



SUSTAINABILITY REPORT 2017/2018

RANDON[®]

Companies





‘ *Happy, innovative people,
working together to perpetuate
Randon Companies thanks to their
results. This is my dream.
This is my vision of the future.* ’

Raul Anselmo Randon

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A WORD FROM THE EXECUTIVE BOARD

G12 | G20 | EK30



Randon Companies sustain their continued growth through innovation in processes, products and management models.



YOUNG AT 70

David Abramo Randon, Executive President of Randon Companies

Randon Companies ended fiscal year 2018 with significant growth in most of the business lines, reaching near full company production capacity. We are inspired by the performance that has resulted in 45% growth in our consolidated net revenue. We have also increased our presence outside of Brazil, fulfilling our strategic objectives for international expansion and increasing competitiveness.

To reach 70 with a spring in our step – which we will be celebrating throughout 2019 – there have been countless actions involving innovations at all levels, especially attitudes related to the adjustment of organizational structures and investments in robust and diversified business models.

Innovation has played a fundamental role in Randon Companies being able to sustainably continue creating value for our stakeholders. We apply entrepreneurial creativity while fully aware that our natural resources are finite.

Actions were enhanced by a more consistent upturn within our markets of operation, which we hope to see continue. We have already glimpsed new horizons for a more promising scenario and we are confident that Brazil is finally on the right track.

Our heartfelt thanks to our committed and qualified personnel, our most vital asset, who have helped us build Randon Companies.

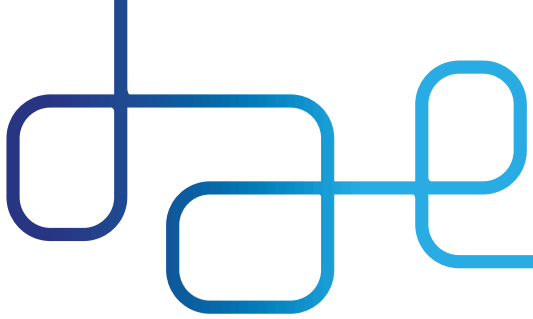
REPORT PROFILE

G12 | G20 | EK30



We are sharing our advances as a company committed to people, the environment, the market and society as a whole.

As such, we strictly follow the criteria and guidelines established by the Global Reporting Initiative (GRI), especially with regards to the methodology geared towards the evolution of sustainable management in companies, in its most ample scope.



RANDON COMPANIES

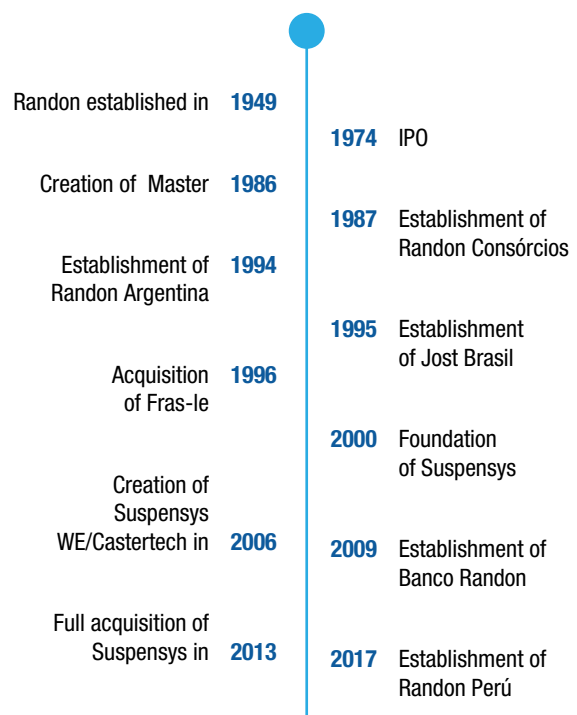
Randon S.A. – Implementos e Participações S.A (Randon Companies), is headquartered in Caxias do Sul, Rio Grande do Sul State, and is a mixed holding that controls ten companies in the vehicles and implements, spare parts and financial services sectors. Randon Companies are among the largest private companies in Brazil, seen as leaders in most of their industries of operation and ranked Level 1 in Bovespa's Corporate Governance scheme. Share control is handled by DRAMD Administração e Participações Ltda., together with the individual participation of each partner, together making up 41.8% of its total capital.

The conglomerate was formed in 1949, beginning with a small mechanics workshop that reformed industrial engines in Caxias do Sul. The complex is comprised by eleven operational companies, when including the controller Randon S.A. Implementos e Participações and those under its direct control: Fras-le S.A., Randon Argentina S.A., Randon Implementos para o Transporte Ltda., Randon Administradora de Consórcios Ltda., Randon Veículos Ltda., Master Sistemas Automotivos Ltda., JOST Brasil Sistemas Automotivos Ltda., Suspensys WE/Castertech Tecnologia e Fundação Ltda. (Suspensys WE), Randon Investimentos Ltda. (a Banco Randon S.A. holding) and Randon Perú S.A.C. The controlling company has four branches: Suspensys Sistemas Automotivos, Randon Chapecó, Randon Araraquara and Randon Linhares.

Fras-le falls under its control and, due to its acquisitions over the years, also controls Freios Controll, part of

Fremax Sistemas Automotivos, as well as Jurid do Brasil, Armetal Autopartes, Fanacif and Farloc. Fras-le runs 13 international operations, with 9 manufacturing plants and 5 distributions centers, maintaining an international sales and services network available in over 120 companies.

The company has an international sales and services network, catering to over 100 countries, with the most prominent being Chile, Mexico, Canada, USA, South Africa, as well as nations located in the Middle East, Asia, European Union and Mercosur.





RANDON COMPANIES



Randon Implementos: manufacture of towed vehicles (trailers semi-trailers) and railway wagons.



Randon Argentina: manufactures trailers and semi-trailers.



Randon Perú: manufactures trailers and semi-trailers.



Randon Veículos: manufactures off-road trucks and backhoes.



Suspensys: active in the production of suspension systems and components for commercial vehicles.



Fras-le: manufacturer of spare parts and friction materials, among them brake linings and pads for heavy vehicles, brake pads, linings and shoes for light vehicles, clutch facings, brake pads and shoes for motorcycles, pads for aircraft, pads and shoes for trains and underground trains, molded and woven brake linings, and universal flat sheets.



Master: manufactures air brake sets for commercial vehicle.



JOST Brasil: manufactures the joint and coupling gear that hitches towed vehicles to tractors.



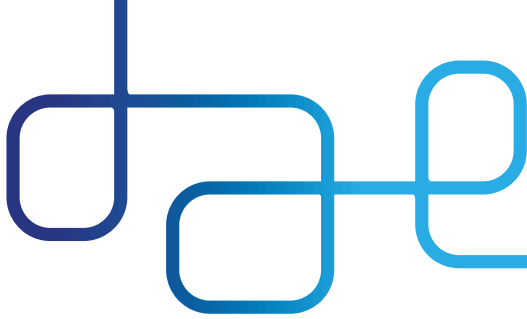
Suspensys WE/Castertech: manufactures components in nodular cast iron and axle heads for commercial vehicle.



Randon Consórcios: manages consortium groups for the acquisition of real estate, vehicles, road implements, agricultural machines and equipment, minibuses and trucks.

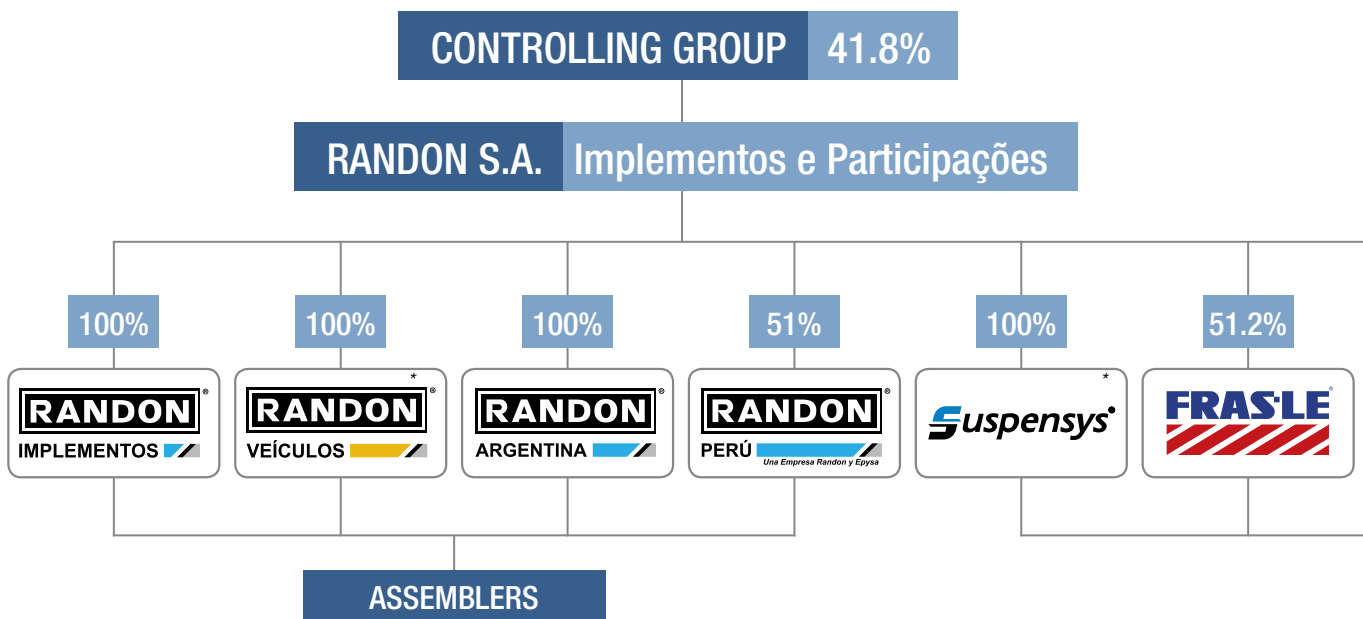


Banco Randon: a financial institution active in the domestic market and in the development of financial products and services in line with the business of Randon Companies.



OPERATIONAL STRUCTURE

Functional



AREAS OF OPERATION

Vehicle Assembly

The segment for implements, railway cars and special vehicles is represented by the following companies: Randon S.A. Implementos e Participações, Randon Argentina S.A., Randon Implementos para o Transporte Ltda., Randon Veículos Ltda., Randon Perú S.A.C. and branches of Randon S.A. Implementos e Participações: Randon Chapecó, Randon Araraquara and Randon Linhares.

Randon Implementos is the largest manufacturer of road implements in Latin America. It manufactures vehicle bodies, trailers and semi trailers in grain, tanker, dry cargo, dump, silo, refrigerated, sugarcane, sider and van models and, since 2004, hopper style railway cars, as well as gondolas, tankers, general cargo and platform cars, among others.

Randon Veículos is active in the development, manufacture, sales and technical service of off-road trucks, backhoes and skid-steer loaders, as well as the sale of spare parts and components.

Auto Parts

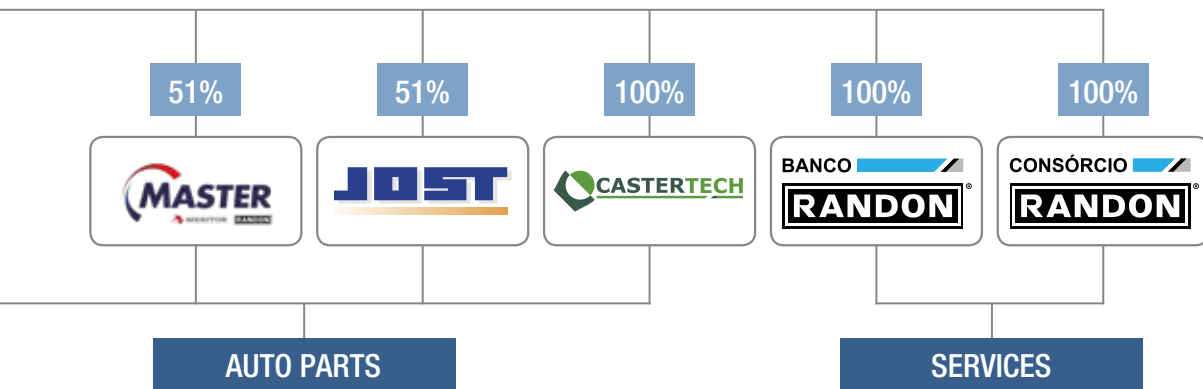
The Auto Parts segment is comprised of the companies: Suspensys (a branch of Randon S.A. Implementos e Participações), Fras-le S.A., Master Sistemas Automotivos Ltda., JOST Brasil Sistemas Automotivos Ltda. and Suspensys WE/Castertech Fundação e Tecnologia Ltda.

The main products manufactured by Fras-le S.A. are brake linings and pads that make up the brake set manufactured by Master Sistemas Automotivos Ltda., which, in turn, is part of the axle and suspension kit produced by Suspensys.

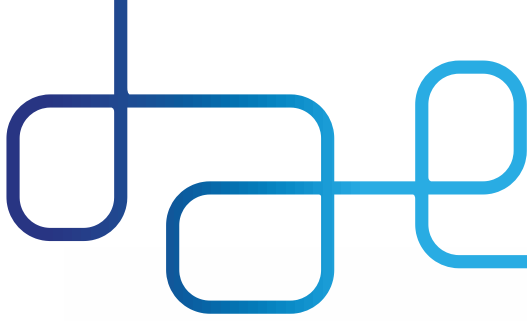
Suspensys WE/Castertech Fundação e Tecnologia is dedicated to the manufacture of axle heads that make up the suspension system. And JOST Brasil Sistemas Automotivos Ltda. produces the hitching kit that joins tractors to towed vehicles.

Financial Services

Financial services are represented by the following companies: Randon Consórcios and Banco Randon. Randon Consórcios manages consortium groups for the acquisition of fixed and non-fixed assets and Banco Randon provides support in sales, with financing geared towards customers and suppliers of Randon Companies.



**A branch of Randon S/A Implementos e Participações*



RANDON AROUND THE WORLD

Countries hosting operations



RANDON COMPANIES AROUND THE WORLD



INDUSTRIAL PLANTS



INTERNATIONAL OFFICES

BRAZIL | USA | MEXICO | CHILE | PERU | ARGENTINA | URUGUAY | COLOMBIA | NETHERLANDS | GERMANY

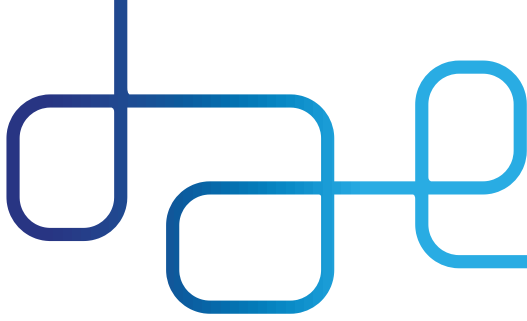


ASSEMBLY AND CKD UNIT
STRATEGIC PARTNERS



DISTRIBUTION CENTERS

| ALGERIA | ETHIOPIA | KENYA | SOUTH AFRICA | CHINA | INDIA | UNITED ARAB EMIRATES | EGYPT



CERTIFICATION

Quality in processes



ISO 9001:2015

This quality management system regulation permits monitoring of process consistency, gauging outcomes to increase competitiveness and, thereby, ensure customer satisfaction.

- Randon Implementos
- Randon Consórcios
- Randon Veículos
- Suspensys
- Fras-le
- Master
- JOST Brasil
- Fras-le Ásia
- Fras-le North America



ISO 14001:2004

This regulation establishes the requirements for implementing an Environmental Management System, aimed at establishing actions to promoted better environmental performance and prevent pollution.

- Randon Implementos
- Suspensys
- Fras-le
- Master
- JOST Brasil
- Suspensys WE/Castertech



ISO/TS 16949:2009

This is a technical specification aimed at companies that supply the automobile industry on a global scale.

- Suspensys
- Fras-le
- Master
- JOST Brasil
- Suspensys WE/Castertech



OHSAS 18001:2007

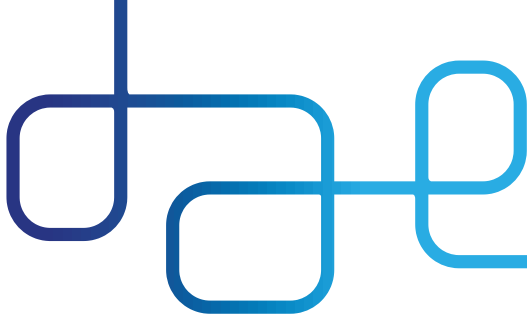
This regulation foster the obtainment and systematic control of the highest level of workplace health and safety performance.

- Randon Implementos
- Suspensys
- Fras-le
- Master
- JOST Brasil
- Suspensys WE/Castertech





Randon Companies
have earned the most
important quality, safety
and environmental
certificates.



AWARDS AND HIGHLIGHTS

Discover the leading awards and acknowledgements

2017

Racon, the Randon Consórcios brand, took 1st place in being remembered and amongst preferred brands for interviewees in the consortium category, according to the survey Marcas de Quem Decide, organized by Jornal do Comércio and Qualidata. In the Major Rio Grande do Sul Brand category, Randon secured 4th place in being remembered and 4th place in preference among interviewees.

Randon Companies was awarded for having the Best Website with regards to investors, Best Meeting with Investors and the Grand Prix in the Small & Mid-Cap category – IR Magazine Awards Brazil 2017.

Executive President of Randon Companies, David Abramo Randon, earned the 2017 Leaders of Brazil Award – LIDE – Grupo de Líderes Empresariais.

Randon Companies was placed 31st in the ranking of the 500 biggest companies in the south of Brazil – Ranking 500 Maiores do Sul - Revista Amanhã.

Master earns Best Paper award: Structural validation of a pneumatic brake actuator using methods for calculating the high-cycle fatigue service life – 13th SAE BRASIL International Brake Colloquium & Engineering Show.

Banco Randon placed amongst the Best Emerging Enterprise in the South – Revista Amanhã and consultancy firm PWC.

Fras-le is rated the Best Company in the Auto Industry in the Revista Exame ranking – 2017 Melhores & Maiores survey.

Fras-le wins the Supplier Excellence Award – Parker Aircraft.



Raul Randon receives the *Laurea Doutor Honorem em Ingengeria Gestionale, in Italy*

In 2017, the founder of Randon Companies, Mr. Raul Anselmo Randon, received the title of Doctor at Italy's University of Padua. He was awarded the Laurea Doutor Honorem in Ingengeria Gestionale, making him the first Brazilian entrepreneur to receive the honor, in tribute also to his dedication to social causes.

Fras-le receives the 2017 Best in Transport & Biggest in Transport Award in the Trucks and Bus Parts category – OTM Editora (Revista Transporte Moderno e TechniBus).

Randon Implementos in the 2017 Transport Preferences Award – Revista Estrada.

Randon Implementos awarded for Metal Sector Excellence at the 45th RS Export Award, promoted by ADVB-RS (Association of Sales Directors of Brazil).

Randon Implementos occupies 4th place in Largest Exporter of the South category, in the range between US\$ 10 million and US\$ 50 million – Revista Amanhã.

Randon Implementos wins the 2017 Transport and Logistics Award – 1st place in the in Road Implements Manufacturer category – SETCERGS-RS.

Randon Implementos earns Top of Mind Award in the 2017 Transport edition in the Road Implements category – Revista Transpodata.

2018

Racon, the Randon Consórcios brand, took 1st place in being remembered and amongst preferred brands for interviewees in the consortium category, according to the survey Marcas de Quem Decide, organized by Jornal do Comércio and Qualidata.

Randon S.A. Implementos e Participações appears third in the hearts and minds of interviewees as an innovative brand. In the Major RS Brand, it occupies fourth place in the minds of interviewees and third place in terms of brand preference.

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In 2017, the Vacaria Chamber of Industry, Trade, Agriculture and Services awarded the 2017 Corporate Recognition Award posthumously to the founder of Randon Companies, Mr. Raul Anselmo Randon.

Randon S.A. Implementos e Participações (Randon Companies) secured eighth place out of ten in the Major RS Company/Brand category – according to the 2018 Top of Mind survey, organized each year by Revista Amanhã.

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Randon S.A. Implementos e Participações and Fras-le were awarded at the 46th edition of the RS Exportation Award. Randon S.A. received a distinction in the Metalwork Excellence category in recognition of the brand's consolidation around the world and for the management of distribution and trade channels. Fras-le was awarded for Market Diversification, due to the number of nations to which the company exports and its capacity to promote destination plurality in exports to over 100 countries, not to mention its foreign acquisitions.

Market recognition comes in the form of awards and constant presence in rankings.

Fras-le S/A was awarded for "acknowledgement in Sustainability" and "Acknowledgement in Productivity" as part of the Rio Grande do Sul Quality and Productivity Program (PGQP).

JOST Brasil earned sixth place in the select group of Great Places to Work. The award is granted by Great Place to Work® in 53 countries and, in Brazil, it is organized in partnership with the magazine Época Negócios, by Organizações Globo.

Randon Companies feature in the ranking of the 28th regional survey for Revista Amanhã for 2018, listed among the 100 Biggest in Rio Grande do Sul, coming in at number 13. The company also ranks amongst the 500 Biggest from the South, occupying 32nd place in the southern region.

With levels of excellence reached in credibility, respect, pride, impartiality and work environment indicators, JOST Brasil was recognized as the Best Place to Work in Rio Grande do Sul.

Randon Implementos won the 2018 Biggest and Best of Transport award. The acknowledgement is granted by the magazine Transporte Moderno to the leading names in all modes of transport.



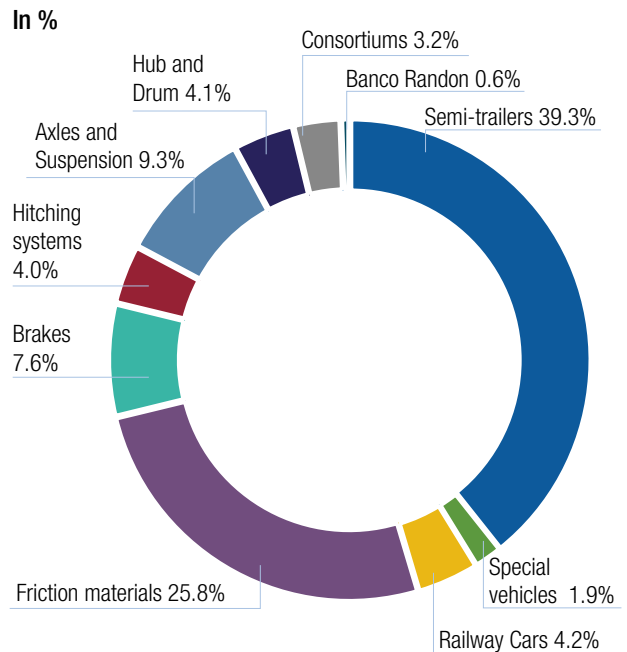
REVENUE BY SEGMENT

Market improvement sees rise in sales

In 2018, the Auto Parts Division accounted for 50.8% of the company's total revenues, followed by 45.3% from the Manufacturing Division and 3.8% from the Financial Services Division.

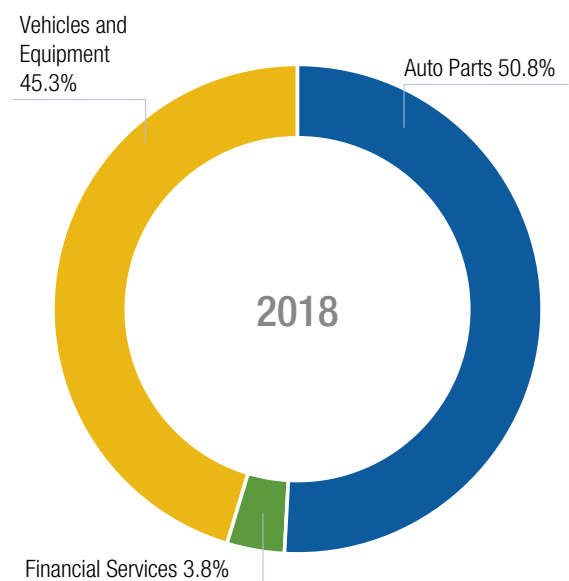
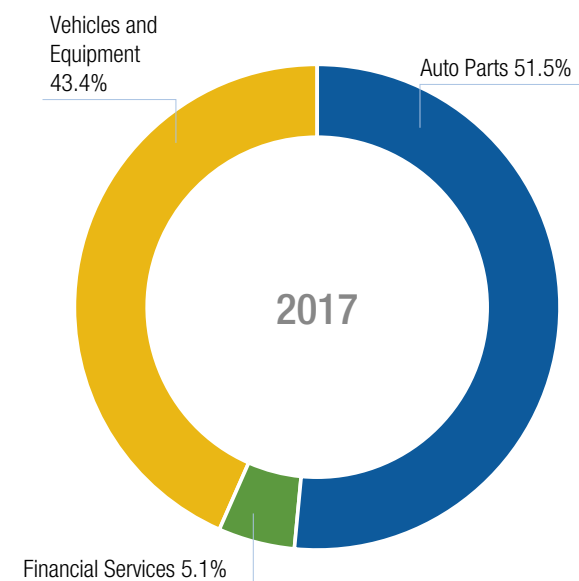
Compared to 2017, the Assembly Division saw a rise of 1.9 p.a., due mainly to the improvement of the semi-trailer market in the country.

REVENUE DISTRIBUTION BY PRODUCT



REVENUE DISTRIBUTION BY INDUSTRY

In %

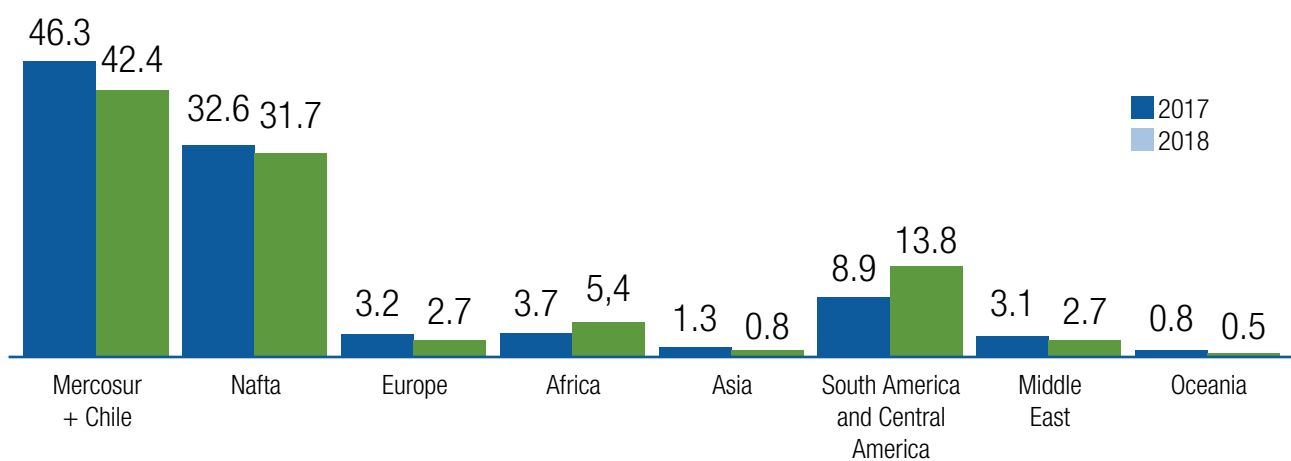


Lines with the highest participation in revenue:

- Semi-trailers **39.3%**
- Friction Materials **25.8%**
- Axles and Suspension **9.3%**

EXPORTS BY COUNTRY

In %

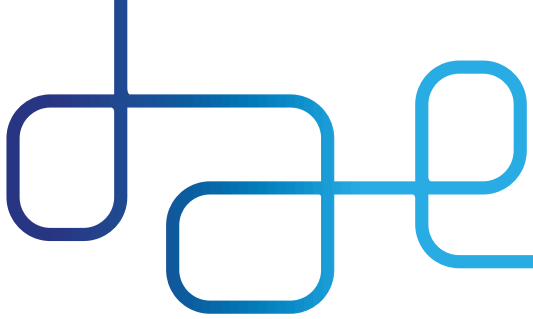


CORPORATE GOVERNANCE

G4



Ethical conduct and compliance with legal requirements, associated to company protocols, guarantee responsible growth.

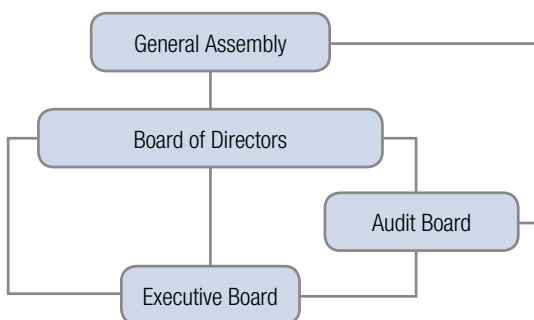


CORPORATE GOVERNANCE

A more robust compliance and corporate risks structure

Integrating Corporate Governance Level I of BM&FBovespa S.A. - Stock, Goods and Futures Exchange, Randon Companies relies on three statutory bodies: a Board of Directors, an Audit Board and the Executive Board, the members of which have specific responsibilities and are remunerated according to an amount set at the Ordinary General Assembly.

In 2018, the company adopted a more robust compliance, corporate risks and internal audit structure, creating the GRC (Governance, Risk and Compliance) department, linked and subordinate to the Board of Directors. It is charged with developing an organization risk and communication culture that involves all employees and parties that maintain dealings and/or relations with Randon Companies..



Board of Directors

The Board of Directors is the highest collegiate deliberative body at Randon, comprised of three to nine members. It is currently made up of 5 members, shareholders or otherwise, nominated by shareholders at the General Assembly for a single mandate of two years.

The body also features four independent members without association of employment or family ties with controlling shareholders, in accordance with MB&FBovespa's Level 1 Corporate Governance. The last member was selected by minority shareholders. The remaining members of the Board do not hold any executive powers, that is, they do not interfere in the direct running of the company.

Supervisory Board

Comprised of anywhere between three and five members, in its current form it has five, three of whom are named by the controlling company, one elected by the minority shareholders and another selected by preferential shareholders.

Executive Board

The Randon Companies Executive Board is comprised by at least two people, and a maximum of nine, there being six in its current form: an Executive President, a Vice Executive President and the other Executives with no specific denomination, each with a two-year mandate and reelection permitted. They are elected and can be dismissed at any time by the Board of Directors.

Executive Committee

A non-statutory body, the Executive Committee is made up of Statutory Directors, except the Director of Investor Relations, and by the Assemblers and Auto Parts COOs. With no fixed mandate, its composition and attributes are dictated by business demands. In 2018, the company hired CFO Paulo Prignolato.

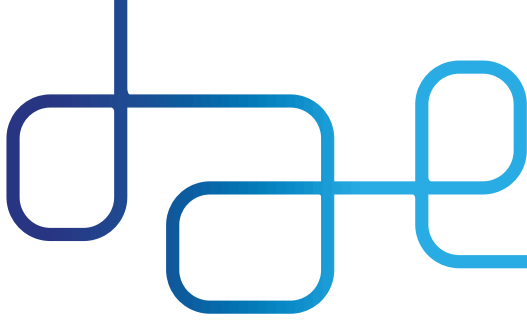


Directors

COMPOSITION OF THE BOARDS AND COMMITTEES

G4 EN1 | EN23 | EN28

Board of Directors	Position	Nomination	Mandate
Alexandre Randon	Chairman	27/04/2017	2 years
Hugo Eurico Irigoyen Ferreira	Vice-Chairman	16/04/2018	1 year
Derci Alcântara	Board Member	27/04/2017	2 years
Pedro Ferro Neto	Board Member	27/04/2017	2 years
Ruy Lopes Filho	Board Member	27/04/2017	2 years
Audit Board	Position	Nomination	Mandate
Ademar Salvador	Board Member	27/04/2018	1 year
João Carlos Sfreddo	Board Member	27/04/2018	1 year
Maria Tereza Casagrande	Board Member	27/04/2018	1 year
Renato Sobral Pires Chaves	Board Member	27/04/2018	1 year
William Cordeiro	Board Member	27/04/2018	1 year
Executive Board	Position	Nomination	Mandate
David Abramo Randon	Executive President	08/05/2017	2 years
Daniel Raul Randon	Vice Executive President	08/05/2017	2 years
Alexandre Randon	Executive	08/05/2017	2 years
Alexandre Dorival Gazzi	Executive	08/05/2017	2 years
Sergio Lisbão Moreira de Carvalho	Executive	08/05/2017	2 years
Geraldo Santa Catharina	Director of Investor Relations	08/05/2017	2 years



RISKS AND OPPORTUNITIES

Mapping and gauging are management strategies

G4 EN6

In 2017, the Board of Directors approved the Risk Management Policy, applicable to all Randon Companies. As a result of this Policy, the corporate risk mapping project was approved.

In 2018, the Internal Audit, Risk and Compliance area, which reports to the Board of Directors, consolidated these results, defined the operating model and the approach to risk management. Based on these guidelines, risk training and a risk-based internal audit plan were organized.

The head of the Board of Directors is responsible for reviewing and approving the general definitions of the Risk Management strategy, and the Executive Board is responsible for continuously assessing the adequacy and effectiveness of its Risk Management model.

The Internal Audit, Risks and Compliance area is responsible for keeping the board of directors abreast with regards to risks, establishing procedures and parameters for managing and promoting a risk and communication culture encompassing all employees, with the involvement of the area managers in the Risk Management strategy.



The Risk Management Policy applies to all Randon Companies.

REMUNERATION OF THE BOARD AND OFFICERS

G4 EN6

Remuneration practices for members of the Board of Directors, Officers and members of the Audit Board recognize these professionals through the performance of their duties. The remuneration is composed of fixed fees, variable remuneration (represented by profit sharing), private pension, medical assistance, personal liability insurance and the government severance indemnity fund. Rates are suggested by the Human Resources department and approved by the Board of Directors, based on annual market surveys. The Executive Board is assessed annually by the Board of Directors based on established goals.

All employees and managers are **involved** with the Risk Management strategy.





INTEGRITY PROGRAM

The Randon way

G4 EN6

Our Integrity Program, also known as ID, was developed at corporate level by Randon Companies in order to guide our coexistence and support our actions in an organized work environment, conducive to continuous improvement and attaining results. It is based on our Principles, which reveal our way of doing things, of belonging to a group, of relating to all our stakeholders and the way we are recognized.

It is a continuous movement backed by top management. Follow-up and bimonthly reporting on the Integrity Program is the responsibility of the Ethics and Compliance Committee, which is currently charged with evaluating reports from the Ethics Channel, and monitoring of the main incidents, reviewing Corporate Policies and the Code of Ethical Conduct as well as the execution of seasonal and targeted campaigns in support of Ethics. It also involves e-learning training, assessment of Due Diligence processes, corporate risk mapping and management and definition of the scope for international units.



PAST ACTIONS

G4 EN6

2017	2018
<ul style="list-style-type: none">• In 2017, an internal marketing plan was developed to advance the internalization of the ID program, promoting the sharing of information raising awareness regarding our Principles-oriented mindset.• Our entire workforce participated in the presentation of the Strategic Planning, at which time we discussed the Principles and ID and their relevance to our business strategy.• Our workforce also had access to the theme in our traditional "Via de Mão Dupla" (Two-Way Street), with an emphasis on the Code of Conduct and Ethics Channel, providing a clear translation of our Principles. A presentation video on ID Randon is available on the company website at http://www.empresasrandon.com.br/pt/programade-integridade.	<ul style="list-style-type: none">• 2018 saw the introduction of online ID training, using an application.• The Ethics Committee, directors and managers receive reports with indicators every two months on the actions and results of corporate governance performed by the ID Program.• Several workshops were staged to discuss subject related to reports made through the Ethics Channel.

PRINCIPLES



Appreciation and respect for PEOPLE



ETHICS, an issue of integrity and reliability



Satisfied CUSTOMER



SUSTAINABLE PROFITS as a means to continuity



QUALITY and SAFETY are everyone's responsibility



Competitive TECHNOLOGY



Our IMAGE, an asset to be preserved



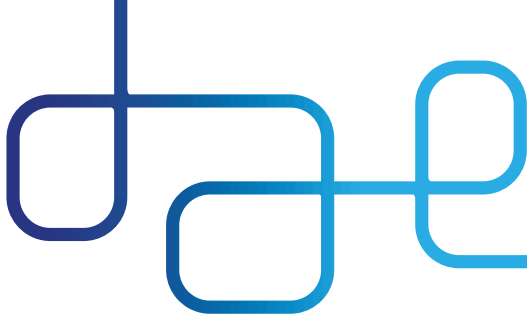
We are all RAN DON



OUR PRINCIPLES, OUR IDENTITY

PERMANENT ACTIONS

The Ethics and Compliance area develops permanent actions for our internal and other stakeholders, as is briefly outlined in our ID deployment roadmap. Despite being a new program, it has recovered significant values within Randon Companies. The Ethics Committee is composed of the Vice President, COOs and HR and Controllershship Officers.



DUE DILIGENCE PORTAL

Brazil's anti-corruption law (Law 12,846/2013) has increased the responsibility of companies with regards to acts of corruption by third parties on their behalf or in their benefit. Randon Companies perform Due Diligence involving 4,991 suppliers. To explain our integrity program, we held meetings with suppliers and called on them to be respect and act in accordance with the law, the ID Program, Ethical Code of Conduct , and Internal Policies. When noting any improper behavior, suppliers must report the fact and, should they not feel secure in doing so personally, the Ethics Channel may be used.

CODE OF ETHICAL CONDUCT

Our Code of Conduct was revised with the participation of a representative group of employees, from each sector and delivered in 2016. Its format was designed to encourage the reflection and deep consideration of what is Ethics and how it plays out in our day to day. Several deployments are carried out with our employees to ensure they understand the content, and the tool is reviewed annually.

The Code of Conduct provides guidance on how to deal with situations of conflicts of interest. It is the primary driver and relies on the policies and procedures to bring the necessary breakdown.

CORPORATE POLICIES

In 2017, 11 Corporate Policies were adopted, based on our principles and philosophy on work. They state our guidelines for providing consistency to our company strategies and are adopted as a guide to support the decision making process and to promote a uniform behavior.



THE 11 CORPORATE POLICIES

Anti-corruption Policy

Strengthens the commitment to maintain the highest standards of integrity, ethics and governance in the conduction of business by establishing anticorruption guidelines.

Property Safety Policy

Guides all safety actions to reduce risks, guarantee the physical integrity of people and protect the property of Randon Companies.

Information Security Policy

Establishes guidelines to protect the information and the intellectual property belonging to Randon Companies, in order to preserve the company's business, competitiveness and image.

Controllership Policy

Establishes the guidelines that promote the compliance of the accounting and tax records with the current legislation and the Brazilian and international accounting standards.

Finance Policy

Provides guidance for obtaining the best market conditions, contracting loans, investments and financial instruments through a centralized and coordinated approach to the banking and capital markets, in order to ensure compliance with the financial obligations.

Health, Safety and Environment Policy

Establishes the corporate guidelines regarding Health, Safety and Environment (HSE), concentrated on preserving the integrity of people and protecting the environment.

Consequence Policy

Determines the application of disciplinary measures in the event of deviations from our values, policies or the practice of legal and/or contractual infractions.

Corporate Purchase Policy

Establishes the premises and strategies related to all purchases made by Randon Companies.

Human Resources Policy

Establishes guidelines in order to develop and consolidate professionals based on the values and principles of Randon Companies.

Compliance Policy

Guides the compliance practice in line with the Integrity Program, demonstrating the importance of understanding and executing the legal and regulatory decisions.

Risk Management Policy

Establishes the guidelines, strategies and responsibilities for Risk Management, as well as the conceptualization, identification and analysis of risks that may affect the company.



ETHICS CHANNEL

The corporate Ombudsman and Ethics Channel ensure complaints directed to the correct authorities, together with any information on the facts, data and situations that could harm the Company. Each person who works or is involved with Randon Companies propagates respect for the ID Program and must understand the need for filing complaints, whether related to acts of employees, administrators or other company stakeholders. The process that we use guarantees confidentiality and anonymity.

0800 777 0768

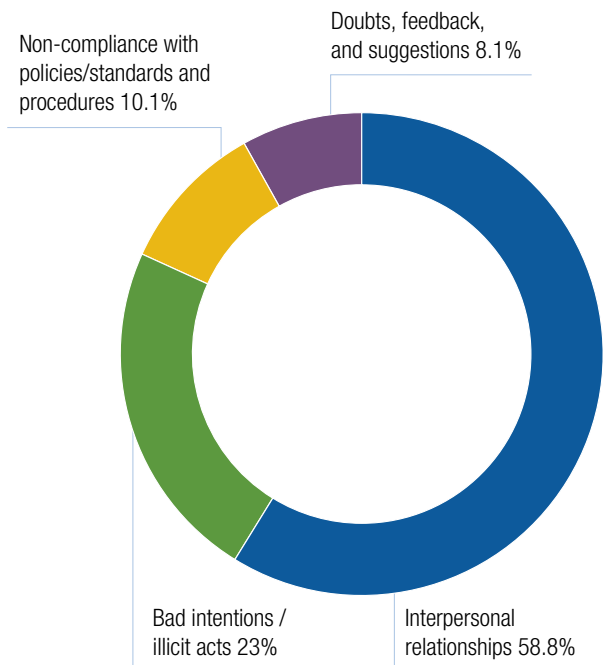
Ethics and Compliance Portal

**[www.canaldeetica.com.br/
empresasrandon](http://www.canaldeetica.com.br/empresasrandon)**

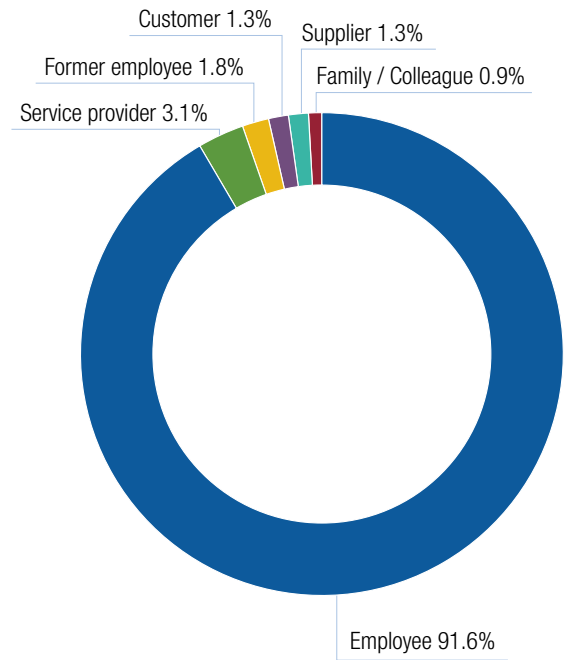
compliance@empresasrandon.com.br



COMPLAINT CATEGORY



REPORTING PARTIES



35 days
Average
response time.

21 reports
Average
monthly reports.



MANUAL, FEATURING RELEVANT INFORMATION AND THE NEGOTIATING POLICY

People with privileged access to company information must comply with the regulations and procedures outlined in the Manual on Relevant Information Publication and Use Policy and the Negotiation Policy, Relative to the securities Issued by Randon S.A. Implementos e Participações. This rule applies to all controlling shareholders, managers, audit board members, members of any other bodies with technical or consultative ends created through statutory requirement and, further, whomsoever, in the exercise of their positions or roles within the company or its controlled companies, have access to or knowledge of relative information. The Manual was developed based on CVM Instruction number 358/02



COMMUNICATION

G4 EN6

Randon has several communications channels open to its stakeholders, permitting proactive and sustainable management. Online media is certainly part of the routine. Internal communication now features a Randon APP, helping to expedite the spread of information.

INVESTORS

Responsible for company relations with the investing public, the Investor Relations Department interacts through permanent communication channels like the traditional website (ri.randon.com.br) and its own e-mail (ri@randon.com.br) It also communicates through annual reports, press releases, teleconferences in Portuguese and English, regular meeting with and/or visits to investors, presentations at Apimecs and annual roadshows hosted abroad.

CUSTOMERS

The main customer relations channels are the Customer Board, the Portas Abertas ao Cliente – PAC (Doors Open to Customers) program, and trade fairs and events. Another important piece of feedback is in the form of Satisfaction Surveys, concerning products and distribution channels. Tickets can be opened through the Internet (www.randon.com.br) or via telephone

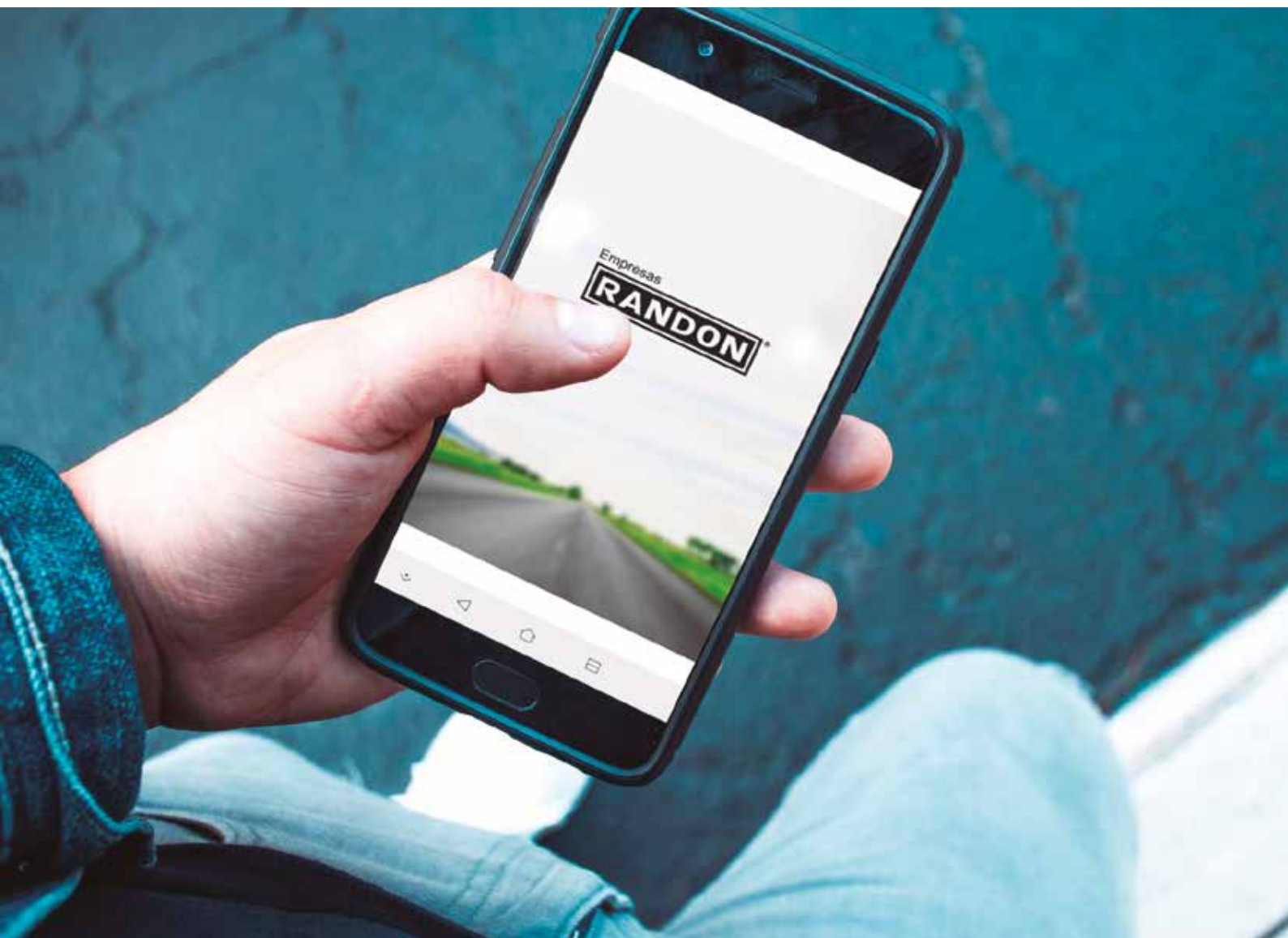
(Customer Service 0800 512 158). In the case of Randon Consórcios, the Customer Relations Center has a unique account with 24/7 digital service and personnel available during business hours, along with a Customer Area on the websites, chatbots, etc.

EMPLOYEES

Besides an organizational climate survey every two years, the “Coffee with Management” initiative is another communication practice to develop ties between management and employees. Unions are also in constant contact. Internal employee representation committees keep a close eye on result indicators that impact profit sharing among employees.

TWO-WAY STREET

A form of interaction and commitment between coordinators and employees, the “Two-Way Street” meetings deal with market-related issues, profitability, workplace safety, quality, continued improvement and profit sharing. The main results from the decision forums are presented to the workforce by upper management. The meeting is used to promote, disseminate and mobilize stakeholders around working towards strategical success.



ORGANIZATIONAL CLIMATE MEETING

Within the system of bolstering satisfaction and commitment among personnel, the Organizational Climate Meeting, held at all hierarchical levels, is geared towards hearing the opinions of employees with regards to the work environment. There is a pre-scheduled calendar of meetings with up to 12 participants from several company sectors. The content discussed results in plans of action to be implemented by management, with the authors of said actions provided feedback through internal channels.

SUPPLIERS

Suppliers are considered strategic partners with whom the company interacts in several manners, such as the Suppliers Meeting, Suppliers Portal and workshops. In 2018, the Supplier Awards was created to showcase suppliers in three categories: Competitiveness, Innovation/ Technology and Sustainability with a focus on productive processes. This unique award ceremony developed into an annual event, evolving with regards to criteria and recognition requirements.

THE ENVIRONMENT

G12 | G20 | EK30



In 2018, Randon Companies
invested BRL 12 million in
Environmental Conservation,
guided by the Health, Safety and
Environment Policy.



THE ENVIRONMENT

Environmental awareness and a culture of prevention

Randon Companies are certified under ISO 14001, maintaining a controlled and constantly enhanced environmental management system. Between 2017 and 2018, the companies were certified according to the new version of the regulation, ISO 14001:2015, which establishes new requirements and criteria with regards to the value chain, life cycle, risks and opportunities, among others. In 2017, the companies published their Corporate Health, Safety and Environment (HSE) Policy, establishing clear guidelines with regards to gearing all actions towards preventing Corporate HSE related risks and impacts. To comply with these issues, the main environmental aspects were defined and actions defined to eliminate, mitigate or control them, with full attention paid to possible impacts on the units.

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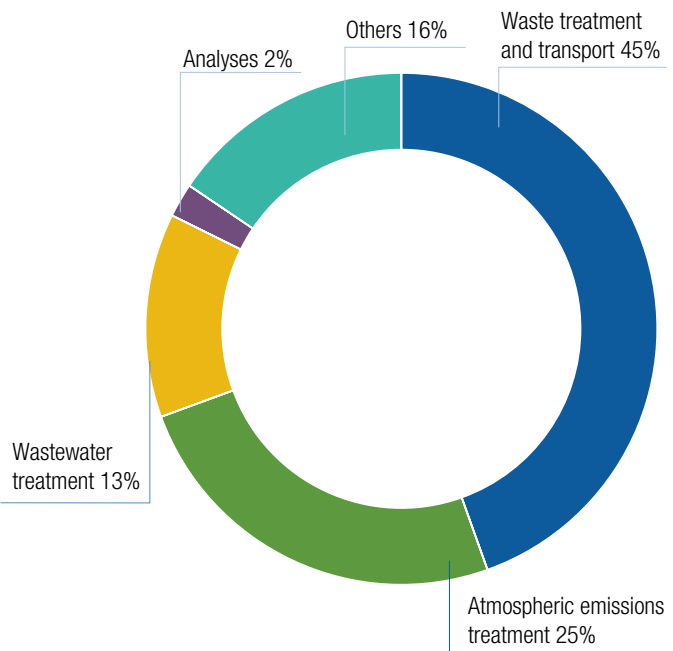
INVESTMENTS IN ENVIRONMENTAL PROTECTION

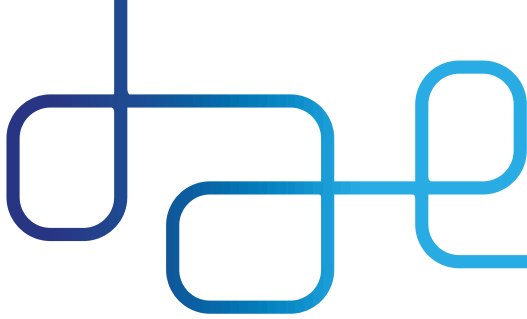
In BRL

Waste treatment and transport	5,451,648.77
Atmospheric emissions treatment	3,045,727.44
Wastewater treatment	1,578,583.40
Analyses*	262,860.79
Environmental projects**	1,903,329.84

*Wastewater, solid waste, atmosphere emissions, ground water, soil

**Investment in extractor systems, reuse of wastewater and systems for reducing electricity consumption





SOLID WASTE

Recycling, reuse and sustainable management

G4 EN1 | EN23 | EN25 | EN28



WASTE GENERATION AND REUSE

A priority in waste management is finding a way to minimize generation through better use of raw materials, applying environmental performance indicators that show how much was generated in relation to the raw material used. The priority destination for waste is reuse and recycling, especially according to the intercompany model. For other types of waste, and aimed at eliminating environmental liabilities, cutting-edge technology is applied, as is the case of co-processing.

Objective: Reduce waste through optimized use of raw materials.

Metric: Waste generated/raw material used (%).

Actions: internal reuse of metal scrap generated through Implementos, Master, Fras-le, Suspensys, JOST, used by the casting company Suspensys WE/Castertech, a group company that uses waste as raw material, supplying companies with ready-to-use components; environmental studies are undertaken when conceiving new projects, including an analysis of materials, inputs and packaging, aimed at reducing environmental impact; reuse of extractor dust, which is reincorporated as raw material; reuse of powered paint; use of returnable packaging and reuse of packaging internally and/or among companies.

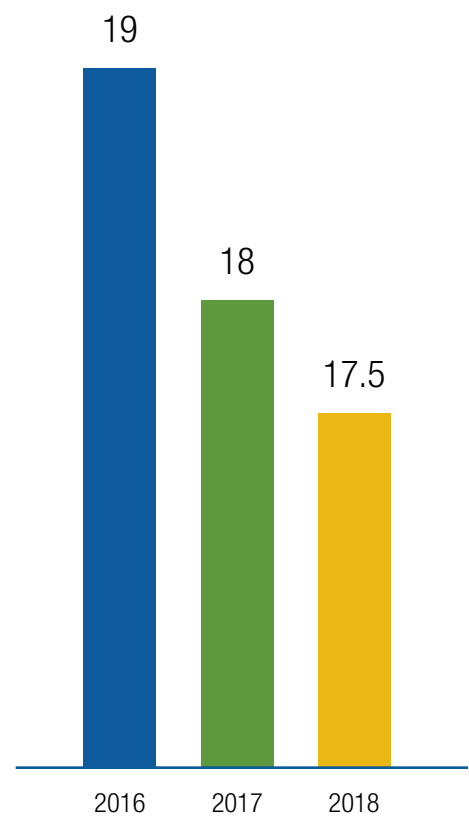


The highest volume of waste generated is **scrap metal**, which, besides being **fully recyclable**, is also the raw material used by the group's casting company.



ENVIRONMENTAL PERFORMANCE

Waste generated / RM consumed - In %



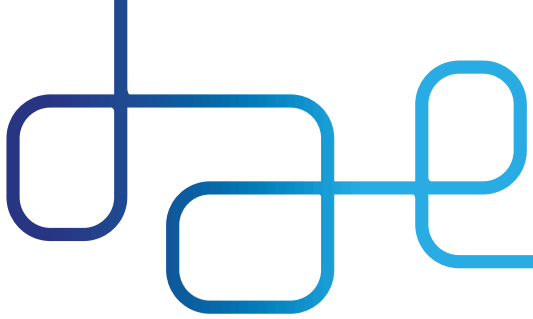
CONSOLIDATED INDICATOR

Raw Material consumption in Tonnes

Unit	2017	2018
Suspensys WE/Castertech	33,756	47,126
Fras-Le	72,006	73,914
Jost	7,838	12,007
Master	22,951	34,457
Randon Implementos	59,729	86,386
Suspensys	12,097	25,001
Randon Veículos*	0	0

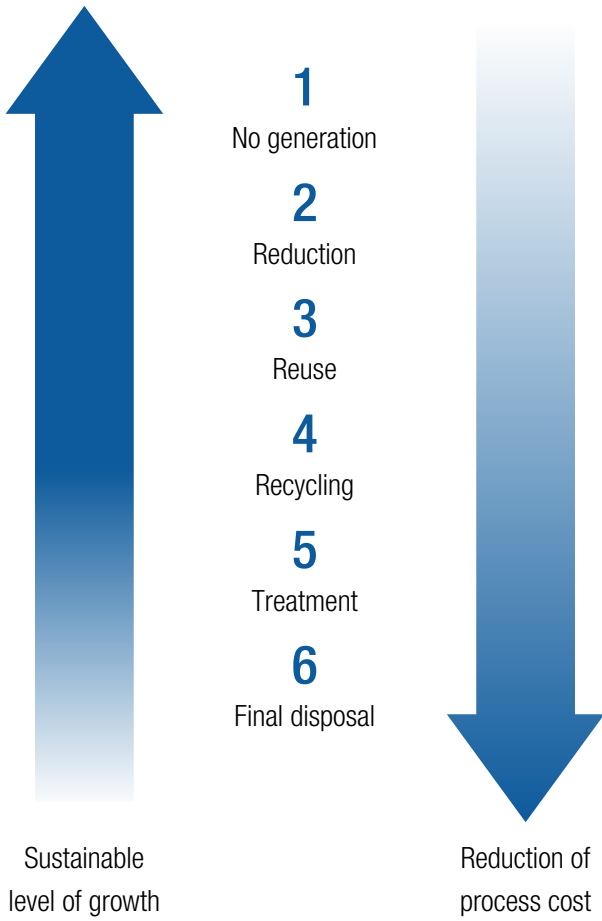
*Vehicle Assembler

Raw material consumption increased in 2018, as a result of the rise in production demands. This report lists the materials employed by Fras-le, JOST, Suspensys, Master and Randon Implementos, Randon Veículos and Suspensys WE/Castertech.



Solid waste management is based on the following hierarchy: no generation, reduction, reuse, recycling, treatment and final disposal of waste, in a manner to ensure sustainable growth and reduce process costs.

WASTE MANAGEMENT HIERARCHY



BRL 1.5 M/year

Is the savings generated through the Thermal and Mechanic Cutting Process Materials Optimization project at Randon Implementos.

24,000 tonnes/year

Is the volume of scrap metal generated by Randon Implementos, Fras-le, Suspensys, Master and Jost, which is then shipped to Suspensys WE/ Castertech, representing 66% of the casting plant's raw material.

BRL 4.8 M/year

In savings generated by the incorporation of dust captured by Fras-le's exhaust systems in the production processes, thus replacing the raw materials from natural minerals.



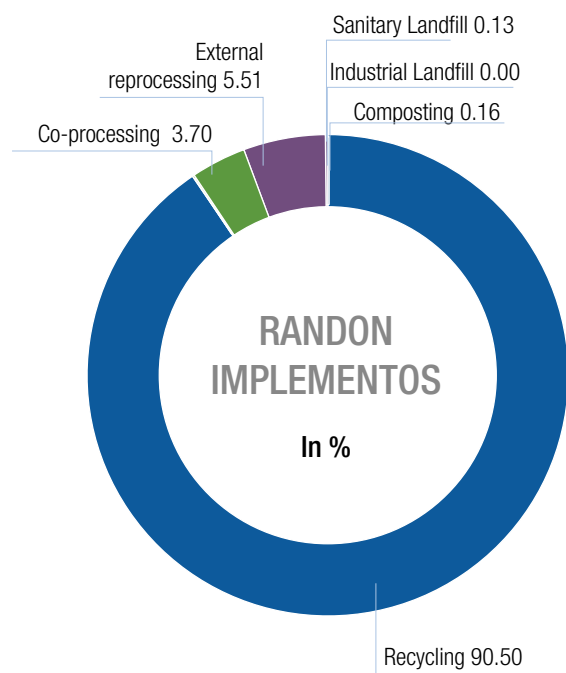
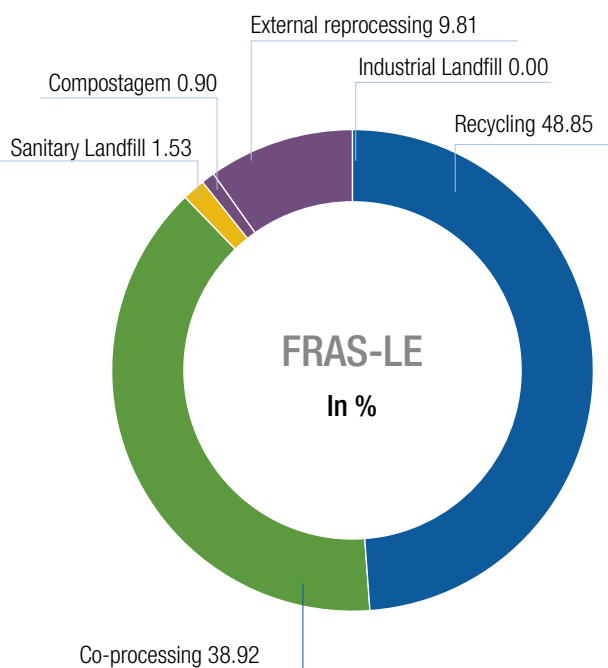


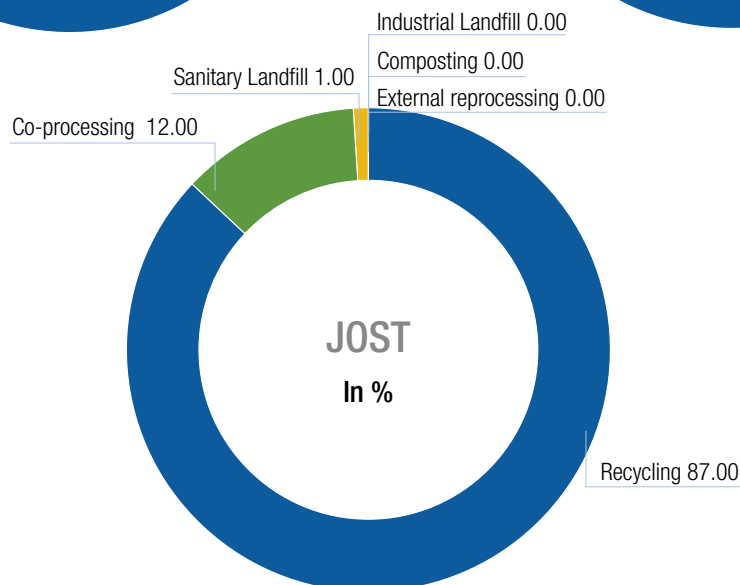
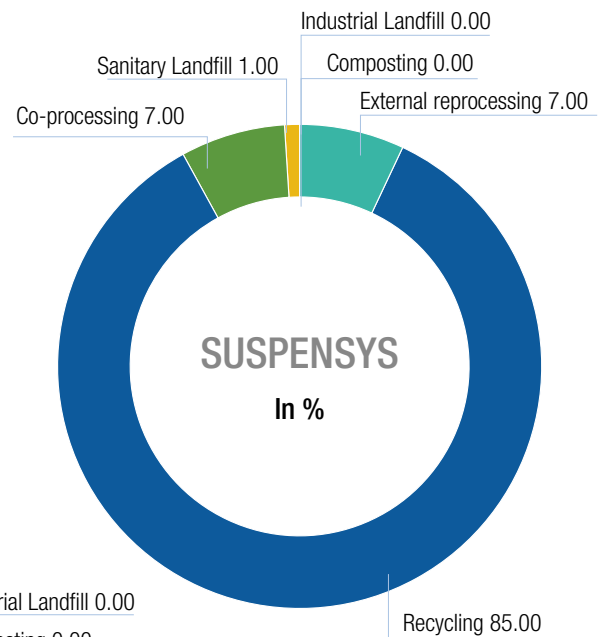
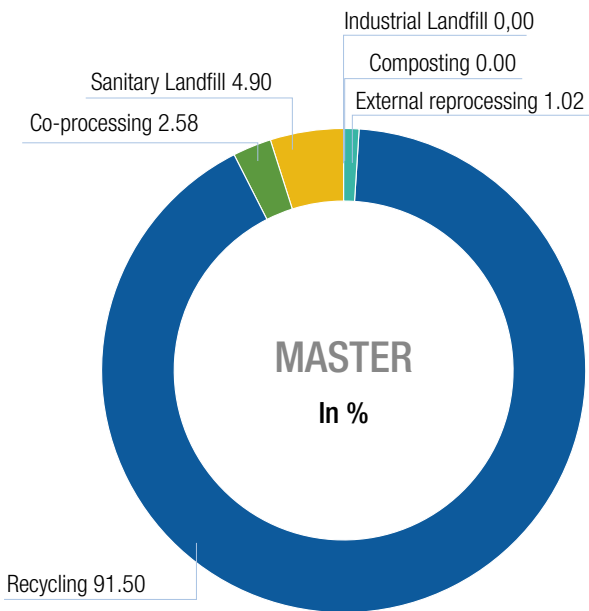
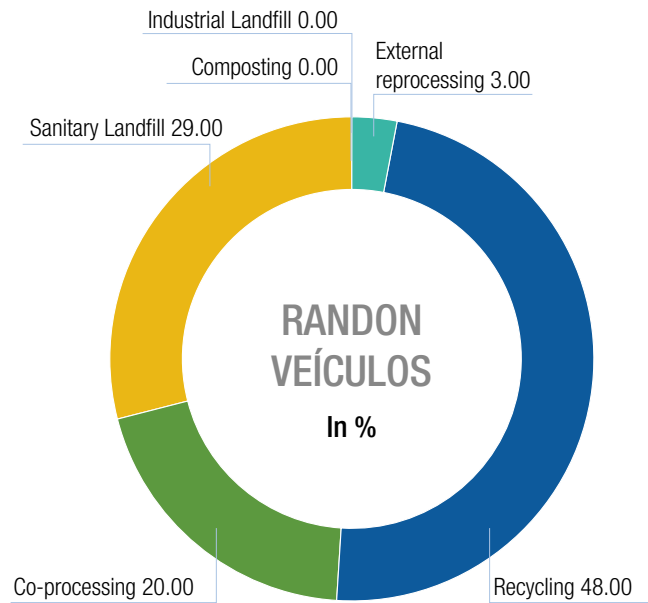
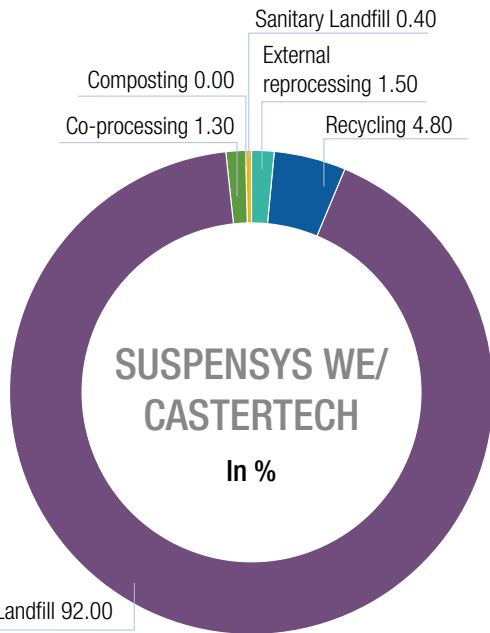
TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD

In %

G4 EN23 and EN28

Type of Disposal	Suspensys WE/Castertech	Fras-Le	Jost	Master	Randon Implementos	Suspensys	Randon Veículos
External reprocessing	1.50	9.81	0.00	1.02	5.50	7.00	3.00
Recycling	4.80	48.85	87.00	91.5	90.40	85.00	48.00
Industrial Landfill	92.00	0.00	0.00	0.00	0.00	0.00	0.00
Co-processing	1.30	38.92	12.00	2.58	3.70	7.00	20.00
Sanitary landfill	0.40	1.53	1.00	4.90	0.13	1.00	29.00
Composting	0.00	0.90	0.00	0.00	0.16	0.00	0.00

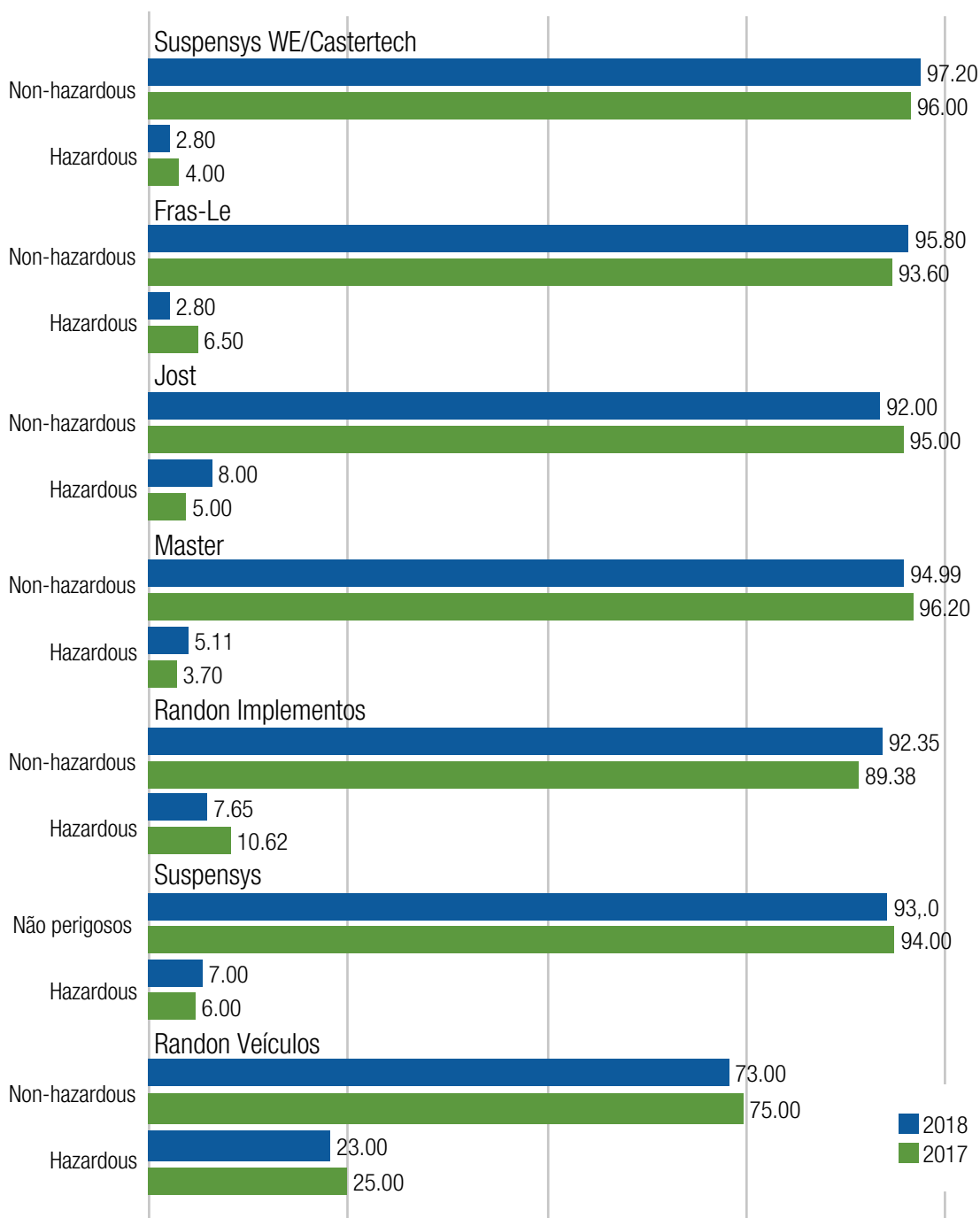






TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD

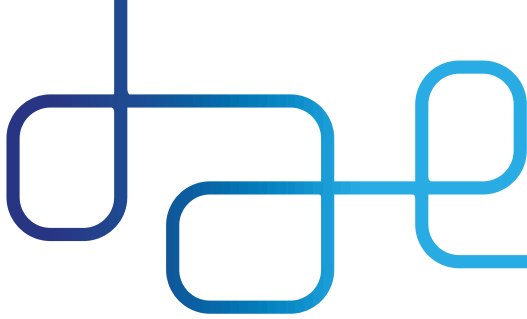
In %



SAFE TRANSPORT

As a means to guarantee safety to society and the protection of the environment, logistics operators responsible for carrying waste are subject to strict analysis, having to meet a series of legal requirements prior to joining. Audits are also conducted at waste reception sites for better disposal control.





ENERGY

High technology and conscientious consumption

G4 EN6

EDUCATION AND AWARENESS

Among the actions geared towards energy reduction is the development of conscientious consumption to preserve sources, through the acquisition of high-performance equipment and by replacing conventional lightbulbs with LED bulbs.

Objective: To reduce energy consumption by developing conscientious consumption.

Metric: Energy consumption (GJ).

Actions: Acquisition of more efficient, high-performance equipment, for example the new furnaces at Suspensys WE/ Castertech and modernization of the paint lines. Replacement of conventional lightbulbs with LED bulbs and installation of presence detectors in common areas.



High-performance equipment, installation of sensors and using LED bulbs are just some of the actions adopted to reduce energy consumption.



ELECTRICITY CONSUMPTION

GJ

Unidade	2017	2018
Suspensys WE/Castertech	186,313.18	209,324.52
Fras-Le	174,152.02	186,281.88
Jost	8,248.65	10,089.75
Master*	29,857.212	47,304.846
Randon Implementos	115,384.87	140,261.81
Suspensys	31,748.39	41,297.13
Randon Veículos	183.96	198.36

*Increased consumption due to the incorporation of the Mastertech painting process

NATURAL GAS CONSUMPTION

GJ

Unidade	2017	2018
Suspensys WE/Castertech	19,345.42	19,392.14
Fras-Le	218,047.63	231,175.04
Jost	0.00	0.00
Master*	514.55	53,762.73
Randon Implementos	91,464.45	120,456.59
Suspensys	1,872.90	2,467.59
Randon Veículos	0.00	0.00

*Increased consumption due to the incorporation of the Mastertech painting process



WATER AND WASTEWATER

Improve reuse and sustainable management

G4 EN8 | EN9 | EN10 | EN22

PRIORITIZE A REDUCTION IN CONSUMPTION

Most companies are supplied by a local concessionary for all human consumption needs. Some industrial processes use well water, while for others wastewater is reused.

Objective: Reduce water consumption.

Metric: Consumption of water in liters per hour worked.

Actions: The use of treated wastewater to cool parts and in certain processes and cleaning molds; Replacement of manual faucets with automated faucets, along with the installation of pressure valves on restroom faucets; deactivation of plasma equipment with wet emission retention systems, which represented significant water consumption and the consequent generation of wastewater.

The wastewater treatment stations at the Interlagos* Site and at Fras-le are **able to recirculate** part of the treated water. From 2017 to 2018, Randon Implementos **increased recirculation by 260%.**

*The Interlagos Site treatment system receives wastewater from Randon Implementos, Suspensys WE/Castertech, Jost, Master, Suspensys and Randon Veículos

In 2018, Randon Companies increased water consumption by 4% in relation to 2017, due to increased production demands. The companies are supplied by a local public system, except for Fras-le, which is supplied through a well, with use conditioned to maintaining the level of the groundwater table, which is monitored constantly so guarantee this criterion. Besides these sources of supply,

Randon Implementos and Fras-le also reuse wastewater in their toilets, gardens and yard and exterior cleaning processes. At Suspensys WE/Castertech, reuse applies at a stage in the productive process, when cooling parts. This process is responsible for consuming around 60% of the recirculated wastewater.

TOTAL WATER WITHDRAWAL

In m³

Unit	2017	2018
Suspensys WE/Castertech	13,064.25	25,050.00
Fras-Le	84,274.00	63,533.00
Jost	1,492.00	2,521.00
Master*	11,434.50	37,221.00
Randon Implementos	56,445.00	69,666.00
Suspensys	6,403.14	7,998.02
Randon Veículos	640.17	478.93
Total	173,753.06	181,443.00

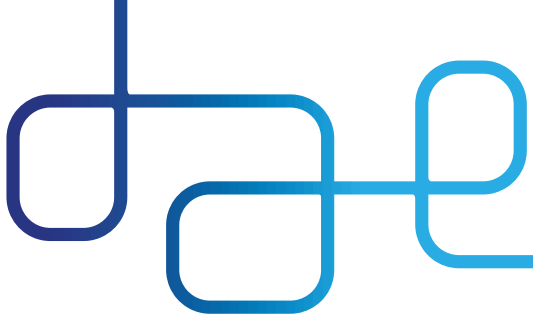
**Increased consumption due to the incorporation of the Mastertech painting process*

2,200 m³
of treated
wastewater from
the Interlagos
site is sent to
Suspensys WE/
Castertech, used
to cool parts.

REUSED WASTEWATER

In %

Unit	2017	2018
Fras-Le	33.00	29.00
Randon Implementos	35.63	62.57



Our effluents come from toilets, changing rooms, cafeteria, cooling towers, gas scrubber and surface pre-treatment processes, among others. Chemical and biological products are added during the treatment process, in addition to using a filtration system and periodic monitoring.

Compared to 2017, production increased, which directly impacted the volume of wastewater generated. There was also an increase in employees, directly influencing sewage generation.

The quality of treated effluents complies with legal disposal parameters, allowing for reuse, as previously mentioned.

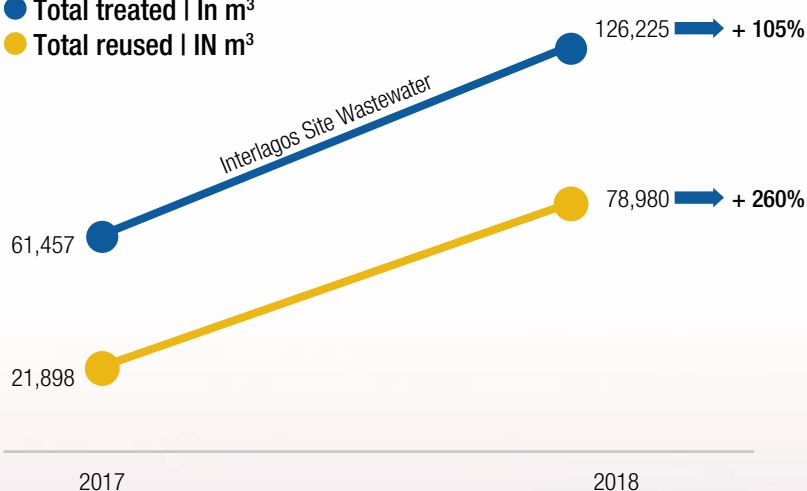
COMPLETE WATER DISPOSAL

Industrial Wastewater + Sewage In m³

Unit	2017	2018
Suspensys WE/Castertech	4,770	5,280
Fras-Le	56,378	65,185
Jost	1,969	2,083
Master	19,069	28,739
Randon Implementos	36,861	55,492
Suspensys	16,760	28,952
Randon Veículos	889	1,210

EFFLUENTS

- Total treated | In m³
- Total reused | IN m³



Lower atmospheric emissions to preserve natural resources.

EMISSIONS

Efficient systems without chemical products

G4 EN21

PRIORITIZE A REDUCTION IN CONSUMPTION

2018 saw the replacement of extraction systems with more efficient models and the acquisition of Gas scrubbers for dealing with emissions, using water and activated carbon instead of chemical products.

Objective: To reduce atmospheric emissions.

Metric: Volatile Organic Compound emission rate - VOC (kg/h) and the particle emission rate (kg/h)

Actions: Installation of a new extractor system in different stages of the productive process, aimed at increasing system efficiency; acquisition of new gas scrubbers, replacing chemical products with water and activated carbon. We also installed burners in the oven extractors, thus preventing the emission of polluting gases into the atmosphere. At Fras-le, in 2017, actions were implemented to recover solvents, the vapor of which is captured through an extractor system, processed and reused as a raw material.

PARTICLE EMISSIONS

In Kg/h

Unit	2018
Fras-Le	0.050
Randon Implementos	0.003

VOCs EMISSIONS

In mgN/m³

Unit	2018
Fras-Le	15.26
Randon Implementos	33.40
Suspensys	38.47
Randon Veículos	37.70

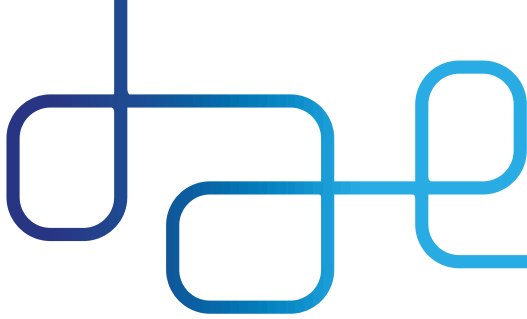
HUMAN CAPITAL

G12 | G20 | EK30



In August 2018,
the PRA.VC – Randon
Learning Portal
was launched.

Training touches on several areas
of expertise to guarantee quality,
operational excellence, workplace safety
and management efficiency.



EMPLOYEE APPRECIATION

Investments in education and organizational development

G4-LA9 | LA10

One of the pillars of Randon Companies is Employee Appreciation. As such, investments are made constantly in enhancing and develop personnel, betting on the direct result of these action to leverage business. In 2018, Randon Companies employed a total 10,714 employees, of these 117 were intern contracts. The number is 37% higher than 2017, when it totaled 7,821 contracted employees and 70 interns. As such, the qualification of personnel has become and even more urgent challenge.

Investments in training reach into the most diverse fields of expertise, split into the following categories:

- Quality Training;
- Operational Excellence;
- Workplace Safety Training;
- Management Development;
- Performance Training;
- English Language Program.

The PRA.VC – Randon Learning Portal was also launched in 2018, aimed at digital transformation and the insertion of new modalities and technologies in the learning processes of organization and that encourage professionals to take the lead with regards to their own careers. All professionals have access to a catalog of 150 personal and professional development courses with a focus on contemporary issues.



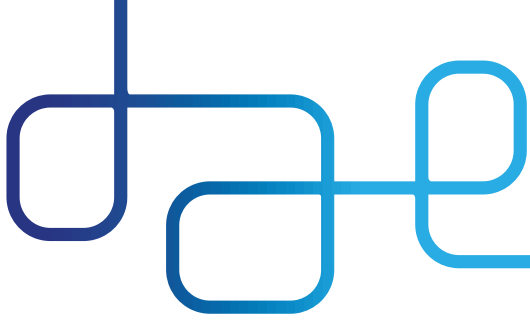
BRL 4.2 million
was invested
by Randon
Companies
in employee
education
in 2018.



EMPLOYEE TRAINING

In hours and amounts invested per employee

	2017	2018
Number of employees	7,821	10,714
Total training hours	87,313	142,510
Average hours of Training/Employees	12.5	16.8
Total investment in BRL	2,940,869.94	4,222,110.90



SIGNS OF GROWTH

G4-LA1



HIRING AND TURNOVER

Turnover rate | In %

G4 LA1

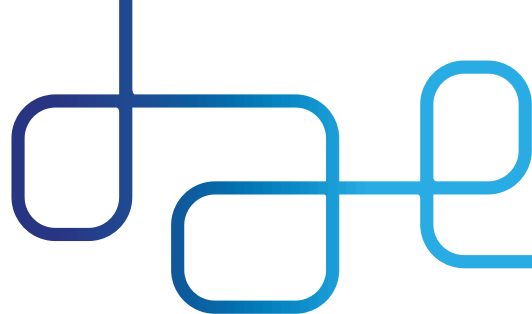
$$\text{Turnover rate} = \frac{\text{Average for hiring and dismissal}}{\text{Total number of employees in the previous month}} \times 100$$

2018

Companies	Jan	Feb	Mar	Apr	Mai	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
Banco Randon	0.00	0.00	1.61	1.56	0.00	1.52	1.47	0.00	0.00	0.00	0.00	0.00	0.51
Randon Chapecó	19.47	13.07	3.54	4.34	2.52	3.62	5.16	2.33	2.36	1.68	2.35	0.66	5.09
Consórcios	0.39	0.38	0.00	1.91	0.38	2.29	2.96	1.09	1.84	1.09	1.45	0.36	1.18
Controil	1.98	1.88	3.37	5.81	1.68	2.01	1.90	2.34	1.97	1.64	1.50	0.93	2.25
Fras-le	0.91	1.12	1.12	1.44	2.23	0.84	0.94	0.93	1.54	1.47	1.75	1.60	1.32
Fras-le - CDP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.27	0.00	0.19
Fras-le - RAP	0.61	1.83	3.53	2.17	0.00	0.55	0.00	0.00	2.17	1.67	0.00	0.00	1.04
Jost	3.25	2.27	3.98	2.64	0.74	1.29	1.09	2.41	2.89	2.15	1.90	0.86	2.12
Master	0.77	3.36	5.22	3.47	2.62	1.69	1.02	1.91	2.37	2.04	1.77	0.63	2.24
Randon - São Paulo	0.00	0.00	0.00	0.00	0.00	0.00	3.85	2.08	4.35	0.00	2.38	0.00	1.06
Randon - Araraquara	0.00	0.00	6.90	3.30	1.55	1.02	6.25	0.47	3.33	0.47	5.61	0.43	2.44
Randon - Holding	1.39	1.39	2.10	2.26	2.47	1.60	1.05	2.63	2.58	1.55	1.65	1.86	1.88
Randon - Matriz	10.81	3.17	1.41	1.75	3.12	2.09	1.88	2.05	1.87	1.76	1.12	0.34	2.61
Randon Veículos	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Suspensys - Resende	2.94	0.00	0.00	8.33	0.00	16.67	2.78	2.94	0.00	0.00	0.00	0.00	2.81
Suspensys - RS	9.63	2.46	4.14	3.11	1.65	0.97	1.21	1.61	1.75	2.06	5.18	0.36	2.84
Suspensys WE	2.56	2.46	2.02	1.16	1.60	0.57	3.30	3.48	0.95	2.12	3.24	1.44	2.08
Veículos - RS	0.00	0.89	5.45	20.34	3.16	0.63	1.27	7.41	0.72	1.47	1.52	53.13	8.00
Accumulated Average	3.04	1.90	2.47	3.53	1.32	2.08	2.01	1.82	1.71	1.18	1.92	1.62	2.05
SIMECS Comp. Ref.	2.67	1.10	1.20	1.07	1.30	0.89	1.28	1.27	1.61	1.74	2.49	2.49	1.49

2017

Companies	Jan	Feb	Mar	Apr	Mai	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
Banco Randon	0.00	5.36	0.00	0.00	0.00	1.79	0.00	1.72	1.67	0.00	1.61	0.00	1.01
Randon Chapecó	5.73	13.31	1.83	0.91	1.84	2.87	1.35	2.08	1.43	0.00	0.00	2.54	2.82
Consórcios	0.85	1.25	1.63	2.85	1.64	3.23	1.15	0.38	0.37	0.75	0.38	1.49	1.33
Controil	2.40	1.66	2.40	2.38	0.70	0.95	1.53	0.96	2.04	2.18	3.37	2.25	1.90
Fras-le	1.29	2.18	1.09	1.25	1.84	0.72	2.18	1.41	0.89	0.89	1.15	1.76	1.39
Fras-le - CDP	0.00	4.76	2.17	0.00	2.27	4.76	2.63	5.00	0.00	4.55	0.00	0.00	2.18
Fras-le - RAP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.02	0.00	1.70	0.60	0.53
Jost	0.46	2.52	1.83	4.57	2.86	1.09	2.20	2.42	1.55	1.73	3.52	1.45	2.18
Master	0.65	2.98	0.73	3.35	5.29	1.95	1.69	2.22	3.18	1.54	0.81	1.46	2.15
Randon - Holding	2.18	2.03	2.31	1.71	3.43	2.81	1.01	3.62	1.26	1.10	0.81	1.08	1.95
Randon - Matriz	1.18	1.89	0.40	3.19	1.18	2.00	4.04	1.32	0.88	3.82	0.92	2.33	1.93
Randon - São Paulo	1.32	0.00	10.81	1.72	5.36	0.00	0.00	0.00	1.85	0.00	0.00	0.00	1.76
Suspensys - RS	12.16	4.73	1.28	1.08	0.22	3.22	1.94	1.59	1.82	1.47	1.49	3.17	2.85
Suspensys - Resende	0.00	2.38	0.00	0.00	5.00	0.00	2.50	0.00	2.63	0.00	2.78	0.00	1.27
Suspensys WE	60.66	8.52	1.47	4.74	2.09	2.74	3.63	3.07	3.43	2.01	1.36	0.86	7.88
Veículos - RS	2.73	5.56	0.89	0.91	0.89	0.88	2.68	1.75	0.85	1.72	3.33	1.72	1.99
Accumulated Average	3.46	2.86	1.05	2.28	1.96	1.6	2.57	1.66	1.43	1.92	1.25	1.89	1.99
SIMECS Comp. Ref.	1.60	1.18	1.04	3.09	1.36	0.94	2.10	1.46	1.22	1.20	1.90	2.51	1.63



HIRING AND TURNOVER

Employment Termination Rate | In %

G4 LA1

$$\text{Employment Termination Rate} = \frac{\text{Number of employee contracts terminated in a month}}{\text{Total number of employees in the previous month}} \times 100$$

2018

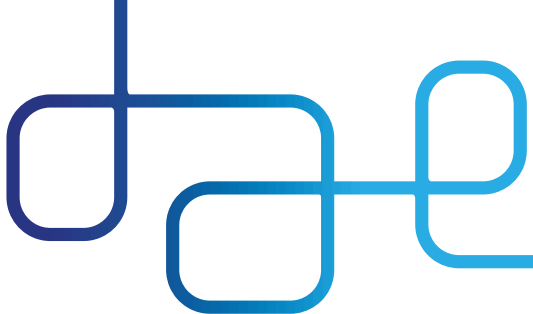
Companies	Jan	Feb	Mar	Apr	Mai	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
Banco Randon	0.00	0.00	0.00	0.00	0.00	0.00	2.94	0.00	0.00	0.00	0.00	0.00	0.25
Randon Chapecó	2.29	2.84	1.89	4.57	1.83	3.17	2.24	2.97	1.29	2.52	3.85	1.32	2.57
Consórcios	0.00	0.00	0.00	1.53	0.76	0.76	2.22	1.46	1.47	0.73	0.72	0.71	0.86
Controil	2.72	1.51	3.99	3.28	0.96	2.13	1.19	1.87	2.55	0.94	1.62	0.70	1.96
Fras-le	1.07	1.25	1.30	0.86	1.60	0.40	0.39	1.08	2.29	2.02	1.02	0.92	1.18
Fras-le - CDP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fras-le - RAP	1.22	0.00	0.00	2.17	0.00	0.00	0.00	0.00	3.26	3.33	0.00	0.00	0.83
Jost	0.87	0.41	1.20	1.51	0.74	0.74	1.82	1.11	2.53	0.36	1.73	1.38	1.20
Master	0.61	1.38	1.18	1.50	2.23	0.78	0.89	2.29	1.92	1.78	1.27	0.38	1.35
Randon - São Paulo	0.00	0.00	0.00	0.00	0.00	0.00	7.69	4.17	8.70	0.00	4.76	0.00	0.00
Randon - Araraquara	0.00	1.54	4.60	0.00	1.03	2.04	1.04	0.94	2.86	0.00	1.87	0.00	1.33
Randon - Holding	1.39	1.94	2.52	0.85	1.10	0.80	1.05	1.58	2.84	0.52	0.51	2.23	1.44
Randon - Matriz	1.48	1.62	1.45	1.45	1.92	0.70	1.26	0.86	2.83	2.28	0.91	0.60	1.45
Suspensys - Resende	0.00	0.00	0.00	16.67	0.00	6.67	5.56	0.00	0.00	0.00	0.00	0.00	2.41
Suspensys - RS	0.66	1.67	2.16	0.69	0.83	0.65	1.13	1.13	1.44	0.79	1.08	0.29	1.04
Suspensys WE	0.51	0.74	0.95	0.23	1.60	0.46	0.91	1.96	1.27	1.27	2.51	1.23	1.14
Veículos - RS	0.00	1.79	1.82	3.39	2.53	1.25	0.00	14.81	1.45	2.94	3.03	106.25	11.61
Acumulated Average	0.75	0.98	1.36	2.28	1.01	1.21	1.78	1.41	2.16	1.15	1.21	1.55	1.41
SIMECS Comp. Ref.	2.67	1.10	1.20	1.07	1.30	0.89	1.28	1.27	1.61	1.74	2.49	2.49	1.49

2017

Companies	Jan	Feb	Mar	Apr	Mai	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
Banco Randon	0.00	1.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13
Randon Chapecó	11.46	5.04	1.22	1.22	3.68	5.73	2.70	3.47	2.14	0.00	0.00	5.07	3.48
Consórcios	0.00	0.00	1.63	3.25	0.82	0.81	0.00	0.00	0.75	0.75	0.00	2.99	0.92
Controil	2.40	1.66	2.40	2.38	0.70	0.95	2.35	1.20	2.40	1.94	2.41	2.84	1.97
Fras-le	0.74	0.86	0.80	0.54	1.36	0.94	1.69	1.30	1.10	0.85	1.19	3.22	1.22
Fras-le - CDP	0.00	0.00	4.35	0.00	4.55	9.52	0.00	0.00	0.00	4.55	0.00	0.00	1.91
Fras-le - RAP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.05	0.00	2.27	1.20	0.96
Jost	0.00	2.29	1.83	2.74	2.20	1.74	2.20	2.64	0.44	2.60	0.44	2.49	1.80
Master	1.11	1.68	0.54	0.36	0.68	1.09	1.54	1.68	1.36	1.61	0.59	2.77	1.25
Randon - Holding	2.03	1.74	1.73	1.71	2.57	3.93	1.44	1.74	0.28	0.55	0.81	1.63	1.68
Randon - Matriz	2.11	1.18	0.60	0.66	1.11	2.08	5.36	1.64	1.50	1.27	0.72	2.45	1.72
Randon - São Paulo	2.63	0.00	21.62	3.45	7.14	0.00	0.00	0.00	3.70	0.00	0.00	0.00	3.21
Suspensys - RS	23.53	6.38	2.13	2.16	0.44	1.56	1.29	1.91	1.07	1.89	1.27	4.02	3.97
Suspensys - Resende	0.00	4.76	0.00	0.00	5.00	0.00	5.00	0.00	5.26	0.00	5.56	0.00	2.13
Suspensys WE	2.46	0.38	1.63	0.00	0.30	1.15	1.40	2.41	0.79	1.50	0.99	0.99	1.17
Veículos - RS	3.64	3.70	1.79	0.00	0.00	1.75	1.79	0.00	1.69	0.00	5.00	3.45	1.90
Acumulated Average	3.71	1.61	2.27	0.85	1.28	1.55	2.69	1.57	1.34	1.20	1.02	2.74	1.83
SIMECS Comp. Ref.	1.60	1.18	1.04	3.09	1.36	0.94	2.10	1.46	1.22	1.20	1.90	2.51	1.63



In 2018, there was a reverse in the terminated contract curve, associated to company growth.



BENEFITS

Integrated systems for service to employees and their families

G4-LA2

RANDONPREV

G4/EC3

RandonPrev - the Randon Companies Pension Fun, was created to offer a Complementary Retirement Plan to employees, ending 2018 with net equity at BRL 399,513,774.80 and 258 participants assisted. Invested in the financial market through specialized external managers, the capital guaranteed net profitability of 8.64% for conservative profiles, 10.12% for moderates and 11.34% for aggressive profiles.

With ten years or more of service to the company, employees can decide to receive their benefits in advance at 55 years old or at 60 years old, as long as the employment relationship with the employer has terminated.

PROFIT SHARING PROGRAM

The profit sharing program offers strategic and variable remuneration and is subject to established goals, encouraging employees to go the extra mile. The Profit Sharing agreement is negotiated every 5 years with the category union and company and employee representatives negotiate and establish goals and indicators every year. Distribution varies from company to company, in compliance with minimum requirements. Profit sharing encourages productivity and is considered a strategy to attract and retain qualified personnel.

ECONOMY AND MUTUAL CREDIT COOPERATIVE

Another option for employees is the opportunity for loans and financial investments with exclusive deadlines and attractive interest rates. Created in 1977, the cooperative constantly stages actions to provide guidance when it comes to financial planning. In 2018, employees were gifted with the book "Finish Line – The power of habit and discipline in achieving goals". It also partners in social actions organized by the Elisabetha Randon Institute, the Randon Companies Employees Association and the SSI – Integral Health System.



HEALTH AND WELL-BEING

Randon Companies boasts a Health Center that provides several services and benefits, promoting worker's health. It is an integrated care system with a specialized structure and team. Health care and occupational health services are provided alongside nursing, urgent and 24h emergency care, free collection and delivery of exams, as well as an internal and external dental service.

- **Social Service** - Provides care, forwards, plans and implements social programs and projects aimed at prevention and employee quality of life.
- **Child Care Assistance** - A monthly reimbursement for employees with children aged up to 5, enrolled in daycare centers. The reimbursement practice at Randon Consórcios is in line with the collective bargaining agreement for the category: up to 6 years old and corresponding to 10% of the minimum wage for the category.



The Health Center offers facilities for medical care and occupational health, a nursing services, urgent care and 24 hours emergency care.



SPORTS, LEISURE AND QUALITY OF LIFE

The Randon Companies Association offers culture and leisure to member employees and their families. The company encourages the practice of sports, social and cultural activities in a safe and healthy environment.

RANDON COMPANIES RESTAURANTS

Food preparation is the responsibility of an outsourced company and qualified professionals, taking all the necessary care. All steps are strictly controlled to offer quality and food safety.

BUS LINES

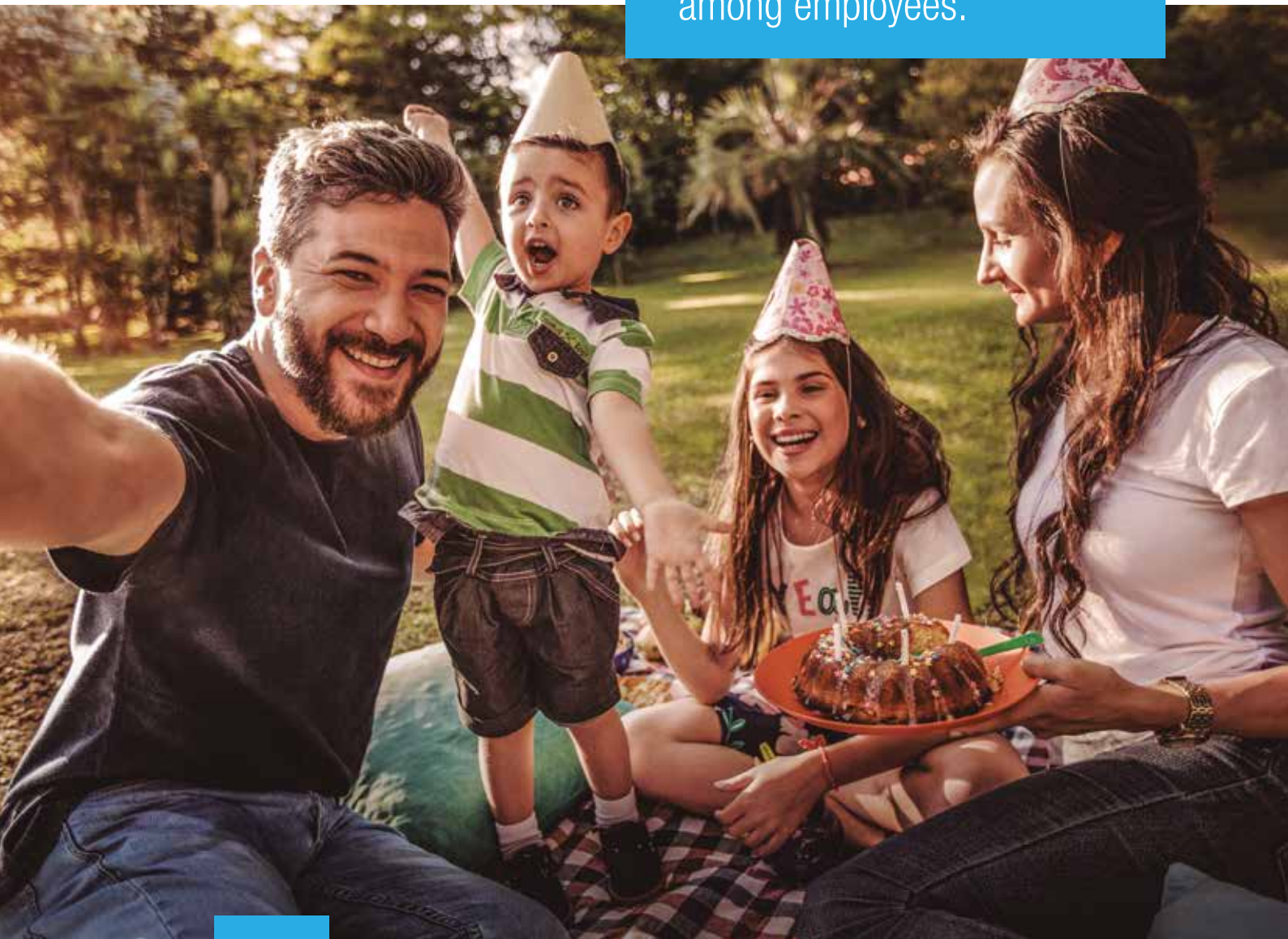
Randon Companies have exclusive bus lines, with the service provider carrying employees from several points throughout cities, in compliance with strict safety regulations.

FACILITIES

The bank service stations, ATMs and brokers on site facilitate the lives of employees when purchasing or renewing car and home insurance and for submitting life insurance indemnity request.

Harmonious coexistence and care for one's health are encouraged through activities on offer.

Maternity and paternity return rates are **100%** among employees.

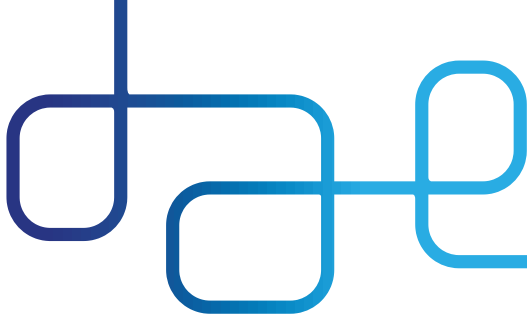


RETURN FOLLOWING TIME OFF AND NOTIFICATION ON CHANGES

G4-LA3 and LA4

	2017	2018
Leave	50 employees on maternity leave 40 extensions	43 employees on maternity leave 43 extensions
Returns	33 returns from maternity leave 34 extensions	48 returns from maternity leave 40 extensions

Note: maternity leave may have begun in 2017 and ended in 2018, with an extension of leave



OCCUPATIONAL HEALTH AND SAFETY

Capacity building, education and guidance must be promoted continuously

To Randon Companies, no emergency situation, production or result is permitted to jeopardize the health and safety of our personnel. Similarly, the company prioritizes environmental protection. According to our principle “Safety, the duty of all”, we strive to reach excellence in Health, Safety and Environment (HSE) through a culture of prevention and dealing situations of risk with the correct seriousness and priority. Capacity building, education and guidance must be provided continuously, so as to preserve the culture and reinforce employee commitment to HSE performance.

The Health, Safety and Environment Policy established guidelines with the goal of guaranteeing that activities are conducted in accord with applicable legal requirements and under conditions that prevent undesirable events, directing efforts towards providing a safe and health workplace and environmental protection.

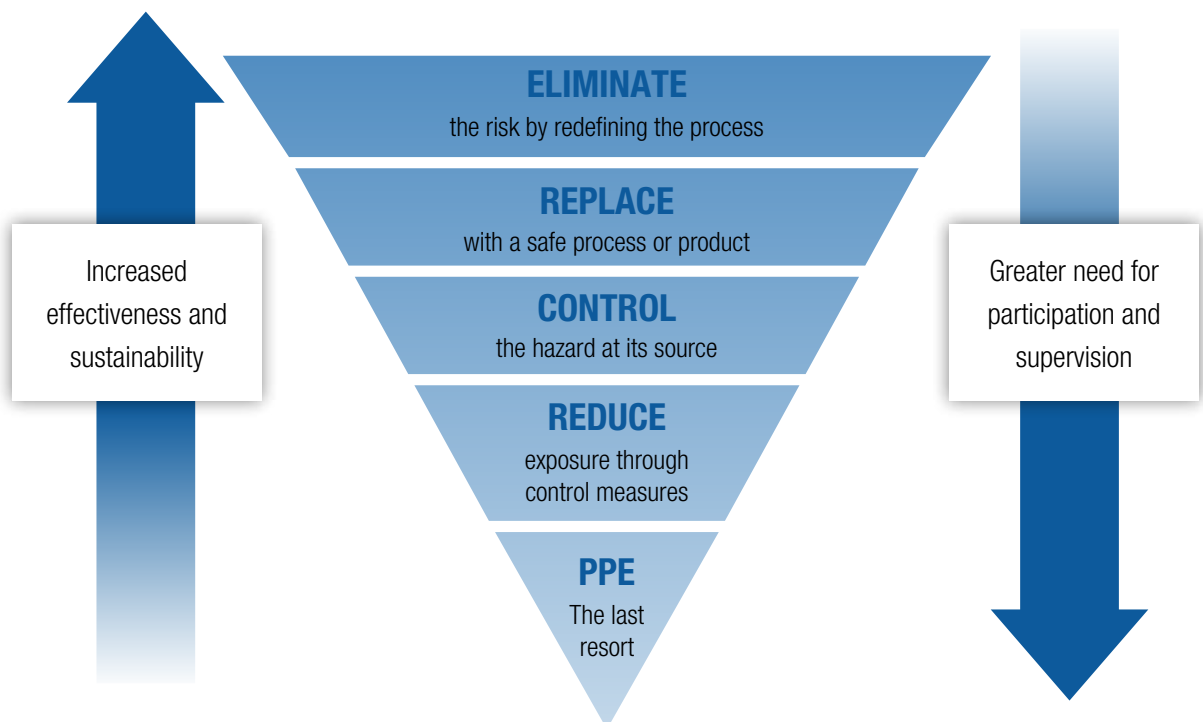
The companies are certified by the OHSAS 18001, maintaining a health and safety management system that enhances constantly. Identifying risks is a fundamental step in targeting efforts to eliminate, replace, control and monitor them. We follow the risk control hierarchy, placing a priority on adopting the most efficient and sustainable measures.

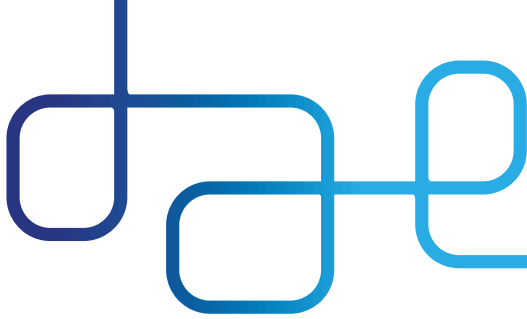
To bolster and disseminate the culture of prevention among all employees, certain practices have been enhanced, namely HSE dialogs, wherein concept on prevention are detailed, along with the so-called “active care” policy, which focuses on “taking care of myself, taking care of others and allowing others to take care of me”; HSE inspections to check the conditions of the workplace and define actions for improvements; and the investigation of all events so that necessary measures are implemented.

The Randon Companies culture of prevention is based on the principle of “taking care of myself, taking care of others and allowing others to take care of me”.



RISK CONTROL HIERARCHY



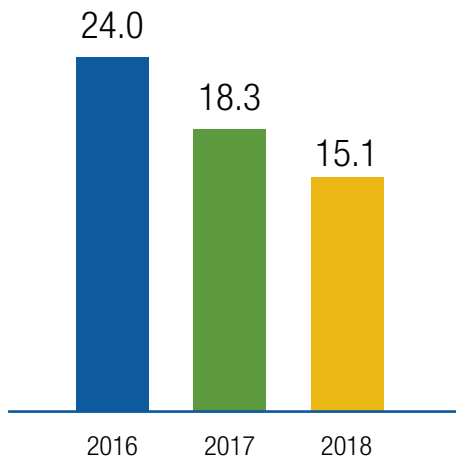


As a result of all safety and security management, the incidence regularity rates are showing an improvement.



FREQUENCY RATE

Nº Accidents* 1,000,000/WMH



To ensure sustainable results, no effort is spared in working towards evolutions in prevention, encompassing three fundamental loss prevention elements: suitability of physical conditions, maintenance and improvement of the management system and development of human factors. With a focus on human factors, in 2018 the program “An Attitude can change a Life” was launched, based on 5 Safety Attitudes.



TOTAL HEALTH SERVICES IN 2018

Care Services	76,057
Occupational Services	33,086



The program got underway by generating the concept and developing this motto with company leadership, focusing on raising awareness around the fact that attitudes are noted constantly and serve as an example to others. During Workplace Accident Prevention Week, these concepts were presented and developed for all employees, through daily HSE dialogs, the distribution of material, participation in lectures, the Randon application, banners and other forms of internal communication.

The program was developed based on the concept that the commitment and attitude of each individual are fundamental to the development of sustainable culture of prevention. Preventative attitudes are also demonstrated in the concern for people's quality of life. As such, special care was dedicated to employee health in the form of a self-managed medical plan, overseen by SSI Saúde (Integral Health Service) which, besides providing healthcare to employees and their dependents, also provide occupational healthcare to employees. There are also a Health Center and outpatient clinics that provide several procedures, services and benefits. It is an integrated system of care, offering quality with infrastructure and specialized staff, including 24-hour urgent and emergency care, free collection and delivery of exams, and internal and external dental services. Each year, several preventative programs are promoted that, besides benefitting employees, most are extended to family members. Of special note, due to their significant participation, are the women's health programs, Pink October; the men's health initiative, Blue November; vaccination campaigns, especially against the common cold; mini check-ups conducted during Workplace Accident Prevention Week for all willing employees; Green April, aimed at workplace health and safety prevention measures.

In 2017 and 2018 saw the 1st and 2nd Walk and Run for Health, open to employees, family members and the community in general, aimed at encouraging healthy habits for a healthier life, bringing together some 4,000 participants. Children were also encouraged to participate in a Kids Run, as well as a modality for the visually impaired.





CAREER

Several programs develop human capital

G4 EN8 | EN9 | EN10 | EN22

TALENT MANAGEMENT

Identify and develop professionals with the potential to meet the demands of existing management positions at Randon Companies - director, manager and coordinator. Employees with leadership potential enjoy accelerated development through mapped actions in their individual development plans, based on the 70/20/10 methodology.

The program features a structured assessment process, with several stages. The individual report is delivered to the program participant, with guidelines on how to prepare their professional development plan. The program identifies talents for possible succession movements for managers.

QUALIFICAR PROGRAM

In 2017 and 2018, the Qualificar Program – Randon/ SENEI Professional Education Center, saw 127 youths graduate and then move on to work at Randon Companies. The technical education program is geared towards company business.

AQUI VOCÊ PODE CRESCER (HERE, YOU CAN GROW) PROGRAM

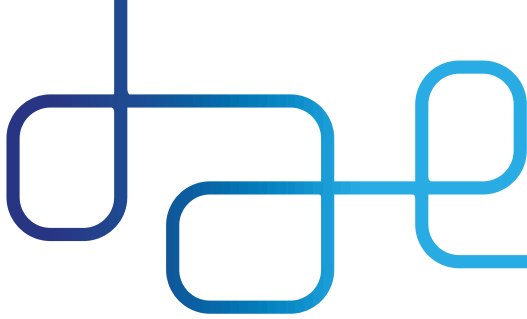
Through this program, employees and interns at Randon Companies can apply for internal recruitment.

In line with the strategic objective of identifying, attracting, retaining and developing people, the Program represents one of the leading sources of career development opportunities, expanding growth perspectives and development at the company. In 2018, the program took on a different format with the implementation of the Career Page, through which positions within the companies are advertised to both the internal and external public. In 2017, the percent of internal recruitment was 52%, while in 2018 it was 36%.

In 2017, the internal recruitment percentage in the Here, You can Grow program was **52%** and in 2018 was **36%**.



Up to 2018,
364 management positions have been filled through internal recruitment.
The percentage of internal recruitment was **83.24%**.



RETIREMENT

Incentive and preparation for a full and satisfying life

G4 EN8 | EN9 | EN10 | EN22

NOVOS CAMINHOS (NEW PATHS)

For 15 years, the program has been preparing employees for retirement in a motivating and enthusiastic manner, whether to enterprise in something new or enjoy a more relaxed routine as a retiree, looking towards personal satisfaction. The goal is to develop awareness regarding respect for life.



BROADENING HORIZONS

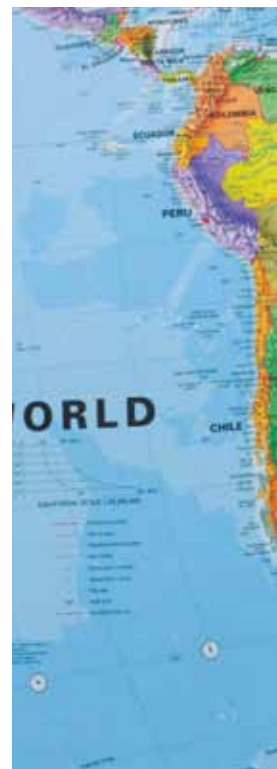
"Novos Caminhos helped me immensely, especially in terms of health and my financial well-being. It is a great help in preparing psychologically for retirement, as it provides loads of tips on other activities that we can develop."

Nelson Antônio Sasset

"It creates a range of possibilities. When I began, there was opportunities to get to know myself better, to learn who 'Romário' is and see the potential I had and where it could be applied. It broadened my horizons and expanded my view of the world."

Romário Godinho

90 employees
part of the 2018
Novos Caminhos
Program.





Nelson Antônio Sasset



Romário Godinho

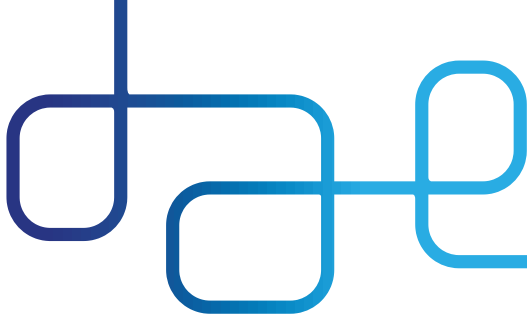
INCLUSION

The goal is to promote equal opportunities for all

G4 EN8 | EN9 | EN10 | EN22

INCLUIR (INCLUDE)

Once positions have been filled, the Incluir Program disseminates a culture of equal opportunities, respecting all ethnicities, races, creeds and disabilities. Including people with disabilities entails a series of stages, like mapping the roles and facilities (accessibility); recruitment and selection with flexibility for basic requirements, like experience and level of instruction; attraction and retention with the review of internal policies; raising awareness and capacity building among leadership, teams and the target public. Multidisciplinary groups implant all phases of the program and monitor indicators for hiring, absenteeism and turnover. It also helps identify partnerships with institutions and public entities.



PERFORMANCE APPRAISAL

G4-LA11

MERITOCRACY-BASED APPRAISAL

Each year, Randon Companies' employees are appraised according to their performance, which is regularly refined and enhanced, guiding the meritocracy process for all positions. Managers are assessed according to two areas: behaviors and results, linked to business and behavioral goals, which generate a position matrix (9box). The system includes a 270/360 appraisal, guaranteeing a more democratic process.

EMPLOYEES APPRAISED ACCORDING TO PERFORMANCE

In %

2017	43.00
2018	87.53

Managers are appraised according to their behavior and performance





LABOR DISPUTES X SOLUTIONS

G4-LA16

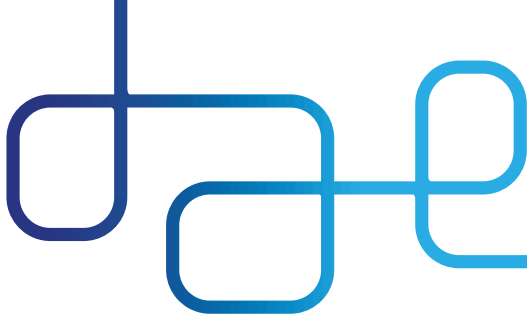
Randon Companies registered 284 cases involving labor claims and disputes in 2018, of which 271 were completed. This is a step forward in comparison to 710 cases in 2017 and 213 brought to a close through formal mechanisms.

SOCIAL COMMITMENT

G4-LA9 | LA10



The company believes that people are its greatest asset, talents that need to be nurtured and maintained.



SOCIETY

Engagement with local communities

G4-S01

Despite enormous challenges faced by the social responsibility department in 2017 and 2018, worsened by the financial crisis that struck the Brazilian economy, the Elisabetha Randon Institute (IER, Portuguese acronym) maintained its social investments.

In 2017, Florescer celebrated its 15th anniversary and the IER reached 15 in 2018. These were significant milestones, shared in a series of events with program beneficiaries, Random Companies' employees and the community, the beginning and end goal of this initiative.

Florescer has five social franchises in other cities, which continue to develop their activities in favor of youth, the same way the Florescer program's professional initiation system has been helping youths enter the job market for 13 years, in partnership with SENAI.

Through the Vida Sempre (Life Forever) Program, aimed at traffic safety education, 140 traveling theater shows were staged in cities throughout the south of the country. The program has been acknowledged by several municipal departments of Traffic and Education by including the theater presentations in their annual programs at schools. In 2018, a partnership was signed with the consultant Roberto Branco, geared towards organizing courses for truck drivers working for Randon Implementos logistics customers, with subjects covering defensive and



economical driving and how to reduce the wear on tires.

Besides annual workshops aimed at the conservation and storage of historic documents, the Randon Memorial took the first steps towards building a new space.

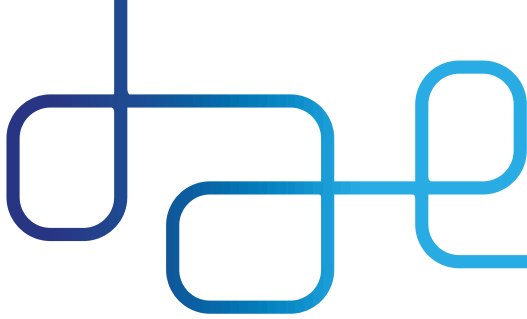
Thanks to the dedication of Random Companies' employees, the Ser Voluntário (Be a Volunteer) program conducted actions at 4 schools in Caxias do Sul,



contributing to building maintenance to improve conditions for students. In addition to corporate social practices coordinated by the IER, Randon Consórcios has a Citizen committee that encourages volunteer work and defines which institutions are to be benefits, in conjunction with the IER.

Thanks to the dedication of Randon Companies' employees,

the Ser Voluntário (Be a Volunteer) program conducted actions at 4 schools in Caxias do Sul, contributing to building maintenance to improve conditions for students. In addition to corporate social practices coordinated by the IER, Randon Consórcios has a Citizen committee that encourages volunteer work and defines which institutions are to be benefits, in conjunction with the IER.



FLORESCER (FLOURISH) PROGRAM

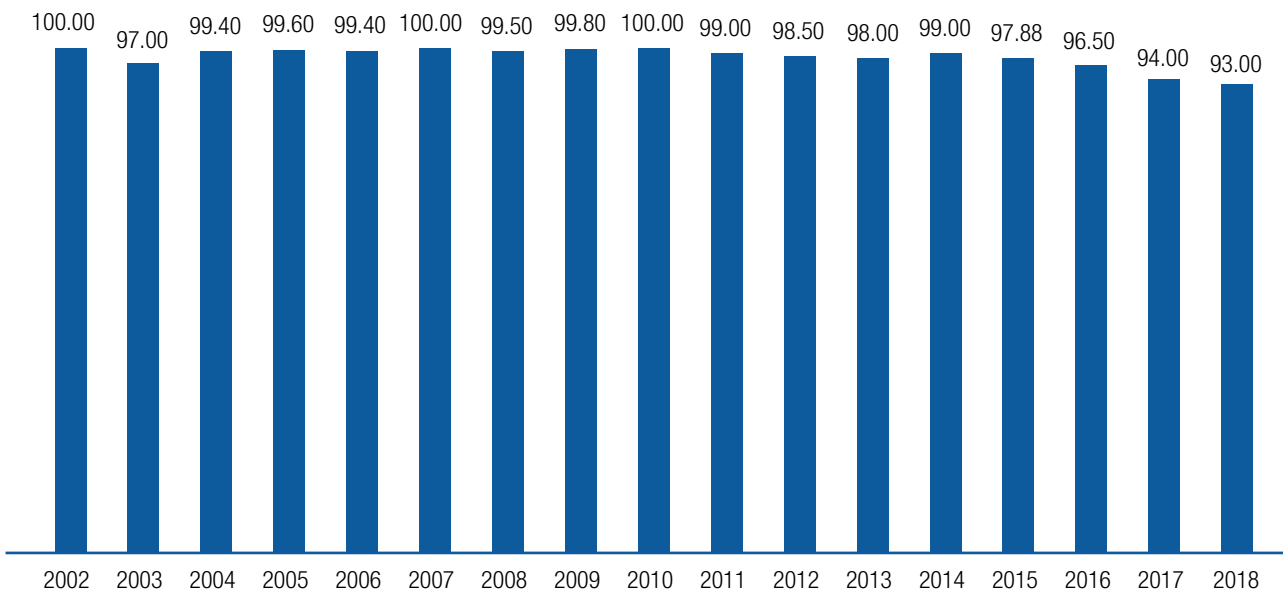
In the modality of Coexistence Service and Strengthening ties, outside of regular school hours, Florescer caters to children and adolescents from 6 to 15 years old, at Randon Companies units and social franchises in Bento Gonçalves and Vacaria, in RS; Maringá, PR; and Ribeirão Preto, SP. In these municipalities, the Florescer program methodology has been adopted by companies and social entities caring for 600 children. In 2017, Florescer benefited some 1,053 children and adolescents and in 2018 the number was 1,028. Florescer Professional Initiation prepares youths for better insertion into the job market, by means of technical and humanistic education, promoting social inclusion.



FLORESCER PROGRAM APPROVAL INDEX

An annual survey conducted with the families of beneficiaries

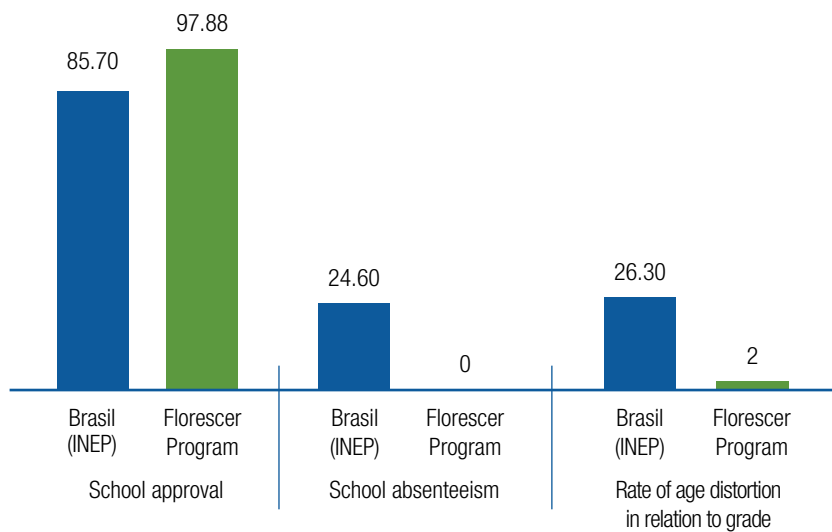
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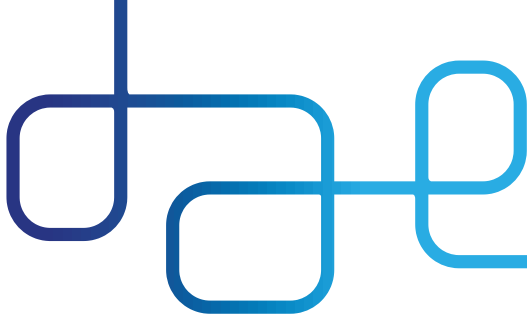




COMPARISON BETWEEN INEP AND FLORESCER DATA

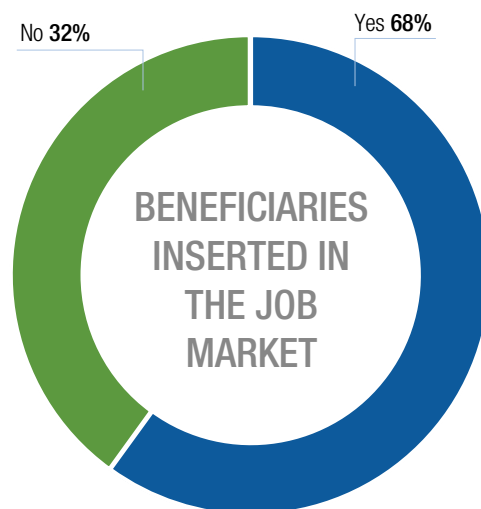
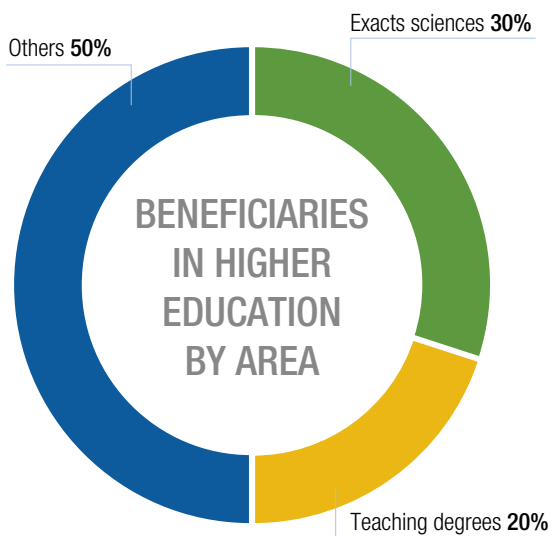
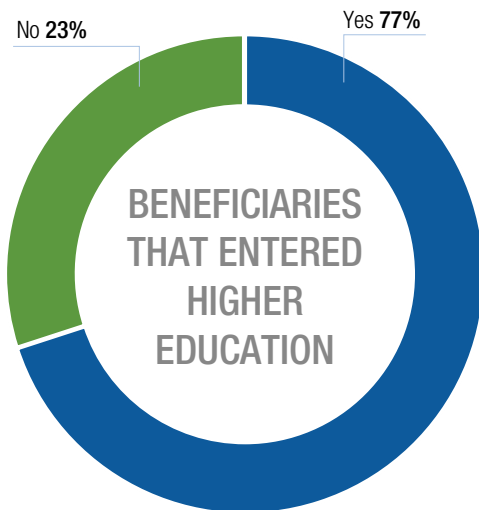
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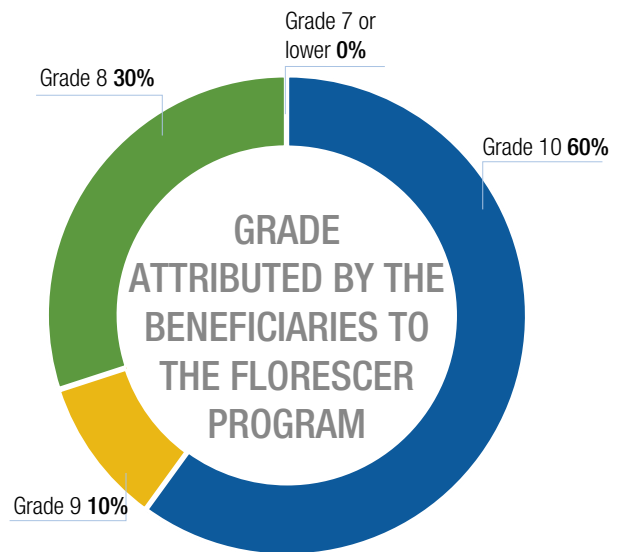
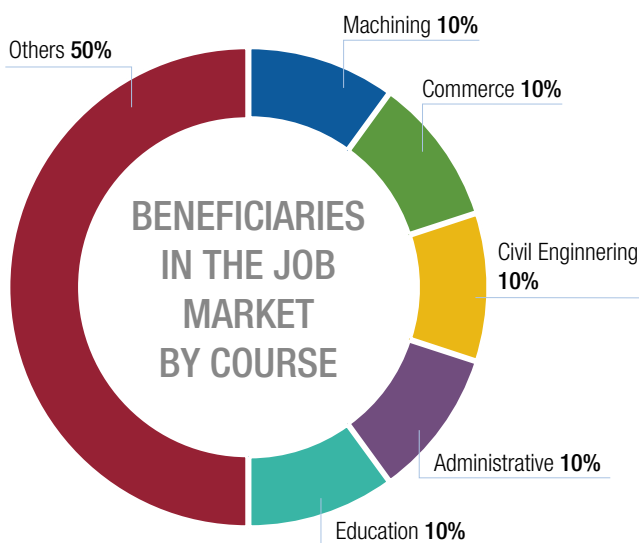
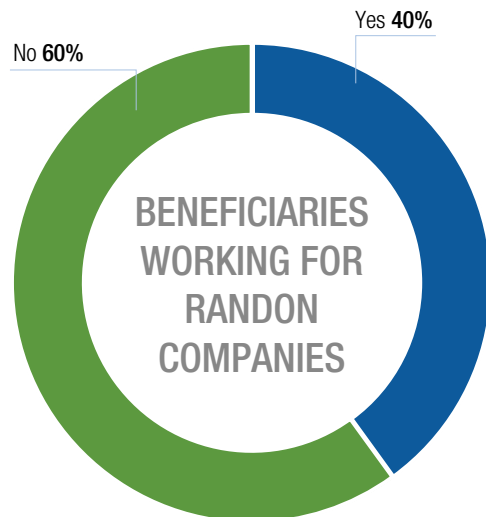


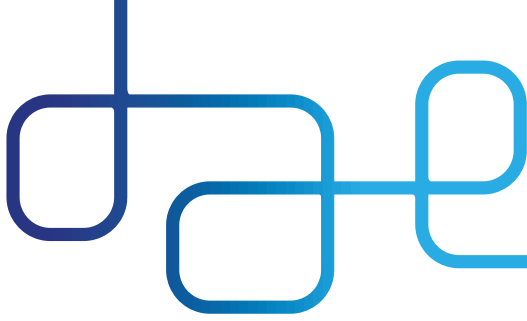


QUANTITATIVE RESULTS

A survey conducted in 2018 with beneficiaries completing the Florescer Professional Initiation Program for 2016

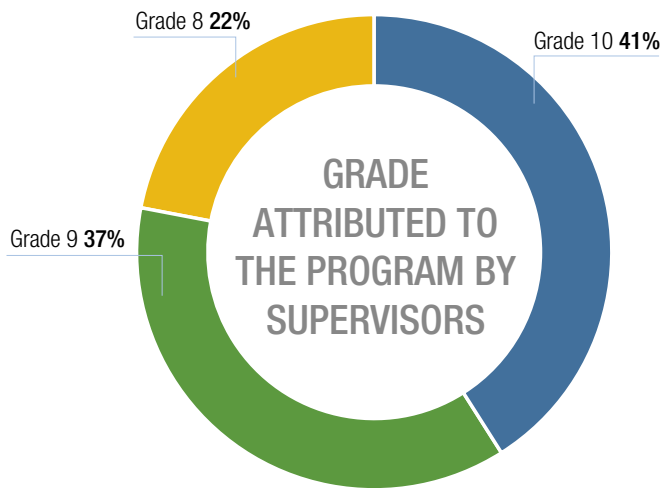






QUALITATIVE RESULTS

A satisfaction survey conducted with beneficiaries of the Caxias do Sul Florescer Program, supervisors and partnered schools in 2018.



INVESTMENT WITH RESOURCES DEDICATED TO SOCIAL PROGRAMS

In BRL

FUNDS RAISED	2017	2018
Comdica Caxias	130,000.00	176,317.70
Comdica Farroupilha	90,000.00	90,000.00
Municipal Social Welfare Board	134,433.79	191,773.16
Cedica FECA	-	45,473.80
Orquestra Florescer (Rouanet Law)	200,000.00	200,000.00
RS State Tax Invoice Program	3,000.00	5,538.21
Social Partnership Network	-	300,000.00
Vida Sempre Theater Project	325,000.00	381,204.00
Memorial Randon Project	112,500.00	555,000.00
Total	994,933.79	1,675,306.87





FLORESCER IN NUMBERS

687 youths benefited through the Florescer Professional Initiation program since its creation.

70% of youths that completed the program continued their studies.

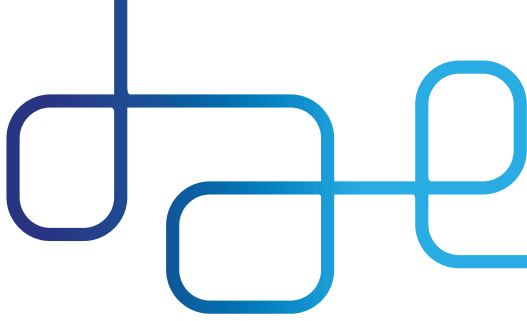
96.5% school approval index.

100% of beneficiaries continued studying after a basic education level.

50% are inserted in the job market.

40% work at Randon Companies.

50% entered higher education.



SER VOLUNTÁRIO (BE A VOLUNTEER) PROGRAM

Volunteers from Randon Companies developed seven activities in 2018 (there were eight in 2017) involving general maintenance of public schools and partner entities from Caxias do Sul.

The efforts resulted in average savings of BRL 15,000 for the beneficiary organizations.





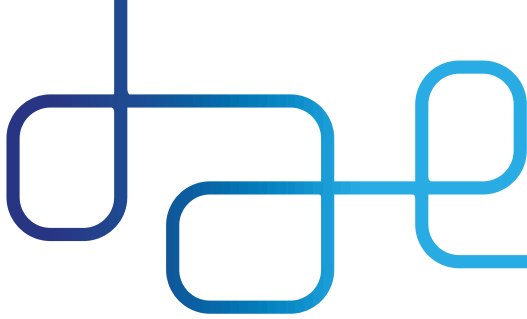
VIDA SEMPRE (LIFE ALWAYS) PROGRAM

Activities part of the Vida Sempre Program were concentrated on a traveling theater program throughout 2017 and 2018. Over 142,000 people from the Southern Region of Brazil enjoyed the performance “Vida Sempre - A Cultura nas Estradas” (Life Always - Culture on the Road), with subject matter linked to traffic safety. Other permanent actions, totaling 90,000 people, include video presentations, the proposal of games and printed materials with tips on how to contribute to more humanized traffic. The audience is largely made up of Randon Companies’ employees and students from municipal public schools, as part of the CIPAVE program, a partner with the IER. 2018 saw the start to project of defensive and economic driving course for Brazilian logistics operators.



RANDON MEMORIAL

The venue hosted two **workshops on Handling and Conserving Historical Documents**. Administered within Randon Companies, the workshops were focused on preserving and appreciating history, through practical and theoretical activities for conserving documents and archives. In 2018, the Randon Memorial held approximately **36,000 documents**, including photographs, magazines, awards and newsletters.



SOCIAL PARTNERSHIP NETWORK

At the seventh edition of the Social Partnership Network, the IER welcomed 22 projects, 10 of which were selected based on the notice regulations. The cornerstone of the Social Partnership Network, together with the State Government of Rio Grande do Sul, since 2008, the IER benefitted some 916 children and adolescents in 2018, as part of the project “Integral Child and Adolescent Formation”. Made possible through the Solidarity Law, it allows part of the Value Added Tax on Sales and Services of Randon Companies – around BRL 300,000 – to be invested in social projects.



SPENDING ON PROJECTS – TAX INCENTIVES

In BRL

	2017	2018
Social Partnership Network	None	300,000.00
Vida Sempre Theater Project	341,892.68	344,408.58
Total	341,892.68	644,408.00



MEMBERS OF THE COMMUNITY BENEFITTED THROUGH PROJECTS

In 2017 and 2018

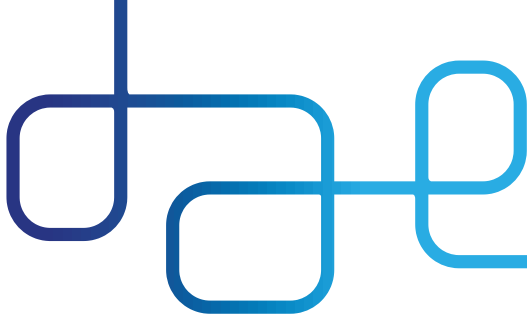
Florescer Program (Randon Companies)	360/year
Florescer Franchises	5 Institutions
Florescer Professional Initiation Program	75 people
Vida Sempre Program – videos, games and printed materials about traffic safety aimed at the internal public and municipal public schools	90 mil people
Vida Sempre Program – “Vida Sempre - A Cultura nas Estradas” Theater Project	142.000 mil people
Social Partnership Network	916 people





WWW.IERANDON.ORG.BR

The Elisabetha Randon Institute website features the entity's mission and provides more information about the programs and projects mentioned in this report.



CODE OF ETHICAL CONDUCT

It proposes a reflection on Ethics and how it impacts the daily routine

G4-S02, S03, S04, S05

Randon Companies publish their principles and Code of Ethical Conduct as a means to internalize the content, elevate awareness, as well as prevent and minimize situations that involve acts of corruption.

The internal audit was unable to identify any operation that may have impacted the community.

Respect for the environment and ethical conduct are some of the basic requirements called for from suppliers.

CRITERIA FOR SELECTING NEW SUPPLIERS

Governance of the Purchase Department follows the guidelines and responsibilities set forth in the Corporate Purchase Policy, approved by senior management in 2017. Both the purchase policy and the Code of Ethical Conduct, the Supplier Requirements Manual and the Anti-Corruption Policy are aligned with the corporate philosophy. Our relationship with suppliers is guided by transparency and mutual trust. Thus, to be a part of our Supply Chain, companies must comply with a series of requirements, informing us of their economic and financial indicators, the commercial conditions, the quality of the products and services offered, and show committed to ethical and socially responsible behavior. Our Supplier Requirements Manual was revised in 2016 and 2017, and new chapters were added to establish selection, evaluation and monitoring systems for quality, logistics, after-sales and commercial issues. Randon Consórcios has a series of exclusive practices, in compliance with its ISO 9001:2015 certification.

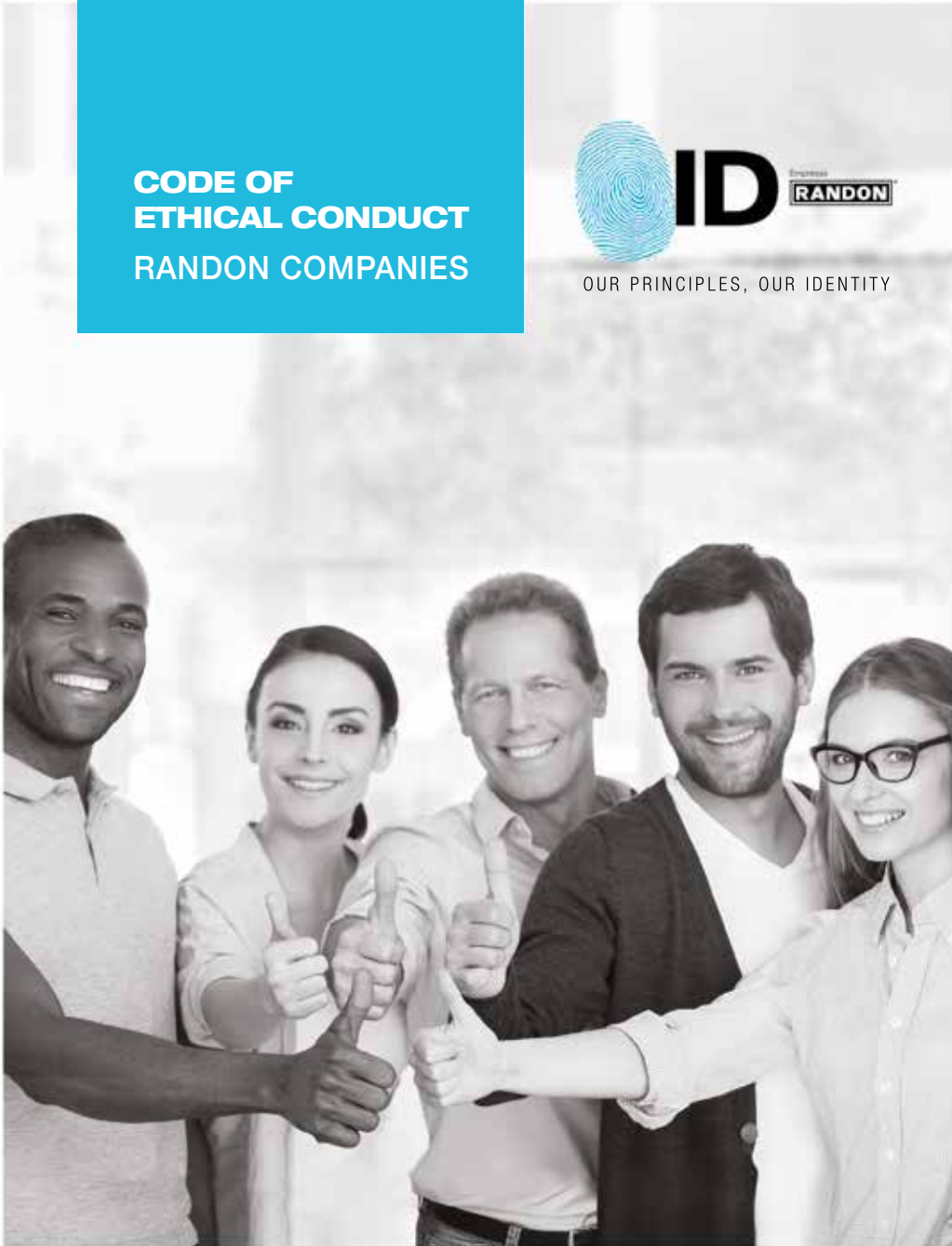
AUDITS

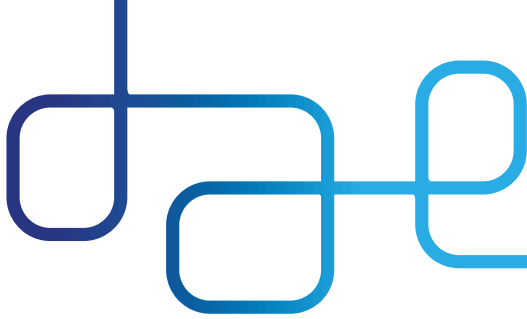
Process audits assess the supplier social responsibility requirements, such as their position with regards to child and slave labor. Environmental management is another key component. Upon being approved, suppliers are engaged with the IDGF (Global Supplier Performance Index) score for having implemented ISO14001, in relation to society. The Ministry of Labor's Blacklist is also regularly consulted so make sure no suppliers are listed. If some evidence is found regarding the above issues with current suppliers, such supplier is included in the Blacklist and recommended for Phase Out. In 2017 we had no cases related to this issues.

**CODE OF
ETHICAL CONDUCT
RANDON COMPANIES**



OUR PRINCIPLES, OUR IDENTITY





PRODUCT

Commitment to customer safety

G4-PR1

At Randon Companies, all our products undergo a Preliminary Assessment of Aspects, Impacts, Hazards and Risks, an analysis conducted by Product and Environmental engineers. In the case of new products, to meet the requirements of IATF 16949 and customer requirements, they must be registered with the IMDS (International Material Data Sheet). The register lists the raw materials contained in the item and restricted substances, such as asbestos and hexavalent chromium (carcinogenic and polluting products).

SAFETY ON THE ROAD

Since initiating operation in 2010, the Randon Technology Center has been conducting tests on the entire line. The new infrastructure contains special spaces, which allow for tests like those for approval (in accordance with national and international regulations: Contran, part of ECE R13, among others), along with braking performance, static tests, durability on special tracks and laboratory test, including vibration testing. In 2018, it was accredited by INMETRO (National Institute of Metrology Standardization and Industrial Quality) for conducting tests geared towards determining rollover resistance force curve in light vehicles, such as passenger and utility vehicles.

This approval is the only of its kind in Brazil for tracks open to the market.





IN COMPLIANCE WITH CURRENT LEGISLATION

G4-PR2, PR4, PR6

The products manufactured and services rendered by Randon Companies uphold existing legislation. Randon Companies also present a proactive attitude when it comes to trade associations and governmental bodies.



INFORMATION AND AWARENESS CAMPAIGN

G4-PR3

For customers to define the best product option, Randon Companies offers a series of materials. They include specific information, attributes, graphs, general information, available references, price lists, technical and maintenance manuals, technical newsletters and online application catalogs.

Products manufactured by Randon Companies follow the regulations established for packaging and, in the case of Randon Implementos, besides the Owner's Manual, training is provided at the time of delivery to ensure correct product use.

As a means to contribute to raising awareness to ensure safer traffic, when publicizing education messages related to traffic on advertising pieces for campaigns, Randon Companies follow the procedures outlined in Resolution 351, dated June 14, 2010..

SURVEY – CUSTOMER CONSULTATION

G4-PR5

Randon Implementos conducted a survey in 2018 with customers of the light and heavy lines and railway cars and assessed the attributes related to the product, commercial and after-sales practices.

With satisfaction indexes that exceeded 85%, an industry benchmark, the survey highlighted the more relevant attributes in Randon products among customers: quality, strength, durability and reliability. For auto parts, the 2017 survey interviewed 420 people from 286 companies in 23 states and revealed a satisfaction index above 89% for all brands.

In 2017, Randon Consórcios applied a qualitative satisfaction survey among clients. As from 2019, a new methodology will be adopted, based on the application of specific surveys throughout the client's experience.

The most relevant attributes among customers are quality, strength, durability and reliability.

IN LINE WITH TRADE ASSOCIATIONS



FIERGS - Federation of Industries of the State of Rio Grande do Sul



ABNT – Brazilian Association of Technical Standards



CIC Caxias – Chamber of Industry and Trade of Caxias do Sul



SINDIPEÇAS – National Association of the Component Industry for Automotive Vehicles



ANFIR – National Association of Railway Industry Manufacturers



ANDAP – National Association of Auto Part Distributors



ANFAVEA – National Association of Automobile Manufacturer



PGQP – Rio Grande do Sul Quality and Productivity Program



APIMEC – Association of Capital Markets Analysts and Investment Professionals



ABIFER – Brazilian Railway Industry Association



SAE Brasil



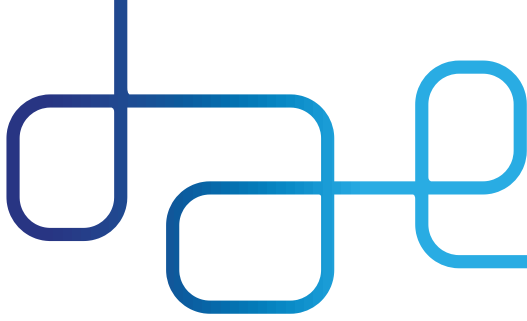
SIMEFRE – Inter-State Union of the Industry of Railway and Roadway Materials and Equipment



SIMECS - Metalworking Industry Trade Association



ABAC – Brazilian Association of Consortium Administrators



SUMMARY OF G4 GUIDELINES

*Connected to The Ten Principles of the UN Global Compact, 2000

**Connected to the OCDE guidelines for multinational companies, 2011

***Connected to the UN Guiding Principles on Business and Human Rights, 2011

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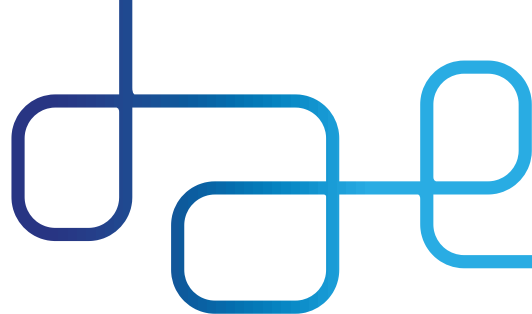
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CORPORATE INFORMATION

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Hugo Eurico Irigoyen Ferreira - Vice-Chairman
Derci Alcântara - Board Member
Pedro Ferro Neto - Board Member
Ruy Lopes Filho - Board Member

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William Cordeiro

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Alexandre Randon - Executive
Daniel Raul Randon - Vice Executive President
Geraldo Santa Catharina - Executive
Alexandre Dorival Gazzi - Executive
Sergio Lisbão Moreira de Carvalho - Executive

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Daniel Raul Randon - Vice Executive President
Alexandre Dorival Gazzi - Corporate Executive
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