

## **Environmental and Social Review Summary (ESRS)**

### **MOVIDA – BRAZIL**

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#### **1. General Information of the Project and Overview of Scope of IDB Invest's Review**

Movida ("Movida", the "Company" or the "Client") is one of the largest car rental companies in Brazil. Founded in 2006 and headquartered in São Paulo, the Company is part of the Simpar Group ("SIMPAR" or "the Group") that consolidates the activities of six companies in the logistics sector in Brazil. Movida operates under two major business units: (i) RAC – Rent a Car and (ii) GTF – Third Party Fleet Management. Movida is present in all Brazilian states, has 264 operational branches and operates a total fleet of +124,000 cars.

The Environmental and Social Due Diligence ("ESDD") was carried out by means a series of virtual meetings with the Client, where information on the Company's environmental and social policies, systems, procedures, and performance records was requested and assessed. Due to the current traveling restrictions adopted by the Brazilian government as consequence of the pandemic, no site visits were performed.

The proposed operation aims at supporting Movida in its continuous efforts to reduce greenhouse gas emissions ("GHG") in its operations. Transaction objectives include i) increase the number of electric cars in its RAC and GTF fleet, ii) increase the number of hybrid and flex-fuel cars in its RAC and GTF fleet, iii) innovation projects to optimize its operational process and integrating systems through the inclusion of technologies and programs to reduce the overall carbon footprint of its operations and iv) support investments in energy solar panel energy co-generation at its operational branches.

#### **2. Environmental and Social Categorization and Rationale**

The Project has been classified as a Category B operation according to IDB Invest's Environmental and Social Sustainability Policy, since it will generate, among others, the following impacts: i) greenhouse gas emissions; ii) solid and liquid waste production; iii) potential health and safety, impacts, related to the Client's employees and other personnel involved in Company's operations; and iv) potential interference with the activities of neighboring communities. These impacts are deemed to be of low to medium-high intensity and are easily to be managed from the Project's perspective.

The International Finance Corporation's ("IFC") Performance Standards ("PS") triggered by the Project are: i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; ii)

PS2: Labor and Working Conditions; iii) PS3: Resource Efficiency and Pollution Prevention; and iv) PS4: Community Health, Safety, and Security.

### **3. Environmental and Social Context**

#### **3.1 General characteristics of the Project's site**

The Client has 264 operational units including car rental shops, used car sale shops and fleet outsourcing operations in various cities in Brazil. The shops are all in urban contexts and use mainly rented properties.

#### **3.2 Contextual risks**

Due to the characteristics of this Client's operation, contextual risks include some vulnerability to climate change and urban violence. Climate change risks are associated with floods and severe storms which may affect some operational activities and traffic along the existing road network and causing accidents. Urban violence refers to risks of armed robbery that could eventually affect the Company's operational units and vehicles.

### **4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures**

#### **4.1 Assessment and Management of Environmental and Social Risks**

##### **4.1.a E&S Assessment and Management System**

The Company follows SIMPAR Group's Integrated Management System which comprises environmental management (ISO 14001:2015); quality management (ISO 9001:2015), Brand Reputation Compliance Global Standards<sup>1</sup> ("BRCGC"); System for the Evaluation of Health and Safety, Environment and Quality<sup>2</sup> ("SASSMAQ", for its acronym in Portuguese), and Understanding Responsible Sourcing Audit ("URSA") and Sedex Members Ethical Trade Audit ("SMETA") protocols on social responsibility.

The Environmental Management System prepared under the Norm ISO 14001:2015 encompasses SIMPAR Group's operations. In addition, an Environmental Management Manual ("EMM") that covers all group operations is currently used throughout the organization. The manual covers the activities of all holding companies, including Movida, and covers the subjects related to environmental licensing, planning, solid and liquid waste management, monitoring and control of air emissions, monitoring and control of noise emissions, control of drinking water quality, control of disease vectors, air conditioning maintenance, management of vegetation pruning, response to environmental emergencies, training, monitoring of corrective actions, guidelines for operations at other client sites, and pollution prevention guidelines and documentation guidelines. The manual also presents management procedures for the latter.

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<sup>1</sup> A global standard for storage and distribution of goods.

<sup>2</sup> Sistema de avaliação de saúde, segurança, meio ambiente e qualidade in Portuguese.

Compliance with the Integrated Management System is assessed regularly by means of periodic internal audits, critical assessment of results by the group directors, client satisfaction surveys, monitoring of the established objectives and goals by higher management, periodic assessment of legal requirements, and assessment of significant aspects on the group operations. The Client is currently in compliance with national legislation and norms concerning the environmental licensing, health and safety, labor, and other relevant regulations.

The Client has also implemented channels for the reception, treatment, and response to grievances from both internal and external public. However, it has currently not adopted a Stakeholder Engagement Plan.

#### 4.1.b Policy

Movida has adopted a Sustainability Policy that encompasses objectives, the identification of target audience, priority subjects, directives including management practice, corporate governance, environmental, social, and financial responsibility, innovation, and other relevant information. The policy states the Client's commitment with the United Nations ("UN") Global Compact and the UN Sustainability Development Goals ("SDGs"). The responsibility for policy implementation, evaluation and updates belongs to the Client's Board, which is supported by a Sustainability Committee that provides information to the latter on policy management and obtained results.

#### 4.1.c Identification of Risks and Impacts

In terms of its environmental licensing process, most Client installations are small to medium properties located in urban areas and usually do not require environmental impact assessment studies under Brazilian regulations. Therefore, it does not perform environmental impact assessments to obtain environmental licenses for their operational units: impacts and risks are evaluated as part of the existing environmental management system and are captured in a matrix which also contains the proposed mitigation actions, and monitoring measures.

Environmental and social risks are addressed by means of compliance with regulations regarding employment, health and safety, fire prevention, emergency preparedness and response and others. In addition, the Client has certifications in quality and environmental management, and a grievance channel that receives, processes, and treats complaints from both internal and external public.

Through SIMPAR's EMM, followed by the Client, established procedures to detect and control local environmental impacts are regularly followed. The issues covered include in the EMM include solid and liquid waste management, control of air emissions, monitoring and control of noise emissions, control of drinking water quality, control of disease vectors, air conditioning maintenance, management of vegetation pruning, response to environmental emergencies, training, monitoring of corrective actions, guidelines for operations at other client sites, pollution prevention guidelines and documentation guidelines.

#### 4.1.c.i Direct and indirect impacts and risks

Some of the most relevant potential direct impacts and risks include greenhouse gas generation, potential soil and water resources contamination, accident risks involving clients and external community members, employment generation (direct), and others. Indirect impacts may include contribution to climate change (through GHG emissions), employment generation (indirect), economy stimulation, and others. The updating of the environmental aspects and impacts matrix serves as a base to complement the existing mitigation and monitoring programs.

#### 4.1.c.ii Analysis of alternatives

The decision making concerning the siting of the client's new operational units involves mostly technical and financial feasibility considerations, as properties used for the businesses are in urban contexts.

#### 4.1.c.iii Cumulative impact analysis

The Client has not yet performed a cumulative impact analysis for its operations.

#### 4.1.c.iv Gender risks

As of December 2020, the participation of female workers in the Client's workforce was 40.3 %. The Client has in place policies to promote the increase in the proportion of female workers, including leadership positions. Other measures to foster or to address gender issues include: i) hiring companies that provide female security personnel in operational units that require personal searches; ii) assuring that employment conditions are equivalent for men, women, and other genders; iii) providing appropriate personal protection equipment to female employees; iv) offering job rotation options to protect pregnant women; v) providing separated bathrooms and dresser for men and women; vi) providing adequate installations for people with disabilities, elderly and pregnant women; vii) enforcing a code of conduct that expressly forbids sexual harassment and discrimination by sex, marital status, sexual orientation or any other condition; viii) adopting a grievance channel operated by an external independent company that receives and processes all kinds of grievances, including those linked with sexual harassment; ix) joining the initiative of Women's Empowerment Principles ("WEPs") of the UN, which is intended to guide companies to empower women and promote gender equity in all business instances; x) joining the UN Global Compact that follows the UN Sustainable Development Goals (SDGs), which include SDG 5 "Achieve gender equality and empower all women and girls"; and xi) launching the benefit of extended maternity leave of 6 months (in Brazil official maternity leave for private companies lasts only 4 months) and paternity leave of 20 days (usually Brazilian companies allow 5 days leave as paternity leave).

#### 4.1.c.v Climate change exposure

Climate change adaptation has been identified by the Client as a risk that must be adequately managed to ensure business continuity. A climate vulnerability assessment was performed, and the main issues identified included: i) exposure to flooding, and ii) potential exposure to carbon pricing (financial risk linked to climate change). In 2020 the Client adopted a strategy to address climate

change risks, targeting the period between 2020 and 2030. To promote climate change adaptation in the organization, the Client adopted programs to: i) compensate greenhouse gas (“GHGs”) emissions by supporting a reforestation program on the Araguaia Corridor<sup>3</sup>; ii) performed a detailed climate change risk and opportunity mapping exercise to prepare the organization, and iii) developed a business continuity program to cope with climate change adaptation.

#### 4.1.d Management Programs

The Client has in place several management programs to monitor potential environmental impacts linked to its operations. In addition, there are a number wider reach corporate sustainability programs to address environmental and some social issues. According to SIMPAR Group’s EMM, followed by the Client, site specific programs include solid and liquid waste management, air emission control, noise monitoring and control, drinking water monitoring, disease vector control, response to environmental emergencies, and personnel training. These programs are customized according to the specific context of individual operating units.

In addition to site specific programs, the corporate environmental and social programs encompass: i) an Emissions Management Program, a greenhouse emissions monitoring and control program that aims to understand, monitor and control GHG emissions on a group wide scale; ii) a Ligado em Voce Program, a toll-free line dedicated to the provision of information, support and guidance to the company’s employees so that they and their families can obtain support when facing psychological, social, or medical problems; iii) a Diversity Program, to address diversity and equal opportunities; and iv) other corporate-wide social and environmental programs, that include the stimulation its employees’ voluntary actions and fund-raising activities (Programs Julio Cidadeão, Gincana Cultural and Natal de Emoções).

#### 4.1.e Organizational Capacity and Competency

The Client has corporate teams dedicated to the environmental, social and health and safety subjects and to operational units. The expertise in the team covers the fields of health and safety, environmental, social and systems management.

At the corporate level, the Board of Directors (“BD”) is advised by a Sustainability Committee (“SC”). The BD validates the positions indicated by the SC and provides alignment with the Client’s business view. The SC promotes the incorporation of sustainability practices into the Company’s strategy, decision making and purpose. It also encourages team integration into company departments, provides recommendations to the board of directors and monitors the implementation of policies, strategies, actions, and projects.

The Client has internal capability to create, operate, maintain, and improve the existing environmental management system, resorting to the support of external partners whenever needed. In addition, it has the formal commitment of its BD to the issues concerning environmental,

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<sup>3</sup> The Araguaia Biodiversity Corridor consist of strips of (reforested) land that connect isolated ‘islands’ of pristine and intact nature. It is in Central Brazil and is intended to become the longest of all nature corridors on earth and one of South America’s largest reforestation projects.

social and health and safety issues as well as the commitment to continual improvement of the sustainability key performance indicators (“KPIs”).

#### 4.1.f Emergency Preparedness and Response

The most relevant emergency scenario for the Client involves fires in administrative and operational installations. Therefore, all units comply with relevant regulations to address fire prevention, and have fire extinguishers, emergency lighting, fire alarms, hydrants, emergency signaling, and emergency exits. Some units have their own fire brigades to respond to emergencies.

Although the emergency response infrastructure is reasonably complete, formal documented emergency response plans tailored to all Client installations will be developed.

#### 4.1.g Monitoring and Review

According to SIMPAR EMM, followed by Movida, monitoring and reviews of environmental management are made on an ongoing basis. The means used to perform monitoring include: i) internal audits; ii) regular meetings involving directors to perform critical assessment of the environmental management system, use of key performance indicators (KPIs) to monitor objectives and goals set up by higher management; iv) records and treatment of non-conformities; v) release of surveys to assess client satisfaction; vi) ongoing assessment of environmental aspects and impact assessment of all company operations; and vii) continual monitoring of legal requirements for the operations.

#### 4.1.h Stakeholder Engagement

Some level of stakeholder engagement was made evident by means of the Client’s participation in a series of environmental and social initiatives involving non-governmental organizations (“NGOs”) such as: i) the Black Jaguar Foundation (reforestation initiative), ii) the initiative of Women's Empowerment Principles (WEPs) of the UN, and iii) Childhood Brazil (fight against sexual exploitation of children and adolescents). Nonetheless, the Client has not yet developed formal means of engagement with people residing in the vicinities of existing operational units.

The existing grievance channel unifies all complaints from employees, third-party workers, and external public. Most complaints are placed anonymously. However, there is no specific grievance channel dedicated address the external public’s concerns.

### 4.2 Labor and Working Conditions

#### 4.2.a Working Conditions and Management of Worker Relationships

##### 4.2.a.i Human Resources Policies and Procedures

The Client follows SIMPAR Group’s People Management Policy, that covers all companies and contains goals, definition of responsibilities, description of personnel, job specifications and assessment of new requirements, recruitment process, experience assessment of new employees, onboarding guidelines of new employees, principles for coexisting in the work environment

(emphasizing respect to differences), training and professional development guidelines, payment and benefits guidelines, union relations guidelines, dismissals guidelines, monitoring of professional development, performance control methods, and surveys to assess employees perception and diversity.

#### 4.2.a.ii Working Conditions and Terms of Employment

As of December 2020, Movida had 3,328 employees. Of these 1,987 (59.7%) were male and 1,341 (40.3%) were female workers. Working conditions including working hours, salaries and other relevant information are recorded in individual contracts. The Client complies with all national regulations to hire and maintain working relations. Movida prepared a Code of Conduct (“CoC”) that identifies expected conduct from all the workers, including general guidelines, rules of conduct in internal and external environments, information on penalties for noncompliance with the rules, and other relevant information. All workers are obliged to follow this code, and the Client disseminates its contents and provides training to ensure full knowledge of the CoC by all.

#### 4.2.a.iii Workers’ Organizations

The Client’s Sustainability Policy and CoC establish free association of employees to existing worker unions in Brazil.

#### 4.2.a.iv Non-discrimination and Equal Opportunity

Movida’s CoC contains provisions against harassment and discrimination. It also sets forth the Company’s commitment with gender equity and accessibility policies, as well as with equal opportunities for all regardless of sex, color, religion, disability, marital status, sexual orientation, family status, age, or any other condition.

#### 4.2.a.v Retrenchment

Currently, there is no indication of collective dismissals. However, if needed in the future, the Client will study alternatives to retrenchment, and prepare a retrenchment plan to minimize its effects on workers.

#### 4.2.a.vi Grievance Mechanism

The Client uses grievance reporting channel<sup>4</sup> to receive complaints from internal and external public. This channel, managed by third party (Contato Seguro) to ensure complete independence in the reception and treatment of complaints, covers issues involving noncompliance with legislation, procedures, robbery, theft, corruption, sexual harassment, moral harassment, and undue use of Company resources.

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<sup>4</sup> The grievance channel is accessible through a toll-free line (0800 726 7111), via the internet ([contatoseguro.com.br/movida](http://contatoseguro.com.br/movida)) and via e-mail ([canaldedenuncia@movida.com.br](mailto:canaldedenuncia@movida.com.br)).

From January to December 2020, the Client's grievance channel received a total of 409 complaints, out of which 321 have been addressed and finalized and 86 remain under investigation. The complaints involve moral and sexual harassment, inappropriate behavior, noncompliance with internal norms and procedures, damage and/or undue use of Company property, community relations, favoring of clients and other stakeholders, theft, inadequate use of information, use of alcohol and drugs, noncompliance with labor laws, bribery, inappropriate relationship with Company providers, among others. For those complaints assessed as critical, the Client adopts the following remediation options: employee dismissal, employee suspension, counseling, training, supplier disqualification and procedure changes. In all cases the process treatment and results are informed to the person who issued the complaint. Two examples of how the company treats critical complaints, are given as follows: i) a complaint involving moral harassment from a shop manager who was mistreating work colleagues was addressed by means of training and by establishing close monitoring of the perpetrator's behavior by the Human Resources Department, and ii) a complaint of sexual harassment from a new employee was investigated and when evidence was found to confirm the grievance, it resulted in the dismissal of the perpetrator.

In addition to the grievance channel, SIMPAR Group created the Program Aponte o Risco!<sup>5</sup> dedicated to early risk detection, whereby Company employees and third-party workers can rapidly identify and communicate personal or property risks. The program allows anonymous communication, and the site allows upload of photos, videos, and other file types to support complaints.

#### 4.2.b Protecting the Workforce

The Client's CoC expressly forbids the use of child and forced labor. Also, being the Client a signatory to the UN Global Compact, the Company does not employ children and does not promote forced labor.

#### 4.2.c Occupational Health and Safety

Through its CoC, Movida is committed with the promotion of health and safety among its workers. The Client complies with Brazilian occupational health regulations such as the Medical Program for the Control of Occupational Health and the Program for Prevention of Risks and Accidents. Movida also provides a Specialized Service of Safety Engineering and Work Medicine ("SESMT") and an Internal Commission for the Prevention of Accidents ("CIPA"), as requested by Brazilian regulations.

Work installations are assessed by each municipality fire department to evaluate fire hazards and fire prevention and control systems. After such assessment, which is a prerequisite to authorize the operation of each unit, the authorities issue a certificate regarding the acceptance of installed fire prevention and control measures at each site.

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<sup>5</sup> This consists of a webpage ([www.contatoseguro.com.br/aponteoriscojsl](http://www.contatoseguro.com.br/aponteoriscojsl)), a toll-free line (0800 512 7720) and an e-mail ([aponteorisco@jsl.com.br](mailto:aponteorisco@jsl.com.br))



#### 4.2.d Provisions for people with disabilities

In its recruitment process, the Client encourages the hiring of People with Disabilities (“PWD’s”). Currently, Movida has 23 PwDs, which represent 0.69% of the total workforce. The Client’s installations comply with accessibility regulations required by the local legislation.

#### 4.2.e Workers Engaged by Third Parties

The Client has a variety of service and product providers. According to the Movida’s CoC all providers must embrace the following actions: i) prohibit acts of corruption; ii) respect the rights of employees; iii) encourage a diverse workforce and provide a work environment without discrimination, harassment or any form of abuse; iv) treat their employees fairly and honestly, including respect for wages, hours of work and benefits; v) respect human rights and prohibit all forms of forced or compulsory labor; vi) ensure that child labor is not used in any operation (except by contracting “apprentices”, in the form of the current legislation); vii) take responsibility for health and safety of its collaborators; viii) respect the rules of conduct pertaining to gifts, entertainment, and hospitality determined by the Client; ix) communicate when there is a suspicion of violation of the CoC or other act that occurs on the Company’s premises or externally while providing services contracted using the appropriate Channel; x) act in accordance with local regulations and applicable international standards relating to health, safety and environment, as well as other laws applicable to the activity of the Supplier; and xi) comply with the rules and procedures defined and guided by Movida.

#### 4.2.f Supply Chain

The Client has procedures to homologate all providers of goods and services. For a provider to be accepted as supplier, it must meet criteria relating to quality, health, safety, labor regulations and environment. In addition, the provider must demonstrate and declare that no child or forced labor has been used in its operations and declare formally that it is against bullying, sexual harassment, and discrimination in any form.

### 4.3 Resource Efficiency and Pollution Prevention

#### 4.3.a Resource Efficiency

##### 4.3.a.i Greenhouse Gases

As a major logistics operator whose business relies on vehicle rental and use and fleet outsourcing, GHG generation is the most relevant issue concerning pollution prevention. In 2020, the Group had a total of 118,285 vehicles. Calculation of GHG emissions in 2020 considered Scope 1, 2 and 3<sup>6</sup>. In this period the Client emitted 201,380 t/CO<sub>2</sub>eq, which represents a reduction of 1.65% over 2019 GHG emissions.

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<sup>6</sup> Scope 1: emissions, generated in operations, fugitive releases and burning fuel from company cars. Scope 2: includes sources that provoke indirect emissions such as the purchase of electricity. Scope 3: emissions that occur in the life cycle of products.

The Client adhered to the 2020 cycle of the Brazilian GHG Protocol Program, which is a group of guidelines to help understand, quantify, and manage GHG emissions that establishes methods of data compilation about emissions from organizations in inventories. The Company performs a detailed assessment of Scope 1, 2 and 3 emissions and monitors these on an ongoing basis. In addition, it has adopted a series of programs and measures to reduce and control emissions including: i) early renewal of the fleet to ensure the use of more energy efficient vehicles<sup>7</sup>; ii) increasing the use of both electric and hybrid cars<sup>8</sup>; iii) planned increase in the use of photovoltaic energy systems to cover 100% of the Company's installations by 2030; iv) use of ethanol as a preferential fuel in all fleet; v) record the type of fuel used by Company clients to improve calculations on Scope 3 emissions; and vi) formal commitment to plant 1 million tree seedlings by 2022 as compensation for GHG emissions to recover the Araguaia River Biodiversity Corridor, by means of a partnership with the Black Jaguar Foundation.

Part of the current financing operation includes the provision of technical assistance to prepare a medium- and long-term action plan to reduce GHG emissions. An external consultant will assess Movida's GHG baseline and will provide a GHG reduction action plan (including KPIs).

#### 4.3.a.ii Water Consumption

In 2020, water consumption was 150,930 liters and in 2021, the goal is to further reduce this consumption by an additional 5%. The Client monitors and manages water consumption in its operational units. The Company's Sustainability Committee established, in January 2020, a 5% reduction target in relation to the previous year, which has been achieved due to various initiatives undertaken, including the use of flow control systems in sinks, toilets and showers, use of dry wash methods for cleaning cars and implementation of water reuse systems.

#### 4.3.b Pollution Prevention

##### 4.3.b.i Wastes

The liquid waste generated by the Group's operational units consists of effluents from the use of sanitary installations and drainage from vehicle washing and maintenance areas. Sanitary effluents are destined to existing public sewage collection systems and, in locations where public networks are not available, the Client has built septic tanks whereby sanitary effluents are treated to acceptable levels according to Brazilian norms. Periodic inspection of the latter facilities is performed, and licensed contractors are used to remove the slurries and dispose them safely.

Effluents from vehicle washing and maintenance areas are collected in water and oil separation devices, where the oily residues are periodically removed and collected by licensed external contractors for safe disposal.

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<sup>7</sup> The average age of Movida's rental car fleet is 1 year, compared to 14 years for Brazil.

<sup>8</sup> The company purchased 50 electric cars and is offering them for rental in São Paulo.

The Client is in the process of implementing solid waste management plans in all units and has committed himself to reduce the amount of waste sent to landfills by 50% by 2030. Solid waste is limited to office waste, organic waste and some hazardous waste generated in vehicle maintenance activities (basically oily residues). Initiatives are being developed to promote recycling and reverse logistics. The solid waste is segregated on site and stored temporarily before being destined to final disposal using licensed agents.

#### 4.3.b.ii Hazardous Materials Management

Hazardous waste such as lubricants, fuel residues and others are managed through the Client's existing waste management process, whereby they are temporarily stored on site and thereafter given to licensed third parties for their reprocessing or disposal in authorized areas.

#### 4.3.b.iii Pesticide Use and Management

The Client does not use pesticides.

### 4.4 Community Health, Safety and Security

#### 4.4.a Community Health and Safety

The Client has 264 business units spread all over Brazil and abroad which are situated in urban areas of various cities. Movida's activities have very little potential to cause community impacts as they are compatible with urban spaces and do not generate excessive noise, dust, or other pollutants of concern. The Company's operations interference with traffic is not material as it merges with existing urban traffic.

##### 4.4.a.i Infrastructure and Equipment Design and Safety

The Client's operational units are projected with a fire detection and response system which is mandatory to fulfill local regulations. The system covers fire extinguishers, emergency lighting, fire alarms, fire hoses, hydrants, signaling of emergency equipment, escape routes, meeting points and are approved by local authorities. In addition, in some operational units, trained emergency brigades are available to trigger the initial response in case of fire, involving evacuation, and communication with local firemen departments and first combat.

##### 4.4.a.ii Hazardous Materials Management and Safety

The Client's use and generation of hazardous materials is limited to lubricants and small amounts of detergent and cleaning products. Waste from these products is temporarily stored on site and collected by licensed operators that provide transport and safe disposal.

#### 4.4.a.iii Ecosystem Services

The Client conducts its operations in urban areas which do not provide significant ecosystem services.

#### 4.4.a.iv Community Exposure to Disease

Concerning the potential exposure of neighboring communities to disease and disease vectors, the Client performs disease vector control campaigns in all operational units. These involve periodical use of chemicals to control rodents and insects by licensed companies, as well as daily inspections to eliminate breeding areas for the mosquito (*Aedes aegypti*). Insect control is performed on a semiannual basis, except in units that have refectories, in which case it is performed monthly. Rodent control is performed quarterly in all operational units and mosquito breeding areas control is done daily, particularly during the rainy season.

Regarding the effects of the COVID-19 Pandemic, the Client follows established health protocols to protect its work force and clients, including mandatory use of masks and alcohol gel, signaling to ensure social distancing and the use of home office to avoid exposure of workers that can perform their duties remotely.

#### 4.4.a.v Emergency Preparedness and Response

The Client operational units are appropriately fitted with fire safety systems to cope with fires. Nonetheless, structured emergency response plans will be developed for some operational units.

#### 4.4.b Security Personnel

All property security services at Movida are armed and provided by third-party companies which comply with the Brazilian legislation (Law 7.102/84). The Client has measures in place to control risks generated by security to both internal and external public. The first control measure consists of the verification of the documents of the security services providers to assess compliance with Federal and State regulations on the matter. The second control is the assurance that all new security personnel are trained in the Client's Code of Conduct. The third control is by monitoring performance and appropriate behavior of security personnel, as it operates within the Client's operational units. The last control is the monitoring of issues involving security personnel is the grievance channel.

The external providers of security services need to ensure compliance with a series of conditions established by Brazilian regulations. These include: i) previous verification of security personnel criminal records; ii) behavioral training; iii) training on the use of force in specific situations; and iv) training on the use of firearms.

As stated in the Brazilian legislation, only security professionals with a clean criminal record that has been approved at the training courses can receive a security professional card. A security officer can

revalidate the card after having approved regular retraining and demonstrated adequate professional skills and track record.

Before closing a contract with an external security services provider, the Client verifies that all mandatory documents required by the Brazilian legislation are in place.

#### 4.5 Land Acquisition and Involuntary Resettlement

The Client does not carry out operations that involve involuntary resettlement of people.

#### 4.6 Biodiversity Conservation and Natural Habitats

The Project does not affect any critical natural habitats as it operates in urban areas.

#### 4.7 Indigenous Peoples

Due to the location and characteristics of this client's operations, no impact on indigenous people are expected.

#### 4.8 Cultural Heritage

The Group's operations are developed in urban contexts, usually on rented property. So, no impacts on cultural heritage are expected.

### **5. Local Access of Project Documentation**

The documentation relating to the project can be accessed at the following link:

<https://ri.movida.com.br/a-companhia/relatorio-de-sustentabilidade/>