

 **frete.com**



**Bringing sustainability and
efficiency to the world.**



We are the largest road freight transportation platform in Latam. With our network and safety we are bringing sustainability and efficiency to the world.

frete.com



We use technology to connect shippers to truck drivers, optimizing trucks' excess capacity, increasing security, and minimizing bureaucracy, saving up to 25% on shipping costs, increasing truck drivers' profits by 50% and reducing CO2 emissions.

Frete.com was born in 2013, with three business units: Fretebras, the largest freight platform in Latin America and one of the largest in the world, connecting shippers and truckers digitally; our fintech,

Fretepagó, that offers financial solutions to truckers and shippers; and Cargo X, that offers a full suite of digital services brokerage to shippers.

Our platform has reached a significant size with c. **R\$ 100** bn in transactions, or c. **40%** of the entire trucking market in Brazil, c. **90%** growth compared to the previous year. We also have c. **40%** of truckers using our platform, with more than **90k** active everyday.



More than **BRL 100 bi** in transactions



300 thousand truck drivers are active on our platform per month and 90 thousand are active per day.



The total distance of trips booked in our platform in 2021 would be approximately **10,9 thousand trips around the globe.**



More than 1.7 mm freights carried by truckers every month



BRL 2.5 trillion in value of cargo transported



2nd largest road freight transportation platform **in the world**



1,216,200 app downloads by 2022



90% of annual growth

Frete.com's Commitment to ESG

*Environmental, Social,
and Governance*

Frete.com brought innovation to the logistics market in some important aspects: we revolutionized the transportation sector through digital transformation, bringing efficiency to the sector.

Frete.com is also innovating by bringing positive impact to Latam and the world by combining its strategy with ESG pillars: integrating environmental, social, and governance aspects into its operations, bringing better results for its business, in addition to positively impacting the internal and external public and the environment.

In this context and realizing the importance of playing an active role in this matter, the company created an area 100% focused on ESG. The result has been very positive with several actions already deployed in the first year of its existence but with a lot still to be done. In the following pages, we detail the several successful initiatives already implemented by our group.



Environmental

MOSS

In 2021, Frete.com formed a partnership with MOSS, a climate tech company whose mission is to combat climate change around the world. MOSS assists its partners with developing environmental solutions to offset their carbon emissions. MOSS is preparing the inventory of how much CO2 our operation generates so that we can understand the impact of our operation in the environment in 2021 and most importantly how we can proactively do something about it. The

inventory began to be prepared in 2021 and its result will be released in the second quarter of 2022. Based on this, we will be able to (i) analyze ways to reduce the emission of greenhouse gases generated by our operation, (ii) establish climate commitments and targets for offsetting carbon credits that we generate, and (iii) suggest alternatives for our clients and partners to reduce their CO2 emission.

MGM

In 2021, in a partnership with IDB and supported by a specialized external consultancy firm, MGM, we developed a methodology to calculate greenhouse gas emissions produced by the truckers hired by Cargo X. This methodology allows us to have a better understanding of the emission

of greenhouse gases generated by Cargo X's operations and to create concrete projects and goals to significantly reduce the emission of greenhouse gases. This project will be finalized and expanded to Fretebras in 2022/2023.



Social

External initiatives

- ➔ Social tax incentives
- ➔ Financial education
- ➔ Fretepageo
- ➔ Community team
- ➔ Trade marketing
- ➔ Safety





Social tax incentives

In 2021, we started a partnership with Hub do Incentivo, a company that focuses on helping companies to allocate part of their taxes in social programs. As a consequence, Frete.com is already allocating part of its

taxes to promote sports and cultural incentives in several locations across Brazil under the Tax Incentives Law. For 2022, it is expected that approximately BRL 500,000 will be allocated to those projects.



Financial education

With the goal of supporting truckers in Brazil, Frete.com developed several programs focused mainly on financial education for truckers.

Learn more about the programs:

Papo de Confiança

Carried out in partnership with Trucão, a truck driver influencer, “Papo de Confiança” is an action aimed at increasing financial education for truck drivers with 32 episodes on the subject and other topics.



Meu caminhão, minha empresa

Also in 2021, with the support of a truck driver influencer called “Mit Muriçoca”, Fretebras published a series of videos on Instagram, Facebook, and YouTube named “Meu Caminhão, Minha Empresa”, covering topics such as financial control, negotiation, and relationship with clients. The purpose of the series was to bring relevant information to truck drivers on how to get more profit

from their work, have the mindset of a business owner and provide tips for negotiating the value of the freight.

Overall, we published 8 posts on Fretebras’ Instagram and Facebook having reached approximately 160,674 people per post and a total of 78,938 interactions. 4 videos were published on YouTube with 30,087 views.

Cost Calculator

Fretebras launched a free online tool to help truck drivers to understand and analyze the correct cost for their freights and based on that negotiate a fair price for their work.

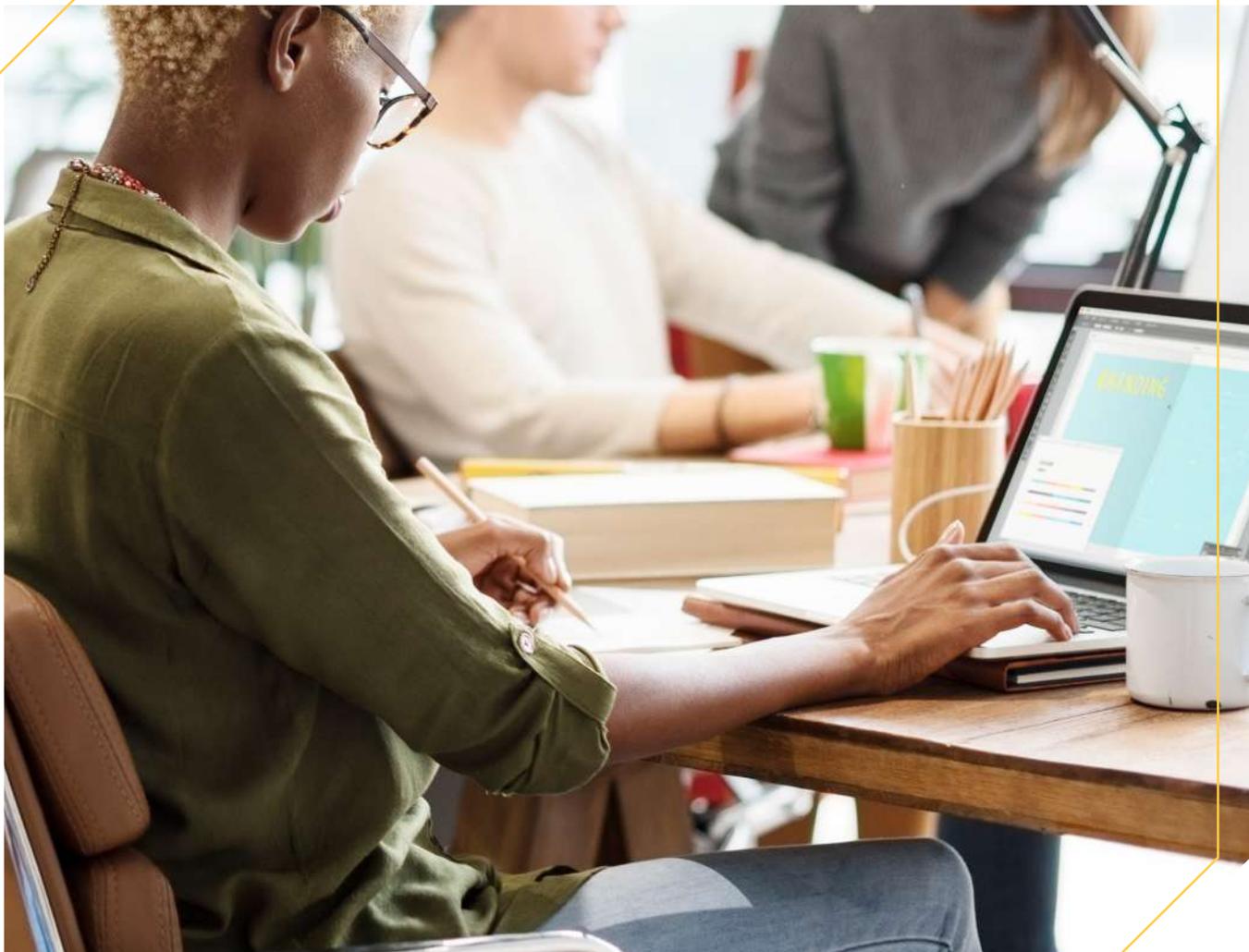
The calculator was accessed 284,043 times between July 2021 and March 2022.

29 posts were published about the Cost Calculator that explained how the tool works and highlighted the importance of negotiating the cost of freight, considering the financial health of the self-employed truck driver. The posts had an average reach of 70,129 people per post and a total of 456,777 interactions.

Fretebras' School

The Fretebras' School is a content platform that explains how the Fretebras' platform works and its functionalities. The content allows

users to have higher agility and productivity in their operation. In 2021, we had 27,192 accesses to the platform.

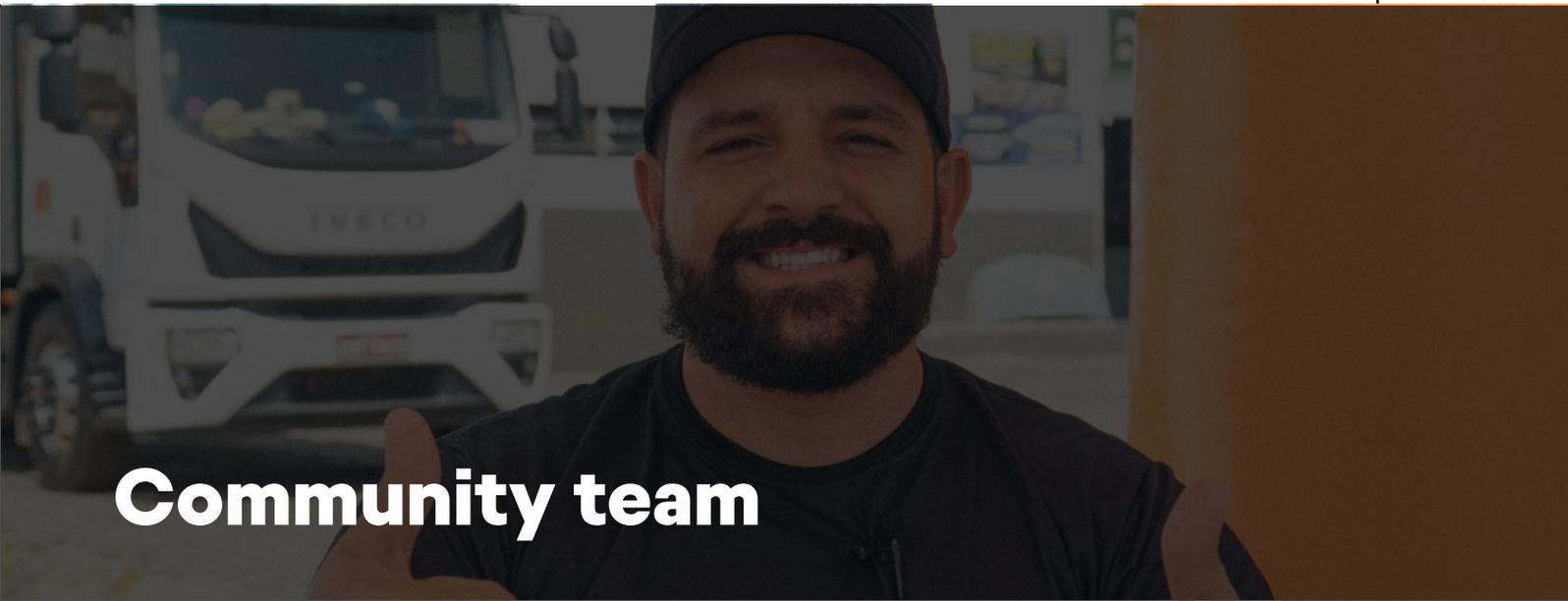




FretePago

Our fintech company is offering digital accounts to thousands of truckers for free. Means of payments are one of the highest costs to truckers. With the digital accounts that our fintech offers, truckers save more money at the end of the month.

Our fintech also offers working capital to shippers at an adequate cost, which is something that most do not have access in Brazil with appropriate terms. With this, we allow them to prosper and grow.



Community team

In April 2021, Fretebras created the “Community” team to get closer to truck drivers, establishing a direct dialogue and supporting them to improve their personal and professional lives.

The team expanded the “Ambassador Program” and in 2021 Fretebras had 32 brand ambassadors, i.e. truck drivers who use the platform and represent

the company daily, sharing information and new improvements to the app on usability, security, and financial education.

This year, the goal is to reach 400 ambassadors and start fireside chats promoted by ambassadors with the potential to impact up to 60 thousand truck drivers.



Trade Marketing Events

Frete.com is committed to improve truck drivers' quality of life and with this in mind, in 2021, we held events at gas stations across several

States in Brazil aiming at improving the trucker's health. Here are some examples of such events:

Truck driver health stop

August/2021 and September/2021
Santa Catarina and Rio de Grande do Sul States: 138 appointments with nutritionists, 188 Covid tests, 377 blood glucose tests, 296 blood pressure tests, breakfast, snacks, haircuts, and gifts were offered to truckers.

National Campaign to Combat Alcohol and Drug Use on Highways

August/2021 - Santa Catarina and Paraná States: 524 blood glucose tests, 31 Covid tests, breakfast, snacks, haircuts, and gifts were offered to truckers.

Truck Driver Week

September/2021 – Bahia, Maranhão, São Paulo, and Minas Gerais States: Breakfast, snacks, massage therapy, gifts, blood pressure measurement, and haircut were offered.



Tamo junto na rodagem

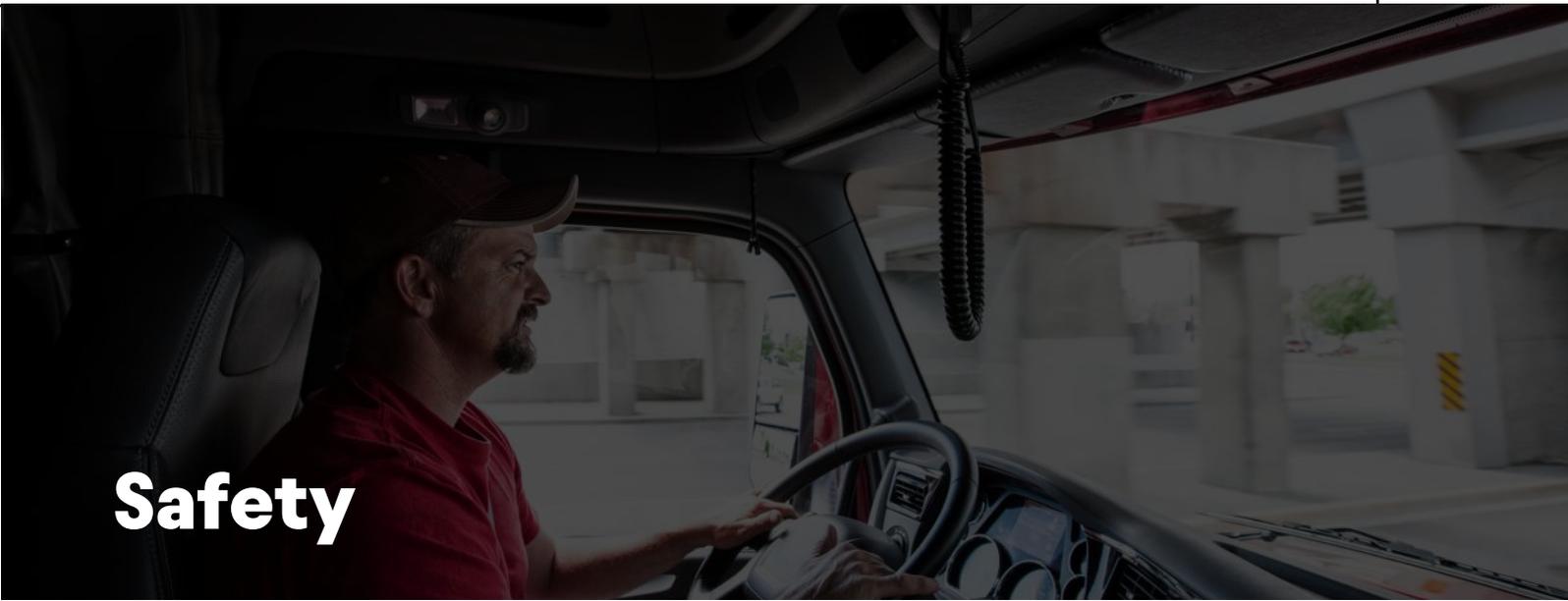
November/2021 – Goiás State – Breakfast, snacks, haircuts, and gifts distribution were offered.



National Mobilization Reduction of Cargo Theft on Highways - SEST SENAT

– November/2021 – Rio Grande do Sul State: Haircuts and gifts distribution were offered.





Safety

In 2021, Fretebras created the “Safe Freight Program” having invested BRL 30 million in initiatives to provide safer cargo transportation on our platform.

Ombudsman: Official channel for truck drivers to contact us, the ombudsman’s team tripled its size in 2021, increasing the efficiency and agility of our relationship with our truckers.

Among the initiatives, we highlight some that had a crucial impact on our customers:

Creation of the fraud prevention structure: A team dedicated to create, develop and monitor processes to strengthen safety on the platform. Effective fraud involving the use of Fretebras had a 67% reduction compared to 2020: 90 loads out of 8 million total loads, which represents c. 0.0001% of the loads on the platform.

Risk Engine: Implementation of a robot to analyze thousands of freights posted on the platform to identify suspicious behavior that could signal fraudsters' actions. In case of suspected fraud, an alert is sent to the Security team.

Two-way assessment: Implementation of a tool that enables the rating of truck drivers and shippers after a freight, which increases safety of the users interacting on our platform.

Awarded Evaluation: Initiative that rewards truck drivers in cash for the reviews received on Fretebras. The higher the number of ratings the driver receives, the higher he earns. In 2021, more than BRL 300 thousand in prizes were paid to more than 800 truck drivers in 5 months.

Communication: We communicate with customers and truck drivers to clarify the safety tools in our app and actions that drivers could take to increase their safety on the road.

Social media: We also published posts containing videos addressing the topic through brand ambassadors and influencers: 16 posts on Fretebras' Instagram and Facebook, which reached approximately 56,779 people per post and a total of 28,391 interactions. On YouTube, 4 posts were published with a total of 867 views.

The contents cover topics such as validation of companies, alerts on suspicious freight and the ombudsman. App's features such as private check-in, evaluation, and the button to contact Fretebras were also highlighted.

Cargo X's security investment

Cargo X maintained its prevention and awareness actions on the roads to guide shippers, guaranteeing the

life and safety of drivers and avoiding damage to the environment. Some of these actions include:

Push via Cargo X app and WhatsApp:

A total of 655,078 notifications were sent to truck drivers regarding benefits offered by Cargo X, good practices in the transportation sector, cost reduction, security, and much more.

Good Practices and Care on the Road

Guide: material prepared by Cargo X and made available to all shippers with guidelines aimed at truck drivers such as periodic maintenance of trucks, defensive driving, travel planning, traffic legislation, and others.

Quiz: Quiz about the material “Good Practices and Care on the Road Guide” for training drivers who were involved in accidents as a condition for returning to the platform.

Speeding: Monitoring of tracked vehicles that exceed the maximum speed allowed on the roads. In cases of recidivism, the truck driver is blocked so he/she is no longer available to work for Cargo X until the quiz mentioned above is taken.

Improvement in the registration

process: improvement in the process of blocking and unblocking drivers and vehicles in case they are not in compliance with the guidelines established by Cargo X.

Training for Operations and

Commercial teams: Training developed for Cargo X's internal teams to ensure the application of risk management rules to avoid harmful events due to non-compliance with the rules and policies. The training talks about risk management rules, products, policies, insurance obligations, claims, event types, etc.

Accidents with truckers hired by the Cargo X

Cargo X transported 36,254 freights during 2021 and had only 16 insurance claims, representing 0.02% of the total. Compared to 2020, we had a significant reduction of 50% in the number of claims (16 x 32).

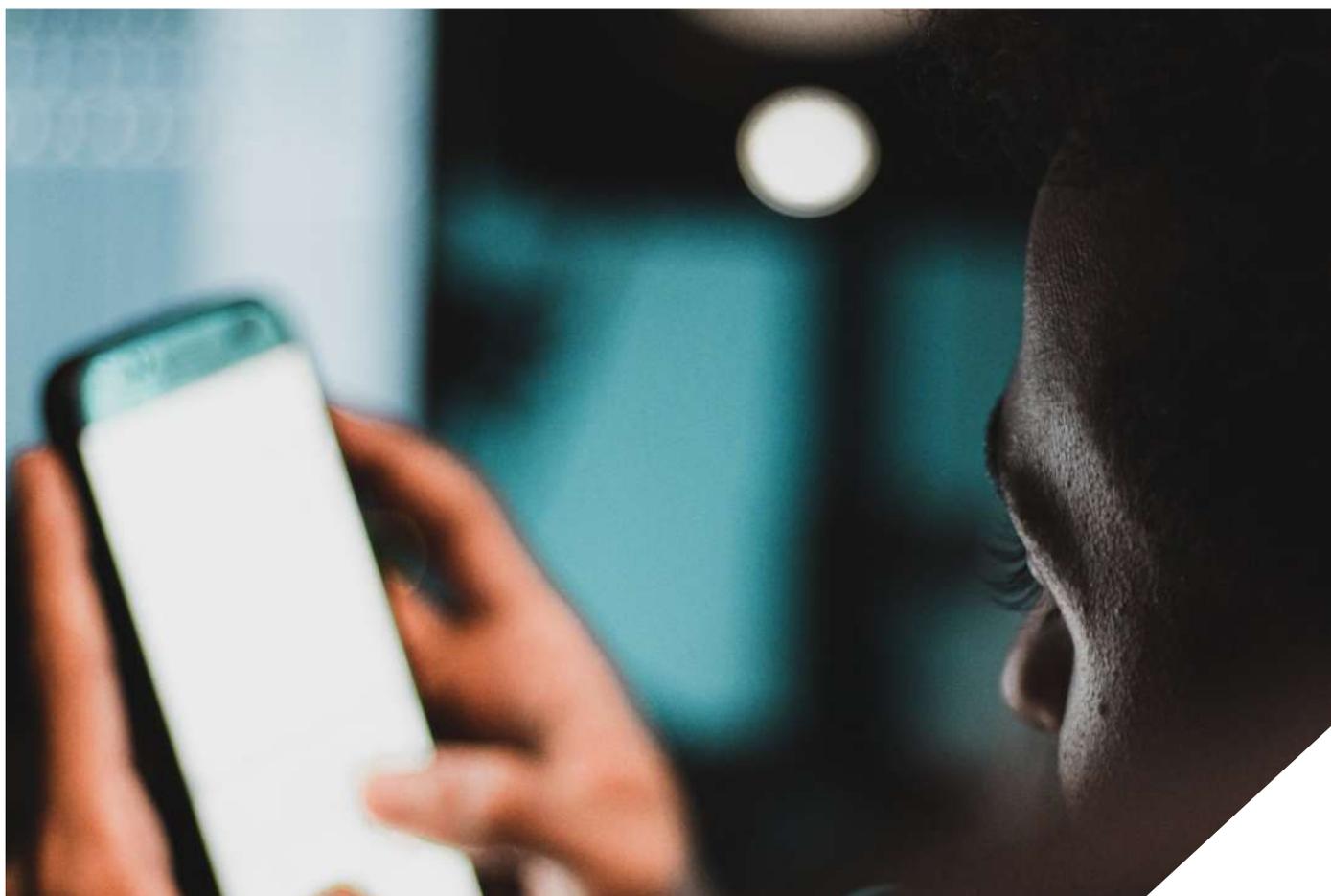
We also had significant progress in the

numbers related to traffic accidents: in 2021 there were 8 accidents against 26 in the previous year. Among these accidents, there were no deaths or events that could have had an environmental impact.

88i Partnership

In October 2021, Cargo X started a partnership with 88i to add value to our services, offering to truckers drivers hired by Cargo X, the possibility of contracting 24-hours assistance packages and life assistance insurance .

The functionality was added to the Cargo X app and was disseminated in various media focused on the logistics sector.



Internal initiatives

- ➔ Team's training
- ➔ Workforce
- ➔ Employment environment survey
- ➔ Workplace Accident Prevention Week





Team's training

In 2021, Frete.com invested BRL 356k in training for the development of its employees. Some examples of available trainings are:

The Leader's Journey, a training of Business Partners, an overview of the road freight transport sector in Brazil, Design Thinking, First leadership, and a training of internal multipliers.

Besides, we invested in our development platform named "Desenvolve Oráculo", offering 103 courses to all employees on the development of soft skills, socio-emotional competence, conflict management, time management, work tools, and others, reaching a total of 3,042 accesses in the year.



Workforce

In 2021, Frete.com had 815 people:

400
men

(49% of the workforce):
the average age was 32

415
women

(51% of the workforce):
the average age was 31

36%

of leadership positions
are held by women

26.3%

Annual turnover rate

Employment environment survey

The 2021 employees satisfaction survey had the engagement of 78.1% and presented (on a scale of 1% - 100%

with 1% being very unsatisfied and 100% extremely satisfied) the main following results:

Context

This is the dimension that measures employees' perception of the country's political/economic scenario and the job market

39.85%

Information and Knowledge

This is the dimension that deals with the alignment of the business and the company's strategy

86.40%

Employee Net Promoter Score (eNPS)

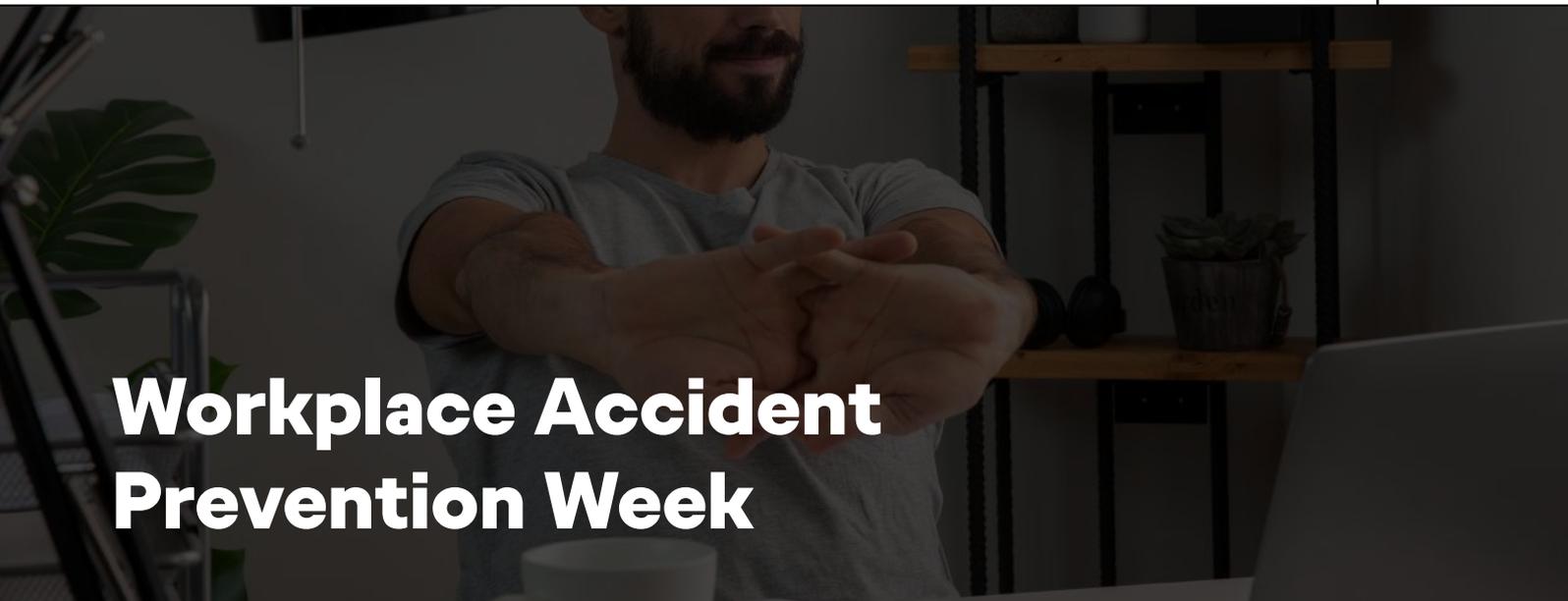
When employees were asked how likely they were to recommend frete.com as a good place to work, the NPS score was

78%

Climate

Amount based on the average between: "people", "management structure", "rewards", "decision-making process", "work processes", "commitment" and "satisfaction"

85.20%



Workplace Accident Prevention Week

In October, CIPA (“Internal Accident Prevent Commission (CIPA)”) held the internal workplace Accident Prevention week at Cargo X.

The online event was attended by 307 employees with lectures that talked

about topics such as ergonomics, mental health in the pandemic, sexually transmitted diseases, preventive exams, and stretching and relaxation.

Diversity and inclusion

- ➔ Woman in Product and Technology



Frete.com respects the human rights of all individuals and does not tolerate discrimination of any kind in its work environment or business relationships. We believe in a welcoming and diverse environment and the strength and value of different thoughts and experiences as essential to the existence and growth of the business and society as a whole.

To reinforce our commitment to the theme, in 2021, we created the Diversity and Inclusion Committee to foster debates related to a plural and safe work environment and to start the designing of Frete.com's actions to improve our diversity and inclusion. The objective is to advance in the theme, make proposals and ensure the combat of any type of discrimination against race, color, religion, belief,

gender, age, social status, family origin, physical or mental disability, sexual orientation, or special needs among others.

To support us in this journey, we partnered with an external consulting firm specialized in Diversity called Blend.Edu. The goal is to plan and design the governance of a structured Diversity and Inclusion Program, define strategic actions, goals, communication plan, and training. The work began in 2021 and the implementation of the program will take place in 2022, starting with a diversity census carried out with the entire company, and followed by a training for the leadership, events for all employees on topics related to diversity, and planning of actions aimed at diversity.



Women in Product and Technology

Fretebras has promoted a series of free lives starring female leaders to debate the reality and challenges of women within the digital products and technology areas. The goal was to discuss possible solutions that

promote positive transformations in the market, especially regarding the importance of equal opportunities for people of all genders in the Product and Technology sector.



Governance

Integrity and Ethics

- ➔ Ethics Channel
- ➔ Ethos
- ➔ Risk Matrix
- ➔ Audit
- ➔ Regulatory
- ➔ Committees



Frete.com knows the relevance of its role as a multiplier of ethical practices in society and especially in the communities we impact. We intend to build a transparent, ethical, and inclusive environment for our employees, truck drivers, suppliers, partners, and carriers, making us a reference of integrity for all parties with whom we relate.

The Frete.com Integrity Program grew and strengthened in 2021 intending to consolidate the group's ethical culture. It is the set of mechanisms and internal procedures of integrity, auditing, and incentive for whistleblowing that aims at detecting and preventing deviations, frauds,

irregularities, illegal acts, and other legal infractions and non-compliances in Frete.com, having the Code of Ethics as its essential pillar.

In 2021, we had an important milestone for the group with the expansion of the Integrity Program to Fretebras with the launching of the Code of Ethics and Anti-Corruption, Anti-Money Laundering and Fraud Prevention Policies; Consequence Management Policy, Rules of the Ethics Committee and the whistleblowing channel managed by a Fretebras partner, called Áliant, which is the same used by Cargo X. We also engaged several areas to create unique training modules about the Code of Ethics.



Ethics Channel

Our Ethics Channel is the official channel for complaints about corruption, fraud, violation of laws, or non-compliance issues. It operates 24 hours a day through the site or 8 hours, on weekdays, by telephone. The channel is also operated by an independent third-party company that collects all data provided by whistleblowers and stores it to ensure security, integrity, confidentiality and continuity of the operation. Frete.com employees can also report any complaints directly to the Compliance area.

After the third-party company screening, all complaints are received and analyzed by the internal Compliance team.

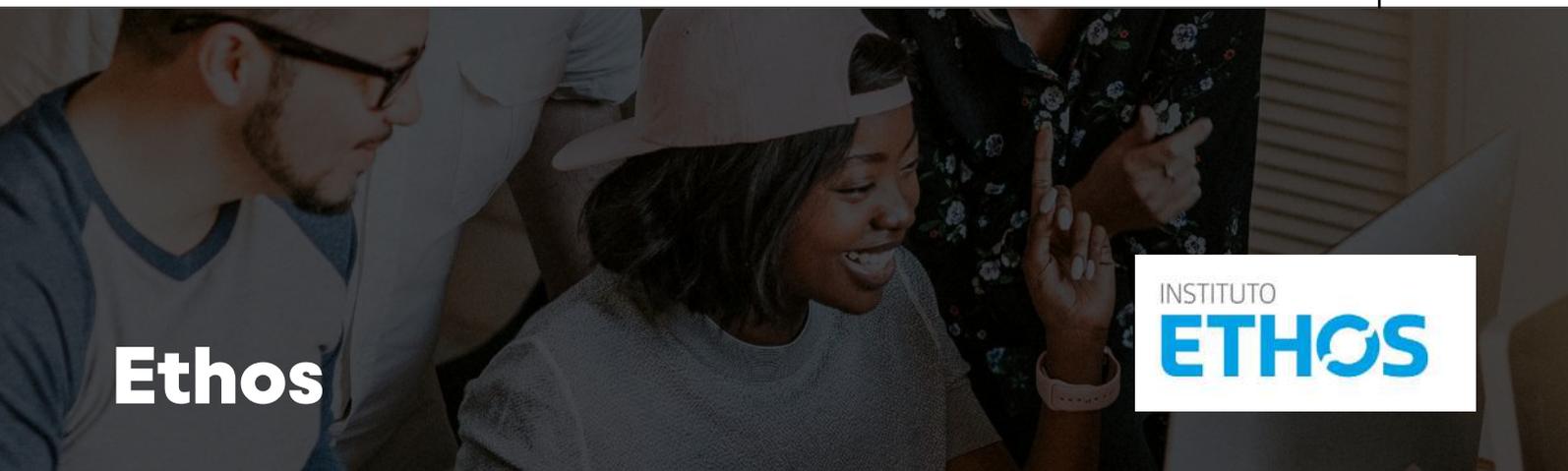
Depending on the Compliance assessment, the complaints can go to the Ethics Committee, to define the corresponding disciplinary measures according to Frete.com's Consequence Management Policy. According to the severity of the facts, the consequences for those involved included verbal warnings up to the termination of the employment contract.

Between January and December 2021, we received 8 reports primarily involving misconduct, among them:

1 with high-impact resulted in termination of employment.

5 with medium impact potencial resulted in verbal warning disciplinary action

2 with low impact potencial were considered unfounded



Ethos

Frete.com knows the relevance of its social and environmental responsibilities and is committed to promote an increasingly sustainable and inclusive management. In order to support this trajectory, in 2021 Fretebras joined the Instituto Ethos.

Instituto Ethos is a Public Interest Civil Society Organization, with more than 450 member companies and over 20 years of existence, whose mission is to mobilize, raise awareness, and help companies manage their businesses in a socially responsible way.

The Institute enables our teams to interact with other organizations and get to know the several social and environmental responsibility practices and actions, and share the goal of promoting a fairer, more inclusive, and

sustainable society.

This year we participated in the Ethos Indicators Journey, a management tool developed by the Institute which aims at supporting the incorporation of sustainability and social responsibilities:

Self-diagnosis questionnaire:

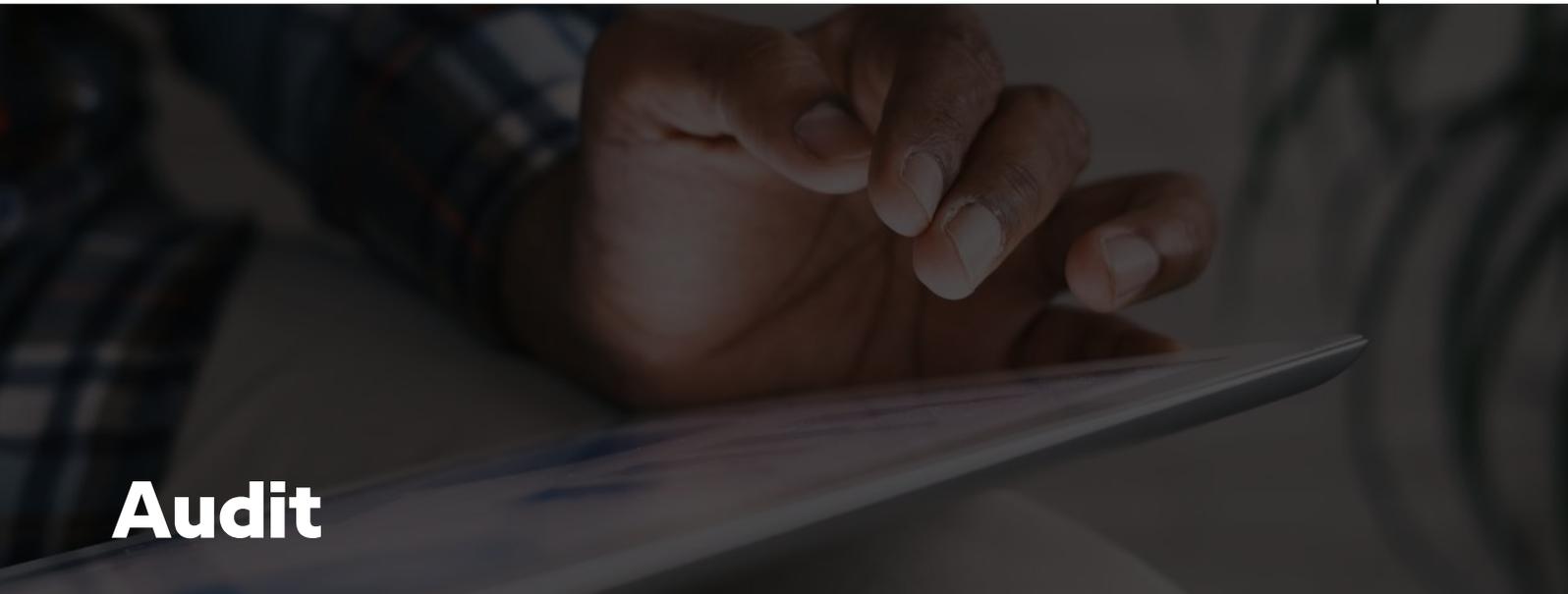
Based on the Ethos Indicators methodology, which integrates the principles and behaviors of social and environmental responsibilities, we filled out the questionnaire with the participation of several areas of the company and obtained reports that supported us in the construction of action plans and goals for progress in this theme for 2022.



Risk Matrix

We have progressed in the development and review of Frete.com companies' risk matrix. The risk matrix was created based on the processes mapped by the Internal Controls area and involves processes related to the companies' business. The risks are classified as low, medium, high, or extreme, according to the probability of their occurrence and their impact on the company. The risk classifications were made by the

Internal Controls area together with the areas responsible for the risks. For each risk identified, mitigating actions are defined by the business areas, and the statuses of these actions are checked monthly in the follow-up conducted by the Internal Controls area. The result of the monthly follow-up is reported to the areas' managers and the Financial Director.



Audit

In 2021, Frete.com started conducting internal audits. Three audits occurred in the following processes of Cargo X: (i) drivers and vehicles registrations; (ii) receivable accounts and banking; and (iii) drivers searches and hiring. Among the 4 possible classifications for an audit, the 3 audited processes were classified as “improvements needed”, this being the second-best classification. This means that the condition of the processes and internal controls showed moderate deficiencies and/or inefficiencies

were detected without the finding of financial losses or fraud in the audited processes. After that, action plans were defined along with the responsible areas to mitigate the identified risks ,and monthly follow-ups are also being conducted by the Internal Controls area to ensure that the action plans are being executed and that they are sufficient to mitigate the risks.

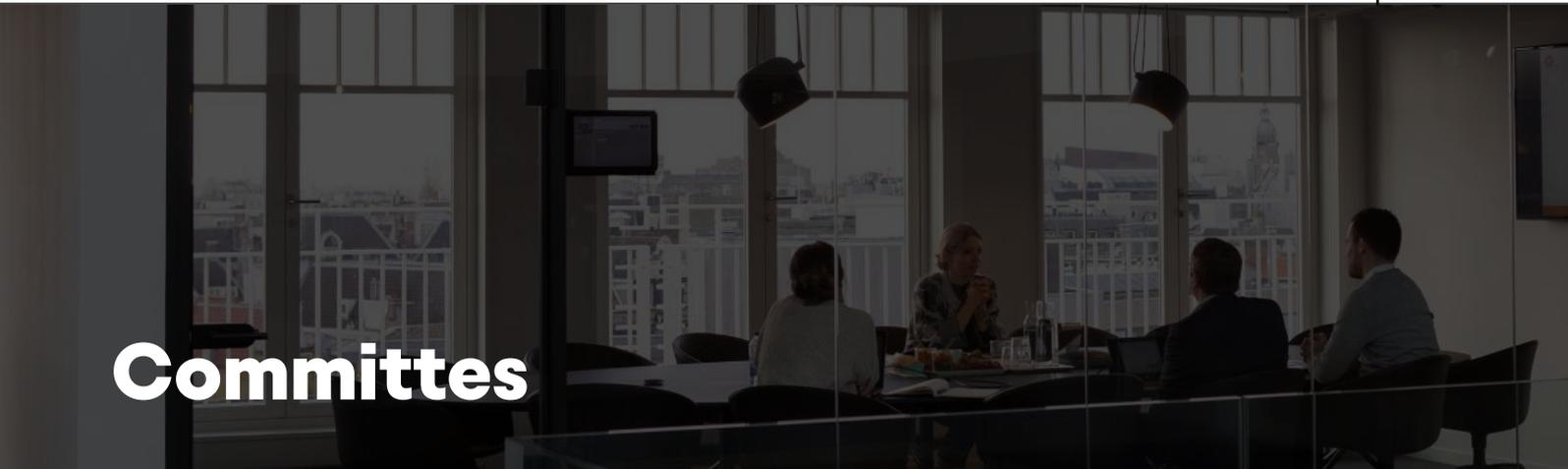


Regulatory

In order to improve monitoring processes of the Regulatory Environment and its compliance with regulations, Frete.com has structured a regulatory area. To achieve that, we have updated our procedures related to research and analyses and created documents related to the governance of the area, to ensure the effective collection of information that can be used for decision making and establishment of companies' strategies.

We have mapped applicable standards and regulations to verify the adherence and adequacy of our products and processes.

In addition, we have mapped a draft of laws that may impact the sector in the future to anticipate market trends, adapt our products and processes to the new reality, and develop business strategies and new products based on this information.



Committees

To strengthen our governance, we have established the following 7 committees:

Audit Committee

Formed by investors, C-Level and some strategic areas to assist the Board in overseeing Frete.com’s accounting and financial processes to ensure the integrity of the financial statements and the independence of the external auditors, and to assess the risks and controls of the company’s operations.

Ethics Committee

It is the body that has the purpose of ensuring the effectiveness and legitimacy of Frete.com’s Integrity Program and deliberating on major ethics and compliance issues.

Diversity and Inclusion Committee

Its objective is to discuss Frete.com’s actions toward the structuring of a Diversity and Inclusion Program.

Risk Committee

Assists the C-Level in understanding and defining guidelines and strategies for the company’s main risks.

Cybersecurity Committee

Aims at ensuring a clear and visible direction to support the management of Information Security initiatives at Frete.com. The Committee is attended by representatives from each business unit and Internal Audit area.

Strategy Committee

Formed by investors and C-Level to support the guidelines of the Frete.com strategy.

Compensation Committee

Formed by investors and C-Level to guide the remuneration of Frete.com’s top executives.

Cyber security

In 2021, Frete.com created its Cybersecurity area and defined the strategy and investments frameworks commonly accepted in the market.



The strategy has, as its pillars, layered security, innovation, awareness, and risk governance. This year, a gap analysis was conducted to attest the Company’s maturity in cybersecurity, considering compensatory and mitigating controls, policies, and

compliance in comparison to the market.

As a result of this assessment, new controls were proposed. Among them are worth highlighting:



Security Committee



Security Risk Management



Third-Party Risk Management



Security Testing and Vulnerability Management



Policies Setting



Security Incident Management and Response Plan



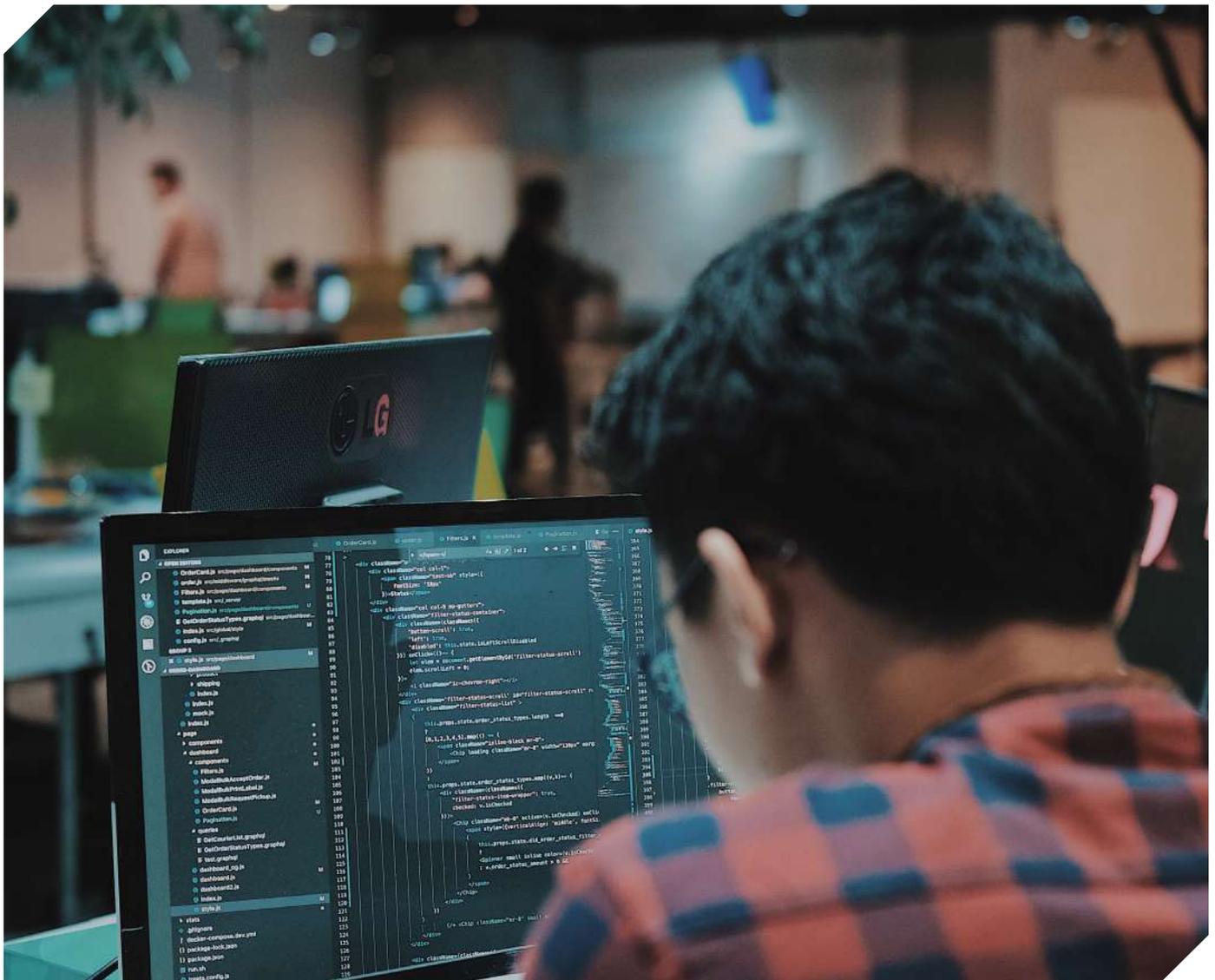
Prevention and Data Protection



Protection from threats and attacks on our platforms

Another important highlight refers to the Cybersecurity Awareness Campaign aimed at all employees that included educational reports, training, dissemination of news, phishing

campaigns, etc. This Campaign had 60% engagement in the Company. The group also trained 20 employees of technology areas for the safe development of new products.



Privacy

The Brazilian Data Protection Law came into force in August 2020. Since then, we have mapped our processes involving data, hired an external consulting firm, and worked to comply with the regulation.



Frete.com adaptation to the General Law of Data Protection in 2021

We have adopted a methodology, along with a specialized consulting firm, to monitor Frete.com evolution on compliance with Brazilian Data Protection Law according on 13 pillars: Purpose, Security, Governance, Disclosure, Adequacy, Non-Discrimination,

Necessity, Responsibility, Rights of Data Subjects, Processor, Data mapping (RoPA), DPO and Incident Management.

During 2021, we have established several initiatives to improve our maturity such as the following:



Definition of the Data Protection Officer (DPO).



Implementation of personal data controls and management.



Cargo X and Fretebras Privacy Policies creation.



Conducting privacy training for all employees.



Creation of internal and external communication channels for issues related to data subjects.



Definition of processes and governance for new projects to be compliant with the Brazilian Data Protection Law.



We created six Information Security Policies to establish many security and privacy criteria as well as access and incident management.



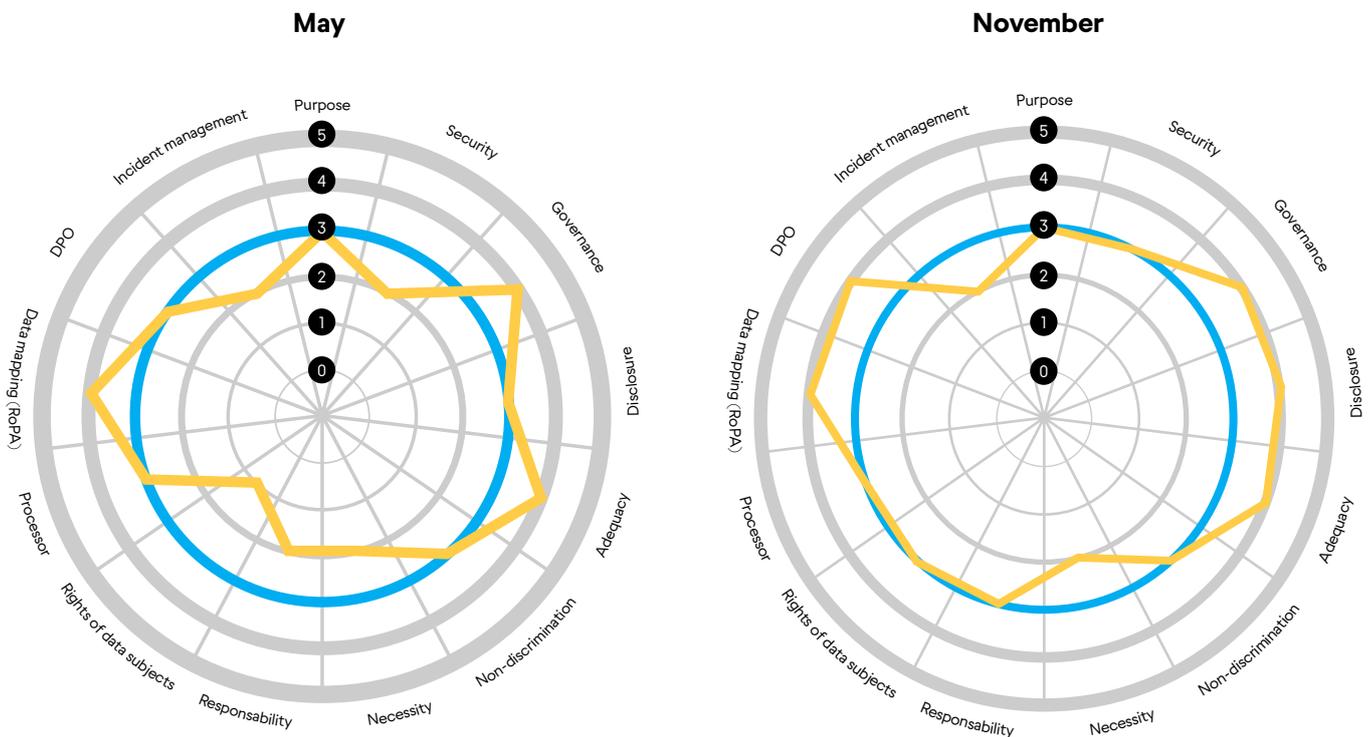
Update of the data protection clauses in contracts with our customers, suppliers, employees and business partners.



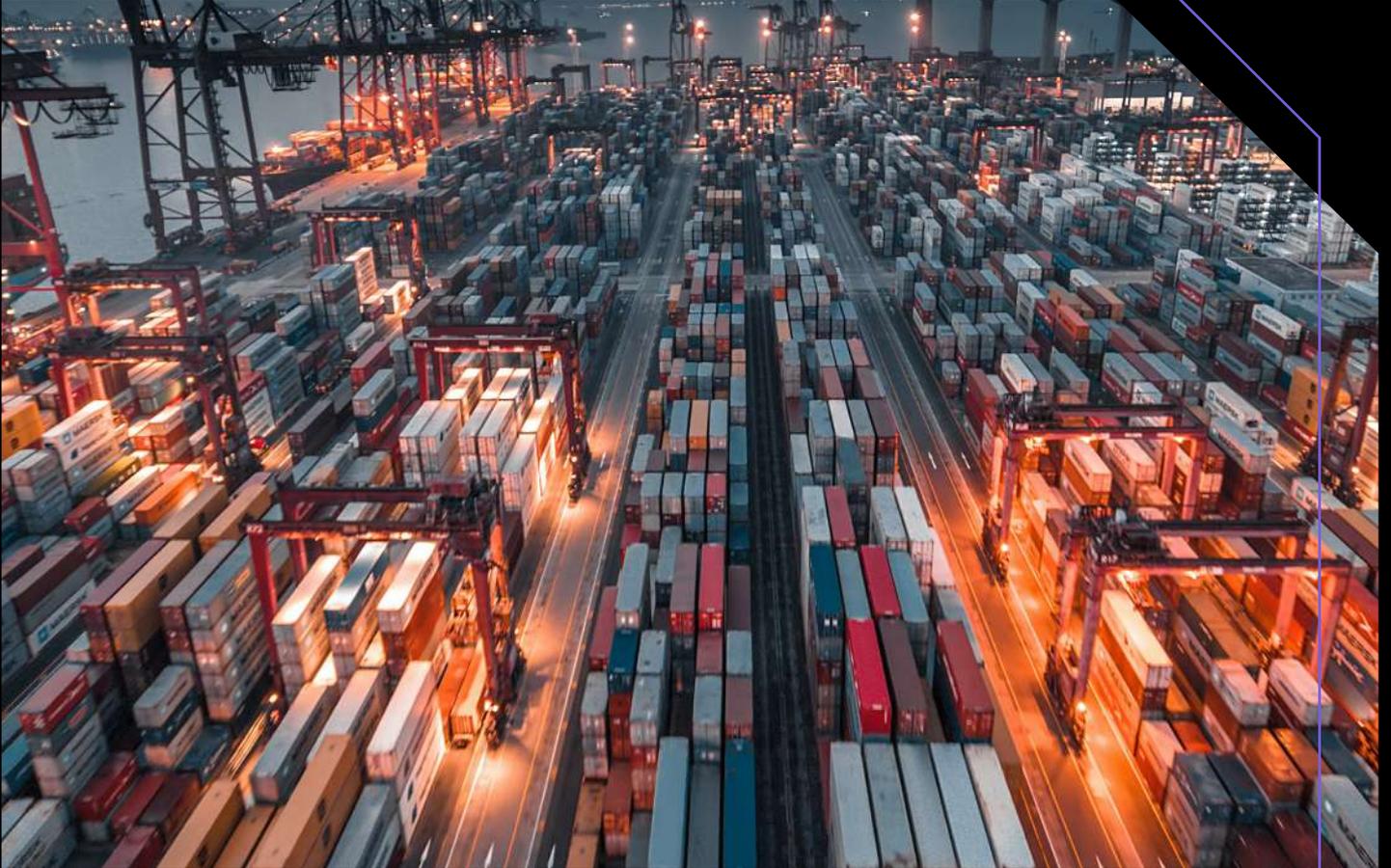
We developed policies for the Treatment of Internal, Employee and Candidate Data, to clarify which personal data is treated by the company and establishes the purposes for such treatment.

As a result, we had this progress during the year:

Cargo X and Fretebras maturity level ●
 Compliance level ●



Level	Process maturity
0	Lack of processes
1	Disorganized processes applied on a case-by-case basis
2	Procedures are followed by different people doing the same task. The execution is linked to the individuals performing the tasks, not to the process itself, which creates a greater risk of errors.
3	Standardized, documented and well-communicated procedures.
4	Monitoring of procedures and interventions adherence in case of non-conformities in the process.
5	The processes were improved and reached a level of good practices.



Coming Soon

We have done a lot in just one year but we are very excited with what will come next!

In 2022, Frete.com will ensure that our business and products are increasingly driven and designed to integrate with the ESG pillars, maturing our culture in this theme. For this purpose, we will focus our efforts on the adoption of stricter standards of controls and indicators and work on identifying strategic opportunities that have a positive impact on our business.

Also, among a few more actions, we will promote initiatives aimed at truck drivers, including financial support with the evolution of our fintech. We will develop environmental actions to offset greenhouse gas emissions and improve the monitoring of our impact. We will also invest in the Company's Diversity and Inclusion Program by carrying out actions aimed at the practice and culture of

Diversity and Inclusion in the group. In addition we will continue to invest in our employees, offering training and career development opportunities, including the launch of our own education platform, Unifrete. We are also studying the implementation of our Privacy Program with a broader scope and to ensure the continuity of the work that has been done so far to adapt to LGPD.

We are very excited about everything we have done so far and look forward to improving even more and investing in new projects in the years to come.



Eliminating inefficiencies in
the trucking industry.