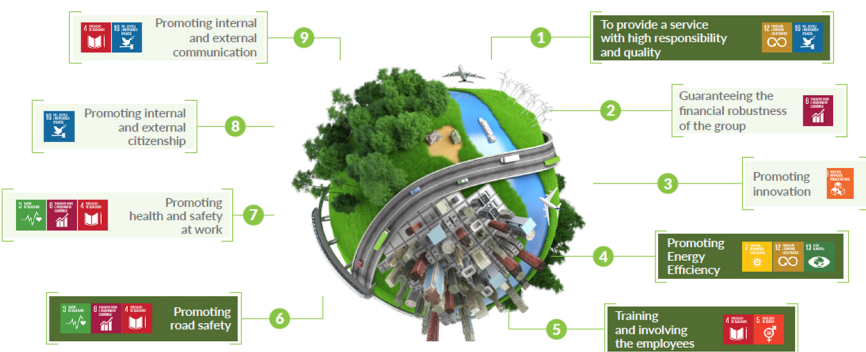


LUÍS SIMÕES SUSTAINABILITY STRATEGY

The 9 sustainability principles of LS are in line with its values, and their implementation is closely related with the policies that have already been developed by the Group.

9 PRINCIPLES



The material aspects in highlight correspond to the most important challenges for LS and its stakeholders.



1. PROVIDING A HIGH-QUALITY AND RESPONSIBILITY SERVICE

Challenges

Service quality; Management of sub-contractors; Ethics and Compliance; Supplier sustainability assessment; Competitive differentiation; Data protection;

- Meeting customer expectations by offering innovative and agile solutions;
- Ensuring high quality standards for own and outsourced fleet, for internal logistics operations and for goods vehicle hiring, sales and service support for semi-trailers;
- Ensuring high product safety products, including food safety, throughout their involvement in the supply chain;
- Ensuring the absence of corruption in all its forms, including extortion and bribery;
- Understanding the performance and impact of the value chain, to support the management of the Group's performance throughout the value chain and identify risks.



2. ENSURING THE FINANCIAL SOUNDNESS OF THE GROUP

Challenges

Financial soundness:

- Promoting a retained earnings policy, with the reinforcement of its equity and resulting financial equilibrium;
- Matching the time structure of borrowed capital to the nature of financial investments;
- Efficiently managing the customer base, with a focus on reducing the Average Collection Period (ACP), ensuring the financing of the operation cycle.



3. PROMOTING INNOVATION

Challenges

Innovation; Intelligent Transport Systems:

- Implementing a culture of innovation at the service, process, and organizational levels, increasing efficiency and creating value for the customer and the Group;
- Adopting the best solutions available for carrying out the business and anticipating, whenever possible, the customers' needs and compliance with regulatory requirements.



4. PROMOTING ENERGY EFFICIENCY

Challenges

Energy Efficiency and Climate Change, Management of Sub-contractors; Intermodality:

- Promoting efficient engines, alternative fuels, and inter- and co-modality solutions;
- Optimizing routes, decreasing empty miles, and increasing vehicle occupancy rates;
- Investing in training on eco-driving;
- Promoting energy efficiency at the level of warehouses, heavy goods vehicle service centers, and offices;
- Monitoring energy consumption (electricity and fuel) and greenhouse gas emissions;
- Investing in the relationship with transport sub-contractors and other suppliers, supporting them in their increasing adoption of sustainability criteria;
- Promoting a preventive approach to climate challenges.



5. WORKER TRAINING AND ENGAGEMENT

Challenges

Worker Training and Engagement; Ethics and Compliance:

- Streamlining the recruitment and retention of talented employees;
- Ensuring the continuity of the management capacity by qualifying and motivating people;
- Enabling professional development and personal fulfillment;
- Transmitting an image of the company as committed to its employees and their development;
- Ensuring the respect for the protection of internationally recognized human rights;
- Supporting the freedom of association and the effective recognition of collective bargaining;
- Contributing to the abolition of all forms of forced and compulsory labour that result from its activity;
- Ensuring freedom from discrimination at work.



6. PROMOTING ROAD SAFETY

Challenges

Road Safety:

- Promoting driving best practices through training and monitoring performance and rewarding good conduct;
- Ensuring adequate work conditions for drivers when it comes to ergonomics and driving and resting times;
- Guaranteeing the preventive maintenance of the vehicles.



7. PROMOTING OCCUPATIONAL HEALTH AND SAFETY

Challenges

Occupational Health and Safety:

- Monitoring and mitigating the risks connected to the activity;
- Ensuring adequate means to promote health and safety in the work performed;
- Improving the ergonomics and environment of workplaces.



8. PROMOTING INTERNAL AND EXTERNAL CIVIC ENGAGEMENT

Challenges

Internal social responsibility and Community Integration:

- Encouraging the civic engagement of its employees, promoting their health and investing in partnerships that benefit them;
- Promoting an increasingly closer rapport with the community, by supporting initiatives in the social sphere;
- Supporting public interest institutions, organizations and projects, providing technical capacity, human and financial resources.



9. PROMOTING INTERNAL AND EXTERNAL COMMUNICATION

Challenges

Communication; Community Integration; Ethics and Compliance:

- Establishing communication channels and developing in-person activities for drivers and other employees;
- Fostering strategic communication and online platforms for operational communication with suppliers and customers;
- Communicating transparently with media, local and national authorities;
- Promoting tours of educational institutions, families of employees and/or other stakeholders to LS's sites.