



Strategy and Management

In order to make our purpose viable, to “*create opportunities for the development of the Brazilian fleet, naturally contributing to the reduction of polluting emissions and developing healthy, safe, and efficient businesses,*” we operate under a unique and innovative business platform in a little explored market.

We managed to bring together different solutions into a unique ecosystem in Brazil, available to our customers — leasing, purchase, and sale of new and pre-owned vehicles — addressing them to a specific segment of trucks and agricultural machinery. The synergy and complementarity stemming from this movement justify our commitment to capitalize on growth opportunities and consolidate our position at the forefront.

By integrating our products and services into a single platform, we allow customers, in a single contact, to rent our trucks and machines or purchase new and pre-owned vehicles at one of our dealerships or pre-owned stores. At the same time, they can place their fleet for sale in our pre-owned network, in addition to accessing maintenance and spare parts.

In order to strengthen this differentiator, we hold weekly team alignment meetings to establish cross-cutting goals between the areas. The purpose is to show the advantages of the rental model for the renewal of the national fleet, which leads customers to operate with increased productivity and safety, lower fuel and maintenance

costs, and reduced emissions of particulate matter into the atmosphere (*see example on this page*) – all gains resulting from the use of newer vehicles.

Additionally, there are tax benefits to be obtained from leasing, such as potential credits the operation can claim by declaring it as a deductible expense on Income Tax, PIS, and Cofins. From an accounting point of view, it leaves the company’s balance sheet lighter in order to improve the rate of recurring expenses and reducing aggregate capital.



The environment is grateful! GRI 103-1 | 103-2 | 103-3 Development of the Brazilian fleet (trucks, machinery, and equipment)

The fleet currently in circulation in Brazil — a country still heavily dependent on road transportation — has nearly 3.5 million trucks with an average age of 20.7 years. Studies carried out by our Sustainability team indicate that if this fleet were replaced by another with the same average age as ours — i.e., 2.5 years — it would be possible to reduce emissions of particulate matter resulting from the burning of diesel by 95%.

ESG Principles

GRI 103-2

Our business strategy is in line with ESG (Environmental, Social, and Governance) principles, and its priorities are customer satisfaction; corporate culture and governance; valuing people and respecting diversity; health and

safety; climate changes; and intelligent use of natural resources. To materialize these principles, we have in place projects in three different dimensions, with clear objectives, performance indicators, goals, and schedules for completion.

Dimension	Project	Objective	Indicator	Goal	Completion
Environmental - Natural Capital	Zero Carbon	Provide customers the opportunity to offset carbon emissions	Number of trucks	300 trucks	December/22
	Zero Carbon	Annually neutralize carbon emissions (Scopes 1 and 2)	Offsetting through carbon credits	100% emissions	December/21
	Sustainable Management	Conscious consumption of water and energy in stores	Number of units	Minimum 50% of the units	December/21
	Sustainable Management	Implement selective sorting and disposal of waste within company units	Number of units doing selective sorting and disposal of waste	100% of owned stores	December/21
	Sustainable Management	Require third-party workshops to agree to a waste disposal commitment in accordance with local legislation	% of the units adhering	> 95% of active workshops	December/22
	Fleet renewal	Take trucks over 25 years old out of circulation	Number of trucks	50 trucks	December/21
Social - Social and Relationship Capital	Social engagement/volunteering	Employee engagement in social programs	% of employees who participate in social programs supported by the company	5% of Employees	December/21
	Motorista Autônomo, Você de caminhão novo! (Self-Employed Driver, You on a New Truck!)	Generate better income and safety conditions for self-employed drivers	Number of drivers	50 drivers	December/21
Governance - Intellectual and Organizational Capital	Sistema B	Obtain certification	Scoring on Sistema B	80 points	Obtain in 2021





The idea behind the Carbono Zero (Zero Carbon) program is to offer customers the option of offsetting emissions through the acquisition of carbon credits from certified companies/institutions, as well as neutralizing our corporate emissions (Scopes 1 and 2) in the same way: 1,196 tons of 2020 emissions at a cost of R\$ 23.900/year.

In Sustainable Management, our plan is to implement solutions for water reuse in all units, install solar panels in 50% of Transrio stores and company-owned repair workshops — Valtra, Komatsu and Fendt — and promote conscious water and energy consumption campaigns throughout our chain. Another goal is to launch a selective sorting guidebook, train teams, and provide the necessary infrastructure in all units allowing for the adoption of this practice. We will require maintenance service providers and accredited repair workshops to sign a term of commitment agreeing with proper waste disposal methods pursuant to environmental standards in their respective facilities. In order to carry out the fleet renewal project, we will develop a program for scrapping trucks over 25 years old.

In the Social aspect, we will launch internal engagement campaigns for volunteer programs developed by the companies of the SIMPAR holding company, to which all members of our Executive Board are committed to adhering. In addition, by leasing trucks to self-employed drivers, we will increase their income and safety by extending credit for the lease or purchase of a new vehicle.

On the governance front, we started the B Corp certification process, which aims to identify companies that adopt recognized standards of transparency, responsibility, and performance through the assessment of social and environmental impacts. We also published this first Integrated Report, containing social and environmental information and disclosure of topics raised from a structured [materiality process](#).





Included in the challenges mapped for the continuity and sustainability of our [Business Model](#) are the following: maintaining our leadership and pioneering spirit and the aspects that differentiate us in the market; questioning the current transportation mode based on fossil fuel, in which technology and innovation can be differentiating factors (a challenge shared by automakers in the search for sustainable solutions); the potential risk of being questioned by the market/investors on the traceability of the products being transported; relationship initiatives between customers and truck drivers; and failing to continuously advance ESG principles. Among the many factors that can influence our sustainable development are Brazil's socioeconomic, political, and business environment, including issues such as the exchange rate, employment level, population growth, and consumer confidence; inflation and devaluation of the Brazilian currency (Real) and fluctuating interest rates; changes in laws and regulations, including those involving tax and labor issues; our ability to implement growth strategies, serve our customers satisfactorily, and train and retain professionals; the sector's informal economy and competition; the outsourcing of a substantial part of our activities; expenses for accidents, thefts, and other claims; the increase in the cost of our structure, especially labor; maintaining and growing our customer base; and market prices for new and pre-owned vehicles, machinery, and equipment, among others described in our [Reference](#).





Innovation and Technology

GRI 103-1 | 103-2 | 103-3 – Innovation and Technology

Our business — leasing trucks, machinery, and equipment, as well as the integrated platform of solutions we offer to the market — already reflects an innovative profile. However, throughout our operation we have been providing internal processes with the technology to make them more agile, safe, and efficient, thus ensuring our capacity to grow into new opportunities. An example of this is the digital vehicle checklist, which contributed to increasing from 70% to 90% the percentage of preventive maintenance carried out on the planned schedule, thus increasing the availability of our fleet for customers and reducing costs, since preventive measures cost less than corrective measures.

Other solutions are the video walls maintained at our headquarters and administrative offices that show, in real time, the progress made in our processes and the results of our efficiency indicators; and the proposal processing system, which is integrated with the CRM and produces a 94% reduction in the time between the customer's request and the receipt of the commercial proposal — agilit that contributes to growing business volume.

Data processing tools also reduced our average equipment deployment time from 123 days in 2018, to 90 days in 2019, to 70 days in 2020. This gain represents an important competitive advantage and demonstrates our principle of always placing the customer first. All resources, which are constantly being enhanced, integrate market intelligence developed internally that gives us support in making forecasts for the acquisition of vehicles for a three-month horizon, supporting our business strategy.

In the Pre-Owned business line, we also work with innovative differentiators such as the evaluation table. Integrated with the Vamos Seminovos app, it allows for an online evaluation of our or third-party

trucks to check license plates, evaluate internal and external items, see photos of the vehicles, and guarantee the quickest and most assertive comparison of both market and historic prices, i.e., referencing variables, such as the price in the most recent transaction and the number of vehicles in stock, to establish a price that will increase the reliability of buy and sell decisions.

Our main investments in innovation include a quarterly review of new information security technologies, monitoring of technological advances (mainly in Brazil) in the internet and the network, and the launch of new tools and methodologies that optimize and modernize our projects. For this reason, our commitment for 2021 is to fully integrate with AD (Active Direct), which expands the control and security of users of all our systems, in addition to the unification of ERP, CRM, and Power BI systems.

Management of this topic is monitored via the 2021 schedule for the implementation of innovation projects, weekly follow-ups, performance analyses, annual bonuses based on meeting a predefined schedule, monitoring internal controls and risk areas, and external audits.