



ESG Report

2024-2025

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GUIDED BY INTEGRITY.



ORGANIZATIONAL PROFILE

Message from our Leadership

“At Nova Smar, we believe that sustainable development is not just a strategic choice — it is an ethical duty and an essential condition for the continuity of our business.

As leaders, we understand that our role goes beyond delivering financial results. Our responsibility is to also generate value for society and the environment.

That is why we are committed to integrating sustainable practices at every level of our operation – from industrial innovation to talent development, from business ethics to strengthening the communities where we operate.

We believe that sustainable development is synonymous with efficiency, respect, and a vision for the future. Our social programs, our integrity policies, and our pursuit of cleaner technologies are concrete expressions of this vision.

We remain committed to advancing our governance practices, strengthening our culture of accountability, and building a positive legacy for future generations.

This ESG Report is an invitation to transparency and reflection on the path we are taking towards sustainability. In it, we bring together results, lessons learned, and commitments that reinforce our vision for the future: to grow responsibly, generate shared value, and contribute to more balanced and sustainable development.



*“Because growing
with purpose is
what drive us forward.”*

Libânio Carlos de Souza
Chief Executive Officer

Our History

Founded in 1974 in the city of Sertãozinho (SP), Smar Equipamentos Industriais Ltda. began its activities providing maintenance services for turbines and control systems for the sugar and energy sector. Through continuous research and technical improvement, we began to develop our own automation solutions, consolidating our position as a national benchmark in control engineering, instrumentation, and industrial automation.

Over five decades, we have evolved in a consistent and planned manner, expanding our structure, improving our processes, as well as strengthening our technological capabilities.

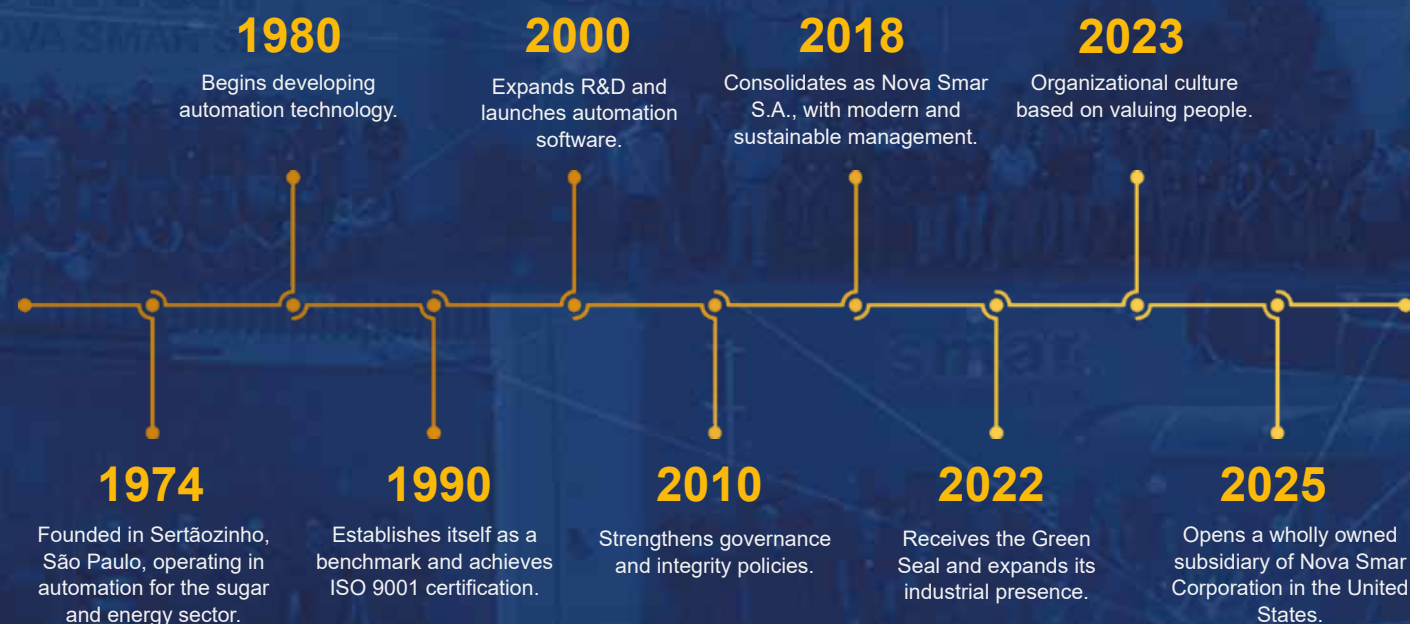
This trajectory resulted in the formation of Nova Smar S.A., an organization that maintains the technical expertise and same quality standards that marked our origins, now supported by modern governance, structured integrity policies, and sustainable management in accordance with leading international practices.

The company's expansion has crossed borders: Smar's technological solutions are currently present in over 95 countries, bringing innovation, reliability, and Brazilian engineering to the world's major industrial hubs.

We develop, produce, and integrate intelligent equipment and systems for the automation of continuous and hybrid processes. Our portfolio includes transmitters and controllers for pressure, temperature, flow, and level, distributed control systems (DCS), programmable logic controllers (PLCs), and remote supervision and diagnostic software that enable the monitoring and digital integration of industrial plants.

We operate in multiple strategic sectors, including electric power, pulp and paper, oil and gas, mining, sanitation, food and beverages, chemicals, and pharmaceuticals, maintaining a significant presence in the sugar and ethanol sector, where we built our technical foundation and market reputation.

Headquartered in Sertãozinho (SP), Nova Smar reinvests 100% of its profits in Brazil, employs more than 340 CLT employees and 21 service providers (PJ), and recorded gross revenues of over BRL 107 million in 2024, according to official statements. These figures reflect the company's financial strength and consistency in its operations, guided by efficiency, governance, and innovation.





Management, Innovation, and Sustainable Commitment

This is the first ESG (environmental, social, and governance) report from Nova Smar S.A., a Brazilian company that has been contributing to Brazil's technological and industrial development for over five decades, bringing innovation and automation engineering to different production segments.

The report presents the main actions, advances, and results of 2024 related to Environmental, Social, and Governance (ESG) pillars, reflecting the company's commitment to transparency, integrity, and sustainability in its management.

More than just an accountability tool, this document reinforces the way Nova Smar conducts its business—based on ethical principles, structured governance, and respect for people and the environment.

This document contains the results of a trajectory built on technical knowledge, corporate responsibility, and vision for the future, which consolidate the company as a benchmark in industrial automation in Brazil and abroad.

Each indicator described here represents a concrete achievement – whether in improving corporate governance, strengthening human capital, or adopting sustainable practices in its processes and products.

Innovation, which has always been in Nova Smar's DNA, is the link that connects technology and responsibility, transforming knowledge into solutions that contribute to a more efficient, safe, and environmentally responsible economy.

The company believes that the integration of people, technology, and sustainability is the path to follow in order to evolve consistently, delivering value to its customers, employees, partners, and society as a whole.

Value Chain

We have structured our Value Chain as a pillar of Resilience, Technological Autonomy, and Shared Value Creation, integrating ESG principles into all stages of the product life cycle.

The process begins at the Research and Development (R&D) Center, which is strategic for our technological independence. At this stage, innovation is directed toward the development of proprietary technologies focused on energy efficiency, durability, and cybersecurity, aligned with international automation standards and our customers' decarbonization goals.

The manufacturing phase, carried out under ISO 9001 certification and strict traceability criteria, ensures the independence of national production. Our environmental commitment at this stage is evidenced by the Municipal Green Seal of Sertãozinho. This management includes strict control over waste disposal, reuse of rainwater, and the continuous pursuit of energy efficiency.

After production, we work on the integration and implementation of automation systems, accompanying customers from conception to after-sales. The company provides engineering, calibration, training, and specialized support services, ensuring the performance and operational continuity of industrial plants.

Supplier management is crucial to mitigating upstream supply chain risks. The approval policy requires strict adherence to legal, ethical, and socio-environmental criteria.



For this reason, all our partners are periodically assessed for integrity (G) and labor compliance (S), reinforcing shared responsibility and commitment to combating slave labor and child labor. Nova Smar is associated with important national and international organizations focused on standardization, technological development, and innovation in industrial automation, such as the **FieldComm Group** (Fieldbus Foundation/FDI/HART), the **PROFIBUS Brazil Association**, **The Open Group** (responsible for the O-PAS standard), and the **OPC Foundation**.

In addition, we promote the advancement of the national innovation ecosystem through active partnerships with universities and research centers. This cooperation network not only enhances our technological solutions but also generates positive social impact through talent training and regional development in the communities where we operate. Our value chain thus demonstrates that technical governance and process control are inseparable from long-term sustainability.



ENVIRONMENTAL



In 2024, we reached an important milestone: **neutralizing 90% of emissions associated with electricity consumption**, an outcome that reinforces our commitment to reducing impacts and improving energy efficiency.

Commitment that Turns Technology into Sustainability

We understand that every decision—whether in product development, choosing an energy source, or waste disposal—has a direct impact on the world around us. That is why we treat environmental management as a corporate value, present at all levels of the organization.

Our actions are guided by data and a clear direction: **responsible growth**.

With a focus on sustainability, we rigorously track our emissions and optimize the use of resources, embracing clean energy sources and implementing detailed, fully traceable waste management to build a legacy of positive impact on the planet.

Environmental Management Structure

To translate this commitment into concrete actions, we have implemented robust practices that optimize the use of natural resources and strengthen the environmental resilience of our operations. We invest in cutting-edge technologies to reduce emissions, promote the circular economy through responsible supply chains, and engage our teams and partners in a culture of sustainability.

These initiatives, detailed in the chart on the right, not only ensure compliance with global standards, but also inspire innovations that align economic growth with environmental preservation, directly contributing to a more balanced world.



Graph 1 - Pillars of Nova Smar's Environmental Structure

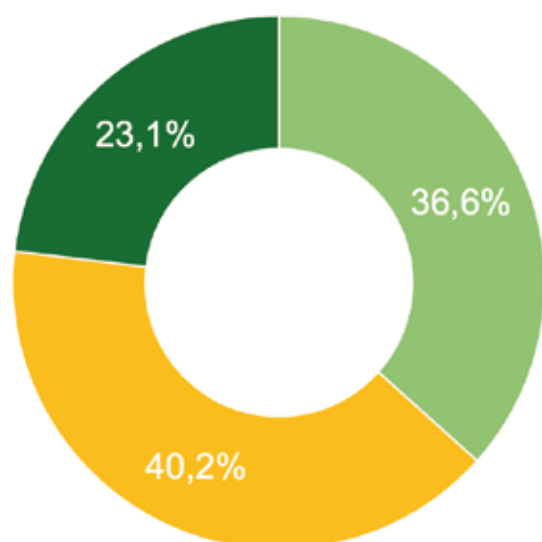
Greenhouse Gas Emissions

Nova Smar S/A measures and controls its greenhouse gas (GHG) emissions in accordance with internationally recognized standards, ensuring that the accounting process is transparent, auditable, and technically sound.

In 2024, the Corporate GHG Emissions Inventory reported a total of 213.4 tons of CO₂ equivalent (tCO₂e), distributed among 78.2 tCO₂e in Scope 1, 85.8 tCO₂e in Scope 2, and 49.4 tCO₂e in Scope 3.



Scope	Description	Emissions (tCO ₂ e)
Scope 1	Direct emissions (combustion and fugitive)	78,2
Scope 2	Purchased electricity	85,8
Scope 3	Waste and effluents	49,4
Total		213,4



■ Scope 1 ■ Scope 2 ■ Scope 3

Scope 1 – Direct Emissions

Direct emissions (Scope 1) totaled 78.21 tCO₂e, with 73.15 tCO₂e (93.5%) coming from fugitive emissions related to the use of refrigerant gases (R-410A) and the refilling of fire extinguishers.

Mobile combustion accounted for 3.39 tCO₂e (4.3%), and stationary combustion accounted for 1.68 tCO₂e (2.1%).

Scope 1 also includes 11.26 tCO₂e of biogenic emissions derived from ethanol combustion. These emissions, as they represent carbon previously absorbed by biomass, are reported separately and not added to the consolidated total.

Scope 2 – Purchased Energy

In 2024, greenhouse gas (GHG) emissions from Scope 2 totaled 85.82 tons of CO₂ equivalent, entirely related to electricity consumption.

In order to reduce these impacts, Nova Smar acquired 163 MWh in International Renewable Energy Certificates (I-REC), with 86 MWh allocated to the parent company and 77 MWh to the subsidiary. This acquisition allowed for the neutralization of 79,943 tons of CO₂e, which corresponds to approximately 90% of total Scope 2 emissions.

In 2024, we made significant progress in reducing emissions associated with electricity consumption, achieving a level of neutralization close to total Scope 2 emissions. This result demonstrates the maturity of energy efficiency actions and the company's ongoing commitment to decarbonizing its operations.

I-RECs prove that the electricity consumed by Nova Smar comes from renewable sources—solar, wind, or hydro power—allowing for the reporting of reduced Scope 2 emissions.

Effect of Emissions Reduction in Electricity (Scope 2):

- Scope 2 emissions
85,82 t CO₂e.
- Reductions via I-REC
76,94 t CO₂e.



Scope 3 - 3 – Other Indirect Emissions

In Scope 3, emissions total 49.42 t CO₂e, corresponding entirely to indirect emissions from the categories of waste and effluents generated in operations. The inclusion of these categories allows for a more complete assessment of the indirect impact of the company's activities, in line with the GHG Protocol guidelines for accounting for indirect scope emissions.



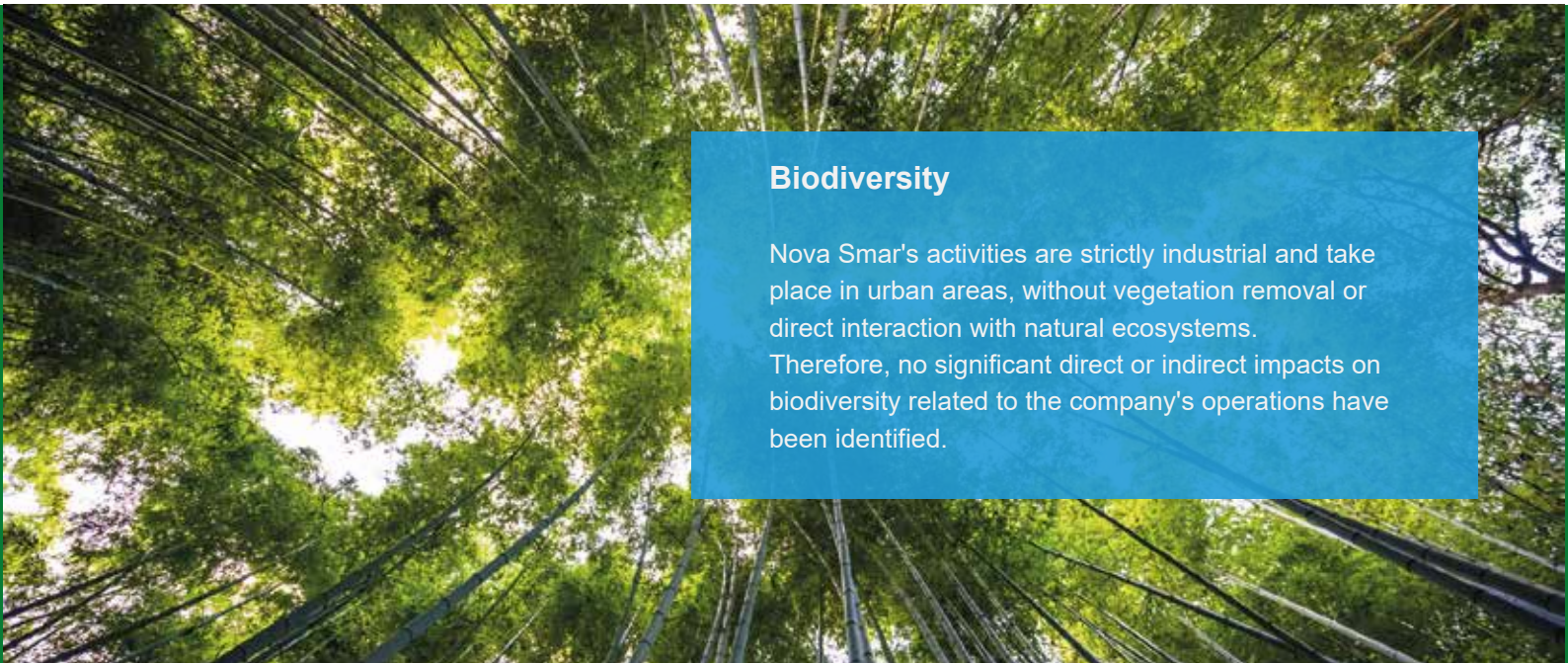
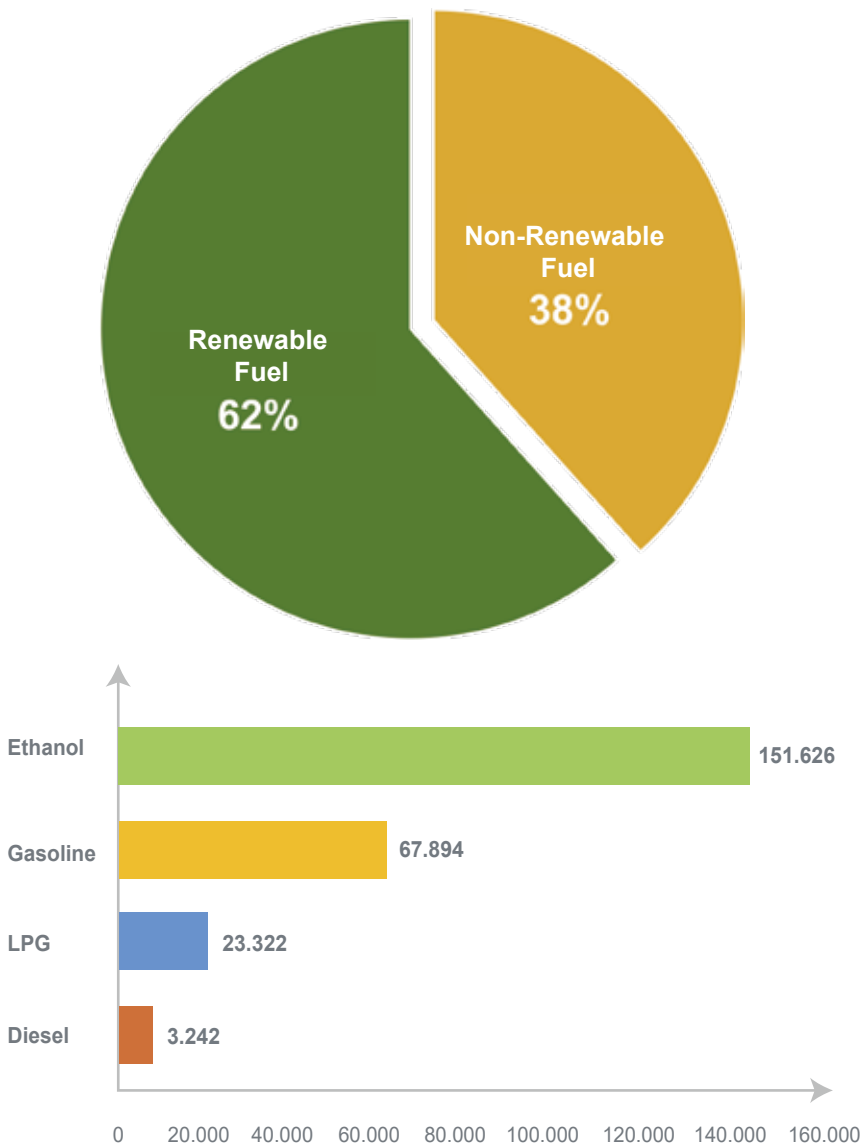
Energy Efficiency

Throughout its operations, Nova Smar maintains an energy consumption system based predominantly on renewable sources, **with 62% of the fuels used coming from clean sources**, particularly ethanol, which replaces fossil fuels in administrative and technical support processes.

The company adopts continuous practices for energy efficiency and rationalization, monitoring 100% of electricity consumption and increasing the share of sources certified via I-REC, which prove the use of energy from solar, wind, and hydro sources.

In addition, we have taken steps to reduce consumption per unit produced, install photovoltaic systems at our facilities, and partially migrate to the Free Energy Market, strengthening the company's transition to increasingly efficient and low-carbon operations.

Fuel Consumption - 2024



Biodiversity

Nova Smar's activities are strictly industrial and take place in urban areas, without vegetation removal or direct interaction with natural ecosystems. Therefore, no significant direct or indirect impacts on biodiversity related to the company's operations have been identified.



Water and Effluents

Water is considered an essential input in the operation. Total water consumption in 2024 was 1,837 m³, sourced exclusively from the public network. The units operate in an area without water stress and do not directly collect water from springs.

All sanitary effluents are sent to the public utility system, and hazardous industrial effluents are stored and sent to licensed carriers, with control via CADRI and SIGOR.

There are no direct discharges of effluents into water bodies, ensuring full compliance with environmental standards.

These measures reflect a preventive and responsible approach to water and wastewater management, with a focus on environmental safety and risk mitigation.

Waste Management

Waste generation comes from operational and maintenance activities. Inputs include solvents, oils, filter materials, and metal parts, resulting in hazardous waste (contaminated solvents, hydrocarbons) and non-hazardous waste (metals). Waste records in SIGOR (January 1, 2024, to December 31, 2024) detail its total weight and composition. The information obtained from SIGOR is monitored by the environmental team.

Unit	Waste	IBAMA Code	Quantity (t)	Company Destination	Treatment Technology
Headquarters	Other solvents and solvent mixtures.	14063	12,612	Ecocenter Soluções Ambientais Ltda – ME	Sorting and Transshipment
	Absorbents, filter materials (including oil filters not previously specified), cleaning cloths, and protective clothing contaminated with hazardous substances.	150202	1,666		
	Iron and steel (Class B according to CONAMA Resolution 307/02).	170405	1,275		Recycling
III	Solid waste from sand traps and oil/water separators	130501	0,2	Residual Resíduos Industriais e de Petróleo Ltda – EPP	Class I Waste Landfill
	Water containing oil from oil/water separators.	130507	0,2		Effluent treatment
	Metal waste contaminated with hazardous substances (Class D according to CONAMA Resolution 307/02).	170409	0,2		Landfill Class I waste
	Other solvents and solvent mixtures.	14063	12,612	Sucatas SJ Ltda EPP	Recycling



SOCIAL



People who drive technology, values that sustain the future

Nova Smar understands that the true strength of an organization lies in **its people**. Each employee is a fundamental part of a story built on knowledge, respect, and purpose.

The operation is centralized at the headquarters in Sertãozinho (SP), with 28 outsourced professionals (PJs) performing specific support activities, such as cleaning, catering, accounting, development, and senior management.

Over five decades, the company has consolidated a culture focused on permanence, learning, and professional development, a culture that reflects our commitment to human development and to building ethical, transparent, and lasting working relationships.

Human capital is recognized as a strategic asset, and this vision translates into consistent stability indices, a positive organizational climate, and strong internal engagement.

360
employees

with an average length of service exceeding 9 years, reflecting stability, trust, and appreciation of technical knowledge.

4%
over 60 years old

We value professional experience and retain employees over the age of 60 in technical and leadership roles, promoting intergenerational knowledge exchange.

4x
among the best companies to work for

This is the result of our ongoing commitment to people and a culture based on respect, learning, and cooperation.

The company's low turnover is a direct reflection of this constant investment. People stay because they grow—and recognize Nova Smar as an environment where learning and evolving are integral parts of the routine.

In 2024, Nova Smar maintained its Great Place to Work (GPTW) certification for the fourth consecutive year, reaffirming its position as one of the best corporate environments to work in the industrial technology sector in Brazil.

In December of the same year, Nova Smar had a workforce of 360 employees, comprising 80 women and 280 men, all working full-time.

There are no temporary or part-time contracts, reinforcing the stable and continuous nature of the employment relationships.

Diversity and Inclusion

We embrace diversity as a strategic pillar of innovation and collective strengthening. By 2024, we will promote an inclusive culture that values gender equality, age equality, and vulnerable groups, with **zero cases of discrimination**.

Career decisions, promotions, and recognition are based on meritocracy, ethics, and transparency. In governance, we have achieved balance: two men and two women in strategic leadership, with generational diversity (two under 30, one between 30 and 50, and one over 50).

We have nine employees with disabilities in key positions: Development (1), Industry (4), and Operations (4).

In addition to structural adjustments, there is ongoing work to raise awareness among teams so that respect and empathy are daily practices—not just formal policies.

We believe that diverse environments are more creative, humane, and productive.

That is why we offer internship and apprenticeship programs that open doors for new generations, allowing young students to enter the job market in a context of learning and technical support.

These initiatives expand opportunities and contribute to the training of professionals who, in many cases, pursue careers within the organization itself.

More than just complying with standards, Nova Smar cultivates an ethical environment that values differences and promotes equality. Each person is respected for their individuality—and it is this sum of singularities that forms the strong collective that sustains the company.

**Zero
reports of
discrimination**

**Integration of
9 individuals
with disabilities**

Promotion of equity and equal opportunities

We adopt equal opportunity policies, without distinction based on gender, age, race, sexuality, or physical condition.

Internal awareness and education campaigns on diversity

Internal communication campaigns address issues of diversity, respect, and empathy, reinforcing values of inclusion and ethical coexistence.

Institutional reinforcement of a culture of inclusion and ethics

We observe values such as inclusion, respect, ethics, and equality, which are integrated into our Code of Conduct and people policies.

Commitment to respect and non-discrimination

We maintain internal communication channels and ethical conduct guidelines, ensuring fair treatment and mutual respect.





**Zero serious
accidents**
and deaths

**+5,000
hours**
in training

+BRL 420,000
Invested in courses,
scholarships, and PDI

Occupational Health and Safety

Nova Smar prioritizes safety in every detail, adopting a preventive OSH model that integrates employees and partners. Our system – PGR/GRO, PCMSO, LTCAT, and Safety Plan – is reviewed periodically, in line with legislation.

In 2024, we recorded deaths, serious accidents, and cases of occupational diseases, with 688,541.78 hours worked (zero index per 1,000,000 hours).

We have invested in training our employees, including training in Explosive Atmospheres, NR-12 (protection of rotating machinery), and SIPAT 2024 ("PPE: Active Care"), with lectures on accidents, mental health, nutrition, and workplace exercise.

Well-being is promoted through Weekly Safety Dialogues (DSS), vaccination campaigns, Fair Play Running/Walking events, and Gympass. Reports are made via anonymous channels (CIPA, transparency portal), with zero retaliation and the right to refuse (NR-1). Investigations follow a hierarchy of controls for continuous improvement.

Health services (multidisciplinary via Serwork) offer pre-employment/periodic exams, rehabilitation, and LGPD confidentiality. 100% of workers have access to these programs, promoting a safe and sustainable environment.

System – PGR/GRO, PCMSO, LTCAT, and Safety Plan are reviewed periodically and aligned with legislation.

Professional Development, PDI, and Training

Human development is a strategic pillar of Nova Smar, driving innovation through continuous training. In 2024, we invested BRL 420,000 in courses, scholarships, and PDI, and over 5,000+ hours of training, an average of 13.77 hours per employee – higher for women (15.57 hours vs. 13.30 hours for men).

Individual Development Program (IDP): 90-10 methodology (90% practical + 10% theoretical), lasting 6 to 18 months, focusing on technical and behavioral learning and practical application to train leaders and specialists aligned with the company culture. 100% of employees receive regular performance reviews.

In 2025, this leading role played by new talent was also reflected in actions to spread ESG culture: interns from the Administrative-Financial Department of Unit IV presented the concepts of ESG (Environmental, Social, and Governance) and the 17 Sustainable Development Goals (SDGs) of the UN 2030 Agenda to employees, reinforcing the integration between technical training, social and environmental responsibility, and governance.

How we develop new talent:

Internships: 28 students in Administration (5), Development (3), Governance (1), Industry (10), and Operations (7).

SENAI apprentices: 10, with 9 in Industry and 1 in Operations.

Individual Development: 90-10 Methodology (90% in real responsibilities of the new role + 10% in theoretical studies), from 6 to 18 months, with phases of knowledge acquisition, practice, and critical analysis.



Organizational Climate and Engagement

Since 2021, Nova Smar has maintained its Great Place to Work (GPTW) certification — a recognition that highlights the credibility and respect that characterize internal relations.

This certification is obtained based on anonymous and impartial surveys that assess employees' perceptions of leadership integrity, fairness in processes, and pride in belonging to the company.

Working relationships at Nova Smar are guided by ethics, contractual clarity, and balance. We maintain up-to-date policies on compensation, benefits, working hours, and internal promotion, in line with the CLT (Brazilian Consolidated Labor Laws), collective bargaining agreements, and principles of equity.

Transparent dialogue with trade unions is a fundamental part of this model, ensuring that rights are upheld and fostering a fair and stable working environment.

We understand that a company is only truly sustainable when it contributes to the territory in which it operates. For this reason, Nova Smar actively participates in business forums, sectoral chambers, and actions promoted by regional entities in Sertãozinho-SP.

These partnerships enable knowledge exchange, local development, and the appreciation of skilled labor, strengthening the regional economy.



**Great
Place
To
Work.**

**Certificada
BRASIL**

For four consecutive years, we have been ranked among the best companies to work for.

Compensation and Benefits Policy

We have adopted a structured, transparent compensation policy that is aligned with best practices in corporate governance and gender equality. The system is based on a matrix of positions and responsibilities that covers the operational, tactical, and strategic levels, allowing for horizontal (based on merit and performance) and vertical (based on career advancement) progression.

Remuneration amounts are defined by technical and objective criteria, taking into account competence, length of experience, complexity of the role, and hierarchical responsibility.

The salary review model follows collective bargaining agreements and market research, unrelated to the national minimum wage, ensuring competitiveness and fairness in labor relations.

The Human Resources and Controllershship area monitors compliance with compensation and benefits policies, ensuring legal compliance and transparency in the processes of salary adjustments, bonuses, and career progression.

In addition to base salary, Nova Smar offers a range of benefits focused on the quality of life, safety, and well-being of its employees and their families, reinforcing the company's commitment to valuing people.

Benefits Overview



Scholarships



Profit sharing
(Only for permanent employees, not applicable to interns).



Food/meal voucher



Gympass



Life insurance



Transportation Allowance

With the exception of profit sharing, benefits are offered to all employees equally, according to the eligibility criteria set out in each program.

The policy also establishes recognition actions based on performance and length of service, strengthening employee engagement and loyalty. This human management model contributes to low turnover rates and a high average length of service for employees at the company—more than nine years.

With this structure, Nova Smar ensures that its compensation and benefits policy acts not only as a tool for attracting and retaining talent, but also as a mechanism for organizational sustainability, guided by transparency, equity, and valuing people.



+ BRL 380,000
invested in social
responsibility
projects

+ 20
initiatives
to support
communities



Pillars that guide our practices:



Labor Relations

Professional development and transparency in relationships.



Territorial Development

Local partnerships that strengthen the production chain.



Community Integration

Events that bring employees and the community closer together.



Professional Development

Continuing education for talented individuals and young apprentices.



Internal Events

Lectures and prevention and awareness initiatives.



Social and Environmental Campaigns

Solidarity and awareness about resources, energy, and social contribution.

Community Relations and Private Social Investment

Nova Smar maintains an ongoing commitment to the development of the community in which it operates. With a solid presence in Sertãozinho and the surrounding region, the company promotes social, cultural, and environmental initiatives that strengthen ties, foster a sense of belonging, and contribute to local development.

In 2024, BRL 381,784.46 were invested in social initiatives. The funds were allocated to donations and sponsorships, social and community events, and cultural projects made possible through PROAC — a reflection of the understanding that a company's success is directly linked to the prosperity of the territory in which it operates.

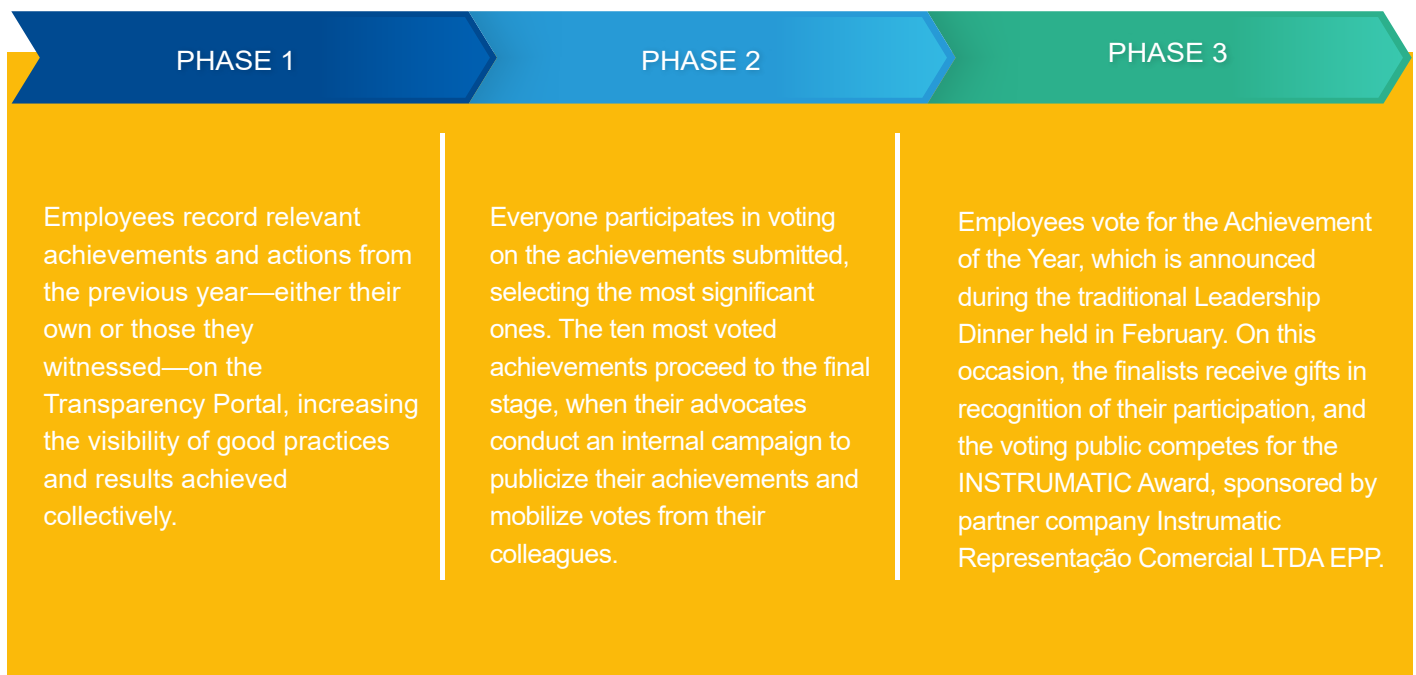
Recognizing achievements strengthens bonds

We recognize that the sustainable development of our operations is directly linked to the value we place on our people. The dedication, engagement, and spirit of collaboration of our employees are fundamental elements for achieving corporate results and consolidating a culture that combines innovation, performance, and purpose.

In this context, the internal event “Feito do Ano” (Achievement of the Year), promoted annually by the Human Resources Department, represents one of the company's main instruments of recognition and engagement.

Held since January, the program aims to highlight the achievements and best practices attained throughout the previous year, strengthening the sense of belonging and disseminating positive results in all areas of the company.

The process is structured in three phases:



The “Achievement of the Year” represents one of the pillars of Nova Smar's commitment to professional development, encouraging leadership, recognizing merit, and strengthening a culture of collaboration and high performance.



Cultural and Community Engagement

Nova Smar's sociocultural initiatives reflect the company's commitment to promoting an inclusive, healthy environment focused on human development. Throughout the year, various activities bring employees, their families, and the community closer together, strengthening bonds and amplifying the company's positive impact on its surroundings.

Art Week is one of those moments when creativity takes center stage. The program encourages individual expression through music, dance, theater, and other cultural activities, fostering interaction in a lighthearted, diverse, and collaborative environment. The initiative strengthens the recognition of internal talent and contributes to well-being in the workplace.

Innovation Week promotes creative thinking, knowledge exchange, and the development of innovative solutions in partnership with employees, schools, and students. In this cycle, the 2024 edition received special recognition, being honored in the plenary session of the Sertãozinho City Council with a Motion of Applause and Congratulations, in recognition of the educational, social, and technological impact of the initiative. This recognition reinforces the company's commitment to innovation as a tool for transformation and sustainable development.

The traditional Festa Junina celebrates culture, community, and tradition. The event brings together employees, family members, and the community in a festive atmosphere marked by traditional foods, dancing, music, and cultural activities. In addition to keeping an important part of Brazilian cultural heritage alive, the festival strengthens the sense of belonging and brings the company even closer to its social ecosystem.

Complementing this set of actions, the "**Tampinhas e Lacres de Amor**" (Caps and Seals of Love) campaign mobilizes employees and partners to collect materials for AVCC, an entity that supports the Hospital de Amor de Barretos. The initiative expresses the team's solidarity and contributes to social projects focused on patient care and support.



Education, Inclusion, and Development

Promoting education as a tool for social transformation is one of Nova Smar's long-standing commitments. Through ongoing initiatives and strategic partnerships, the company contributes to expanding access to knowledge, strengthening development opportunities, and supporting projects that have a real impact on the communities where it operates.

In this context, support for the **Paulo Freire Community Course** stands out, an initiative aimed primarily at public school students seeking free preparation for college entrance exams. Selection takes place at the beginning of each year through registration, a general knowledge test, and analysis of family income, ensuring that places are allocated to young people in situations of greater socioeconomic vulnerability.

Classes are held in the evening, in a space provided by Fatec Sertãozinho, an institutional partner of the project. Teachers and administrators work on a voluntary basis, strengthening the collaborative nature of the initiative.



Nova Smar actively participates in this effort, with employees who act as teachers and support the management of activities. Among them, **Mr. Libânio** is a definite highlight, teaching classes regularly and strengthening the link between business, education, and social responsibility.

In addition to the direct involvement of volunteers, the company contributes with operational and institutional support, providing teaching materials and sponsoring Fatec events in exchange for the use of the space used by the program.





Entrepreneurship & Women's Empowerment: Social transformation and economic autonomy

The company also supports the "Entrepreneurship & Female Empowerment" project, initially developed at Fatec Sertãozinho and later expanded to Fatec Ribeirão Preto. The program was created in response to the aggravated social impacts in the post-pandemic period, with the aim of offering shelter, training, and productive autonomy to women in vulnerable situations.

The project combines discussion groups on self-esteem, female leadership, and social-emotional development with practical craft workshops, mini-courses on management, digital inclusion, and sustainable entrepreneurship initiatives. All work is carried out collaboratively between educators, monitors, and institutional partners.

Nova Smar has been a partner since the first edition, financially supporting the social cafés, contributing to the purchase of materials, and participating in craft fairs and graduation ceremonies. Company representatives, including the CEO, Mr. Libânio Carlos de Souza, have been present at several editions, reinforcing the institutional commitment to the cause.

The social impact of the different editions of the project has been significant: dozens of women have developed technical and emotional skills, created small businesses, increased their financial autonomy, and joined community networks for artisanal production. In 2022 and 2023, the project received honors from the Sertãozinho City Council for its social relevance.

In its expansion to Ribeirão Preto in 2025, Nova Smar renewed its support, collaborating in the expansion of the initiative and helping new participants gain access to training. The project gained regional visibility, with coverage in the media and the strengthening of its network of partners.



Social support for 7 institutions

These partnerships demonstrate a genuine commitment to social transformation and collective solidarity.

The promotion of sports and culture is another highlight. Nova Smar supports sports projects and cultural events, valuing sports as a tool for inclusion, health, and community integration.

The sports activities sponsored by the company contribute to the socialization of young people and the strengthening of a collaborative spirit in the community.



Labor Relations

At Nova Smar, union relations are conducted based on dialogue, legal compliance, and respect for labor representation. The company participates in collective bargaining, fully complies with agreements signed with unions in the sector, and recognizes the right to free association, in line with the ILO and the Federal Constitution.

All employees have the right to join unions or representative entities, without any type of discrimination or professional prejudice. The relationship with trade unions is ongoing and institutionalized, with regular meetings to analyze economic and social clauses, mediate demands, and monitor collective bargaining agreements, always in accordance with the CLT.

The company also maintains close ties with philanthropic and charitable organizations in the region, supporting institutions that play a key role in providing shelter and social care, such as: **Casa do Garoto, Lar São Vicente de Paulo, Casa Abrigo Nosso Lar, APAE de Sertãozinho, Paróquia Nossa Senhora Aparecida, Cáritas Diocesana, and Associação Atlética Sertanezina.**



Relationships with technical and higher education institutions, such as SENAI, Etec José Martimiano da Silva, Fatec - São Paulo State College of Technology, and the Federal Institute of Sertãozinho, strengthen the link between education and industry.

The company actively participates in internship programs, technical visits, and training projects, offering students opportunities for practical learning and professional integration.



In 2024, there were no conflicts, strikes, work stoppages, or collective disputes, demonstrating the stability of labor relations, legal certainty, and the maturity of Nova Smar's labor governance model.

A modern conference room with a large screen displaying the smar Technology Company logo. The room features a long wooden table, several black chairs, and large windows with blinds. The ceiling has recessed lighting.

smar
Technology Company

GOVERNANCE

Corporate Governance Structure

Nova Smar has consolidated, transparent, and functional corporate governance, supported by an internal control structure that ensures compliance, integrity, and administrative continuity. The organization is governed by a management model that guarantees a balance between social responsibility, economic efficiency, and legal compliance, basing all decisions on ethical and technical principles.

The Executive Board, composed of three directors – Libânio Carlos de Souza (Chief Executive Officer), Ricardo Max Kowalski Argolo, and Rogério Lima de Souza – is the highest management body. The terms of office of these directors, which last three years and are renewable, are defined and validated by the shareholders as a whole, ensuring stability and the preservation of the institutional culture.

The shareholders, acting in accordance with the procedures established in the Shareholders' Agreement, play a fundamental role in decision-making and oversight. This role is particularly evident in the management of shares, where any transfer or sale follows a formal and detailed procedure.

For example, in the event that a shareholder wishes to transfer their shares, the decision on the right of first refusal involves the convening of an Extraordinary General Meeting by the shareholders to analyze NOVA SMAR's interest in exercising this right.

Nova Smar's governance model is integrated and operates synergistically between the areas of Corporate Governance, Controllership, Compliance, Legal, Human Resources, Innovation Factory, and Ethics and Integrity Committee, ensuring consistency between strategic objectives and operational practices.

The Corporate Governance Department is responsible for aligning management practices with the principles of integrity and transparency.



It operates across the board, connecting the financial, accounting, tax, human resources, and personnel departments, ensuring the uniform application of corporate policies and compliance with current legislation.

The Controllership supervises and monitors economic, financial, and operational indicators, ensuring that all decisions are based on solid, auditable data. The Compliance area is responsible for disseminating an ethical culture, promoting training, monitoring risks, and supervising compliance with internal rules and policies.

The Ethics and Integrity Committee, which reports to the Executive Board, acts as an autonomous and impartial body. It is responsible for receiving, investigating, and deliberating on reports of misconduct, policy violations, or ethical breaches. The committee follows formal investigation protocols that guarantee confidentiality, information secrecy, and protection against retaliation for whistleblowers.

The Innovation Factory complements the governance model by promoting an internal environment of creativity and continuous improvement. The area encourages the development of projects and solutions that generate value and competitiveness, strengthening a culture of constant improvement and evolution.

This governance structure is reinforced by annual internal and external audits conducted by independent companies registered with the Brazilian Securities and Exchange Commission (CVM), which certify the compliance of financial statements and internal controls.

Structure and Responsibilities



Statutory Governance

General Shareholders' Meeting

Highest decision-making and supervisory body, responsible for electing the Executive Board and approving the company's accounts and strategic guidelines.

Executive Board

Composed of three directors elected by the Meeting:

Libânio Carlos Souza
Chief Executive Officer

Rogério Lima Souza
Executive Director

Ricardo Max Kowalski Argolo
Executive Director

Support Committees

Executive Committee

Deliberates on internal policies and monitors the company's strategic performance.

Integrity Committee

Monitors the Code of Conduct and the Whistleblower Channel, ensuring ethics and compliance.

Sustainability Committee

Promotes sustainable practices, energy efficiency, and technological development.

Health, Safety, and Environment (HSE) Committee

Monitors safety, environmental, and operational compliance indicators.



Our Essence

Guided by a strategic perspective on sustainability, we base our strategy on principles that transcend mere operational performance, integrating environmental, social, and governance aspects as drivers of innovation and corporate responsibility.

Our mission, vision, and values represent an unwavering commitment to regulatory compliance, social equity, and environmental preservation.

They guide every decision, from technological development to partnerships with stakeholders, ensuring that our track record of excellence contributes to a more resilient and inclusive future.

Our Mission



To meet the global needs of the automation market with innovative, practical, efficient, and cost-effective solutions. To develop advanced technologies that keep pace with evolving demands, ensuring superior performance, seamless integration, and sustainability.

Vision



To be a company recognized worldwide for its creative and innovative character and for its management focused on the satisfaction of customers, investors, and employees, acting with social, environmental, and legal responsibility.

Values



Creativity and innovation; Transparency; Inclusion and Diversity; Flexibility Committed to Ethics; Equality; Environmental Sustainability; Respect for Human Rights; Customer Satisfaction.

Business Conduct

Nova Smar's business conduct is based on non-negotiable ethical principles, expressed in its Code of Ethics and Conduct, a document approved by the Executive Board and mandatory for all employees, managers, interns, suppliers, and partners.

The Code establishes clear rules of conduct, reinforcing the company's commitment to integrity, fairness, and respect for human dignity.



The express prohibition of corruption, bribery, and undue favoritism;



Rejection of any form of discrimination or moral, sexual, religious, or political harassment;



The fight against nepotism, conflicts of interest, and misuse of corporate resources;



The promotion of diversity, inclusion, and equity;



Commitment to the accuracy of information and ethical communication.

Integrity and Ethics

Nova Smar's Integrity and Ethics Program covers ongoing actions to prevent, detect, and respond to inappropriate conduct. All employees undergo mandatory and periodic training on ethics, integrity, and compliance.

The company maintains integrity clauses in all commercial contracts, in addition to due diligence processes to assess the ethical history of suppliers and partners before hiring. The Reporting Channel — operated by an independent company — ensures confidentiality and anonymity for whistleblowers, and all complaints are reviewed by the Ethics and Integrity Committee.

In 2024, 22 complaints were filed, all of which were analyzed and concluded with formal responses. None of them resulted in evidence of irregularities, including corruption, fraud, human rights violations, or any other inappropriate conduct.



Control and Management Practices

Nova Smar's control and management system is underpinned by technical rigor, regulatory compliance, and full traceability. Governance operates an integrated risk management model covering fiscal, labor, environmental, image, and integrity aspects, ensuring prevention and efficient response to any occurrence.

The Corporate Governance, Controllershship, and Compliance areas work in a coordinated manner, ensuring alignment between planning, execution, and monitoring. Quarterly meetings bring together operational and corporate leaders to review risks and internal controls.

The external audit, conducted by an independent company, validates financial and tax information and issues a technical opinion to the Executive Board.

Employees trained in anti-corruption and integrity policies:

100%

Fines:

0

Corruption cases:

0

Nova Smar conducts due diligence on suppliers based on criteria related to ethics, human rights, the environment, health, and safety. All suppliers must sign integrity agreements and comply with the company's compliance policies. Non-compliance issues are addressed through action plans monitored by the Compliance department.

During the reporting period, there were no reports of significant non-compliance, demonstrating the robustness of Nova Smar's controls and the maturity of its risk management.



Transparency

Transparency is a non-negotiable guideline at Nova Smar. The company recognizes that stakeholder trust depends on clear information, responsible decision-making, and consistency between words and actions.

The company maintains periodic accountability, in addition to disclosing economic, social, and environmental performance reports audited by independent entities. All data disclosed accurately reflects the reality of the organization, ensuring credibility and institutional integrity.

In this context, the internal Transparency Portal stands out, a corporate platform dedicated to disseminating relevant information to all employees. In this environment, internal policies, official communications, and institutional updates are made available.

In addition, weekly management meetings—at which strategic topics and budgetary issues are discussed—are available for consultation. This mechanism reinforces the commitment to open management, allowing employees to follow key decisions and understand the allocation of organizational resources.



Nova Smar also participates in forums and representative entities such as the Open Process Automation™ Forum, OPC-F Working Groups – OPC Foundation, FieldComm Group – Connecting the World of Industrial Automation, PI Brasil – PROFIBUS / PROFINET / ASI Association, CEISE Br, CIESP, FIESP, and SENAI, contributing to the strengthening of the industrial sector and the development of sustainable public policies. All interactions with public agencies are formal, documented, and conducted in accordance with current legislation, without involvement in lobbying or undue influence.

In addition, the company ensures transparency in the management of personal and corporate data through protection and privacy policies that are fully aligned with the LGPD. Information systems are monitored and protected by developed digital security protocols, ensuring confidentiality, integrity, and availability of information.



Policies, Actions, and Commitments

Nova Smar S.A. bases its operations on ethics, integrity, and legal compliance, supported by an integrated management system that covers national and international legislation, corporate policies, technical standards, and principles of conduct applicable to all operations. These commitments are formalized in policies such as the Code of Conduct and Ethics, the Integrity and Anti-Corruption Policy, the Information Security Policy, and the Social and Environmental Responsibility Guidelines, which guide employees, partners, and suppliers based on legality, transparency, and responsibility.

The Executive Board and the Controllershship and Governance area conduct continuous monitoring of compliance with internal rules, contractual commitments, and current legislation, with the support of the Integrity Committee, which is responsible for the independent Whistleblower Channel and for the confidential and impartial investigation of all reports. In the environmental and social sphere, the company incorporates principles of sustainable development, promoting efficiency in the use of resources, energy and respect for the communities where it operates.

To ensure the practical application of these commitments, Nova Smar invests in the continuous training of its employees, reinforced by internal awareness campaigns, ethics and compliance training, and periodic reviews of its guidelines. This allows the company to ensure that its institutional commitments translate into effective and measurable practices, strengthening the credibility of the brand and contributing to the sustainable development of the industrial sector.

Our Commitments



Respect and appreciation for human diversity, without any form of discrimination;



Promotion of decent working conditions and occupational safety;



Compliance with labor, environmental, and tax laws;



Responsible use of data and strategic information, in accordance with the LGPD;



Incorporation of the precautionary principle in all decision-making processes;



Contractual clauses on integrity and human rights throughout the supply chain;



Continuous monitoring of risks and non-compliance;



Commitment to transparency and public accountability.

Innovation and Certifications

Investment in innovation is part of the corporate strategy and is linked to the Information Technology Law, with an average allocation of 10% of annual revenue to technological research and development of new products and applications. This R&D structure is led by multidisciplinary teams working on industrial automation, connectivity, digital communication, and technological transition projects, with a focus on energy efficiency and operational sustainability.

Nova Smar also maintains strategic partnerships with several universities, research centers, and technical institutions, developing technological projects and technical-educational cooperation initiatives for professional development:

- ▶ **Federal Institute of São Paulo (IFSP)** - development and implementation of the configuration and characterization of O-PAS Functional Blocks; safety in the life cycle of industrial plant components.
- ▶ **Federal University of Rio Grande do Norte (UFRN):** Test Automation in Continuous Integration and Deployment Environments, Development and Evaluation of Functional Blocks compatible with IEC 61499 standard;
- ▶ **ORGANIC SOLUÇÕES PESQUISA DESENVOLVIMENTO INOVAÇÃO B2ML** - NOVA CSB 2.0 project, SMAR software tool for creating and implementing control for industrial process automation based on Open Process Automation Specifications (O-PAS)
- ▶ **State University of Ceará (UECE)** - research and development of a Nova Smar pressure transmitter compatible with the APL (Advanced Physical Layer) protocol.
- ▶ **ETEC José Martimiano da Silva:** carrying out professional contextualization activities with Nova Smar aimed at training specialized professionals, driving the generation of national technical knowledge.
- ▶ **ISO 9001- Quality Management System**
 Certified since 1992, Nova Smar ensures strict control of its production, development, and customer service processes, guaranteeing technical compliance and end-to-end traceability.

**Up to 10%
of revenue
invested in research,
development, and
innovation.**

▶ GPTW – Great Place to Work

Nova Smar has been certified for four consecutive years as one of the best companies to work for, demonstrating that innovation is not restricted to technology, but also to people management and organizational culture.

▶ National Innovation Award (FINEP)

Earned in 2003, the award established Nova Smar as one of the most innovative companies in the country, reinforcing its leading role in the creation of national automation technologies.

▶ Green Seal

Recognition for the adoption of sustainable practices, rational use of natural resources, and commitment to mitigating environmental impacts.



Committed to the future, guided by integrity.

Nova Smar S.A.'s trajectory is built on solid foundations of innovation, ethics, and sustainability.

Throughout 2024, the company consolidated a management model that combines transparent governance, operational efficiency, and social and environmental commitment, demonstrating that technology and responsibility can—and should—go hand in hand.

The results of this report reflect the commitment of a team that transforms knowledge into engineering, and engineering into progress.

From emissions management and renewable energy to human and social development, each advance reflects the collective effort of a company that believes in the power of innovation as a tool for positive transformation.

With four consecutive GPTW certifications, 90% neutralization of Scope 2 emissions, and the continuous strengthening of its ethics and compliance practices, Nova Smar reaffirms its commitment to growing with consistency and real impact.

More than just manufacturing technological solutions, the company builds trust, value, and the future—respecting people, caring for the planet, and contributing to the development of Brazilian industry.

Nova Smar thanks you for reading this report and for your trust in closely following our journey of evolution and commitment to the future.

Innovation that generates value, responsibility that leaves a legacy.

Staff

Editorial

Production

Employees involved in the processes of Nova Smar S.A.

TerraGrata Sustainability
Consulting
Iza Barbosa

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