



OLYMPIKUS

Sustaina bility

REPORT

2023

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REPORT PRESENTATION

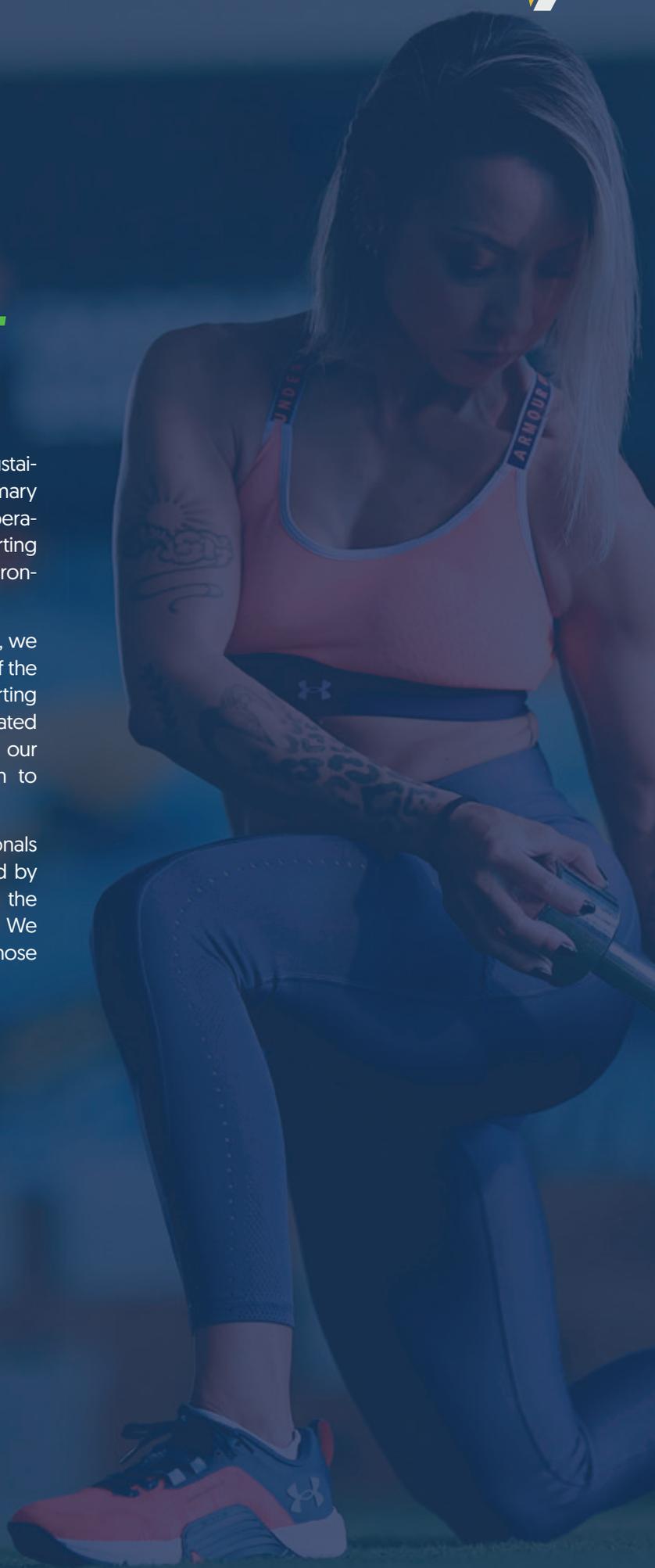
Overview of the publication

GRI 2-2, 2-3

On the following pages, we present Vulcabras's 2023 Sustainability Report, an annual publication that presents a summary of our organizational profile and business model, our operational and economic-financial performance for the reporting period, as well as highlights related to our social and environmental activities and corporate governance.

Being committed to the credibility of our communication, we have produced this publication based on the principles of the Global Reporting Initiative (GRI), one of the main reporting standards used worldwide. As such, we have incorporated part of its guidelines and disclosure items, strengthening our accountability and guaranteeing a balanced approach to topics related to sustainability perspectives.

This report is the result of the contribution of professionals from various areas of Vulcabras, in an effort coordinated by the Corporate Communications and ESG Board, with the direct support of the organization's Senior Management. We would therefore like to take this opportunity to thank all those involved in the project for their hard work.





Material topics

GRI 3-1, 3-2

To define what would be covered in this report, Vulcabras considered the most relevant topics for its business, which reflect the main impacts generated by its activities and interactions with interested parties. These high-priority topics are called material topics.

The process of identifying these high-priority topics took place in 2022, including interviews with strategic audiences, i.e. the groups most impacted by our activities and also those who affect our business significantly. Internally, we involved employees from each area of the company and from different levels of management. As for external audiences, we selected representatives from suppliers, clients, investors, and the local government. In total, **100 employees and 39 representatives** from the aforementioned groups were consulted.

The engagement process defined nine material topics, which were then grouped into three dimensions: economic, social, and environmental. The topics listed below represent the current priorities on Vulcabras's sustainable development agenda.

VULCABRAS'S MATERIAL TOPICS			
Dimension	Material topic	Why the theme is material for Vulcabras	Information about the management of the topic in this report
 Economic	Economic performance	Economic performance reflects our ability to maintain an economically and financially healthy, competitive company that fulfills its obligations and commitments, continuously invests in innovation, research, and development, promotes operational improvements, and generates value for society.	Page 19
	Indirect economic impact	Indirect economic impact is related to our commitment to creating jobs, fostering a working environment with opportunities for learning and career advancement, fair commercial relations, strengthening the supply chain, and the socio-economic development of the regions in which we operate. In this way, we help strengthen the communities where we operate, creating a sustainable context for business.	Page 23
 Environmental	Water	Efficient water management is vital for industry in general, which consumes and disposes of significant volumes of water during operations, in order to preserve watersheds. This management must take into account measures to prevent and reduce environmental impact, such as rational and conscious use, water reuse and effluent treatment, which will also have an impact on improving operating costs.	Page 42
	Circular economy	For footwear production to be environmentally and financially efficient, it is essential to avoid wasting raw materials and inputs through initiatives such as sustainable product design, the reuse of materials in the manufacturing process, and recycling and co-processing, which significantly reduces the volume of waste sent for final disposal.	Page 39
	Renewable energy	Considering the significance of energy resources in industrial activities, we decided to prioritize the use of electricity from renewable sources instead of fossil fuels, contributing to a cleaner and more sustainable energy model that generates fewer greenhouse gas emissions and therefore less environmental impact.	Page 15
	Climate change	We recognize the urgency of implementing climate change mitigation measures and the importance of our role as an industry in this challenge. Accordingly, we prioritize clean energy sources that have a significant impact on reducing our greenhouse gas emissions and we invest in clean technologies.	Page 37

 <p>Social</p>	<p>Impact on society and suppliers</p>	<p>The way we conduct our business has an impact on our suppliers and, in a broader sense, on society as a whole. Therefore, we are committed to ensuring good working conditions, developing local communities, and protecting human rights in all our operations. Additionally, we are taking action to strengthen our relationship with our strategic audiences, providing efficient listening channels and communicating objectively and transparently.</p>	<p>Page 31</p>
	<p>Use of safe products</p>	<p>Ensuring the safety of our products is essential to protecting consumers, maintaining regulatory compliance, and preserving the reputation and trust in Vulcabras's brands. Therefore, we have adopted strict processes for quality control and compliance with laws, regulations, and internal production standards.</p>	<p>Page 35 and 47</p>
	<p>Socio-environmental development of suppliers</p>	<p>For a large industry, co-responsibility with the supply chain is essential to minimize the risks of shortages, non-compliance with requirements, and violations of the law. Therefore, structured management is required, from selecting partners to monitoring their performance and development, taking into account financial, operational, and socio-environmental criteria.</p>	<p>Page 35</p>





VULCABRAS

Organizational profile

GRI 2-1, 2-6

For over 70 years, Vulcabras has been operating in the sporting goods sector, with a focus on the Brazilian market, consolidating its position as the largest sports brand manager and the largest producer of sports footwear in the country. With innovation and cutting-edge technology, the Company has become a Sportech company, bringing high-performance sports products to its Brazilian brands and consumers. Our story began in July 1952, in São Paulo, when we started producing leather shoes with vulcanized rubber soles, an innovation for that time. The Vulcabras 752, one of our first iconic lines, reflected the month and year of our foundation and was recognized for its quality and comfort.

Over the decades, we have evolved and diversified our portfolio, integrating technology and innovation into our products. With an increasing focus on the sports market, we began to manage leading brands such as Olympikus, Under Armour, and Mizuno, recognized for their excellence and commitment to sports and athletes. [Learn more about our history at <https://vulcabras.com/o-grupo>]

We operate with a vertical structure that covers everything from research and development to final distribution, guaranteeing high quality and continuous innovation. Our administrative headquarters are located in Jundiaí (SP), and we have a modern Research and Development Center in Parobé (RS), Latin America's largest in the sports footwear sector. Our manufacturing operations are in Horizonte (CE) and Itapetinga (BA), both equipped with cutting-edge technology. We also have a Logistics Distribution Center in Extrema (MG), dedicated to the e-commerce, and a branch with a Distribution Center in Peru. We have expanded our international presence to more than 20 countries, especially in Latin America.

We continually invest in innovation, developing more than 800 new models of shoes per year. These products are distributed in more than 19,000 points of sale in Brazil, serving a vast network of clients. Our direct-to-consumer (DTC) sales strategy is supported by an efficient e-commerce channel, our own stores, and a dedicated distribution operation, offering a comprehensive portfolio that meets the needs of athletes and consumers on all sorts of occasions.

With a team of more than 18,000 employees, we value innovation and continuous improvement, maintaining our position as a leader in sports brand management and the footwear industry in Brazil. This commitment to excellence and innovation is what drives us into the future, reaffirming our leading market position.

Our commitment is to unite technology, innovation, and sports to provide high performance for athletes and consumers, consolidating our position as a powerhouse in the footwear sector and an example of business excellence in Brazil and abroad.



Who we are

We're more than sports specialists. We live and breathe sports in everything we do.

Purpose

Building a better Country through sports, leading the development of sports in Brazil.

Ambition

To be the biggest players in the Brazilian sports market, consolidating our position as the leading company in the sector.

Values

 <p>WE ARE HIGH PERFORMANCE</p>	<p>We are obsessed with delivering outstanding results par excellence. We're always striving for the best performance and constantly want to beat our own records. Our discipline is unquestionable and we give our all to be at the top.</p>
 <p>WE ARE A TEAM</p>	<p>We play together. Bringing together individual talents gives us the collective strength we need to reach the top. We all work towards the same goals and ambitions. We have the grit and resilience to face challenges with heads held high.</p>
 <p>WE ARE INNOVATORS</p>	<p>Innovation is our business. We're always one step ahead in order to bring the future of sports technology today and find ways to make it a reality. We democratize access to cutting-edge products that lead to better performance. We innovate with quality, keeping our focus on competitiveness and business.</p>
 <p>WE ARE NON-CONFORMISTS</p>	<p>We're restless. We don't settle for what we already have and we ask how much farther we can go. We always want to surpass our limits in the way we deliver, produce, relate to, and think about our products.</p>
 <p>WE ARE NIMBLE</p>	<p>We don't get hung up on absolutes. We are flexible enough to head in new directions with the speed and capacity for transformation to meet the needs of consumers and the market, constantly improving our business. We have the strength to change our strategy or direction, facing any adversity together.</p>



Business model

GRI 2-1, 2-6

At Vulcabras, we focus on the customer and are driven by the combination of sports and technology to achieve high performance. We have adopted a unique, vertical business model that covers all stages, from brand management and research and development (R&D) to production and distribution. This allows us to respond quickly to market trends, remain competitive, and offer innovative, high-quality products.

We manage such iconic and complementary brands as Olympikus, Mizuno, and Under Armour, each with its own competitive edge, all marked by innovation and technology 100% made in Brazil. Our sports footwear Research and Development Center (R&D) in Parobé (RS) is the largest in the sports footwear sector in Latin America, with more than 700 professionals developing more than 800 new models a year.

Our manufacturing operations in Horizonte (CE) and Itapetinga (BA) are equipped with advanced Industry 4.0 technologies, such as artificial intelligence, robotics, and real-time connected systems. This structure guarantees us quick, precise, and flexible production, allowing for shorter supply times, adapting production according to product turnover, and precise control of our stock.

Through Market Intelligence, we collect and analyze a vast array of data, transforming it into insights that inform our decisions in search of the best business opportunities. Based on this work, we orient our sales team, which directly serves more than 10,000 clients and is present in 19,000 points of sale. Our merchandising team, the largest in the sports market, trains 85,000 salespeople every year, ensuring that our products are well represented at the point of sale.

E-commerce management is also one of our strengths, representing a substantial increase in net revenue: 104.4% growth in 2023 compared to the previous year. We are present in the 14 largest marketplaces in Brazil and have an exclusive logistics operation for this channel, ensuring efficient and fast delivery.

We have dedicated brand marketing and sponsor major events and Brazilian athletes, always keeping our brands in the minds of consumers. With 28.6 million followers on our brand profiles, we have a strong digital presence and connection with the public.

Sustainability and ESG (environmental, social and governance) management are also part of our business model and strategy, and our commitment to a positive environmental impact and the communities in which we operate is reflected in all stages of our business.

With our experienced management, we are always on the lookout for opportunities to invest in new businesses. Our growth strategy includes expanding into new product categories, strengthening direct-to-consumer (DTC) sales and acquisitions, always with a focus on innovation, product quality, and maintaining a profitable, cash-generating operation focused on creating value and dividends.

Brand portfolio

GRI 2-1, 2-6

Vulcabras has been building a unique identity for more than seven decades, based on benchmark brands on the market, which represent a successful history of investments and acquisitions. Our portfolio is made up of our own brand Olympikus and licensees Mizuno and Under Armour, three iconic brands that complement each other to offer the best in sports technology for every type of athlete, including clothing, accessories, and footwear.





Olympikus

Since 1975, Olympikus has established itself as the largest sports brand in Brazil, continually investing in innovation and technology to offer products that enhance the performance of amateur and professional athletes. Present in more than 12,000 points of sale in Brazil and throughout South America, Olympikus leads sales in the domestic market and aims to democratize access to high-tech sporting goods and a sporting lifestyle, supporting Brazilians' hustle.

The brand has a consistent history of supporting national sports. It was an official sponsor of the Brazilian Olympic Committee for 12 years, established a successful 19-year partnership with the Brazilian Volleyball Confederation, sponsored high-profile clubs, and today is the official sports brand of the São Paulo International Marathon and the Porto Alegre International Marathon.

It currently sponsors six elite athletes, three sports consultancies, which together represent more than 1,700 students, as well as two international marathons and the proprietary Bota Pra Correr running circuit, which invites Brazilians to get to know Brazil by running. With seven editions already held, more than 4,000 runners have taken part in the event.

Find out more: www.olympikus.com.br



Mizuno

Mizuno has Japanese origins and more than a century of history, recognized for its dedication to technological innovation in sports. In Brazil for 25 years, and under the management of Vulcabras since 2021, the brand stands out for offering advanced products that meet the needs of every level of athlete. In Brazil, it stands out in the high-performance running category, with exclusive technologies such as the Wave plate and U4ic material, which provide greater impact absorption and lightness.

Three years under the management of Vulcabras, Mizuno has doubled in size since joining the company's portfolio, which has brought all its knowledge and innovation ecosystem to the business. With a unique business model in the market, which allows it to build a portfolio with a lot of technology and aligned with the demands of the domestic market, Vulcabras has accelerated the growth of the brand in Brazil.

Find out more: www.mizuno.com.br

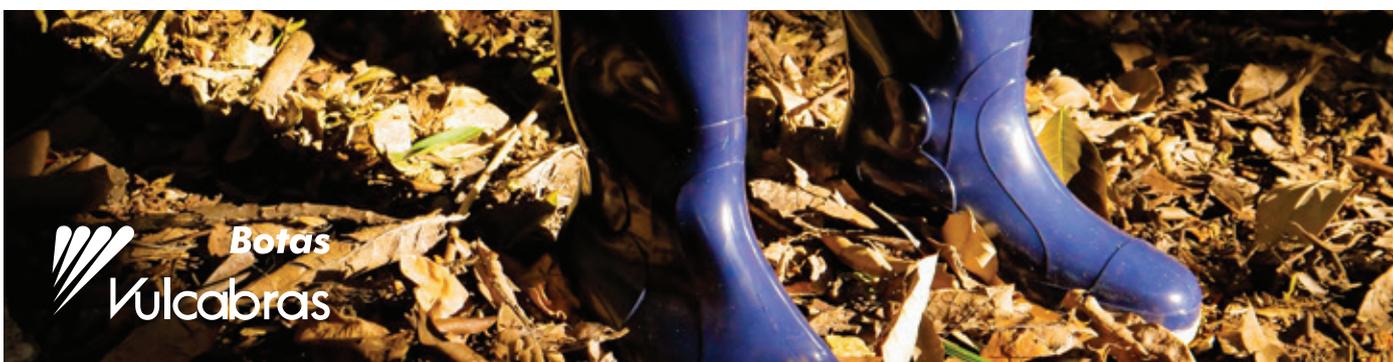


Under Armour

Under Armour is a global brand, founded in 1996 in the United States, a reference in innovation and creating clothing, footwear, and accessories aimed at consumers with an active lifestyle. Since Vulcabras took over its operations in Brazil in 2018, the brand has achieved significant growth, focusing on the workout and basketball categories, consolidating Under Armour as a workout leader and a benchmark on the courts.

Under Armour products are designed to improve the performance of athletes at all stages of their sporting journeys, with a range that covers everything from clothing to high-performance footwear. The brand is also known for its Connected Fitness™ platform, which digitally connects a vast health and fitness community. This commitment to innovation and customer connection is one of the pillars of its success in the Country.

Find out more: www.underarmour.com.br



Botas Vulcabras

Vulcabras Boots are a brand of safety boots and footwear for the industrial sector made from highly durable, chemical-resistant materials designed to meet strict international quality standards. Combining high technology and quality, this footwear is intended for workers in various sectors, including hospitals, mining, steel, agribusiness, and construction.

One of the main distinguishing features of Vulcabras boots is their eco-efficient production process, which involves using up to 6% of the waste from the shoe manufacturing process, transforming it into inputs for the production of new boots.



Infrastructure and geographical distribution

GRI 2-1, 2-6

At Vulcabras, our modern infrastructure is key to ensuring quality and innovation in our products. With manufacturing plants equipped with cutting-edge technology, advanced research centers, and efficient logistic facilities, we meet market demands effectively.





Horizonte (CE) plant

Our largest manufacturing plant is located in Horizonte, in the metropolitan area of Fortaleza, Ceará. Opened in 1996, the unit occupies a total area of 246,000 m², with 95,000 m² of covered area, and employs more than 10,000 people. In Horizonte, we produce footwear for the Mizuno, Olympikus, and Under Armour brands. In addition to production lines, the unit houses departments such as logistics, industrial engineering, laboratories, and production planning and control. This integrated structure allows us to produce quickly and efficiently while maintaining high quality standards.

We recently expanded this plant, adding 4,500 m² of covered floor space, bringing the total to 99,500 m². This expansion stage, which will be completed in 2024, is part of the investment plan for the company's manufacturing units and R&D Center, which totaled R\$600 million over the last six years

Itapetinga plant (BA)

The Itapetinga plant in Bahia is our second largest factory. Founded in 1998, it occupies a total area of 350,000 square meters, with 93,000 m² of covered floor space. It produces Olympikus sports shoes and flip-flops, Under Armour flip-flops, Mizuno soccer cleats and flip-flops, and Vulcabras Boots. Like in Horizonte, Itapetinga is also home to departments such as logistics, industrial engineering, and production planning and control.

Administrative Office in Jundiaí (SP)

Our story began in 1952, in the city of Cabreúva, São Paulo and soon after the company moved to Jundiaí, also in São Paulo, where it established itself. Today, this unit houses our administrative office. With a total area of 112,000 m², this unit concentrates Vulcabras's administrative departments.

Showroom São Paulo (SP)

Located in the city of São Paulo, the Vulcabras Showroom is the place for displaying and presenting the collections of the company's portfolio brands to clients.

Distribution Center in Extrema (MG)

Opened in 2021, the Distribution Center in Extrema, Minas Gerais, has 11,500 m² dedicated to e-commerce, to our own stores, and to the distribution of products purchased for multi-brand retail. More than 15,000 pairs and pieces are processed every day. We use advanced technology, such as intelligent conveyors and automated systems that identify, classify, and direct products to different destinations, which guarantees efficiency, speed, and synergy at every stage of the logistics process.

Parobé Research & Development Center (RS)

The Research & Development Center, located in Parobé, Rio Grande do Sul, is the largest in Latin America dedicated to sports footwear, developing more than 800 new models every year.

With more than 20,000 m², this innovation hub includes a Design Center, a complete Mini Factory, Machining Centers for dies, footwear 3D Printing, Virtual Reality and Materials Research Laboratories, among other facilities equipped with cutting-edge technology.

Our robust infrastructure, together with a team of more than 700 highly specialized professionals, allows us to create products that combine innovation, technology, comfort, durability, and quality.

Innovation Hub (RS)

The Vulcabras Innovation Hub, located at the Caldeira Institute in Porto Alegre [RS], serves as the company's point of contact with startups from the regional innovation ecosystem.



Innovation and Industry 4.0

In order to offer high-performance products for all customer profiles, we have invested significantly in innovation and new technologies. In the last six years alone, we have invested more than R\$ 600 million in modernizing our factories and our R&D Center.

Our plants are equipped with state-of-the-art technology, including AI, robotics, and real-time connected systems, which allows us to produce in a quick, efficient, and highly data-intelligent way – factors that strengthen our competitiveness in the domestic and international markets.

Vulcabras's approach to innovation also includes innovating openly with constant exchanges of knowledge, through partnerships with universities, co-creation of products with athletes and sports professionals, as well as international collaborations. This allows us to offer cutting-edge technology to our customers.

Our launch history includes technologies that have revolutionized the market. In recent years, we launched Grafenus, the world's first graphene plate, which provides more response, more impulse, and more performance for runners; Eleva Pro, cushioning technology that exploits the expansion limit of EVA, providing maximum response, comfort, and durability with less deformation; Oxitec, technology located in the upper, with a new thread composition, which integrates monofilament, polyester, and elastane, and provides greater lightness, thermal comfort, and prevents the absorption of water or sweat.

These and other innovations have helped us get onto more than 100 winners' podiums in Brazilian marathons, lead sales in various categories, and receive awards and certifications from the market's main evaluators.

Sustainability commitment

At Vulcabras, we understand that sustainability is an integral and ongoing commitment, reflected in all our actions and operations. Since 2021, with the creation of the ESG Board, Vulcabras's structured action plan incorporating socio-environmental and governance guidelines that positively impact our activities and the communities where we operate.

To identify and define our ESG management priorities, we consulted our internal and external audiences, analyzed the sector and business context, and identified the main impacts generated by the company from a sustainability perspective. From this set of information, we defined our material topics.

Based on this material topics survey and the company's other strategic guidelines, we structured the ESG 2030 Ambitions, a sustainable development agenda consisting of our main commitments. Additionally, we connect our challenges and potential with the UN's Sustainable Development Goals (SDGs), placing Vulcabras in a broader context of contributing to global ESG challenges.



2030 ESG ambitions

With the objective of building a better and a more sustainable future for everyone, in July 2022 we defined our ESG Ambitions for 2030. This set of strategic goals orients the Company's social-environmental actions, guiding our commitment to sustainability and positively impacting the communities where we operate.

Divided into five areas, they have the goal of having a positive impact on the communities in which the company operates, reducing the generation and disposal of waste and effluents; using clean energy in 100% of its operations; fostering more and more innovation for Brazilian industry, strengthening the chain with local suppliers; democratizing access to sports and bring more diversity to its management. Find out more about each one below:

1	MORE KILOMETERS, LESS WASTE	STATUS
	<ul style="list-style-type: none"> Eliminating disposal of industrial waste in landfills. Reducing waste creation by 10% [based on 2021]. 	

Find out more in the chapter "Environmental responsibility > Materials and waste".

2	CO² MARATHON	STATUS
	<ul style="list-style-type: none"> Powering 100% of the factory's production with renewable energy. Partnering with suppliers to reduce scope 3 emissions. 	

Find out more in the chapter "Environmental responsibility > Energy and emissions".

3	FROM ONE BRAZILIAN TO ANOTHER	STATUS
	<ul style="list-style-type: none"> Increasing the absolute financial volume of purchases of Brazilian origin by 10% [based on 2021], keeping pace with the growth in total purchases. Increasing domestic clothing and accessory suppliers. 	

Find out more in the chapter "Relationships and partnerships > Supply chain".

4	SPORTS FOR ALL	STATUS
	<ul style="list-style-type: none"> Benefitting 1,000 people per year with sports-oriented inclusion and education projects, supported by Vulcabras and its brands 	

Find out more in the chapter "Relationships and partnerships > Society and communities".

5	DIVERSITY AND INCLUSION	STATUS
	<ul style="list-style-type: none"> Reaching 30% female representation in leadership positions [Management and Board]. Reaching 35% ethnic and racial diversity in leadership positions [Management and Board]. 	

Find out more in the chapter "Work Environment > Employee profile".

Subtitle:

- In progress, but not finished.
- Finished



UN Agenda 2030

In line with our purpose of building a better country through sports and our 2030 Ambitions, we have incorporated the UN's Sustainable Development Goals (SDGs) into our management guidelines. Out of a total of 17 objectives, we selected eight priorities that are connected to the company's strategic planning and our ESG positioning, representing the areas in which we have the greatest potential to contribute:

<p>3 HEALTH AND WELL-BEING</p> 	<p>We promote access to quality sports for all types of athletes, as well as well-being for all ages.</p>	
<p>4 QUALITY EDUCATION</p> 	<p>We promote access to inclusive education practices and learning opportunities for our employees</p>	
<p>6 DRINKING WATER AND SANITATION</p> 	<p>We carry out sustainable water management, with measures such as rational use, reuse, and effluent treatment.</p>	
<p>7 CLEAN AND AFFORDABLE ENERGY</p> 	<p>13 ACTION AGAINST GLOBAL CLIMATE CHANGE</p> 	<p>We use wind power for our industrial parks, reducing our carbon footprint.</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>We promote full and productive employment and dignified work in an inclusive and sustainable way.</p>	
<p>9 INDUSTRY, INNOVATION, AND INFRASTRUCTURE</p> 	<p>We have a resilient infrastructure that promotes inclusive and sustainable industrialization and fosters innovation.</p>	
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>We guarantee sustainable production standards that have a positive impact on the consumer market</p>	

Sustainable Origin Certification – Diamond Seal

Reflecting our commitment to the sustainable development of the production chain, Vulcabras has the Sustainable Origin Certification. This is an initiative developed by the Sustainability Laboratory of the University of São Paulo (USP), in partnership with Assintecal and Abicalçados, which assesses the ESG performance of companies in the sector, covering the economic, environmental, social, and cultural pillars.

In 2023, our Horizonte [CE] unit underwent the recertification process, ensuring that it would retain the Diamond Seal, which it was initially awarded in 2021. We were the first sports footwear industry to achieve this recognition outside of Rio Grande do Sul. This is the highest level of certification, which demonstrates our adherence to more than 80% of the sustainability requirements assessed.

The Certification has been recognized by the Cambridge University World Congress on Sustainable Technologies as a success story and an example of sustainability and transparency.





MESSAGE FROM THE CHAIR

GRI 2-22

In 2023, Vulcabras reached a historic milestone, recording the best performance in its history. With robust growth in gross sales, we reached R\$3.2 billion, an 11.5% increase compared to 2022. This success is the result of the combination of strong brands, a vertical business model focused on the sports sector, and gains in operational efficiency.

Our gross margin reached 41.7%, an increase of 4.7 percentage points on the previous year. Recurring EBITDA grew by 31.5% to R\$640.5 million, while recurring net profit rose by 32.0% to R\$489.7 million.

Sustainability remains a central pillar of our strategy. We have expanded our circular economy initiatives, with more than 53% of the waste generated being channeled into manufacturing new products internally or by third parties. Internally, we reuse 20% of this waste, turning it into raw material for various applications. These practices reflect our commitment to sustainability and environmental responsibility.

In the environmental sphere, our factories are powered by wind energy, a measure that not only reduces our carbon footprint, but also demonstrates our leading role in decarbonizing the industry.

Our Horizonte (CE) unit was recertified with the Diamond Seal of the Sustainable Origin Certification, reaffirming our commitment to responsible socio-environmental practices.

In the social sphere, we reaffirm our commitment to the well-being and development of our employees and the communities where we operate. In 2023, we invested in professional qualification and development, with an average of 20 hours of training per employee. Furthermore, we continue to encourage employees to practice sports, offering Wellhub (formerly Gympass) to 100% of our staff at all units.

Our social projects reinforce our commitment to positively impacting the communities around our units. In 2023, we earmarked R\$1.9 million for social initiatives that promote education, sports, and inclusion, through tax incentives. These actions not only benefit local communities, but also strengthen Vulcabras's bond with society, reflecting our commitment to corporate social responsibility.

We have adopted high standards of integrity and transparency, ensuring that our actions and decisions are aligned with the best interests of our stakeholders. Our governance structure is reinforced by an active Board of Directors, an Audit Committee, and an Executive Board committed to operational excellence and continuous innovation. We have implemented structured policies, a Code of Ethics, and confidential channels for communicating with the company.

Our unique, vertical, end-to-end business model combines sports and technology to achieve high performance. We have the largest Research & Development Center focused on sports footwear in Latin America, located in Parobé (RS), where more than 800 new models are developed every year. Our industrial park 4.0 is equipped with cutting-edge technology, enabling quick and flexible production of innovative products.

Seeking to build a fairer and more sustainable future, we have established ESG Ambitions for 2030. In line with the UN's Sustainable Development Goals (SDGs), we have defined our ambitions, which include increasing waste circularity, making full use of clean energy in our operations, and promoting diversity and inclusion at all levels of the organization. These socio-environmental ambitions will guide our actions in the coming years, ensuring that we continue to be an agent of positive change.

We have reached a new level and are leading the technological development of the sports footwear segment. We would like to thank all our employees, clients, partners, suppliers, and other stakeholders. Together, we will continue along the path of sustainability, innovation, and responsible growth, reinforcing Vulcabras as a leader in the sector and a point of reference in sustainable business practices.



PERFORMANCE IN FOCUS

Results summary

With our combination of strong brands, a vertical business model 100% focused on the sports sector, and gains in operational efficiency, Vulcabras recorded its best ever fiscal year in 2023.

Sales and margins

Gross sales reached R\$3.2 billion, an all-time record, with 11.5% growth compared to 2022. Gross margin also reached its highest level, reaching 41.7% for the year, an increase of 4.7 percentage points on the previous period.

EBITDA and net profit

Recurring EBITDA increased 31.5% over 2022, totaling R\$640.5 million in 2023. The recurring EBITDA margin was 22.7%, representing an increase of 3.5 percentage points compared to 2022. Recurring net profit was R\$489.7 million, a 32.0% increase compared to 2022.

Operating revenue

Net operating revenue reached R\$2.8 billion, reflecting 11.1% growth compared to 2022, when the figure was R\$2.5 billion. By product category, sports shoes grew by 13.1%, while clothing and accessories rose by 6.1%.

Performance by market

The domestic market accounted for 94.1% of net revenue in 2023, at R\$2.7 billion, an increase of 14.8% compared to 2022. On the other hand, the foreign market reached R\$166.4 million, a 27.0% reduction compared to 2022, due to challenges in Latin America, especially Argentina, related to economic and exchange rate instability.

E-commerce

E-commerce results continued to grow rapidly, demonstrating the assertiveness and efficiency of our digital commerce strategy. Compared to 2022, we recorded 104.4% growth, jumping from R\$136.9 million to R\$279.8 million in net revenue from this channel. For the year, e-commerce accounted for 9.9% of total revenue.

Brand performance

Olympikus

It expanded its turnover with the Família Corre, a running performance line that accounts for 15% of the brand's revenue, increasing its market presence and perception of brand value.



Mizuno

It accelerated expansion in the high-performance running segment with the development of new Brazilian collections of sports shoes and the start of local manufacturing of the Morelia cleat line



Under Armour

It maintained its growth focused on the workout and basketball categories, becoming the leading brand in workout shoe sales, with a focus on gyms, among the major multi-brand retail clients in Brazil.





Dividend payments

With this set of results, we made consistent dividend payments throughout 2023, totaling R\$208.4 million. We are committed to generating and distributing value in a balanced and sustainable way, benefiting all our stakeholders.

Distribution of added value

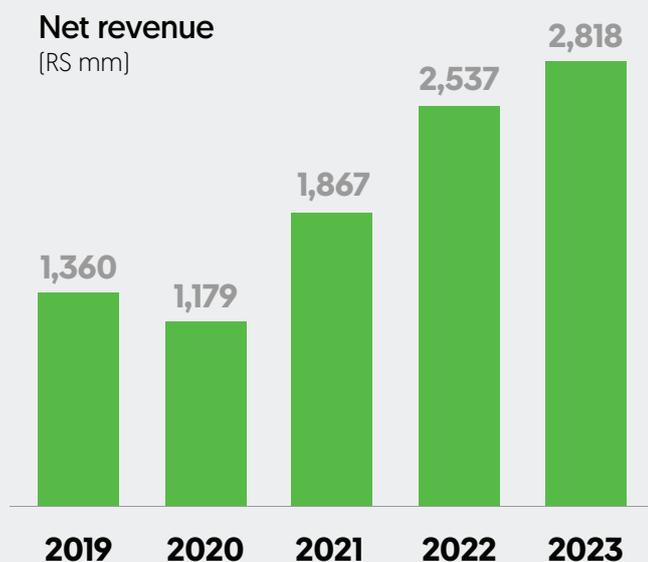
The following table shows the company's added value in 2023, highlighting the value generated, distributed, and retained, which demonstrate part of our contribution to the socio-economic development of the Country and the regions in which we operate.

ECONOMIC VALUE GENERATED (IN THOUSANDS OF REAIS)	2021	2022	2023	23 vs 22
Revenue (R\$)	2,202,657.00	2,907,754.00	3,170,099.00	0.09
ECONOMIC VALUE DISTRIBUTED (IN THOUSANDS OF REAIS)	2021	2022	2023	23 vs 22
Operational costs	1,012,023.00	1,381,023.00	1,411,069.00	0.02
Employee salaries and benefits	537,376.00	653,192.00	746,271.00	0.14
Payments to the government	294,236.00	378,225.00	432,372.00	0.14
Payments to capital providers (*)	382,514.00	552,605.00	585,200.00	0.06
Investments in the community (**)				
ECONOMIC VALUE RETAINED (IN THOUSANDS OF REAIS)	2021	2022	2023	23 vs 22
Direct economic value generated minus value distributed	-23,492.00	-57,291.00	-4,813.00	0.92

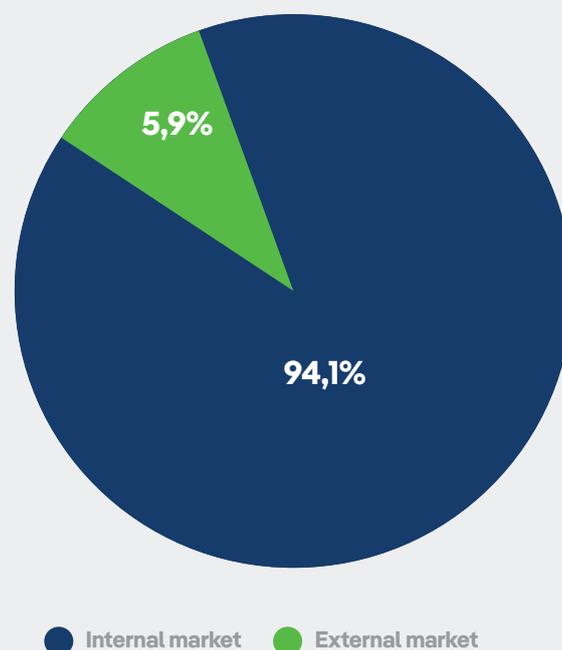
* Includes remuneration of third-party capital [accrued interest, passive exchange variations, rents, and others] and earnings [losses] retained for the year.

** The investments in the community were made possible through tax incentives.

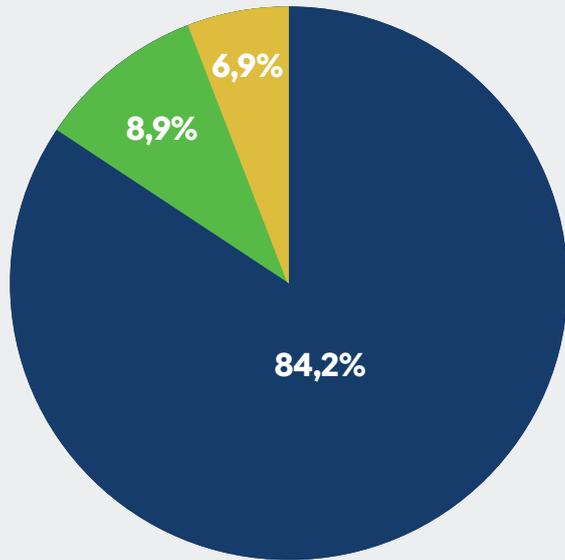
Highlight Charts



Net revenue by market

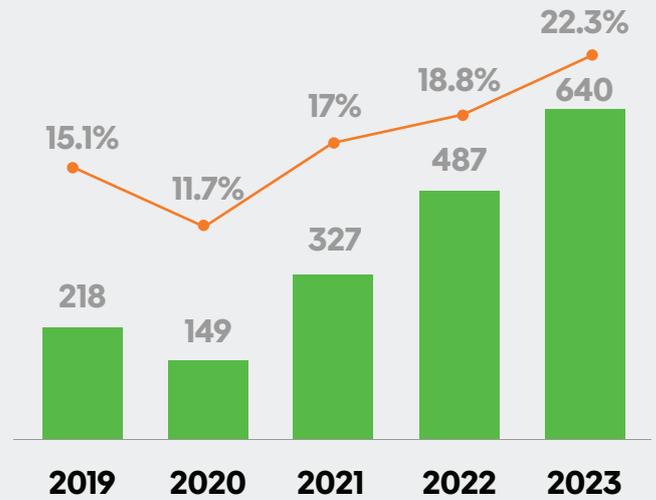


Net revenue by category

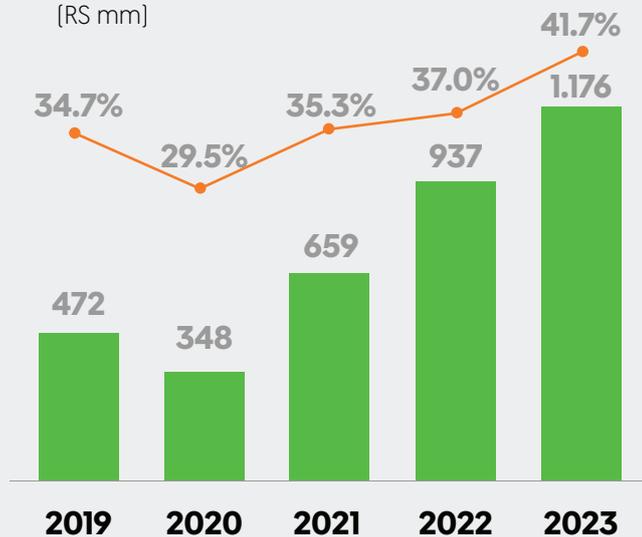


● Sports footwear
 ● Clothing and accessories
 ● Other

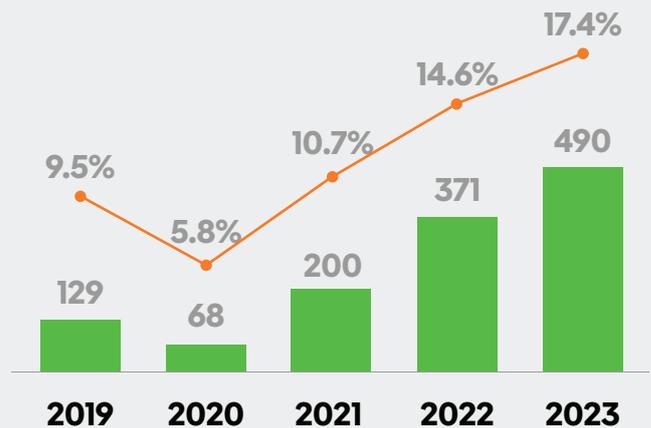
Recurrent EBITDA and EBITDA Margin [RS mm]



Gross profit and gross margin [RS mm]



Recurring net profit and net margin [RS mm]



Access the full results disclosure documents on the Investor Relations website: <https://www.vulcabrasri.com/>

WORK ENVIRONMENT

Employee profile

GRI 2-7, 401-1

At Vulcabras, we value our employees and are dedicated to creating an inclusive, diverse and positive work environment that fosters innovation and personal and professional development.

We ended 2023 with a total of 17,999 employees at Vulcabras, a figure that remained practically stable compared to 2022, with a slight reduction of 0.16%. The monthly turnover rate was 1.74%, a slight reduction compared to 2022, when the rate was 2.04%.

Total employees

2021: 16,388	2022: 18,027	2023: 17,999
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Our commitment to diversity and inclusion is reflected in policies and practices that respect the uniqueness of each employee, promoting an environment where everyone feels respected and empowered to contribute their best ideas. Furthermore, we highlight the importance of a diverse workforce and our ongoing dedication to promoting equal opportunities at all levels of the organization.



Female representation

In our 2030 ESG Ambitions, we declared our ambition to achieve 30% female representation in leadership positions (managers and directors). By the end of 2023, we reached the 28% mark, an increase of four percentage points from 2021.

EMPLOYEES BY GENDER AND FUNCTIONAL CATEGORY IN 2023		
FUNCTIONAL CATEGORY	FEMALE	MALE
Leadership (Management and Board)	42 (28%)	108 (72%)
Management positions in general	326 (33%)	660 (67%)
Non-leadership	8,756 (51%)	8,257 (49%)
All positions	9,082 (50%)	8,917 (50%)
TOTAL	17,999	

EMPLOYEES BY GENDER AND FUNCTIONAL CATEGORY IN 2022		
FUNCTIONAL CATEGORY	FEMININO	MASCULINO
Leadership (Management and Board)	38 (27%)	105 (73%)
Management positions in general	304 (32%)	647 (68%)
Non-leadership	8,559 (50%)	8,517 (50%)
All positions	8,863 (49%)	9,164 (51%)
TOTAL	18,027	

Racial and ethnic diversity

As for our goal of achieving 35% ethnic diversity, we ended the year with 19% of managers and directors who declared themselves to be Black, Brown, Asian or Indigenous, an increase of two percentage points compared to 2022.

Total Managers + Directors 2022: 17%

Total Managers + Directors 2023: 19%

EMPLOYEES BY RACE/ETHNICITY AND FUNCTIONAL CATEGORY ON 12/31/2023							
FUNCTIONAL CATEGORY	Asian	White	Black	Brown	Indigenous	Other	No response
Leadership (Management and Board)	1 (1%)	108 (72%)	1 (1%)	26 (17%)	0 (-)	11 (7%)	3 (2%)
Management positions in general	8 (1%)	292 (30%)	51 (5%)	610 (62%)	4 (-)	11 (1%)	10 (1%)
Non-leadership	190 (1%)	2,824 (16%)	1,556 (9%)	11,849 (70%)	128 (1%)	221 (1%)	245 (1%)
All positions	198 (1%)	3,116 (17%)	1,607 (9%)	12,459 (69%)	132 (1%)	232 (1%)	255 (1%)
TOTAL	17,999						



EMPLOYEES BY RACE/ETHNICITY AND FUNCTIONAL CATEGORY ON 12/31/2022							
FUNCTIONAL CATEGORY	Asian	White	Black	Brown	Indigenous	Other	No response
Leadership (Management and Board)	1 (1%)	106 (75%)	1 (1%)	22 (16%)	0 (-)	0 (-)	11 (8%)
Management positions in general	7 (1%)	282 (30%)	46 (5%)	590 (62%)	4 (-)	11 (1%)	11 (1%)
Non-leadership	181 (1%)	2.924 (17%)	1.515 (9%)	11.930 (70%)	131 (1%)	218 (1%)	177 (1%)
All positions	188 (1%)	3.206 (18%)	1.561 (9%)	12.520 (69%)	135 (1%)	229 (1%)	188 (1%)
TOTAL	18,027						

Other diversity aspects

To provide a comprehensive view of our workforce, we present below detailed data on the composition of our employees by functional category, age group, gender, ethnicity, and place of work. These indicators reinforce our commitment to creating an inclusive and diverse work environment that drives innovation and operational excellence.

EMPLOYEES BY FUNCTIONAL CATEGORY			
INDICATORS	2022	2023	23 vs 22
Directors	22	20	-9%
Managers	121	130	7%
Supervisors	130	125	-4%
Coordinators	544	556	2%
Operations leaders	134	155	16%
Specialists	-	9	-
Administrative	1,296	1,325	2%
Operations	15,227	14,717	-3%
In-store operations	78	81	4%
Trainees	475	881	85%
TOTAL	18,027	17,999	-0,16%

EMPLOYEES BY AGE GROUP			
INDICATORS	2022	2023	23 vs 22
Under 30 years old	8,301 (46%)	8,098 (45%)	-2,45%
Between 30 and 50 years old	8,402 (47%)	8,442 (47%)	+0,48%
Over 50 years old	1,324 (7%)	1,459 (8%)	+10,20%
TOTAL	18,027	17,999	-0,16%

EMPLOYEES BY GENDER

INDICATORS	2022	2023	23 vs 22
Male	9,164 (51%)	8,917 (50%)	-2,70%
Female	8,863 (49%)	9,082 (50%)	+2,47%
TOTAL	18,027	17,999	-0,16%

EMPLOYEES BY ETHNICITY

INDICATORS	2022	2023	23 vs 22
Asian	188 (1%)	198 (1%)	+5,32%
White	3,206 (18%)	3,116 (17%)	-2,81%
Indigenous	135 (1%)	132 (1%)	-2,22%
Black	1,561 (9%)	1,607 (9%)	+2,95%
Brown	12,520 (69%)	12,459 (69%)	-0,49%
Other	229 (1%)	232 (1%)	+1,31%
Not reported	188 (1%)	255 (1%)	+35,64%
TOTAL	18,027	17,999	-0,16%

EMPLOYEES BY PLACE OF WORK

INDICATORS	2022	2023	23 vs 22
North	0	0	-
Northeast	16.306 (91%)	16.192 (90%)	-0,70%
Midwest	0	0	-
Southeast	515 (3%)	551 (3%)	+6,99%
Sul	977 (5%)	1,024 (6%)	+4,81%
Abroad	229 (1%)	232 (1%)	+1,31%
TOTAL	18,027	17,999	-0,16%

OUTSOURCED EMPLOYEES (NOT INCLUDED IN THE TOTAL NUMBER OF EMPLOYEES) (GRI 2-8)

INDICATORS	2022	2023	23 vs 22
Cleaning	19 (3%)	21 (3%)	11%
Concierge/Security	32 (5%)	38 (6%)	19%
Maintenance	129 (21%)	104 (17%)	-19%
Restaurant	152 (25%)	156 (26%)	3%
Sales Promoters	71 (12%)	71 (12%)	-
Transport	192 (31%)	177 (29%)	-8%
Other	20 (3%)	42 (7%)	110%
TOTAL	615	609	-1%



Continuing development

GRI 404-1

The continuing development of Vulcabras employees has been a fundamental pillar in achieving our strategic objectives. We invest in training and qualification programs that promote the professional and personal growth of each individual, preparing them to face the challenges of the market and contributing to organizational sustainability.

In 2023, we carried out a total of 440,061 hours of training, covering all levels of the company and regions where the company operates. This equates to an average of 50.1 hours of training per employee.

AVERAGE HOURS OF TRAINING BY GENDER AND FUNCTIONAL CATEGORY IN 2023			
FUNCTIONAL CATEGORY	FEMALE	MALE	TOTAL
Board	0	12	12
Management	22	27	25
Supervision	309	242	258
Coordination	11	11	11
Operations leader	388	408	401
Specialist	6	51	35
Administrative	8	7	7
Operations	6	10	8
In-store operations	8	7	8
Trainee	225	230	227
Intern	244	3.278	2.823
TOTAL	42,8	57,8	50,1

Vulcabras Movement University

The Vulcabras Movement University (VMU) is an education platform for our employees, whose aim is to promote a culture of continuous learning, strengthening the organization's legacy and values. Launched in 2023, this new virtual learning space has the structure of a Corporate University, where short and medium-term courses are made available to all employees, as well as a virtual library with more than 100 different titles, free courses from other institutions, and educational content focused on organizational demands.

In 2023, VMU carried out a total of 8,157 hours of training, with an average of 0.42 hours per employee. Among the main trainings conducted through this new platform are Vulcabras Immersion for new employees, which provides a complete integration with the company's culture and values, and the General Data Protection Law (LGPD) training.

During the same period, we also launched the Agile Journey, a learning path accessible to all employees, focused on developing soft and hard skills, and the Leadership Academy, with seven courses aimed at encouraging this audience to think, act, and transform in a new way.

Develop to Transform Program

In 2023, at the Parobé (RS) unit, we had the second edition of the Develop to Transform Program, focused on developing leadership skills in line with business needs. This program looks to establish people management strategies that support organizational ambitions and goals. This year's edition worked on skills such as strategic leadership, communication, self-responsibility, and intrapreneurship, with the participation of coordinators, managers, and executive directors, both virtually and face-to-face



Worker Education

In collaboration with Industry Social Service (Sesi), we offer the Worker Education Program, which allows our employees to complete primary and secondary education. Classes are held in the Knowledge Industry, on our premises, which has a library and a computer lab. In 2023, 47 employees completed primary school and 84 completed secondary school.

Health and safety at work

GRI 403-9

Vulcabras's commitment to the health, safety, and well-being of its employees is one of the fundamental management pillars. We continually invest in risk prevention and mitigation processes and mechanisms to ensure a safe, healthy, and productive working environment.

Our health and safety management structure encompasses various practices and processes that ensure compliance with relevant legislation and internal standards, as well as tools for identifying, analyzing, and controlling occupational risks. The processes and tools include the Risk Management Program (RMP), the Occupational Health Medical Control Program (OHMCP), the Hazardous Work Permit (HWP), the Occupational Health Certificate (OHC), risk analyses, inspection and compliance checklists, among others.

To support occupational health and safety management, we have the Ergonomics Committee (EC), the Internal Accident Prevention Commission (IAPC) and the Specialized Service in Safety Engineering and Occupational Medicine (SSSEOM), made up of qualified employees and volunteers.

We are constantly developing awareness campaigns, encouraging healthy habits, requesting preventive examinations, and advising on monitoring for chronic diseases such as hypertension and diabetes. Among the preventive campaigns are Green April (promoting health and safety at work), Yellow September (suicide prevention and mental health), Pink October (breast cancer prevention), and Blue November (prostate cancer prevention). Also, in 2023, we carried out relevant training, such as training for forklift operators and firefighters, as well as emergency drills with chemicals, confined spaces, area abandonment, and heights.

We strive to meet and exceed health and safety standards recognized in the footwear industry. We have general certifications covering occupational health and safety issues, such as one from the Brazilian Textile Retail Association (ABVTEX), which certifies the existence of occupational health and safety and sustainability processes and flows required by the market, and the Social & Labor Convergence Program (SLCP) certificate, which verifies our commitment to improving social and labor conditions.



Health and safety indicators

Vulcabras operates to the highest national and international health and safety standards. Among our metrics, we monitor the Frequency Rate (FR) and Severity Rate (SR) of workplace accidents, assessing the occurrence and severity of these cases, ensuring that effective preventive and corrective measures are implemented.

In 2023, the FR was 17.62, an increase of 46% compared to 2022, while the SR was 19.70, a decrease of 49%. This increase in FR reflects the employees' greater awareness of occupational risks, encouraged by training and the actions of the Internal Accident Prevention Commission (IAPC) carried out by the SSSEOM. These initiatives have promoted a stronger safety culture and encouraged the reporting of more incidents, even minor ones.

The reduction in SR is the result of the safety measures implemented by the SSSEOM, including training, regular inspections, and preventive actions. IAPC's proactive action was fundamental in identifying and correcting unsafe conditions in the workplace, contributing significantly to reducing the severity of accidents. These joint efforts demonstrate our ongoing commitment to employee safety and well-being.

IWPAWE 2023

In August 2023, Vulcabras held the Internal Week for the Prevention of Accidents at Work and the Environment (IWPAWE) in all its units, with the theme "Caring for the mind, preventing accidents, and preserving the environment". This event promoted activities and talks focused on accident prevention, physical and mental health, diversity, and the preservation of natural resources, bringing together employees from different locations and reinforcing the company's commitment to safety and sustainability.



Sports for employees

Committed to incentivizing sports at all the locations where we operate, we offer our employees Gympass (now called Wellhub), a corporate benefit that gives access to a wide and diversified network of gyms and studios, for exercise of the most varied types, both virtual and in person, enabling a healthier and more active lifestyle.

All employees have access to this benefit, which can be joined via a monthly subscription. Over the course of the year, this helped employees work out more than 170,800 times. The monthly average was 1,905 subscribers, who did more than 14,200 workouts in 532 gyms in 104 cities in Brazil.



Communication and engagement

We value close and transparent communication, as well as employee engagement, recognizing that these elements are fundamental to effectively managing Vulcabras's organizational climate and culture and achieving business objectives. That's why we invest in various communication and relationship initiatives that make the workplace an increasingly collaborative, productive, and dialog-friendly place.

After launching the brand platform, our purpose, and values in 2021, we worked on strengthening our organizational culture and building a new Employee Value Proposition. In the process, we restructured some of our engagement instruments, symbols, and organizational rituals, seeking to strengthen Vulcabras pride among our employees. Get to know some of these instruments:

1**Internal communication**

To keep employees well-informed, we use a variety of tools and channels, such as intranet, internal email communications, screens broadcasting company content in common areas of the factories, social media posts, and Daily Safety Dialogues (DSD).

2**Messages from the CEO**

Direct messages from the CEO, sharing the vision of the top leadership on topics relevant to the business.

3**Engagement in training**

We use learning environments, such as Vulcabras Movement University (VMU) trainings, Vulcabras Immersion for new employees, leadership trainings, and face-to-face trainings as opportunities for qualified interaction.

4**Events and visits**

We hold gatherings such as V Day, a convention in which we announce results and align guidelines for the year with the leadership team, and Factory Day, which consists of regular visits by the CEO and directors to the production units to closely monitor production processes.

5**Management meetings and strategic alignments**

Regular meetings to align strategies between different areas, such as Development, Commercial, Marketing, among others.

6**Celebrations**

In 2023, at all the units, more than 2,000 employees were honored for their time at the company with events, valuing the professionals who contribute to Vulcabras's success. Additionally, to commemorate our 70th anniversary, we printed a memoir that tells the story of Vulcabras, and we made the publication available in all units so that everyone can learn about our trajectory and positive impact on society.

On commemorative dates such as Mother's Day, Father's Day, St. John's Day, and the Ragamuffin Revolution, we celebrate the respective traditions with our employees.

Through these initiatives, we contribute to a work environment where everyone feels valued and motivated to collaborate in the company's success.



RELATIONSHIPS AND PARTNERSHIPS

Society and communities

GRI 413-1

Vulcabras has a significant impact on the regions where it operates, especially in economic and social terms. At all our plants, we make a positive contribution to local development.

Incentivized projects

As part of our purpose of building a better Country through sports, we are committed to making a positive impact on communities. To this end, we annually select projects to receive funding through tax incentive laws. Our brands also sponsor national sporting events and professional athletes, promoting sports in Brazil. Incentivized projects are selected on the basis of the positive impact they can have on the lives of local populations, using sports as an educational and socializing tool. These projects, which promote socio-economic development and a positive change in society's attitudes and behavior, are aligned with Sustainable Development Goals (SDGs). In 2023, we allocated R\$1,902,686.94 to social projects made possible through tax incentive mechanisms, including the Culture Incentive Law, the Sports Incentive Law, the Childhood and Adolescence Fund, the Elderly Fund, Pronas, and Pronon.





Focus of sponsored social projects:

1

Cultural education

Promoting projects that bring culture and knowledge to the regions in which we operate, broadening citizens' knowledge and critical thinking.

2

Sports education

Supporting projects that encourage practicing sports, emphasizing their socializing and educating function.

3

Inclusive education

Supporting projects for the inclusion and training of individuals, offering a consistent career path to the population.

2023 social projects

Culture Incentive Law

Project: World of Reading

Locations: Bahia, Ceará, and Rio Grande do Sul
Beneficiaries: 300 children from 6 to 12 years old

Project: Hand in Hand

Locations: Bahia, Ceará, and Rio Grande do Sul
Beneficiaries: 300 children from 6 to 12 years old

Mercosur Biennial

Location: Porto Alegre
Beneficiaries: Public school children

Sports Law

Project: Triathlon schools in Horizonte and Pecém

Location: Ceará
Beneficiaries: 100 children from 6 to 12 years old

Project: Swimming with Thiago Pereira

Location: Rio de Janeiro
Beneficiaries: 360 children and teenagers from 6 to 18 years old

Childhood and Adolescence Fund

Project: Sea Octopus – Early Childhood Project – Year II

Location: Ceará

Beneficiaries: 80 children between 5 and 6 years old

Project: Wimbelendom 2022-2024

Location: Rio Grande do Sul

Beneficiaries: 73 children from 6 to 18 years old

Elderly Law

Project: Wellness Over 60 Program

Location: Ceará

Beneficiaries: 180 seniors

Project: Maturity 2021-2023

Location: Rio Grande do Sul

Beneficiaries: 350 seniors

National Program to Support Oncological Care (PRONON)

Project/organization: Sobral Holy House of Mercy

Location: Ceará

Beneficiaries: Sobral (CE) and surrounding area residents

Project/organization: Our Lady of Sorrows Hospital Brotherhood

Location: Minas Gerais

Beneficiaries: Ponte Nova (MG) and surrounding area residents

National Program to Support the Health Care of People with Disabilities (Pronas/PCD)

Project/organization: APAE Igrejinha

Location: Rio Grande do Sul

Beneficiaries: people with disabilities and their families in the Igrejinha region (RS)





Supply chain

Supply chain profile

GRI 2-6

We maintain a long-standing relationship with our suppliers, underpinned by our successful operational history and high volume of purchases, which guarantee the regular supply of our production.

Our supply chain is essentially concentrated on suppliers of raw materials and inputs for the production of footwear and textiles, such as fabrics, synthetic laminates, injected materials, and vulcanized materials.

The cost of raw materials represents a significant portion of our production costs. Chemical products are commodities whose values fluctuate according to their prices on the international market, which are partially linked to the price of oil and global supply and demand fluctuations, as well as to exchange rate variations.

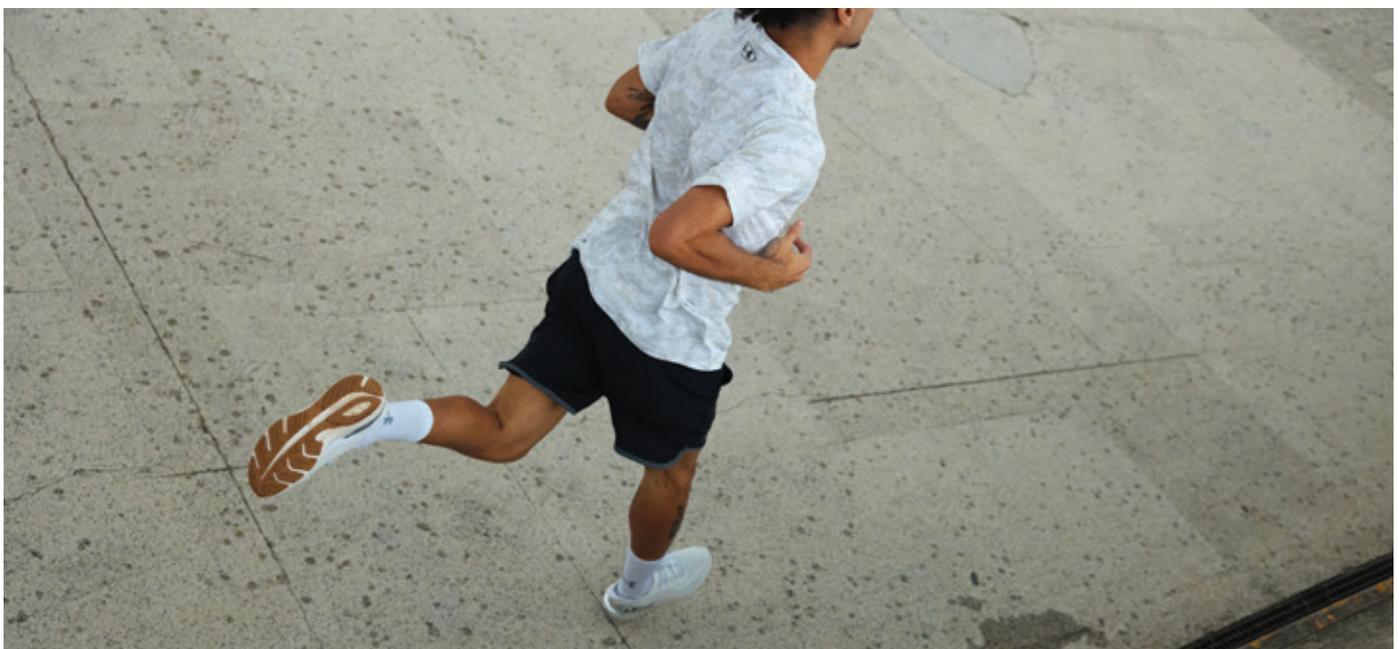
In addition to the acquisition of inputs and raw materials, a small part of our footwear, components of the production process, final-stage inputs, and all of the clothing and sports accessories are bought from third parties, from both local and international suppliers. This gives us greater flexibility to respond to markets.

Prioritizing local suppliers

GRI 204-1

We are a Brazilian company committed to the development of the domestic economy that prioritizes the hiring of domestic suppliers. In 2023, 88% of the financial volume of raw material purchases went to domestic suppliers, one percentage point higher than in 2022. Compared to 2021, there was a 15% increase in the absolute financial volume allocated to local suppliers, surpassing our ambition for 2030, which is a 10% increase in the absolute financial volume of local purchases. We also look for suppliers located in the same regions where we are based. Given our Bahia and Ceará factories, the Northeast region concentrates the largest financial volume of purchases, accounting for 42%, seven percentage points less than in 2022.

GEOGRAPHICAL DISTRIBUTION OF THE SUPPLY CHAIN IN 2023	
Brazi – 88%	Northeast – 42%
Other countries – 12%	Southeast – 28%
	South – 30%





Sustainable management of suppliers

To guarantee the sustainable management of our supply chain, contracting suppliers involves a rigorous approval process, taking into account technical requirements like price, quality, safety, financial and operational capacity, sustainability, among others.

Partners must be aware of and comply with our Code of Ethics and Conduct and Good Supply Practices Manual, which provide guidance on legal and ethical compliance, product quality and safety, socio-environmental responsibility, labor relations, transparency and integrity, audits and monitoring, and continuing improvement.

In 2023, 76% of new suppliers were selected based on social and environmental criteria, among others, highlighting our continued progress in strengthening a responsible and sustainable supply chain. This percentage corresponds to suppliers in a strategic position, either by sales volume, product exclusivity, or other relevant supply chain criteria.

Once contracted, all suppliers are monitored to ensure compliance with the established rules. Depending on their risk rating profile, different monitoring routines are defined, which can include semiannual, annual, or biannual audits. To assess the risk level, objective criteria are taken into account, such as the strategic importance of the contract, the volume of purchases, and the exclusivity of the product. In 2023, the company audited seven strategic suppliers, demonstrating its commitment to quality and sustainability throughout the supply chain. The other suppliers had already obtained a satisfactory response in the 2022 audit.

Requirements analyzed

Quality

Detailed analysis of suppliers' manufacturing or service practices, their quality policy, certifications, and other performance indicators, such as customer satisfaction and recall history or quality problems. t

Sustainability

The sustainability analysis assesses our partners' social responsibility and seeks to ensure that our partners share the same ethical principles and values as Vulcabras.

The assessment of mandatory documents validates legal and regulatory compliance. When assessing a supplier's health and safety practices, we check that employees have the mandatory training and qualification certificates, such as those related to occupational safety standards (NRs). This includes, for example, training in operating machinery, working at heights and the use of PPE. It is also essential to ensure that the equipment is correctly fitted and that the medical examinations (ASO) are carried out in accordance with the required standards.

The analysis of environmental aspects identifies measures to reduce impact and preserve natural resources, guaranteeing a supply in line with the principles of sustainability and responsible environmental management.



Clients and customers

GRI 2-25

Over the course of 71 years, Vulcabras has built a solid relationship with more than 10,000 clients, who sell our products at 19,000 points of sale throughout Brazil. To serve these retailers, distributed throughout the country, a sales force of more than 330 salespeople and more than 100 promoters is focused on continuously improving results and satisfying our clients and customers.

We put customers at the heart of our business model, which is reflected in our research and development of innovative, high-tech products, as well as in our commercial and relationship strategy. Our brands have a strong presence on social media, engaging with communities of professional and amateur athletes, as well as influencers in the sports world.

We have service channels ready to answer questions about our products, resolve problems and maintain a good experience with our brands. In 2023, we provided 422,519 customer service calls. These calls represented 1.34% of the number of pairs sold in 2023, 1.26 percentage points more than in 2022. The communication channels used include brand websites [31%], e-mail [25%] and phone calls [11%].

The main reasons for contact were requests for information [88%] and criticism and complaints [11%]. We value cordiality, efficiency, respect, and ethical standards in all interactions with our customers. Requests and complaints are analyzed and responded to quickly and effectively and forwarded to the responsible sectors for incorporating process improvements, guaranteeing the satisfaction of our customers.

Investors

At Vulcabras, the delivery of consistent and sustainable results, transparency, and accountability are fundamental to building and maintaining a solid relationship with our investors. We are committed to generating value in the short, medium, and long term, combining growth and profitability with social and environmental responsibility.

Financial and operational information is regularly published on the website of the Brazilian Securities and Exchange Commission (CVM) and on our Investor Relations website (<https://www.vulcabrasri.com/>), ensuring equal and timely access for all stakeholders. We also hold regular meetings and conferences where we share our strategies and results, ensuring that investors have the best information for making decisions.

In all our relationships, we are guided by legal and ethical principles, ensuring compliance with current regulations and corporate governance standards. This attitude consolidates our image in the market and strengthens trust and credibility with our shareholders and the financial community.



ENVIRONMENTAL RESPONSIBILITY

Vulcabras is firmly committed to including sustainable practices in all its processes, from development to production. These practices focus on using clean energy, reusing and saving water, as well as the circular economy via reusing waste. Learn about each of these areas of environmental action in this chapter.

Energy and emissions

Production based on clean energy

GRI 302-2, 302-3

Efficiently managing energy resources and the reducing greenhouse gas emissions are fundamental pillars of Vulcabras' sustainability strategy. Our goal is not only to achieve energy efficiency, but also to promote the use of clean energy in all our operations.

Since 2022, Vulcabras has been pioneering the use of wind energy in its footwear production. Today, both factories already operate with wind energy, with the Ceará factory being 100% supplied with clean energy, based on a contract signed with Casa dos Ventos, one of Brazil's major wind energy companies.

This partnership, which has run for 13 years and involves an investment of R\$150 million, will prevent the emission of 15,600 tonnes of CO₂, which is the equivalent of planting 67,000 trees over this period. In addition to significantly reducing its environmental impact, the company also achieved savings of 25% compared to 2019 energy costs.

In 2023, the company registered 85 GWh of energy consumption, which represents an increase of 2.88% compared to 2022. Despite this increase, the company's energy intensity was only 0.000003 GWh per pair of shoes produced, which represents a reduction of 1.40% compared to the previous year. The consumption reported here covers the electricity used in all our manufacturing units, the R&D Center, and the Extrema Distribution Center.

Inventory of emissions

GRI 305-1, 305-2, 305-3, 305-4

Vulcabras carries out its annual Greenhouse Gas (GHG) inventory of emissions using the GHG Protocol methodology, which has made it possible to map and quantify emissions from its operations. The inventory covers scope 1 emissions (direct emissions), scope 2 emissions (indirect emissions from purchased energy), and scope 3 emissions (other indirect emissions from the value chain).

The 2023 results show that Vulcabras emitted a total of 58,972.06 tCO₂e, representing an increase of 34% compared to the previous year. If we consider the intensity of emissions, we see 0.0018 tCO₂e per pair/piece sold, indicating an increase of 36% over 2022.

Although this increase in absolute emissions and emissions intensity was observed, we recorded a decrease in scope 2 emissions, as a result of ongoing energy efficiency efforts and the adoption of sustainable energy sources.

The growth of direct emissions (scope 1) is mainly related to increased production of thermoformed materials. With regards to indirect emissions (scope 3), the sharpest increase occurs, above all, due to distribution chain and third-party activities and due to resuming business trips.

See below a summary of our inventory of greenhouse gas emissions. The most significant sources of emissions were identified as scope 3, principally in the categories of Transport and Upstream Distribution, responsible for 86% of total emissions, followed by scopes 1 (9%) e 2 (5%).

GREENHOUSE GAS EMISSIONS (TCO ₂ E) BY SCOPE				
SCOPE	2021	2022	2023	23 vs 22
Scope 1	3,483,86	4,240,84	5,442,95	+28,35%
Scope 2	7,048,26	3,391,30	3,152,37	-7,05%
Scope 3	37,351,46	36,266,61	50,376,75	+38,91%
TOTAL	47,883,59	43,898,74	58,972,06	+34,34%

GREENHOUSE GAS EMISSION INTENSITY (TCO ₂ E PER PAIR/PIECE SOLD)				
	2021	2022	2023	23 vs 22
TOTAIS	0,001766	0,001383	0,001876	+35,57%





Circular economy

At Vulcabras, managing materials and waste is central to our environmental performance and essential to mitigating the impacts inherent in our industrial activity. We have adopted the 5R policy – refuse, rethink, reduce, reuse, and recycle – as the basis of our commitment to the circular economy.

Recyclable raw materials

Currently, 86% of the raw materials we use are recyclable, including EVA, TPU and other materials. This commitment reflects our proactive approach to rethinking and selecting raw materials with a lower environmental impact, promoting a more sustainable production chain. The table below gives a detailed overview of the materials used:

MATERIALS USED IN THE PRODUCTION PROCESS BY TYPE (RECYCLABLE AND NON-RECYCLABLE)					
Recyclable materials	Unit of measurement	2021	2022	2023	23 vs 22
Shoelaces	pair	11.608.795	18.354.793	18.428.997	+0,40%
Various rubbers	kilogram	489.507	702.407	708.305	+0,84%
Various composites	kilogram	721.050	3.600.835	3.424.599	-4,89%
Various drawstrings	meter	12.066.245	35.262.280	32.288.297	-8,43%
Various elastic bands	meter	11.111.287	1.398.079	1.473.313	+5,38%
Paper	unit	28.747.654	53.056.027	54.826.050	+3,34%
Plastic packaging	unit	348.300.000	3.555.687	3.746.026	+5,35%
Foam	meter squared	268.328	511.066	534.618	+4,61%
Various tags	unit	108.266.185	80.916.918	75.522.829	-6,67%
Various tapes	meter	12.418.798	15.460.339	18.458.286	+19,39%
Straight polyester vamp	pair	1.402.269	1.808.121	1.345.754	-25,57%
Polyurethane and synthetic laminates	meter squared	639.948	1.234.265	1.572.030	+27,37%
Various lines	kilogram	349.799	510.915	500.350	-2,07%
Various insoles	pair	11.367.272	19.225.085	19.828.690	+3,14%
Various solvents	kilogram	1.421.828	2.902.141	3.197.691	+10,18%
Various fabrics	meter squared	2.536.989	4.950.291	4.928.311	-0,44%
Non-recyclable materials	Unit of measurement	2021	2022	2023	23 vs 22
Various resins	kilogram	2.866.066.415	7.318.843	4.136.386	-43,48%
Leather (napa)	meter squared	415	2.161	7.566	+250,12%
Leather (rough)	meter squared	-	51	190	+272,55%
Various dyes	kilogram	33.877	44.951	-	-

Waste reduction

In 2023, we managed to reduce our generation of industrial waste significantly, totaling 14,504,785 tonnes, which represents a 4.43% decrease compared to 2022. The volume of waste per pair produced was 0.56 kg, down 9.00% on the previous year.

These figures demonstrate our continued progress in waste management efficiency and are in line with our target of reducing waste generation by 10% per pair produced by 2030 [2030 ESG Ambitions], using 2021 as the base year. When comparing 2023 with 2021, we observe a 8.48% decrease, reinforcing our commitment.

WASTE GENERATED – TOTAL VOLUME AND PER PAIR PRODUCED (KG)					
	2021	2022	2023	23 vs 22	23 vs 21
Total volume generated	13,746,864	15,177,816	14,504,785	-4,43%	+5,51%
Volume generated per pair produced	0,61	0,62	0,56	-9,00%	-8,48%



Responsible and efficient disposal

Our commitment to zero disposal of industrial waste in landfills has resulted in a reduction in the percentage sent for final disposal, from 32% in 2021, 26% in 2022 to 15% in 2023. Of particular note is the Itapetinga (BA) unit, which sent only 2% of its waste to landfills in 2023.

Of the total waste generated, 28% was sent for recycling, 32% for co-processing, and 26% for sale, for a total of 85% reuse: 11 percentage points more than in 2022 and 17 percentage points more than in 2021

WASTE BY DESTINATION AND DISPOSAL TYPE (%)					
DESTINATION	2021	2022	2023	23 vs 22	23 vs 21
Recycling	29%	27%	28%	+1 p.p.	-1 p.p.
Co-processing	11%	21%	32%	+11 p.p.	+21 p.p.
Sale	28%	26%	26%	-	-2 p.p.
Landfill	32%	26%	15%	-11 p.p.	-17 p.p.

Selective collection and Waste Center

Systematic selective collection at all our manufacturing facilities is an essential component of our responsible waste disposal strategy. This process facilitates the separation of waste at the source, avoiding contamination and increasing the added value of recyclable materials.

Our infrastructure includes a Solid Waste Center in Rio Grande do Sul, which strengthens our capacity to deal efficiently with the waste generated.

Greater waste reuse

In recent years, our capacity to reuse waste has improved significantly. Our reuse percentages were 68% in 2021, 74% in 2022, and 85% in 2023. These figures show an increase of 17 percentage points compared to 2021 and of 11 percentage points in the last year alone. Consequently, the percentage of waste disposed of fell proportionally, demonstrating a significant reduction in our environmental impact.

WASTE DISCARDED VS. SOLD OR RECOVERED					
DESTINATION	2021	2022	2023	23 vs 22	23 vs 21
Discarded	32%	26%	15%	-11 p.p.	-17 p.p.
Sold or recovered	68%	74%	85%	+11 p.p.	+17 p.p.

At the recycling centers in Horizonte (CE) and Itapetinga (BA), we reused 1,576 tonnes of plastic, EVA, and TPU waste in our production processes, which represents 10.87% of the total waste generated.

RECYCLABLE WASTE (PLASTIC, EVA, AND TPU) REUSED IN THE PRODUCTION PROCESS (GRI 301-2)				
2021	2022	2023	23 vs 22	23 vs 21
8,35%	12,60%	10,87%	-1,73 p.p.	+2,52 p.p.

Packaging Offsetting

GRI 301-3

In 2023, in partnership with EURECICLO, we intensified our commitment to sustainability by offsetting 30% of the paper and 30% of the plastic used in our packaging throughout the country. This achievement represents a significant 17% increase compared to 2022, with 1,044.15 tonnes of paper (+13% on 2022) and 117 tonnes of post-consumer plastic offset (+76% on 2022). The program is carried out in collaboration with recycling cooperatives, encouraging the selective collection, sorting, and proper disposal of materials.

Paper recycling has contributed to:

- Preserving the equivalent of 35.11 hectares of forest;
- Reduce 2,462 tonnes of CO₂ in the atmosphere;
- Saving 98,176,000 liters of water;
- Saving 4,908,000 kWh of energy.

Plastic recycling contributed to:

- Avoiding the consumption of around 1.17 tonnes of oil;
- Reducing 3.46 tonnes of CO₂ emissions;
- Avoiding the consumption of the equivalent of 4.68 million 500 ml plastic bottles.





Water management

In 2023, we maintained our focus on the responsible management of water resources, prioritizing three essential pillars: reducing consumption, reuse, and effluent treatment.

Even with the temporary increase in consumption due to the closure of the effluent treatment plant for three months for expansion and relocation, we managed to limit the increase in water consumption per pair produced to 23%. This result reflects our commitment to balancing operational needs with efficiency in water management.

During the year, we collected a total of 277,758 m³ of water. Most of this volume is used to meet the needs of employees, dining facilities, and toilets.

TOTAL FRESHWATER CATCHMENT (M ³)					
	2021	2022	2023	23 vs 22	23 vs 21
TOTAL	191,882	216,199	277,58	28,47%	44,75%

Note: Note: Water supplying is provided by public sanitation concessionaires in each location. Vulcabras has no specific mapping of water-stressed areas where it collects water.

FRESH WATER CATCHMENT PER PAIR PRODUCED (LITERS/PAIR)					
	2021	2022	2023	23 vs 22	23 vs 21
TOTAL	8,9	9,2	11,3	23%	26,99%

To reduce water consumption in this context, we invest in more efficient technologies, leak monitoring, and modernization of equipment and production processes, while at the same time running constant awareness campaigns and training for employees.

We also invest in effluent treatment and water reuse as a way of reducing water consumption and minimizing the environmental impact of our activities. At our Horizonte [CE] unit, we have a greywater system that allows 66% of the treated effluent to be reused for irrigating gardens, flushing toilets and cleaning common areas, which will save 62,584 m³ by 2023.

INDUSTRIAL EFFLUENTS TREATED, REUSED, AND DISCARDED AFTER TREATMENT IN 2022 AND 2023 (M ³)						
Effluents	2022			2023		
	Treated	Reused	Discarded after treatment	Treated	Reused	Discarded after treatment
TOTAL	142,875	66,404	77,124	141,251	63,463	77,745

Note: The clean, treated effluent is discarded through public sanitation concessionaires in each location. Vulcabras has no specific mapping of water-stressed areas where it discards water.

Another important highlight is that we treat 100% of the effluents generated by our plants, ensuring that they meet environmental quality standards before being discharged into bodies of water. At the Horizonte [CE] plant, in addition to treatment, there is also water reuse, as mentioned above. In 2023, our plants treated 141,251 m³ of effluent.



GOVERNANCE AND INTEGRITY

Administrative structure

GRI 2-9

Vulcabras S/A is a corporation governed by its Bylaws and by Brazilian Corporate Law [Law No. 6,404/1976]. Since 2017, the Company has been listed on B3's Novo Mercado, a segment that requires the highest standards of corporate governance. Vulcabras's shares are traded under the ticker "VULC3" and are 100% single class registered common shares, with a 29.8% free float [as of 12/31/2023] and 100% tag along rights, ensuring equal rights for all shareholders.

The Company's management is made up of a Board of Directors and an Executive Board. The Board of Directors is responsible for establishing general business policies and long-term strategy. It is currently made up of five members, including two independent board members. The Executive Board, in turn, is made up of six members, all elected by the Board of Directors for a two-year term.





Board of Directors

GRI 2-11

The Board of Directors is made up of members elected by the General Assembly for a unified term of two years, allowing for re-election. It is responsible for setting the company's strategic direction and overseeing executive management. With members elected on 25/04/2023, the Board has the following composition:

Pedro Grendene Bartelle

Chairman

André de Camargo Bartelle

1° Vice-Chairman

Pedro Bartelle

2° Vice-Chairman

Paulo Sérgio da Silva

Independent Board Member

Rafael Ferraz Dias de Moraes

Independent Board Member

Executive Board

The Executive Board is responsible for the day-to-day management of the Company, implementing the guidelines defined by the Board of Directors. With members elected on 01/03/2023 and a two-year term of office, Executive Board is composed of:

Evandro Saluar Kollet

Corporate Director of Product
Development and Technology

Márcio Kremer Callage

Marketing Director

Pedro Grendene Bartelle

CEO

Rafael Carqueijo Gouveia

Superintendent Director

Rodrigo Miceli Piazer

Supply Chain, Industrial, and HR Director

Wagner Dantas da Silva

Director of Administration, Finance,
and Investor Relations



ESG Board

Since 2019, we have had an ESG [Environmental, Social and Governance] Board, responsible for implementing Vulcabras's sustainability strategy and recommending to the Executive Board the most appropriate practices for its areas of activity. In order to increase the engagement of the areas directly responsible for socio-environmental issues, there is also a Sustainability Commission, made up of representatives from the industrial, purchasing, development, and communications areas.

Audit Committee

The Audit Committee is a permanent advisory body directly linked to the Board of Directors. Its main objectives are to supervise the quality and integrity of financial reports, compliance with legal and regulatory standards, risk management, and independent auditor activities. With a two-year term of office for its members, the Audit Committee has the following composition:

Carlos Gardel José de Souza
Coordinator since 04/06/2022

Rafael Ferraz Dias de Moraes
Effective member since 04/25/2023

Paulo Sérgio da Silva
Effective member since 04/06/2022

Shareholder Structure

On 12/31/2023, Vulcabras's share capital was represented by 274,656,244 registered ordinary shares with no par value. The shareholder structure had the following holdings:

- **Gianpega Negócios e Participações S/A (Pedro Grendene Bartelle)** - 31,8%
- **Free Float** - 29,8%
- **Others (people related to the Controlling Shareholder)** - 22,9%
- **Gold Negócios e Participações S/A (Pedro Grendene Bartelle)** - 15,2%
- **Treasury shares** – 0,3%

Ethical conduct

GRI 2-23, 2-24, 2-26

At Vulcabras, ethics and integrity underpin our relationship with employees, clients, partners, and society. To ensure that our actions are always in line with these values, we have adopted a Code of Ethics. It establishes clear guidelines on the ethical principles expected of all employees and third parties acting on behalf of Vulcabras, promoting a culture of respect, honesty, and responsibility.



VULCABRAS'S ETHICAL PRINCIPLES

- Commitment to product excellence and customer satisfaction.
- A correct and transparent relationship with its employees, third parties, clients, and society.
- Commitment to the quality of the working environment, guaranteeing the physical and moral integrity of its employees.
- Integrity and honesty in conducting business.
- Prohibition and zero tolerance for corruption.
- Good corporate governance practices, good accounting and management principles and practices, clear, objective, and timely communication with investors and the capital markets.
- Respect for people regardless of their position, origin, skin color, ethnicity, culture, age, social level, physical ability, religion, and sexual orientation, with any form of discrimination being rejected.

Conduct that represents a violation of Vulcabras's Code of Ethics must be reported to the Ombudsman Channel, which is managed by a specialized and independent company. All communications will be treated confidentially and, if desired, reports can be made anonymously. Furthermore, anyone who makes a complaint in good faith will be protected from any kind of reprisal. Any violations found will be subject to internal disciplinary measures, in addition to the applicable legal measures.

Website: <http://canalconfidencial.com.br/vulcabras>

Telephone: 0800 300 4510.

Organizational policies

GRI 2-23

In line with Novo Mercado requirements and with the objective of ensuring transparent and effective governance practices, Vulcabras has bylaws and corporate policies and regulations, including::

- Relevant Fact Disclosure Policy
- Trading Policy for the Company's Shares
- Related Party Transactions Policy
- Directors' Nomination and Remuneration Policy
- Risk Management Policy
- Internal Regulations of the Board of Directors
- Internal Regulations of the Finance Committee
- Internal Regulations of the Audit Committee

These documents are fundamental to ensuring transparency, fairness and responsibility in Vulcabras' relations with its shareholders, investors, and other stakeholders and are available at www.vulcabrasri.com.



Conflict of interest prevention

GRI 2-15

In order to avoid conflicts of interest, we have adopted the practices required by law, including the abstention of interested persons from approving or negotiating transactions. We encourage high standards of integrity and ethics among our managers and employees in all our activities, continually seeking to enhance the value of the organization and our actions, protect our investors, employees, shareholders, and clients, treat shareholders equally, and provide transparent information to the market.

We seek to ensure that all decisions that may confer a private benefit on any of our managers, family members, or entities related to them are taken with total fairness, respecting the interests of Vulcabras. Our Related Party Transactions Policy includes measures to avoid conflicts of interest, stipulating that managers and employees must strictly respect the flow established for negotiating, analyzing, and approving transactions. In this way, we ensure that the hiring of Related Parties takes place transparently and in accordance with our ethical and regulatory principles.

Risk management

At Vulcabras, risk management is an essential component of our corporate governance, aimed at ensuring the company's sustainability and resilience in the face of market uncertainties and operational challenges.

Our Risk Management Policy, approved by the Board of Directors on April 6, 2022, establishes the bases and definitions of the risks for which we seek protection, as well as the organizational structure, procedures, and responsibilities related to risk management. It also defines clear guidelines for identifying, assessing, controlling, and continuously monitoring the company's risks.

We monitor various types of risk, including operational, image, reputational, financial, regulatory, and economic, seeking to protect against any event that could negatively impact its activities and operations.

We have adopted a multidisciplinary approach to risk management, involving the Executive Board, the Board of Directors, and the Audit Committee, to ensure that business management is aligned with our policies and guidelines.

Our risk management structure is made up of three lines of defense: the first line, made up of the employees directly responsible for internal risk management and controls; the second line, represented by the Compliance Department, which ensures the proper functioning of the first line and monitors deviations and failures; and the third line, made up of Internal Auditing, which carries out independent assessments of the effectiveness of controls and risk management, periodically reporting its activities to the Board of Directors.

Quality management

Quality management is central to every step of production at Vulcabras. We are adept at developing innovative products, responding quickly to changing consumer preferences, and maintaining high standards of compliance with strict manufacturing criteria.

We adopt national, international, and brand/customer-specific standards to ensure compliance and meet our customers' quality and safety expectations. We also are certified by the Brazilian Textile Retail Association (ABVTEX), the Social & Labor Convergence Program (SLCP), and the Mizuno Laboratory Certification, ensuring that our products meet recognized quality and sustainability standards.

Our robust control process covers raw material inspection, process audits, and finished product inspection. We monitor a wide range of performance indicators, analyze deviations, and make quick decisions to correct failures and continuously improve processes.

Our commitment to quality is continuous and is reflected in every product we manufacture, with the objective of offering our customers innovation, performance, safety, and reliability.



GRI DISCLOSURE SUMMARY

Declaration of use	Vulcabras has reported the information cited in this GRI disclosure summary for the period from January 1 to December 31, 2023 based on GRI Standards.
Version of GRI Standards used	GRI 1: Foundation 2021

Code	Disclosure	Location of the content in the report and any response limits
GRI 2 Standard: General Disclosures 2021		
2-1	Organizational details	Page 9 – About Vulcabras
2-2	Entities included in the organization’s sustainability report	Page 4 – About the Report
2-3	Reporting period, frequency, and point of contact	Page 3 – GRI Table / Vulcabras and You
2-4	Reformulations of information	Reformulated data has been indicated throughout the report, where applicable, in the same chapter where the change was made.
2-5	External assessment	An external assessment of the report was not carried out.
2-6	Activities, value chain, and other business relationships	Page 9 – Vulcabras
2-7	Employees	Page 23 – Table of employees by gender Note: We report item “a”, referring to employees by gender and region, without distinguishing the type of contract and working hours.
2-8	Workers that are not employee	Page 26 – Table of Third-Parties
2-9	Governance structure and composition	Governance structure Available in the 2023 Reference Form 2023 RF, pp. 165 a 185 CVM (Securities) Documents – Vulcabras (vulcabrasri.com)
2-10	Appointment and selection for the highest governance body	Policy for director appointment and remuneration – available at Bylaws and Policies – Vulcabras (vulcabrasri.com)
2-11	Chairman of the highest governance body	Internal Regulations of the Board of Directors [item 2.5] available at Bylaws and Policies – Vulcabras (vulcabrasri.com) 2.5. The positions of chairman of the board of directors and chief executive officer may not be held by the same person, in accordance with article 20 of the Novo Mercado Regulations. Bylaws and Policies – Vulcabras (vulcabrasri.com)

2-12	Role played by the highest governance body in overseeing impact management	Internal Regulations of the Board of Directors, item 4: Bylaws and Policies – Vulcabras (vulcabrasri.com)
2-13	Delegation of responsibility for impact management	The Executive Board, appointed by the Board of Directors, is responsible for the day-to-day management of the organization's impacts on the economy, the environment, and people.
2-14	Role played by the highest governance body in the sustainability report	The Executive Board, appointed by the Board of Directors, is responsible for analyzing and approving information, including the Organization's material topics.
2-15	Conflicts of interest (processes used by the Board of Directors to ensure that conflicts of interest are prevented and mitigated)	Note: We report on item "a", on prevention and mitigation processes. Information available in the 2023 Reference Form, items RF 7.1, p. 167 RF 11.1, pp. 252 to 253 RF 11.2, pp. 254 to 260 CVM (Securities) Documents – Vulcabras (vulcabrasri.com)
2-16	Communication of critical concerns to the Board of Directors	Item a: Risk Management Policy, available in Bylaws and Policies – Vulcabras (vulcabrasri.com) Item b: There were no critical concerns reported to the Board of Directors in the 2023 financial year.
2-17	Collective knowledge of the highest governance body (Board of Directors) on sustainable development	Reporting to Senior Management, the Sustainability Report leads to the Organization's sustainable development practices.
2-18	Evaluation of the performance of the highest governance body (Board of Directors) in overseeing the management of the organization's impacts on the economy, environment, and people	The members of the Board of Directors, its advisory committees, and the Executive Board are evaluated annually, at the end of each fiscal year, at least once during their respective terms. The evaluation for the fiscal year ending December 31, 2023 was discussed by the Board of Directors at a meeting held on May 7, 2023. Source: 2023 RF, page 203, item b. https://www.vulcabrasri.com/informacoes-aos-investidores/assembleias-e-atas-de-reunioes/
2-19	Remuneration policies applied to the highest governance body (Board of Directors) and senior executives	2023 RF, Item 8.1 to 8.14, pp. 195 to 228 CVM (Securities) Documents – Vulcabras (vulcabrasri.com)
2-20	Process for determining the remuneration of the highest governance body (Board of Directors) and senior executives	2023 RF, Item 8.1 to 8.14, pp. 195 to 200 CVM (Securities) Documents – Vulcabras (vulcabrasri.com)

2-21	Annual total remuneration ratio [ratio between the annual total remuneration of the highest paid individual in the organization and the average annual total remuneration of all employees, excluding the highest paid]	2023 RF, Item 8.5 CVM (Securities) Documents – Vulcabras (vulcabrasri.com)
2-22	Statement on sustainable development strategy	Page 18 – Message from the Chair
2-23	Policies and commitments to promote responsible business conduct, including respect for human rights.	Page 46 Note: We report on item “a”, without detailing subtopics “i to iv”.
2-24	Incorporation and application of policies and commitments to promote responsible business conduct, including respect for human rights.	Page 44 Note: We report on item “a”, without detailing subtopics “i to iv”. Policies and Procedures (vulcabrasri.com)
2-25	Complaints processes and mechanisms that allow stakeholders to raise concerns and seek redress for actual and potential negative impacts affecting them.	Page 44 Note: We report on items “a” and “b”, focusing on our customer service system. Bylaws and Policies – Vulcabras (vulcabrasri.com)
2-26	The organization’s mechanisms for individuals to seek advice and raise concerns about responsible business conduct in the organization’s operations and business relationships.	Page 46 Employee relations
2-27	Compliance with laws and regulations	Not disclosed due to information confidentiality
2-28	Participation in associations	Participation in associations: Page 31
2-29	Approach to stakeholder engagement	Page 6 Reporting process
2-30	Collective bargaining agreements	100% of professionals hired under the CLT [Consolidation of Labor Laws] regime are covered by collective bargaining agreements
GRI Standard 3: Material Topics 2021		
3-1	Process to determine material topics	Page 4
3-2	List of material topics	Page 4
3-3	Management of material topics	Page 4 Note: Information on management is referenced in the table located in the “Material topics” section.
GRI Standard 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Page 21
204 Standard: Purchasing Practices 2016		
204-1	Proportion of spending with local suppliers	Page 34
GRI Standard 301: Materials 2016		
301-1	Materials used, distinguished by weight or volume	Page 39
301-2	Raw or recycled materials used	Page 39
301-3	Products and their recovered packaging	Page 39

GRI Standard 302: Energy 2016		
302-2	Energy consumption outside the organization	Page 37
302-3	Energy intensity	Page 37
GRI 303: Water and Effluents 2018		
303-3	Water collection	Page 42
303-4	Water discharge	Page 43
GRI Standard 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Page 31
305-2	Indirect (Scope 2) GHG emissions originating from energy purchases	Page 31
305-3	Other indirect (Scope 3) GHG emissions	Page 31
305-4	GHG emissions intensity	Page 31
GRI Standard 306: Waste 2020		
306-3	Waste generated	Page 39
306-4	Waste diverted from disposal	Page 39 Note: We report on item "a", without classifying hazardous and nonhazardous waste.
306-5	Waste directed to disposal	Page 39 Note: We report on item "a", without classifying hazardous and non-hazardous waste.
GRI Standard 308: Supplier Environmental Assessment 2016		
308-1	New suppliers selected based on environmental criteria	Page 35

GRI Standard 401: Employment 2016		
401-1	New hires and employee turnover	Page 25 Note: We partially report on item "b", informing on the overall turnover rate, without distinguishing rates by gender, age group, and religion.
GRI Standard 403: Occupational Health and Safety 2018		
403-9	Work-related accidents	Page 29 Note: We partially report on items "a-ii" and "a-iii", focusing on accident frequency rate and severity rate
GRI Standard 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Page 27
GRI 405 Standard: Diversity and Equal Opportunity 2016		
405-1	Diversity in governance bodies and employees	Page 24
GRI 413 Standard: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Page 31 Note: We partially report on item "iv. local development programs based on the needs of local communities", focusing on social projects sponsored with tax incentives.
GRI Standard 414: Supplier Social Assessment 2016		
414-1	New suppliers selected based on social criteria	Page 35

CREDITS

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REPORT DEVELOPMENT

Thaiany Erthal Assad

Director of Corporate Communications and ESG

CONTENT AND TRANSLATION

NEXO Communication and Sustainability

FORMATTING

U5 Marketing

If you have any questions about Vulcabras's Sustainability Report, please send an e-mail to: dri@vulcabras.com



VULCABRAS