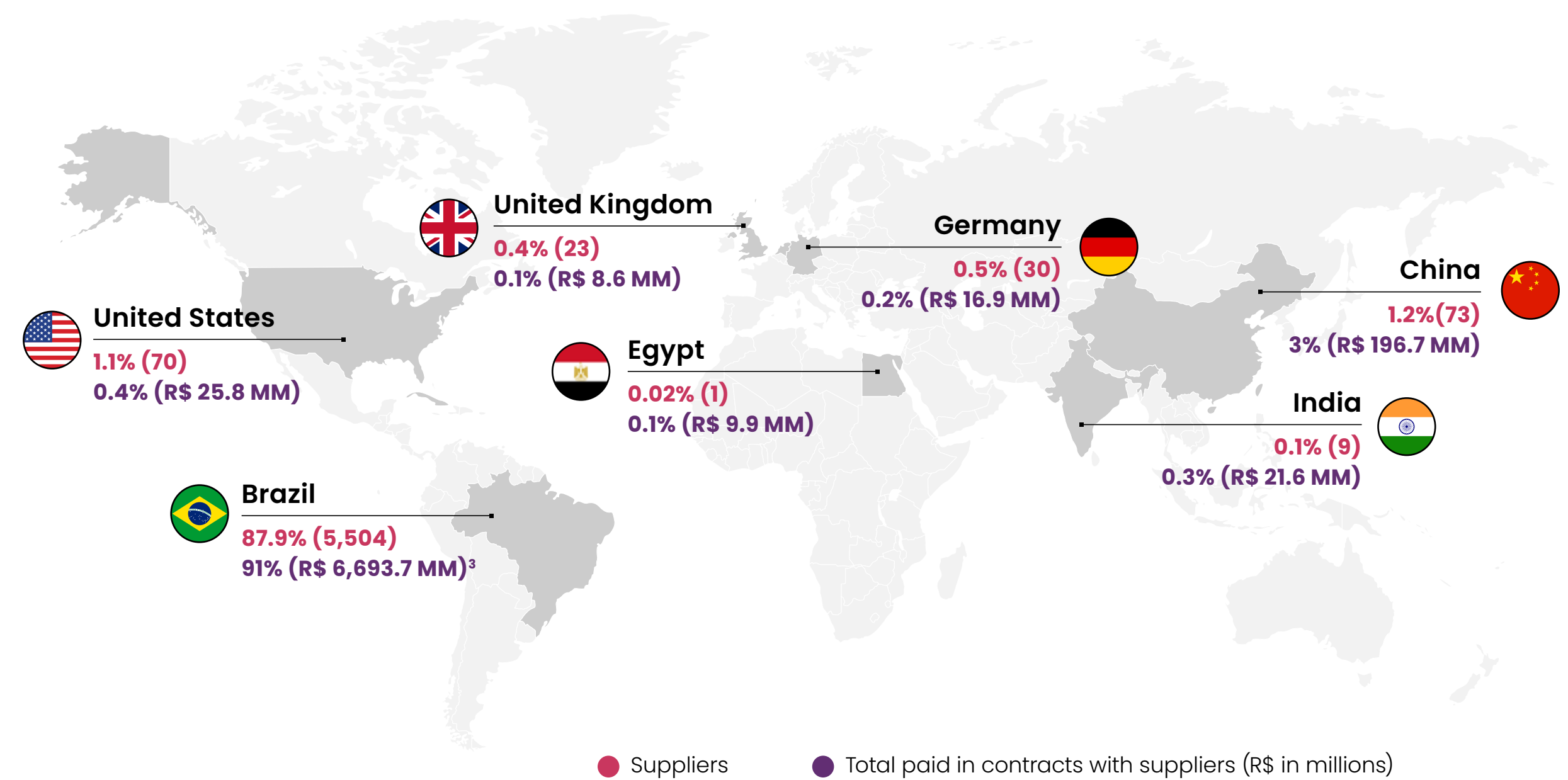
national and international companies



R\$ 7.4 billion

in contracts with suppliers

Seven countries with the highest expenditures with suppliers²



1. We consider direct suppliers to be all those who have a direct contract with our companies and are subject to our selection and monitoring criteria.
 2. The geographic distribution of suppliers includes only the seven countries with the highest value paid in contracts throughout the year, totaling 5,710 suppliers.
 3. The total spent by region in Brazil is described on page 127, in the Annex of Indicators.

POLICIES AND STANDARDS

GRI 2-23; 414-2

Our relationship with suppliers is guided by the principles described in our **Integrity Program** (learn more on page 36) and covers both the policies and codes contained in it and specific documents that govern our purchasing strategy.



Learn about the policies that also apply to the relationship with suppliers.

Ethical Conduct Code 

Anti-Corruption Policy 

Ethics Channel 

Transactions with related parties Policy 

In addition, the selection of direct suppliers—around 750 companies that are involved in the production process of our products—is even more rigorous, seeking to maintain the high standard of quality and respect for good environmental and human rights practices.

Our **Supplier Requirements Manual** establishes the criteria for the selection, evaluation and monitoring of direct suppliers in relation to quality, logistics, after-sales, commercial, environmental, occupational health and safety, in addition to social responsibility.

The **Manual** — which applies to all units under the scope of the Corporate Purchasing area and is available in four languages—is a compilation of legal, regulatory, statutory and specific requirements of around 65 customers, continuously updated by a team dedicated to this end, in order to meet the best practices required.

AUDITABLE REQUIREMENTS FOR SUPPLIERS, AS FORECASTED IN THE MANUAL



SOCIAL RESPONSIBILITY

- » No child labor and forced labor or equivalent to slavery;
- » Corporate Policy on Health and Safety (ensure a safe and healthy work environment, as well as measures to prevent accidents and harm to employees' health);
- » Freedom of affiliation to workers unions and right to collective bargaining;
- » Forbid any discriminatory practice;
- » Not to employ any disciplinary practice (corporal or mental punishment, physical coercion and verbal abuse);
- » Workload defined according to the applicable legislation;
- » Fair remuneration;
- » Not to elaborate a "black list" of labor equivalent to slavery with the names of employers caught by Federal Government inspectors;
- » Corporate anticorruption, ethics and organizational governance policy.



ENVIRONMENT

- » Corporate environmental management policy;
- » To hold all the necessary environmental licenses;
- » Environmental Management System and permanent updates according to the requirements of the ISO 14001 norm;
- » Waste management;
- » Noise/vibration management;
- » Monitoring, reduction and optimization of the consumption of natural resources;
- » Management of environmental liabilities;
- » Environmental risk management;
- » Constant monitoring, recording and continuous improvement of the environmental management system.



OCCUPATIONAL HEALTH AND SAFETY (OHS)

- » OHS Management System and permanent updates according to the requirements of the ISO 45001 norm;
- » Corporate OHS Policy with the commitment of ensuring safe and healthy working conditions to prevent harm to health associated to work assignments, and appropriate for the purpose, size and context of the company and to the specific nature of its risks and opportunities;
- » The Senior Management must ensure that this policy reaches all levels at the company;
- » The Organization must establish, implement and maintain OHS management monitoring processes.

SELECTION

GRI 308-1; 414-1

To be part of the Randon Companies supply chain, still in the negotiation process, suppliers must declare that they accept and comply with all the requirements presented in our policies, manuals and programs.

We also assess the financial health, commercial conditions, the quality of the products and services offered, as well as the commitment to ethical and socially responsible behavior.

To select suppliers of materials and services applied in our products, we also require certifications for their management systems such as ISO 9001 – for the quality management system – and IATF 16949 – for safety products – and we recommend certification in ISO 14001 for the environmental management system and ISO 45001 for the health and occupational safety.

MONITORING

GRI 308-2; 408-1; 409-1; 414-2

Suppliers Portal

The Suppliers Portal is the platform used to carry out all negotiations related to the selection, evaluation and monitoring of suppliers. Through it, we have access to the necessary documentation for the selection process and the indicators required to monitor the performance of companies that are already approved. In addition, we make our policies, manuals and Letter of Goals available on the portal, composing an important knowledge base and data management tools about our chain.

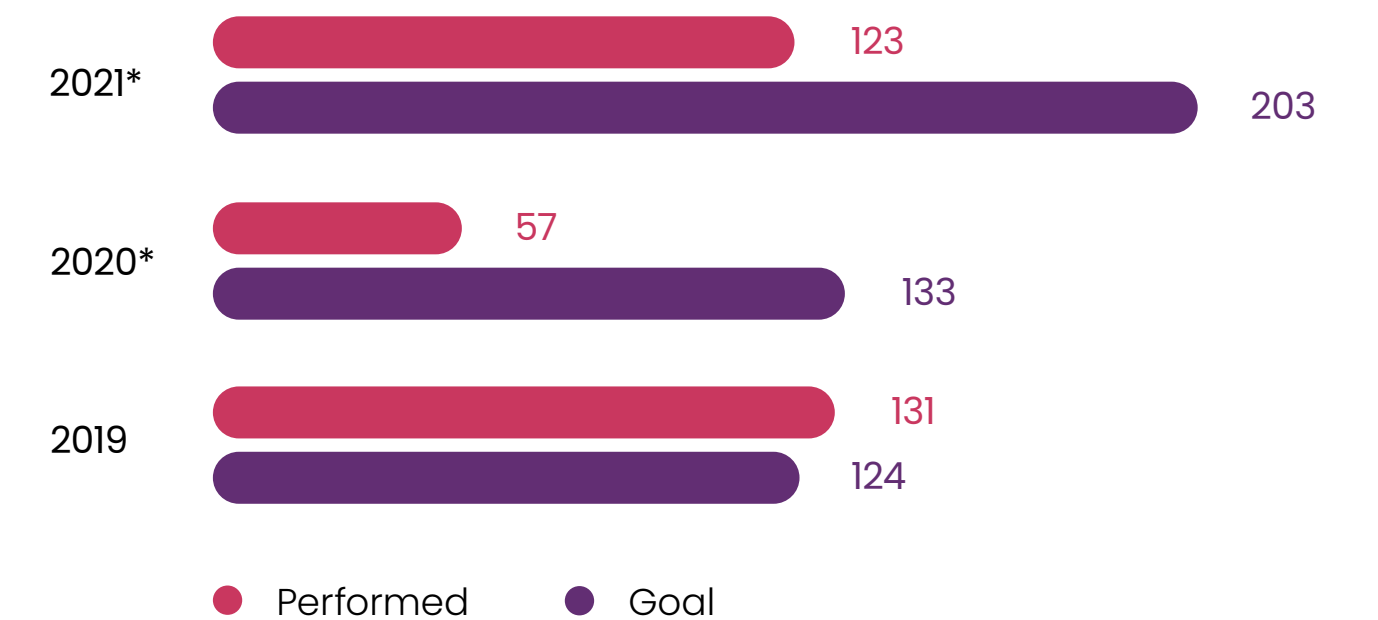
Audit

We audit all direct suppliers of materials and services applied to our products at the time of contracting. In order to proceed with the relationship, they must achieve a minimum adherence of 80% in the evaluated practices.

Audits are also carried out to monitor the approved companies, the calendar being defined according to the criticality of the items and the performance evaluated in previous audits.

Among the assessed requirements are also those described in the ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System) and SA 8000 (Social Responsibility) standards. Audits are carried out by a specialized team based in Brazil, India and China.

Audits undertaken at direct suppliers



*In 2020 and 2021, we recorded a significant reduction in the number of audits carried out due to the restrictions caused by the covid-19 pandemic. The companies considered were: Randon Implementos: Caxias, Chapecó, Araraquara; Suspensys Caxias, Castertech Caxias, Master, Fras-le Caxias, Controil, Fremax and Jurid do Brasil.

In 2021, 123 direct suppliers were audited and no socio-environmental nonconformities were identified. In addition, there were no occurrences of child and forced or slave-like labor at the suppliers evaluated in our audits.

Global Supplier Performance Index (GSPI)

We evaluate the performance of suppliers on a monthly basis, both in relation to the current month and in relation to the last moving quarter. In this way, we ascertain both the punctual performance and identify trends during the supply period, enabling continuous improvement of its performance and classification.

Audit results are compiled into management reports, as well as delivery credibility and PPM (defective parts per million parts supplied), and together they feed into the GSPI score (Supplier Global Performance Index), which qualifies the supplier into four classes, according to their performance presented below.

- » **A:** suppliers with the best GSPI benefit from their performance, giving priority to new business with the Company.
- » **B:** suppliers that can participate in new purchasing processes, but are not a priority.
- » **C:** low-performing suppliers, who must establish actions to correct the identified problems and level up.
- » **D:** suppliers who were unable to demonstrate improvement in their processes throughout the supply period and, therefore, have their relationship suspended.

When significant non-conformities are identified, reducing suppliers' adherence to the required practices, the supplier must establish an action plan to improve its performance.

In case of difficulty in solving the foreseen in the action plan, the Supplier Development area conducts IQ meetings (quality and performance monitoring meetings) with the supplier team and our quality and engineering areas, along with others, accompany and support the solution of the identified problem.

If, even so, the non-compliance is not resolved, as a last resort, we hold Super IQ meetings, which involve our board of directors and the supplier's board, and the conditions for continuity of supply are established.

Monthly, we assess the quality of suppliers to validate whether or not they will remain in our chain. Companies that do not meet the requirements are called in and have a set deadline to implement improvement actions. Those that do not meet the stipulated deadlines and are classified as low performance suppliers (not meeting the minimum requirements) have their contracts suspended.

To guide the continuous advancement of direct suppliers, every year we send a letter of goals, which indicates how they will be evaluated that year and which guides the breakthroughs of each company. We also carry out technical visits—to assess the companies' commercial, production, quality and engineering issues.

Due diligence

We carry out the due diligence process for new suppliers, an analysis of the integrity of third parties, with the purpose of identifying facts or indications of non-compliance in relation to topics such as ethics and values of Randon Companies—with a focus on fighting corruption—the environment, rights labor, financial, tax and criminal aspects, privacy and reputation.

The management and operation of the due diligence portal is carried out by an independent and specialized company. The Compliance area is responsible for conducting due diligence and notifying the Purchasing area. The result of the analysis presents the risk level of each supplier, classified as low, moderate, high and critical.

In 2021, 504 suppliers were evaluated. Of these, 492 (97.6%) were classified as low risk, with no records of non-conformities, 10 (2%) were approved with reservations, classified as moderate or high risk (due to the presence of lawsuits without judgment), and two (0.4%) were classified as critical risk, considered disapproved in the evaluation.



SUPPLIERS AWARDED IN 2021

USIMINAS

Awarded in category Sustainability focused on the production process for the project to turn wood scrap into toys made by prison system inmates.

PPG Industrial do Brasil

Awarded in category Innovation and Technology for the “DTM Tintométrico colorido” (Colored Tintometric DTM System) project, by applying a technology exclusively developed for the Randon Companies to boost productivity when painting parts for trailers.

Kongsberg Automotive

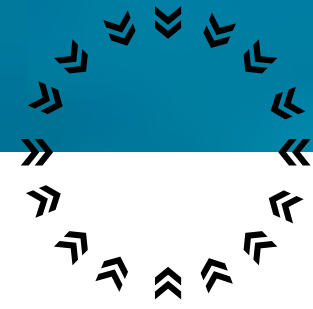
Awarded in category Competitiveness for the pneumatic connections for braking systems project, with 100% push-in technology and that offers, on an exclusive basis, items relevant for ensuring safety, quality and higher efficiency in the production process.

Engagement

GRI 2-29

Every year, we hold **the Supplier Meeting**, one of the most anticipated events in our supply chain, where we share information relevant to the segments in which we operate and the market in general, as well as align our strategies and expectations for the supply chain.

To encourage and promote best sustainability practices with suppliers, we have the **Supplier Awards**, an award that recognizes suppliers that stand out in projects in the categories: competitiveness, innovation and technology, and sustainability with a focus on the production process.



Customers

GRI 2-29

At Randon Companies, we work with absolute focus on our customers and their needs, in order to deliver products with the highest quality and best performance. To reinforce one of our principles, **satisfied customers**, we maintain a close relationship to serve them in the best possible way before, during and after sales.

LISTENING

We are attentive to listen and collect information about the main needs of our customers and, for that, we have a schedule of visits, meetings, technical and commercial training on our products and also, we participate in the main fairs and events of the sector to share news and breakthroughs in our portfolio.

ASSISTANCE

We provide customer service channels by a toll-free number (0800), social networks (WhatsApp, Facebook, Instagram and LinkedIn) and the Contact Us channel, available on our corporate website. On our social media, we respond to all messages and comments, clarifying doubts and, when necessary, taking actions to solve problems and queries.

SATISFACTION

Every two years, we conduct our customer satisfaction surveys.

In 2020, the Trailers division carried out its survey and recorded a satisfaction rate of 87.5%. The survey assesses customer satisfaction with products, commercial policy, brand perception, quality and distribution. In all, 4,375 customers (18.9%) were interviewed, with a total of 829 interviews, which represents 95% reliability and 3% sampling error.

We had a change in relation to the satisfaction survey of the Auto Parts division, which, until 2019, was carried out considering all the companies that comprise it (consolidated survey). As of 2021, each company in the division began to carry out its research according to the characteristics of its business, and this year, only Suspensys, Jost Brasil and Fras-le carried out their surveys. Next are the results:



In 2021, we held the Truck Driver's Pit Stop, an action that involved all of the Group's units in providing services on Truck Driver's Day.

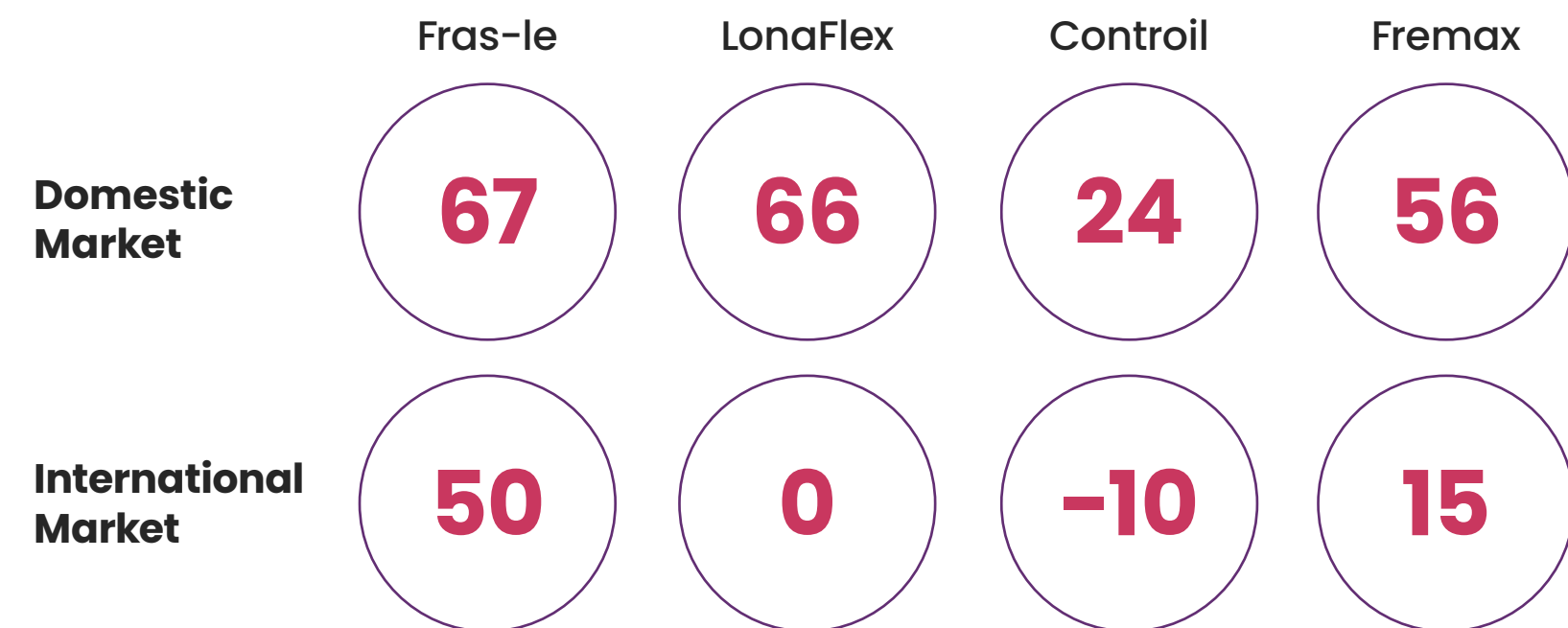
Satisfaction Index

Trailers



Level of Satisfaction | FRASLE 2020-2021*

Net Promoter Score (%)



*A survey undertaken by the Fras-le Division changed the methodology in 2021, by adopting the Net Promoter Score (NPS), which includes many contact points between the brand and clients, such as: customer service, negotiation, prices, delivery term, success of provided services, etc.

Level of Satisfaction | CONSÓRCIO RANDON

Net Promoter Score (%)



Note: Randon Consórcio's (Buyers' Association) satisfaction survey is undertaken in three stages of their relationship with the client, as follows: adhesion to the buyers' association (moment in which a client joins the association); credit clearance (when contemplated client takes the credit to make a purchase); and settlement (when clients pay the purchase quota).

UNDERSTAND THE NPS SCORE

In the NPS methodology, customers evaluate each of our brands, based on the perception of their satisfaction. Thus, we were able to identify the percentage of promoters and detractors of each brand, and this result guides our management on the subject.

- » **Zone of Excellence (between 75% and 100%):** most customers act as brand promoters, which maintain a real relationship with them.
- » **Quality Zone (NPS between 50% and 74%):** it has a higher number of promoters than detractors, resulting in a positive image.
- » **Improvement Zone (NPS from 0% to 49%):** it presents similar numbers of promoters, passives and detractors, indicating opportunities for improvement in terms of customer satisfaction.
- » **Critical zone (NPS between -100% and -1%):** it presents a higher number of detractor customers, indicating need for significant improvements in the relationship with customers.

Level of Satisfaction | **Suspensys** **

% satisfied / very satisfied

Domestic market



International market



** The survey conducted by Suspensys in 2019 and 2020 was sent to all customers (domestic and international) who had billing in the last 12 months before the survey was conducted.

Level of Satisfaction | **JUST**

% satisfied / very satisfied

Domestic market



CUSTOMER-FOCUSED INNOVATION

Seeking to offer even more facilities to customers, optimize our relationship with this audience, while reinforcing our increasingly digital performance, in 2021, we had three processes digitization projects with an absolute focus on our customers.

- » **Smarketing Randon:** online application launched for product pricing by Randon Implementos. With it, our distributors can negotiate directly through the platform, making the process even faster and easier for our customers. This year alone, more than 1,200 proposals were generated by more than 62 users from 23 distributors.
- » **Randon Consórcios Sales Platform:** own sales platform that allows us to follow the entire Randon Consórcios customer journey. With this innovation, all sales can be carried out online, from the moment the proposal is sent to the adhesion, with digital signature of contracts, making the process more agile and sustainable. In 2021, digital sales represented, on average, 10% of total sales in some segments, such as Racon. The expectation is to expand more and more in the coming years.
- » **Banco Randon digital services application:** this new tool, aimed at Banco Randon customers, offers financial services in a digital way. Through it, it is possible to pay bills and make transfers, contract products and services, such as payroll loans, CDB and credit lines with and without real collaterals.

Investors

GRI 2-29

The Investor Relations (IR) area is responsible for contacting investors, whether shareholders or not. The annual IR program includes meetings with shareholders, capital market analysts and potential investors, presentations of quarterly results, participation in conferences, group meetings, live sessions, podcasts, in addition to videoconferencing.

For 21 years, in partnership with the Association of Capital Market Investment Analysts and Professionals (APIMEC-SP), we have held a meeting aimed at analysts and investment professionals. Watch the full meeting at: [▶](#)

RATING EVOLUTION

In July 2021, S&P Global Ratings upgraded Randon's long-term issuer credit rating on the Brazil National Scale from brAA- to brAA+. In addition, it reaffirmed the short-term rating on the Brazilian National Scale, brA-1+.

Moreover, in 2021, we promoted the **ESG Ambition**, intended to present to investors and other Company stakeholders our performance in sustainability, contemplating the strategic pillars and the commitments and goals signed (learn more on page 22) to empower our value generation and continue, together, innovating for a better future. To watch the full presentation, visit: [▶](#)

We also maintain a close relationship with this audience through our virtual platforms, such as the [Investor Relations](#) website, our [LinkedIn](#) page, our Spotify podcast, Randoncast and via [mailing list](#) to offer information. Contact with the IR department can be made directly through our IR website, or by email ri@randon.com.br.



LATIN AMERICA EXECUTIVE TEAM AWARD

For the 2nd consecutive year, we won 1st place in the Latin America Executive Team Award in the categories Best CEO, for Daniel Randon, and best CFO, for Paulo Prignolato. In addition, we hold prominent positions in several other categories, such as Covid-19 Crisis Management, ESG Metrics, Best IR Professionals, Investor Relations Program and Investor Day.

BRAND AND REPUTATION

GRI 2-9

Our brand positioning has as its motto the institutional campaign: **“Together, innovating for a better future”**, a statement that reinforces the purpose of Randon Companies of “Connecting people and riches, to generate prosperity”.

We shorten distances to be together, because we believe that only by connecting our more than 15 thousand people are we able to make a difference and prosper. With more than 70 years on the road, we are a solid company, formed by more than 50 companies divided into three segments, whose strategy is based on the positive transformation of our business, through innovation and technology, diversification, prioritization of the ESG agenda and construction of value relationships with our audience.

In line with our ESG Ambition, we seek to strengthen our positioning as an Innovative and Sustainable Brand.

To this end, we have structured the Brand and Reputation Committee – which reports to the President and is responsible for monitoring the developments on the subject in the Company and strengthening a communication culture – and the Brand and Reputation area, in charge of proposing communication programs and procedures aligned to the features and pillars defined by the Brand and Reputation Policy.

PRESERVATION OF CORPORATE IMAGE AND LEGACY



FEATURES

PROXIMITY

We are people working for people. We shorten distances so all of us can be together.

TRUST

Trust is the starting point for us. It is the foundation of our relationships.

SAFETY

We are a solid company. Safe to invest, to work with, and that ensures quality products and services.

DYNAMISM

We are in motion. We are agile to correct our course, to adapt to new developments, and to give new meaning to things.

INNOVATION

We are ahead. We innovate in our products, services, processes and in how our people think.

RECOGNITION: BRANDS OF THOSE WHO DECIDE

We are among the most remembered and preferred brands by company managers and senior business executives in the Rio Grande do Sul market in the 23rd edition of the Marcas de Quem Decide survey, promoted by Jornal do Comércio in partnership with Qualidata.

» **Randon Companies:** 1st place in preference and 2nd place in memory in the Gaúcha Innovative Brand category. 3rd place in preference and memory in the Great Gaúcha Brand of the Year category. We are also among the five favorites and most remembered in the Entrepreneur Support category.

» **Randon Consórcios (Racon):** 1st place in preference and 2nd place in memory in the Consortia category.



Communities

GRI 2-29; 413-1

The **Instituto Elisabetha Randon (IER)**, founded in 2003, is a Civil Society Organization with Public Interest (CSOPI) responsible for the private social investment of Randon Companies, which seeks to promote citizenship and social development, through actions and projects that promote education, culture and social assistance, in addition to supporting the challenges connected to the performance of the Company's businesses: education for traffic safety and professional technical training.

Learn more about the IER at : [▶](#)

VISION

To be a national reference in social development.

PRINCIPLES

★ STAKEHOLDERS

To fulfill the expectations of our target publics.

★ SUSTAINABILITY

To strive for financial, social and environmental equilibrium, as a means to perpetuate our operations.

★ QUALITY IN EVERY ACTION

To turn quality into our main strength.

★ VALUED AND RESPECTED PEOPLE

To respect human beings as the final recipients of everything we do.

★ ETHICS, INTEGRITY AND RELIABILITY

To do everything according to the highest ethical standards.

★ IMAGE, A HERITAGE TO PRESERVE

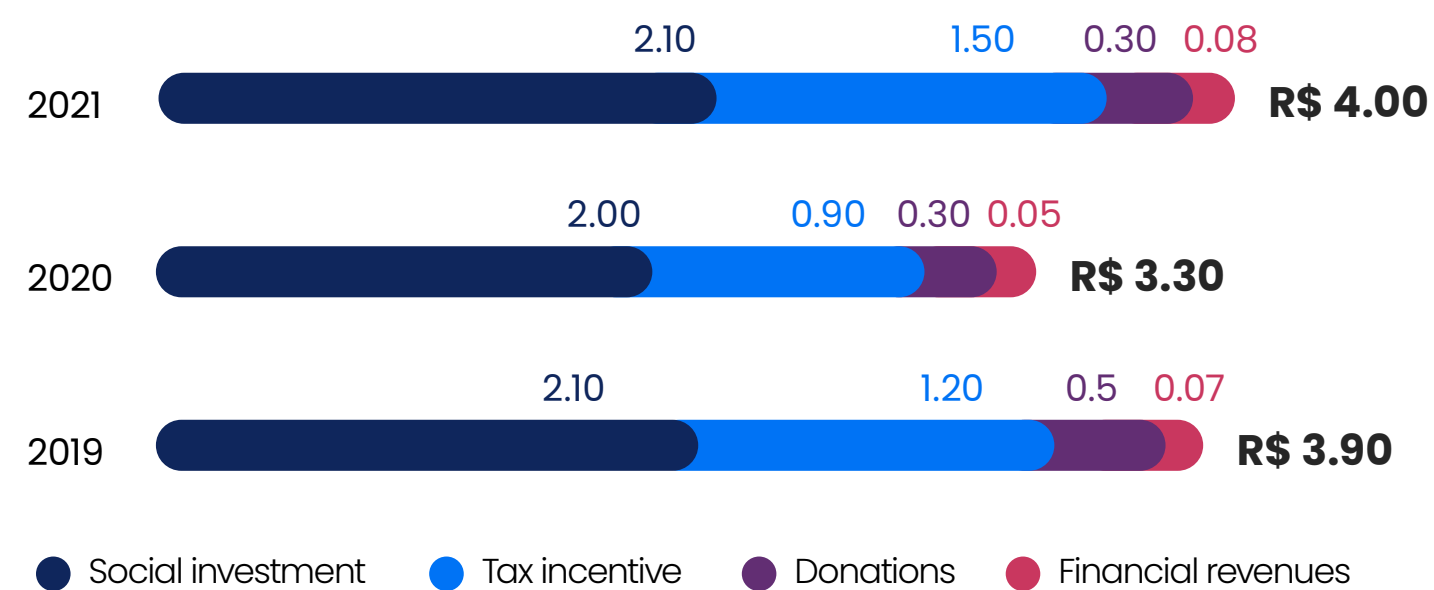
To preserve a good image is a commitment assumed by all of us.

BACKGROUND

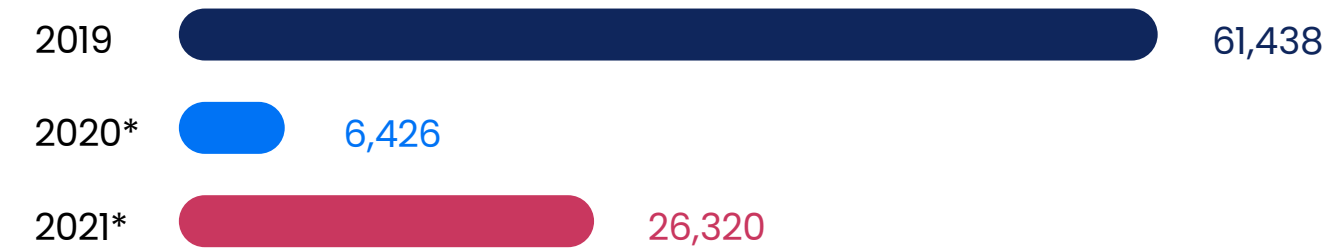
Since its foundation, R\$ 36 million has been allocated to social development, benefiting thousands of people through volunteering and traffic safety programs, and through education and training programs for children and adolescents.

In 2021, we invested R\$ 4.0 million, which enabled the continuity of four social projects and benefited over 28 thousand people.

Investment (R\$ Million)



People benefited



* In 2020 and 2021, the number of beneficiaries was lower due to the significant reduction in people who watched the Vida Sempre show, which began to be performed online due to the pandemic.

Annually, the IER publishes its **Activity Report**, which details the main actions carried out, their results and impacts, and the financial statement for the period. The report is verified by an external audit and is available on the Institute's website, which can be accessed here: [▶](#)



STRENGTHENING LINKS WITH THE COMMUNITY

In September 2021, we held a meeting with community leaders from Caxias do Sul (RS), located in the neighborhoods of Interlagos and Forqueta (which concentrate most of our units), and Farroupilha, where the Randon Technological Center (CTR) is located. At the event, we presented our ESG Ambition (learn more on [page 22](#)) and the actions developed by the IER. In addition, we listened to the suggestions and demands of community representatives in order to improve our initiatives and enhance the positive impact on society. Find out more about the meeting at: [▶](#)



FLORESCER (“BLOOMING”) PROGRAM

Florescer is the social responsibility program whose mission is to prepare children and young people in situations of social vulnerability for the exercise of citizenship, promoting the improvement of the quality of life, by offering pedagogical, cultural and sports activities, carried out in the period complementary to the regular school.

After completing their training in the Florescer Program, young people who are interested in continuing in our programs have the opportunity to join the **Florescer Professional Initiation Program**, a partnership between the IER and the National Service for Industrial Learning (SENAI). At this stage, adolescents between 15 and 16 years old participate in a technical-professional course in the Administrative Assistant area.

Learn more about the program at: [▶](#)



THE BLOOMING PROGRAM (PROGRAMA FLORESCER) ALSO PROMOTES:

- » building awareness about life;
- » support basic education;
- » basic notions of technology and information;
- » basic notions of the English language;
- » robotics;
- » sports and culture;
- » instrumental music and choral singing, through a partnership with the Mais Música (More Music) project.

RESULTS IN 2021

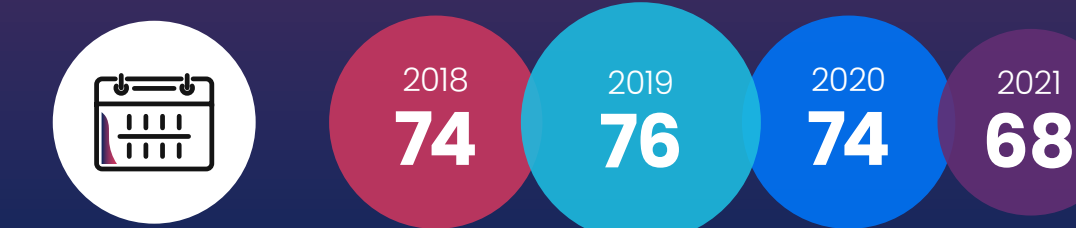
FLORESCER

Since it has been created, more than **6,902 children** and youngsters from the ages of 6 to 15 have already benefited, with **360** beneficiaries in 2021 alone.

FLORESCER PROFESSIONAL INITIATION (PI)

Since it was created, over 990 young people aged 15 and 16 have already benefited.

NUMBER OF PEOPLE TRAINED AT THE FLORESCER PI



FLORESTAR (“FOREST”) PROJECT: PLANTING THE FUTURE

In 2020, as part of the environmental remuneration necessary for the expansion of the Randon Technological Center (CTR), we created the Florestar Project: planting the future.

Phase 1 of the project enabled the construction of a forest garden of native species, where seedlings of pure genetics are created, from the collection of seeds, instead of clones of the plants, preserving the richness of biodiversity.

The initiative had the participation of biologists, educators and social workers, who held workshops with 40 children and adolescents from the Florescer Program.

In 2021, we continued the project, with theoretical and practical classes for Florescer students, given by two employees from the Fras-le environment area, on forest species and their importance for environmental conservation and preservation. During practical classes, students identified exotic and native species in the vicinity of Randon companies. As part of the action, more than 60 plaques were installed with data on each of the plant species



PARTICIPATION

Phase 1 | 2020

40 children and teenagers

Phase 2 | 2021

40 children and teenagers



SPORT SUPPORT AND ENCOURAGEMENT

To encourage the practice of sports combined with the social development of children and adolescents, the IER is collaborating with Associação de Amparo a Meninos Assistidos Santa Cecília (AMMA) to expand the **Lapidando Cidadãos (“Polishing Citizens”)**, initiative, a project that offers tennis workshops for young people in Vacaria (RS), the association's headquarters city. With the partnership, the project was expanded to Caxias do Sul (RS), the city where Randon Companies are headquartered, and also began to serve children who are part of the Florescer Program. In all, an average number of 100 children participate annually, who receive weekly tennis lessons at the Recreio Cruzeiro club from Caxias do Sul, another partner that provides space for practice.

The IER closed another partnership that seeks to encourage and support sport in Caxias do Sul (RS), this time with the Recreio da Juventude club, to promote sports and recreational activities for children who are part of Florescer. The club provided the unit's space to carry out the project's activities, whose first phase began in March 2021 and served 65 children aged 11 and 12. The activities consist of weekly sports classes, as well as recreational activities, which allow the development of sports skills, socialization, agility, discipline and autonomy of children.



VIDA SEMPRE (“LIFE ALWAYS”) PROGRAM

As a company in the transport sector, which works to provide safety to its customers, we are concerned with encouraging defensive driving and a safe behavior in traffic, in order to socially contribute to reducing the number of accidents.

Created in 2010, the Vida Sempre Program aims to contribute to education in traffic safety, offering information to drivers and pedestrians for a proper and safe behavior, through lectures, theatrical presentations, tips in the media and printed material.

Learn more about the program at: [▶](#)

OPERATION AT THREE FRONTS

- » Traveling theater, with the show "Vida Sempre - Ano VIII".
- » Partnership with the National Road Safety Observatory (NRSO), which offers informative/educational materials and videos.
- » Economic and Safe Driving Course for truck drivers.

RESULTS 2021

TRAVELING THEATER PERFORMANCES



Since its creation, more than **500,000** people have watched the show (or the sketches), with 60,000 in 2021 alone.

*Due to the pandemic, in-person shows were reduced and theatrical sketches were recorded and made available on YouTube.

RANDON MEMORIAL

Created to preserve and disseminate the history of Randon Companies, the Randon Memorial is a corporate space, which brings together historical documents and works to preserve the memory of cargo transport in Brazil and the economic development of Caxias do Sul (RS) and region.

Its physical space, under construction, will have research rooms, a video library, an auditorium, a coffee shop/bistro and a souvenir shop, and will house a collection of more than 50,000 multimedia documents. Find out more at: [▶](#)

PHOTOGRAPHIC CONSERVATION

In 2021, the Memorial promoted a Photographic Conservation workshop, with preparation focused on historical collections, both from museum institutions and family collections, where historical aspects of photography and photographic processes were addressed. Find out more about the activity here: [▶](#)

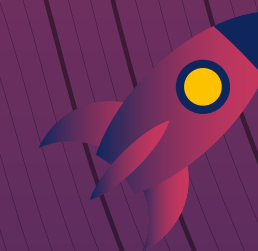
SER VOLUNTÁRIO ("BEING A VOLUNTEER")

Launched in 2005, our volunteer program aims to encourage the Randon Companies' workforce to develop community actions. By offering their free time, the volunteers awaken new personal skills and competencies, as well as the feeling that, with small actions, it is possible to transform the world.

Volunteers provide renovation and maintenance services in public schools in Caxias do Sul (RS), which are partners of the Florescer Program, in addition to working in other social entities.

Learn more about the program at: [▶](#)

RESULTS 2021



three actions
carried out*



100 volunteers
of Randon Companies



900 people
benefited in 2021



R\$ 30 k /year
impact on the local economy

* Due to the pandemic, the number of actions was lower than in previous years

Excellence and safety as a value

» Our Ambition

To continue being a reference in quality and safety in all spheres of the operation, with a focus on the safety of our employees, data security and the excellence of products that guarantee the safety of our customers.

» Public Commitment

Zero serious accidents in our operations.

» Related capitals

» Sustainable Development Goals

Our contribution to the SDG, a universal action plan for people and planet, now and in the future.



2021 PERFORMANCE

3 serious accidents
(+ 2 accidents compared to 2020)

+ 33 thousand
Covid-19 tests performed

+ 35 thousand
medical care actions through telemedicine

Topics



INFORMATION
SECURITY AND
PRIVACY



PRODUCT SAFETY
AND EXCELLENCE



OCCUPATIONAL
HEALTH AND
SAFETY

Occupational health and safety

GRI 3-3

Management

GRI 403-1

For us, people and their integrity are values that are above other priorities.

Therefore, we conduct our Occupational Health and Safety Management (OHS) in an integrated manner, guaranteeing our employees a safe and healthy work environment.

Our management is guided by the Health, Safety and Environment Policy (HSE), which establishes the necessary processes to reduce the exposure of employees to risks and hazards inherent to the work environment, in order to ensure that no emergency, production or result compromises health, safety and environmental protection.

In 2021, to strengthen our management on the subject, we created the Health Commission, a working group that brings together people from strategic areas of the Company to develop projects and actions that promote safety and well-being.

OUR HSE GUIDELINES



Quality of life



Legal compliance



Prevention culture



New technologies

CERTIFICATION

Randon's management systems are integrated and aligned with the best practices of OHSAS 18001 certification, obtained by Frasle, Castertech, Suspensys, Master, Jurid do Brasil and Jost Brasil. Additionally, Randon Implementos, Nakata and CTR are certified by ISO 45001, focused on Occupational Health and Safety.

Culture of prevention and excellence

GRI 403-1; 403-2; 403-3; 403-4; 403-5; 403-6

COMMUNICATION

GRI 403-4

To reinforce our commitment to the best performance in Health, Safety and the Environment, we have the **Uma Atitude Muda Uma Vida (“An Attitude Changes a Life”)**, initiative, which aims to engage employees to adopt preventive and safe behaviors, sensitize leaders and train, educate and guide everyone, in order to promote a culture of prevention and excellence.

We maintain participatory and consultation processes with our employees and service providers, through meetings, encounters and communication channels:

- » **Dialogues on HSE:** meetings held at least twice a week, to provide guidance and collect reports of occurrences in OSH.
- » **IAPC (Internal Accident Prevention Commission) meetings:** meetings to discuss and observe risk conditions in work environments and seek prevention measures.
- » **Monthly Performance Meetings:** monthly management meeting with the HSE team of each unit, to analyze indicators and report occurrences in the period.
- » **HSE meetings:** periodic meetings with the CEO and superintendent directors to monitor HSE indicators, performance evaluation and revalidation of adopted strategies.
- » **Relationship channels:** tools such as the Randon App and Corporate WhatsApp designed to listen and collect information that help us advance our preventive culture.
- » **Incident reporting:** availability of programs and the Ethics Channel (learn more on page 38) for reporting incidents and unsafety situations.

An attitude
changes a
LIFE

5 SAFETY ATTITUDES



TRAINING

GRI 403-5

We have training, orientation and recycling programs for employees and service providers in Occupational Health and Safety (OHS), and our education team continuously monitors compliance with these activities at the units' monthly HSE performance meetings.

For service providers, control is carried out through the Supplier Portal, and for mandatory training, we require certificates that, if not presented on the portal, make it impossible for the supplier to continue doing business with the Company.

OUR TRAINING SESSIONS:

- » **HSE Excellence Center:** a space available to all Randon companies, which offers differentiated technologies applicable to training, workshops and events.
- » **Distance Training:** an online platform that provides training focused on Regulatory Standards (NRs), sustainability and other relevant subjects in Health, Safety and the Environment.
- » **Prevention game:** a playful activity that seeks to improve risk perception and support the training of our team.
- » **Specific training:** we offer a series of training sessions to manage specific risks related to work and prevent occurrences and incidents.



HEALTH PROMOTION

GRI 403-3; 403-6

We offer strategically located health centers to our employees, which facilitate access to health care and service in different regions.

We have our own health plan operator, which works via self-management, registered with the ANS (National Supplementary Health Agency), **SSI Saúde (“SSI Health”)**.

SSI Saúde offers a service center with local care, in several medical specialties and hundreds of service providers, ensuring close and integrated health care. For companies that do not have the center, we provide the same services, through services accredited in the city where they are installed.

In addition to service, SSI is the pillar of our preventive medicine and promotes health and well-being among employees through programs focused on the prevention of specific diseases. To learn more, hover your mouse over here:

ACCIDENT PREVENTION WEEK

Every year, we hold the Accident Prevention Week (SEPAT) to engage our team and reinforce socio-environmental accident prevention processes and practices. In 2021, the event was inspired by the An Attitude Changes a Life initiative, “Attitude I: Assume the Commitment”. Several dialogues were held, in addition to training, mentoring and live sessions.

Main actions taken

- » Application of Prevention Games **(over 750 employees)**.
- » **Three live sessions:** “Risk Perception”, “Emotional Sustainability” and “The Impact of Music: purpose, emotional health and focus”.
- » Mentoring with leadership on **risk perception**.
- » **Prevention actions** (use of PPE, men’s and women’s health, hand care, among others).
- » Handing out **condoms**.
- » The event impacted more than **12 thousand employees**.



SUPPORT TO OUR EMPLOYEES DURING THE PANDEMIC

Prevention comes first!

We continue to publish periodic information with guidelines for the prevention of covid-19, through informative materials, such as stickers and flyers, and we have made a gradual return to face-to-face work, respecting all protocols.

Continuous protection

We continue to adopt all protocols in our operations, from distancing measures to prioritizing home-office work and reducing non-urgent travel. In addition, we continue to reinforce hygiene and install partitions in collective spaces.

Dedicated medical care

We have implemented advanced health stations in all of our units, with the presence of specialized technical professionals, to assist our employees with symptoms of covid-19 and offer the appropriate medical referral.

Mass testing

We have provided tests to our employees and managers. In 2021 alone, more than **21 thousand covid-19 tests** were performed.

Vaccination, now!

In partnership with the Municipal Department of Caxias do Sul and SESI, we installed on our sites (Fras-le, Randon Implementos and SSI Headquarters) vaccination spots for the 1st and 2nd doses of the immunizer against covid-19 for our employees, and for the 1st dose, we offered it to the local community.

Impact

1,045
people received the 1st dose,
502 of which were employees.

432
employees received
the 2nd dose.



FIGHTING THE PANDEMIC IN FIGURES

(2020 To 2022)

1,292,357
screenings performed

32,227
individuals
psychosocial
interventions

33,362
covid-19 tests
applied

35,593
telemedicine
assistances

54,983
collective psychosocial
assistances (live sessions,
workshops etc.)

Risk Management in OSH

GRI 403-1; 403-2; 403-3; 403-7

We have carried out, through our dedicated Health, Safety and Environment (HSE) area, a work focused on identifying the main areas of risk to Health and Safety and the priority critical points, based on their probability and severity, so as to plan and carry out a solid investment plan in order to reduce and eliminate risks.

We plan to invest, over the next five years, a total amount of R\$ 200 million in health and safety, ensuring adherence to the best global practices in all our units and companies, including the recently acquired ones. In 2021 alone, R\$ 40 million were invested exclusively to eliminate critical risks distributed on the following fronts:

- » **process automation;**
- » **safety in material storage areas;**
- » **adjustments to machinery and equipment;**
- » **elimination of industrial vehicles with internal circulation.**

In addition to investing in continuous advancement, our HSE area has a strict routine for monitoring the occupational risks to which our employees may be exposed, and directs rigorous actions to control and mitigate risks, maintaining safety in operations.

The critical risks mapped are managed through indicators that consider all accidents and incidents in this category: the Frequency Rate of SIFs (Serious Injury and Fatalities) and the PSIFs (Potential Serious Injury and Fatalities), both reported and monitored by the CEO and Directors–Superintendents, at the HSE meeting. When an accident or incident occurs, we carry out an investigation, with the support of our multidisciplinary team, in order to identify causes and define actions to eliminate the risk.

We also have Lessons Learned, a group for sharing information on critical occurrences, through which we ensure that all Company units have access to immediate information on the reason for the occurrence, and actions that have been taken to mitigate it.

GUIDELINES

- » **Change Management Guide:** reinforces the importance of preventive analysis of possible impacts in areas due to changes in processes, layout or the acquisition of new machinery.
- » **Ergonomics Manual:** guides our teams in the installation of new infrastructure projects.

Information regarding risks is also shared between leaders and their employees, in order to raise the awareness of the most exposed groups to follow the preventive and control measures already implemented. Besides, everyone can contribute ideas and alternative solutions that help us make our operation increasingly safe and sustainable.

We also monitor occupational health, critically evaluating working conditions and ergonomics, with the support of doctors, engineers and ergonomists, to improve them whenever necessary. The risks of occupational diseases to which our employees are exposed are related to ergonomics and hearing loss. To prevent and mitigate its impacts, we have two health programs: Ergonomics Program and Hearing Protection and Conservation Program.

We also offer protection systems—collective and individual—and we monitor the health data of employees, in order to prevent the emergence of work-related diseases. The data is analyzed and stratified, respecting the criteria of privacy and information security, and can only be used by the health team, in compliance with ID Randon guidelines (learn more on page 36).

Discover our health services that support the identification, mitigation and elimination of occupational health risks.



PERIODIC MEDICAL EXAMS

To identify exposure to health risks associated to developed activities and possible alterations in occupational health conditions.



ERGONOMICS PROGRAM

Identify the operations with the highest risk to be prioritized in the program, through the evaluation of jobs that may harm the health of employees.



HEARING PROTECTION AND CONSERVATION PROGRAM

To establish measures to minimize noise levels at the generating source and define hearing protection measures for our employees.



ACTIVE CARE WORKSHOP

Raise awareness among employees to encourage safe and healthy behaviors, focusing on the premises: "take care of yourself, the other, the whole and allow yourself to be taken care of".



SAÚDE NO BOLSO ("HEALTHY POCKET") PROGRAM

Boost the role of employees and reduce financial stress, through educational actions.

In 2021, we recorded a serious injury rate of 0.1. The LTIR (lost days accident rate) was 2.5. The LTIFR (lost time accident frequency rate) was 12.3 and the occupational disease rate was 0.81. The latter refers to ergonomic and hearing disorders.

We also recorded a fatality rate of 0.04, referring to a death resulting from work-related injuries. No deaths resulting from occupational diseases were recorded. All rates presented were calculated considering only permanent employees.

Check out the complete Health and Safety performance in the [Indicators Annex](#).

FATALITY

GRI 3-3

Despite all the preventive action to ensure safe work for all employees, Randon Companies regret having recorded one casualty in 2021. An employee at the Randon Implementos unit, located in Caxias do Sul (RS), suffered an accident while carrying out the movement of a load.

We reaffirm that the safety of people and their integrity are values that are above other priorities and, therefore, an audit was carried out to identify the causes and opportunities for improvement.

In addition, we have worked incessantly to prevent the occurrence of new serious accidents in our operations and, therefore, this year we assumed **a public commitment to reduce the number of serious accidents to zero.**

Investments have been growing and our OSH initiatives reinforce our dedication to achieving this goal.



Safety and product excellence

GRI 3-3

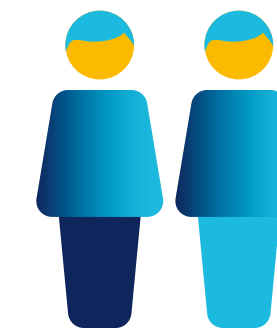
Among the key principles of Randon Companies are the production and sale of products with excellence, quality and safety.

In order to achieve good organizational management, all our companies have a Management System (MS) that includes the Quality, Environment, Occupational Health and Safety and Laboratory Competence Systems and has tools to control and manage their processes, as well as verification of the effectiveness of the actions taken and the search for continuous improvement.

OUR PRINCIPLES



SAFETY AND QUALITY



VALUED AND RESPECTED PEOPLE



SATISFIED CUSTOMER

Best practices

GRI 3-3

The excellence of our operations is directly related to reducing the environmental impact of transport and also to vehicle safety. For this reason, our processes are certified by quality, environmental and health and safety management systems, in addition to obtaining the main technical certifications for supplying the automotive industry, both in Brazil and in the other countries where we operate.

OUR MAIN CERTIFICATIONS:



CONQUEST!

In 2021, Fremax also obtained ISO 14001:2015 certification and the Randon Technological Center (CTR) obtained ISO 45001:2018, making up a total of 13 certified companies and 38 integrated international certifications.

We also work efficiently to meet legal requirements linked to regulatory standards and ordinances. Thus, quality management in our production processes uses different methodologies and standards to drive these processes, such as:

- » Advanced Product Quality Planning (APQP);
- » Failure Mode and Effect Analysis (FMEA);
- » Continuous improvement programs to solve problems, such as 8D;
- » Analysis and Trouble-shooting Methodology (MASP);
- » Lean Six Sigma Program.

Continuous Improvement

GRI 3-3

We are speeding up the transformations in our quality management, to promote breakthroughs that bring more synergy between our operations and new technological trends in products and processes.

- » We implemented the Manufacturing Execution Systems (MES) in manufacturing, which manages production activities and generates accurate information, in real time, optimizing the stages of production.
- » In the chassis e-coat painting process, we implemented a data centralization and visualization system that makes it possible to observe, in an online and automatic manner, everything that is happening on the factory floor, collecting data and information via the Internet of Things (IoT) and systems integration.

Chain quality

GRI 3-3

We carry out internal and external audits periodically to ensure the quality and safety of our products. Our suppliers undergo audits to verify compliance with our quality requirements (learn more on page 57).

Innovation in quality management

GRI 3-3

Experience and tradition in innovating guarantee our technological mastery in most of our production chain and allow us to develop products that offer safety, quality, performance and efficiency. Thus, we act on several fronts:

- » **R&D:** we have structures dedicated to product innovation at our units, in order to obtain greater efficiency and excellence, focusing on the launch of solutions with higher quality, safety and less environmental impact (learn more on page 93);
- » **Innovation in processes:** we seek to accelerate the industrial transformation of Randon Companies, achieving gains in excellence and productivity, based on technology and, for this, we have a specialized unit, RTS Industry (learn more on page 95);
- » **New products and solutions:** annually, we launch products that bring solutions with greater resistance and

quality, gains in ergonomics for those who will operate them and less environmental impact, with reduced weight that supports fuel economy. These and other projects are developed by companies in partnership with the Hercílio Randon Institute, Centro Tecnológico Randon and Conexo (learn more on page 94).



As a result of our actions, we have not had any **recalls of our products** and we have not recorded any expenses arising from recalls in the last four years.



Randon Companies Summit

Since 2018, we have promoted the Randon Companies Summit, a renewal of the traditional Safety, Quality and Productivity Week, promoting lectures and activities aimed at a culture of excellence, within the pillars of innovation, safety, quality and productivity, with the participation of our team global number of employees.

In 2021, to talk about sustainability, we invited 14 speakers, including the CEO of Siemens in Brazil, Pablo Roberto Fava, addressing the following topics: innovation in the environment, ethics and sustainability, quality in the life cycle of a product, expanded and virtual reality for education focused on safety at work etc.

In all, more than three thousand people participated, including employees and guests, who followed the events online on our broadcast platforms.

Information security and privacy

GRI 3-3

Structure

GRI 3-3

We are committed to the security of personal data and the privacy of our employees, customers, suppliers and our entire network of relationships. We have a structure dedicated to the governance of privacy and data protection, which meets the requirements of the General Data Protection Law (LGPD), consisting of:

- » Information Security area;
- » Privacy Committee, formed by representatives of the Compliance, Legal, Information Security, Financial Services and Digital Business Management departments;
- » Risk Management and Compliance area.

Our IT & CSC Director is primarily responsible for the topic within the Company. He monitors and manages all actions and projects, reporting regularly to the Executive Committee and the Board of Directors.

Policies and procedures

To support this structure, we have procedures and policies that establish standards and guidelines to be strictly observed by all employees and partners.

- » Privacy Policy
- » Information Security Policy
- » Personal Data Privacy Policy
- » Ethical Conduct Code
- » Incident Management Control Procedure
- » Change Management Control Procedure
- » Access Management Control Procedure
- » Backup Procedure
- » Remote Work Control Procedure
- » Cloud Services Contracting Control Procedure
- » Mobile Device Standard Procedure
- » Server Standard Procedure
- » Cyber Crisis Management Standard Procedure

Protection from cyber attacks

We have several processes to protect the Company from the risk of attacks and intrusions by hackers (or crackers), with operating macrostructures anchored in specialized partner companies:

- » **SIEM (Security Information and Event Management):** a tool that evaluates and provides reports and alerts on incidents and events of possible violations (such as malicious activities and unsuccessful login attempts) and also stops possible attacks in progress.
- » **Endpoint Protection:** ensures that all services connected to the network are protected from cyberattacks such as: worms, trojans, spyware, adware, rootkits and software vulnerability attacks.
- » **Pentest:** detection of existing vulnerabilities in systems, through the simulation of hacker attacks, carried out every six months on the Company's main systems, to assess the effectiveness of defense mechanisms.

We also monitor security assets, applications and databases on all devices on a daily basis. We systematically perform vulnerability assessments and submit all equipment, computers and servers to baselines (shielding) to protect them.

In 2021, we did not record information security breaches or other cybersecurity incidents and, consequently, no fines were paid in this regard.

Customer data privacy and protection

GRI 418-1

The formal and published Privacy Policy of Randon Companies is based on the principles of its commitment to transparency and respect in its relationships with its users. It establishes guidelines to be observed and clarifies the general conditions of collection, use, storage, treatment and protection of data on websites, platforms and internet applications.

In 2021, we did not receive warnings or sanctions from external parties and/or regulatory agencies, due to the violation of customer personal data privacy and we did not register proven complaints through our service channels (SAC and Ethics Channel).

PORTAL TITULAR (“HOLDER PORTAL”)

We have the Holder Portal, a communication channel between Randon Companies and the users of their platforms. In this portal we explain how we protect and process the personal data collected. We also guarantee a space for everyone to be able to communicate with us and exercise their right as the holder of their data. In this space, one can request confirmation of the existence of processing of their personal data, updating, deletion, revocation of consent, in order to fully exercise their right to own this data.

Discover the portal at: 



Israel Comazzeto dos Reis, Information Security Analyst

Security Culture

We, at the Randon Companies, are aware that, in order to have effective management, it is necessary to invest not only in information security infrastructure. It is necessary to continuously promote a culture of security among our stakeholders, through information security awareness and education.

For this, we have the **Safe Connections Program**, through which we carry out awareness campaigns with our employees. We carry out tests to measure behavior levels, phishing/smishing/vishing campaigns and physical social engineering and, based on the results, we build awareness roadmaps, ranging from newsletters to news clippings, videos and participation in forums on the topic.

We prioritize industries with the most sensitive information to carry out phishing/smishing/vishing campaigns, although all industries can participate. News and video clippings are sent through official communication channels to all employees, through RandonApp, email or WhatsApp.

The workshops and forums are built in a personalized way, and consider the target audience and the information that the area manages, and participation can be recommended by the management of the area that requests the training or optionally.

In 2021, we carried out the Data Protection Gamification, a training track with the theme "Data privacy and the LGPD".

In all, 150 employees participated. Those who scored the highest in the reviews were rewarded with prizes from the Randon Collection.

For our suppliers and service providers, we indicate, in the contract clauses, the essential requirements to ensure the treatment and protection of personal data on behalf of Randon Companies, in order to guarantee a safe and responsible sharing of information. We also share the educational materials of the Conexões Seguras ("Secure Connections") program, through the Supplier Portal, to everyone who directly accesses the Company's systems.

I.S. SUPPORT CHANNELS

We have quick contact channels to answer questions and provide support in Information Security (IS) to our employees:

IS, is this a virus? For questions about suspicious files:

sievirus@randon.com.br

IS, is this a good e-mail? For questions about suspicious emails:

sivalidaemail@randon.com.br

Help me IS? For general inquiries:

si@randon.com.br

Sustainable Innovation

» Our Ambition

Ensure business sustainability through continuous, disruptive and collaborative innovation, seeking breakthroughs in sustainable cargo transport and the value chain.

» Public Commitment

To expand the annual consolidated net revenue generated by new products compared to base year 2020.

» Related Capitals

» Sustainable Development Goals

Our contribution to the SDGs, a universal action plan for people and planet, now and in the future.



2021 Performance

R\$ 94.2M

invested in RD&I

144 **47**

concluded projects

new registered patents

88%

of consolidated net revenue from new products.

Topics



CONTINUOUS AND DISRUPTIVE INNOVATION



SUSTAINABLE MOBILITY



COLLABORATION AND OPEN INNOVATION

Continuous and disruptive innovation

GRI 3-3

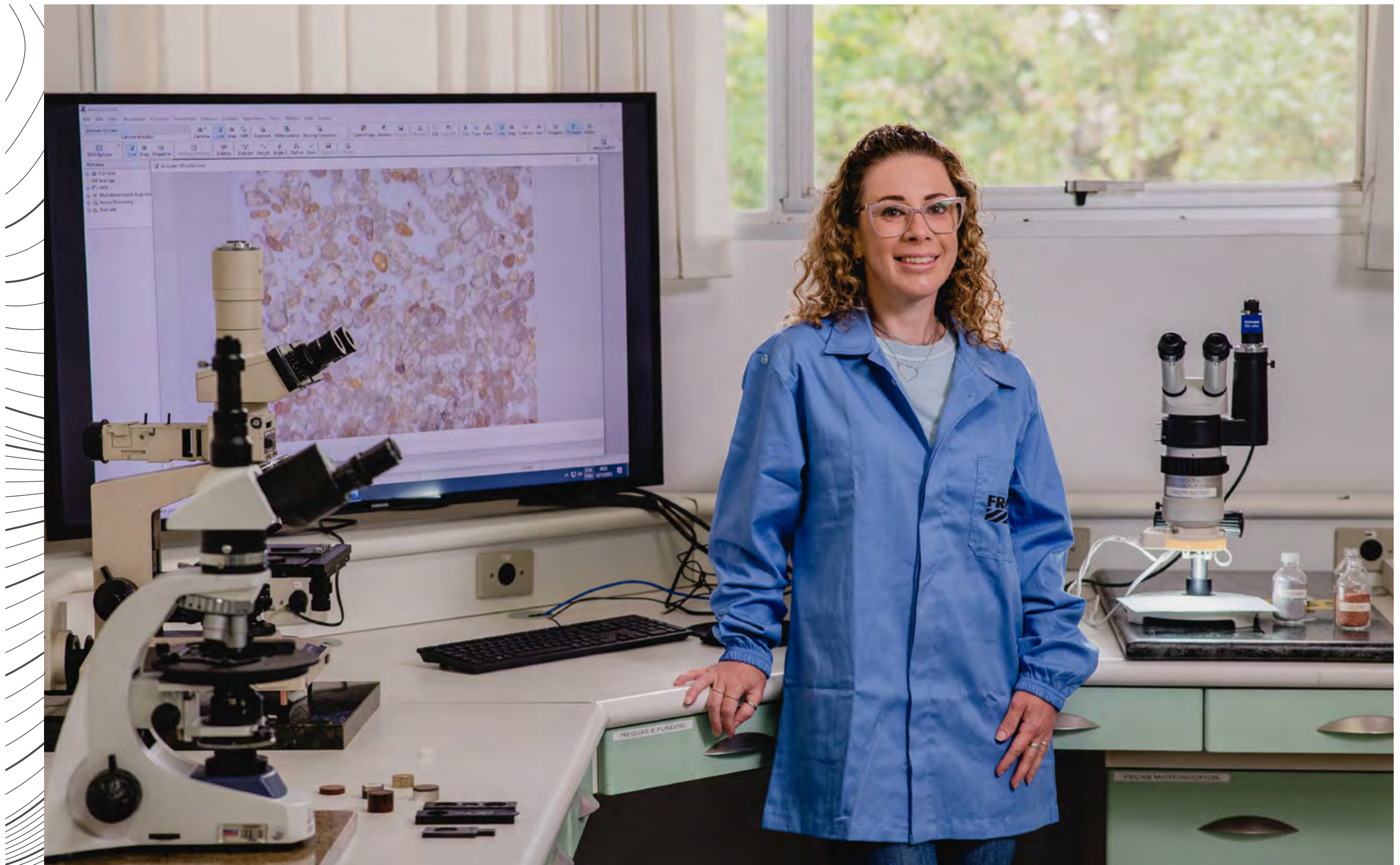
Innovation is what drives us.

We work with a focus on evolutive and disruptive innovation to positively transform businesses, the sector and society, developing products and processes that bring efficiency gains and reduction of environmental impact, with the intention of generating value for the future.

Thereby, we have a robust structure focused on the topic, with dedicated teams and a wide network of employees and partners, such as startups, universities and companies.

INNOVATION CHAMPIONS

Randon and Fras-le companies are, once again, among the 50 most innovative companies in the South of the country, according to the ranking of the 17th edition of the Champions of Innovation. The survey carried out by the Amanhã Magazine points out the organizations that best respond to the challenges of continuous disruption in their lines of business.

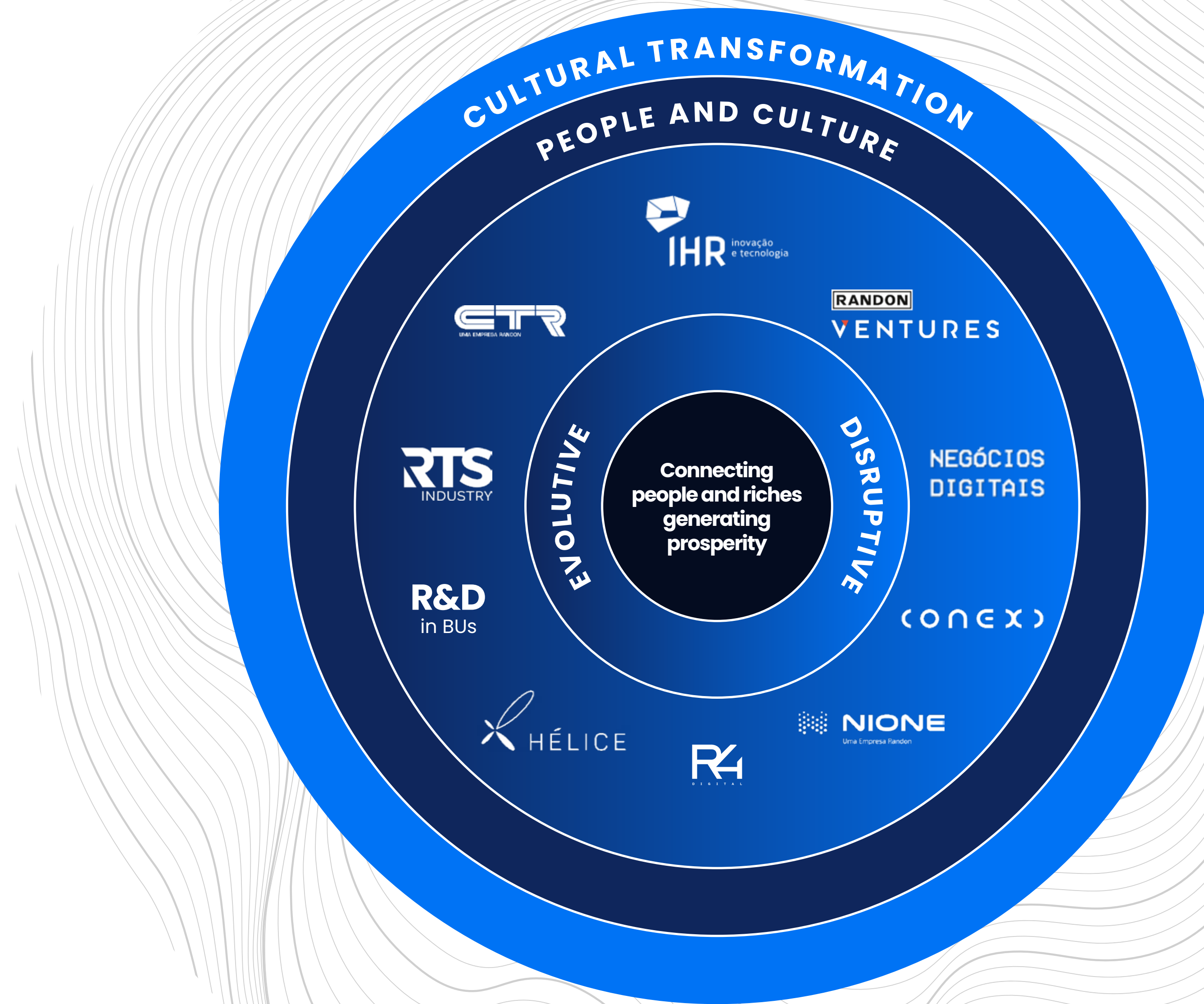


Our Strategy

Our innovation strategy is structured on two axes: the evolutive and the disruptive, both of which seek to contribute to the construction of a more sustainable and less polluting transport sector.

In the evolutive axis, we seek to innovate in solutions that add more quality, safety and efficiency to our products, improving the performance of our customers' vehicles. In the disruptive axis, we seek to create solutions that meet new market challenges and trends.

Next, we present our main initiatives, projects and innovation structures and their contribution to the two strategic axes.



Robust and dedicated structure

RANDON TECHNOLOGY CENTER (CTR)

Created in 2010, it is one of the largest independent technology centers in the automotive sector in South America and the first, and most complete, independent proving ground for testing trucks, buses, passenger cars, motorcycles, trailers and auto parts.

Located in Farroupilha (RS), it works as an engineering hub, serving the main assemblers of light and heavy vehicles, auto parts companies, agricultural machinery and Trailers, as well as other sectors of the industry in the national and international scenario. It offers customers, in addition to cutting-edge technology, added services, such as an engineering team, test drivers, technicians for data analysis collected in the field with the best and most advanced technologies as well as search and delivery of the tested vehicle to the customer. All with total guarantee of the confidentiality of the tested projects.

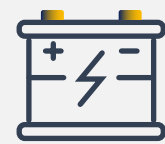


Looking to the future, and guided by the main global movements, CTR has been investing in the improvement of its infrastructure to serve the various segments of the automotive area and extend this space of reference in innovation and excellence. In 2020 alone, more than R\$ 20 million was invested in expanding the center and, in 2021, we advanced and repositioned ourselves to serve the electromobility market, investing in technologies and solutions focused on performance and safety tests of electric vehicles (learn more more in the Sustainable Mobility subchapter on page 97).

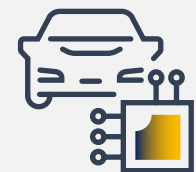
TESTS IN ELECTROMOBILITY



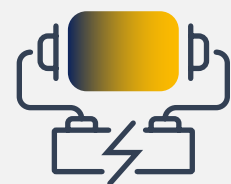
Vehicle autonomy measurement



Validation of battery protection degrees

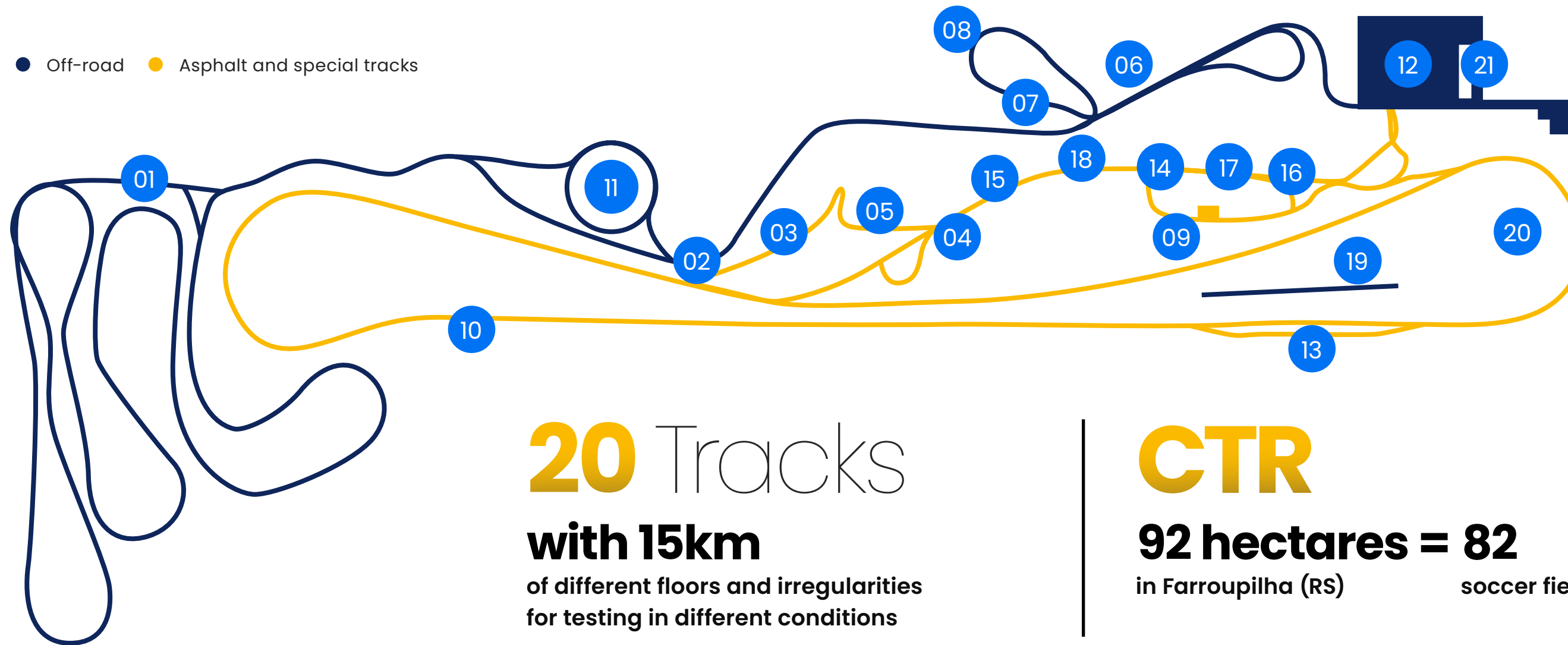


Authentication of the durability of the electromechanical system



Functional validations of the powertrain set

Tracks



- 01 Off-roads
- 02 – 08 Ramps
- 09 Passage Noise
- 10 High Speed
- 11 Circular with Obstacles
- 12 Circular
- 13 Slalom
- 14 – 18 Durability Track
- 19 Low Friction Track (ABS)
- 20 VDA (vehicle dynamics area) Track
- 21 Electric Station

20 Tracks
with **15km**
of different floors and irregularities
for testing in different conditions

CTR
92 hectares = 82
in Farroupilha (RS) soccer fields

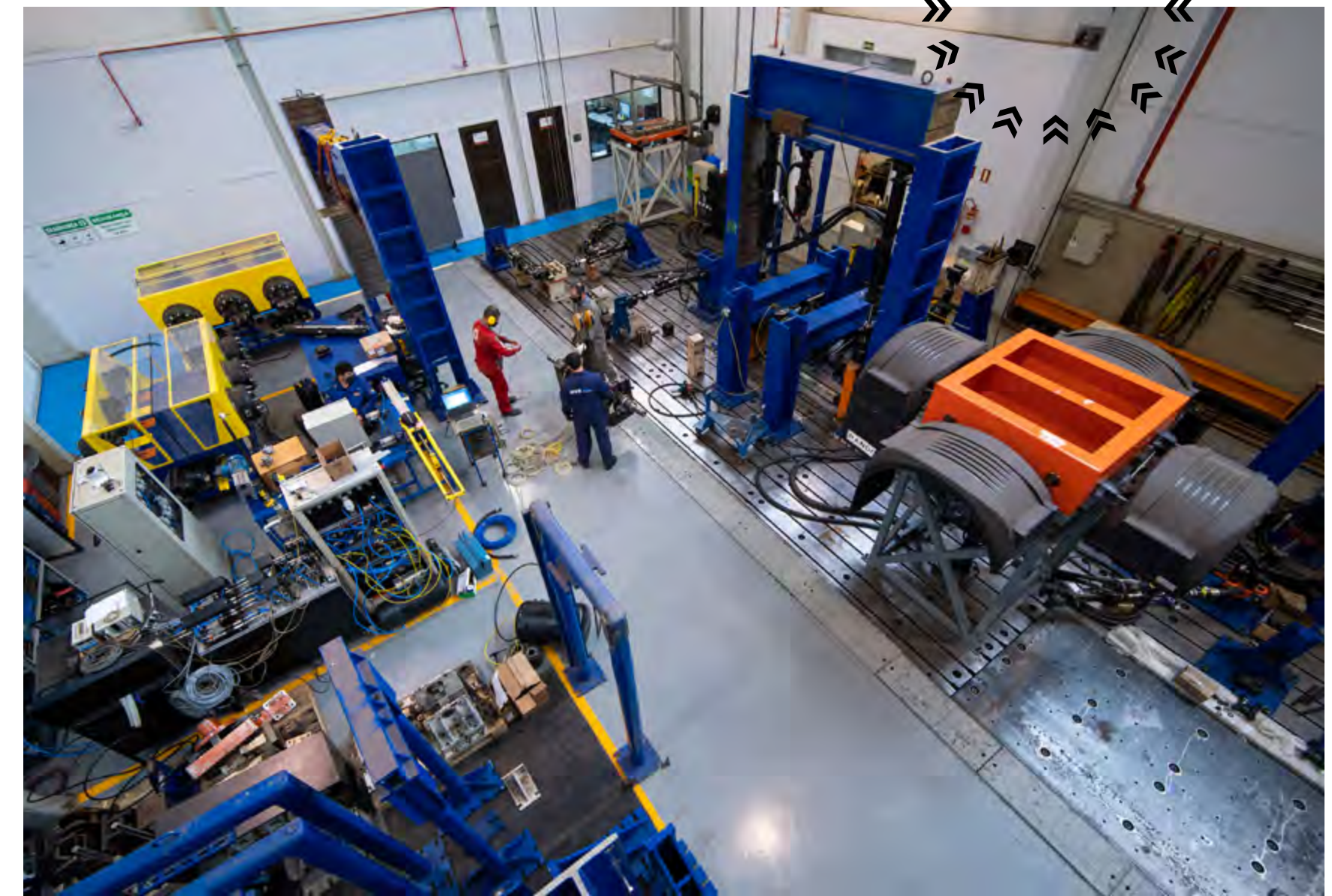
STRUCTURAL TESTING LABORATORY

2,200 m²
for vehicle preparation

- » 18 servo hydraulic actuators (force multipliers “cylinders” that ensure an accurate simulation/repetition of measured accelerations on parts when applied by customers).

- » Seismic base of 94 m² (a structure that isolates the test benches from external interferences, such as vibrations, guaranteeing the precision of the tests and laboratory simulations).
- » High-performance vibration and component fatigue test benches.

Take a virtual tour around CTR at: [▶](#)





RTS INDUSTRY

Created in 2020, the Randon Tech Solutions Industry (RTS Industry) is our unit for the acceleration and development of automation and intelligent systems for industrial processes. It produces and sells turnkey robotic cells, machines, devices and industrial tooling, and provides technical engineering and advisory services in industrial automation.

WE WORK ON FOUR FRONTS:



SPECIAL MACHINES FOR CORE PROCESSES

Design and construction of machines and special devices for processes.

Differentials:

- + Productivity
- + Quality

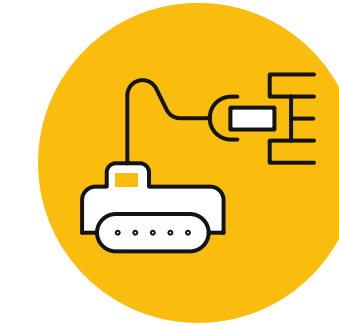


AUTOMATION

Use of technological elements and machinery in industrial processes.

Differentials:

- + Productivity
- + Quality
- + Safety
- + Autonomy



HANDLING

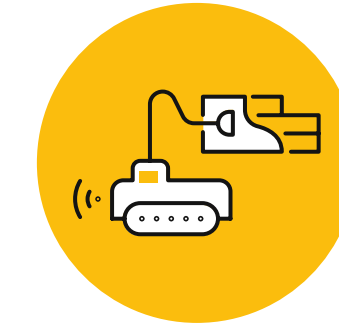
Development of autonomous machines and equipment, which operate without the need for a human driver.

Differentials:

- + Productivity
- + Work safety
- + Ergonomics

Applications:

- AGVs
- Connecting
- Conveyors
- Vertical storage



SMART MANUFACTURING

Use of manufacturing integrated to information technology, with machines connected to the internet to monitor production processes.

Differentials:

- + Productivity
- + Visibility
- + Forecast
- + Autonomy

Applications:

- Datalake
- Systems integration
- Online factory

Get to know a little more about the RTS Industry by watching the video:



DIGITAL BUSINESS

To accelerate the digital transformation at Randon, we have the Digital Business area, our Digital Product development laboratory, which works with Robotic Process Automation (RPA), Artificial Intelligence, Blockchain, Agile Solutions, Analytics and Digitization. In addition, the area is heavily involved in the

training and qualification of professionals, focusing on the development of skills in the technology area, through youth training programs, in partnership with universities, talent attraction programs (corporate internship), training and internal capability programs.

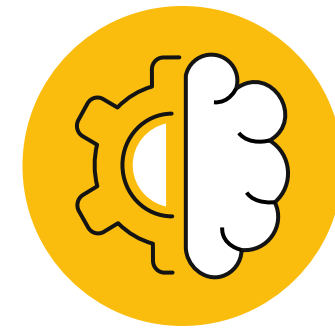


ROBOTIC PROCESS AUTOMATION (RPA)

Automates processes by eliminating repetitive or low value-added activities.

Differentials:

- + Productivity
- + Quality
- + Competencies
- + Free time for the team to develop other activities



ARTIFICIAL INTELLIGENCE

Develops Artificial Intelligence (AI) algorithms for application in products, people management, logistics and financial services.

Differentials:

- + Forecast
- + Data security
- + Productivity



BLOCKCHAIN

Studies, tests and proof of concept for product traceability and smart contracts.

Differentials:

- + Process optimization
- + Transparency
- Costs



ANALYTICS

Data-oriented culture, combining data analysis with business strategies. (data driven).

Differentials:

- + Quality
- + Forecasting for decision-making

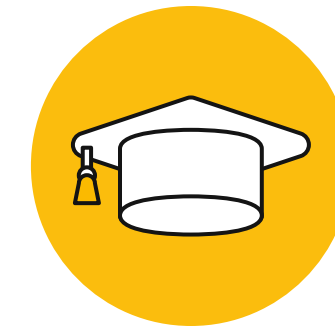


AGILE SOLUTIONS

Employs agile methods to accelerate project development and solve operation-specific problems.

Differentials:

- + Agility
- + Flexibility
- Failures



ACADEMY

People development, through internal and external professional training and qualification (in partnership with academic institutions).

Differentials:

- + Knowledge
- + Abilities
- + Productivity

HERCILIO RANDON INSTITUTE OF SCIENCE AND TECHNOLOGY

Created in 2015, initially with the aim of enhancing, accelerating and sharing innovation inside and outside the Company, the Hercílio Randon Institute (IHR) is the result of the boldness and inventiveness of one of the founders of Randon Companies, after which the Institute is named.

In 2021, in line with our transformational DNA, the Hercílio Randon Institute (IHR), previously a non-profit association supported by the Company, had its operations repositioned, becoming an Institute of Science and Technology (IST) focused on thinking about the future of mobility (learn more in the subchapter Sustainable Mobility, on page 97).

As one of the main supporters of the IHR, we provided the space for the Innovation Lab, a 300 m² laboratory created to leverage innovative solutions and sustainable technologies, located at the Randon Technological Center (CTR), for the Institute to house its activities. The IHR also operates in partnership with Auttom, occupying one floor of the building located in the University City of the University of Caxias do Sul (UCS).

With its own multicultural team, made up of more than 40 people (among employees, researchers, technicians and representatives of universities and startups), the IHR aims to consolidate itself as the main development center for disruptive technologies.

As a highlight, the main solutions delivered by the IHR during this year were: the new line of products in composite materials of the subsidiary Fras-le, Fras-le Smart Composites (find out on page 99); and the e-Sys, a new auxiliary electric traction system from the subsidiary Suspensys (learn more on page 98).



IHR

- » Support for disruptive research
- » Connection with innovation ecosystems
- » Develops new professionals and projects of interest to society

INSTITUTE OF SCIENCE AND TECHNOLOGY

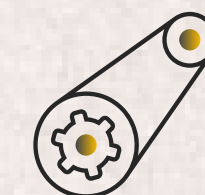
FOCUS OF ACTION



Mobility



Embedded electronics



Smart Materials

Discover the innovations of the new Hercílio Randon Institute of Science and Technology in our launch video [▶](#)

Research, Development and Innovation (RD&I)

RANDI

Our Research, Development and Innovation (RD&I) structure is the heart of our evolutive strategy and what allows us to continue innovating in the continuous improvement of our products, services and processes, adding increasingly more quality, safety and efficiency to the performance of our customers' vehicles.

With laboratories, research centers and highly specialized professionals in the search for new innovative products and materials, we anticipate the future of our business, influencing market trends and contributing to the sustainability of the value chain.

In 2021, we invested R\$ 94.2 million in Research, Development and Innovation (RD&I), completed 144 projects, registered 47 patents and 88% of consolidated net revenue came from new products launched by Randon Implementos. Discover, next, the main highlights in products, processes and services.



PRODUCTS AND SOLUTIONS

Trailers Division

Randon Concept Trailer

In 2021, Randon Implementos launched the Dump Concept Trailer road train, which offers a new semi-trailer concept. The launch is the result of a project in partnership with Volvo Caminhões do Brasil and other partner suppliers, such as Hyva and Continental, to develop a dump concept vehicle.

Learn more about the Randon Concept Trailer in the video [▶](#)

Manufactured with high technology, which reduces the total weight of the implement and composed of automation resources and sensors, the new road train increases performance and reduces operating costs for the conveyor. Discover the innovations and product differentials:

- » **Weight reduction:** one ton lighter than the similar model.
- » **Innovative design:** the absence of columns in the cargo box and the inclusion of deflectors contribute to the reduction of aerodynamic drag.
- » **Anti-tip system:** helps to correct the product's trajectory in hazardous conditions.
- » **Embedded electronics:** sensors and reversing camera connected to the brake system, which act automatically when there are obstacles in the maneuvering area, and sensors on the fifth wheels and electric lifting device, which increase the safety and ergonomics of this operation.
- » **Connectivity:** technological set that presents information such as tire temperature and pressure, axle load and monitoring of the wear of the brake pads available to the operator, and identifies when the product is not loaded and automatically suspends the axles, reducing tire wear and fuel consumption.
- » **Automated cargo wrapping:** operated by remote control, reduces time and eliminates the need for the operator to climb into the cargo box.

OTHER PRODUCTS LAUNCHED BY RANDON IMPLEMENTOS

PRODUCT	DIFFERENTIAL
GDT wagon	+ Cargo volume without increasing overall dimensions.
HAT wagon	+ Cargo efficiency: bottom dump opening system and automated unloading system.

Auto Parts Division

MASTER

PRODUCT	DIFFERENTIAL
VHO camera	54% actuation force for parking. + Safety + Durability in heavy and extra-heavy vehicles
Relay Valve	Working pressure above 10 bar. + Resistance + Durability + Applications (trucks and buses)
30x30 Spring Brake Chamber	Developed exclusively for the market of Trailers with long shank and total thread. + Performance + Applications

PROCESS INNOVATION

Breakthroughs in R&D also accompany process innovations, which are driven by RTS Industry and Auttom. Projects are applied according to the needs of our subsidiaries.

In 2021, we launched six solutions, covering welding, robotic handling and assembly processes. Find out in more detail below:

BRAKE CHAMBER ASSEMBLY LINE

Equipment consisting of two electric presses and an automated leak test—with integrated fail-safe systems (poka yokes) and complete product traceability—developed for the assembly of Spring Brake chambers.

Benefits:

- Energy consumption in the operation
- Noises
- + Product quality and reliability to customers.

AGV (Automated Guided Vehicle)

Self-guided vehicles that transport materials through the interior of our factories, custom built for each factory environment.

Benefits:

- Occupational risks during industrial movements.
- + Safety for employees.

STANCHION WELDING CELL

Automated cell for welding stanchions (metal supports attached to the grain trailer, which ensure the safe transport of materials) composed of three devices and a welding robot.

Benefits:

- + Quality in the welding pattern
- + Efficiency
- Waste of raw material.

PALLET CELL

Robotic cell with mechanical gripper designed for handling multiple packages, pallet supply systems and integration with a packaging laminator.

Benefits:

- + Flexibility
- + Autonomy in operation
- Occupational risks during industrial movements.

TIPS SUPPLY CELL

Robotic handling cell with magnetic grip and 3D vision system developed for the supply of parts in machining lathes.

Benefits:

- + Autonomy in operation
- Occupational hazards when handling hot parts
- + Safety for employees.

GRINDER SUPPLY CELL

Robotic handling cell integrated to the grinding machine, and with packaging standardization, developed for the supply of parts.

Benefits:

- Ergonomic risks for employees
- + Productivity.



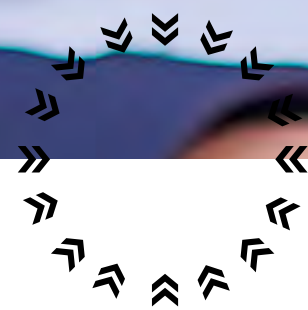
INNOVATION IN SERVICES

Our investments in service innovation are directed towards modernizing existing systems, creating new solutions and products, and improving customer experience. Discover below the main deliveries of 2021.

SALES PLATFORM: implementation of an end-to-end process of the sales process, from the lead stage to the checkout, providing the engagement of the sales team and the customer through an easy and fluid experience. In addition, the platform enables the management and traceability of leads/sales for decision-making.

LEGAL MANAGEMENT SOFTWARE: implementation of a specific system for work aimed at legal demand, bringing synergy and security to processes, and ensuring the standardization of activities in the financial and digital services division.

PROCESS AUTOMATION OF BANCO RANDON AND RANDON CONSÓRCIOS: implementation of nine projects for process automation, using RPA (Robotic Process Automation)

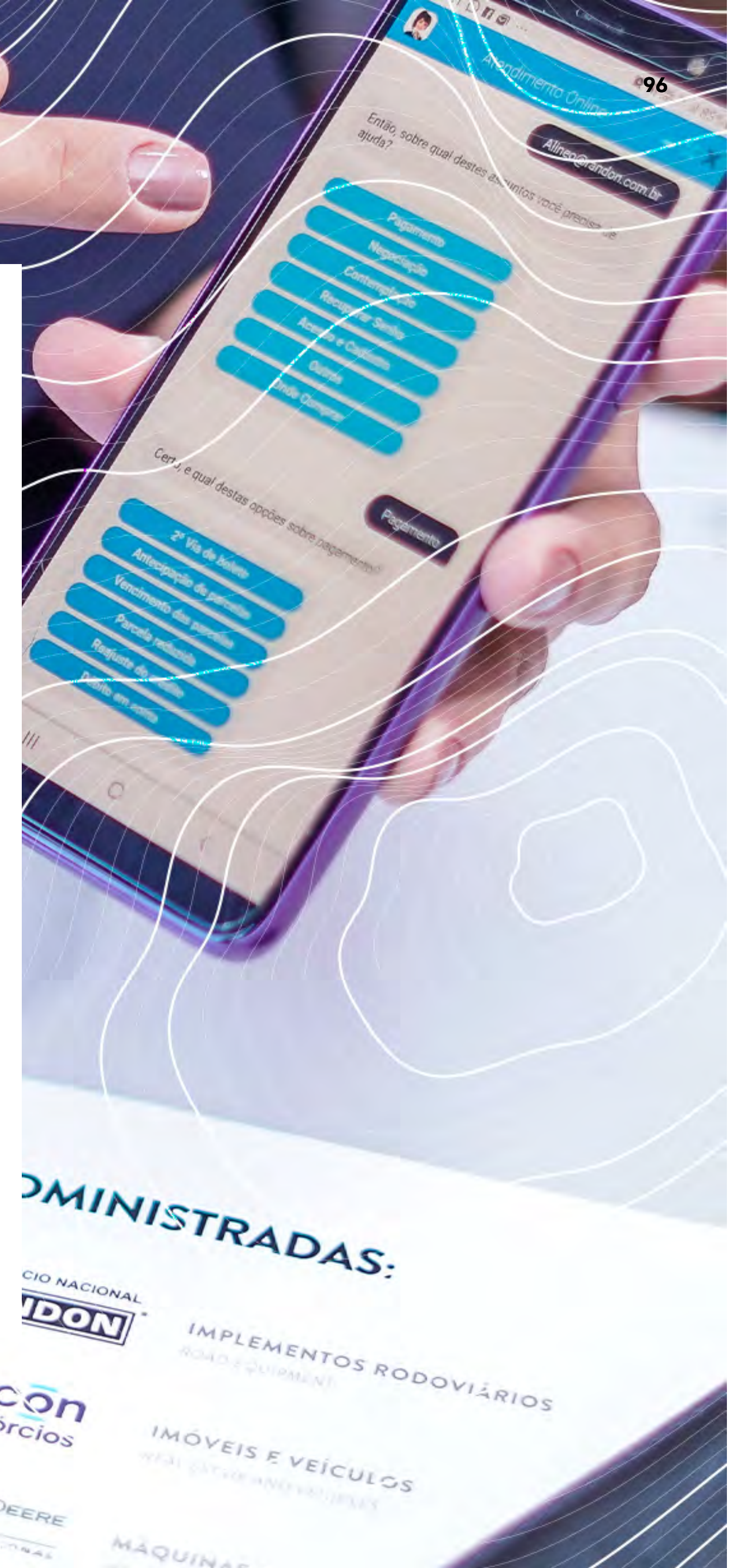


technology, with emphasis on the project for automating FINAME and CDC operations at Banco Randon, which began to carry out tasks such as processing and generating payment for the operation, generate the client's financial statement and finalize credit proposals in a 100% automated way, increasing the team's efficiency.

PULSAR PROJECT: Conclusion of the ERP implementation for a market system, with the objective of bringing continuous improvement and alignment with the business strategy.

PROCESS OF CREATING RESELLER USERS: Automation of the registration process, bringing agility to the seller and eliminating failures and waits.

RANDON CORRETORA DE SEGUROS: Integration of Randon Corretora de Seguros with Financial and Digital services, enhancing its performance in the transport and logistics market.



Sustainable Mobility

GRI 3-3; RAND3

Context

The land transport sector has a significant impact on climate change, as it is the main global logistics and passenger transport modal and demands the consumption of fuels, until then mostly non-renewable and more greenhouse gas generators.

According to the Transport and Climate Change Global Status Report (TCC), the transport sector is the second largest emitter of greenhouse gases, behind only the electricity sector. Within the different transport segments, road transport—both for cargo and passengers, considering all vehicles—accounts for 74% of emissions.

To face this problem, the transport sector is going through a moment of great changes, to make the mobility we know more and more sustainable*.

*Sustainable mobility defines an environmentally sustainable transport system as one that does not impact human health and ecosystems, while ensuring that the displacement needs of populations are met.

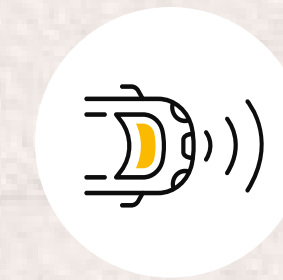
Our pioneering spirit in sustainable mobility

We are always on the move to anticipate megatrends relevant to the transformation of our sector. Therefore, our innovation strategy is also oriented towards the global trends that govern the future of transport:



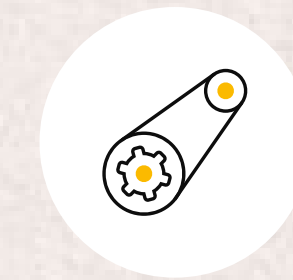
Mobility of electrification

Initiatives related to new propulsion concepts (with a main focus on electric traction), in addition to new concepts and modes of mobility for people and goods.



Embedded electronics

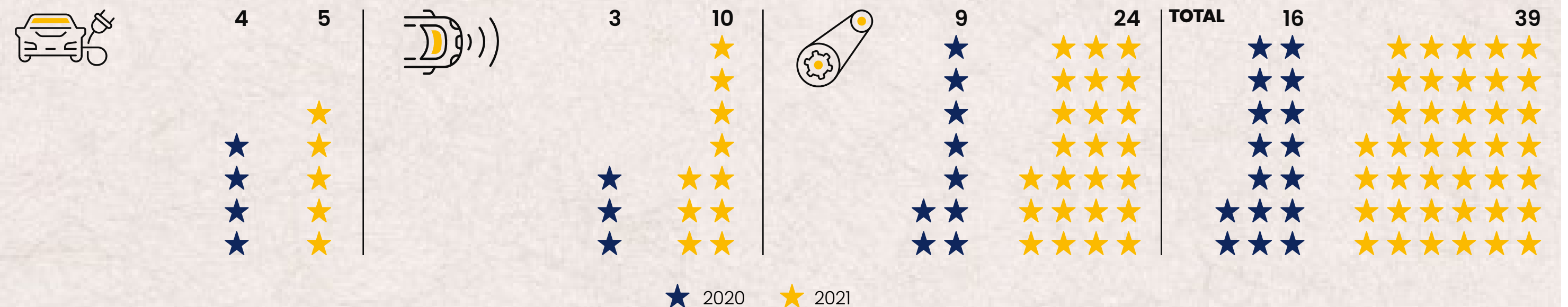
Development of solutions with complex electronic systems for vehicles, such as, for example, the ABS system, launched by Master.



Smart materials

Development of alternative solutions to the use of materials (essentially steel) in vehicular applications, with a focus on reducing weight and increasing efficiency.

Our Innovation and R&D projects on megatrends



ELECTRIFICATION

As part of our efforts towards electrification—one of the megatrends of the automotive industry—we are developing solutions focused on propulsion and mobility of people and goods. One of the highlights is e-sys, an energy optimization solution with an innovative and disruptive profile, from our subsidiary Suspensys, for the cargo transport market.

The e-sys auxiliary electric traction system is an electromechanical set that, through an intelligent algorithm, makes the engine also work as a generator. Comprising an electric motor coupled to an auxiliary drive axle, a frequency inverter, a battery pack and an electronic control unit (ECU), it was developed to manage the system automatically and recover the energy generated during braking and descents, storing it in batteries in order to apply it during ascents.

The solution supports overcoming one of the main challenges for the electrification of heavy vehicles, which is the time required to charge the battery with the vehicle stopped and the lack of infrastructure on the highways to do so. Depending on the application, road conditions and the type of cargo transported, the system generates fuel savings of up to 25%, reducing greenhouse gas emissions and also providing less wear on components, in addition to lower waste emission into the environment.

In addition to the aforementioned advantages, the e-sys system has great competitive potential, since it does not depend on a specific tractor system, and can be applied to any truck: as it is an autonomous system, it works both on new trucks (designed to receive it) as in trucks that are already in use and have the traditional traction system.

To see how e-sys works on a moving truck, watch our Hybrid R launch video at: [▶](#)



Our innovation and R&D projects on megatrends

Reduction



Up to 25% fuel consumption



Greenhouse gas emissions



Use of components



Waste



Total Cost of Ownership

More



Savings



Safety

EMBEDDED ELECTRONICS

We develop solutions that expand the functionality of our products, from the insertion of complex electronic systems, composed of microprocessors with dedicated software. The latest launches by Randon Triel-HT, a joint venture of Randon Companies, present solutions that guarantee safety, a highly valued attribute in embedded electronics:

- » **New aluminum tank:** equipped with an ABS and EBS braking system, an embedded electronics component. Equipped with a smartboard, it monitors and reports data related to the load and the implement, such as tire pressure, axle weight distribution and stability control.
- » **New sider:** it has a braking system with EBS stability control, integrated into the smartboard, an embedded electronics component that monitors and reports important data about the load and the implement. In addition, functions such as tire pressure monitoring, load distribution, proximity sensors and height control for dock operations are operated by a central or application connected to the implement.

SMART MATERIALS

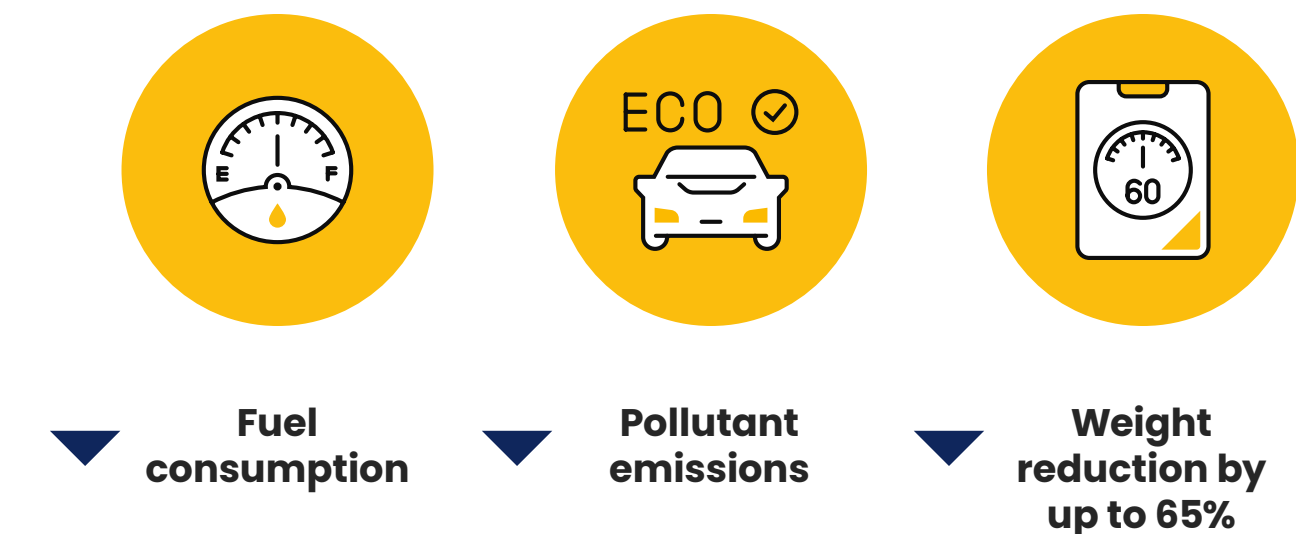
To develop alternative solutions to the use of materials, we are investing in the discovery of smart materials that help us to replace the use of essential materials in our production with items containing new properties, which add greater performance and quality to our product, while reducing our environmental impact.

As a result, in 2021, Fras-le, a subsidiary of Randon, launched a new product line in composite materials, Fras-le Smart Composites.

With this technology, we make it possible to replace materials that are currently used for the production of auto parts, such as steel, for example, with composite materials, resulting in products with better performance, innovative design and weight reduction of up to 65%.

In addition to the benefits for quality, the technology brings sustainable attributes, since lighter products consume less fuel and, consequently, emit a lower volume of pollutants.

Smart composite benefits



Listen to our podcast on the Randoncast on Spotify

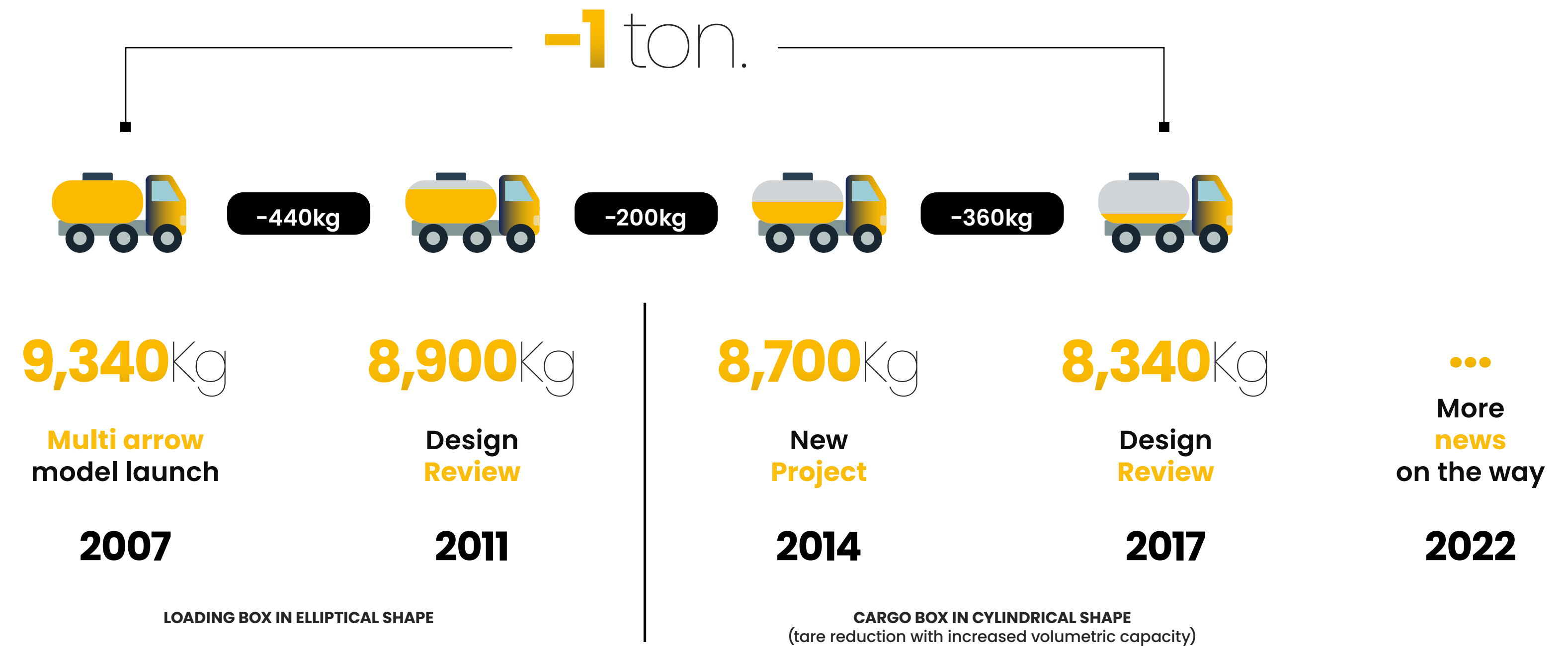
#25 Smart materials and innovation at the service of sustainability and learn more about our new product line, Fras-le Smart Composites, made with composite materials, up to 65% lighter than steel.

EFFICIENCY GAINS

We have been working continuously to develop projects that add greater efficiency to our products (learn more in the R&D subchapter on page 93) and one of the great challenges in our sector is **reducing vehicle weight**.

To face this challenge, we are making continuous improvements in our implement products to deliver increasingly lighter vehicles to our customers, optimizing their operation, with a significant increase in load capacity, which makes it possible to reduce trips to transport goods, thus reducing fuel consumption and greenhouse gas emissions.

Tanker Trailer Line



NIONE

As a result of the search for new technologies in sustainable initiatives, we made the unprecedented discovery of a new method for the production of niobium nanoparticles on a large scale.

With worldwide patent applied for, the innovation has multiple applications and is expected to transform the industry segments in which these materials are used. This technology will be offered to several industrial segments, not limited to the automotive sector, where Randon Companies operate.

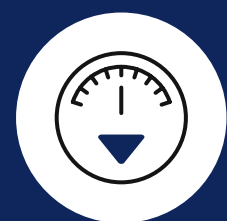
The initiative is the result of a partnership between the Randon Technological Center (CTR) and the Hercílio Randon Institute (IHR). To increase research and expand the applications of this new technology, we have a new business unit, **NIONE**, with its own structure, teams and resources.

Nanotechnology benefits

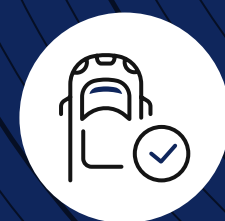
With the use of nanoparticles of elements such as niobium and state-of-the-art physico-chemical processes, it is possible to enhance the characteristics of other materials, providing:



Mechanical resistance



+ Lightness



+ Durability



More sustainable processes



In December 2021, NIONE launched its first product, in partnership with WEG Tintas, a pre-mixture with niobium oxide nanoparticles, which will serve as a base for application in WEG Group's protective coatings.

Advantages



▼
ENERGY



▲
COATING SHELF LIFE
(USE OF THINNER LAYERS)



▼
IMPACT
(WATER BASED FORMULATION)



When added to the coating, the mixture provides greater resistance to corrosion, increases the durability of color and gloss, in addition to allowing ultra-fast drying, with gains in the application process.

The first application will be on brake discs from Fremax, a subsidiary of Fras-le, which seeks to obtain greater protection against corrosion of its components, giving even more quality to its products. The novelty was presented at the inauguration of the NIONE manufacturing unit, located in the city of Içara (SC), and will be offered to the entire market in the coming years.

Collaboration and open innovation

GRI 3-3

Helice Institute for Collaborative Innovation

To create bridges between innovation and companies, Helice was created in 2018 by Randon Companies and three other organizations (Florense, Marcopolo and Soprano), to boost the innovation ecosystem in Serra Gaúcha.

The Institute works by connecting companies associated with it to mature startups, promoting open innovation. With a common innovation framework for all associates, it promotes dialogues, exchanges, challenges, diagnoses and training, helping its associates to find innovative solutions to the challenges of their business.

Learn more about the institute on the website: [▶](#)

Conexo

GRI 2-29

Inaugurated in 2020, Conexo is a platform with physical and digital space that drives open innovation and collaboration, connecting entrepreneurs, large companies, startups, universities, institutions in this ecosystem and the community.



WE ARE RANDON
Connecting people and riches, to generate prosperity.

Driven by the constant objective of promoting collaboration, co-creation and coexistence, we are Conexo.

A PHYSICAL SPACE
to learn, collaborate and create.

We offer a space for everyone to feel free to create the future. Startups, Entrepreneurs and the Community Gather to Drive Transformation Through Innovation.

A DIGITAL ENVIRONMENT
for exchange, learning and connection.

Our platform connects diverse talents, integrates generations and mixes worldviews. We build a digital space to create bonds and bridges between knowledge.



HOW DOES CONEXO CONNECT?

SOCIETY

CUSTOMERS

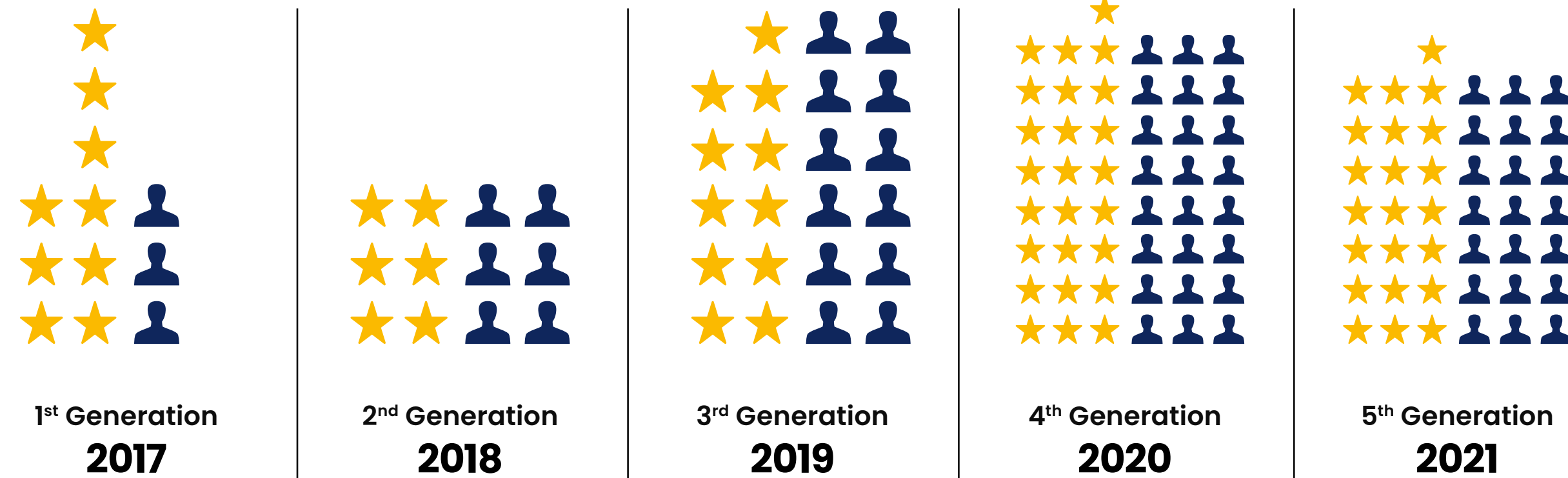
<p>EXO</p> <p>Open innovation development program. It empowers people to increase productivity in their sectors.</p>	<p>Start</p> <p>Intrapreneurship initiative. It encourages people to model Ideas, validate problems and test solution hypotheses.</p>	<p>Conexo Challenge</p> <p>Connect Conexo's client companies with partner startups and universities so that, together, they can solve their business challenges.</p>	<p>Startup Creator</p> <p>Prototyping and testing of business models, with its own methodology, to boost the creation of a new startup.</p>	<p>Immersions</p> <p>Experiences to develop mentality, culture and leadership through internal and external sensitizations.</p>
<p>Courses and qualification</p> <p>Training in soft and hard skills for organizational and new business development with a learn-by-doing approach.</p>	<p>Co-creation and collaboration</p> <p>Feasibility of projects with external resources—human, technological and financial—for the execution of open innovation projects.</p>	<p>Strategy</p> <p>Participation in innovation committees and facilitation of strategic innovation planning.</p>	<p>Innovation diagnostic</p> <p>Data and Intelligence platform to innovate with results that uses data and indicators with clear recommendations to evolve the culture of innovation.</p>	

It serves the companies that are part of the Company, as well as some of our customers, such as Sicredi Pioneira, RAR, Florense, Sandrin and Continental Ferramentas.

Conexo emerged by leveraging initiatives that Randon Companies have been developing for years, such as the ExO development program, created in 2017, which trains people to explore technologies, appropriate design tools and seek innovative solutions.

As of 2020, the ExO program became part of Conexo and is now in its 5th generation. It continues to evolve and increasingly enhances our ability to innovate, collaborate and connect, in different ways, with different people.

EXO



★ Projects Developed 👤 No. of participants



Listen to our podcast on the Randoncast channel on Spotify

#19 ExO generation 4, culture of innovation and technology and learn about the results of our development program that brings innovation to Randon Companies, and even to other organizations.

The **Conexo Challenge** is an initiative that seeks to connect Conexo's partner companies with startups, IESs (educational institutions) and other companies that solve their business challenges. In 2021, the program had 58 startups registered, from nine participating companies, being seven internal and two external, and ten challenges carried out. In addition, 25 startups were selected for demoday, an event promoted at the end of the development program, and four proofs of concept were carried out (demonstration of the idea from a pilot).

Start is the evolution of the Empreende Randon Program, launched in 2019, to encourage intrapreneurship, which aims to direct people to model ideas, validate problems and test hypotheses for solutions. The program is currently in its 4th edition and, in 2021, 91 people from 12 different companies participated, which, in all, developed 20 initiatives.



We also launched **Startup Creator**, which seeks to accelerate the development of solutions that are in a stage of maturity to be launched in the market. In total, 15 vacancies were available. The project had the partnership of the consultancy Semente Negócios and Sebrae RS, which even subsidized part of the registration of the selected startups.

The project offers mentorship for executives in the region, space for potential relationship actions and business deals with the units of Randon Companies and with the Company's partner network, in addition to contact with other startups and solutions from large companies.

The execution of innovation projects within Conexo involves employees from different areas and different hierarchical levels, who work together to implement innovative solutions.

We have **Palco Conexo**, an event held three times a month so that startups, customer employees and partner companies can share the main breakthroughs, opportunities, lessons learned and results obtained during their journey with Conexo. By 2021, 31 editions of the event have already been held, with the participation of more than 4 thousand people and 54 startups.

In 2021, Conexo completed one year and, to celebrate this very important date, it held **CO4U: Conexo para você**, an event with more than eight hours of content, in an online environment, about innovation, culture, technology and digital transformation. Read more here: [▶](#)

Learn more at: [▶](#)

Startup Creator

9 solutions

Seven Internal, from Randon Companies teams that completed the Start, and two external.

2 solutions invested

Inovatech and Package Help received investment from Randon Ventures and the right to use Conexo's coworking space for 6 months.

32 participants

30 internal and 2 external.



Listen to our podcast on the **Randoncast** channel on Spotify

#26 Futurism and innovation in the post-covid era and learn more about foresight and futurism, in this chat between the head of innovation at Conexo, Leo Vitor Redondo, and the founder and CEO of IF.Future Consulting, Letícia Setembro.

HERCÍLIO RANDON INNOVATION AWARD

In 2021, with the support of Conexo, we once again held the Hercílio Randon Award, which completed 15 years of its 1st edition. The award recognizes employees who have developed innovative projects within Randon Companies, encouraging and valuing ideas and initiatives that will transform our future.

There were 104 projects registered in seven categories. Meet the winners by category:

- » **New Products:** Modular General Cargo and Intelligent Electric Driving Auxiliary Shaft Coupling System.
- » **New Services and Solutions:** Artificial intelligence and optimization applied to programming.
- » **Process Innovation:** Modernization of stamping.
- » **ESG – Sustainability:** Florestar Project.
- » **Customer Experience:** App Smarketing Randon.
- » **Good Collaborative Work Practices:** Time to Market Project.
- » **Good Practices in Cultural Transformation:** Cultural Transformation IT & CSC.



ACKNOWLEDGMENTS

100 Open Startups Award 2021: for the 3rd year in a row, Randon Companies occupy the list of the 100 Brazilian companies most connected with startups in Brazil, according to the Top 100 Open Corps ranking. The company was recognized and awarded among 3,334 corporations, being featured in the 100 Open Startups 2021 ranking, as TOP 5 Automotive Industry.

Automotive Business Digital Transformation Award: Randon Companies are among the six winners of the award that recognizes companies that participated in the Digital Transformation Index in the Automotive Sector, a survey carried out by Automotive Business in partnership with Cesar, a private innovation center based in Recife (PE). Winner for the creation of Conexo, the award recognizes the Company's collaboration and open innovation initiatives and their results.

Support for the acceleration of innovative business

GRI 2-29; RAND2

RANDON VENTURES

Created in 2020 to support innovative projects that are aligned with complementary segments to the Company's business, Randon Ventures is our company dedicated to investing and co-investing in startups, with ready-made products and a dedicated team. We seek to generate synergy between the businesses invested in and our companies. Therefore, we also offer personalized mentorships to partner startups, helping them to develop new businesses.



The investment in Grupo Delta was one of the four investments made by Randon Ventures in 2021.

INVESTED SEGMENTS



Fintechs

Access to credit



Insurtechs

Digitization and distribution of insurance



Autotechs

Electric mobility and automotive technologies



Logtechs

Complementing the portfolio



Industry 4.0

Smart manufacturing



Plus

Blockchain, ESG, AI, IoT and Computer Vision



Listen to our podcast on the **Randoncast** channel on Spotify

#20 Corporate Venture Capital, when companies invest in startups and understand a little about this subject that is on the rise among companies that want to be ahead of the market in innovative and disruptive initiatives.

Check out below the main startups supported and their innovative solutions for the logistics and transport sector.

R4 DIGITAL

Randon Ventures, in partnership with 4all ventures (venture builder of the 4all hub), created its first startup this year: R4 Digital. It is a fintech that offers fully digital financial products and services for the logistics chain.

The R4 platform aims to empower the business of this ecosystem, and works with a focus on companies, serving different audiences, such as: logtechs, auto parts networks, carriers and gas station networks.

R4 is modular and can be contracted according to the customer's wishes. It offers a BaaS (Banking as a Service) solution, with digital account and financial products and services, and has the option of a white label format, which allows the customer to adapt the digital account to their brand.

In addition, the fintech relies on Banco Randon as a settlement bank for financial transactions and, in December 2021, R4 won its first external customer, with the signing of a contract in the Bank's system.



The financial products and services platform of logistics



Digital account



Balance and statement



Transfers



Slips and bill payments



Prepayment of receivables*



Credit*

*Through the Banco Randon.



Listen to our podcast on the **Randoncast** channel on Spotify

#14 Randon Ventures, 4all and the logistics fintech and learn more about R4 Digital, the new fintech resulting from this partnership that will serve the logistics and transport segment, and the fintech market as a whole.

Delta Global

Seeking to follow the digital market movements for the logistics and transport ecosystem, in 2021, Randon Ventures invested R\$ 13 million in Delta Global, responsible for the development of one of the largest vehicle assistance and maintenance platforms in the national market that, together with an area of embedded telemetry and software development, currently serves the main insurance companies and players in the sector of transport and logistics.

In addition, Banco Randon—seeking to enhance the integration of the financial services ecosystem with the startups invested in by

Randon Ventures—enabled the Prepayment of Receivables service to service providers that use the Delta platform, enabling the receipt of payments for the services provided on the same day. ▶

Soon

Startup Soon developed a platform that offers all the services of a traditional assistance in a simplified, digital and intelligent way, using technology and a fair billing model, based on usage and not on the size of the fleet.



Abbiamo

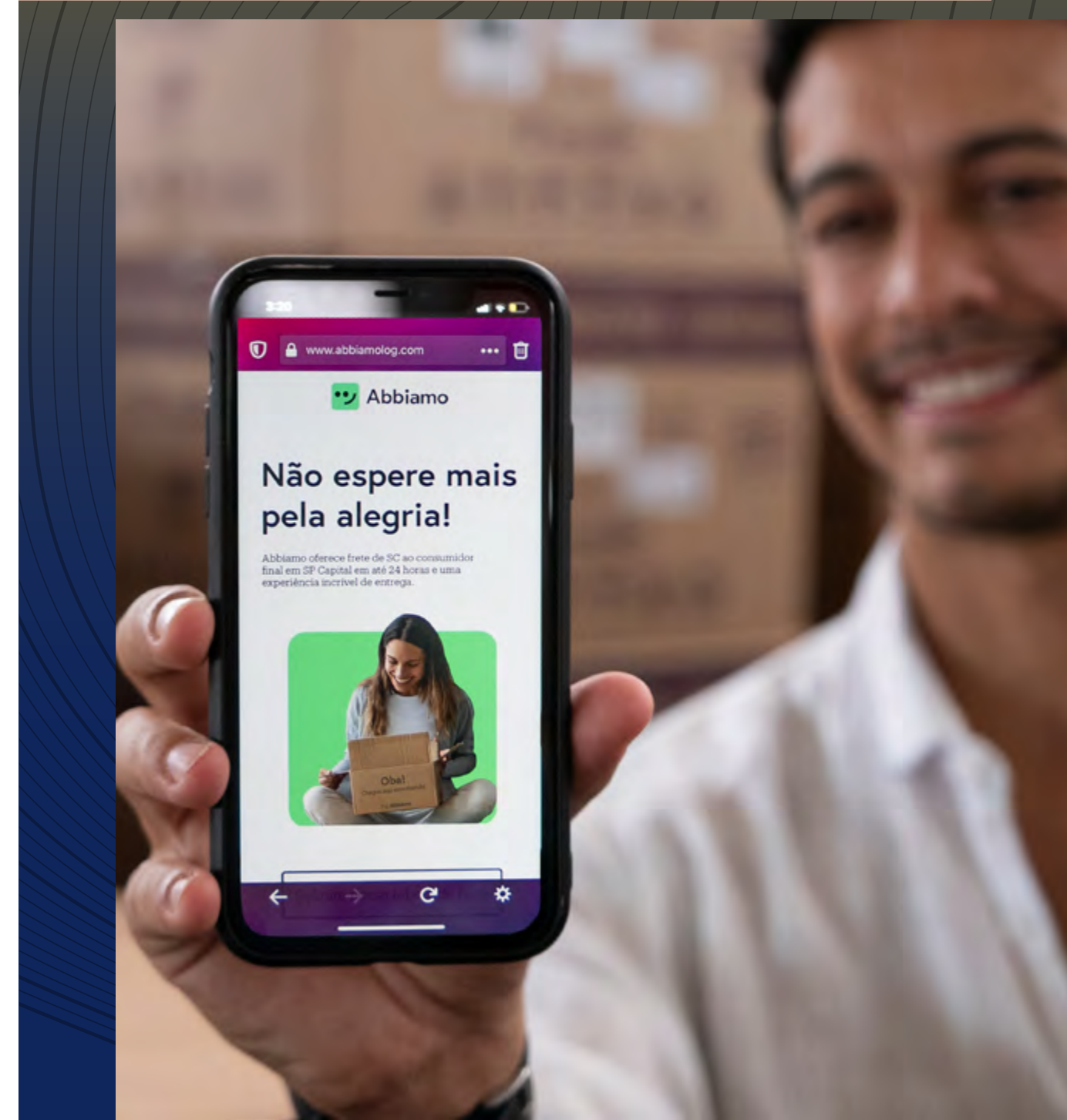
Startup Abbiamo created a platform to help companies improve their customers' logistics experience. Custom-created for each company, the 100% digital tool provides last-mile logistics technology that enables the company to meet the growing demands of its customers. With an investment of R\$ 2.5 million from Randon Ventures, the startup will be able to expand its services to other segments and regions of the country.



Motorista (“Driver”) PX

Motorista PX is a platform that offers carriers a safe, legal and practical driver hiring service, with less bureaucracy, ensuring the necessary support for deliveries to be made successfully.

To leverage this solution, Randon Ventures, ACE Startups, BR Angels and GR8 Ventures made an investment of R\$ 2 million in the startup that will improve its technology, invest in driver training and include smaller cargo vehicles, such as vans and SUVs, to serve large carriers.



TruggHub

In 2021, Randon Ventures led the round of investment worth R\$ 1.4 million in another successful startup. TruggHub acts as a freight marketplace and is responsible for creating a digital platform, for contracting and managing transport services specialized in the fractional cargo segment, a niche still underserved by new digital logistics solutions.



TruckHelp

As the first investment by Randon Ventures, TruckHelp is a platform of solutions and services for truck drivers and carriers that connect their audience with auto parts, mechanic shops and carriers.



HELICE INVESTMENT FUND

To strengthen connections between companies in the Serra Gaúcha and establish a regional innovation hub, Randon Ventures expanded its partnership with the accelerator Ventiur and started to act as one of the investors in the Helice investment fund, an initiative by Ventiur, from the Helice Institute and the Science, Technology and Innovation Park of the University of Caxias do Sul (TecnoUCS)



Commitment to the Environment

» Our Ambition

Identify and develop opportunities for eco-efficiency gains in our operation, with a focus on promoting circularity, the efficient use of resources and the fight against climate change, and encouraging breakthroughs in the environmental management of suppliers and customers.

» Public Commitment

- Reduce the emission of greenhouse gases by 40% by 2030, compared to the base year 2020.
- Zero disposal of waste in industrial landfills and the release of treated effluents, reaching 100% reuse, by 2025, compared to the base year 2020.

» Related capitals

» Sustainable Development Goals

Our contribution to the SDGs, a universal action plan for people and planet, now and in the future.

2021 Performance

3.3 kgCO₂e/h

Intensity of emissions (+22% vs. 2020)

22% of waste disposed of in industrial landfills (-2 p.p. vs. 2020)

50% water reutilization (-6% vs. 2020)

Topics



COMBATING CLIMATE CHANGE



CIRCULARITY



WATER AND EFFLUENTS



Suelen Tochetto Barp, Environmental Engineering at Fras-Le



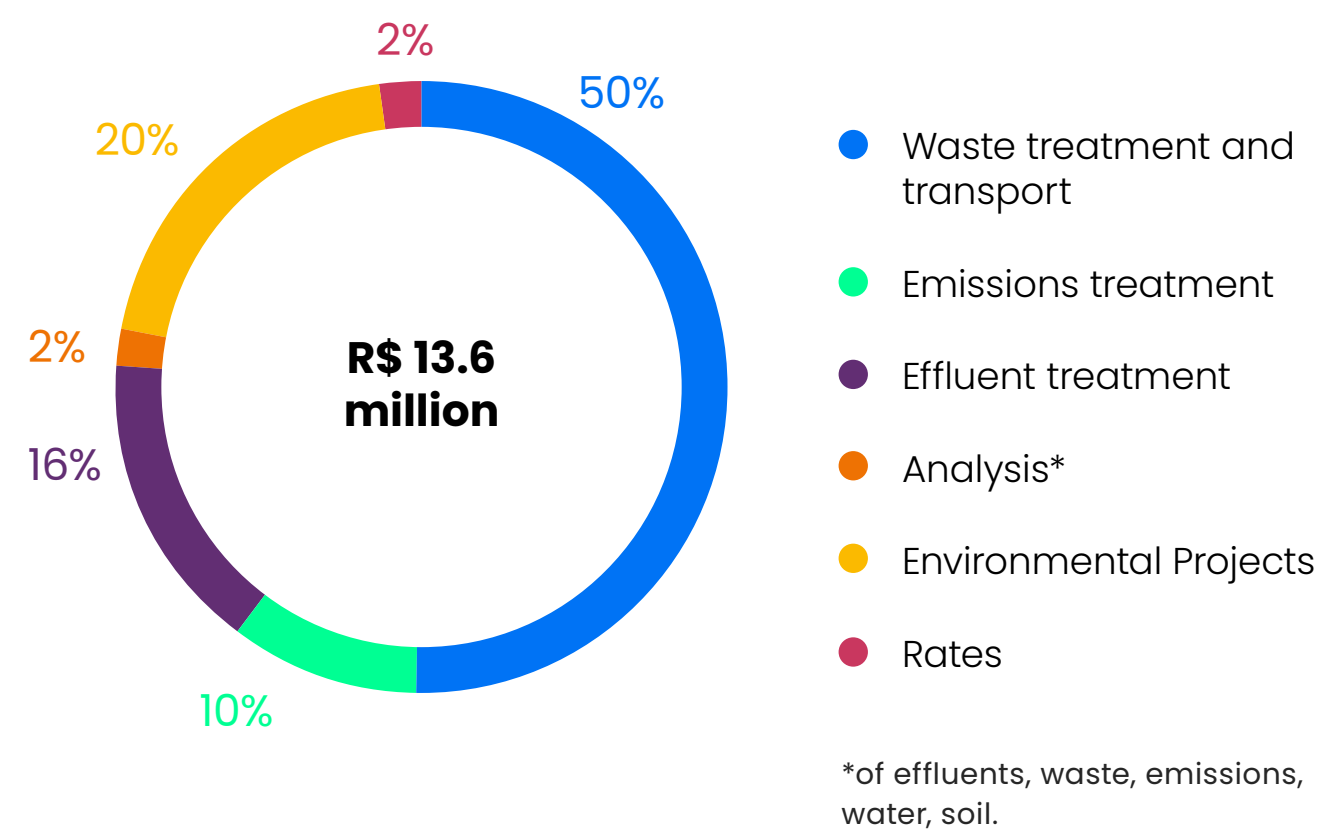
Our environmental management

GRI 3-3

At Randon Companies, the commitment to the environment is part of the business model and, therefore, we work continuously to combine our generation of financial value with sustainability.

Our environmental management seeks to ensure an increasingly efficient operation, which prioritizes climate change mitigation and a circular economy, considering everything from the development of environmentally friendly products to their reinsertion into the production cycle.

Investments in environmental management initiatives

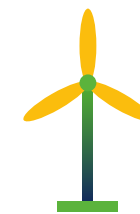


We have policies, documents and practices that guide our management on the subject:



HEALTH, SAFETY AND ENVIRONMENT POLICY

It establishes the principles and guidelines to ensure efficient waste management, the use of state-of-the-art technology to reduce electric power consumption and promote sustainable water and effluent management, by giving priority to their reutilization.



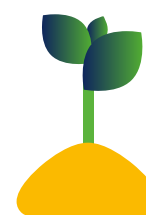
MANAGEMENT SYSTEM

Present in all operations of all Randon companies, it accurately monitors our environmental performance. Furthermore, at the companies Fras-le (headquarters), Castertech (headquarters), Suspensys, Master, Jurid do Brasil, Fras-le North America, Fremax, Randon Implementos, Nakata and FANACIF, it is certified by ISO 14001, which expands the effectiveness of the management system in relation to the value chain, risks and opportunities in the product life cycle.



ENVIRONMENT MANUAL

A document directed to all Randon Companies employees with contents on the values that guide our operations as established in our strategic fundamentals, so our operations strive to preserve people's integrity and promote environmental protection.



SEMEAR

Randon Environment Week (SEMEAR), more than an event, is a workspace, where we seek new ideas to transform the business and build a better and more sustainable future for everyone. In 2021, we organized many activities, such as: thematic webinars - Climate Change and the Lifecycle of Products -; dialogues about our sustainability initiatives; and awareness-building actions to promote the new Green Route (Rota Verde) program (learn more about it on page 113). In addition to that, we have launched the **Seja+Verde ("Be Greener")** competition, which recognizes the most sustainable actions of our employees, both at the company and at home.

MANAGEMENT IN CONTINUOUS EVOLUTION

As a company with a diversified and constantly growing business, we seek to continually improve our environmental management, to cover all the particularities of our business. In this sense, we seek to increase our transparency and integrate the Company's various businesses into our environmental indicators. In 2021, we increased the scope of companies for each of these indicators, compared to the previous year. Therefore, in some cases it was not possible to present the 2021/2020 comparison, but we bring the performance analysis, considering the specificities of the scope and goals assumed.

Rota Verde ("Green Route")

In 2021, seeking to face the main challenges of our time and enhance our positive impact on the Planet, we launched **Rota Verde** ("Green Route"), a commitment that establishes the main actions and goals to be developed by all the Company's units, considering all aspects of sustainability associated with the environment and the corporate universe.

To fulfill this commitment, our ambitions* were divided into three categories: **reductions** (impact, whether in the use of resources or GHG emissions), **increases** (actions or initiatives that we wish to stimulate) and the category that brings together the impacts that we aim to **eliminate** (linked to the generation of waste and effluents).

*Rota Verde's ambitions were drawn up with 2020 as the base year.



Learn more about the **Rota Verde Program** by watching the launch video here. [👉](#)

Combating climate change

GRI 3-3

Context

The IPCC (Intergovernmental Panel on Climate Change), the main scientific entity on the subject, linked to the United Nations (UN), estimates that human activities have already caused 1°C of global warming above pre-war levels, and projections indicate that global warming is expected to accelerate, producing a temperature increase in the range of 1.5°C to 4.5°C on the Earth's surface over the course of the 21st century.

We know that the cause of global warming is the intensification of the greenhouse effect, caused by the increase in the concentration of certain gases in the atmosphere, the main one being carbon dioxide (CO₂). The results of this effect have already had a negative impact on the environment, through extreme weather events, such as heat waves, severe droughts, intense rains, stronger cyclones, among others, which generate from physical threats to people to great imbalance in several productive systems, such as agriculture and energy generation.

Commitment

In this scenario, we from Randon Companies, aware of the sector's role in this problem, assume a public commitment to contribute to the fight against global climate change,

through combined actions that involve the use of fuels and energy of clean origin, adoption of low-carbon technologies, improved energy efficiency and breakthroughs in circularity that enable us to achieve our goal of **reducing our greenhouse gas emissions by 40% by 2030** (compared to the base year 2020).

Reduced emissions

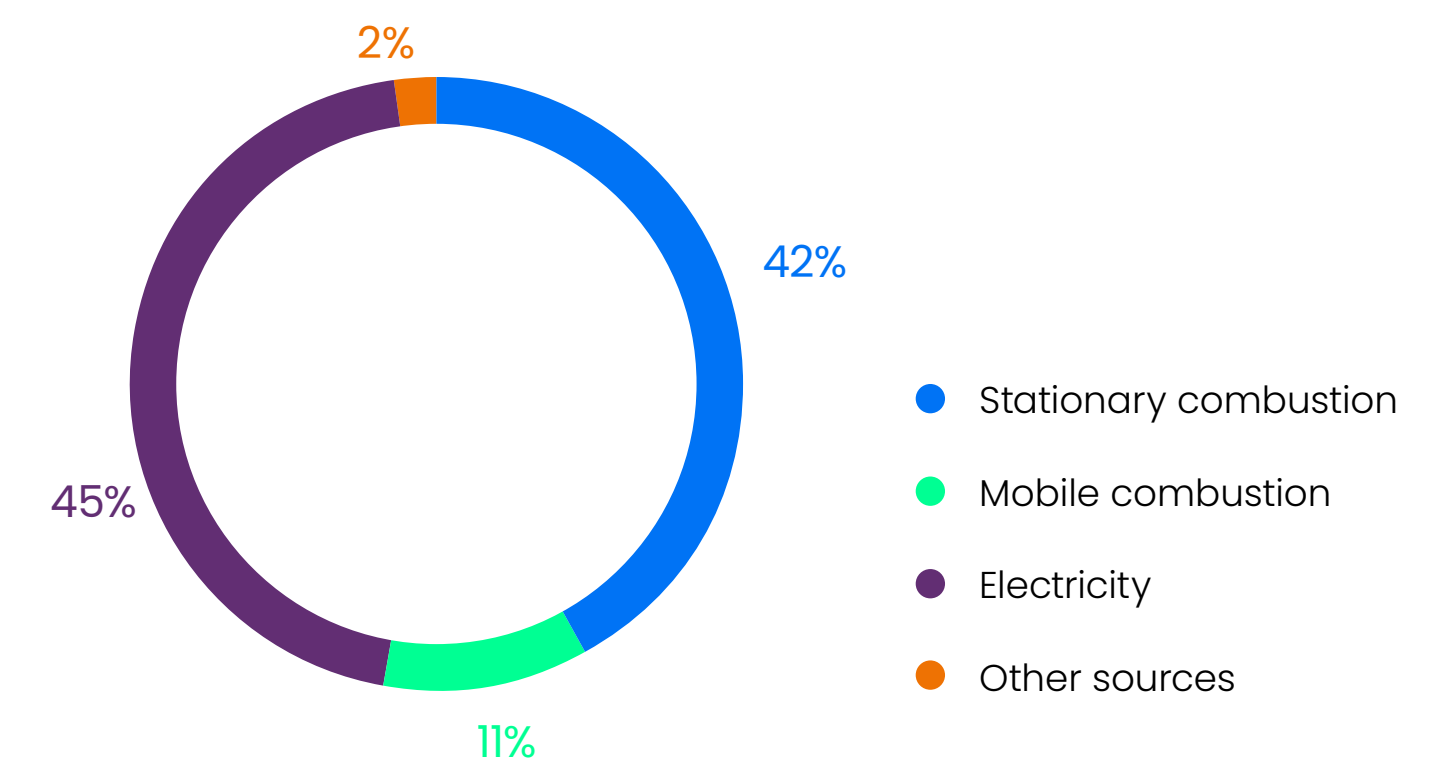
To reduce the impact of emissions on our operation, we started with the preparation of the greenhouse gas (GHG) emissions inventory in order to establish the basis of the target and identify the main reduction opportunities.

The inventory was built by using the GHG Protocol methodology and the companies considered were: Randon Implementos, Randon Araraquara, Randon Chapecó, Suspensys, Castertech (headquarters), Controil, CTR, Fras-le, Fremax, Jost Brasil, Jurid do Brasil, Master, Ferrari, Fras-le Friction Materials (China) and Fras-le North America.

According to the study, the gross total of our emissions was 74,380.5 tCO₂e (+60% vs. 2020) with an emission intensity of 3.3 kgCO₂e/hours worked (+23% vs. 2020), and the main processes that generated these emissions were:

- » **Stationary combustion:** occurs due to the use of gases in presses, ovens, and greenhouses in our factories..
- » **Electric energy:** the result of energy consumption in our operations.
- » **Mobile combustion:** resulting from the movement of vehicles that pass through our operations.
- » **Other sources:** fugitive emissions, emissions from individual processes and emissions from the generation of waste and effluents.

GHG Emission Sources



In addition to CO₂ emissions, we also control particulate matter emissions through exhaust systems and, for the Castertech foundry unit, we have the installation of probes that control the effectiveness of equipment and monitor, in real time, the quality of emissions.

It is worth mentioning that, in 2021, the significant increase in Scope 2 emissions impacted the increase in the intensity of emissions that year, although our total energy consumption has reduced, and this can be explained by the need for the National Interconnected System to use Thermoelectric Power Plants to energy production, due to the water crisis suffered in the period. In any case, seeking to fulfill the commitment assumed, we have established several sub-goals for the coming years:

- » substantially reduce **electricity consumption**, prioritizing the purchase of energy from renewable sources (solar, wind, SHPs, etc.) until reaching 50% consumption from renewable sources by 2030;
- » reduce **natural gas consumption** by 30% by 2030, through innovation projects;
- » reduce **diesel oil** consumption by 65% by 2030;
- » reduce the consumption of **CNG and LPG** by industrial vehicles by 2030;
- » replace industrial **equipment** that generates negative contributions within operations on an ongoing basis.

GHG EMISSION SOURCE (tCO ₂ e) <small>GRI 305-1; 305-2; 305-4</small>	2021	2020
Emission scope 1		
Stationary combustion	31,164.7	23,199.8
Mobile combustion	8,147.9	3,712.5
Fugitive emissions	267.0	1,736.5
Industrial processes	678.8	575.0
Solid waste	123.4	140.6
Effluents	454.3	304.2
TOTAL SCOPE 1	40,836.1	29,668.6
Biogenic emission		
Biogenic CO ₂	1,388.2	158.5
Emission scope 2		
Energy purchased and consumed	33,546.4	16,675.9
TOTAL SCOPE 2	33,546.4	16,675.9
TOTAL EMISSIONS (scope 1 and 2)	74,382.5	46,344.5

1. Gases included in the scope: CO₂, CH₄, N₂O, HFC, PFC, SF₆, NF₃.
2. Base year: 2020
3. Data were obtained through the GHG Protocol tool.
4. The consolidation approach is operational control.

GHG EMISSION SOURCE (tCO ₂ e)	2021	2020	Δ%
Emissions intensity (kgCO ₂ e/hours worked)	3.3	2.7	22%

More efficient products

Our innovation, research and development projects focused on sustainable mobility are oriented towards promoting vehicular electrification and the use of smart materials that add more efficiency to our products (learn more in the **Sustainable Mobility** subchapter, on page 97).

We understand that this is one of the ways to reduce the environmental impacts of our business, especially carbon emissions into the atmosphere, a key purpose to stop global climate change.

Discover the main results of the projects developed:

- » The launch of **e-Sys**, our energy recovery system that, through an intelligent algorithm, makes the engine also work as a generator, which promotes a reduction of up to 25% in vehicle fuel consumption and, consequently, the reduction of pollutants emitted into the atmosphere (learn more on page 98).
- » Launch of the product line in composite materials, **Fras-le Smart Composites**, which has the potential to reduce the weight of components produced with these materials by up to 65% and, consequently, reduce vehicle weight and fuel consumption (learn more on page 99).
- » Launch of the **Concept Trailer**, a new concept of semi-trailer manufactured with high technology, which reduces the total weight of the implement, improving its efficiency and also enabling the reduction of fuel consumption (learn more on page 93).



Prioritizing the circular economy

GRI 3-3; 306-2; 301-3

Context and Commitment

We know that **circularity** is one of the main ways to build a sustainable business, as its concepts prioritize the extension of the shelf life of the materials and resources used, avoiding waste and the generation of waste in volumes that exceed the processing and regeneration capacity of the Planet.

As our production process involves the consumption of a large volume and variety of raw materials, generating waste from production leftovers and packaging disposal, we are working to expand the concept of circular economy in the different stages of our operation, in order to avoid and mitigate the impact of the use and disposal of materials.

For this, our strategy prioritizes the maximum use of raw materials, enhancing the reuse and recycling of waste. Thus, we seek to fulfill the **Desafio Zero (“Zero Challenge”)** assumed with the Green Route of **zero disposal of waste in industrial landfills by 2025 (versus base year 2020)**.

Efficiency in the use of materials

GRI 301-2

To measure our efficiency in the use of materials, we continuously monitor the **conversion rate** indicator, which represents the amount of raw material purchased that is converted into product. In 2021, our conversion rate was 94%, compared to 83% in 2020. In addition, in 2021, 16.8 thousand tons of renewable material were used in the manufacture of our products.

We also monitor the rate of waste generated in relation to the total raw material consumed and, guided by the Six Sigma methodology, we identify opportunities for efficiency gains. In 2021, all metal scrap used in the Castertech foundry came from internal and external recycling, which corresponded to 85% of the raw material used by this Company.

Conversion ratio



Check the amount of material used, broken down by type and weight in the **Indicators Annex**.

Reuse and recycling of waste

GRI 306-1

The waste generated in our operation comes mainly from leftover materials used in the production and disposal of raw material packaging. In addition, we generate waste due to the particulate material exhaust system and the parts stamping process (metal scrap).

To mitigate and reduce impacts, we have a waste management plan in each unit, which prioritizes the reuse of waste, through recycling and environmentally correct disposal. We also have a preventive maintenance plan for equipment at our plants, which allows us to reduce the impacts caused by oil leaks and process residues.

In 2021, 77% of the waste generated in the operation—both hazardous and non-hazardous—was diverted from disposal by recovery operations. Of this total, 61% were recycled.

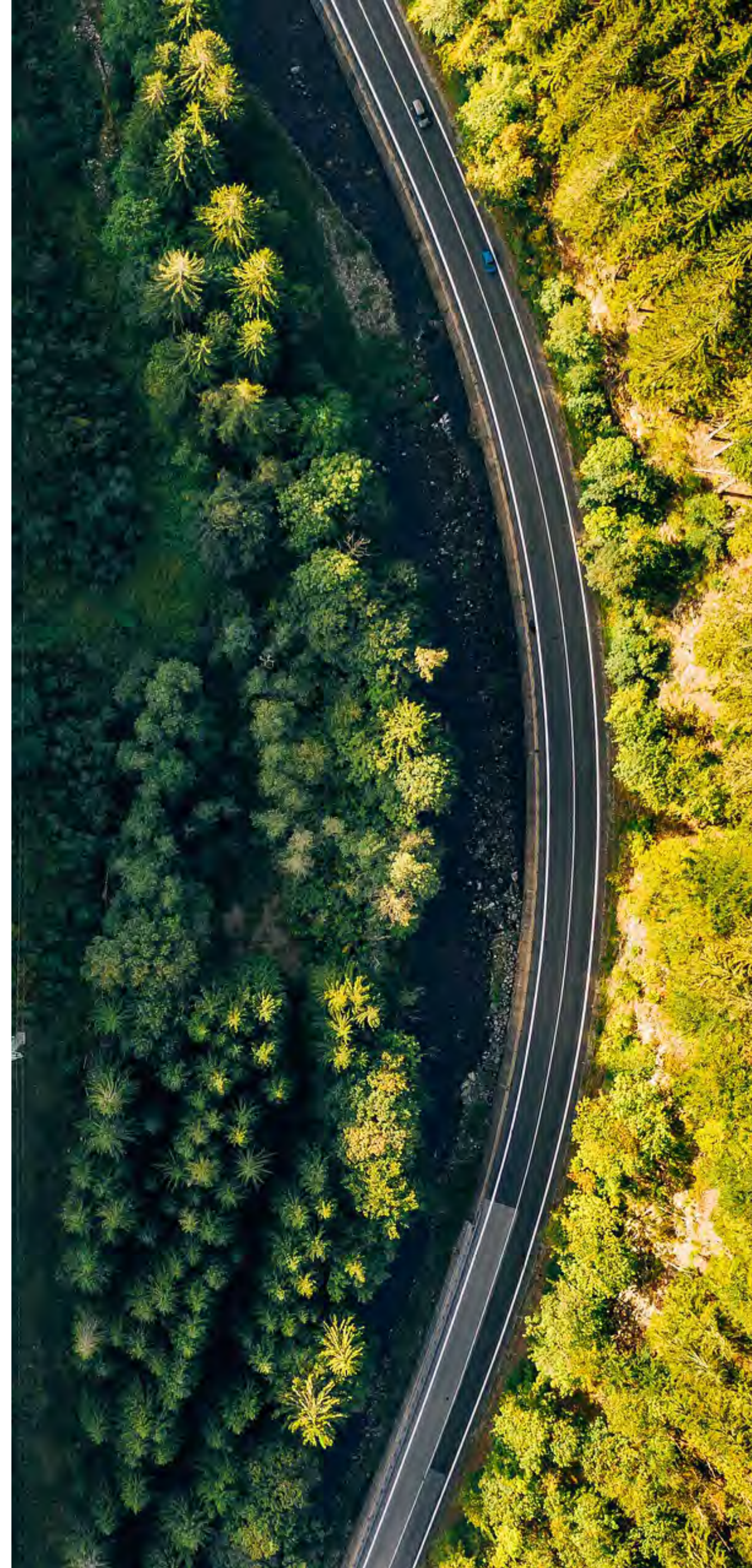
Metal scrap, which represents the largest volume of non-hazardous waste generated (56%) in 2021, was fully recycled and 80% of this recycling was carried out internally, using it as raw material in our foundries.

As for hazardous waste, 98% were recovered through the adoption of advanced treatment and reuse techniques, such as recycling, reprocessing and co-processing. These techniques extend the life cycle of the material, reinserting it as a raw material for other uses, such as in co-processing, where the waste is used as fuel in cement production kilns, a process that does not generate environmental liabilities.

The main initiatives taken to expand the reuse and recycling of waste in 2021 were:

- » return of the oily emulsion to the production cycle, after the decanting process carried out internally;
- » reuse of powder paint removed from the paint booth exhaust systems;
- » recovery of wood and pallets;
- » composting of organic waste from the refectory, biological sludge from the ETE (Sewage Treatment Plant) and gardening waste were transformed into fertilizer to be used in the green areas of the sites.

Check out the details about waste generation and its disposal in the [Indicators Annex](#).



PUBLIC COMMITMENT

In 2020, we made a public commitment to eliminate waste disposal in industrial landfills by 2025. To manage this goal, the total waste from 13 companies—Fras-le (headquarters), Fras-le North America, Fras-le le Friction Materials (China), Fremax, Jurid do Brasil, Control, Castertech (headquarters), Randon Implementos, Randon Chapecó and Randon Araraquara—was considered. The four companies that are included in the indicators presented in this subchapter—Castertech Schroeder, ASK Fras-le (India), Fanacif and Farloc—were not yet integrated into the Rota Verde program when the goal was assumed. Thus, considering only the companies that are incorporated into the commitment, in 2021, 22% of the waste generated was destined to industrial landfill.

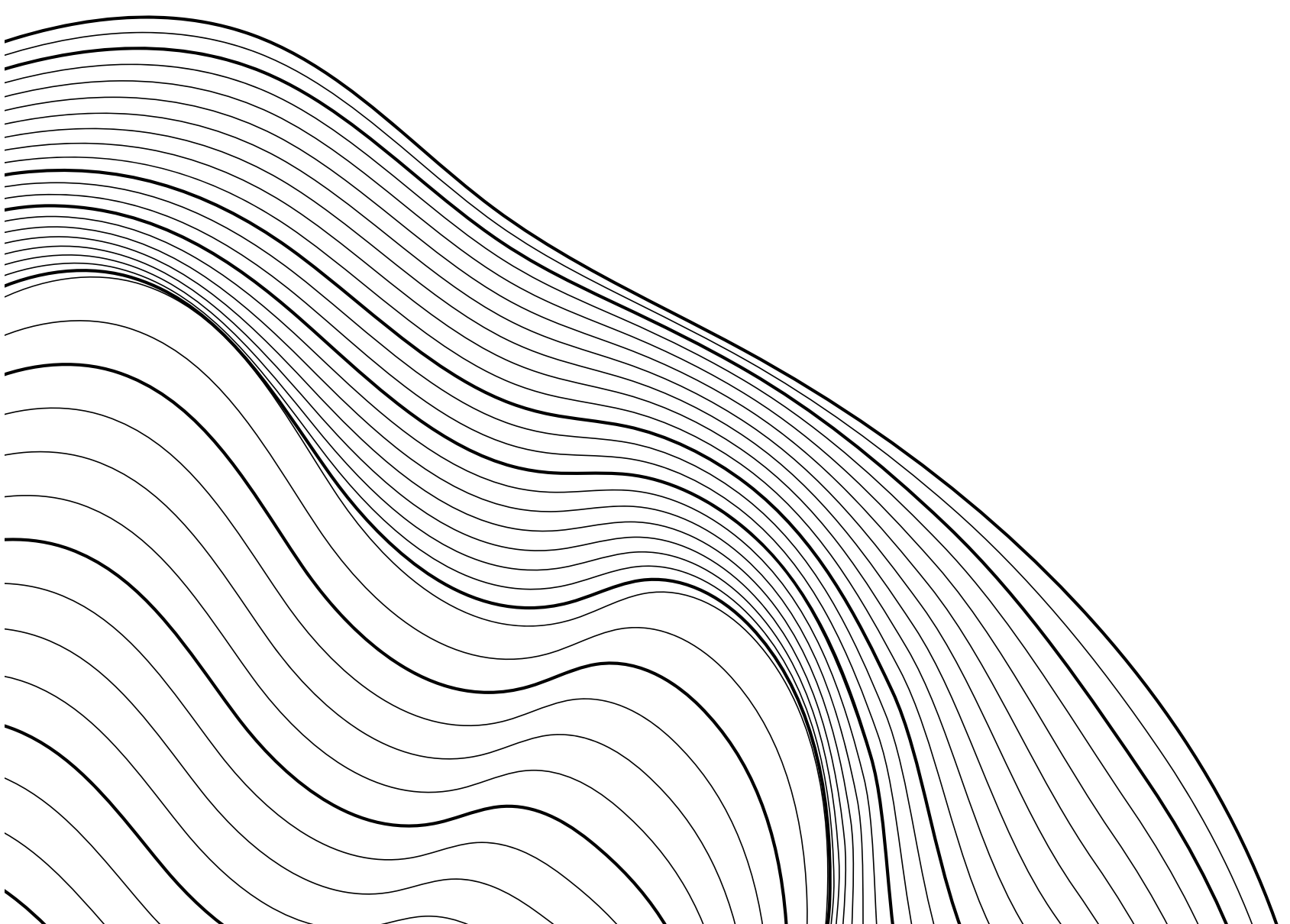
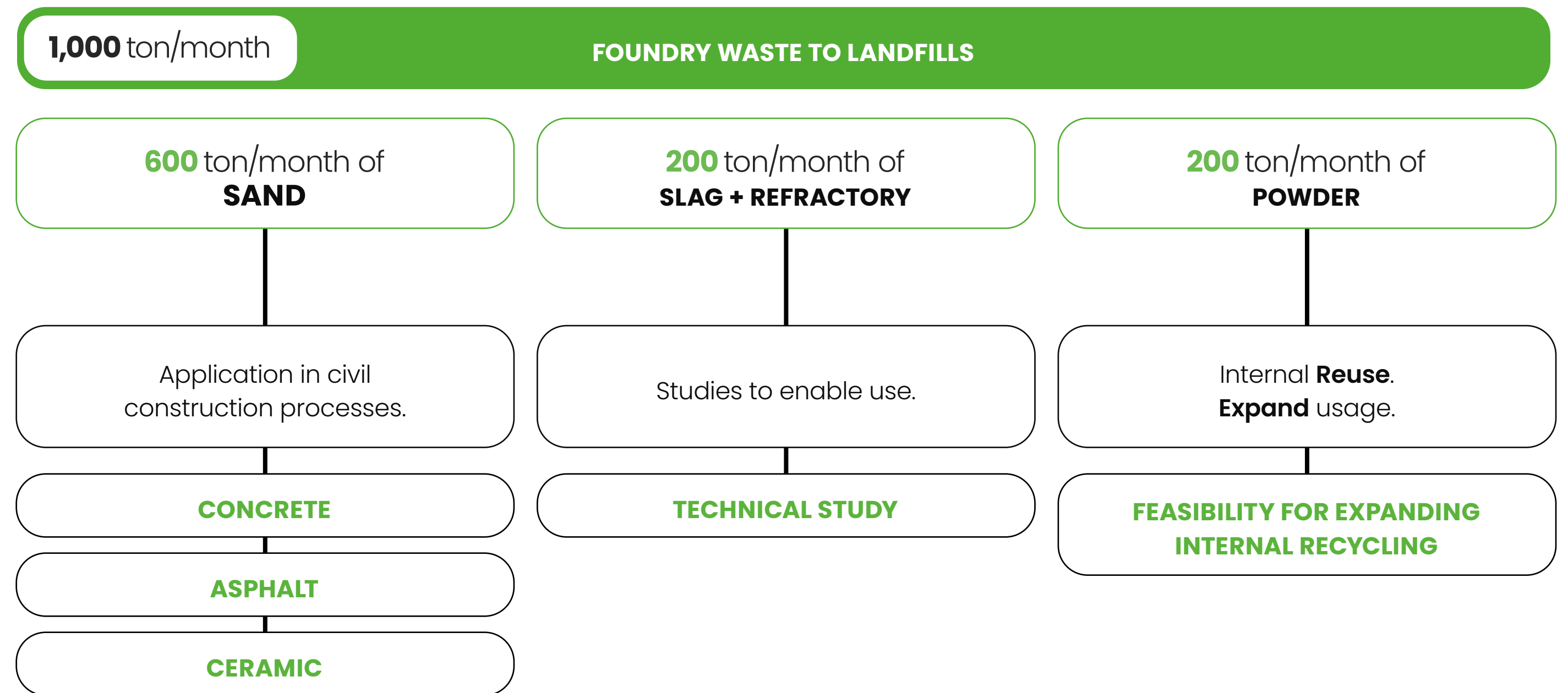
RECYCLING OF INDUSTRIAL FOUNDRY WASTE

To mitigate the environmental impacts of the use of raw materials from mining in our operation, we implemented ECO Areia ("sand"), a project that has the potential to recycle more than 500 tons of industrial waste from foundries that today are intended for industrial landfills, thus enabling the material to return to the production chain.

Castertech, one of our companies that generates a high volume of discarded foundry sand (ADF) in its production processes, has entered into a partnership with Grupo Fagundes, which provides for the use of waste as a raw material for the manufacturing of graded gravel base.



We discard about **12k tons of FWS** per year and we will allocate this waste monthly for the following applications:



PACKAGING RECYCLING

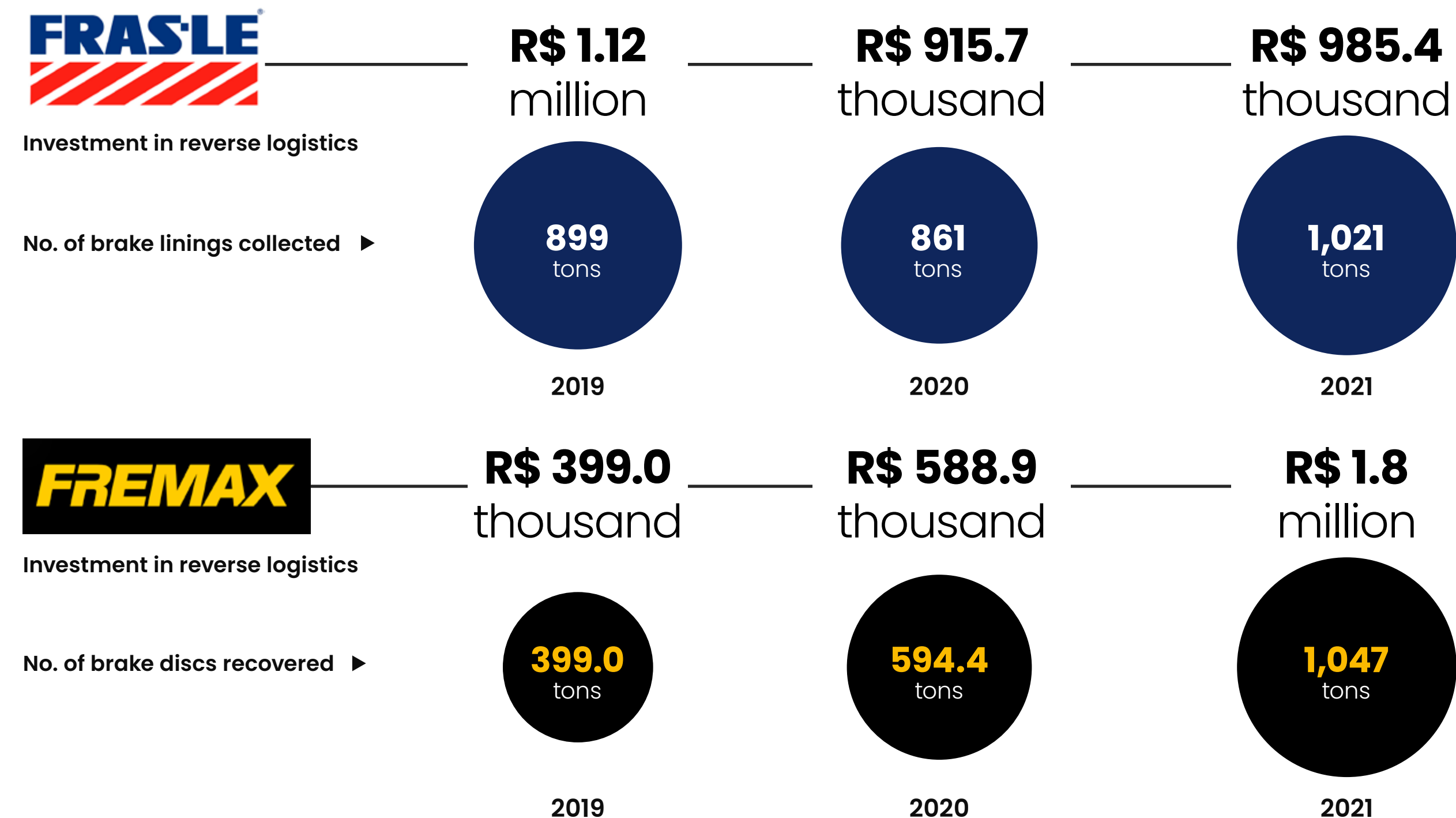
GRI 301-3

To offset the environmental impact of the packaging of our products and encourage the recycling and conscious consumption chain, in 2021, Fras-le established a partnership with eureciclo. The initiative will recycle the equivalent of 22% of the total packaging generated with Fras-le, Controil, Fremax and Nakata products, which represents the remuneration of at least 456 tons of packaging waste per year, as of 2022. The waste is sent for recycling with associations of recyclers, stimulating the recycling chain throughout the country.

Reverse logistics for customers

We offer our customers the service of reverse logistics of after-use friction products. At Fras-le, the collected brake linings are sent to co-processing plants, so that they are disposed of in an environmentally appropriate manner, taking advantage of the energy contained in these materials, in cement manufacturing ovens.

At Fremax, we also have a reverse logistics program, aimed at collecting brake discs that are later sent to the foundry and reincorporated into the company's production process, thus generating new products.



Water and effluents

GRI 3-3; 303-1; 303-2; 303-5; RAND4

Our management of the impact of water use takes into account two main fronts: the reduction of consumption and the reuse of treated effluents.

Our supply system is diverse and adaptable: the water that supplies our operation comes from different sources.

- » **Administrative operation:** the water used is supplied by the local utility.
- » **Industrial operation:** the water used comes from abstraction in artesian wells, effluent reuse systems and rainwater collecting.

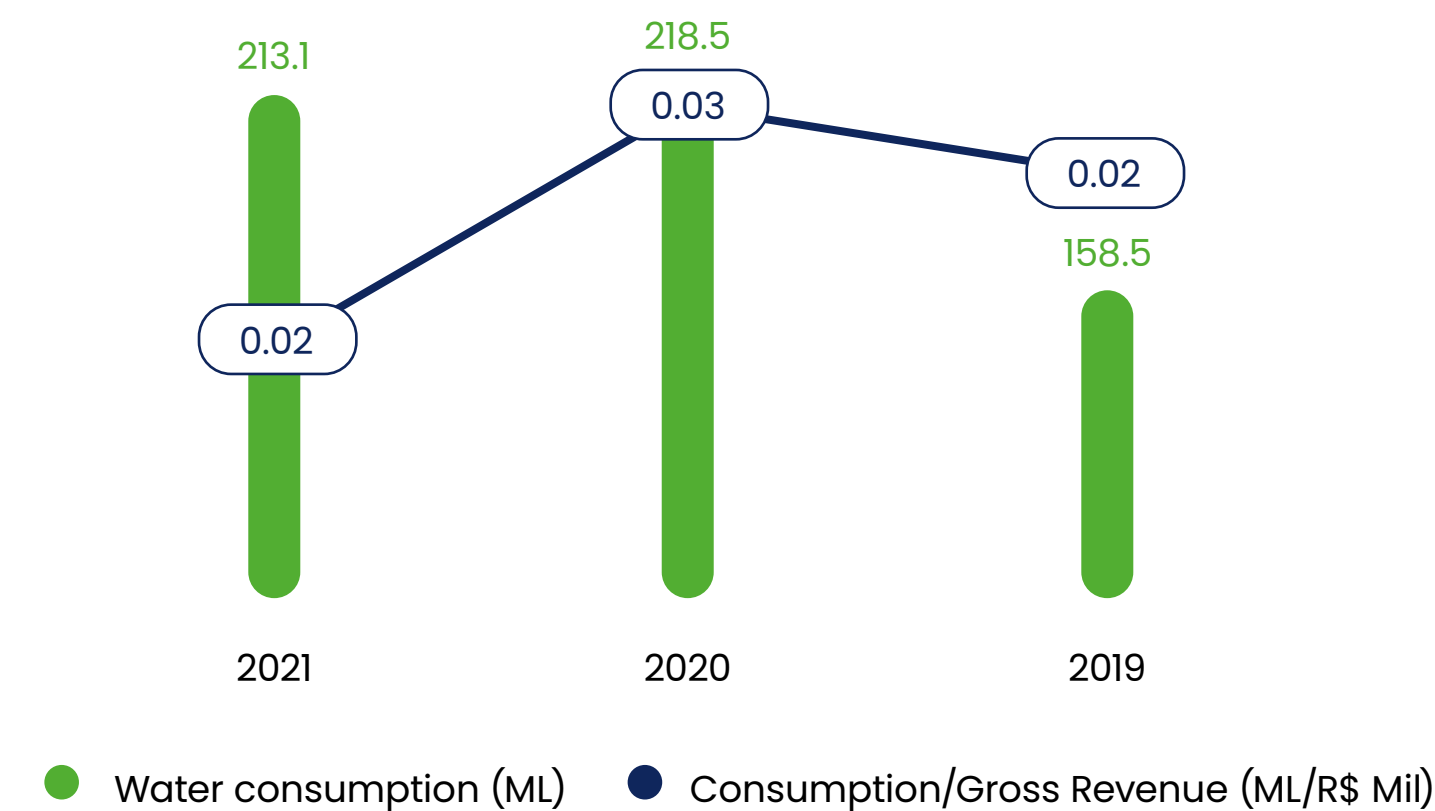
Reduction in consumption

In order to reduce water consumption in our operation, we have adopted more efficient technologies that close the cycle, such as rainwater collecting and water reuse, avoiding new collections.

Currently, three of our plants (Interlagos, Forqueta and Araraquara sites) have effluent reuse systems, where part

of the water treated in the treatment plants returns to the operation, for general uses (toilets, gardens, cleaning of patios and external areas) and in some production processes, such as the cooling of parts.

Water consumption (megaliters)¹

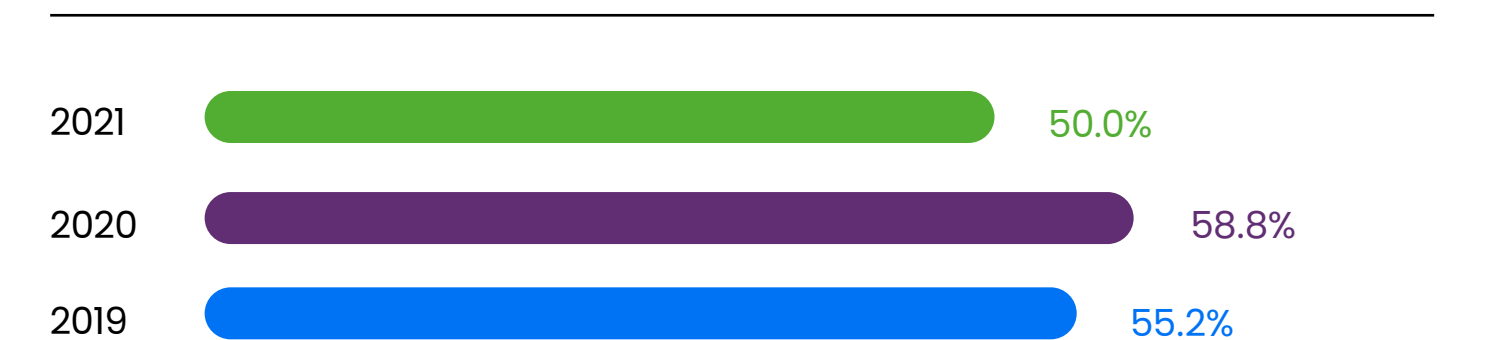


Note 1: Water consumption was calculated from the expression: consumption = (water withdrawn - water discarded). The values of withdrawn water and discarded water are on page XX. The scope of companies considered in the calculation is in the GRI Index, on page 143.

In 2021, total water consumption was 213.1 megaliters and the indicator of water consumption per consolidated net revenue (R\$ million) was 0.02. The list of companies that were considered in the composition of the indicator is on page 143.

Regarding reuse, 50% of the treated effluent was reused in our operation, with 53.6% being used at the Interlagos site—located in Caxias do Sul (RS), where Randon Implementos, Master, Jost Brasil, Suspensys, Castertech (headquarters) are—and 41.9% on the Forqueta site, where Fras-le operates.

Water reuse (%)



This year, we made a commitment to increase water reuse to 100% by 2025, considering 2020 as the base year. Projects and actions to fulfill this commitment are under study and should be implemented from 2022.

Together with the external regional committees of which we are part, we monitor the water consumption reduction and reuse agenda, which involves discussions on new technologies and best practices in processes, in order to promote continuous improvement.

Check the complete performance in Water and Effluents, in the [Indicators Annex](#).

Effluent management

To ensure the treatment of effluents generated in our operation, we have five Effluent Treatment Stations (ETEs):

- » **Interlagos site:** the treatment station collects effluents from Jost Brasil, Master, Castertech, Suspensys and Randon Implementos.
- » **Forqueta site:** the treatment station collects Fras-le's effluents.
- » **Randon Araraquara:** the treatment station collects Randon Araraquara's effluents.
- » **Fremax:** the treatment station collects Fremax's effluents.
- » **Jurid do Brasil:** the treatment station collects the effluents from Jurid do Brasil.

The other companies that do not have their own ETE, and do not send them to the site in Interlagos, have their effluents treated by outsourced companies, which guarantee an environmentally appropriate destination, as is the case of companies Controil, Castertech Schroeder and the Randon Implementos unit in Chapeco.

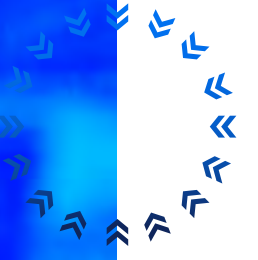
All of our ETEs meet the requirements for the release of effluents determined by CONAMA Resolution 1/1998, 430/2011 and

CONSEMA 355/2017, considering the profile of the receiving water bodies, so that the discharged load does not cause changes in water resources.

In the effluents generated in our operation, BOD, COD, phosphorus and metals are considered priority substances, that is, they pose a significant risk to the aquatic environment or human health. In 2021, we had three occurrences in which effluents were discharged below the concentration limits of these substances, defined by CONSEMA 355/201, due to stoppages for maintenance of treatment plants. The occurrences were reported and justified to the relevant body, and corrected in the same period of occurrence.

Check the volume of water discharged in the [Indicators Annex](#).

Annexes



Josiane da Silva, Inventory Controller at Suspensys

Indicators

Our people

GRI 2-7; SASB RT-IG-000.B

15,433 employees

REGIONAL DISTRIBUTION	TOTAL	%
Brazil	14,093	91.3%
» Northeast	11	0.1%
» Midwest	5	0.03%
» Southeast	1,566	10.1%
» South	12,511	81.1%
North America	76	0.5%
South America	583	3.8%
Europe	15	0.1%
Asia	666	4.3%

GENDER	TOTAL	%
Men	12,645	81.9%
Women	2,788	18.1%

Note 1. The regional distribution and gender distribution data consider the total number of employees in all the Group's companies (15,433).

INDEFINITE TERM (PERMANENT), BY GENDER	TOTAL	%
Men	9,973	78.9%
Women	2,270	81.4%

INDEFINITE TERM (PERMANENT), BY REGION	TOTAL	%
Brazil	12,243	79.3%
» Northeast	10	0.1%
» Midwest	5	0.03%
» Southeast	780	5.1%
» South	11,448	74.2%

FIXED-TERM (TEMPORARY), BY GENDER	TOTAL	%
Men	257	2.0%
Women	172	6.2%

FIXED-TERM (TEMPORARY), BY REGION	TOTAL	%
Brazil	429	2.8%
» Northeast	1	0.01%
» Midwest	0	0%
» Southeast	39	0.3%
» South	389	2.5%

POSITION	WOMEN	%	MEN	%
Board of Directors	1	3%	34	97%
Management	10	11%	77	89%
Coordination	24	19%	104	81%
Leadership	21	12%	149	88%

Note 2. The reported figures refer to the end of the reporting period.

Note 3. The category of employees with unguaranteed hours is not applicable to Randon Companies.

Note 4. All permanent employees reported work full time.

Note 5. All reported temporary employees work part-time.

Note 6. For the indefinite and fixed-term indicators, only data from companies integrated in the SAP System were considered.

HIRING AND TURNOVER

GRI 401-1

BY GENDER	HIRING	HIRING RATE ²	DISMISSALS	TERMINATION RATE (TURNOVER) ³
Women	1,415	50.7%	728	26.1%
Men	4,694	37.1%	2,805	22.2%

BY AGE GROUP

Less than 30 years	3,507	72.6%	1,957	40.5%
Between 30 and 50 years	2,491	28.1%	1,425	16.1%
More than 50 years	111	9.3%	151	12.6%

BY GEOGRAPHIC DISTRIBUTION

Brazil				
» Northeast	4	36%	0	0%
» Midwest	3	60%	2	40%
» Southeast	498	32%	251	16%
» South	5,321	43%	3,135	25%
North America	19	25%	16	21%
South America	229	39%	95	16%
Europe	4	27%	6	40%
Asia	31	5%	28	4%

GENERAL

Randon Companies	6,109	39.6%	3,533	22.9%
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Note 1. The hiring and turnover data consider only the Companies integrated in the SAP System.

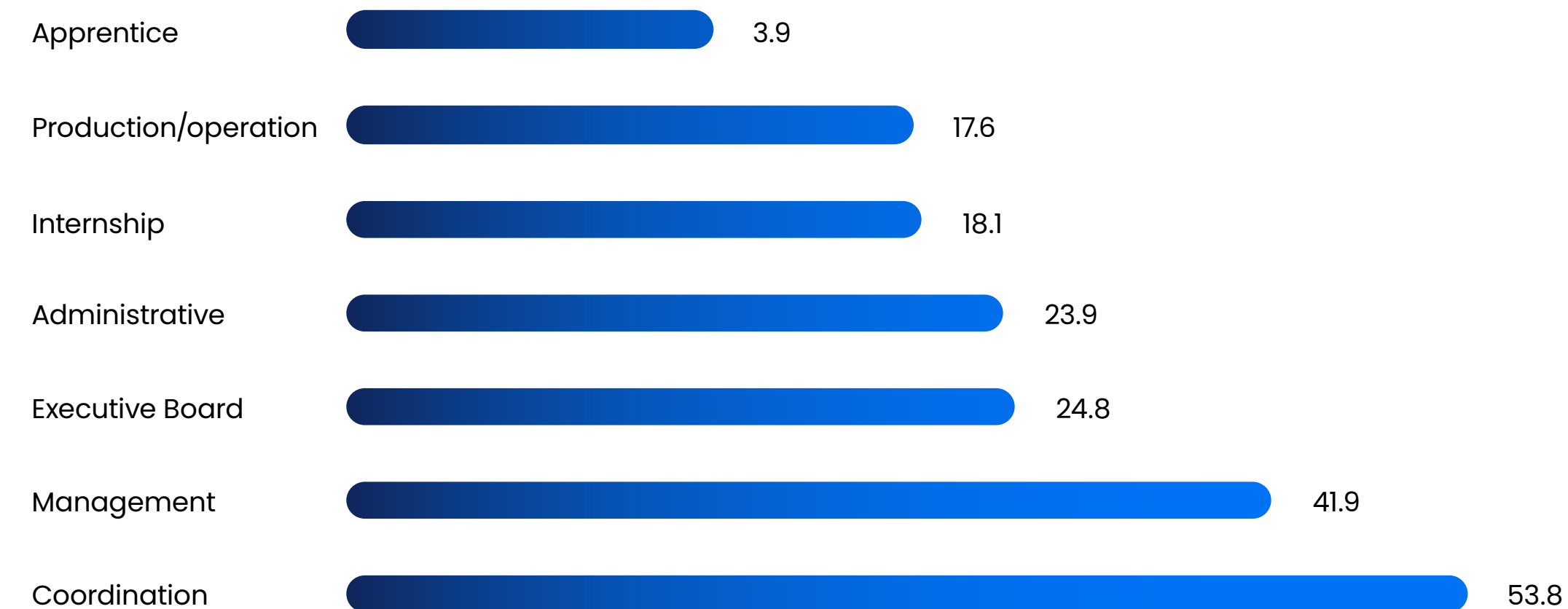
Nota 2. Our internal recruitment rate was 38.7%.

Nota 3. Our voluntary turnover rate was 7%.

TRAINING

GRI 404-1

Average hours of training, per employee category



Suppliers

GRI 204-1

EXPENSES WITH LOCAL SUPPLIERS (BRAZIL)

REGION	TOTAL PAID TO SUPPLIERS	%
South	R\$ 4,320,484,574	62.1%
Southeast	R\$ 1,937,016,352	27.9%
Abroad	R\$ 590,289,022	8.5%
Northeast	R\$ 100,812,332	1.4%
Midwest	R\$ 4,960,707	0.1%
North	R\$ 609,630	0.01%
TOTAL	R\$ 6,954,172,617	100%

Note: Total spending with direct suppliers in 2021 was R\$ 7.4 BI. However, the table above does not include the data referring to the company Jost Brasil, because we do not have regional control of the amount paid.

Communities

GRI 203-1

INFRASTRUCTURE IMPACT FOR COMMUNITIES

2019	Seeking to reduce traffic stress for truck drivers, we invested R\$ 178,000, via the Federal Sports Incentive Law, to install eight gyms for the practicing of sports at gas stations in Santa Catarina and Rio Grande do Sul, as part of the Vida Sempre Program.
2020	We invested R\$ 500,000 in the State Fund for Supporting Productive Inclusion (FEAIP), via the Solidarity Law (ICMS), to build a space to house 40 homeless people in Caxias do Sul.
2021	We invested R\$ 152,000, via the Federal Sports Incentive Law, for the installation of six gyms to practice sports at gas stations, as part of the Vida Sempre Program.

Occupational Health and Safety

GRI 403-8

EMPLOYEES COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

	2021	
	CONTRIBUTORS	%
Individuals covered by an occupational health and safety management system, based on legal requirements and/or recognized standards/guidelines.	15,433	100%
Individuals covered by an internally audited occupational health and safety management system, based on legal requirements and/or recognized standards/guidelines.	15,433	100%
Individuals covered by an occupational health and safety management system audited or certified by an external party, based on legal requirements and/or recognized standards/guidelines.	10,454	68%

LTIR AND LTIFR

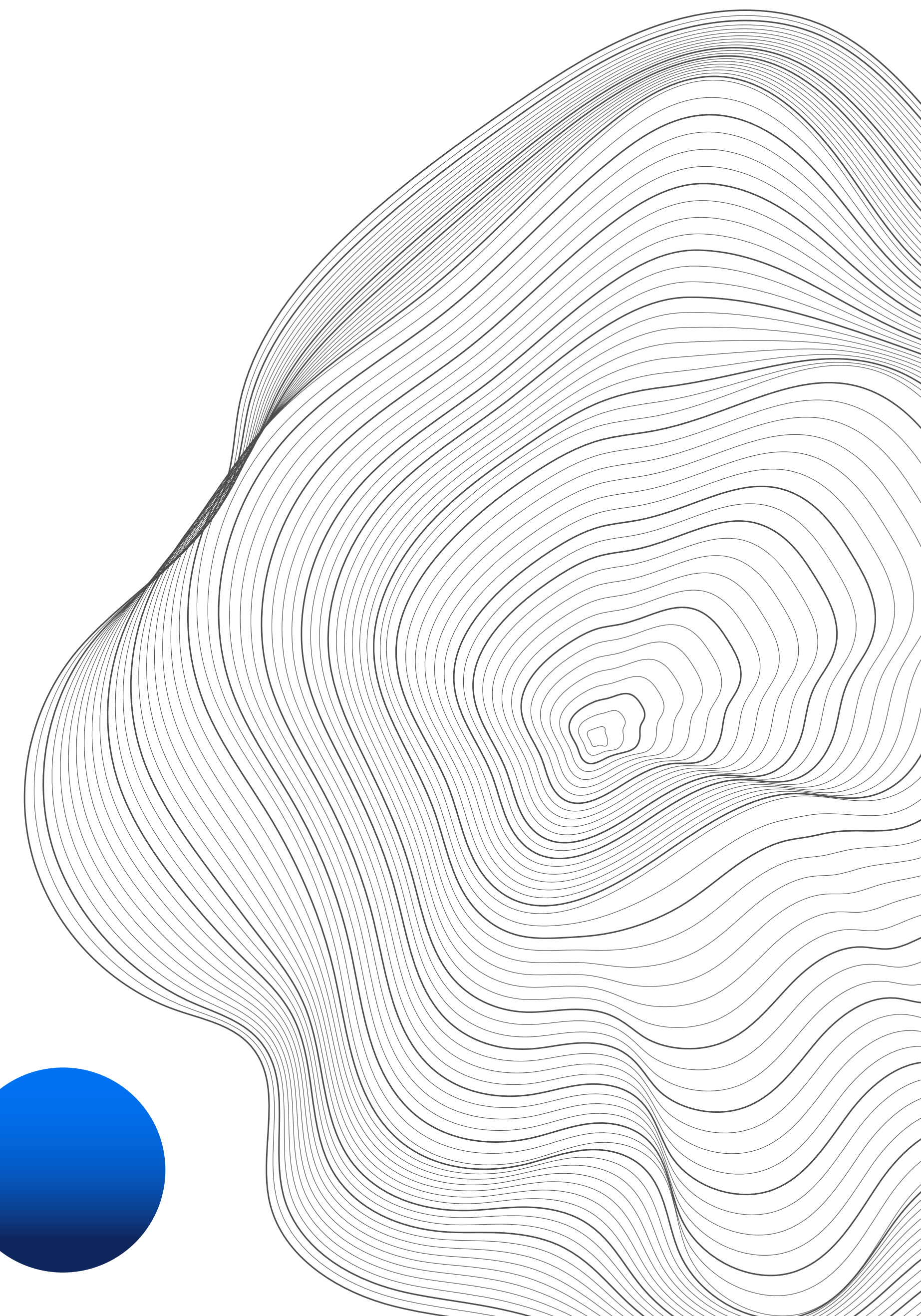
	2021
Number of hours worked	27,328,645.8
Number of days lost	14,571
Number of accidents with lost time	336
Lost days accident rate (LTIR)	2.5
Lost time accident frequency rate (LTIFR)	12.3

WORK RELATED INJURIES GRI 403-9; 403-10

	2021	2020	2019
Number of hours worked	27,328,645.8	17,382,074.6	19,586,198.6
Number of deaths resulting from work-related injuries.	1	1	0
Rate of casualties resulting from work-related injuries.	0.04	0.06	0
Number of serious work-related injuries (excludes casualties).	3	1	6
Severe work-related injury rate (excludes casualties).	0.1	0.06	0.3
Number of recorded work-related injuries (includes casualties).	415	174	230
Rate of recorded work-related injuries (includes casualties).	15.2	10.0	11.7
No. of mandatory reporting occupational diseases.	22	9	14
Compulsory reporting occupational disease rate.	0.8	0.5	0.7

Notes:

1. All accidents with or without lost time are considered in the calculation.
2. All Randon Companies were considered.
3. To calculate the indexes, the basis of 1,000,000 hours worked was considered.
4. The Company does not have integrated data on health and safety of third parties.
5. The main types of work-related injuries result from handling parts, industrial vehicle traffic, machinery and equipment, and suspended loads.
6. The main types of occupational diseases are ergonomic and hearing loss.



Energy

GRI 302-1; SASB RT-IG-130a.1

ENERGY CONSUMPTION BY SOURCE (GJ)

	2021	%	2020	%	2019	%
Fuels from non-renewable sources						
Natural gas	508,037.5	29%	304,546.1	17%	442,336.9	35%
LPG	136,071.1	8%	304,546.1	17%	18,336.9	1%
Diesel oil	15,376.1	1%	3,421.5	0.2%	26,524.3	2%
Gasoline	0	0%	308.5	0.02%	10.0	0.001%
TOTAL	659,484.7	37%	612,822.3	34%	487,208.1	39%
Fuels from renewable sources						
Biodiesel	1,583.7	0.1%	81.0	0.004%	33.3	0.003%
TOTAL	1,583.7	0.1%	81.0	0.004%	33.3	0.003%
Other sources of consumption						
Renewable electrical energy	210,374.1	12%	39,430.9	2%	18,937.6	2%
Non-renewable electrical energy	907,624.2	51%	1,153,375.4	64%	741,697.1	59%
TOTAL	1,117,998.3	63%	1,192,806.2	66%	760,634.7	61%
TOTAL DE ENERGY CONSUMED	1,779,066.7	100%	1,805,709.6	100%	1,247,876.2	100%

Notes:

1. Input data is obtained in kWh. To obtain data in GJ, the Company uses a conversion factor of 0.0036.

2. No energy is sold by the Company.

Materials

GRI 301-1

MATERIALS USED, BROKEN DOWN BY TYPE (TONS)¹

MATERIAL TYPE	2021	%	2020	%	2019	%
Renewables	16,772.5	0.1%	40,504.9	14.6%	94,239.1	35.1%
Not renewables	21,635,746.5	99.9%	236,370.7	85.4%	174,598.1	64.9%
TOTAL	21,652,519.0	100%	276,875.5	100%	268,837.2	

Note 1. The five main materials for each type were considered.

FIVE MAIN MATERIALS USED, BROKEN DOWN BY TYPE AND WEIGHT

MATERIAL TYPE	WEIGHT (TONS)	SUPPLIER TYPE
Renewables		
» Natural sodium bentonite	4,159.0	External
» Barite	8,032.0	External
» Calcium carbonate	4.1	External
» Kaolin	4,343.0	External
» Wood	234.4	External
TOTAL RENEWABLE MATERIAL USED	16,772.5	-

FIVE MAIN MATERIALS USED, BROKEN DOWN BY TYPE AND WEIGHT

MATERIAL TYPE	WEIGHT (TONS)	SUPPLIER TYPE
Not renewables		
» GUSA iron	19,582,807.0	Third
» Steel scrap	1,828,244.9	Third
» Steel (sheets, profiles, tubes)	197,015.6	External / Third
» Foundries	15,079.0	External
» Base sand	12,600.0	External
TOTAL NON-RENEWABLE MATERIAL USED	21,635,746.5	-

Waste

GRI 306-3; 306-4; 306-5

WASTE BROKEN DOWN BY COMPOSITION – 2021

HAZARDOUS WASTE	TONS
Energy accumulators (batteries, cells)	3.4
Chemical toilet	0.4
Soaking bath	33.4
Contaminated canisters	5.0
Ink sludge and grinding	288.7
Contaminated empty packaging (drums, IBC's, miscellaneous packaging)	103.6
Oil emulsion	1,860.3
Contaminated PPE	645.2
Contaminated fluid	1.4
Fluorescent lamps	3.2
ETE physicochemical sludge	296.1
Plasma sludge	281.9
Used lubricating oil	64.0
Contaminated paper and cardboard	278.6
Contaminated plastics	133.0
Chemicals Products	0.6
Glue residue	0.3
Health waste	0.9
Electronic waste	11.5
Hospital waste	0.9
Waste paints/thinner	214.1
Miscellaneous contaminated waste	599.4
Metallic waste (Drums)	37.3
Plastic waste (Jerry cans)	13.4
TOTAL	4,876.5

NON-HAZARDOUS WASTE	TONS
Foundry Sand - ADF (sand, slag and refractory)	21,442.6
Sliver dross	73.5
Rubber	1.6
Fat box	262.8
Aluminum sliver	5.1
Construction	1,924.9
Empty Plastic Container	43.4
Raw material packaging	513.1
Sandpaper	9.4
Common waste	29.2
ETE sludge and septic tank with non-toxic substances	700.4
Wood	311.2
Clear metal	1.7
Nylon	2,349.0
Used oil in the refectory	0.5
Organic	455.5
Paper and cardboard	909.5
Cardboard/plastic	28.8
Brake pads	171.4
Aluminum parts	2.2
Rejected parts containing sheet metal and mass	59.0
Plastics	427.0
Exhaust Powder	5,114.7
Exhaust Powder + SCRAP	3,006.5
Polyurethane	366.3

Refractory	254.1
Used lining waste (SCRAP)	566.7
Glass waste	4.1
Wood waste	2,950.3
Miscellaneous non-hazardous waste	447.2
Ferrous metal scrap	51,864.4
Non-ferrous metal scrap	3,017.9
TOTAL	97,314.1

WASTE DESTINED FOR DISPOSAL BY RECOVERY OPERATION (TONS)

HAZARDOUS WASTE	2021	2020	2019
Preparation for reuse	2,430.8	43.4	41.3
Recycling	293.4	462.4	174.2
Other recovery operations	2,073.8	0.0	0.0
TOTAL	4,798.0	505.8	215.5
NON-HAZARDOUS WASTE			
Preparation for reuse	1,397.6	128.2	122.6
Recycling	61,923.9	33,035.4	37,319.0
Other recovery operations	10,374.2	7,682.1	70.3
TOTAL	73,695.7	40,845.7	37,512.0

Notes:

1. Other recovery operations are considered as follows: processing, composting, co-processing, external reprocessing, recovery, reuse and other destinations.
2. Recovery operations occur outside the Company.

WASTE DESTINED FOR DISPOSAL BY DISPOSAL OPERATION (TONS)

HAZARDOUS WASTE	2021	2020	2019
Incinerated (no energy recovery)	5.1	0.1	0.4
Confinement in industrial landfills	38.4	39.2	47.3
Other disposal operations	35.1	2,439.6	3,092.8
TOTAL	78.5	2,478.9	3,140.5
NON-HAZARDOUS WASTE			
Incinerated (no energy recovery)	0.0	39.2	0.0
Landfill containment	23,618.4	16,048.0	25,441.7
Other disposal operations	0.0	6,847.4	1,780.5
TOTAL	23,618.4	22,934.6	27,222.2

Notes:

3. In other disposal operations the Autoclave is considered.
4. Disposal operations occur outside the Company.

COMPARISON 2021 VS. 2020: WASTE REDUCTION TARGET FOR INDUSTRIAL LANDFILLS (TONS)

	2021	%	2020	%
Other destinations	75,043.4	78%	50,717.0	76%
Destination to industrial landfill	20,803.2	22%	16,048.0	24%
TOTAL WASTE GENERATED	95,846.5	100%	66,765.0	100%

Notes:

5. The operations of ASK Fras-le, Castertech Schroeder, Fanacif and Farloc were not considered.

Water and Effluents

GRI 303-3; 303-4

TOTAL VOLUME OF WATER WITHDRAWN BY SOURCE (IN MEGALITERS)

	2021		2020	2019
	All the areas	Areas with water stress	All the areas	All the areas
Rain water	0.8	0	0.0	0.0
Groundwater/water tables	118.5	0	129.1	90.7
Third party water, and the volume of that total sent for use by other organizations, if applicable.	221.7	5.1	156.1	148.9
TOTAL WATER WITHDRAWN	341.0	5.1	285.2	239.5

Note 1. The Company conducts water withdrawal in water-stressed areas only in India, at the ASK Fras-le unit. The information was obtained from The Aqueduct Water Risk Atlas.

TOTAL VOLUME OF WATER DISCHARGED (IN MEGALITERS)

	2021	2020	2019
	All the areas	All the areas	All the areas
Surface water	127.8	66.6	81.1
Water sent to third parties	0.08	0.2	0.0
TOTAL WATER DISPOSAL	127.8	66.7	81.1

Note 1. The Company conducts water withdrawal in water-stressed areas only in India, at the ASK Fras-le unit. The information was obtained from The Aqueduct Water Risk Atlas.

Note 2. The Company does not discharge water with Total Dissolved Solids above 1,000 mg/l.

WATER REUSE

	2021	2020	2019
Water reused by the organization itself (Interlagos Site + Forqueta Site)	99.4	94.8	100.9
TOTAL WATER REUSED	99.4	94.8	100.9

Productive capacity

SASB RT-IG-000.A

MOVEMENT CONTROL DIVISION

PRODUCTS	UNITS
Fras-le - Light line	
Press Shop	30,834,198
Light lining	13,521,793
Shoe (light line)	5,237,431
Sipas	20,879,003
Sirev	1,416,621
SMC	30,433
Fras-le - Commercial line	
Silon	11,720,000
Siblo	41,760,000
Shoe (commercial line)	390,000
PDC	1,130,000
Controil	
Wheel cylinder	1,439,148
Master cylinder and clutch	1,204,541
Servo brake	137,004
Polymers	47,455,534
Fremax	
Disc and drum	4,564,684
Jurid do Brasil	
Pads	5,185,411

PRODUCTS	UNITS
Nakata	
Shock absorbers	697,976
Fras-le North America	
Pads	933,686
Railway shoe	1,073
Fras-le Friction Materials (China)	
Pads	889,403
Blocks	2,410,731
ASK Fras-le (India)	
Pads	133,606
Blocks	7,377,181
FANACIF	
Pads	773,955
Blocks	853,614
AUTO PARTS DIVISION	
PRODUCTS	UNITS
Castertech	
Detached cube	188,339
Single drum	125,352
Set	544,365
Support	2,226,453

PRODUCTS	UNITS
Suspensys	
Suspension	89,828
Axle	108,954
Master	
Brakes	803,806
Quadraulic	123,600
Shoes	277,756

TRAILERS DIVISION

PRODUCTS	UNITS
Trailers MI	29,658
Trailers ME	3,741
Rail	481
Chassis frame	1,214

ADVANCED TECHNOLOGY DIVISION AND HQ (RTS AND AUTOM)

PRODUCTS	UNITS
Robotization (Robotized Cells and Special Machines)	35
Special devices	15
Trailers line	1
Electrical panels	35
Safety (NR-12 adaptations)	5

GRI and SASB Index

DISCLOSURE	INDICATOR	EXCEPTIONS IN SCOPE (LIMIT)	REFERENCE (PAGE) / DIRECT RESPONSE
GENERAL CONTENTS			
The organization and its reporting practices			
GRI 2-1	Organization details		Randon S.A. implementos e Participações. A publicly traded company Page 8.
GRI 2-2	Entities included in the organization's sustainability reports		Entities included in the organization's sustainability report: Armetal, Auttom, ASK Fras-le (India), Banco Randon, Castertech (headquarter), Castertech CNCS, Castertech Indaiatuba, Castertech Schroeder, Controil, Conexo, CTR, Fanacif, Farloc, Ferrari, Fras-le (headquarter), Fras-le Argentina, Fras-le Andina, Fras-le Europa, Fras-le Friction Materials (China), Fras-le Michigan, Fras-le México, Fras-le North America, Fras-le Panamericana, Fremax, Jost Brasil, Jurid do Brasil, Master, Nakata, Nione, R4 Digital, Randon Argentina, Randon Peru, Randon Araraquara, Randon Chapecó, Randon Consórcios, Randon Corretora, Randon Implementos, Randon Linhares, Randon Messias, Randon Porto Real, Randon Triel-HT, Randon Ventures, RTS Industry, Suspensys, Suspensys México, Suspensys Resende. To consolidate the information, the areas of Randon (Caxias do Sul) have collected information from the responsible areas of each unit, according to the topics. The summary of the financial statements is presented on page 17. The full financial statement, audited by an independent party, is available at https://bit.ly/3N50rFp
GRI 2-3	Reporting period, frequency and point of contact		Fiscal year: January 1, 2021 to December 31, 2021. Frequency of publication of the sustainability report and financial report: annually. Point of contact: ri@randon.com.br . The Financial Report was published on February 24, 2022 and is available at https://bit.ly/3Fe9L6N .
GRI 2-4	Information reformulations		There were none.
GRI 2-5	External verification		Page 148.
Activities and employees			
GRI 2-6	Activities, value chain and other business relationships	The geographical distribution of suppliers includes only the seven countries with the highest value paid in contracts during the year.	Pages 9, 11, 14, 17 and 54.
GRI 2-7	Employees	The regional and gender distribution of employees considers the total number of people within the Company. For the other indicators (permanent and temporary employees) the data considers only the Companies integrated in the SAP System.	Page 125.

DISCLOSURE	INDICATOR	EXCEPTIONS IN SCOPE (LIMIT)	REFERENCE (PAGE) / DIRECT RESPONSE
GRI 2-8	Workers who are not employees		461 outsourced from companies contracted for food, cleaning and security services.
SASB RT-IG-000.B	Number of employees		Page 125.
Governance			
GRI 2-9	Governance structure and composition		Pages 4, 5, 23, 31, 32, 33, 34, 39 and 64.
GRI 2-10	Appointment and selection of the highest governance body		The Board of Directors does not have a policy that establishes the criteria for appointing its members. However, the body is composed considering the availability of time of its members to perform their duties and the diversity of knowledge and experience, as indicated in item 12.5 of the Reference Form.
GRI 2-11	Chairman of the highest governance body		Page 32.
GRI 2-12	Role of the highest governance body in overseeing impact management		Page 40.
GRI 2-13	Delegation of responsibility by the impact management		Page 40.
GRI 2-14	Role played by the highest governance body in sustainability reporting		The Sustainability Report is approved by the Sustainability Committee in the first instance, and is then approved by the Executive Committee.
GRI 2-15	Conflicts of interest		Page 37.
GRI 2-16	Communicating critical concerns		Page 39 and 40.
GRI 2-17	Collective knowledge of the highest governance body		Currently, the Company does not have a formal process to promote the collective knowledge, skills and experience of the Board of Directors in sustainable development.
GR 2-18	Assessment of the performance of the highest governance body		Currently, the Company does not have a formal performance evaluation process for the Board of Management, as provided in item 12.1 (d) of the Reference Form: https://bit.ly/3N3fSxR .
GRI 2-19	Remuneration policies		Page 35.
GRI 2-20	Process for determining remuneration		Page 35. A detailed description of the remuneration determination process is available in Item 13 of the Reference Form: https://bit.ly/3q66dwr
GRI 2-21	Proportion of total annual remuneration		Omission of information. Reason for omission: there are confidentiality restrictions.

DISCLOSURE	INDICATOR	EXCEPTIONS IN SCOPE (LIMIT)	REFERENCE (PAGE) / DIRECT RESPONSE
Strategy, policies and practices			
GRI 2-22	Declaration on the sustainable development strategy		Pages 4, 5 and 22.
GRI 2-23	Commitment policies		Pages 36 and 55.
GRI 2-24	Incorporating commitment policies		Page 36.
GRI 2-25	Processes to remedy negative impacts		Page 36.
GRI 2-26	Mechanisms for seeking guidance and raising concerns		Page 36.
GRI 2-27	Compliance with laws and regulations		We have not recorded significant cases of non-compliance with laws and regulations during the reporting period.
GRI 2-28	Participation in associations		Page 25 and 26.
Stakeholder Engagement			
GRI 2-29	Approach to stakeholder engagement		Employees – Pages 43 to 53.
			Suppliers – Pages 54 to 59.
			Customers – Pages 60 to 62.
			Investors – Page 63.
			Communities – Pages 65 to 70.
			Startups – Pages 103 and 110.
GRI 2-30	Collective bargaining agreements		88.2% of employees are covered by collective bargaining agreements, whereas in Brazil the percentage is 96.6%. In international units, where agreements are not applicable, we adopt the same good practices determined in agreements in Brazil.
Economic Performance			
GRI 201-1	Direct economic value generated and distributed		Pages 17 to 19.

DISCLOSURE	INDICATOR	EXCEPTIONS IN SCOPE (LIMIT)	REFERENCE (PAGE) / DIRECT RESPONSE
SPECIFIC STANDARDS			
Material topics			
GRI 3-1	Process for determining material topics		Page 22. To understand the Company's strategy for action, in order to build the ESG Ambition, interviews were conducted with the Directors. In addition, employees from the Company's areas related to material topics were consulted, through workshops, to discuss the relevance of the material topics and the reporting approach.
GRI 3-2	List of material topics		<p>Material topics:</p> <p>Ethical and responsible driving</p> <ol style="list-style-type: none"> Governance that creates value Ethics <p>Excellence and Safety as a Value</p> <ol style="list-style-type: none"> Product Safety and Excellence Occupational Health and Safety Information Security and Privacy <p>Sustainable Innovation</p> <ol style="list-style-type: none"> Continuous and Disruptive Innovation Collaboration and Open Innovation Sustainable mobility <p>Commitment to the environment</p> <ol style="list-style-type: none"> Fighting climate change Circularity Water and Effluents <p>Prosperity for all</p> <ol style="list-style-type: none"> Our People Value relationships <p>The main change from the previous year on material topics was the inclusion of new themes, such as:</p> <ul style="list-style-type: none"> - Information security and privacy
Material topic: Ethical and responsible driving			
GRI 3-3	Material topic management		Ethical and Responsible Driving – Pages 28 to 41.
Fight against corruption			
GRI 205-1	Operations evaluated for risks related to corruption		Page 39.
GRI 205-2	Communication and training in anti-corruption policies and procedures		Page 38.
GRI 205-3	Confirmed cases of corruption and actions taken		Page 39.
Non-Discrimination			
GRI 406-1	Discrimination cases and corrective measures taken		Page 52.

DISCLOSURE	INDICATOR	EXCEPTIONS IN SCOPE (LIMIT)	REFERENCE (PAGE) / DIRECT RESPONSE
Freedom of Association and Collective Bargaining			
GRI 407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk		As for our own operations, we do not have any restriction on freedom of association, whether of association or negotiation, and we encourage and practice collective bargaining in all locations where we operate. Regarding suppliers, we have not registered confirmed cases of suppliers acting in a way that restricts such freedom and we seek to encourage and guide our partners to fully respect and exercise freedom of association inside their companies.
Child labor			
GRI 408-1	Operations and suppliers with significant risk of child labor cases		There is no risk in own operations. Learn more about managing in-chain to ensure these rights on page 54.
Forced or Slave-like Labor			
GRI 409-1	Operations and suppliers with significant risk of cases of forced or compulsory labor		There is no risk in own operations. Learn more about managing in-chain to ensure these rights on page 54.
Material topic: Prosperity for all			
GRI 3-3	Material topic management		Prosperity for all – Pages 42 to 70.
Indirect Economic Impacts			
GRI 203-1	Infrastructure investments and services supported		Page 127.
Procurement Practices			
GRI 204-1	Proportion of spending on local suppliers		Page 54 and 127.
Supplier Environmental Assessment			
GRI 308-1	New suppliers that were screened using environmental criteria		Page 57.
GRI 308-2	Negative environmental impacts in the supply chain and actions taken		Page 57.

DISCLOSURE	INDICATOR	EXCEPTIONS IN SCOPE (LIMIT)	REFERENCE (PAGE) / DIRECT RESPONSE
Employment			
GRI 401-1	Total number and rate of new employee hires and rate of employee turnover	The hiring and turnover data consider only the Companies integrated in the SAP System.	Page 126.
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Benefits offered to all employees: Meal or Meal Voucher Funeral Aid Christmas packet Health care plan Life insurance Transportation Benefits offered only to full-time employees: Daycare Aid Maternal Aid Recognition for time in the company
Training and Education			
GRI 404-1	Average hours of training per year per employee, by gender and employee category		Pages 48 and 126.
GRI 404-2	Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment		Page 47.
GRI 404-3	Percentage of employees receiving regular performance and career development reviews, by gender and employee category		Page 49.
Local Communities			
GRI 413-1	Engaged operations, impact assessments and local community development programs	Companies Considered: Randon S/A, Randon S/A Holding, Fras-le S/A, Castertech (Suspensys subsidiary), Master, Jost Brasil, Suspensys WE Castertech, Randon Consórcios and Banco Randon.	22% of our operations have implemented local community development programs in 2021. Page 65.
Social Assessment of Suppliers			
GRI 414-1	New suppliers selected based on social criteria		Page 57.
GRI 414-2	Negative social impacts on the supply chain and measures taken		Pages 55 and 57.






DISCLOSURE	INDICATOR	EXCEPTIONS IN SCOPE (LIMIT)	REFERENCE (PAGE) / DIRECT RESPONSE	
Material topic: Excellence and Safety as a value				
GRI 3-3	Material topic management		Excellence and Safety as a value – Pages 71 to 84.	
Occupational Health and Safety				
GRI 403-1	Occupational health and safety management system		Pages 72, 73 and 77.	
GRI 403-2	Hazard identification, risk assessment, and incident investigation		Pages 73 and 77.	
GRI 403-3	Occupational health services		Pages 73, 75 and 77.	
GR 403-4	Worker participation, consultation, and communication on occupational health and safety	In 2021 and 2020, the companies indicated in item 2-2 were considered. In 2019, only Jurid do Brasil, Suspensys, Castertech, Master, Jost Brasil, Randon Implementos, Fras-le and Fremax were considered. Outsourced employees were not considered in these indicators due to the lack of information control by the units that were considered in the scope for permanent employees.	Page 73.	
GRI 403-5	Worker training on occupational health and safety		Pages 73 and 74.	
GRI 403-6	Promotion of worker health		Pages 73 and 75.	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Page 77.	
GRI 403-8	Workers covered by an occupational health and safety management system		Page 127.	
GRI 403-9	Work-related injuries		Page 128.	
GRI 403-10	Work-related ill health		Page 128.	
Customer Privacy				
GRI 418-1	Proven complaints regarding breaches of customer privacy and loss of customer data			Page 83.
Product safety and excellence				
SASB RT-IG-000.A	Number of units produced by product category		Page 134.	

DISCLOSURE	INDICATOR	EXCEPTIONS IN SCOPE (LIMIT)	REFERENCE (PAGE) / DIRECT RESPONSE
Material topic: Commitment to the environment			
GRI 3-3	Material topic management		Commitment to the environment – Pages 111 to 123.
Materials			
GRI 301-1	Materials used by weight or volume	Companies considered in 2021: Castertech (headquarters), Castertech Schroeder, Suspensys, Jost Brasil, Master, Ferrari, Fras-le (headquarters), Jurid do Brasil, Fremax, Fras-le Friction Materials (China), ASK Fras-le (India), Controil, Randon Implementos, Randon Chapecó. Companies Considered in 2020: Castertech (headquarters), Controil, Fras-le (headquarters), Jost Brasil, Fremax, Suspensys, Master, Randon Implementos, Randon Chapecó. Companies considered in 2019: Castertech (headquarters), Frasle (headquarters), Jost Brasil, Fremax, Suspensys, Master, Randon Implementos, Randon Chapecó.	Page 130.
GRI 301-2	Recycled input materials used	The companies considered in the scope of this disclosure are the same as those indicated in GRI 301-1.	Page 118.
GRI 301-3	Percentage of reclaimed products and their packaging materials	Page 121.	Page 121.
Energy			
GRI 302-1	Energy consumption within the organization	Companies considered in 2021: ASK Fras-le (India), Castertech (headquarters), Castertech Schroeder, Controil, Fanacif, Farloc, Ferrari, Fras-le (headquarters), Fras-le Europe, Fras-le North America, Fremax, Jost Brasil, Jurid do Brasil, Master, Randon Araraquara, Randon Implementos, Randon Consórcios, Randon Seguros and Suspensys. Companies considered in 2020: Banco Randon, Castertech (headquarters), Controil, Fras-le (headquarters), Fremax, Jost Brasil, Master, Randon Araraquara, Randon Implementos, Randon Consórcios, Randon Chapecó and Suspensys. Companies considered in 2019: all companies considered in 2020 except Controil.	Pages 116 and 129.
GRI 302-3	Energy intensity	The companies considered in the scope of this disclosure are the same as those indicated in GRI 302-1.	Page 116.
SASB RT-IG-130a.1	(1) Total energy consumed (2) Percentage of grid electricity (3) Percentage of renewables	The companies considered in the scope of this disclosure are the same as those indicated in GRI 302-1.	Page 129.

DISCLOSURE	INDICATOR	EXCEPTIONS IN SCOPE (LIMIT)	REFERENCE (PAGE) / DIRECT RESPONSE
Water and Effluents			
GRI 303-1	Interactions with water as a shared resource	<p>Companies considered in 2021: Castertech (headquarters), Jost Brasil, Master, Suspensys, Fras-le (headquarters), Controil, Fremax, Jurid do Brasil, Fanacif, Farloc, Fras-le North America, Fras-le Friction Materials (China), ASK Fras-le (India), Randon Implementos, Randon Chapecó, Randon Araraquara, Randon Linhares, Randon Consórcios and Randon Corretora.</p> <p>Companies considered in 2020: Fras-le (headquarters), Controil, Castertech (headquarters), Jost Brasil, Suspensys, Master, Randon Implementos and Banco Randon.</p> <p>Companies considered in 2019: Fras-le (headquarters), Jost Brasil, Suspensys, Castertech (headquarters), Master, Randon Implementos, Randon Veículos, Banco Randon and Randon Consórcios.</p>	Page 122.
GRI 303-2	Management of water discharge related impacts	The companies considered in the scope of this disclosure are the same as those indicated in GRI 303-1.	Page 122.
GRI 303-3	Total water withdrawal		Page 133.
GRI 303-4	Total water discharge		Page 133.
GRI 303-5	Total water consumption		Page 122.
OWN - RAND4	Water consumption/gross revenue		Page 122.
Emissions			
GRI 305-1	Direct (Scope 1) GHG emissions	Companies considered in 2021 and 2020: Randon Implementos, Randon Araraquara, Randon Chapecó, Suspensys, Castertech (headquarters), Controil, CTR, Fras-le, Fremax, Jost Brasil, Jurid do Brasil, Master, Ferrari, Fras-le Friction Materials (China) and Fras-le North America.	Page 115.
GRI 305-2	Energy indirect (Scope 2) GHG emissions	The companies considered in the scope of this disclosure are the same as those indicated in GRI 305-1.	Page 115.
GRI 305-4	GHG emissions intensity	The companies considered in the scope of this disclosure are the same as those indicated in GRI 305-1.	Page 115.

DISCLOSURE	INDICATOR	EXCEPTIONS IN SCOPE (LIMIT)	REFERENCE (PAGE) / DIRECT RESPONSE
Waste			
GRI 306-1	Waste generation and significant waste-related impacts	Companies considered in 2021: Fras-le (headquarters), Fras-le North America, Fras-le Friction Materials (China), ASK Fras-le (India), FANACIF, FARLOC, Fremax, Jurid do Brasil, Controil, Castertech (headquarters), Castertech Schroeder, Randon Implementos, Randon Chapecó and Randon Araraquara, Jost Brasil, Master and Suspensys. Companies Considered in 2020: Castertech (headquarters), Controil, Fras-le (headquarters), Jost, Fremax, Suspensys, Master, Randon Implementos and Randon Chapecó. Companies considered in 2019: all companies considered in 2020, except for Controil, which started reporting in 2020.	Page 118.
GRI 306-2	Management of significant waste-related impacts		Page 118.
GRI 306-3	Total weight of waste generated	The companies considered in the scope of this disclosure are the same as those indicated in GRI 306-1.	Page 131.
GRI 306-4	Total weight of waste diverted from disposal		Page 131.
GRI 306-5	Total weight of waste directed to disposal		Page 131.
Environmental Compliance			
GRI 307-1	Total monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and/or regulations		There was no record of non-compliance with environmental laws and regulations in 2021.
Material topic: Sustainable innovation			
GRI 3-3	Material topic management		Sustainable innovation – Pages 85 to 110.
OWN - RAND1	i) description of the RD&I strategy and structure; ii) amount invested in RD&I; iii) finalized projects; iv) revenue of Randon Implementos from products launched in the last 5 years; v) new patents registered.		Page 93.
OWN - RAND2	Number of startups supported by Randon Ventures, per year.		Randon Ventures has invested in four new startups in 2021. Pages 108 to 110.
OWN - RAND3	Number of innovation and R&D projects in sustainable mobility		Page 97.

Public commitments

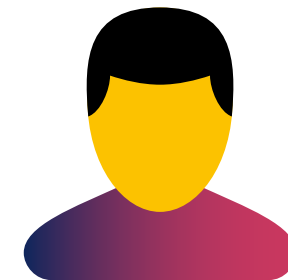
PILLAR	TOPICS	PUBLIC COMMITMENT	PERFORMANCE IN 2021
 ETHICAL AND RESPONSIBLE DRIVING	<ul style="list-style-type: none"> » Governance that generates value » Ethics 	-	-
 PROSPERITY FOR ALL	<ul style="list-style-type: none"> » Our people » Value Relations 	Double the number of women in leadership roles by 2025 (base year 2020).	<p>12% of women in leadership positions compared to 11% in 2020 (base year).</p> <p>Note: the functional categories considered in the target are Leadership, Coordination, Management and Direction. The target is applicable only to Brazilian companies.</p>
 EXCELLENCE AND SAFETY AS A VALUE	<ul style="list-style-type: none"> » Information Security and Privacy » Product Safety and Excellence » Health and safety 	Zero serious accidents in our operations.	Three serious accidents compared to two in 2020 (base year).
 SUSTAINABLE INNOVATION	<ul style="list-style-type: none"> » Continuous and disruptive innovation » Sustainable Mobility » Collaboration and open innovation 	Increase annual consolidated net revenue generated by new products, in relation to the base year 2020..	88% of net revenue comes from new products launched by the trailers division.
 COMMITMENT TO THE ENVIRONMENT	<ul style="list-style-type: none"> » Combating climate change » Circularity » Water and effluents 	<ul style="list-style-type: none"> » Reduce the emission of greenhouse gases by 40% until 2030, in relation to the base year 2020. » Zero the disposal of waste in industrial landfills and the release of treated effluents, reaching 100% reuse by 2025, in relation to the base year 2020. 	<ul style="list-style-type: none"> » Emission intensity of 3.3 kgCO₂e/h, compared to 2.7 kgCO₂e/h in 2020 (base year). » 22% of the waste generated was sent to an industrial landfill, compared to 24% in 2020 (base year). » 50% reuse compared to 58.8% in 2020 (base year).

Capitals Map

Hover the mouse over the  and see the Capitals description.



INTELLECTUAL



HUMAN



NATURAL



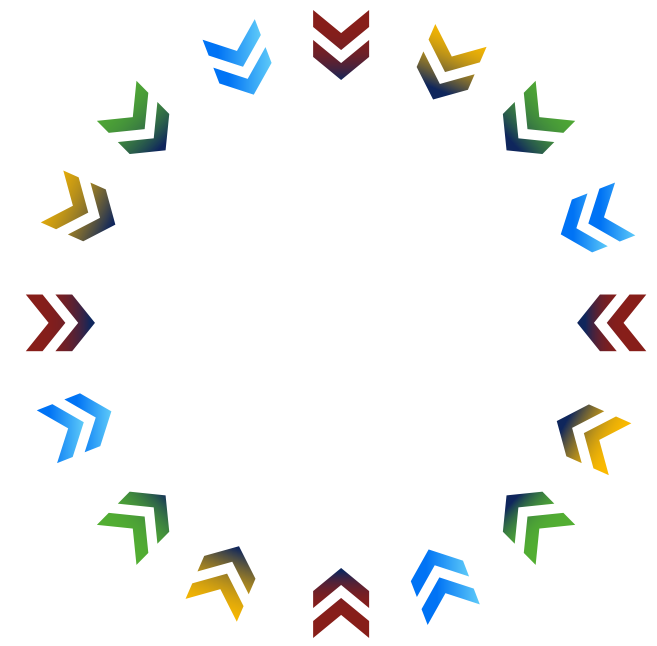
**SOCIAL AND
RELATIONSHIP**



MANUFACTURED



FINANCIAL



SDG Map

Get to know, on the pages shown, our contribution to the achievement of the 17 Sustainable Development Goals, result of our commitment to sustainability and social responsibility:

Hover your mouse over the SDGs to see the chapters where we present our practices:



Assurance Statement

GRI 2-5

BSD Consulting has carried out an independent verification of the Sustainability Report 2021 of Randon Companies developed based on the *GRI (Global Reporting Initiative) Standards 2021*. The process followed the criteria of the *AA1000 Assurance Standard v3* and aims to provide Randon Companies' stakeholders with an independent opinion on: the quality of the report; the stakeholder engagement processes; the company's sustainability management and the adherence to the principles of the *AA1000 Accountability Principles 2018*.

INDEPENDENCE AND COMPETENCE

We work independently and ensure that no member of BSD has consulting contracts or other commercial ties with Randon Companies. BSD Consulting is a company specialized in sustainability. The work was conducted by a team of professionals experienced and trained in external verification processes.

RESPONSIBILITIES OF RANDON AND BSD COMPANIES

The preparation of the Sustainability Report, as well as the definition of its content, is the responsibility of Randon Companies. The verification of the report was the object of BSD's work.

SCOPE AND LIMITATIONS

The scope of our work includes the information of the full version of the Sustainability Report 2021 of Randon Companies, for the period covered by the report from January 1, 2021, to December 31, 2021. The independent verification process was conducted according to the *AA1000AS v3 standard (AA1000 Assurance Standard v3)*, assurance level Type 1, providing a moderate level of Assurance. The objectives of the Assurance Statement are to inform stakeholders of BSD's conclusions about the process which assessed the adherence of Randon Companies' reporting process to the four principles: Inclusiveness, Materiality, Responsiveness and Impact, as per the standard *AA1000AP 2018 (AA1000 Accountability Principles 2018)*. The verification of financial data was not the subject of BSD Consulting's work. The financial data was audited by a specialized company as stated in auditor comments in the Financial Statements.

METHODOLOGY

- Evaluation of the content of the 2021 Sustainability Report;
- Understanding the process flow of obtaining and generating information for the Sustainability Report;
- Research of public information about the sector and the company (press and websites);
- Interviews with managers from key areas regarding the relevance of information for sustainability reporting and management;
- Interviews with company leaders and, where relevant, verification of sustainability performance information with company managers;

- Analysis of the evidence of the management processes of the material topics;
- Based on sample testing, confirmation of the information in the Sustainability Report with supporting documentation, management reports, internal controls, and official correspondence.

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KEY FINDINGS ON ADHERENCE TO THE AA1000AP 2018 PRINCIPLES

1. Inclusion Principle

Randon Companies list as stakeholders employees, suppliers, customers, investors, communities and startups. The following relevant engagement activities were evidenced to disseminate topics related to sustainability management:

- The company implemented engagement activities aimed at improving relationships with stakeholders. We highlight the Suppliers Meeting, the Conexo Challenge, the Randon Summit, the Hercílio Randon Innovation Award, the ESG Ambition event with investors, and the meeting with community leaders in Caxias do Sul (RS).
- The ESG Ambition was presented to the leadership at the Leadership Meeting. To engage the internal public regarding the theme of diversity and inclusion, the company started the Diversity Tour, offering rounds of internal conversations with the aim of fostering discussions on the subject.
- The group companies count on the Supplier Awards to engage their suppliers in sustainability practices focused on the production process, encouraging and promoting changes in their value chain.
- Randon Companies carried out a materiality process in 2020 according to the guidelines of the GRI Standards by consulting various stakeholders, including industry experts, but we recommend conducting a new stakeholder consultation following the guidelines of the GRI Standards released

in October 2021. In addition, it is recommended to describe that there was engagement and validation of the topics with managers and leadership.

2.2. Materiality Principle

In 2021, Randon Companies, in partnership with a specialized consulting company, conducted the process to define the ESG Ambition, the sustainability strategy of the Company for the business and its value chain. In this process, which took place on a corporate level, relevant issues were identified by referencing international frameworks, market mechanisms for sustainability and industry benchmarks:

- In total, 13 material topics were defined: Governance that generates value, Ethics, Product safety and excellence, Occupational health and safety, Information security and privacy, Continuous and disruptive innovation, Collaboration and open innovation, Sustainable mobility, Fighting climate change, Circularity, Water and effluents, Our people, and Value relationships.
- The topics were grouped into five pillars to formulate the ESG Ambition: Ethical and responsible conduct, Excellence and safety as a value, Sustainable innovation, Commitment to the environment, and Prosperity for all.
- Based on the ESG Ambition, the impacts related to the themes of each pillar were evaluated. In this process, which was carried out by a specialized consulting firm and the Investor Relations area in conjunction with Strategic Planning, the audiences impacted by the topics and the limits of their impact were

identified. In addition, an analysis of the strengths, weaknesses and threats related to the topics was carried out, including an assessment of the severity and probability of the impacts on the SDGs, anticipating the requirements of the GRI 2021 Standard for the materiality process.

3. Responsiveness Principle and Impact Principle

We evidenced during the assurance process that the company demonstrated having management processes at different levels of maturity for the material topics and launched metrics to understand and monitor their impacts. We can highlight the following points:

- In terms of diversity, part of the Prosperity for all pillar, the company has development initiatives with employees and management. By 2021, an increase in the number of women in leadership positions has been identified, as well as a high hiring rate of women in total employee counts.
- Concerning environmental aspects, the company registered advances in the development and application of new materials that decrease the carbon footprint and strengthened and improved the waste balance through the expansion of reverse logistics and a closed waste circuit.
- The company invests in the concept of sustainable mobility through new solutions and technologies that enable the transition to using renewable energy in operations and in offering products that support the decarbonization of the vehicle sector.

- In order to provide metrics and indicators to monitor impact, the group initiated on corporate level a data monitoring process that covers all pillars of the ESG Ambition. We recommend greater clarity in the alignment of indicators and targets with the material topics and the improvement of the data collection base, which, due to the complexity of the group, still needs to evolve further in terms of data completeness and comparability.

CONCLUDING REMARKS

Based on the scope of our work and on the assurance procedures we have performed, we concluded that nothing has come to our attention that leads us to believe that the information referring to sustainability performance in the Sustainability Report 2021 of Randon Companies is not fairly presented in all material aspects. The company presents its performance clearly, meeting the requirements of the GRI Standards 2021 and provides a balanced view of its sustainability management and the impacts linked to its operation.

São Paulo, May 20, 2022.

BSD Consulting - an ELEVATE Company



Credits

COORDINATION

- » **Investor Relations Randon Companies**
- » **Brand and Reputation Randon Companies**

EDITORIAL PROJECT, CONTENT WRITING, GRI CONSULTANCY AND TRANSLATION

Ricca Sustentabilidade

GRAPHIC DESIGN, ILLUSTRATIONS AND DIAGRAMMING

Ricca Sustentabilidade

PHOTOS

- | | |
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| » Aníbal Wanderley | » João Lazarotto |
| » Bianca Camargo Ferreira de Lima | » Lauren Silva Fogaça |
| » Bruno Rodrigues Longoni | » Maicon Duarte/Secretaria de Saúde de Caxias do Sul |
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| » Felipe Fedrizzi | » Volvo/Divulgação |
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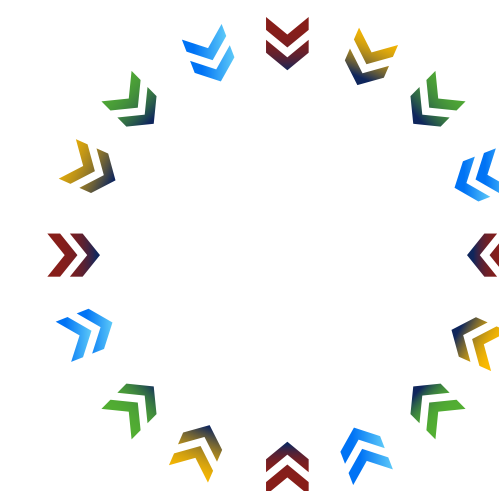
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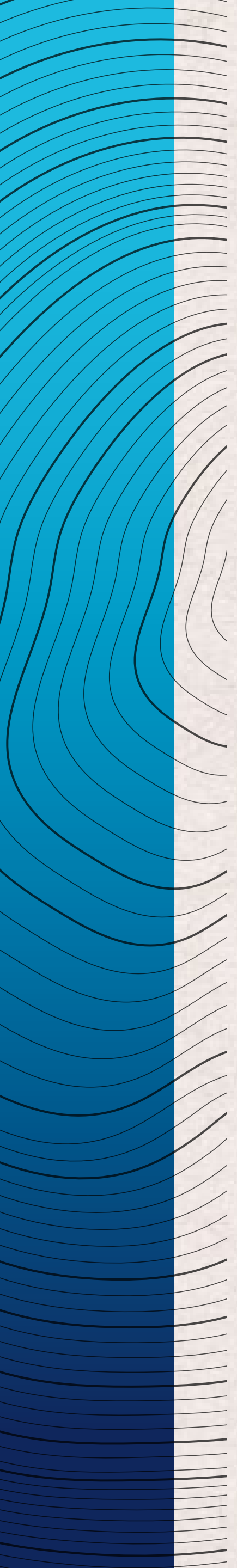
Detailed results, commented by the management:

Financial Statements

Overview of relevant aspects of the business:

Management Annual Report





RANDON[®]

Companies

