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SUSTAINABILITY REPORT

VULCABRAS

BUILDING
A BETTER COUNTRY
THROUGH SPORTS.

>

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> PRESENTATION

GRI 102-46

With our first Sustainability Report, prepared in accordance with the guidelines of the Global Reporting Initiative (GRI), we present to society the highlights of our performance in 2020 – a period in which we went through challenges, opportunities and changes. The Report summarizes information on our corporate profile, financial and operating performance, the year's most important achievements and projects, in addition to topics such as governance, strategy, environmental commitment, human resources, social responsibility, health and safety.

As a Brazilian leader in the sporting goods segment, operating in all stages of the production process, from research and development to production and from marketing and sales to distribution to retailers we work continuously to bring more transparency to the disclosure of our management results. The launch of this Sustainability Report is another important step in this process of bringing Vulcabras closer to society.

We remain committed to confirming our responsibility to our stakeholders, making our process more diverse, inclusive, equitable, collaborative and regenerative, linked to the return potential and the national industry development.



Vulcabras' manufacturing unit in Horizonte (CE)

> MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

GRI 102-14 | 102-15 | 102-16 | 201-1

The Pandemic brought us great challenges and lessons during 2020.

Even in the face of a scenario of uncertainty, we were able to analyze the situation with serenity and take quick and correct decisions to shape the company to the new scenario. Bringing a collection of products adjusted to the new reality, not demobilizing the operation to be able to react to demand when it returned and being alongside retailers to support them at that time, reinforced Vulcabras as a strategic partner of retail and provided an increase in our brands' market share.

As soon as it was possible to resume production safely, we also turned to preserving the health of our employees and stakeholders. We reviewed processes, procedures and also limited operations to the technical margin in our units to operate safely and exercise our values. At the same time, we ratified our commitment to our supply chain, which makes sports practice possible with quality for all Brazilians. At the other end of the chain, we launched projects to support sports professionals, to enable income and professional training in light of the new market needs that impacted more than 8,000 professionals throughout 2020.

Also, despite the pandemic scenario, we maintained our restructuring plan started in 2018 with the purchase of Under Armor, and we acquired Mizuno's operations in Brazil and focused 100% on sports.

We also continued with our investments in the modernization of our plants and with sustainability projects such as the reuse of 100% of the waste from the Bahia plant and the creation of an environmental preservation area of 30 thousand square meters in the same location.

We ended the year 2020 with promising numbers. We reported a positive performance in the last three months of the year, with growth exceeding 20% in most financial indicators, showing that our strategic choices, flexibility and operational efficiency were fundamental to overcome the economic challenges imposed during the year, maintaining the high performance of our indicators.

2021 will still be a year of great challenges, but with calm and optimism we continue with our purpose of building a better country based on sport.



Pedro Bartelle – CEO of Vulcabras.

VULCABRAS

WHO WE ARE

GRI 102-1 | 102-2 | 102-6 | 102-7 | 102-10

VULCABRAS HAS BEEN WORKING FOR MORE THAN SIX DECADES IN THE BRAZILIAN FOOTWEAR SECTOR. The Organization uses all the knowledge it has already acquired combined with the constant search for innovation to bring the Brazilian consumer the best proposal for sustainable and technologically developed products for the practice of sports.

SINCE 1952 VULCABRAS INNOVATES IN THE NATIONAL INDUSTRY. In 1973, it started in sports, managing international sports brands.

Over the years, it has consolidated itself as an industry leader in the sports footwear sector in the country and became the largest brand manager in their respective segments with Olympikus, national champion in sneaker sales, Under Armor, third largest sporting goods brand worldwide, and Mizuno, with high-performance products for all athletes' levels.

In 2020, it licensed the women's segment to Grendene and resumed its focus on managing sports brands.

Our business model ensures significant competitiveness, resulting in better customer service. Our brands bring technology to every athlete profile, from all states, from all performances. Based on the harmony between these values in its day-to-day, we work with the portfolio diversification strategy and expansion of our customer base in South America.

Despite mastering the process, we believe that positioning in the market is necessary for business continuity. We implement the best social and environmental practices in our plants, reducing the impact on the environment, contributing to the cities where we are present. We align technology and innovation with sustainable development.

1952

Vulcabras 752, the footwear that marked Brazil and the beginning of Vulcabras

1973

Starting to manage international sports brands and production of high performance sneakers

1977

IPO at BOVESPA – a new growth cycle

1988

Brothers Pedro and Alexandre Grendene Bartelle acquire control of Vulcabras S.A.

2007

Vulcabras S.A. acquires Azaléia S/A footwear

2008

Joint Venture and Reebok brand with Adidas for the domestic and Argentine markets

2017

Re-IPO in the Novo Mercado

2018

Licensing of Under Armor in Brazil

2020

Licensing of the women division and focus on sports brand management

2021

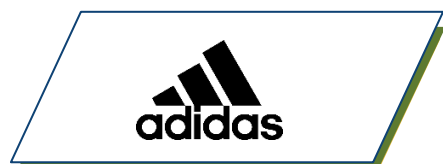
Licensing of Mizuno in Brazil

BRAND MANAGEMENT HISTORY

The history of Brazilian sport is our history. The largest developer and manufacturer are also the largest sports brand manager in the country.

SPORTS SEGMENT

Vulcabras Management



1973-1999



1975 – CURRENT



1981 - 1992



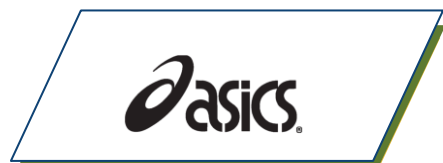
1986 - 1999



1992 - 1996



1993 - 2015



2002 - 2006



2018 - CURRENT



2021 – CURRENT

OTHER BRANDS



1965 - 2020



2001 - 2020



2001 - 2020



2001 - CURRENT



2001 - 2007

WHERE WE ARE

GRI 102-3|102-4 | 102-6 | 102-7

We are present in two production units located in the northeast of the country, Horizonte-State of Ceará [CE] and Itapetinga- State of Bahia [BA]. Our research and development center - the largest in Latin America - is located in Parobé- State of Rio Grande do Sul [RS], bringing innovation to our sports products and developing more modern industrial technologies for our industrial production. The administrative centers, in turn, are established in Jundiaí – State of São Paulo [SP] and São Paulo– SP. We also have two branches and distribution centers in Peru and Colombia.

We operate, with our portfolio of brands, in more than 19 thousand points of sale in Brazil and in more than 20 countries, with a stronger presence in Latin America. We also have 70 own stores in Peru, Colombia and Chile. We have a sales team with more than 330 sellers throughout Brazil and a dedicated marketing, sales and category team by brand. We still have our DTC (direct to consumer) channel, with e-commerces for each of the three brands: Mizuno, Olympikus and Under Armor for the Brazilian market and the brands' own stores.



VALUES, PURPOSE AND POSITIONING

GRI 102-16

We build and manage sports brands, knowing the Brazilian consumption profile. Our competitive advantage is technology, industry and the largest footwear development center in Latin America. We create, develop, produce and distribute innovative products, enabling the practice of sport for everyone in the country.

Our purpose is to build a better country through sport, supported by the following values:



Passion
Teamwork
Respect
Integrity
Owner attitude
Excellence
Thinking about tomorrow

OUR GUIDING PRINCIPLES*

GRI 102-16

- Protect the environment;
 - Reduce defect rates;
 - Continuously increase the level of product quality;
 - Meet the customers, employees and local community satisfaction in full;
 - Continuously improve the health and safety management system;
 - Encourage the participation of all employees, partners, customers and suppliers;
 - Develop a culture of prevention regarding the environmental impacts generated;
- Promote work strategies focused on sustainability: cultural, social, environmental and economic issues;
 - Consciously use the natural resources and ecosystem services involved;
 - Provide the necessary resources for due compliance;
 - Ensure the proper involvement of senior management for the continuous improvement of the integrated management system.
 - Establish communication methods to ensure the correct understanding of these principles throughout the organization;

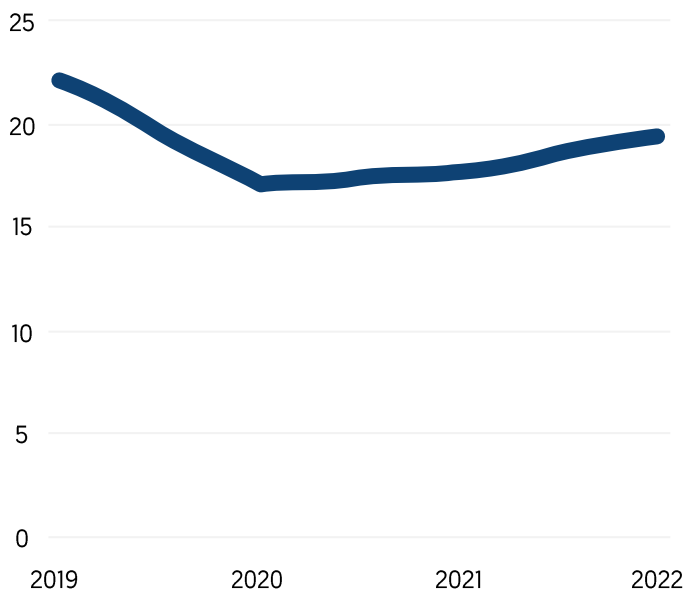
*Based on Vulcabras' IMS Policy

THE FOOTWEAR MARKET

GRI 102-16

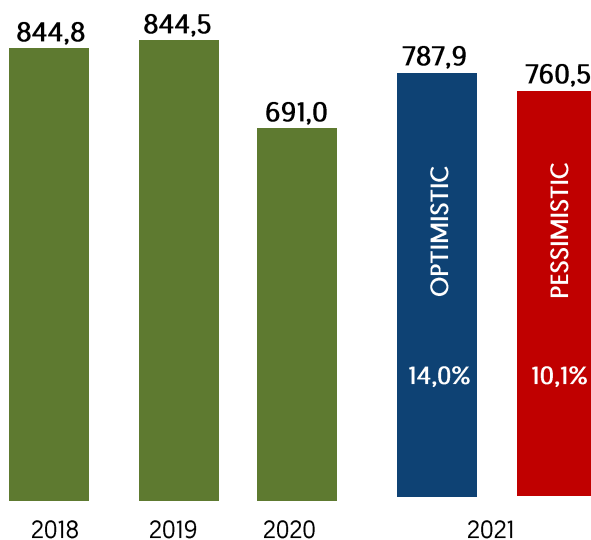
Brazil is the 5th largest footwear producer and consumer in the world

WORLD CONSUMPTION (BILLIONS OF PAIRS)



Source: worldfootwear.com

APPARENT CONSUMPTION IN BRAZIL (MILLIONS OF PAIRS)



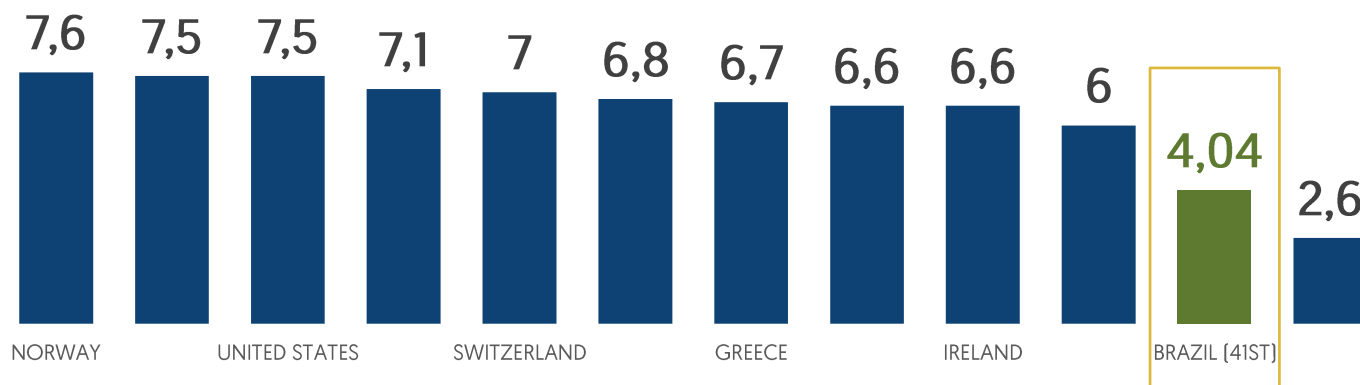
Source: Footware Industry Sector Report | Brazil 2021

COUNTRIES WITH THE HIGHEST PER CAPITA CONSUMPTION OF SHOES IN 2019

Brazil, with a consumption of 4.0 pairs of shoes per inhabitant, in 2019, is ranked 41st in the world ranking.

Estimate from the Footwear Industry Sector Report | Brazil 2021

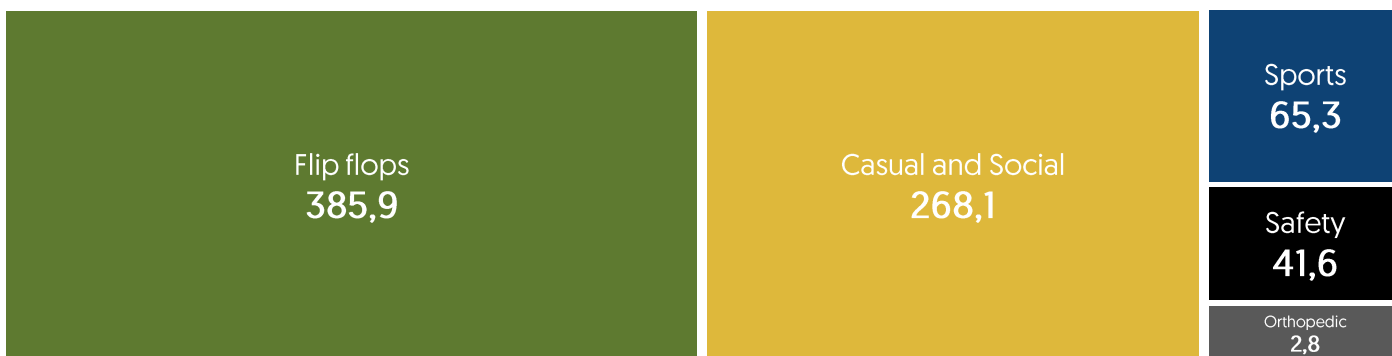
Pairs per capita



SEGMENTATION OF BRAZILIAN FOOTWEAR PRODUCTION BY TYPE OF USE IN PAIRS IN 2020

Considering the participation in pairs of sports and safety shoes, we have a decrease of 0.2% and a growth of 1.0%, respectively, caused by the Covid-19 pandemic.

With the heating up of the economy as of the second half of 2020, there is potential for recovery and growth in the sports segment for 2021.



*Millions of pairs

Participation in pairs

TYPES OF USE	2018	2019	2020
Flip flops	46,3%	45,6%	50,5%
Casual and social	40,9%	40,8%	35,1%
Sports	8,7%	8,7%	8,5%
Safety	3,7%	4,4%	5,4%
Orthopedic	0,4%	0,5%	0,4%
Total	100%	100%	100%

Estimate from the Footwear Industry Sector Report | Brazil 2021

SPORTS PRACTICE GROWTH

Only 30.1% of the Brazilian population practices any physical activity as leisure

Data from PNS 2019, from IBGE, show growth in physical activity in the country, reflecting the search for a healthier lifestyle.

Growth of 22.7% to 30.1%
between 2013 and 2019.

68% increase in marathon participants
in Brazil in the last 5 years*.

*Recorrido Blog (<https://blogrecorrido.com/>)

Growth in physical activity in the country, reflecting
the search for a healthier lifestyle.

OUR BUSINESS MODEL

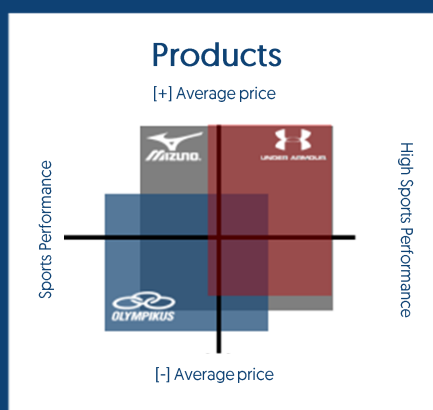
GRI 102-10 | 102-11 | 102-15

OUR STRATEGIES ARE ALIGNED TO MEET ALL ATHLETE PROFILES,
ALL PERFORMANCES WITH WIDE PRICE RANGE FOR ALL
CONSUMER PROFILES.

With the conclusion of the purchase of the Mizuno operation in Brazil in January 2021 and the concentration of business in sports brands, Vulcabras expands the consumer profiles served by the Company's brands.

From high-performance athletes to Brazilians of “day-to-day running”, the product portfolio of the brands offers the best performance for each one. Each brand has its price positioning, according to the consumer's profile.

MULTI-SPORT PORTFOLIO



Domestic and imported products guarantee sales potential in any exchange scenario



Our brands offer products for various sports practices.

PORTFOLIO OF BRANDS WITH COMPLEMENTARY AUDIENCE AND SEGMENTS

Assortment for each consumption occasion

Sports Lifestyle



High performance sports

Our portfolio management features the best capital allocation, indicating the necessary moves to reduce our indebtedness and generate more value for the shareholder. We seek to expand the market share of our brands by increasing sales and operating margins, the latter due to greater business efficiency. Thus, we focused on evaluating the efficiency of assets and the ability to generate results, even against a backdrop of difficulties experienced throughout the year.

The agility of Vulcabras' business model and knowledge of the sports market allowed a quick response to the challenges posed by the pandemic. Although there was a generalized stoppage of industrial and commercial activities throughout the first half of the year, in almost every country in the world, as a measure to combat the spread of the Covid-19 pandemic, not demobilizing our operations allowed us to quickly respond to market demand.



Bruno Rezende – Captain of the Brazilian Volleyball Team and Olympikus' ambassador

HOW WE GENERATE VALUE

GRI 102-2|102-7|102-15|201-1

In an increasingly complex, selective and competitive business context, based on sustainability, we strengthen through the agility to adapt our portfolio to market demands, an efficient cost and investment structure and a modern development structure, with the implementation of technology and innovation from the company's footwear development center and an independent management by brand.

We also operate directly in retail, with the internalization of the e-commerce operation of the brands and physical stores for Under Armor.

Research and innovation

We have the largest footwear Research & Development center in Latin America, focused on bringing the best innovations and technologies to Brazilian athletes.

- Largest R&D center in Latin America
- +600 people dedicated to R&D
- +800 new sports models per year
- Award-winning and certified products by the main market appraisers and appraising institutes - Olympikus Corre 1
- Local production of global technologies from brands like UA Hovr (Under Armor)

Industry with cutting edge technology

Direct connection with market demands

- Lead Time between ordering and production of just 5 weeks
- Modernized industrial park, with world-class production technology
- Production concentrated in two units - Horizonte/CE and Itapetinga/BA greater efficiency between processes
- +R\$ 300 Mi CAPEX, invested to modernize factories

Multiple channels

In several distribution channels, to get to where the consumer in Brazil is.

- E-commerce
- Marketplace
- Own stores
- Multibrand Retail

Broad commercial structure

Direct service to more than 10,000 customers with constant sell-out monitoring to ensure assertiveness and speed of replacement

- 39 representation offices
- 331 sellers of all brands
- 10,000 customers served
- Mapping of all ports, identifying profile, assortment offered, SWOT analysis and potential design of each account.

Interconnected service

Distribution to all Brazilian states

- +4725 NF's issued every day
- 355 trucks per month
- 19,000 Active PDVs

Active presence at the point of sale

Larger merchandising team in the sports market

- 19,000 points of sale supported by the trade structure
- 250,000 merchandising pieces produced annually
- 40,000 salespeople trained on all brands
- National coverage with team of promoters

E-commerce management

E-commerce with dedicated logistics operation and team to expand the digital presence of brands

- + 141% growth in net revenue (2020 x 2019)
- 8,000 participants in the Affiliate Program
- Presence in the 15 largest marketplaces in Brazil
- Vulcabras brands' e-commerce among top 100 with greater growth in access during the pandemic
- Dedicated logistics operation to serve the company's e-commerce (Location: Extrema/MG)

Dedicated marketing by brand

We thrived in the detail.

- 3 exclusive teams dedicated to each brand
 - 20 campaigns / years - Always on in the consumer's mind
 - 16.4 million followers on our social networks
- Sponsorship of major events, clubs, confederations and Brazilian athletes

COMPARATIVE STRUCTURE

	National footwear from Vulcabras brands	International brands' footwear	Benefit for the market
Term from development to market delivery	4 months	12 months	Quick identification of the latest market trends and minimum term to launch the product at the point of sale
Service deadline	5 weeks	6 months	Placing the order close to the sale increases the assertiveness of the purchase and enhances the sale
Delivery grid	Flexible (6 pairs or more)	Without flexible (12 pairs or more)	Flexibility for the retailer to adjust the order and reduce overstock
Stock out risk	Low	High	Higher margins for retail
Increase in business	Immediate replenishment	No replenishment in less than 6 months	Oriented replenishment based on product rotation

Social and Relationship

More than innovation and technology, we are committed to our people.

- 15 thousand employees, with 93% located in the Northeast;
- 46.1% of women are part of the administration and 22.8% of the management positions.
- More than 3.2 thousand suppliers in Brazil and abroad;
- 45% of purchasing revenue is distributed to suppliers in the Northeast;
- Supplementary literacy program in partnership with Senai
- Training program for minor apprentices in partnership with Sesi / Senai

Environment

Our actions ratify our value of thinking about tomorrow.

- 100% reuse water in Horizonte
- 40% reuse water in Extrema
- 100% reuse of waste in Itapetinga/BA
- 80% reuse of waste in Horizonte/CE
- Wind energy for all plants from 2022 onwards
- Supplier audit (audit of what?)
- GHG inventory

Finance

Commitment with stakeholders to develop the national industry.

- Gross Volume: 25.1 million pairs/pieces.
- Net revenue: R\$ 1,179.2 million in the year.
- Gross profit: R\$ 348.2 million.
- Gross Margin: 29.5%.
- Profit (loss) for the Year: R\$ 31.5 million.
- R\$ 112.2 million EBITDA
- Income tax and social contribution: R\$ 4.7 million.



The Company maintained the prices of its products in the new collections sold in the second half of the year and also granted longer payment terms in order to support its customers in the process of resuming retail.

Production of 25.1 million pairs/pieces per year.

> BRANDS

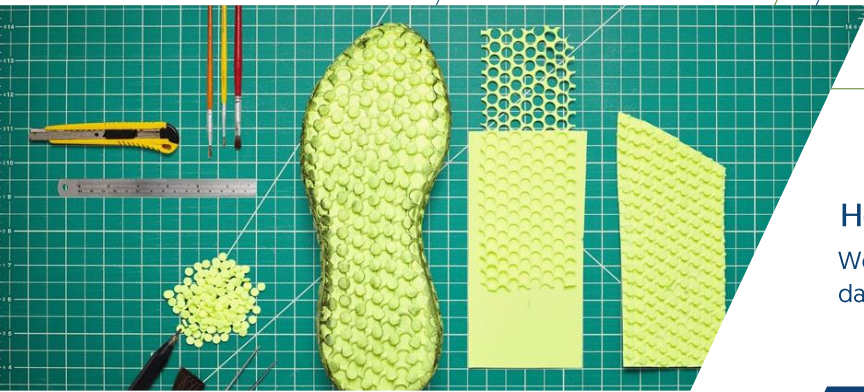
GRI 102-2

OLYMPIKUS

The running brand

Positioning

Democratize access to technology and sports lifestyle, supporting the day-to-day running



How we do it

We offer technology with the best cost benefit for that day-to-day running



Focus categories

Running and lifestyle



Divisions

Footwear, Clothing and Accessories

RELEASES

The novelties reiterate the strength of the brand and its concern to always deliver the best to the consumer, without neglecting cost-effectiveness, which positions Olympikus as a smart choice when making a purchase.

Olympikus Ultraleve

Essential features for those who like to dress well, without giving up versatility and cost-effectiveness. Therefore, its main features are style, comfort and lightness.

The model also has seamless knit fabric with Hypersox technology, which brings comfort and breathability to those who wear it. The sole is produced with EVASense, Olympikus' EVA technology for maximum softness and absolute comfort.



Corre 1

Olympikus has expanded its portfolio with the new colors of Corre 1, royal blue, tropical and tropical green, through activation in the virtual marathon in Rio de Janeiro.

The model was developed by Brazilians - engineers, designers, masters in biomechanics and professional and amateur athletes - with technology to provide even more performance when running.

It does not matter if the path is flat or elevated. The Olympikus Corre 1 sneaker takes on any challenge. Made of knit fabric with HYPERSOX technology, the model fits perfectly to the feet, providing comfort, support and flexibility. The GRIPPER PLUS and GRIPPER rubbers in the sole are two powerful ultra-non-slip and abrasion-resistant materials. Plus, DUOFLOW technology gives you the cushioning and propulsion you need to go further.

CASUAL CATEGORY

Products developed to extend use time beyond sports practice.



CS Urbn

The sneakers made for running in the city, with textures reminiscent of suede and synthetic laminate throughout the upper, materials that promote safety and a unique style to the sneaker. The knit fabric with Hypersox technology helps you to fit your feet perfectly. At the rear, Supporter technology provides stability during the stride. The sole combines Evasense, for greater lightness and flexibility, and Gripper rubber to ensure better abrasion resistance, in addition to being non-slip.

Molécula

It has a unique look with suede laminate upper for better stability. Polyester fabric lining with foam. Rear bicolor ribbon puller, helping on the wear. Anatomical insole, composed of polyester fabric and Eva. And outsole in Evasense Plus, for softness and cushioning in everyday running.



24/07 CATEGORY

Products developed to accompany Brazilians in their daily lives, for those seeking a more modern and sophisticated lifestyle.

Olympikus Holograma

Bicolor knit fabric, which guarantees better breathability and comfort for the feet. The sole has a double layer of Evasense, which provides lightness and softness. And more: translucent bubble look with Zomax technology, ensuring a differentiated design and greater stability for the feet.



Cristal

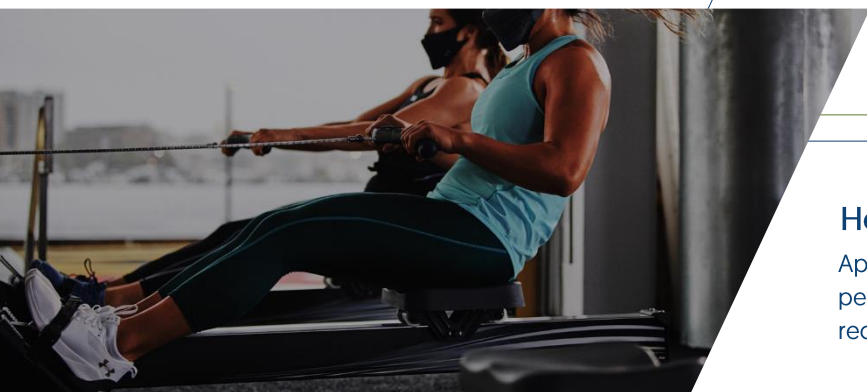
Focused on daily activities with more comfort and technology. It has high frequency synthetic leather with graphic application. Its bicolor knit fabric combined with Hypersox brings more breathability and lightness to the feet. On the back, the reinforcement, with Supporter technology, gives more stability to the step. The Evasense sole with the Zomax+ translucent bubble look offers greater flexibility and lightness in daily running.

UNDER ARMOUR

The human performance company

Positioning

Third largest multisport brand in the world that develops an ecosystem of sports products for the entire journey of the athlete



How we do it

Apps, clothing, accessories and shoes for sports performance during training, competition and recovery.



Focus categories

Training, Running and Team Sports (Basketball, Football, Golf)



Divisions

Footwear, Clothing and Accessories.

Releases

It inspires you with performance solutions you never knew you needed, but can no longer imagine living without.

UA HOVR MACHINA

Footwear that combines the softness of a sneaker for long distance with a carbon propulsion plate that gives the speed and lightness of trainer shoes. In addition to the HOVR damping technology, already enshrined in the brand's main running models in recent years, the shoe comes with a built-in chip and connects to the Map My Run app.

With it, the consumer has complete monitoring during the race and receives training tips in real time without needing a cell phone. All to reduce the risk of injuries and improve performance.



UA HOVR Sonic 3

Third edition of the already established running model focused on runners looking for a more breathable shoe for their long runs, featuring all the technology of the premium HOVR cushioning platform



UA HOVR Velociti 3

Footwear for those looking for performance. Ideal for speed training and short, fast runs. The release is part of Under Armor's line of running shoes offering connectivity to the MapMyRun app. The app gives tips to improve training in real time, in addition to mapping workouts without the need for GPS.

UA HOVR Summit Fat Tire

Special and limited edition of the brand's iconic Fat Tire new footwear aimed at trail runners and focused on hiking boots. The footwear offers technology and performance for the transition between urban life and outdoor exercise, meeting the evolution trend of the modern athlete.

The brand's global design team has enhanced the new edition with UA HOVR technology, a proprietary dampening platform designed to provide the ideal combination of damping and energy return. In its sole, the shoe also features 360 degrees of UA HOVR foam encapsulated by Energy Web mesh, an extra layer of foam and a redesigned Michelin® rubber sole with sculpted knots for greater traction and elasticity.

Under Armor produced exclusive content in Brazil to support the release. For this, it selected four models and amateur athletes and challenged them to face the Pedra Grande Trail, in São Paulo.



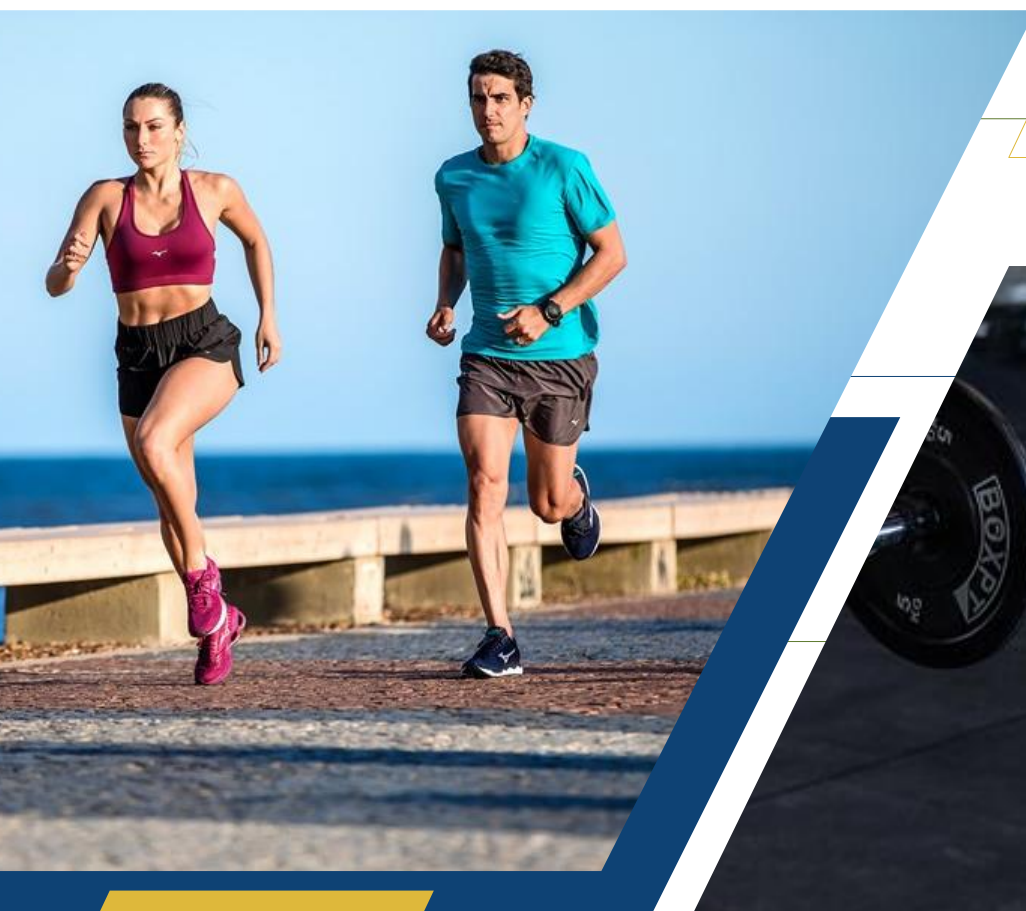
UA Tribase Reign 2

The brand's training shoes, ideal for consumers who like to train hard, in modalities such as cross training – widespread in boxes and gyms across the country.

MIZUNO

Reach Beyond

Vulcabras started managing and operating the Japanese brand Mizuno in 2021. With a 100% focus on the sports segment, we became the largest sports brand manager in the country, a transition that began in 2018, with the acquisition of Under Armor. In the next cycles of the Sustainability Report, the actions of the Mizuno brand will be reported.



> STRUCTURE AND GOVERNANCE

GRI 102-5 | 102-18 | 102-22 | 102-23 | 102-24 | 102-26 |

The company's organizational structure was created according to the need of each step of the process, aiming at synergy between the processes and defining those responsible for each activity, showing the procedures and work instructions in the description of positions.

The Company is called "Vulcabras Azaleia S.A.", and is a corporation, governed by the Bylaws and applicable legal provisions, including Law no. 6,404, of December 15, 1976, as amended ("Brazilian Corporate Law"). It is subject to regulation by the Brazilian Securities and Exchange Commission (CVM) as it is a publicly-held company with common shares traded on B3 S.A. – Brasil, Bolsa, Balcão [B3].

Its purpose is the production, retail, import and export in general, notably footwear, clothing and clothing accessories, in common use, for professional use, for the practice of sports, intended for correction, protection and safety, and disposables in general and participation in other civil or commercial companies, as a partner or shareholder, through its own resources or from tax incentives.

With the entry into the Novo Mercado of B3 S.A. – Brasil, Bolsa, Balcão ("B3"), the Company, its shareholders, including controlling shareholders, managers and members of the Supervisory Board, when constituted, are subject to the provisions of B3's Novo Mercado Regulation (the "Novo Mercado Regulation").

Administration is exercised by a Board of Directors, with deliberative functions, and by a Board of Executive Officers, with representative and executive functions, with powers conferred by applicable law and in accordance with the Bylaws.

The Board of Directors is composed of five members, all elected and removed by the General Meeting, with a unified term of two years, with reelection being permitted. Of the members of the Board of Directors, at least two or 20%, whichever is greater, must be independent members, as defined in article 15 of the Novo Mercado Regulation.

MEMBERS OF THE BOARD OF DIRECTORS

It is incumbent upon the Board of Directors to establish the general direction of the Company's business, examine and approve the planning, investment and budget prepared by the Board of Executive Officers. The members of the Board of Directors shall exercise their functions respecting the duties of loyalty and diligence prescribed by law, within the legal limits, contributing to the defense of the interests of the Company and its subsidiaries, associates and/or interconnected companies and of all shareholders, without distinction, as well as avoiding any conflict situations that may affect the interests of the Company and its subsidiaries, associates and/or interconnected companies.

The Board of Directors, for better performance of its functions, may create committees or working groups with defined objectives, always with the aim of advising the Board of Directors, being composed of persons appointed by the Board among the members of the administration and/or other persons directly or indirectly linked to the Company. The Committees will be composed of three members, all appointed and previously approved by the Board of Directors.



MEMBERS OF THE BOARD OF DIRECTORS

The Board of Executive Officers is composed of seven members, shareholders or not, resident in the country, elected annually by the Board of Directors, by majority vote, for a unified term of two years, with reelection being permitted, with a Chief Executive Officer, an Investor Relations Officers and other Officers without specific designation. The position of Investor Relations Officer may be exercised cumulatively with the exercise of another position of Officer by a single Officer.

It is incumbent upon the Chief Executive Officer, in addition to coordinating the actions of the Officers and directing the execution of activities related to the Company' general planning, to plan, coordinate, organize, supervise and direct the activities of the Company. He is also responsible for executing and enforcing the Bylaws, the resolutions of the General Meeting and of the Board of Directors.

Pedro Bartelle

Chief Executive Officer

Rafael Carqueijo Gouveia

Superintendent Officer

Wagner Dantas da Silva

Administrative, Finance and Investor
Relations Officer

Flávio de Carvalho Bento

Industry Officer

Evandro Saluar Kollet

Product and Technology Development
Corporate Officer

Márcio Kremer Callage

Marketing Officer

Rodrigo Miceli Piazer

Supply Chain Officer

MEMBERS OF THE SUPERVISORY BOARD

The Supervisory Board will have a non-permanent nature and will be composed of three members, and alternates in equal number, shareholders or not, elected in the fiscal years in which it is constituted at the request of shareholders at the General Meeting.

The Supervisory Board is responsible for overseeing the management practices and for issuing the financial statements of Vulcabras, and is formed by members who are not part of the Board of Executive Officers and the Board of Directors.

**Benedito Alfredo
Baddini Blanc**

Member

Célio de Melo Almada Neto

Member

Marcelo Joaquim Pacheco

President of the Supervisory Board

COMPENSATION PRACTICES

GRI 102-35

The Company has a solid corporate culture and management focused on compliance with good governance practices. In line with this philosophy, the objectives of the compensation programs are to attract and retain professionals with the skills and values required by the Company, and motivate them to achieve results and create value for shareholders. In this way, the programs seek to recognize and reward individual performance related to the Company's results, at levels that are competitive with those of the market.

The Company's compensation is based on the following assumptions:



shareholder interests in creating sustainable, long-term value;



business goals and strategies;



best market practices



mission, culture and values of the Company.

The Board of Directors is responsible for distributing the annual global budget among Members and Officers. It is the prerogative of the Board of Directors, as well as to define the content of any contract to be entered into between the Company and any Officer that may contain the payment of amounts, including the payment of amounts as indemnity, due to voluntary or involuntary dismissal from the Member; Control change or any other similar event.

The compensation of the Board of Directors is composed of:



Fixed compensation: based on market practices and aimed at recognizing, internally and externally, the participation and value of the Members.

In addition to the compensation described above, the members of the Board of Directors, as provided for in the Board of Directors Internal Regulations, are also reimbursed by the Company for all travel and lodging expenses necessary for the performance of their duties.

The total compensation of the Board is composed of four elements:



Fixed Compensation: Its purpose is to recognize and reflect, internally and externally, the value of the position, as well as the executive's individual performance, experience, education and knowledge.



Benefits: That aim to complement the benefits of public social assistance and provide security to directors and their families within the usual practices of the market, ensuring perfect conditions for the performance of the position.



Variable compensation: Reward the achievement and surpassing of the Company's and individual goals, in line with the budget, strategic planning and market.



Stock Options Plan: Strengthening the retention of key executives, attracting talent and aligning their interests with those of shareholders, creating value for the business in a sustainable and long-term manner. The stock option plans will have their characteristics, such as exercise price, exercise period, conditions and grant period, defined at the General Shareholders' Meeting.

The compensation of the Supervisory Board members, when in operation, will be determined by the General Meeting that elects them, and may not be lower, for each member in office, than one tenth of that which, on average, is attributed to each Member, not including profit sharing or performance bonuses.

Compensation levels are based on market practice and must reflect a combination of the following characteristics:



similar size to Vulcabras, in terms of revenue;



similarity of the line of business;



competitors in human resources;



consistent and similar compensation philosophies.

GOALS AND OBJECTIVES

Vulcabras' objectives and goals are defined based on the IMS policy and are updated whenever deemed necessary. The goals are established in the business budget annual development, in which monthly goals are created and these are passed on through the senior management.

All established goals and targets are directed through the control of goals and individual assessment that permeates the Integrated Management System indices and generate the results based on the monthly QHSE Book.



Goals are established in the annual development.

ETHICS AND ANTI-CORRUPTION

GRI 102-16 | 102-17

In its activities, Vulcabras acts with total transparency and respect for the laws and regulations that apply to it. Vulcabras repudiates and does not tolerate any illegal or unethical practices. Our Code of Ethics and Conduct reflects Vulcabras' values and its commitment to fully complying with applicable legislation and ethical business stance, and formalizes the standards of conduct that must be adopted by its Employees and Third Parties.

The Code applies to all directors, officers and employees of Vulcabras, and to all who hold a position, role, or corporate, employment, commercial, professional, contractual or trust relationship with Vulcabras, including, but not being limited to, suppliers, representatives, attorneys, intermediaries, consultants, agents, brokers, external associates and/or any other third parties that act for or on behalf of Vulcabras, in particular before public agents or government entities.

Violation of the principles and conduct described in this Code committed by any Vulcabras Employee will be subject to the following disciplinary measures, as applicable:

- (i) verbal and written warning;
- (ii) suspension;
- (iii) termination;
- (iv) legal measures related to compensation for damages; and
- (v) communication of the facts to the competent authorities.

All employees, on the first day of their activities, undergo the integration process, where they receive training on our values, principles, standards and codes of conduct. The Legal Department may, depending on the nature and severity of the facts or disciplinary measures to be applied, submit the matter directly to the Board of Directors of Vulcabras to make a decision on the issue.



Vulcabras acts in compliance with laws and regulations.

CONFLICT OF INTERESTS

GRI 102-25

A conflict of interest occurs when there is a possibility of direct or indirect confrontation between the personal interests of the Employees and those of Vulcabras, which may compromise or improperly influence the performance of their duties and responsibilities, and is characterized by any and all material advantage in favor of the employee and/or third parties, with whom there was a commercial, personal or political relationship.

A conflict of interest is also understood to be the use of a position, role or confidential information about Vulcabras' business and/or matters to influence decisions that may favor one's own private interests or those of third parties, which is expressly prohibited by Vulcabras.

It is our duty to act with integrity, avoiding, in the exercise of its duties, potential, actual or apparent conflicts of interest in our personal and professional relationships. In the event of conflicts of interest, these are promptly informed to the Legal Department, so that it can take the appropriate measures.

FINANCIAL RISKS


GRI 102-11 | 102-29 | 102-30 | 201-2

The main financial risks that currently adversely affect Vulcabras are grouped into four categories: Interest Rate, Exchange Rate, Trade Barriers, and Credit Risk.

- **Interest Rate:** Increase in our financing cost with the increase in variable interest rates in the domestic and foreign markets.
- **Exchange Rate:** A portion of our net sales revenue comes from the sale of goods in the foreign market and, therefore, is denominated in US dollars.
- **Trade Barriers:** Stricter barriers in foreign markets to which we export our products.
- **Credit Risk:** This is the risk of financial loss should a customer or counterparty to a financial instrument fail to fulfill its contractual obligations, which arise mainly from the Company's trade receivables and investment securities.

Additional risks may adversely affect the Company. The Company's financial discipline seeks to manage these risks in our economic indicators in light of market fluctuations.

Our Risk Report is ongoing, and as of the publication date the Sustainability Report had not been published.



The company's financial discipline manages the risks in the face of market fluctuations.

SUPPLIER MANAGEMENT

GRI 102-9 | 102-16 | 102-29 | 102-43|

In 2021, Vulcabras started to include in the scope of the IMS the methodology of auditing Suppliers with the objective of evaluating them in terms of the principles of sustainability and quality.

Supplier Management is an integral part of guaranteeing Vulcabras' sustainability results and, for this reason, it is improving every year to obtain better results related to its supply chain.

Regarding the materiality matrix, mentioned at the end of this report, our suppliers are an integral part of the strategic stakeholders in its definition.

INTEGRATED MANAGEMENT SYSTEM (IMS)

GRI 102-15|102-16| 102-29|416-1|

Vulcabras' strategic process, based on its IMS policy, the market in which it operates, the current environmental and labor legislation and meeting customer satisfaction, seeks to ensure the operation of the management system, as well as the good performance of the Company in the market. Vulcabras' high management is committed to ensuring the proper functioning of the IMS, supporting all necessary actions regarding its implementation, maintenance and continuous improvement through:

- Engagement of all employees with the IMS.
- Guarantee of the necessary resources to obtain greater efficiency from the IMS.
- Compliance with legal requirements, regulatory standards and other rules and standards that cover the business in which the company is involved.
- Partnership with those involved in business such as customers, suppliers, shareholders and other strategic stakeholders.
- Promotion and support of cultures to preserve the environment, prevent accidents and improve the health and safety of the employees.

In addition to the indicators mentioned above, the Global Performance Index (GPI) and Supplier Performance Index (SPI) are being developed.



Production line at the Horizonte-CE unit.

In order to comply with the above methodologies, Vulcabras has developed specific groups of activities focused on the continuous improvement of the IMS and its performance, these being the Initial Critical Analysis Committee (FMEA), the QHSE Management Group, the QHSE Internal Audit, the Continuous improvement team, the QMS Team, and also the realization of communication improvement events and development of motivation for those involved with the IMS.

The resources needed to maintain the IMS are defined in the investment CAPEX, at which time the Company mobilizes its high management to define the investments to be made. In addition, in specific situations not previously verified, upon risk analysis of new products, new investments are defined with the person in charge and a deadline.



Technology and Development Center in Parobé-RS.

PROCESSES MANAGEMENT

The processes that ensure IMS maintenance and customer satisfaction are divided into three groups:

1.Strategic processes: Processes that involve the company's strategy and permeate the initial needs (FMEA – Product risk analysis, PDCA – Pre-production product validation process).

2.Operational processes: Processes that are performed operationally (APR - Preliminary risk analysis, Product review, AQL - Finished product analysis for billing, control indicators).

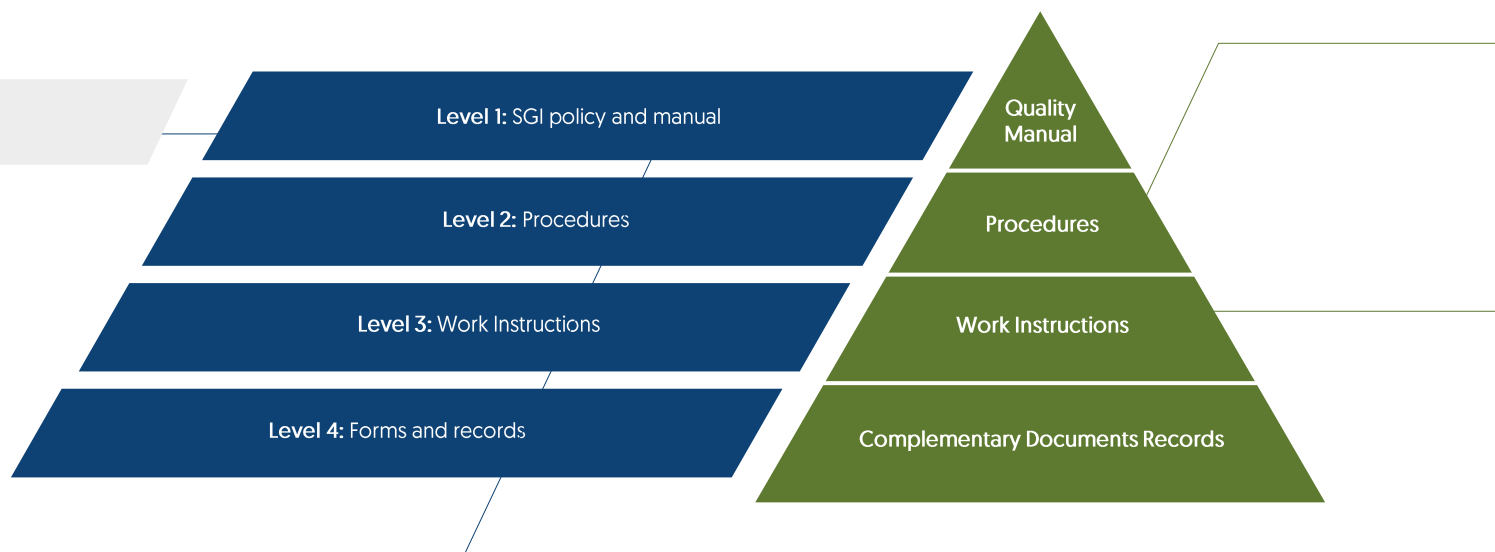
3.Support processes: Processes that support activities through deviation analysis (Ergonomic work analysis, FSP - Troubleshooting Sheets, QHSE audits, 5S Audit).

To guarantee the proper functioning of its processes, Vulcabras checks the processes involving the IMS, defines the process sequence that will be carried out, determines the methods, criteria and controls that should be implemented in the processes, makes the necessary resources available, monitors, analyzes and implements actions to meet results and continuous improvement.



With the IMS up and running, critical analysis is performed on the implementation of new products, machines or technologies. This analysis is carried out through the FMEA evaluation (for new products) and through Implementation Checklists.

For the proper functioning of the IMS, the company structured its management system based on the necessary requirements established by the benchmark standards structured in levels.



CONTROL OF NON-CONFORMITIES, CORRECTIVE AND PREVENTIVE ACTION

Vulcabras has various ways to identify and control its non-conformities in processes and products, and its main sources of control are:

- Return registration [Customer non-compliance].
- Registration of non-compliances in audits.
- Indicators of non-conformities detected in the general records [QSMS Book].

These measures are taken from the verification of actual or potential non-conformities detected. These measures are taken from the FSP [Troubleshooting Sheet] and actions monitored on a weekly basis.

INTERNAL AUDIT

QHSE internal audits occur at a pre-established frequency, based on the audit plan that follows the standard internal audit procedure and each non-compliance or opportunity for improvement found is informed to the responsible areas that manage and correct them, following the pre-set parameters.

SUPPORT PROCESSES

Vulcabras' support processes prioritize the evaluation of its suppliers and also the evaluation of maintenance.

COMMUNICATION

Vulcabras has a specific procedure to ensure internal and external communication regarding any needs, especially Recall.

Vulcabras promotes recurring internal audits in order to correct and improve existing processes.

Logistics Management

GRI 102-29| 102-43|

Vulcabras' logistical process follows the principle of establishing partnerships with strategically positioned companies focused on sustainability. Accordingly, we collaborate with Patrus Transportes, a benchmark in logistics services in the country and the most sustainable fractional cargo transport company in Brazil, according to Prêmio Exame de Sustentabilidade 2019 (2019 Exame Sustainability Award) and B Corp.

Patrus follows the internal distribution loading operational manual to define the system for loading and transferring the goods to the destination branches, ensuring their availability, traceability, quality and sustainable results.

With Roadnet software, the Company manages the sequencing of deliveries and optimization of territories. The system optimizes routes to serve points of sale more quickly, reduce costs and contain the emission of polluting gases, with less time of circulation of trucks.

Drivers have access to the Collection and Delivery Distribution System (SYNC) to send information on-line, which allows for real-time event downloads, gaining speed in data transmission. In addition, they are assisted by the careful driving program and morning meetings in Power Apps on the subject of operations, losses, damages and accountability.

In the process of continuous improvement, the Company performs the separation by the end of grades, guided by Lean Patrus excellence standards, in order to speed up loading by providing greater assertiveness to locate the cargo within the perimeter of a given route, and the preparation of spreadsheets for control, with route cost management to visualize the distribution backlog, having control of each route by delivery, freight and weight, which also helps in the routing process.

Through sustainability present in its three pillars - environmental, social and economic, Patrus Transportes annually discloses its Sustainability Report and is committed to continuous improvement in the provision of services, as well as in the sustainable management of resources and preservation of the environment for future generations. Accordingly, Vulcabras maintains this partnership and encourages other transportation companies to follow the principles of sustainability.



Vulcabras is a partner of Patrus Transportes, the most sustainable fractional cargo transport company in Brazil.

MEMBERSHIP IN ASSOCIATIONS

GRI 102-12| 102-13|

Vulcabras aims to build a better country through sports. We seek to strengthen our networks, since we are part of an ecosystem, spreading the idea of collaboration.

Exchanges of experiences help us achieve our purpose. Vulcabras is a member of the Brazilian Footwear Industries Association (Abicalçados).

RELATIONSHIP WITH WORKERS' UNION

GRI 102-41| 102-43|

We constantly seek to strengthen the relationship with union entities, legal representatives of employees, and maintain a dialogue to resolve conflicts of a labor or union nature.

RELATIONSHIP WITH EMPLOYEES

GRI 102-8| 102-43|

Vulcabras is committed to a transparent and ethical dialogue with its Employees, using impartiality and professionalism in professional relationships and strictly prohibiting any attitudes of prejudice based on race, gender, sexual orientation, religion, age, ethnicity, and geographic origin.

Vulcabras encourages the professional development and quality of life of its Employees, with safe and healthy working conditions, free from threats, acts of violence, and moral and sexual harassment.

Conducts that affect the well-being of our employees are reported to the Legal Department. Whistleblowing and misconduct reporting is confidential and, if desired, can be done anonymously. Vulcabras protects the whistleblowers and people reporting in good faith to the Legal Department against any retaliation.



Vulcabras has more than 15 thousand employees in its six units.

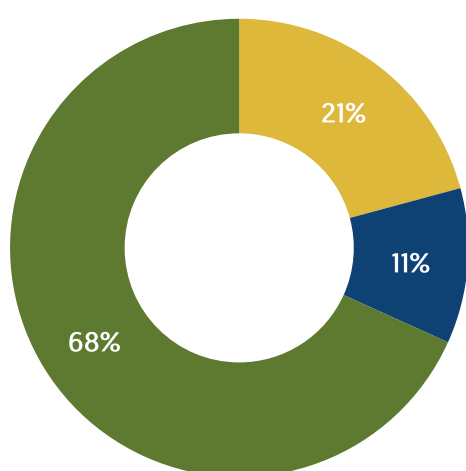
RELATIONSHIP WITH CUSTOMERS

GRI 102-2| 102-43|

It is our responsibility to ensure cordiality, agility, efficiency, respect and compliance ethical standards, providing clear and accurate information to requests or complaints made by Vulcabras customers, which must be analyzed and responded to within a period compatible with each case, expectations and needs.

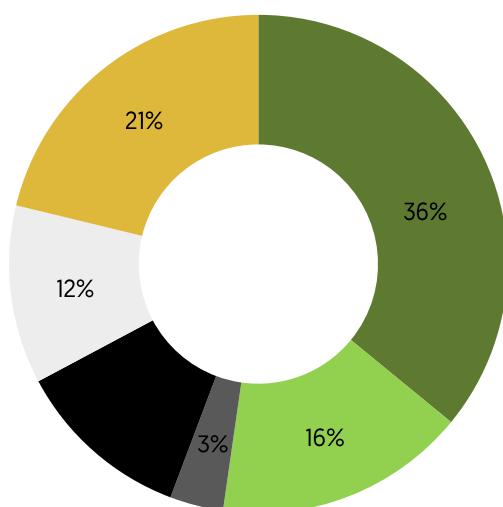
In 2020, 11,253 consumers were attended by the Customer Service by phone, email and website of the brands. Of these, 959 pairs were analyzed.

CUSTOMERS SERVED BY CUSTOMER SERVICE



- Telephone
- Email
- Website of the brands

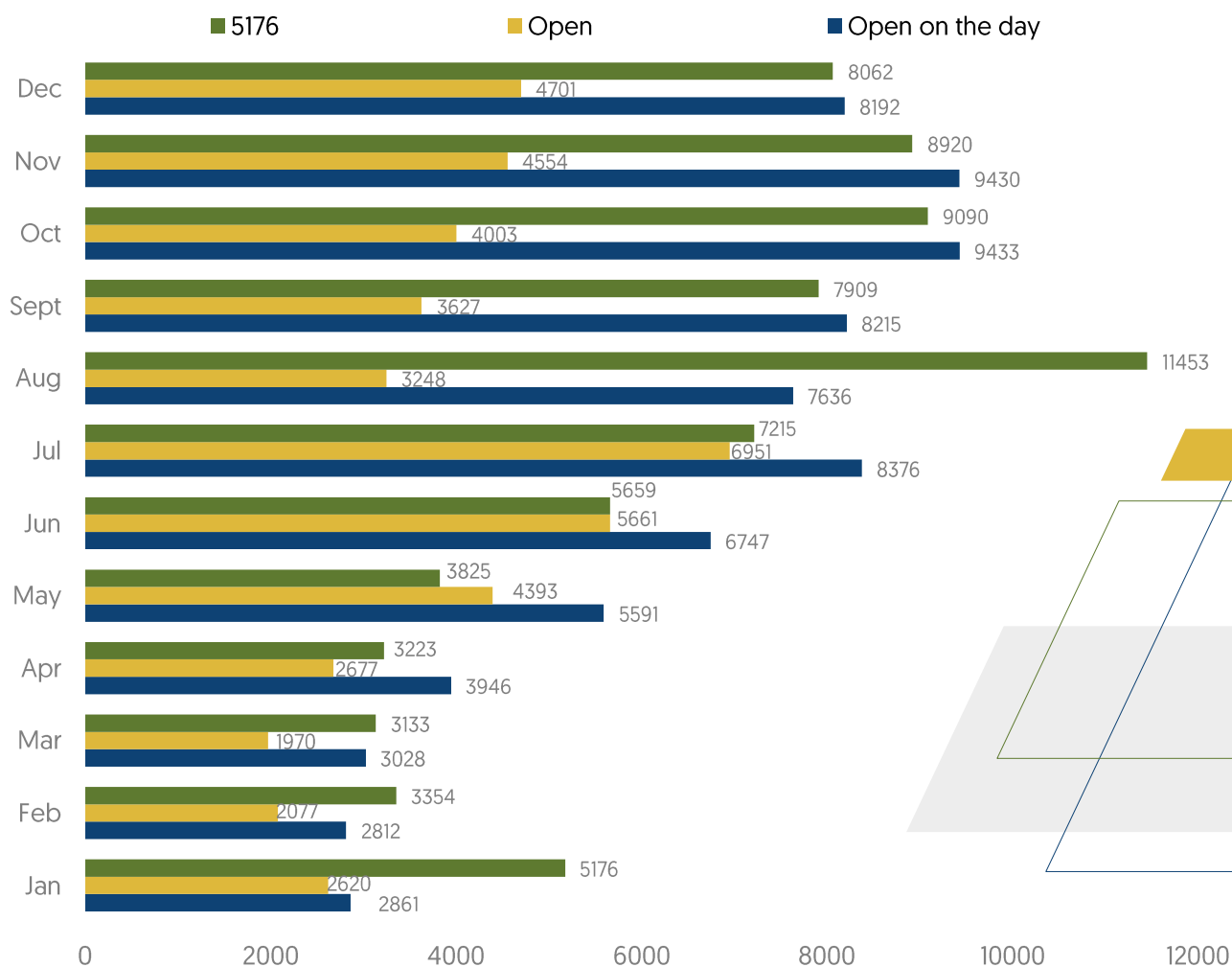
DEFECTS FOUND



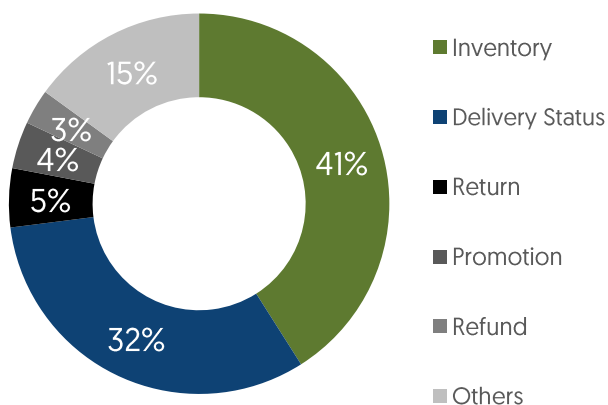
- Sole
- Upper
- Ties
- Unglued insole
- Crooked assembly / discomfort
- others

REASONS FOR OPEN COMPLAINTS AND CHANNELS

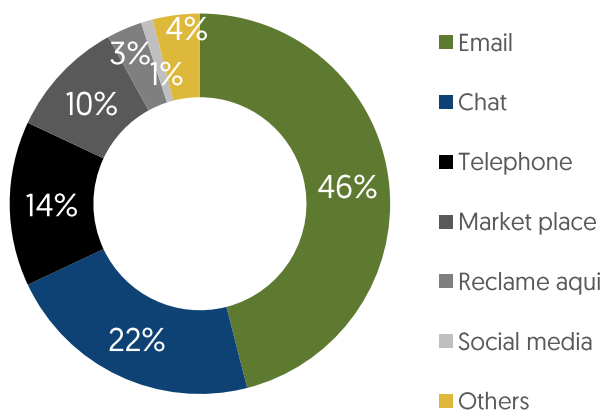
REQUESTS



MAIN REASONS FOR COMPLAINTS

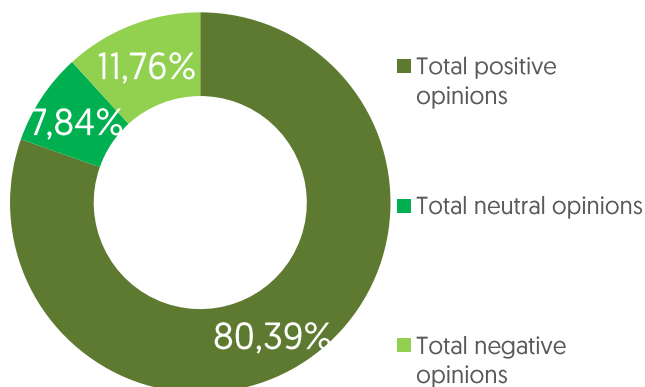


MAIN SOURCE CHANNELS OF COMPLAINTS

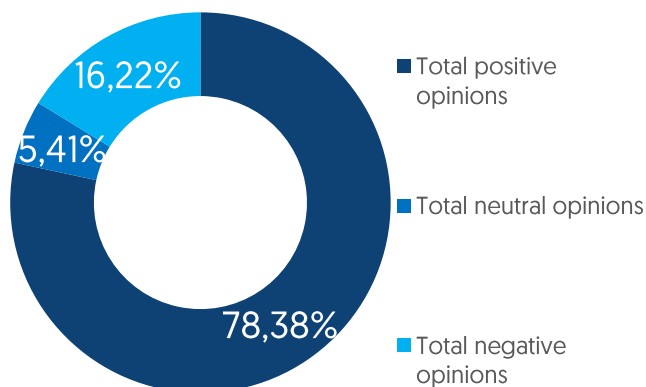


DATA RELATED TO SURVEYS RECEIVED ABOUT THE COMPANY AND PRODUCTS– UNDER ARMOUR

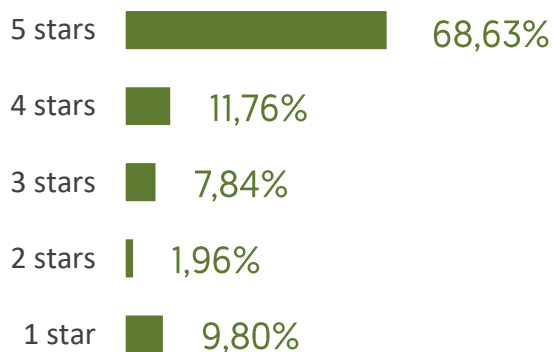
TOTAL OVERALL PRODUCT OPINIONS



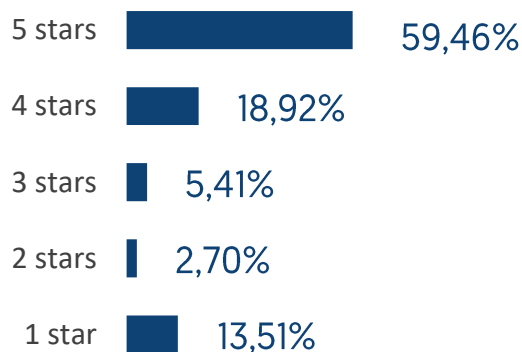
TOTAL OVERALL OPINIONS ABOUT THE COMPANY



AVERAGE PRODUCT GRADE = 4.27



AVERAGE GRADE OF THE COMPANY = 4.08



*Total surveys sent: 277

PRODUCT-RELATED DATA – FEB 21

Total conversion of responses in the period	51	22,47%
Total positive opinions	41	
Total neutral opinions	4	
Total negative opinions	6	

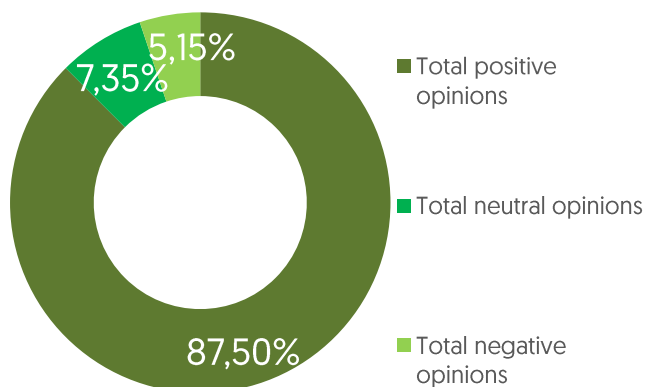
COMPANY-RELATED DATA - FEB 21

Total overall opinions about the company	37	16,30%
Total positive opinions	29	
Total neutral opinions	2	
Total negative opinions	6	

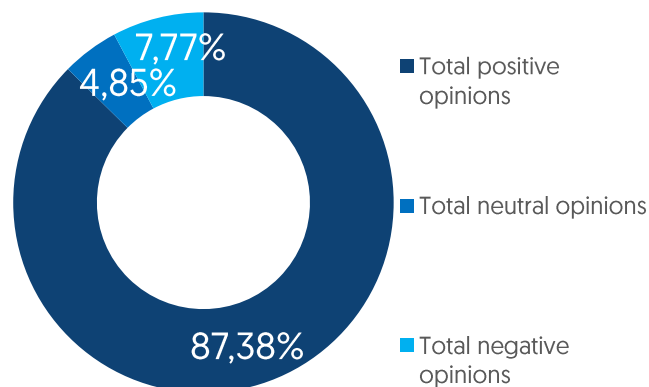
*Actual evaluations audited by trustvox

DATA RELATED TO SURVEYS RECEIVED ABOUT THE COMPANY AND PRODUCTS– OLYMPIKUS

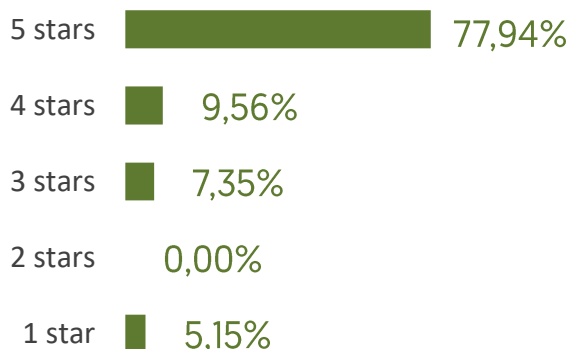
TOTAL OVERALL PRODUCT OPINIONS



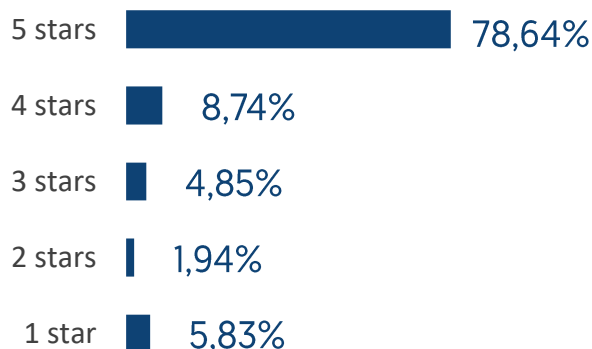
TOTAL OVERALL OPINIONS ABOUT THE COMPANY



AVERAGE PRODUCT GRADE = 4.55



AVERAGE GRADE OF THE COMPANY = 4.52



*Total surveys sent: 259

PRODUCT-RELATED DATA – FEB 21

Total conversion of responses in the period	100	39%
Total positive opinions	85	
Total neutral opinions	8	
Total negative opinions	7	

COMPANY-RELATED DATA - FEB 21

Total overall opinions about the company	46	18%
Total positive opinions	44	
Total neutral opinions	2	
Total negative opinions	0	

*Actual evaluations audited by trustvox

Vulcabras also carries out the Net Promote Score [NPS] evaluation, with the objective of analyzing the service and improving the experience.

SERVICE CHANNELS

Olympikus

Chat at the bottom of the website
0800 722 9444
(11) 2161-2928
loja@olympikus.com.br

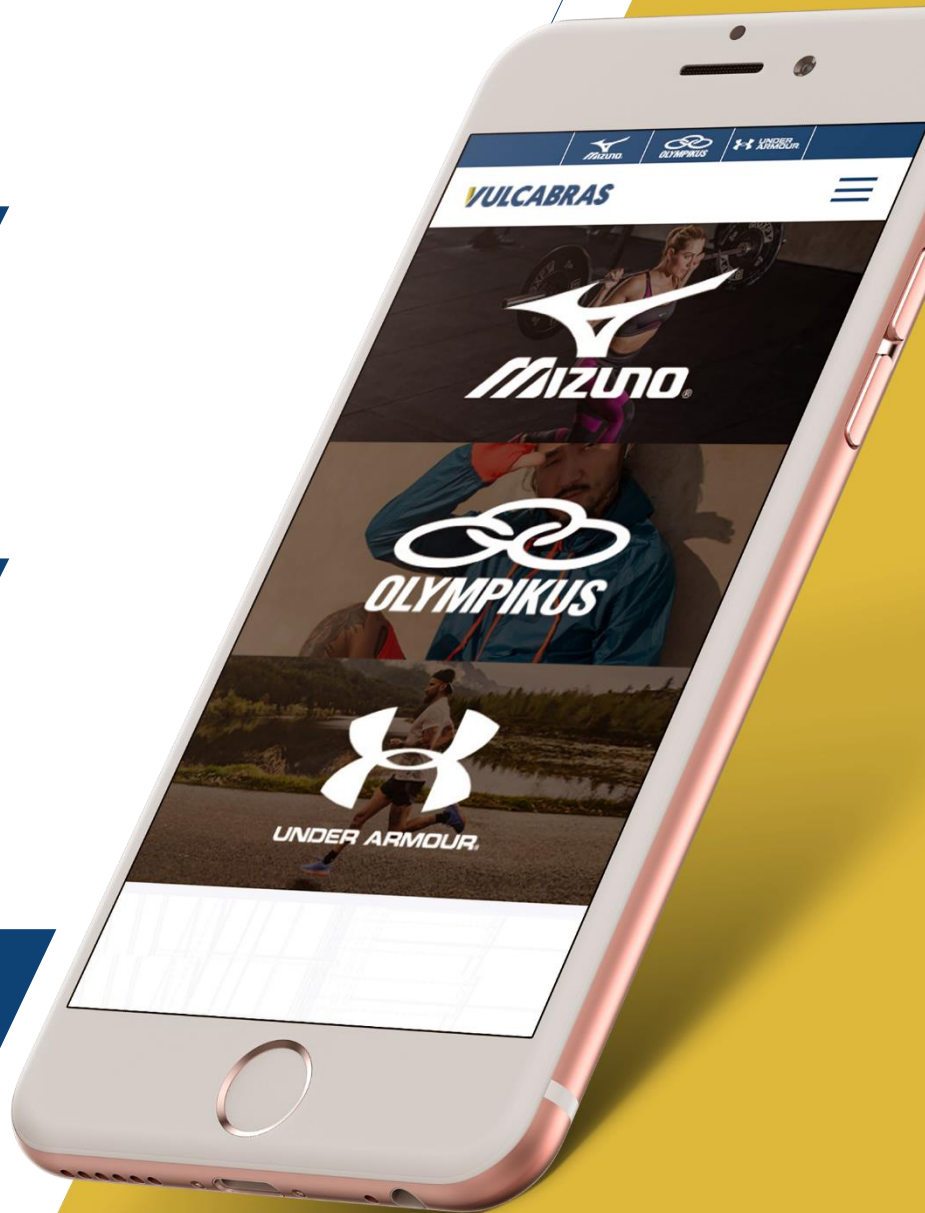
Under Armour:

Chat at the bottom of the website
0800-701-0620
(11) 2161-2997
contato@vulcabras.com

Mizuno

Chat at the bottom of the website
0800 724 0004
(11) 2161-2866
sacmizuno@vulcabras.com

Purchases in a physical store or
via retail
websitesac@olympikus.com.br
0800 728 2010



INVESTOR RELATIONS

GRI 102-33| 102-43|

Vulcabras seeks to create value for its investors, through the combination of growth and profitability with social and environmental responsibility in its business. Thus, Vulcabras' relationship with the financial community and its investors is based on timely disclosure of information with transparency and equity, with respect for legal and ethical principles, seeking to consolidate and maintain its image in the market. We disclose all information related to the status of our business through CVM website [<http://sistemas.cvm.gov.br/>] and at our IR website [<http://www.vulcabrasri.com/>].

DATA PROTECTION

GRI 102-29

Vulcabras gathers a large volume of personal data, including the employees', business partners', customers' and consumers'. Our policy complies with the Brazilian General Data Protection Law (LGPD).

Vulcabras' corporate policies are not limited to protection against misuse, but also regulate the treatment of confidential and privileged information to use them only for the performance of the Company's professional duties.

Data Protection Privacy Awareness Program

The awareness program is a guarantee that everyone in the company has an adequate level of knowledge about data protection, as well as an adequate sense of responsibility. The purpose of the awareness plan is to protect the company's information assets to ensure business continuity, minimize damage and reduce possible financial losses, as well as generate an environment of privacy and respect for citizens' personal data.



The website www.vulcabrasri.com contains specific information on the topic.

All our employees are sent weekly content and information about the necessary care with data and the legal responsibility of the company and the employees. The LGPD Committee meets every two weeks to discuss issues related to the LGPD with our Data Protection Officer (DPO).

The awareness of our employees is the key to ensuring information security and data privacy. The LGPD provides for the processing of personal data in the physical and digital environment, by individuals or legal entities governed by public or private law, in order to protect and guarantee the exercise of the fundamental rights of freedom and privacy and also the free development of the personality of the individual.



Vulcabras promotes awareness about LGPD among its employees.

> SUSTAINABILITY AS A BUSINESS STRATEGY

The year 2020 marked the consolidation of Vulcabras as a leader in the sports footwear segment, based on five pillars: Carbon Reduction, Clean Energy, Circular Economy, Social Responsibility and Impact on Communities.

WATER REUSE



CLEAN ENERGY AND CO2 REDUCTION

- Wind energy for all plants from 2022 onwards
- Supplier audit
- GHG inventory



CIRCULAR ECONOMY

100% reuse of waste in Itapetinga/BA

80% reuse of waste in Horizonte/CE

BIODIVERSITY

Management of a 30 thousand m2 preservation area in Itapetinga-BA.

USE OF RECYCLABLE INPUTS

Use of recycled inputs in our products

- Plastic – Reuse of bag residues that would be discarded in the production of the shoe buttress totals more than 127 metric tons per year.

- EVA Recycling – Recycling of more than 161 metric tons per year.
- TPU Component - Recycling of more than 35 metric tons per year

TRAINING



More than **43,600** hours of training for employee education



More than **40,900** hours invested in courses on occupational safety and health

LITERACY PROGRAM IN PARTNERSHIP WITH SESI AND SENAI

10 years of partnership to supplement literacy skills for our employees

LOCAL DEVELOPMENT

270 million distributed to suppliers in the Northeast region, equivalent to 45% of our revenue from suppliers in Brazil.



Vulcabras promotes more than 43 thousand hours of training for employees.

> ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG)

GRI 102-15 | 102-18 | 102-19 | 102-20 | 102-26 | 102-27 | 102-28 | 102-31 | 102-32



OVER THE YEARS, WE EXPANDED OUR FOUNDATION WITH THE INCLUSION OF THE SUBJECT IN STRATEGIC DECISION-MAKING. IN 2020, WE STEPPED FORWARD WITH THE CREATION OF AN EXCLUSIVE SUSTAINABILITY AREA IN THE STRUCTURE OF THE INTEGRATED MANAGEMENT SYSTEM (IMS) AND WITH THE STRUCTURING OF THE CORPORATE BOARD AND APPOINTMENT OF THAIANY ASSAD AS ESG OFFICER.

The management of this matter is more solid with the establishment of the exclusive sustainability area. Its purpose is to suggest and previously analyze matters related to sustainability for later validation by the senior management. The latter, formed by the company's statutory officers, whose role is to set guidelines, weigh investments and prioritize actions.

Sustainability applied from the top of the hierarchical chain makes it possible for all stakeholders to be involved in measures aimed at major goals. With responsible and engaged management, we direct our efforts to the continuous creation of value for the balance among the economic, social and environmental areas.

In the coming years, we will act in an even more collaborative manner through action plans to permeate the entire business, with short-, medium- and long-term

objectives, which will organize and guide our milestones and progress for the Environment, Society and Corporate Governance. We will continue with the continuous improvement of priority material themes for the company, in line with our strategic planning, to ensure the delivery of values, investments linked to impact and our sustainable product to society.

Sport generates value, employment, income and well-being. The more access and the better quality,

the greater the return offered to society. Sport is in our DNA and it is from it that we build a better country.



Sustainability is one of Vulcabras' pillars.

> ECONOMIC PERFORMANCE

GRI 102-5 | 102-45 | 201-1

The financial and operational information of the Company is presented based on consolidated numbers and in millions of Reais, prepared in accordance with the accounting practices adopted in Brazil and the international accounting standards (IFRS). Pursuant to CVM Instruction No. 381/03, since 01/01/2017, “KPMG Auditores Independentes” audits our parent company and consolidated financial statements.

Data contained in this report refer to 2020 performance, unless otherwise specified. In a period when retail was still seeking stability and sales recovery, the Company reported a positive performance in the last three months of the year, with growth exceeding 20% in most of its financial indicators.

FINANCIAL HIGHLIGHTS

Vulcabras has a robust financial situation with strong cash generation and excellent liquidity and one of the best economic performances in the sector.

Gross Volume

25.1 million pairs/pieces in 2020.

Net Revenue

R\$ 1,179.2 million in 2020.

Gross Profit

R\$ 348.2 million in 2020.

Gross Margin

29.5% in 2020.

Profit [loss] for the Period

R\$ 31.5 million in 2020.

EBITDA

R\$ 112.2 million in 2020.

Cotação VULC3 (30/12/2020)

R\$ 7.99

Number of shares

Common shares:
245,756,346

Market value

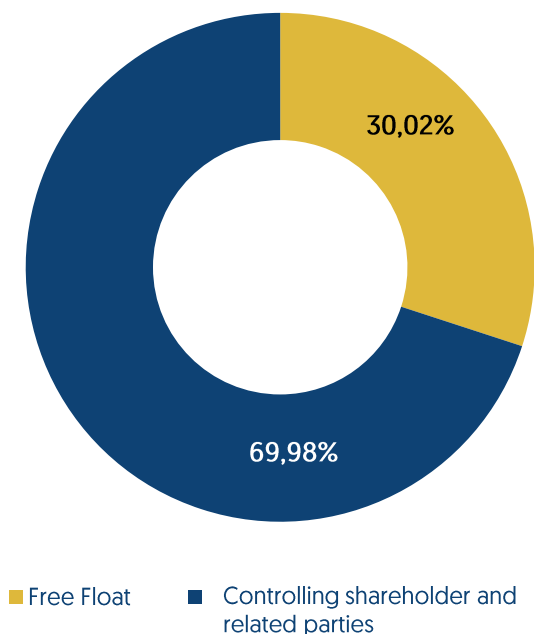
R\$ 2.0 billion

CAPITAL AND SHARES

Vulcabras' bylaws provide for a capital stock of one billion, one hundred and forty million, nine hundred and ten thousand, three hundred and thirty-two reais and fifty cents [R\$ 1,140,910,332.50], fully subscribed and paid-up, represented by two hundred and forty-five million, seven hundred and fifty-six thousand, three hundred and forty-six [245,756,346] common shares, all registered, book-entry and with no par value. The share capital is exclusively represented by common shares and each share corresponds to the right to one vote in the resolutions of the General Meetings.

The Company shall not issue preferred shares or founders' shares. The Company is authorized by the Board of Directors to increase capital, regardless of amendments to Bylaws, up to the limit of two billion Reais [R\$ 2,000,000,000.00].

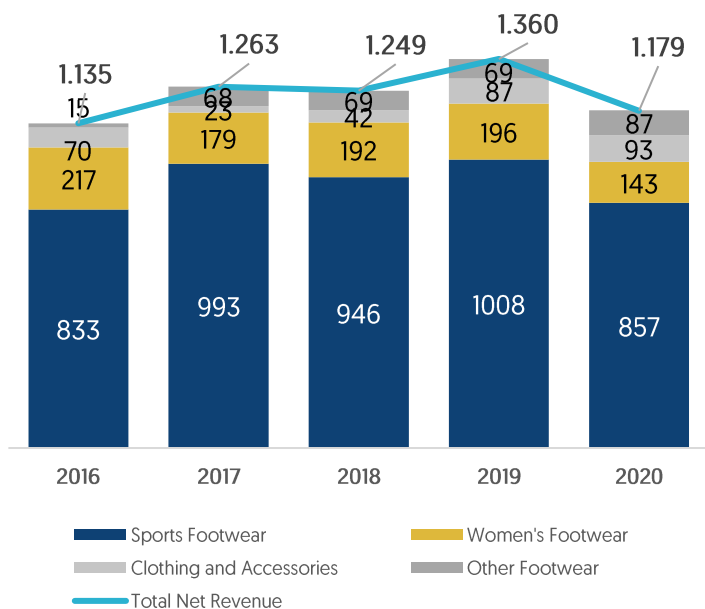
SHAREHOLDING STRUCTURE



GROSS VOLUME

In 2020, the gross volume of revenues totaled 25.1 million pairs/pieces.

Growth in clothing in recent years, with the arrival of UA and new Olympikus collections



Sports shoes maintains its participation in the NOR at approximately 73%

Growth in clothing over the past 4 years (from 2% to 8% of NOR)

The reduction observed in 2020 is due to the generalized shutdown of industrial and commercial activities throughout the first half of the year in almost every country in the world as a measure to combat the spread of the Covid-19 pandemic.

However, we ended the last quarter of the year with growth in almost all categories, with the only exception for

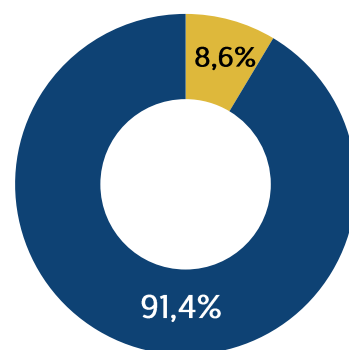
the women's footwear category, which presented a retraction due to the licensing of the Azaleia brand to Grendene and the consequent phasing out of its own production during the quarter. The production capacity released by the decrease in women's shoes was fully occupied by the production of sports shoes, which grew 24.6% in sales in the last quarter compared to the same period in 2019.

NET OPERATING REVENUE

MARKETS

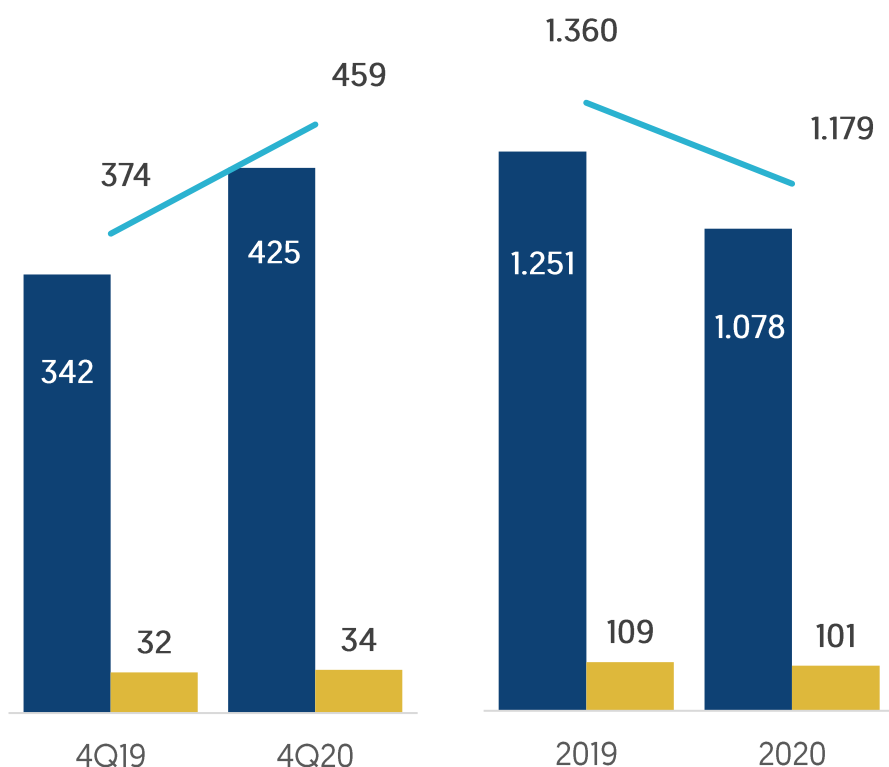
In 2020, the domestic market totaled R\$ 1,078.1 million. With the reopening of physical stores, even with some restrictions on access and opening hours, retail billing has once again played a leading role in our revenues. In the foreign market, the net revenue for the 2020 was R\$ 101.1 million. There was a growth in business with Argentina, despite the difficulties imposed by the country.

MARKET SHARE – 2020



■ Domestic Market ■ Foreign Market

NET REVENUE BY MARKET (R\$ THOUSAND)



Exports growth in the last quarter, pulled by Argentina, with export of disassembled products

■ Domestic Market ■ Foreign market — Total Net Revenue

> EBITDA

In 2020, EBITDA was R\$ 112.2 million. The EBITDA margin decreased by 6.9 p.p., reaching 9.5% in 2020. In 2020, EBITDA was affected by the adoption of IFRS 16/CPC 06 by R\$ 10.1 million, compared to R\$ 12.6 million recorded in 2019.

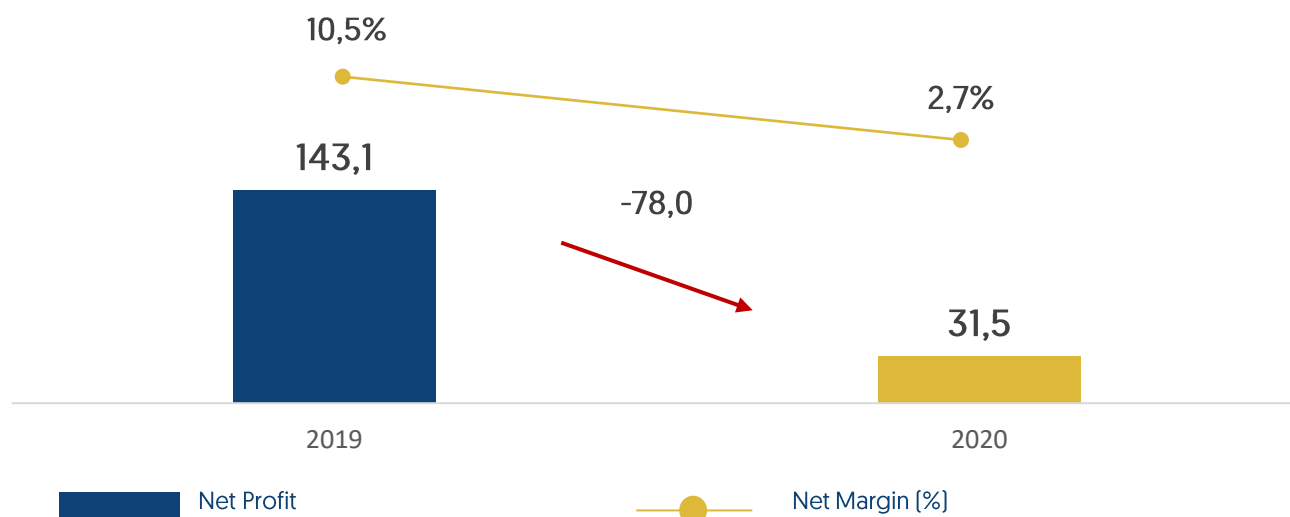


Vulcabras continues to improve its financial results.

NET INCOME AND NET MARGIN

The net margin in the twelve-month comparison was reduced by 7.8 p.p., from 10.5% in 2019 to 2.7% in 2020.

Despite the difficult first half of 2020 experienced by the Company, the rapid resumption of business and the vertiginous recovery observed during the second half of 2020 were decisive for the reversal of the negative results and ending the year with a profit.



> E-COMMERCE

Despite still having a small share of the Company's total revenue, 4.1% in 2020, the growth of this channel and its potential represent a great expansion lever.

In 2020, e-commerce revenue totaled R\$ 48.7 million, an increase of 141.1% compared to 2019, when net revenue was R\$ 20.2 million.

R\$ million	2020	2019	Change. % 2020/2019
Total Net Revenue	48,7	20,2	141,10%
NOR interest %	4,10%	1,50%	2,6 p.p

The Company believes in the potential of this channel and has been investing heavily in its expansion. Aware of the moment experienced with the growing search for online sales, the Company made another important move to lay the foundations for the growth of this channel.

Also in 2020, the Company started the project to transfer the e-commerce logistics Distribution Center [DC] to the city of Extrema, state of Minas Gerais.

In 2020, e-commerce revenue increased by 141.1%

> CAPITAL EXPENDITURE

We highlight the last quarter with investments made in the new logistics DC for e-commerce located in the city of Extrema - MG, and adjustments in the factory located in the state of Ceará to receive the production of Mizuno shoes.

The investments made in the operation, over the last three years, allowed us to expand our production throughout the second half with only marginal investments in CAPEX. In 2020, the amount invested in property, plant and equipment totaled R\$ 85.1 million. In intangible assets, the amount invested in the year totaled R\$ 2.6 million, with total focus on new software.

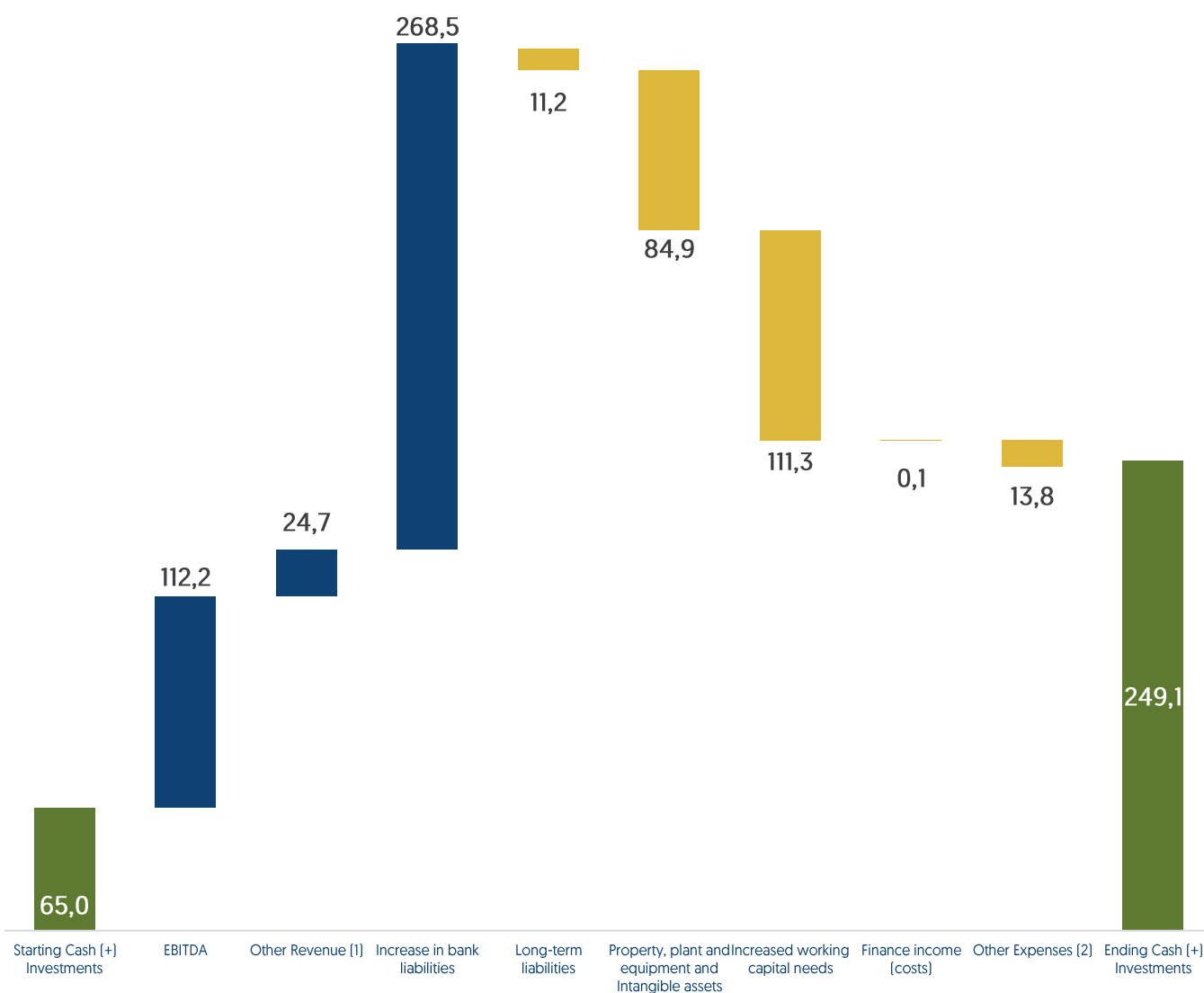
R\$ million	2020
Molds	23,5
Machinery and Equipment	35,0
Facilities	18,1
Other	8,5
Property, plant and equipment	85,1
Software	2,6
Assignment of right	0,0
Other	0,0
Intangible assets	3,5
Grand Total	87,7

> ROIC

The return on invested capital for the last twelve-month (LTM) ended in 2020 was 2.8% and represented a drop of 10.8 p.p. over the 2019 result. The decrease is due to the drop in the Company's operating profit in view of the macroeconomic difficulties of this atypical year of 2020.

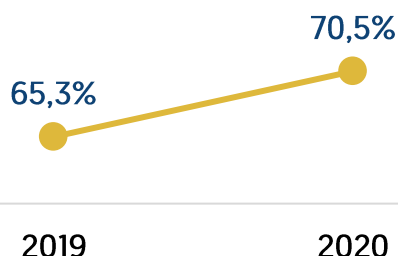
CASH FLOW

The change in cash in 2020 was R\$184.1 million. The change presented was essentially a consequence of EBITDA events of R\$ 112.2 million, an increase in bank liabilities of R\$ 268.5 million, growth in long-term liabilities of R\$ 11.2 million, investments in property, plant and equipment and intangible assets of R\$ 84.9 million and an increase in working capital requirement of R\$ 111.3 million.



COST OF GOODS SOLD

As a percentage of net sales revenue, cost of sales represented 70.5%. In 2020, especially in the first half of the year, the widespread stoppage due to the fight against the Covid-19 pandemic had a negative impact on the production flow of the factories.

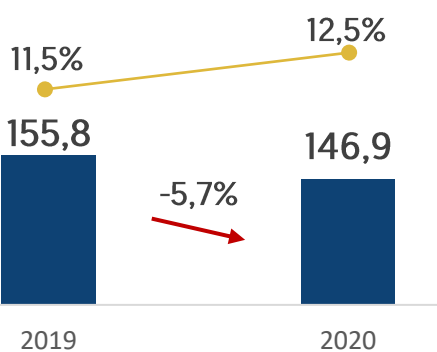


During the second half of the year, despite the resumption of the production pace, price increases in raw materials, problems with supply and the rise in absenteeism, ended up raising the cost of the manufactured goods. In 2020, production costs in the amount of R\$ 36.4 million were directly recognized in the CPV, relating to the period in which the manufacturing units were closed due to government restrictions as a measure to combat the Covid-19 pandemic.



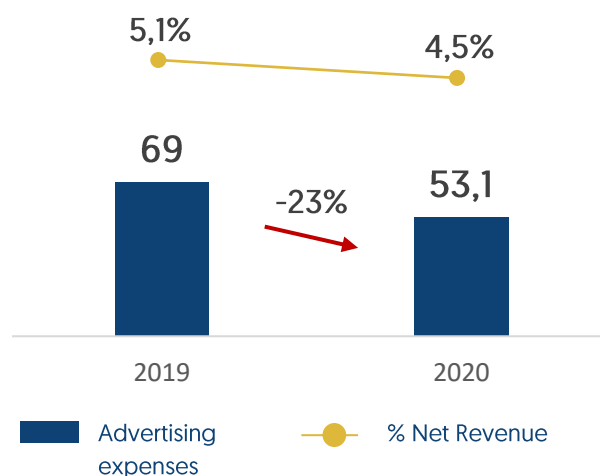
SALES AND ADVERTISEMENT EXPENSES

In 2020, sales expenses of R\$146.9 million were recorded. The share of selling expenses on net revenue increased by 1.0 p.p. in the comparison between 2019 and 2020, from 11.5% to 12.5%, due to the decrease in revenue observed in the year due to the reduction throughout the entire first half of 2020, which provides a greater relative share of fixed costs, and the increase observed in the cost of freight of products in part due to the increase in the share of online sales, which have higher delivery costs and, in part by increases in transport costs that were absorbed throughout the year.



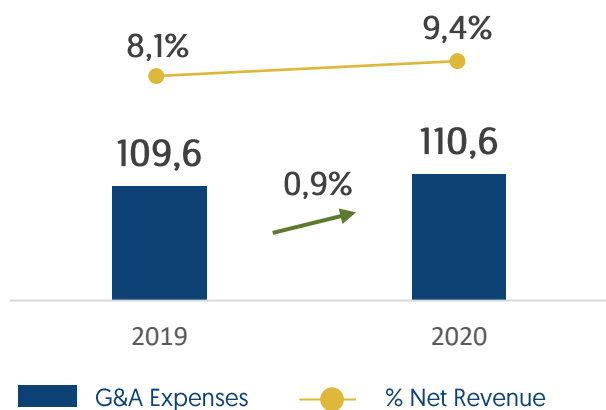
■ Selling expenses
● % Net Revenue

Advertising and marketing expenses totaled R\$ 53.1 million, a decrease of 23.0% in comparison with 2019, totaling R\$ 69.0 million. The share of advertising and marketing expenses on net revenue represented 4.5% in 2020, compared to 5.1% in 2019, a reduction of 0.6 p.p.



GENERAL AND ADMINISTRATIVE EXPENSES

In 2020, compared to the same period of 2019, there was an increase of 0.9% in general and administrative expenses, from R\$ 109.6 million to R\$ 110.6 million. When comparing the percentage of net revenue, there is a growth in 2020 of 1.3 p.p. in relation to the equivalent period of the previous year.



OTHER NET OPERATING EXPENSES

In 2020, the amount generated an income of R\$ 0.8 million compared to an income of R\$ 4.1 million in 2019.

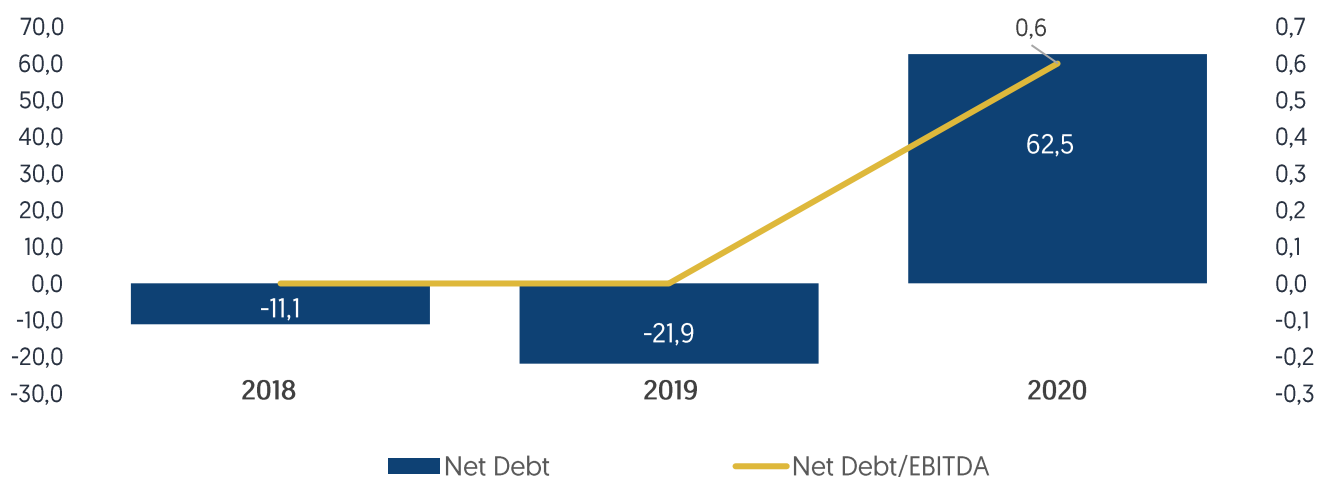
R\$ million	2020	2019
Other operating income (expenses) net	0,8	4,1

NET INDEBTEDNESS

Vulcabras presents a solid financial situation with R\$ 250 million in cash and cash equivalents at the end of 2020.

FOOTWEAR, CLOTHING AND SPORTS ACCESSORIES

[Operating profit R\$ mi and margin %]



Since the first impacts of the pandemic, the Company maintained its financial discipline and sought to reinforce its cash with contributions made under credit lines, which were pre-approved, prioritizing incentive operations and with extended terms.

INCOME TAX AND SOCIAL CONTRIBUTION

Income tax and social contribution showed a slight increase in the fiscal year at the end of 2020. The amount calculated for the fiscal year ended 2019 was R\$ 3.8 million, representing an effective rate of 2.6%. In the fiscal year ended in 2020, the amount was R\$ 4.7 million, with an effective rate of 12.9%. This variation is mainly due to the recognition of a positive income in the subsidiaries of Bahia and Vulcabras Distribuidora in 2020. Current and deferred income tax and social contribution represented 0.4% and 0.3% of net sales revenue for the years ended December 31, 2020 and 2019, respectively.

REPORTING PERIOD AND FINANCIAL STATEMENTS

The reporting period begins at January 1 and ends at December 31 of each year. At the end of each year, the Executive Board arranges for the preparation of the financial statements as determined by the Brazilian law, in accordance with the international accounting standards enacted by the International Financial Reporting Standards ("IFRS") and/or with the accounting standards used in the United States of America known as the "United States Generally Accepted Accounting Principles" ("US GAAP"). All information and financial statements are available at the IR website (<http://www.vulcabrasri.com/>) by clicking on tab Results Center, containing quarterly and yearly balance sheets.

> DEVELOPMENT HIGHLIGHTS

GRI 102-2 | 102-10 | 102-15 | 102-16

In 2020, we expanded our activities in research, development and innovation at the largest Shoe Development and Technology Center in Latin America, with the objective of moving forward with increasingly sustainable products to meet the demands of conscientious consumption. Furthermore, in an attempt to expand our borders, we started the project to transfer the e-commerce logistics DC to the city of Extrema - MG, which will make Vulcabras more efficient and competitive in the business.

RESEARCH AND DEVELOPMENT

Aiming to bring more innovation to our products and provide the best technologies for every athlete profile, Vulcabras has in Parobé, the Footwear Research and Development Center, the largest in Latin America. With a specialized team, the Center has more than 600 professionals dedicated to research and development, who, with state-of-the-art machinery and technologies, are responsible for bringing innovation to Vulcabras products.

Virtual reality, machining center for dies and 3D printing of soles, in addition to a highly qualified team, make the Vulcabras R&D Center a benchmark in the footwear sector.

MANUFACTURING PLANTS

In addition to innovation in development, Vulcabras has modern equipment that makes it possible to produce the most advanced footwear technologies in the world. Over R\$300 million were invested for the modernization of the industrial park over the last three years, bringing innovative products to the practice of sports for all athlete profiles.



Vulcabras production line.

LOGISTICS

In the second half of 2020, we started the project to transfer the e-commerce logistics DC to the city of Extrema-MG, which has triple the area of the previous one, modern structures, automated operations and is under its own management.



New Vulcabras Distribution Center in Extrema (MG).

Operation dedicated to E-commerce

Capacity for 7 million parts

Area of over 11,500m²

+65,000 storage addresses

120 direct employees to the Extrema/MG operation

The choice for the location of Extrema – MG is due to the fact that the region is becoming a large logistics distribution hub and it offers important competitive advantages, such as proximity to the largest consumer markets, logistics facilitators, relevant tax incentives, labor force and specialized services.

This new distribution center will have a logistics operation dedicated to e-commerce for all brands and also the distribution operation of finished products purchased from third parties (imported and domestic).

> ENVIRONMENTAL COMMITMENT

Vulcabras' strategic planning is developed in order to internalize externalities. Our goal is to make sustainability permeate all business operations, developing environmental practices for implementation, adoption and supervision.

We aim to improve training, information systems and production processes to reduce the use of natural resources. The management of drinking water and effluents, segregation at the source of waste generation and distribution of our products is already part of our day-to-day activities. We also prioritize the issuance of licenses and other legal permits related to the environment.

We align our organizational culture to this efficient environmental management model, in order not only to comply with environmental legislation, but to guarantee a regenerative environment.

The sustainability area in the structure of the Integrated Management System (IMS) periodically directs sustainable practices, aiming at continuous improvement.



Vulcabras' mission is to build a better country from sports.

WATER MANAGEMENT

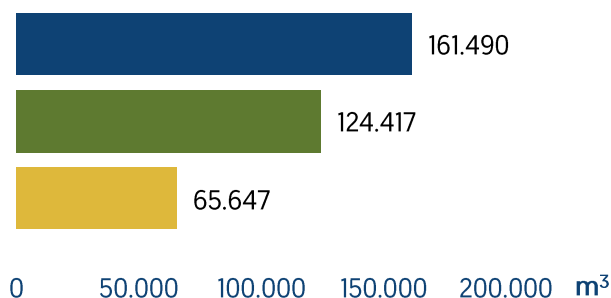
GRI 102-11 | 303-1 | 303-2 | 303-5

Our sustainability vision in relation to water is based on the pillar of conscious consumption and efficient treatment.

All of our operating units develop good practices for water management, which include toilets with close coupled cistern, monitoring of leaks, daily monitoring of water meters and signs, and educational campaigns in order to avoid waste or any negative impact on the ecosystem.

In Ceará, plant in Horizonte, we purchase raw water. Internally, we carry out the physical-chemical treatment in our Water Treatment Station (WTS). The system is monitored daily to ensure efficiency and analyses are performed by external laboratories on a monthly basis to check the potability.

2020



- WATER CONSUMPTION
- EFFLUENT TREATMENT
- EFFLUENT DISPOSAL



We treat 100% of the effluent generated in the production matrix in the city of Horizonte. We focus on reusing 100% of the effluent treated by the company and we are developing methodologies to reduce its discharge into the network.

The treated effluent is collected in cisterns and sent to artesian wells with connections that are distributed throughout the plant for reuse in toilets, sprinkler irrigation and cleaning services in general. The system is monitored daily to ensure efficiency and analyses are performed by external laboratories on a monthly basis to ensure the reuse standards.

With this system, in which R\$ 2 million was invested, Vulcabras saves 50 million liters of water per year and there is a 95% decrease in the purchase of treated water, which, added to the implementation of educational measures, resulted in a 25% decrease of effluent generation. With this action, the company expects a return of R\$ 1.2 million per year.



At the Horizonte-CE unit, Vulcabras has an effluent treatment plant.

ENERGY MANAGEMENT

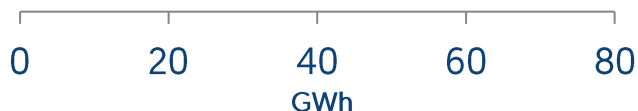
GRI 302-1

Energy management is one of the relevant aspects for Vulcabras. We have developed actions aimed at conscientious consumption, such as investment, in the last three years, in modern machinery designed for energy consumption, noise emissions, heat generation and waste generation. In addition, we developed ergonomically designed industrial spaces with natural ventilation, respecting the Brazilian standards for noise and heat. In addition to this is the distribution of signals to turn off all devices, machines and lights, in shifts that are not being used.

TOTAL ENERGY CONSUMPTION

2020

59



EMISSIONS

GRI 201-2 | 305-1 | 305-2 | 305-3

In 2020, we started measuring our emissions in the GHG Inventory and signed a contract to purchase wind energy from Casa dos Ventos, one of the main wind energy companies in the country.

With a contract of R\$ 150 million for a period of up to 13 years, the company will supply all of Vulcabras' consumption, allowing all production and distribution to be made 100% with clean energy, avoiding the release of 27 thousand metric tons of CO₂ annually to the atmosphere.

The deal, which will start in 2022, involves the Ventos de São Mizaél plant, which is part of the Rio dos Ventos complex, in the state of Rio Grande do Norte. In addition to the dramatic reduction in environmental impact, in total, the company will still have savings of 25% compared to the 2019 energy expenditure.

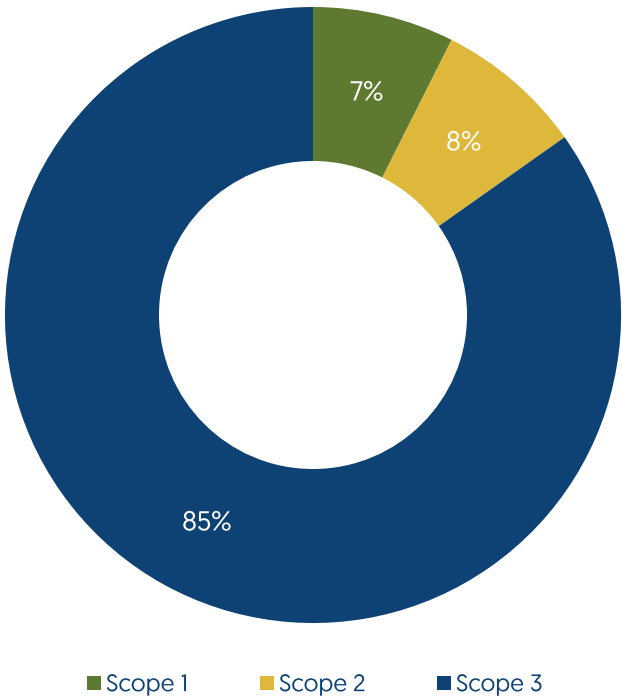
In order to map the sources that contribute to environmental liabilities, Vulcabras, in partnership with Iniciativa Verde (Green Initiative), carried out the first Inventory of Greenhouse Gas Emissions for its operations. This analysis allows, in the context of the company's strategic planning, to set targets for reduction, compensation and adaptation for the low-carbon economic transition.

The inventory followed the GHG Protocol standard, developed by the World Resources Institute (WRI) in association with the World Business Council for Sustainable Development (WBCSD). This methodology is recognized and used throughout the world, being compatible with the standards of the International Organization for Standardization (ISO). Together with the GHG Protocol, methodologies and emission factors developed by the IPCC [2006 IPCC Guidelines for National Greenhouse Gas Inventories] and by the Ministry of Science and Technology (MCTIC) were used.

The following gases are part of the emissions inventory: CO₂, SF₆, CH₄, N₂O, HFCs, PFCs, and NF₃. In 2020, approximately 7,200 tCO₂e were emitted, including Scope 1 (direct) and Scope 2 (indirect) emissions. Considering indirect emissions from uncontrolled sources (Scope 3) in the previous calculation, the total emitted was 47 thousand tCO₂e.

TCO2E EMISSIONS

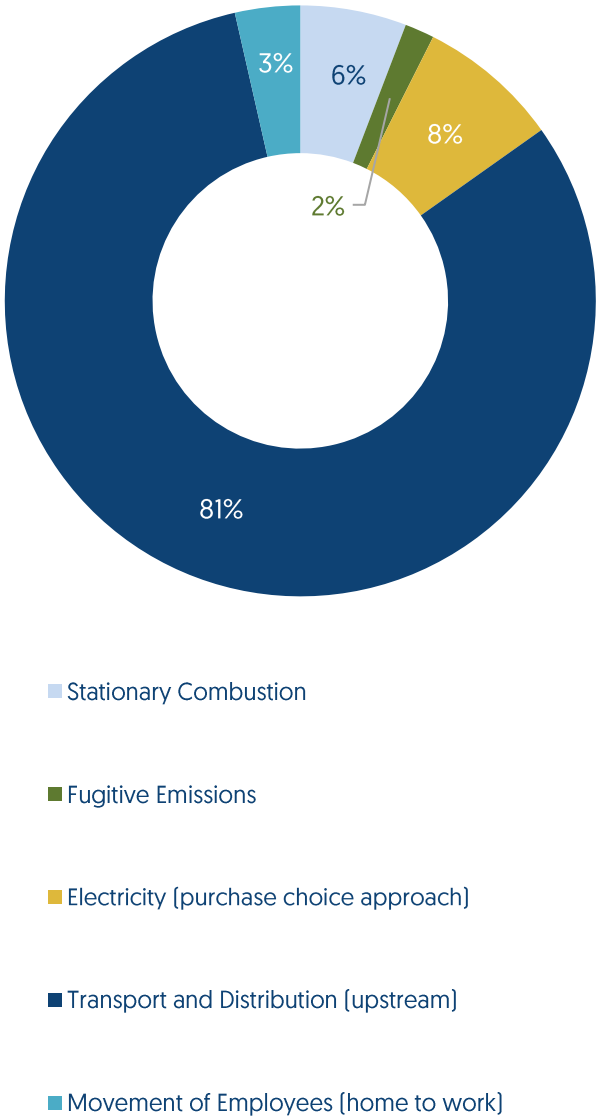
2020



The highest emissions in 2020 are related to scope 3 – upstream transport and distribution, and are related to raw material and finished product transport, referring to 81% of the total. In second place, with 8%, are the emissions by energy consumption (scope 2). In scope 1, the highlight is the stationary combustion emissions, referring to 6% of the total.

TCO2 EMISSIONS BY EMISSION SOURCE

2020



MATERIALS AND WASTE MANAGEMENT

GRI 301-1 | 301-2 | 306-1 | 306-2 | 306-3 | 306-4 | 306-5

In 2016, with the objective of aligning our production process with the principles of sustainability, we started a movement with the circular economy and, as of 2020, we put into practice the 5 Rs policy [Rethink, Reduce, Reuse, Recycle and Refuse].

- Rethink from production processes to employee habits and attitudes
- Reduce Waste Generation and Disposal
- Reuse our products by ensuring the quality standard for conscientious consumption
- Recycle the waste generated by reinserting it in our production chain or in the chain of strategic partnerships
- Refuse raw materials that harm health and the environment

We designed an environmental preservation area in Itapetinga, which was used for waste disposal, covering 30,000 square meters with 2,000 seedlings of tree species, such as Ipê. We hired and trained 44 socioeconomically vulnerable residents of the region to help build the space. The area, ceded by the municipality, is managed by Vulcabras, which maintains and preserves the site.

Today, 100% of the waste generated at the Itapetinga unit supplies the circular economy. At the Horizonte unit, which also has this initiative, 80% of recycled waste is reused in the production of our shoes. For example, we reuse more than 127 metric tons of plastic waste from recycling in the production of the buttress, located inside the shoe, which gives shape to the heel of the shoe. In addition, we recycle over 35 metric tons per year of TPU component in our products. The goal is to further increase this process.

Recycling is done with materials present in the products, up to plastic packaging used in indirect and uniform processes.

List of materials used by Vulcabras - in metric tons.

Material	Description	2020
Recyclable S	Sundry packaging - [CCF/COL/EOL/EUA]	56.499
	Laces - [ATA]	79
	Various rubbers - [BN/BS]	14
	Sundry compounds - [PVC/TPE/TPU/TRC]	765
	Various cords - [COD]	10.086*
	Various elastics - [ELA]	34.843*
	Foam - [LPE]	6.873
	Embroidered label - [EBR]	0,04
	Rubber label - [ETB]	0,02
	Various labels - [ETQ]	1.309
	Transfer label - [ETR]	42.490
	Various tapes - [FPS/FIT]	5.082.297*
	PU laminate - [LPU]	45
	Synthetic laminate - [LPV]	425
	Various lines - [FIO/LBD/LNY/LPS]	35
	Various insoles - [PAO]	4.252
	Lining fabric - [TFR]	15
	Non-woven fabric - [TNT]	101
	Nylon fabric - [TNY]	0,8
	Polyamide fabric - [TPD]	0,3
	Polyester fabric - [TPS]	256
	Various solvents - [AIR/SO/SOL]	37
Total		5.127.226*
Non-recyclable S	Various resins - [RE/RES]	2.824
	Nappa leather - [NAP]	0,1
	Leather scrapes - [RAS]	0,3
	Various paints	22
Total		2.846

* Megaton

Discarded EVA, a material used in the production of shoes, undergoes a crushing process internally, as well as other residues, and returns to the production process. We recycle more than 161 metric tons per year into our products. The exceeding material becomes raw material for the production of other companies, such as in the production of rugs and tatami mats.

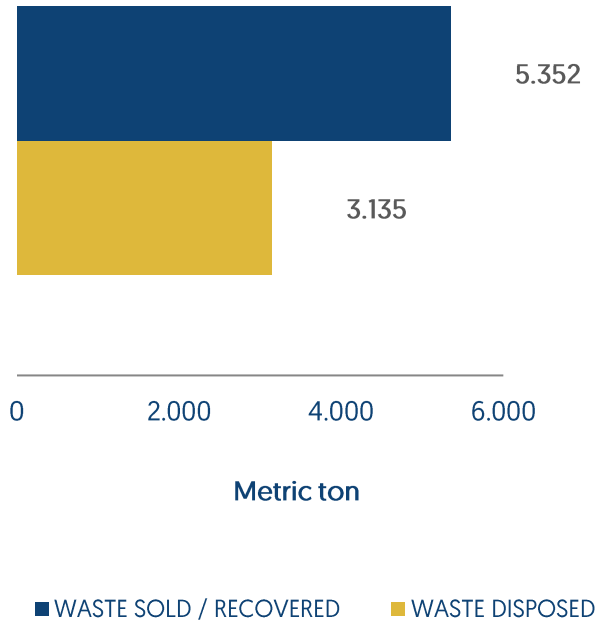
Regarding fabrics and uniforms, we reuse them internally in the cleaning areas, and the exceeding material supplies the furniture industry for the production of sofas and other products. This aims to reduce the purchase of this material by 48%.

Hazardous liquid waste undergoes recycling processes, while hazardous solid waste and contaminated materials are stored and incinerated, becoming fuel for cement manufacturing companies. Vulcabras has more than 20 strategic partners that use our recyclable waste as raw material. All of these are intended for local companies, where they generate income and employability.

Everything that undergoes the company's process, whether productive or administrative, has a destination before the decision to carry out its correct final disposal.



Vulcabras has partners for waste recycling.



Discarded waste comprises sweeping and organic material.

We ratify our environmental responsibility by monitoring the entire waste generation chain and developing strategic partnerships for the sale of our excess recyclable waste, adding value to those that become inputs for other companies.



Environmental responsibility is part of Vulcabras' routine.

> PEOPLE AND SOCIETY

Vulcabras adds value to employees and communities around the plants. The intention to develop their skills and competences generated a business model designed for people.

Making the difference, not only in professional and financial aspects, providing the local population an increasingly consistent career path, but also providing resources and instruments capable of positively impacting their life trajectories and those of their families.

Strengthen relationships and invest in their development. Aiming to leverage this impact, especially through support for education, income generation and diversity.

People is our great asset. If the company dreams big, with ambition and daring, it is because our employees embrace this idea and work daily to maintain the quality of our processes and products and serve our customers and consumers.

15 thousand professionals passionate about the profession. Vulcabras prides itself on having a team focused on always doing the best, believing in a fair world. Its leaders nurture this spirit, with a strong work of developing people and valuing inclusion and diversity.



INCLUSION AND DIVERSITY

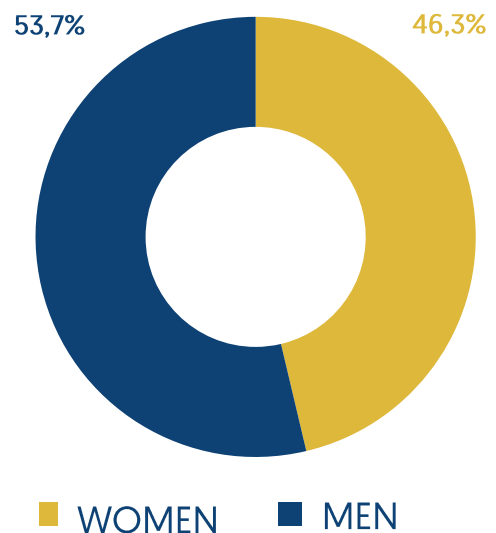
GRI 102-7 | 102-8 | 102-10 | 102-16 | 401-1 | 405-1

Diversity and inclusion are relevant matters at Vulcabras.

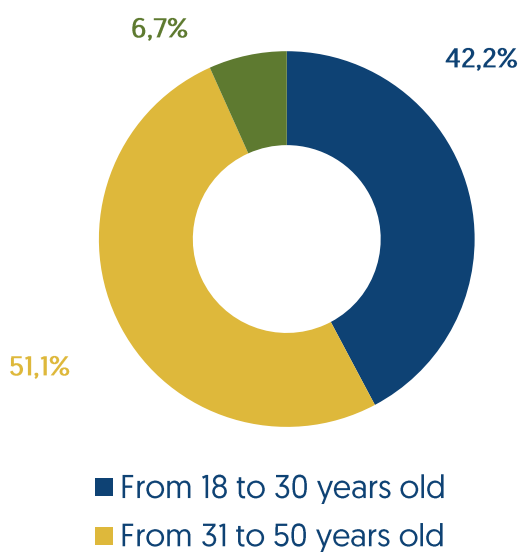
We know that our country is diverse, which makes it unique. We believe in the difference. By abstaining from stereotypes, we leverage the creative capacity of candidates, attracting and retaining these talents.

We are working to ensure an inclusive and equitable environment in our workplace and recruitment dynamics.

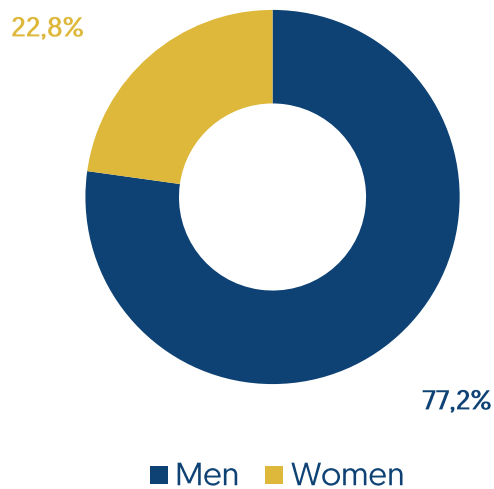
EMPLOYEES BY GENDER



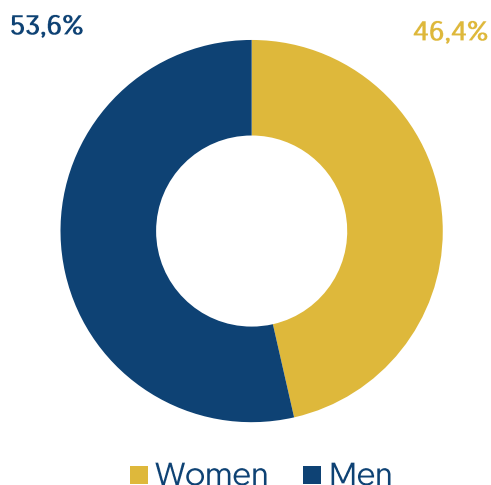
EMPLOYEES BY AGE GROUP



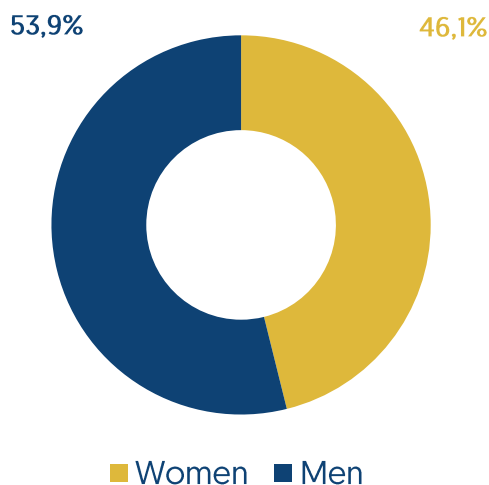
EMPLOYEES IN MANAGEMENT POSITIONS BY GENDER



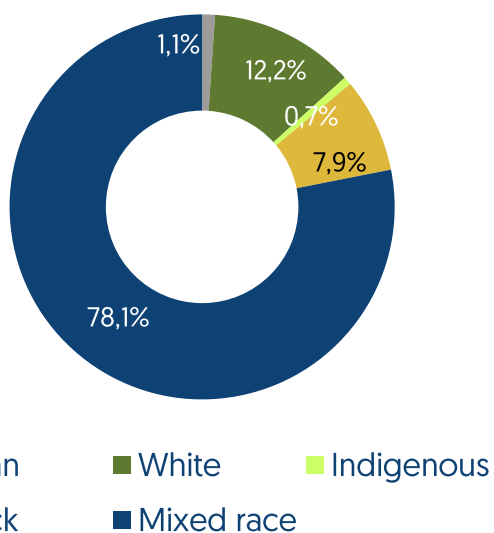
EMPLOYEES IN OPERATIONAL POSITION BY GENDER



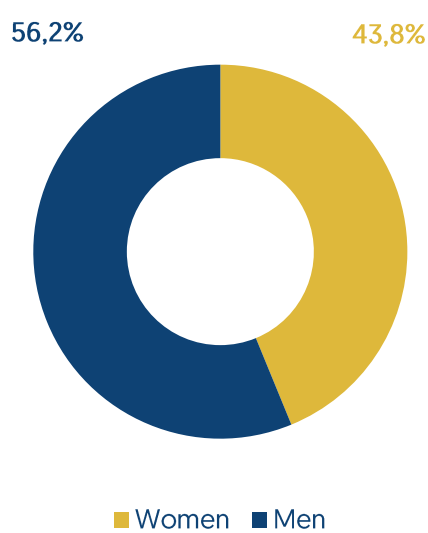
EMPLOYEES IN THE ADMINISTRATIVE BODY BY GENDER



EMPLOYEES BY ETHNICITY

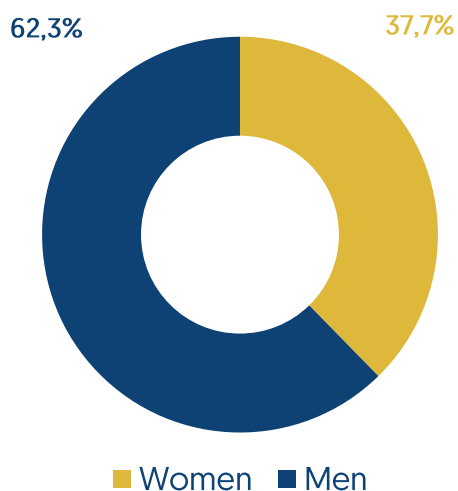


APPRENTICE EMPLOYEES BY GENDER

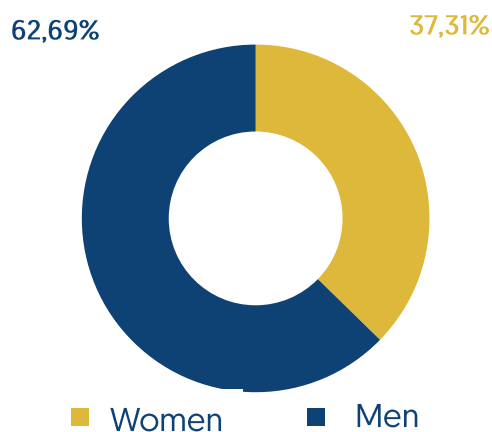


■ Asian
■ White
■ Indigenous
■ Black
■ Mixed race

EMPLOYEES WITH DISABILITIES BY GENDER



EMPLOYEE TURNOVER BY GENDER

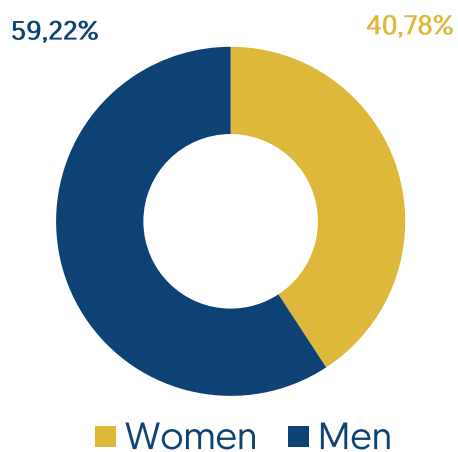


We are part of the society Vulcabras recognizes that there are sensitive differences between genders and races in terms of career aspiration in the Company. Thus, promoting social initiatives to include invisible groups that are the majority in society, whether by gender or race, in a homogeneous manner in all positions and units, became a goal.

In 2020, the number of hirings was higher than that of dismissals at Vulcabras. However, our turnover indicator remained at 18%. This indicates greater staff renewal and business activity, reinforced by the structuring of apprenticeship programs and expansion of our manufacturing plants.

fabris.

HIRING BY GENDER



DEVELOPMENT AND QUALIFICATION

GRI 404-1 | 413-1

When our employees start their activities at Vulcabras, they participate in integration programs focused on Organizational Culture, IMS Policy and the Contingency Protocol – COVID 19, and in operational training, which correspond to their respective roles. Leaders actively participate in demonstrating their activities to employees and encouraging their engagement.

Those in strategic or leadership positions also receive training and participate in weekly meetings with management.

In 2020, 43,659 hours of training were conveyed by the Human Resources team of the units, totaling 3.1 hours per employee.

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SESI and SENAI

Vulcabras has been a partner of the National Service for Industrial Training [Senai] and the Social Service for Industry [Sesi] for over 10 years. In 2020, 525 participants were benefited. Among the programs attended, we highlight the Worker's Education, Young Apprentice and qualification courses aimed at the activities performed in the company.



Sesi and Senai are Vulcabras partners in vocational courses

> SOCIAL MOBILIZATION

GRI 102-12 | 413-1

OLYMPIKUS

Olympikus, the largest sports brand in Brazil, with 46 years of tradition, carried out in 2020 actions and campaigns that directly or indirectly impacted the lives of millions of Brazilians. The brand's purpose of democratizing access to technology and the sports lifestyle was the backdrop for the brand's campaigns in 2020, with emphasis on its performance in the face of the sensitive situation that the entire country faced and still faces due to the COVID-19 pandemic. These actions reinforce that Olympikus has done much more than producing sporting goods and has contributed to Vulcabras' purpose of building a better country based on sport.

CORRE JUNTO BRASIL PROGRAM

In May, the brand launched the Corre Junto Brasil program with the objective of supporting Brazilians to obtain extra income and boost the economy, helping the community of sports professionals and encouraging the sale of national products.

The Program allows any professional, from the sports segment or any other, to obtain extra income from the sale of Olympikus products through the website and become a digital entrepreneur. By registering for the program - www.olympikus.com.br/correjuntobrasil - the professional, in addition to guaranteeing a 10% commission for each sale made, can also offer a 20% discount coupon on the brand's website to their students or network of relationship. Since its launch, in December 2020, the platform already has more than eight thousand registered users.

The launch of the project took place through a virtual meeting where the Olympikus team, brand partners and more than 150 influencers were present. With the meeting and the active media campaign, Olympikus has impacted around 23 million users on social networks.



ESCOLA DO CORRE

Moving forward with the strategy of supporting the sports community, Olympikus launched Escola do Corre, a digital platform created to generate deeper knowledge about digital entrepreneurship. With free access, the platform provides users with content produced by experts in digital entrepreneurship, to train and expand the revenue potential of these professionals with online sales initiatives.

At the website www.olympikus.com.br/escoladocorre there is a complete schedule, from basic courses on how to have a digital presence to more specific classes for those who want to promote posts and invest in online sales. The platform aims to equip anyone who wants to acquire some knowledge in the world of online sales and thus guarantee extra income.

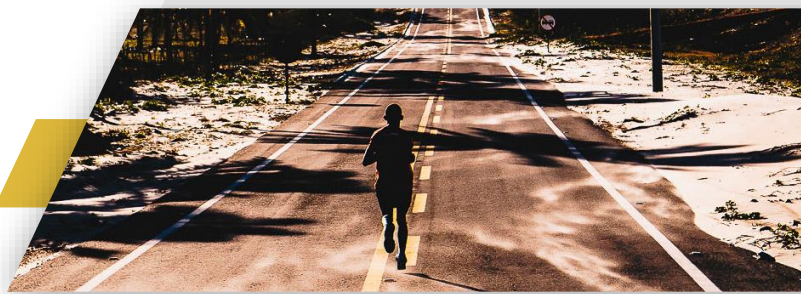
BOTA PRA CORRER

Genuinely Brazilian, Olympikus focuses on the racing category and to activate this community, in mid-2019, the brand launched the Bota pra Correr platform, a project that includes initiatives such as a racing circuit in new places in Brazil, product testing and training sessions with specialists that aim to democratize running in the country, linked to the pillars of people, products and experiences.

The first edition took place in Jalapão, State of Tocantins, and subsequently in Pantanal, State of Goiás, and in Alter do Chão, State of Pará. In these three editions, the brand hired local labor to work in the support and service fronts for the runners, thus promoting local economies.

ACREDITA NO CORRE

Starring singer Iza, who joined Olympikus' team to reinforce "Made by Brazilians" campaign, "Acredita no Corre" campaign highlights and amplifies the strength and representativeness of the Brazilian women. The campaign highlighted the importance of comfort and respect for the female body when it comes to physical activities. The partnership also brought a feminine look to the collections through launches such as the OLY 001 and CSI models, in the casual category.



FEITO POR BRASILEIROS

Valuing national production, the national economy and, above all, Brazilians who are dedicated to the brand. Bearing this in mind, Olympikus created the "Feito por Brasileiros" (Made by Brazilians) campaign aimed at praising the conscientious consumption of Brazilian products to strengthen the national economy.

The campaign revealed some of the 15 thousand employees behind the creation of the brand's shoes, in order to show people who are responsible for the products they consume. The central idea of this campaign is to reveal the hands that produce the best running technology in Brazil and that is on the feet of millions of Brazilians.

On the brand's social networks and on sneaker boxes, it is possible to learn about Vulcabras employees responsible for the production of each product. This is a straightforward and transparent manner to value the Brazilian workforce.



Singer IZA is an ambassador for Olympikus.

UNDER ARMOUR

Under Armour, the third largest multi-sport brand in the world, apart from the product campaigns, carried out in 2020 projects that supported the sports community during the critical months of the pandemic and reinforce the importance of sports practice for health and well-being whether during the pandemic or for the prevention of diseases such as cancer.

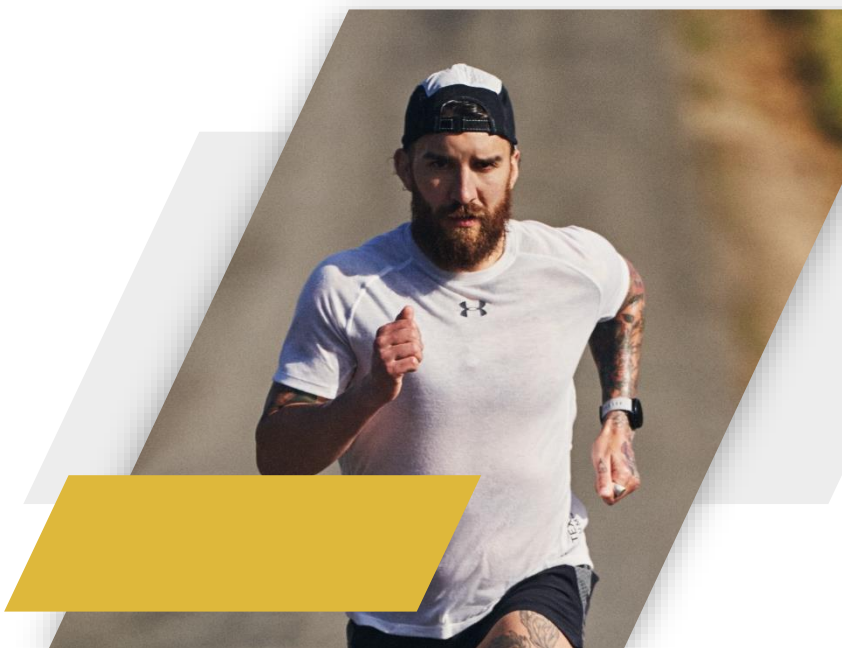
MOVIMENTO PELO ESPORTE

With gyms and parks closed in virtually all Brazilian states and social isolation recommendations, more than 500 thousand physical educators and personal trainers had their incomes severely affected. Thinking about them, in early May 2020, the brand launched the “Movimento Pelo Esporte” (Movement for Sport) project.

Carried out in partnership with Core 360º, a platform that connects students and teachers from all over Brazil, the initiative aimed to encourage the practice of sports, respecting social distancing, and to support both teachers and students. By means of the website – www.movimentopeloporte.com.br – sports practitioners of all levels were able to find teachers and personal trainers from all over Brazil and purchase 15 or 30 day online training plans to stay active even in quarantine.

To help publicize the project and add even more value to its audience, Under Armour produced a series of content on its social networks to highlight the importance of these professionals and encourage the practice of physical activities even at home. Several lives were held on the Under Armour Brazil profile on Instagram (@underarmourbrasil), with the participation of partner influencers and brand ambassadors athletes, such as Olympic champions Wallace Souza, Bruno Schmidt, and Alison Mamute.

The first phase of the Movimento Pelo Esporte project had the participation of more than two thousand professionals and managed to sell more than nine thousand classes through the project, helping these professionals during the quarantine period. Under Armour, aiming to help these professionals even more, doubled the amount invested and the service period of the plans acquired in the period.



In August, when sports lovers were resuming their training routine, the Movement debuted its second phase with a focus on training sports professionals. In this phase, athletes, physiotherapists, physical education and sports professionals were able to access the project's website and have access to a complete learning platform with the most relevant subjects and themes related to training, technology, innovation and leadership.

ENCARE ESSA CONVERSA

In partnership with the Brazilian Federation of Philanthropic Institutions for Breast Health Support (FEMAMA), Under Armour joined the Pink October discussions with the Encare Essa Conversa (Have This Conversation) campaign. In addition to generating content on the matter and reinforcing the importance of sports in combating the disease, throughout October, Under Armour used the reach of its social networks to share content on the issue, and hold lives with the participation of expert doctors and amateur athletes who beat breast cancer with the help of sports.

In addition to starting conversations and raising awareness about the issue, Under Armour also carried out a donation campaign. For each unit of the new TOP Infinity Bras sold in October, the brand donated R\$10 to FEMAMA to support the work carried out by the institution in providing quick and adequate access to the diagnosis and treatment of breast cancer.

LOCAL DEVELOPMENT

GRI 102-9 | 203-2 | 204-1 | 413-1

We remain committed to generating a positive social impact on the communities in which we conduct our main operations – the priority territory is the Northeast Region, which houses our manufacturing plants in the cities of Horizonte/CE and Itapetinga/BA.

MUNICIPALITIES THAT EMPLOYED THE MOST IN THE BRAZILIAN FOOTWEAR INDUSTRY IN 2020

RANKING	MUNICIPALITIES	JOBS [THOUSAND]	PARTICIPATION
1º	Sobral/CE	14,2	5,7%
2º	Nova Serrana / MG	11,9	4,8
3º	Campina Grande / PB	10,6	4,3
4º	Franca / SP	10,3	4,1
5º	Horizonte / CE	9,4	3,8
6º	Sapiranga / RS	9,2	3,7
7º	Birigui / SP	6,9	2,8
8º	Parobé / RS	6,0	2,4
9º	Novo Hamburgo / RS	6,0	2,4
10º	Campo Bom / RS	5,6	2,2
11º	Nova Hartz / RS	4,8	1,9
12º	Itapetinga / BA	4,5	1,8
13º	Quixeramobim / CE	4,3	1,8
14º	Igrejinha / RS	4,0	1,6
15º	Três Coroas / RS	3,7	1,5
16º	Santo Estevão / BA	3,7	1,5
17º	São João Batista / SC	3,6	1,5
18º	Rolante / RS	3,4	1,4
19º	Morada Nova / CE	3,3	1,3
20º	Itapipoca / CE	3,2	1,3
-	Other	118,8	48,0
-	BRASIL	247,4	100,0

*Source: Footwear Industry Sector Report | Brazil 2021

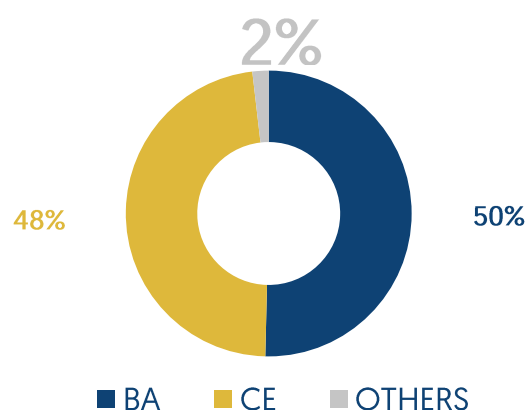
Note: Survey data were gathered in March 2021

We supported the creation of work and generation of income, by hiring employees from the surroundings, and also created indirect jobs, with companies that somehow relate to our businesses. In addition to the responsibility of being one of the main private employers in the municipalities where we operate, we foster the local economy by prioritizing contracts with suppliers located in these areas.

In 2020, we invested R\$ 270 million, equivalent to 45% of the total revenue from purchases of materials in Brazil used by the Company, in revenue from suppliers in the Northeast region, where our manufacturing plants are located.

SUPPLIER REVENUE - NORTHEAST

R\$ 270 million



By negotiating with local suppliers, we indirectly attract additional investments to the municipality and affect the Municipal Human Development Index. This business model is our strategy to ensure supply, support the stability of the local economy, develop the surrounding community and maintain relationships with it.

We reinforce our social responsibility by developing cross-sector partnerships with governments, civil society entities and other companies to work at these locations. We follow our principles and values by driving human and social development through educational and entrepreneurial initiatives.

For 2021, with the need to build even stronger relationships with suppliers and service providers to ensure that our chain is not ecologically compromised, we will carry out specific action plans by area with instructions and training in order to empower all stakeholders with knowledge in sustainability.



Horizonte-CE's HDI grew.

HEALTH AND SAFETY MANAGEMENT

GRI 403-1 | 403-3 | 403-4 | 403-5 | 403-7

Within the scope of the IMS, Vulcabras has the Occupational Health and Safety Management team that works to ensure better working conditions for its employees in accordance with the relevant legislation, as well as the company's internal rules. The Health and Safety management at Vulcabras is carried out with a focus on the prevention of accidents and occupational diseases.

The company's health and safety strategies are based on occupational risk assessments carried out by competent professionals with extensive knowledge in the market.

Vulcabras provides the employees, in its outpatient clinic, with health services at the workplace and at external medical clinics, during working hours, in order to maintain a culture of prevention. We conduct the examinations provided for in the Occupational Health Medical Control Program [PCMSO], evaluate the principles of occupational pathology, its causes, environments, working conditions and the risks to which each worker will be exposed, and we issue monthly and/or annual reports on the assessment of the examinations performed.

The participation of workers in the process of continuous improvement of activities is promoted, through consultations in suggestion boxes, bulletin boards, internal communication emails, meetings and activities of the members of the Internal Accident Prevention Commission [CIPA].

The company assembles and maintains the CIPA and Fire Brigade annually updated. CIPA carries out daily inspections by completing the Deviation Identification Form (FID), monthly inspections at the entrances to the warehouses in order to guide the use of PPE, provides daily support in the control and organization of queues in the cafeteria and assists in the dissemination of notices; the Fire Brigade activities include, if necessary, firefighting, rescue and area abandonment fronts.

In 2020, there were 40,900 hours of courses and training that vary according to the employee's role and the relevant legislation.

We maintain a training policy aimed at involving and improving workers' knowledge of preventive techniques and actions that reduce situations of accidents and occupational diseases.

Description	Participants	Frequency	Assessment
Security Integration	All employees	Admission	-
Operational Training – NR-12 (Specific according to the sector)	Production Assistant Machine Operator Lead Operator Production Supervisor Programmer Training Instructor	Admission Periodic Occasional	Through objective examination with a minimum average of 7.0
Towing Vehicle Operator	Operator designated to towing operation	Admission Periodic Occasional	Practical assessment
NR – 20 Training	Employees exposed to liquid and flammable products	Admission Periodic Occasional	Through objective examination with a minimum average of 7.0
Safety Dialog - DS	All employees	Occasional	-
Forklift Operator Training	Forklift Operator	Periodic Occasional	Through objective examination with a minimum average of 7.0
CIPA Training	Elected and appointed employees	Annual	-
Fire Brigade Training and Retraining	Appointed Employees	Biennial	Through objective examination with a minimum average of 7.0
Electric pallet truck training	Operator designated to the pallet truck operation	Admission Periodic Occasional	Through objective examination with a minimum average of 7.0

Our culture seeks to prevent and mitigate impacts on occupational health and safety directly linked to our business relationships. Accordingly, we provide Personal Protective Equipment (PPE), exams, training, events, educational campaigns, DDS, inspections and audits, Machine bans, safety disciplinary sanctions, safety signs, adaptations of operational tools, Facilities for protection of machinery and equipment, evaluations of workstations and changes in functions and preparation of Risk Analyses, Work permits and procedures.

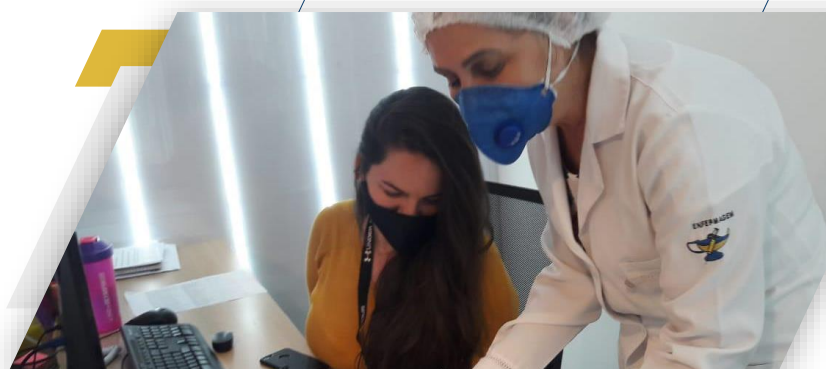
In addition, we have an Ergonomics Committee (Coergo) formed of designated employees from various sectors. This committee holds monthly meetings, discusses issues and plans actions related to ergonomics. The main focus is the improvement of workstations.

People is our great asset. We take care of **15 thousand professionals** on a daily basis. It is our commitment to always maintain the quality of our processes in managing the health and safety of our employees.

FIGHTING COVID-19

The predominant strategy in the Health and Safety plan in 2020 was the Sars_COV2 pandemic (Covid-19).

Within this plan, Vulcabras developed a work project, assembled a crisis committee, which later became a committee for opportunities, and developed a robust contingency protocol to ensure the health and safety of everyone involved in the company's operations.



Vulcabras bets on preventive measures against COVID-19 .

The purposes of this protocol are:

Setting Vulcabras' action strategy to face the new Coronavirus pandemic [Sars-Cov2] in line with the definitions of the Ministry of Health, Ministry of Finance, through the Special Labor Department, and the World Health Organization.

Setting procedures for the maintenance of the company's activities through a technical basis, aimed at flattening of the Covid-19 infection curve.

Developing contingency and communication activities for the company's stakeholders, as well as acting positively in guiding our employees.

Developing standardized work plans for all the company's operating units, aiming to constantly update the containment measures and continuous improvement of the fighting process.

Establishing guidelines for the resumption of business activities through activities to ensure the health and safety of all employees.

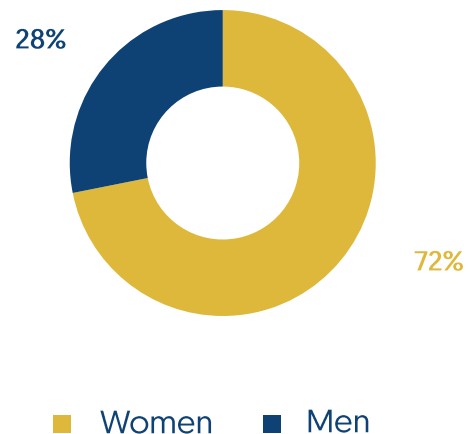
Our plan served as reference for several partners and municipalities, as a positive example project to combat the new coronavirus.

In our operational units, constant awareness was promoted to engage preventive measures against the new coronavirus, through DDS, signboards and audible devices, adaptation of the factory layout to ensure distancing, implementation of physical barriers, temperature measurement at the entrances, signaling the spacing in rows and common areas, provision of masks to employees, as well as gel and liquid alcohol, sanitization of vehicles at the entrance, sanitization of materials in the warehouse, daily sanitization of production areas, and places of people circulation, implantation of sanitizing mats, installation of sinks in high circulation areas, in addition to other measures.

During the entire period, remote assistance was provided to employees suspected of being infected with COVID 19. Home visits were also made to employees suspected of being infected, and guidance was provided via WhatsApp of our clinic on early diagnosis and prevention of COVID.

In 2020, 263 employees of the risk group were set on a leave of absence without any reduction in salary or benefits, namely: all pregnant women and people over 60 years of age or with co-morbidities.

EMPLOYEES FROM THE RISK GROUP ON LEAVE



In addition to activities to protect employees and partners, Vulcabras has invested heavily in social work to support stakeholders in the regions where we have our units, preparing our industrial parks at the most difficult time of the pandemic to manufacture protective equipment and donate it to health institutions, thus equipping front-line health professionals in the regions where the company is located.

Total donations included:

600,000 units of disposable masks

6,000 units of footwear for occupational use

400 pairs of shoes for professionals from other exposed occupations

60,000 washable masks

6,000 face shield units

With this, Vulcabras reinforced its commitment to operating safely and exercising our values, helping its stakeholders in the fight against the pandemic.



GOALS AND COMMITMENTS

GRI 102-15

Vulcabras aims to always improve its activities to ensure a better future through sports, and we know that the basis of all this are sustainable measures that can make the company's process environmentally correct, socially fair, culturally accepted and economically viable.



Bearing this in mind, the company established work fronts with specific objectives for the coming years, aiming at developing the following significant aspects:

Improving the environmental education of our employees

Constantly working to reduce GHG emissions.

Raising awareness on conscious use of materials through the 5R policy.

Minimizing our environmental impacts through the conscious use of resources such as water and energy.

Expanding social and environmental concepts to its non-productive units.

Continuously seeking to improve equity and fair work.

> REPORTING PROCESS

GRI 102-47 | 102-50 | 102-51 | 102-52 | 102-53 | 102-54

This is Vulcabras' 1st Sustainability Report. This edition covers the main reports from January 1 to December 31, 2020 and, possibly, 2021. As of this date, it will be published annually.

In order to establish our responsibility to society, being transparent in relation to corporate governance and our economic, environmental and social impacts, the report presents the management of material issues for Vulcabras and its stakeholders for the period.

Shareholders, business partners, suppliers, employees, customers and all communities are our target audiences to know and understand our organizational culture.

This report was structured according to the items of the GRI Standards: Vital Option.



Thinking about tomorrow is one of Vulcabras' values.

HOW THE CONTENT IS ORGANIZED

GRI 102-45 | 102-47 | 102-56 | 103-2 | 103-3

As the main objective of measuring our impact and establishing our responsibility to society, we guide the content of this report based on the results obtained in the engagement process, which was adopted by Vulcabras, in a manner consistent with the material matters identified as relevant by our stakeholders.

Management initiatives, assessment and approach and related GRI items are described throughout the report.

Management meetings, stakeholder surveys, institutional presentations, news and external market research, as well as material matters, the units' indicators and the materiality matrix, supported the content of this report.



The financial statements, audited by KPMG Auditores Independentes, follow the Brazilian reporting standards and the International Financial Reporting Standards (IFRS). Social and environmental indicators were carried out through the gathering of data from the internal records of our administrative and operational units in Brazil. Measurement techniques were used with absolute data from the reporting period to allow analyses of the change in Vulcabras' performance with the publication of the next Sustainability Reports, and in order to support analyses related to other companies.

We organize and identify, in an integrated manner with the GRI items, highlights of the year, context and market positioning, transparency in structure and management, strategies, form of operation, products and services, initiatives, process of creating value for stakeholders, and goals and commitments. We use this information to conduct critical analysis and develop action plans.

The ten Reporting Principles were understood and implemented to define the content and quality of the report.

The PDF version is available on Vulcabras' website at: <http://www.vulcabrasri.com/>.



> ENGAGEMENT PROCESS

GRI 102-21|102-40|102-42|102-43|

During the last quarter of the year, the Sustainability Area, together with the executive board, selected suppliers, workers' commissions, unions and customers who are significantly affected by our activities, products and services. At the end of this stage, the Executive Board and its stakeholders defined the materiality of the material issues.

Among the mechanisms adopted to meet the interests and expectations of stakeholders, a materiality survey was used with stakeholders, a survey was conducted with customers to measure satisfaction with the organization and our products, and we requested information from strategic partnerships to understand our indirect impacts and we held meetings with Management to align interests and expectations with material issues.

We adjusted the Organization's strategic planning, respecting our purpose of building a better country based on sports, in order to balance the different interests and expectations of stakeholders.

Stakeholders are involved in the preparation of the report and in the Company's activities by means of having the Direct to Consumer conducting satisfaction surveys on our organization and our products and applying monthly NPS to help support brand positioning and increasing sales, the Quality area understanding and mitigating the impacts of our supply chain, Human Resources area training, recruiting and seeking to develop our employees in an inclusive and equitable manner, the SESMT area training our people and preventing accidents and occupational diseases, the Environment area managing environmental impacts, the Finance area preparing our quarterly and annual financial statements, and the IMS area managing the continuous improvement tools when handling relationships with these sectors. Management validates all measures, and the sustainability area, integrated to IMS, prepares the report.

The main challenge during the process was to educate the parties involved about the importance of sustainability for the longevity of the business.



At Vulcabras, training is continuous.

> PROCESS FOR DEFINITION OF THE MATERIAL MATTERS

GRI 102-46

The material matters were defined throughout 2020.

Initially, 46 matters were selected. At the end of the assessment of materiality of the matters, seven were listed, which were used to map the reporting. During the analysis, prioritized based on Vulcabras' strategic plan, we evaluated aspects impacted by our business model.



Vulcabras' Footwear Technology and Development Center is the largest in Latin America.

MATERIAL MATTERS

GRI 102-15|102-44| 102-47|103-1

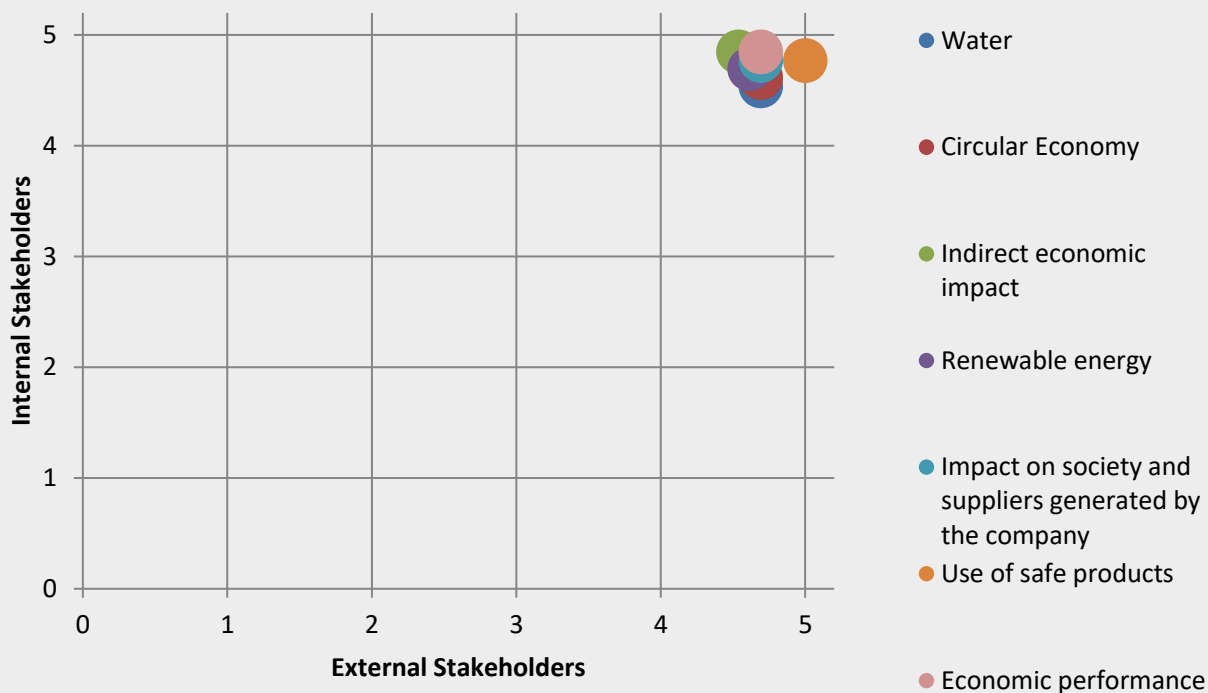
Material Matter [GRI 103-1]	Description [103-1]	Where it happens	Related aspects and disclosures
			Related GRI
Environmental Matters			
Water	Water replacement made possible by the effluent treatment system and reuse in the units located in points with water stress	Operating Units, Water Resources, Stakeholders	Environmental impact
			103-2 103-3 303-1 303-2 303-5
Circular Economy	Relationship with more than 20 strategic partners that use our recyclable waste as raw material. All of these are intended for local companies, where they generate income and employability.	Operating Units, Economic Partners, Suppliers, Environment	Materials
			103-2 103-3 301-1 301-2 306-1 306-2 306-3 306-4 306-5
Renewable energy	Recent purchase of wind energy from Casa do Ventos for use in the units	Operational Environment units,	Climate Change
			103-2 103-3 201-2 302-1 305-1 305-2 305-3
Economic Matters			
Economic performance	Investment capacity linked to direct and indirect impact, ensuring the continuity of the business imperative and economic development of strategic areas in an intentional and genuine manner	Corporate management, Shareholders, Employees, Stakeholders	Economic and financial performance
			102-5 102-18 102-29 103-2 103-3 201-1
Indirect economic impact	Participation in the performance of the City Development Index [CDI] in the municipalities where the company's units are located, as it influences employability and professional growth, increases the population's income level, encourages the expansion of the service sector, commercial activities and greater formalization of the economy	Employees, Society in general	Job and income generation
			102-8 103-2 103-3 203-2 204-1 413-1
Social Matters			
Impact on society and supplier generated by the company	Will to develop skills and competences for hiring the local population. Emergence of local suppliers and regional economic development.	Society in general, Supplier, Municipalities where the units are located	Working condition
			102-8 103-2 103-3 203-2 204-1 401-1 403-1 403-3 403-4 403-5 403-7 405-1
Use of safe products	Evaluating the impacts of products and services and being transparent about them confirms the relevance of Vulcabras in the market in terms of responsible consumption	Supply Chain, Economic Partners, Consumer, Environment	Supply chain
			102-9 103-2 103-3 416-1

>

MATERIALITY

GRI 102-43 | 102-44 | 102-46

MATERIALITY MATRIX



> AWARDS AND ACCOLADES

GRI 102-15



2019 ABICALÇADOS MANAGEMENT AWARD – BEST CASE IN INDUSTRIAL MANAGEMENT SYSTEM

Award given for the intense development by the company in its industrial parks in terms of technology, but mainly in the implementation of sustainable measures such as water reuse, energy saving, use of 100% led lamps and efficient waste management.

2019 FIEC ENVIRONMENTAL PERFORMANCE AWARD - BEST CASE IN WATER SAVING AND REUSE

For the REUSE AND ECONOMY OF WATER project in large industry of Ceará Federation of Commerce, Industry, Services and Agriculture Associations (FIEC). This award is to recognize industrial companies that stand out in environmental conservation and implement activities that lead to the improvement of environmental quality.



2020 PROTECTION AWARD - BEST CASE IN HEALTH AND SAFETY IN THE NORTHEAST REGION

In view of the success of the Occupational Hygiene project, Brazil Protection awarded Vulcabras with the Golden Helmet, as the best case in Occupational Health and Safety in the entire Northeast region. It was awarded among all existing categories.



> AWARDS AND ACCOLADES

GRI 102-15



2020 PROTECTION AWARD - BEST CASE IN OCCUPATIONAL HYGIENE BRAZIL

Vulcabras was awarded by PROTEÇÃO BRASIL in 2020 with the best case [GOLD] in occupational hygiene in Brazil. In total, more than 155 projects were registered and the company was awarded for the implementation of the thermal comfort project at its unit in the city of Horizonte, state of Ceará.

GOLD CERTIFICATION OF SUSTAINABLE ORIGIN – ABICALÇADOS, USP SUSTAINABILITY LABORATORY AND ASSINTECAL

Developed by the Sustainability Laboratory of the University of São Paulo (USP) together with the Brazilian Association of Leather, Footwear and Artifact Component Companies (Assintecal) and the Brazilian Footwear Industries Association (Abicalçados), the certification labels companies with sustainable performance based on the Environmental, Social and Cultural economic pillars.

The Certification is recognized by the World Congress on Sustainable Technologies, at the University of Cambridge, as a case of success and an example of sustainability. In an audit carried out at the Horizonte/CE Factory by a certification company with worldwide recognition, the company fulfilled 100% of the important requirements, guaranteeing the Gold Seal certification, The highest possible for a company with less than two years of certification.

Vulcabras – CE thus becomes the first sports shoe company to obtain certification, in addition to being the first shoe industry certified with the Gold Seal outside the State of Rio Grande do Sul.



> FUTURE VISION

GRI 102-15| 102-52

We understand that the disclosure of our first sustainability report is only one step in a great journey for a better world. This path, which is long, is in the point of view of Vulcabras, which has been doing its part every day, listening to its stakeholders and seeking to make everyone involved in its processes aware in the search for a more sustainable joint result. Considering the general scenario, the company understands its responsibility and commitment to the difficulties present in the national and world market and its main objective is to continuously optimize its results

in the social, environmental and economic spheres, thus creating high performance projects, continuous development of people and technologies and also minimizing economic fluctuations of market uncertainties through the solidification of its programs, brands and projects, generating value to all its stakeholders directly or indirectly.



> GRI SUMMARY

GRI 102-55

GRI - GLOBAL REPORTING INITIATIVE [2020]

Macro	General	Item	Page	Lack of information	ODS
ORGANIZATION PROFILE	GRI 102 General Disclosure 2016	102.1: Organization Name	5		-
		102.2: Activities, Brands, Products and Services	5,13,16,34,52		-
		102.3: Location of Headquarters	7		-
		102.4: Location of operations	7		-
		102.5: Shareholding control and legal form	24,43		-
		24.43 - 102.6: Operating markets	5,7		9, 12
		102.7: Size of the Organization	5,7,13,59		9
		102.8: Information on employees and other activities	33,59		5, 8, 10
		102.9: Supply Chain	29,66		8, 12
		102.10: Significant changes in the organization and its supply chain	5,11,52,59		8.12
		102.11: Approach to the precautionary principle	11,28,54		8, 16
		102.12: Externally developed initiatives	33,63		17
		102.13: Participation in associations	33		17
STRATEGY	GRI 102 General Disclosure 2016	102.14: Statement by the President	4		12
		102.15: Main impacts, risks and opportunities	4,11,13,29,42,52,70,75,77,78,79		12
ETHICS AND INTEGRITY	GRI 102 General Disclosure 2016	102.16: Values, principles, standards and norms of behavior	4,8,9,27,29,52,59		16
		102.17: Advice mechanisms and ethics concerns	27		16

GRI SUMMARY

GRI 102-55

GRI - GLOBAL REPORTING INITIATIVE (2020)

Macro	General	Item	Page	Lack of information	ODS
GOVERNANCE	GRI 102 General Disclosure 2016	102.18 Governance structure	24,42		16
		102.19: Delegation of authority	42		-
		102.20: Executive level as responsible for economic, social and environmental topics	42		-
		102.21: Consultation with stakeholders on economic, social and environmental issues	73		16
		102.22: Composition of the highest governance body and its committees	24		16
		102.23: President of the highest governance body	24		16
		102.24: Appointment and selection of the highest governance body	24		-
		102.25: Conflict of interest	28		16
		102.26: Role of the highest governance body in defining values, purpose and strategy	24,42		-
		102.27: Collective knowledge of the highest governance body	42		-
		102.28: Performance evaluation of members of the highest governance body	42		-
		102.29: Identification and management of economic, social and environmental impacts	28,29,32,39		12, 16
		102.30: Effectiveness of risk management processes	28		-
		102.31: Review of economic, social and environmental topics	42		-
		102.32: Role of the highest governance body in the sustainability report	42		-
		102.33: Communication of critical issues	39		-
		102.35: Compensation policies	26		-

GRI SUMMARY

GRI 102-55

Macro	General	Item	Page	Lack of information	ODS
ENGAGEMENT OF STAKEHOLDERS	GRI 102 General Disclosure 2016	102.40: Stakeholder group list	73		17
		102.41: Collective bargaining agreements	33		-
		102.42: Identification and selection of stakeholders	73		8, 17
		102.43: Approach adopted by the organization to involve stakeholders	29,32,33,34,39,73,76		17
		102.44: Main topics and concerns raised	75,76		9, 12, 17
		102.45: Entities included in the consolidated financial statements	43,72		-
		102.46: Definition of report content and boundaries of material topics	3,74,76		12
		102.47: List of material topics	71,72,75		12
REPORTING PRACTICES	GRI 102 General Disclosure 2016	102.48: Reformulation of information	-	Not applicable. First sustainability report, so there was no reformulation of information.	-
		102.49: Changes to the report	-	Not applicable. First sustainability report, so there were no changes in the report.	-
		102.50: Reporting period	71		-
		102.51: Date of most recent previous report	71		-
		102.52: Reporting cycle	71,79		-
		102.53: Contact for questions about the report	86		-
		102.54: Reporting approach in accordance with GRI standards	71		-
		102.55: GRI Content Summary	80,81,82,83,84,85		-
		102.56: External			

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ECONOMIC PERFORMANCE	GRI 103 Management Approach 2016	103.1: Explanation of materiality and its limit	75		-
		103.2: Management approach and its components	72		-
		103.3: Management approach assessment	72		-
	GRI 201 Economic Performance 2016	201.1: Direct economic value generated and distributed	4,13,43		8
		201.2: Financial implications and other risks and opportunities related to climate change	28,55		8, 13
SOCIAL PERFORMANCE (EMPLOYMENT)	GRI 103 Management Approach 2016	103.1: Explanation of materiality and its limit	75		-
		103.2: Management approach and its components	72		-
		103.3: Management approach assessment	72		-
	GRI 203 Indirect Economic Impacts 2016	203-2: Significant indirect economic impacts	66		8, 9, 12
	GRI 204 Purchasing Practices 2016	204.1: Proportion of expenses with local suppliers	66		8, 9, 12
	GRI 401 Employment 2016	401.1: New employee hires and turnover	59		8
	GRI 413 Local Communities 2016	413.1: Engagement operations, impact assessments and development programs aimed at the local community	62,63,66		9, 16

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	GRI 301 Materials 2016	301.1: Materials used, broken down by weight or volume	57		11, 12
		301.2: Raw materials or recycled materials used	57		11, 12
	GRI 302 Energy 2016	302.1: Energy consumption within the organization	55		7, 12
	GRI 303 Water and Effluent materials 2018	303.1: Interactions with water as a shared resource	54		6, 12
		303.2: Management of impacts related to water discharge	54		7, 12
		303.5: Water consumption	54		-
	GRI 305 Emissions 2016	305.1: Direct greenhouse gases (GHG) emissions (Scope 1)	55		13, 12
		305.2: Indirect greenhouse gases (GHG) emissions (Scope 2) from energy acquisition	55		13, 12
		305.3: Other indirect greenhouse gases (GHG) emissions (Scope 3)	55		13, 12
	GRI 306 Waste 2020	306.1: Generation of waste and significant impacts related to waste	57		6, 12
		306.2: Management of significant impacts related to waste	57		6, 12
		306.3: Waste generated	57		6, 12
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	GRI 403 Occupational Health and Safety 2018	403.1: Occupational health and safety management system	67		3, 8
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		403.4: Worker participation, consultation and communication to workers regarding occupational health and safety	67		3, 8
		403.5: Training of workers in occupational health and safety	67		3, 8
		403.7 : Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	67		3, 8
	GRI 416 Consumer Health and Safety 2016	416.1: Assessment of health and safety impacts caused by categories of products and	29		3, 8, 12
TRAINING AND EDUCATION	GRI 103 Management Approach 2016	103.1: Explanation of materiality and its limit	75		-
		103.2: Management approach and its components	72		-
		103.3: Management approach assessment	72		-
	GRI 404 Training and Education 2016	404.1: Average number of hours of training per year per employee	62		4, 8, 12
>> DIVERSITY AND EQUAL	GRI 103 Management Approach 2016	103.1: Explanation of materiality and its limit	75		-
		103.2: Management approach and its components	72		-
		103.3: Management approach assessment			

> YOUR OPINION IS IMPORTANT TO VULCABRAS

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We are committed to continually improving our reporting process. Reporting our economic, social and environmental indicators is not only transparent in being accountable to society, but also promotes our organizational culture and corporate responsibility in light of good practices. Therefore, be part of this process by sending your feedback, comment, question or request for clarification about the report to our sustainability and investor relations areas.

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