

Track & Field

ANNUAL
REPORT
2023



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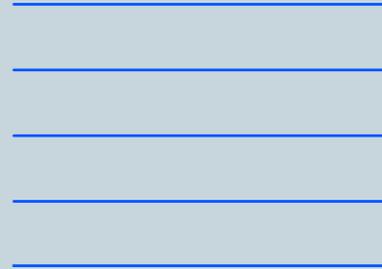
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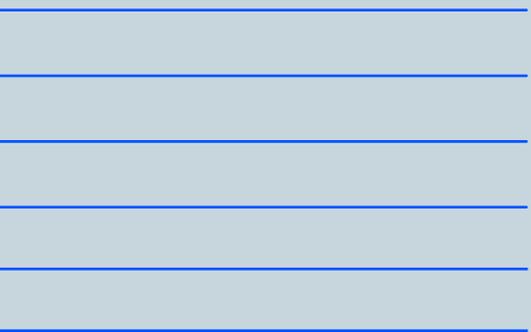
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INTRODUCTION

We continue our commitment to transparency by publishing this second Annual Report, for the year 2023, in which we share significant progress in line with our mission and our ESG Plan. The progress achieved, as well as the challenges faced by our operations, during the period from January 1st to December 31st, 2023, are presented in this report and reflected in our financial statements. All our businesses¹ are considered and managed as a single economic entity, encompassing the development and marketing of sports and leisure products in general, the organization of sports events, and operations in the food segment. [GRI 2-2, 2-3](#)

This publication was prepared based on the Global Reporting Initiative (GRI 2021) standards, an international reference that

guides companies in various sectors to communicate their impacts on the environment, economy, and society, including issues related to human rights. It also incorporates indicators from the Sustainability Accounting Standards Board (SASB) for the Apparel, Accessories, and Footwear sector, ensuring international standards in transparent disclosure of material sustainability information. Additionally, for the first time, we have considered the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) for communicating our practices in identifying and managing risks and opportunities related to climate change.

The content of this report was defined after the materiality process, detailed on page

69, and drafted based on interviews with directors and executives directly involved in our strategy. We also rely on information gathered by different areas of our team and analyzed with the support of external consulting. Finally, we submitted this report for validation to the Sustainability Committee, the Audit Committee, the Executive Board, and the Board of Directors, as well as for limited assurance by an independent auditor. [GRI 2-14](#)

We are open to clarifying doubts and receiving suggestions; for that, please contact us at the email esg@tf.com.br, and we appreciate your interest in our journey. [GRI 2-3](#)

1. Track&Field Co S.A., Track&Field Franchising Ltda., TFSports Eventos Esportivos Ltda (current name of Real Time Sports Ltda.); Retail Solutions Assessoria e Consultoria de Merchandising Ltda., Fratex Licenciamento de Marcas Ltda., The Track&Field Store INC., TFC Food&Market Ltda. (current name of Track&Field Café Ltda.).

MESSAGE FROM *EXECUTIVE BOARD* GRI 2-22

The pursuit of physical and mental well-being has emerged as one of the main changes in consumer behavior in recent years, strengthening our purpose of **connecting people to an active and healthy lifestyle**. In 2023, we impacted over 250,000 people by hosting 2,925 events and experiences through the TFSports platform. We maintained our expansion pace and increased our reach, closing the year with 359 stores in 25 states and the Federal District.

The year 2023 was also marked by the consolidation of our positioning as a true well-being ecosystem. Driven by a strategic combination of innovation and new business fronts, we achieved record

results, maintaining double-digit growth levels in sales in all quarters. We also got even closer to our customers, proving that "Every movement is Track&Field."

We reached 27% of the network operating under the Experience Store concept, with eight featuring TFC Food&Market, a laboratory exploring the potential of the healthy food and supplementation market. The revitalization of our stores has yielded significant results, with visible improvements in post-renovation performance, anchored by the diversification of our offerings and a total focus on providing the best possible experience for our customers.

Our commitment to omnichannel also stood out, with social selling representing a significant portion of total sales and a notable increase in ship-from-store, with the majority of online sales already invoiced by physical stores. This advance reflects the successful integration between physical and digital channels, also allowing the growth of tfmall, our curated marketplace with premium sporting and well-being items, which in 2023 expanded the number of partner brands and gained relevance.

We also reinforced our commitment to sustainability by releasing the ESG Plan, which guides our actions towards environmental and

social issues. We've already made significant progress, such as defining the diversity and inclusion agenda, restructuring the social and environmental assessment and monitoring program for the supply chain, and developing the Solid Waste Management Plan. We also conducted another greenhouse gas emissions inventory and neutralized our scope 1 and 2 emissions. Additionally, we conducted an identification of risks and opportunities related to climate change, which were integrated into our corporate risk matrix.

We thank the attitude, dedication, and collaboration of our 1,607 team members, our Board of Directors and its advisory committees, franchisees, and our suppliers, as well as the trust of our shareholders, customers, and partners. Together, we will

continue to strengthen our well-being ecosystem, focusing on our growth plan and process and operational efficiency, while also reinforcing our TFSports events and experiences platform.

Thank you!



**FRED
WAGNER**
CEO of TFSports

**FERNANDO
TRACANELLA**
CEO of Track&Field

MESSAGE FROM *BOARD OF DIRECTORS*

GRI 2-22

We ended 2023 with the certainty that we played an important role in building societal well-being. This commitment is encapsulated in our mission to **Connecting people to an active and healthy lifestyle** and is reflected in the company's initiatives, which prioritize a transparent and responsible approach in all spheres. Based on solid principles, our governance model has matured over time, demonstrating its effectiveness in conducting business.

In line with our growth and efficiency plan, the year was marked by an internal reorganization in the Executive Board, which, in addition to representing the evolution of governance, recognized the

results of the work of talented professionals. With this move, we took another significant step to accelerate the company's growth strategy, directing efforts towards the core business while also driving its key growth avenues.

The appointment of Fred Wagner as CEO of TFSports directed his entrepreneurial vision towards the well-being platform, in addition to his position as Vice President of Strategy and New Business at T&F, focusing on innovation and new revenue streams. This transition also resulted in the appointment of Rafael Yanes as Chief Operating Officer, bringing with him over 15 years of experience in the sports events and experiences sector. At Track&Field, we promoted

Fernando Tracanella to the position of CEO, ensuring his full dedication to the expansion and optimization of the company's core operations. With five years of experience in key roles within the organization, his outstanding leadership qualifies him to continue the progress achieved in recent years. Furthermore, Patricia Abibe's promotion to CFO and Chief Investor Relations Officer further strengthens the female representation within our leadership team. With 25 years of experience and nearly 10 years at the company, Patricia has ensured a solid capital structure and high profitability performance.

Regarding the results, we celebrate the consolidation of our wellness ecosystem with the expansion of our network and renovations of existing stores, adopting the Experience Store concept to enhance the customer experience. Omnichannel initiatives, such as ship from store and pick up in store, boosted our digital presence, contributing to revenue growth. Our sports events, such as the

Santander Track&Field Run Series, the Track&Field Open Beach Tennis, and the Track&Field Experience, brought together thousands of participants across Brazil, reinforcing our purpose. We also proudly highlight the *Continue em Movimento* (Keep Moving) project, which offers daily classes online and free of charge of various sports.

We have advanced our sustainability agenda: we identified climate risks and opportunities in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), demonstrating our commitment to making informed decisions in the face of these challenges. We also restructured our socio-environmental supply chain monitoring program, reflecting our commitment to driving the social and environmental agenda in close collaboration with our business partners. All of this is supported by the Sustainability Committee, which plays a crucial role in monitoring the implementation of our ESG Plan.

Everything we have done and presented in detail throughout this Annual Report reaffirms our commitment to contributing to a more active and healthy society. And this is only possible thanks to the dedication of our employees, franchisees, members of the Executive Board, the Board of Directors, and committees, to whom I extend my deepest gratitude. I would also like to thank our partners, customers, and shareholders who inspire us to build an ever-improving company focused on shaping a more sustainable and prosperous future.



GABRIELA BAUMGART
Chairman of the Board of
Directors of Track&Field

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OUR MOVEMENT IS **TRACK&FIELD**

We are an integrated ecosystem focused on well-being, made up of two main business fronts: Track&Field and TFSports.

Track&Field, founded in 1988 as a sportswear company, has become a benchmark in the Brazilian market over 35 years, with a significant presence evidenced by a network of 359 stores across 25 states and the Federal District, comprising both company-owned and franchised establishments.

We offer a wide portfolio of products for all age groups, including sportswear, accessories, footwear, and watersports gear. Our concept stores, in the Experience Store format, provide a personalized approach, from product selection to participation in events and meetings with specialized trainers. Furthermore, our omnichannel strategy keeps us strongly integrated with the digital world.



TFC Food&Market, part of Track&Field, offers healthy food and drink options, both for consumption on site and for purchase, with carefully selected products. Our product offering is expanded by tfmall, a curated marketplace featuring premium wellness products, where customers have access to a carefully selected range of items that meet the highest standards of quality and innovation.

TFSports, another important business front, has been consolidating itself as one of the largest wellness platforms in the country, promoting and integrating the entire ecosystem of experiences, products, and services related to wellness. Starting in 2024, TFSports will undergo a process of expansion and digital transformation, gaining strength to evolve into a healthtech company.



TRACK&FIELD ECOSYSTEM

GRI 2-6



Track & Field

Sportswear & sports accessories, footwear and watersports.



Coffee shop and minimarket, with an exclusive menu and curation.



Curated marketplace with premium products oriented towards an active and healthy lifestyle.



A platform that integrates our entire events ecosystems and well-being experiences, providing street races; beach tennis tournaments; free online classes for different sports modalities; in addition to other experiences.

OUR MISSION

Connecting people with an active and healthy lifestyle.

OUR VISION

Creating products and experiences that exceed customer expectations, efficiently expanding our presence in the Brazilian market.



OUR VALUES

INTEGRITY

- Ethical sense
- Honesty
- Transparency
- Coherence
- Justice

RESPECT

- Empathy
- Humility
- Listen without judgment
- Respectful communication
- Follow rules and agreements

COLLABORATION

- Sense of collectivity
- Team work
- Customer solution focus
- Sharing ideas and goals
- Learning together
- Asking for and giving feedbacks

BUSINESS MINDFULNESS

- Growth mindset
- Well-founded decision making
- Improve and innovate
- Take risks responsibly
- Efficiency
- Sustainability

CUSTOMER SUCCESS

- Customer-centric decision-making
- Add value to products and experiences
- Meet and exceed customer expectations
- Develop our franchisees
- Spirit of serving
- Listening and acting as an ambassador for our client



PURPOSE

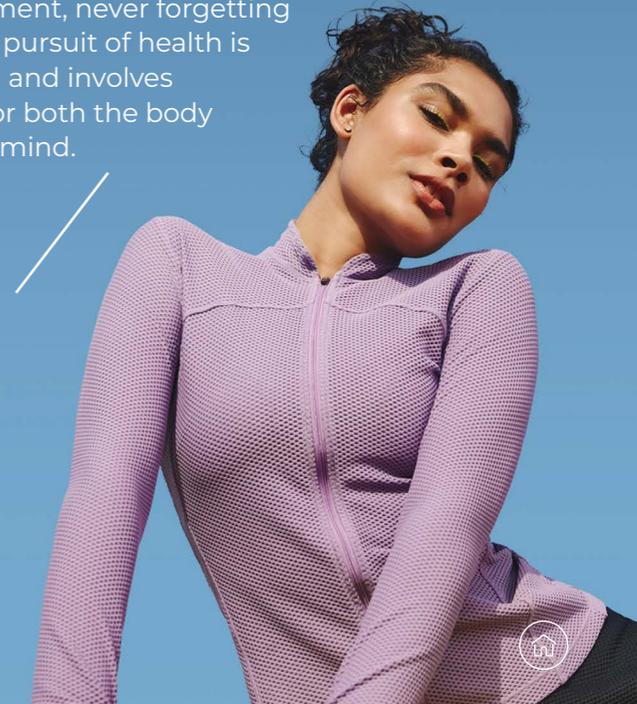
A healthy life requires balance.

The role of the Track&Field brand is to make balance possible, knowing that it is unique and different for each person.

It is to inspire, through sports, the pursuit of well-being and to show that, to accelerate, breathing is fundamental.

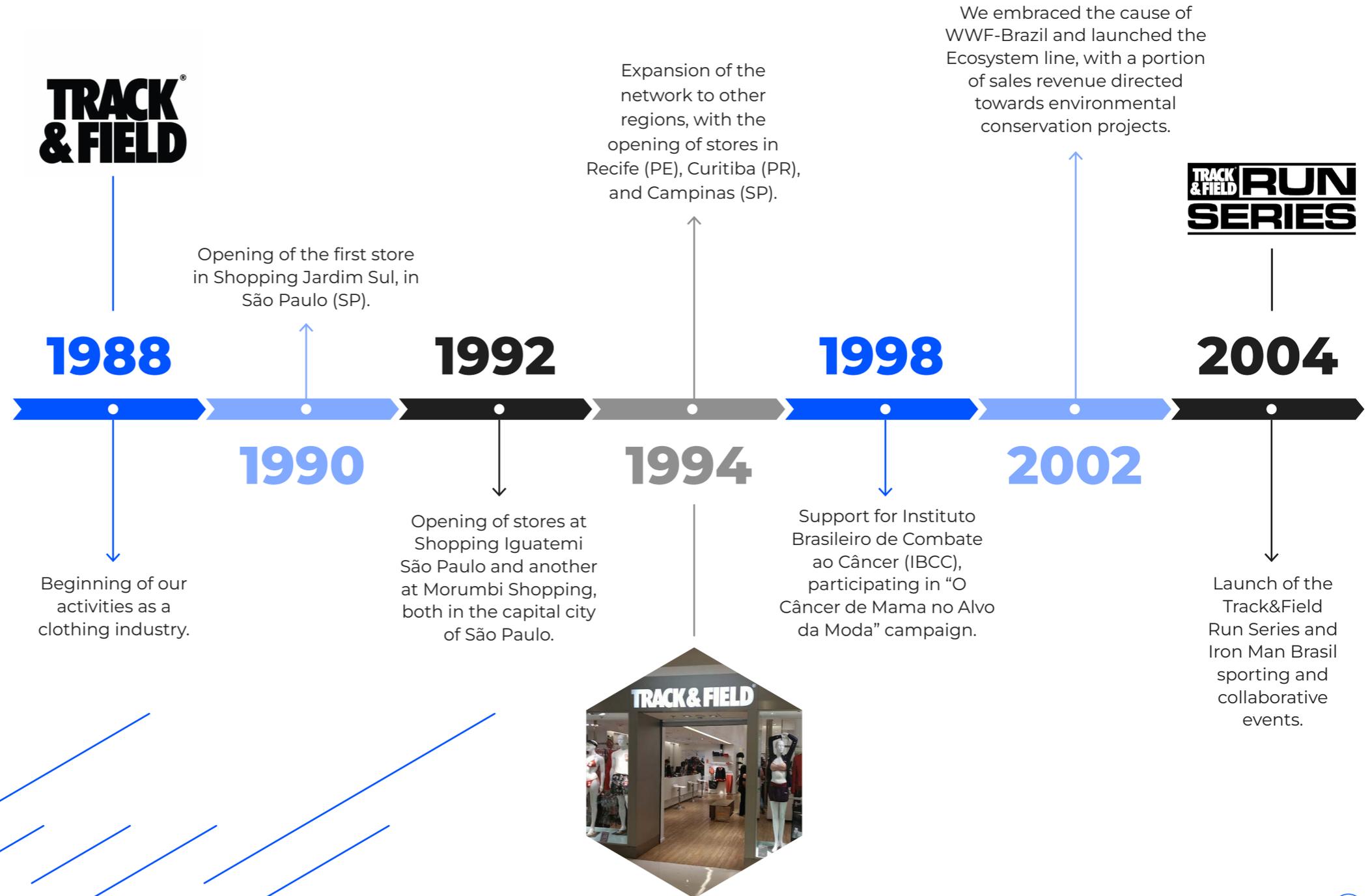
This conviction must be present in everything we deliver: from the product to the store, from the content to the experience. Always striving to exceed expectations.

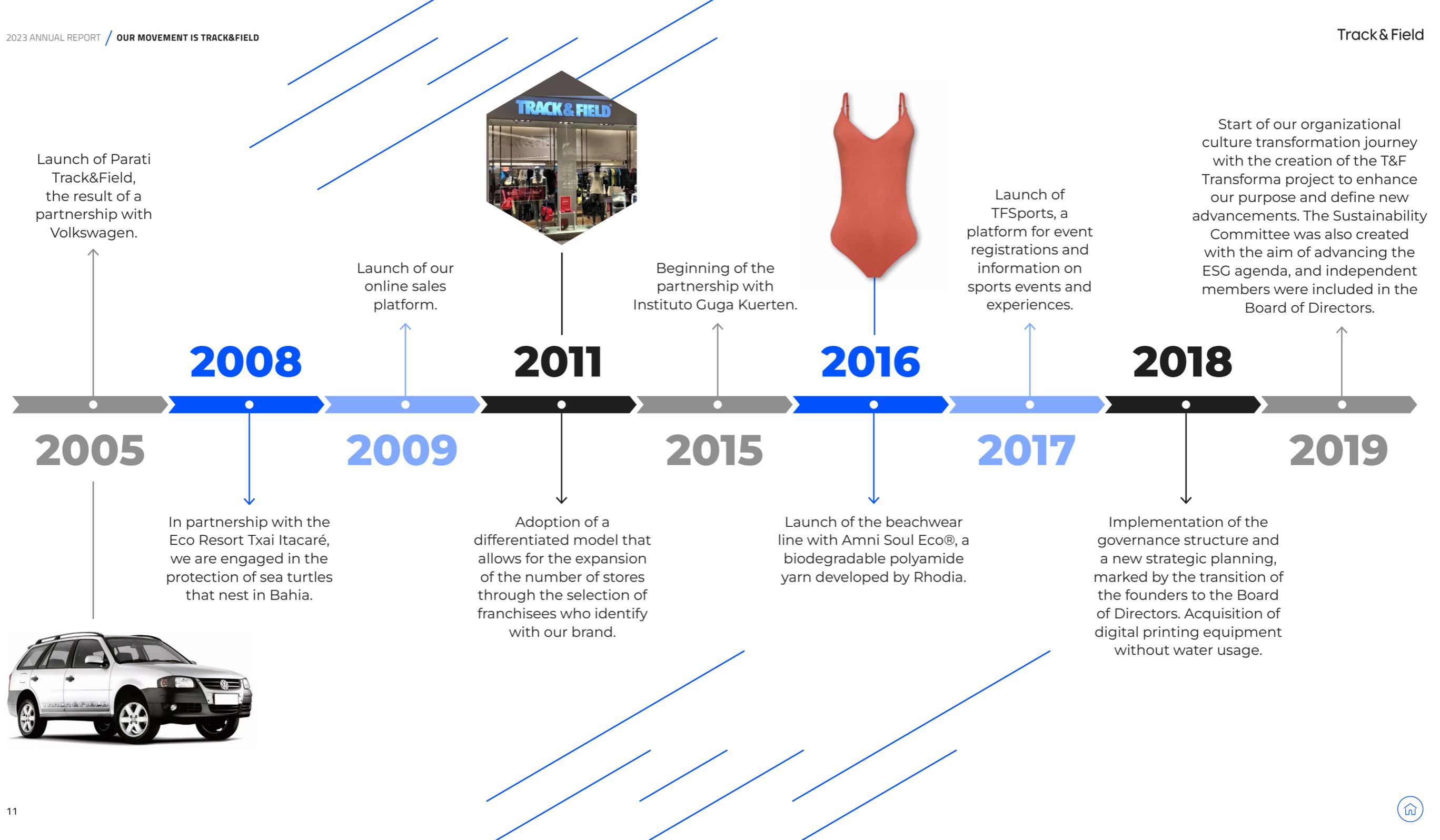
Yes, indeed, we will encourage a healthy and more natural lifestyle, respecting the environment, never forgetting that the pursuit of health is ongoing and involves caring for both the body and the mind.



TIME LINE

Our story began in 1988 when friends Alberto Azevedo, Fred Wagner, and Ricardo Rosset envisioned a sportswear brand. Over these 35 years, we have consolidated our national presence with quality products, fostering an active and healthy lifestyle.





Initial public offering of shares on B3 - Brasil, Bolsa, Balcão. We also started omnichannel operations (pickup in store and ship from store).



2021

We defined our ESG Plan 2025, outlining our sustainability commitments. In the post-pandemic recovery, TFSports eliminated the use of plastic for hydration at its events, adopting measures to reduce waste and waste. We expanded our Experience Store network, initiated operations for the infinite storefront and the marketplace (tfmall), and inaugurated a factory in Joinville (SC). We replaced the digital printing equipment, resulting in a significant increase in the production capacity of T-shirts, benefiting our events and franchisees.



2023

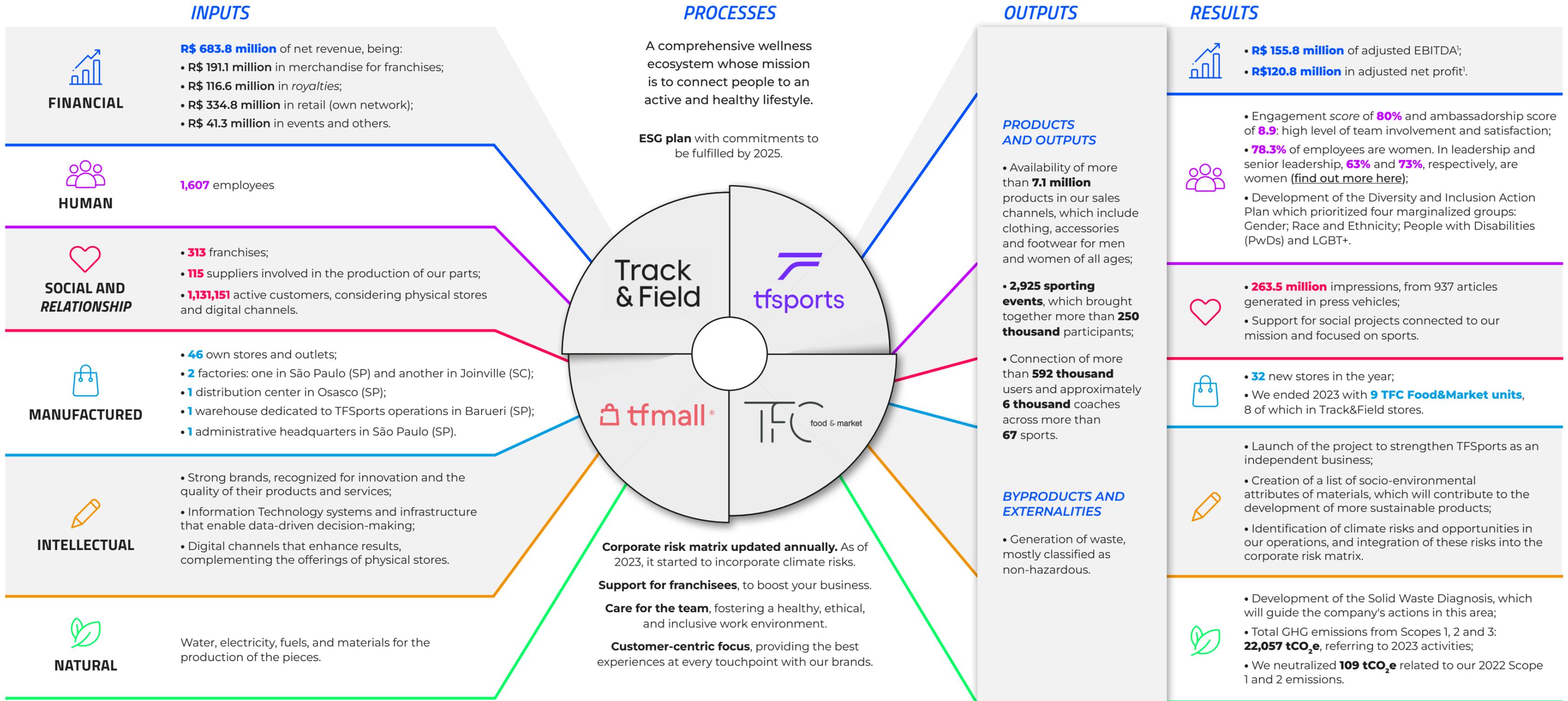
2020

In our strategy of private social investment, we began supporting Escola de Atletismo de Paraty through a partnership with Comunitas, within "Juntos, Educação pelo Esporte" Program. We began implementing the ESG agenda, resulting in the publication of the "Our ESG Journey" report, and conducting diagnostics to define our sustainability strategy. Additionally, this period is marked by the opening of the first Experience Store, TFC Food&Market at Shopping Iguatemi São Paulo, and the opening of the distribution center in Osasco (SP).

2022

We published our first Annual Report for the year 2022, launched the ESG Plan 2025, created our Diversity and Inclusion Action Plan, showcasing our pursuit of more equity and respect in our work environment; we mapped climate risks and opportunities, following TCFD recommendations; and we developed the Solid Waste Management Plan (PGRS). Furthermore, we initiated the digital transformation project, aiming to strengthen TFSports as an independent and resilient business, responsible for integrating our mission into our wellness ecosystem.





1. Exclusion of the effects of IFRS 16 (effect of excluding depreciation expense of right-of-use assets and lease expense related to rentals) and non-recurring expenses.



OUR BUSINESSES



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GENERAL HIGHLIGHTS

Sell out of **BRL 1.2 billion**,
a 19.4% increase compared to 2022.

Adjusted net profit¹ of **BRL 120.8 millions**,
20.8% higher than that recorded in 2022.

Increase in profitability measured in terms of adjusted EBITDA² (+23.5% YoY), with a margin of 22.8% in 2023 vs. 22.2% in 2022.

Launch of the ESG Plan 2025, with eight commitments divided into three pillars: **People; Products and Experiences; and Environment.**



First place in the Financial category of the **IBEVAR 2023 Award**, being the company with the highest return on invested capital.

Growth of **25.5%** in the sell out of the e-commerce channel (captured view).



Creation of the Action Plan of **Diversity and Inclusion**, which prioritized four marginalized audiences: **Gender, Race and Ethnicity Groups, People with Disabilities (PwDs) and LGBT+.**



Development of an internal communication plan to encourage **the culture of sustainability.**

1. Adjusted Net Profit: exclusion of the application of IFRS 16 and non-recurring expenses.
2. Adjusted EBITDA: exclusion of the effects of IFRS 16 (effect of excluding depreciation expense of right-of-use assets and lease expense related to rentals) and non-recurring expenses.



Creation of a socio-environmental risk matrix

of the supply chain and restructuring of our Supplier Social and Environmental Assessment and Monitoring Program.



ESG Commitments

linked to the Executive Board's variable compensation.

Creation of the list of socio-environmental attributes for products,

which involved mapping more sustainable raw materials as alternatives to conventional materials.

Pilot project with **5,792** deliveries including low-emission vehicles, which reduced **GHG emissions by 76%.***



*In comparison with deliveries if they had been made by conventional vehicles.

Identification of opportunities and risks related to



climate issues.

Finalization of Solid Waste Management Plan

of own operations and its management improvement tools.



Track & Field

GRI 2-6, 2-29, 3-3 Customer in the center

We are leaders in the Brazilian sportswear market, offering a complete portfolio that includes sportswear, fitness, lifestyle, watersports, footwear, and accessories. We have a wide network of company-owned and franchised stores throughout the country, including the Experience Store concept, where the environment was fully designed to facilitate the connection of customers to their favorite lifestyle and to care for their entire journey in a personalized way - from product selection, the best way to receive purchases, to event registration, trying out new activities, and connecting with trainers. By integrating TFC Food&Market into some stores, we provide a space for socializing, offering a menu and curation of tasty and healthy products. Our digital presence offers a personalized omnichannel experience, complemented by tfmall, a marketplace with premium wellness products, ensuring quality and innovation for a complete wellness experience.



HIGHLIGHTS OF THE YEAR



32 stores opened,
totaling

359 stores

and renovation of another 21 stores.

Offering more than

7.1 million

of products.

The second wave of
omnichannel integration,
focusing on the infinite showcase, piloted in

226 stores

throughout the year.

Opening of

3 stores

of TFC Food&Market,
totaling 9 units.

23 national
sellers and
314 regional
sellers.

NPS

84.2

points.



Products

GRI 3-3 Product ecodesign

During 2023, we offered over 7.1 million sportswear and accessories, with approximately 80% of this volume produced in Brazil. We prioritize product quality and continuous improvement in the modeling and finishing of garments, with special attention to functionality. We highlight technologically advanced fabrics based on polyamide and invest in materials with technology that balances bacteria proliferation; have accelerated decomposition in landfills, UV protection, and quick drying, meeting the demands of athletes.

Although we have not yet incorporated recycled materials into our line, we invest in durable and high-quality products and aim to introduce more sustainable materials. Therefore, in 2023, we consolidated a list of socio-environmental attributes for products, a comprehensive mapping of raw materials that have some environmental

Main materials used, broken down by weight or volume¹

GRI 301-1

Material ²	Font type	2022			2023		
		Weight (kg) ³	Volume (linear m) ³	Unit	Weight (kg) ³	Volume (linear m) ³	Unit
Polyamide	Non-renewable	162,539.00	105,207.50	-	497,037.00 ⁵	130,860.00	-
Polyester	Non-renewable	-	51,430.74	-	10,030.00	77,378.10	-
Viscose	Renewable	82,537.74 ⁴	-	-	21,549.00	-	-
Cotton	Renewable	16,302.08	-	-	26,875.00	3,262.10	-
Polyethylene ⁶	Non-renewable	-	-	2,378,122.00	-	-	3,189,545.00

1. The table only includes the main raw materials purchased by us.
2. In the case of mixed compositions, the predominant material was considered.
3. Materials are purchased both by mass unit (kilogram) and by length unit (linear meters). Therefore, they are not consolidated into just one measure.
4. In 2022, the material was used in three collections.
5. In 2023, the volume of raw materials produced in our fabric factory was considered, an operation that was not in operation in the previous year.
6. Bags for packaging products, which are purchased per unit. The higher number reflects the increase in our production in the period.

impact reduction benefit, such as being renewable, having lower water consumption, or having accelerated degradation when discarded. This was done through benchmarks and market research, such as the

Preferred Fiber And Materials Market Report, from Textile Exchange, the main reference in the market. This initiative is aligned with our commitment in the ESG Plan 2025 to seek alternatives and solutions

with socio-environmental attributes for products, guiding our product development teams in the selection of more sustainable materials.

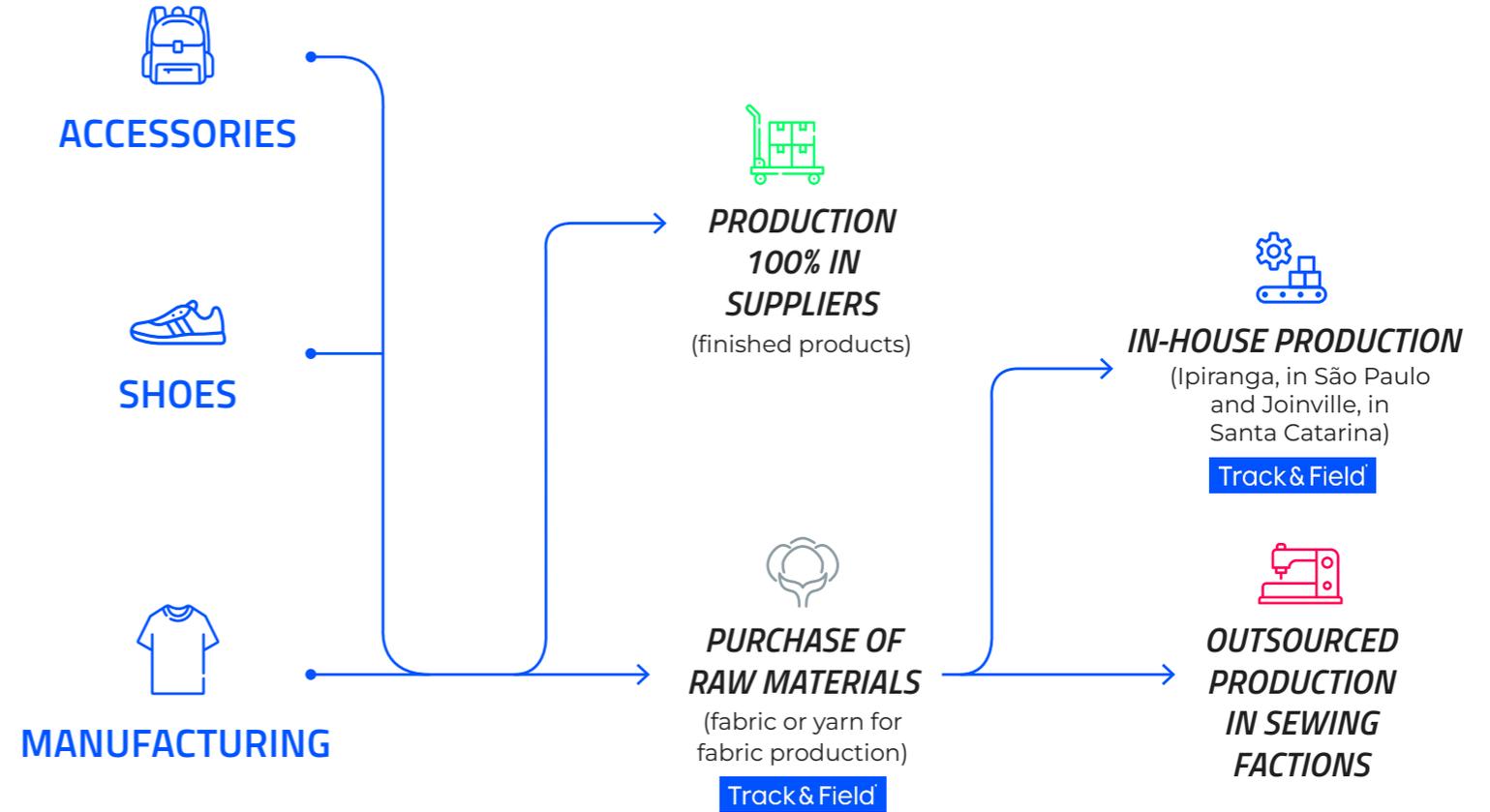


Supply chain

GRI 2-6, 3-3 Supply chain management

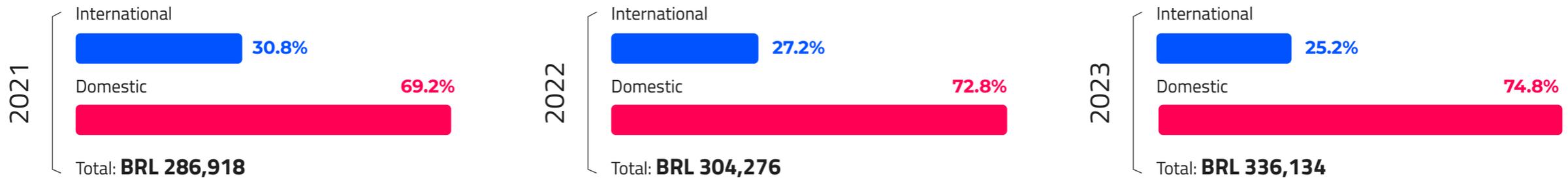
The success of our collections is the result of long-lasting partnerships with our suppliers, which encompass a variety of partners for inputs, raw materials, and both domestic and imported finished products, as well as dyeing, dyeing laundry, and revision, labeling, folding, and packaging services. In 2023, we relied on the collaboration of 115 companies, some with decades-long relationships with us, and our expenditure on suppliers totaled BRL 336 million, with 74.8% being national suppliers. [GRI 204-1](#), [SASB CG-AA-430a.1](#)

Despite having our own fabric factory, we also acquire raw materials and trimmings from specialized suppliers for internal production and for sewing contractors - small companies that perform the making of the pieces, from cutting to finishing. Additionally, we acquire finished products from various suppliers, both national and international. This hybrid production model allows us to offer manufacturing alternatives, with the goal of achieving the best cost-benefit ratio for the consumer. In addition to providing excellent lead time and optimizing the costs of coreproducts, it ensures us access to innovations and new technologies.



Proportion of expenses with local suppliers (in BRL thousand)

GRI 204-1



Journey focused on excellence

In 2023, we began a transformation journey in our factories in Ipiranga, São Paulo (SP), and Joinville, Santa Catarina (SC), inspired by the concept of Lean Manufacturing. The program aims to improve operational efficiency by focusing on eliminating waste in production.

The implementation occurs in stages, starting with training for the entire team, from the Executive Board to Operations. Understanding the methodology and basic principles of Lean is crucial to aligning all involved parties. The program encompasses the analysis and detailed mapping of existing workflows and processes, identifying improvement opportunities and eliminating activities that do not add value.

We prioritize respect for human rights in our relationship with suppliers, vehemently condemning any form of child labor, forced labor, or conditions akin to slavery. We continuously monitor social and labor issues exclusively in the sewing factories that work directly with us, either through document tracking or regular visits throughout Brazil. To ensure compliance with legislation and our ethical standards, we also select sewing contractors based on social criteria and regularly conduct on-site assessments at these units nationwide.

In 2023, we conducted 55 visits, identifying and addressing 18 priority non-conformities, resulting in 50 corrective actions. The priority issues were addressed immediately, while the remaining ones are being evaluated within the agreed-upon deadlines. We did not find any operations or sewing contractors where the right to freedom of association

and collective bargaining was threatened. These rights are protected by the contracts established with the third-party sewing contractors. Additionally, there were no records of child labor, forced labor, or conditions akin to slavery in our operations or among our monitored suppliers.

[GRI 407-1, 408-1, 409-1, 414-1, 414-2;](#)
[SASB CG-AA-430b.2, CG-AA-430b.3](#)

In line with the commitment established in the ESG Plan, throughout 2023, we dedicated efforts to restructure and expand our Socio-Environmental Assessment and Monitoring Program for the Supply Chain. The development process of this new monitoring system was conducted in seven stages, including interviews and document analysis, raising awareness among leaders and areas interfacing with supplies and supplier management, developing a socio-environmental risk matrix, and creating documentation and tools.



The development of the Socio-Environmental Risk Matrix was based on supply categories, considering 33 purchasing categories, and an evaluation framework for suppliers. We also defined criteria for approval and relationship with each category, which may include contract signing, adherence to the code of conduct, specific contractual clauses, auditing, and monitoring - depending

on the classification of the supply category in the matrix. The implementation process will be designed in 2024, aiming to further improve our practices, strengthen our commitment to socio-environmental responsibility, and enhance our relationship with our supply chain.

Retail

GRI 2-6

With a broad national network of 359 stores, including 46 company-owned and 313 franchised, in 2023, we advanced our expansion by opening 32 stores in high traffic areas, ensuring greater proximity to our customers.

We invested in renovations for 21 stores (7 owned and 14 franchises) in key urban centers such as São Paulo, Rio de Janeiro, Belo Horizonte, Curitiba, and Porto Alegre, modernizing lighting, product display, and visual communication. The new and renovated stores follow the concept of an Experience Store, organizing products in a way that reflects the brand's wellness ecosystem. This includes organizing by category to provide an integrated view of products, as well as offering QR codes for access to playlists, training, and classes taught by renowned coaches.

We are also increasing our presence in the digital environment with the implementation of initiatives within our omnichannel strategy. Ship from store, in which physical stores act as small distribution centers, allows for the delivery of products purchased online within two business days. The pick-up in store model, in which products purchased online can be picked up directly in stores, continues to please consumers and franchisees. The year 2023 ended with 337 stores operating in both models.

Social selling was also relevant, representing 43.3% of the sell out, including sales techniques via payment links and express delivery in electric vehicles or bicycles in some regions. On this front, we are even piloting express delivery using low-emission vehicles in some regions ([read more](#)).

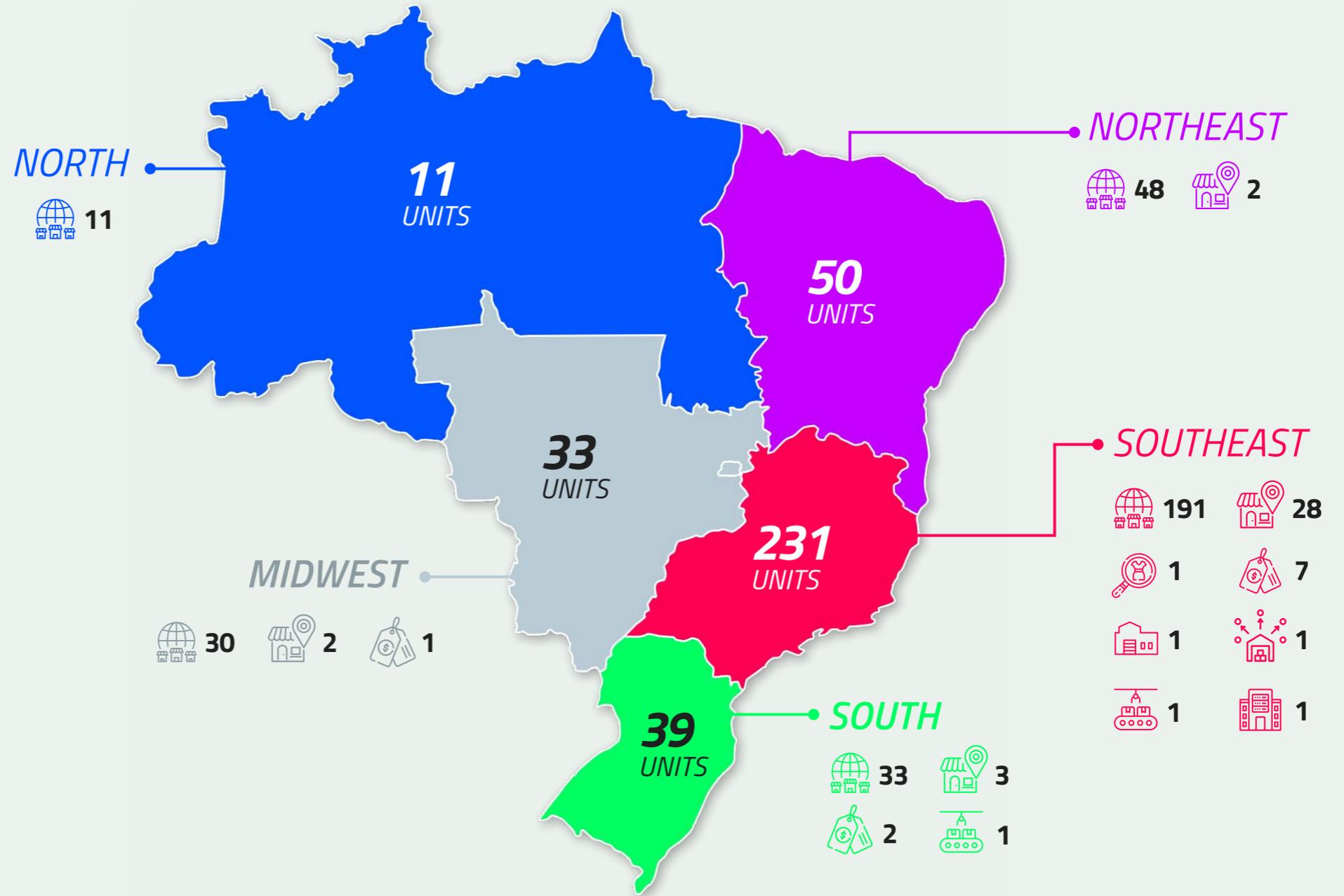


WHERE WE ARE

GRI 2-6

With administrative headquarters and a production unit in São Paulo (SP), another production unit in Joinville (SC), and a distribution center in Osasco (SP), as well as a warehouse dedicated to TFSports operations in Barueri (SP), we also have an established presence in 25 states and the Federal District.

- | | |
|--|---|
|  Franchise |  Administrative headquarters |
|  Own store |  Factory |
|  Outlet |  Distribution center |
|  E-commerce |  TFSports warehouse |





Franchises GRI 2-6

Our network of stores grows through a franchise model, creating close ties with our partners, which are essential for expanding our business and strengthening our position in the market. This partnership is aligned with our mission and corporate strategy, with franchisees fully adhering to our Code of Ethics and Conduct, reinforcing our integrity and business ethics.

We invest in franchisee training with specialized programs to ensure excellence in customer service and sales success. Throughout the year, we offer training on our products, customer service, and processes, as well as diversity and harassment prevention.

In 2023, we continued to invest in digital tools to strengthen communication and generate sales leads between franchisees and customers. We maintained support for existing franchises and prioritized these partners in the opening of new stores. At the end of the year, our 313 franchises were responsible for 62.8% of the chain's sales, totaling BRL 749 million in sell out.

At the end of the year, we have

313

franchises,
responsible for

62.8%
of network sales,
totaling

BRL 749
million

(sell out invoiced)

In addition to the numbers, we highlight the vital role of franchisees as regional "ambassadors". Adapting our model to local specificities, they represent our brand in various regions of the country, promoting sustainable expansion and enriching our understanding of Brazil's regional characteristics.



tfmall®

GRI 2-6

tfmall is an initiative designed to enrich the wellness journey of our customers, seamlessly integrating with our e-commerce platform. Here, we offer a carefully curated selection of premium products, facilitating access to a diverse range of items that cater to the active and healthy lifestyle of our customers and athletes in a convenient and accessible manner.

At the end of the year we had nine brands – Apple, Garmin, Head, Hoka, Manduka, New Balance, Polar, Samsung and Saucony – whose products reflect our high standard of quality and commitment to well-being. We will continue to seek even more strategic partners for 2024.

Our omnichannel approach, enhanced by the “infinite shelf” initiative in 226 stores in 2023, removes barriers between online and in-store purchases, allowing the sale of products from any point in the network, including our distribution center and partner sellers. This ensures that customers find what they are looking for easily.

In other words, tfmall is more than a shopping portal. It is a commitment to the health, convenience and well-being of our customers, offering a fluid shopping experience, online or in a physical store.



TFC

food & market



GRI 2-6

As part of our holistic approach to wellness, we have integrated TFC Food&Market into selected physical stores. It is a coffee shop and minimarket, which offers our customers a space for social interaction, a menu and curation of delicious and healthy products. Focused on the “Fresh & Up” concept, the space offers fresh options, mainly locally sourced and grown without pesticides. Customers can consume the products on site or take it with them.

In 2023, we opened three new stores in São Paulo, including one in the building of our administrative headquarters, and now we have nine units spread across São Paulo (SP), São Roque (SP), Salvador (BA), João Pessoa (PB), and Belo Horizonte (MG).



tf sports

GRI 2-6

TFSports is a platform that integrates wellness events and experiences, connecting thousands of users and expert coaches in different modalities. In 2023, we hosted 2,925 sports events, gathering over 250,000 participants, reinforcing our purpose of promoting an active and healthy lifestyle.

In 2024, TFSports will undergo a process of expansion and digital transformation that will enable the launch by 2025 of three marketplace verticals focused on well-being and health, expanding the offer

of products and services and consolidating TFSports as a healthtech:

tfmall, which already offers a complete range of accessories and sports articles from the best brands in the market, meets the needs of all profiles of athletes.

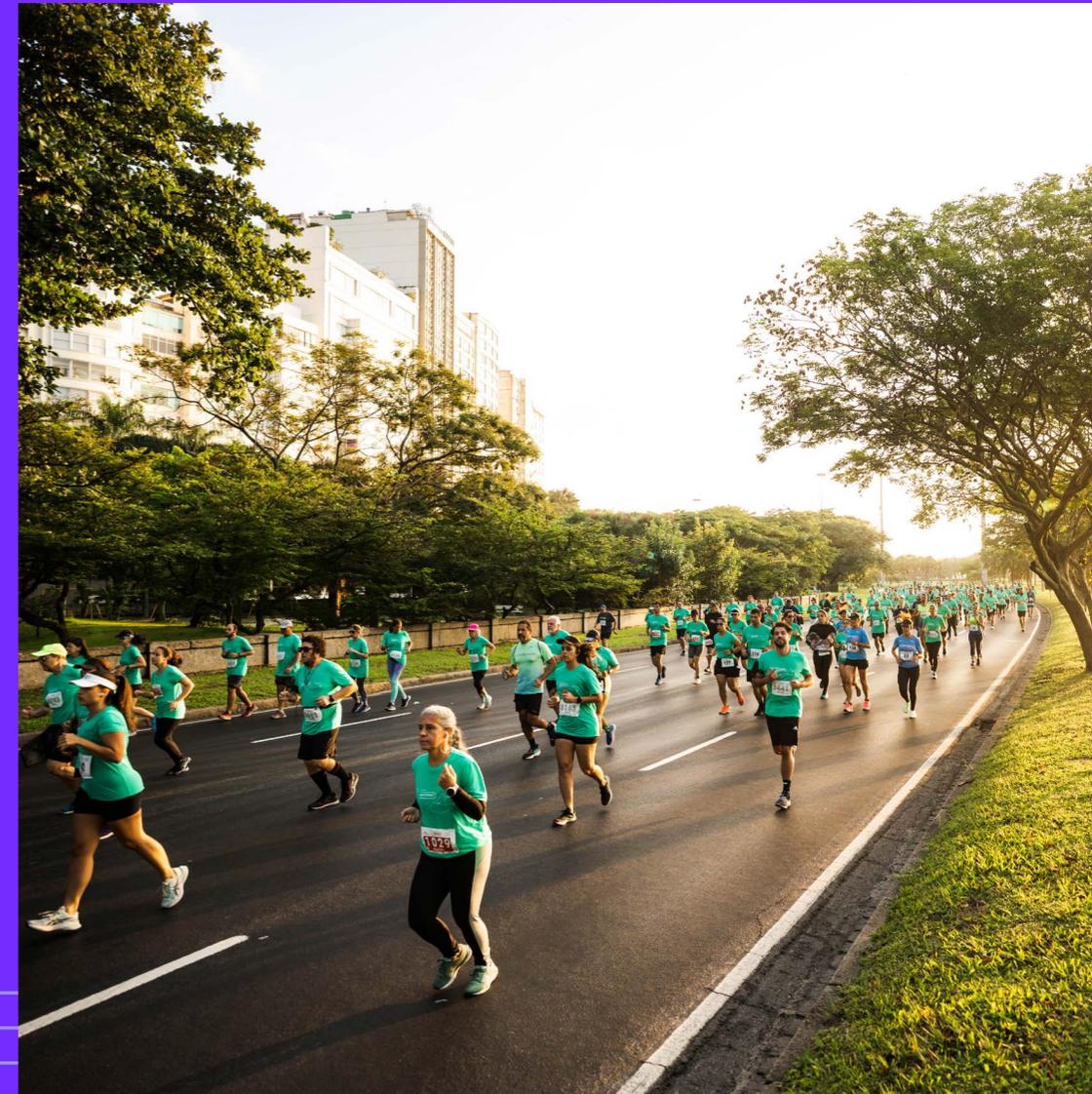
tfoot, which will offer high-quality food products and supplements, focusing on nutritious and balanced nutrition.

tfhealth, which will offer innovative and accessible

health and wellness services, such as exams and consultations with healthcare professionals and disease prevention programs.

To ensure the success of digital transformation, TFSports has entered into strategic partnerships with leading technology companies.

This disruptive approach consolidates TFSports at the forefront of the market, accelerating our exponential growth with a state-of-the-art digital platform.





HIGHLIGHTS OF THE YEAR

2,925

sports events, bringing together more than

250 thousand participants

2nd edition of the Track&Field Open Beach Tennis,

with an increase in the number of stages, from 16 in 2022 to

35 in 2023

counting on more than

8 thousand participants

81 stages of Track&Field Run Series,

one of the main street races in Brazil, totaling more than

159 thousand participants

Track&Field Experience, with

374 events

throughout Brazil.

Continue em Movimento (Keep Moving), over

1,600 classes

with more than 21 sports taught by partner coaches.

Partnership with Achilles International Brazil,

organization whose mission is to transform the lives of people with disabilities through sports programs.

Events and experiences

TFSports events are diverse to cater to various audiences. For running enthusiasts, the Santander Track&Field Run Series, the largest street racing circuit in Latin America, featured 81 stages across Brazil, attracting over 159,000 athletes. The Track&Field Open Beach Tennis brought together pairs of players in various stages throughout the year and expanded from 16 to 35 stages in 2023, including new cities and categories.

We also offer the Track&Field Experience, experiences with different modalities and formats, which totaled 374 events from 46 different modalities. In addition to in-person activities, we offer the *Continue em Movimento* (Keep Moving) initiative, which provides free online classes on TFSports app in various sports such as yoga, pilates, functional training, dance, and more. In 2023, we offered over 1,600 classes taught by qualified and experienced instructors.

Santander Track&Field Run Series

The Track&Field Run Series, which has been held in partnership with Santander for five years, celebrated its 19th anniversary in 2023. With 81 stages throughout the year, the circuit attracts runners of all levels, offering distances from 5 to 21 kilometers to suit each participant.

The year was also marked by special moments, such as the race in Fernando de Noronha, which not only delighted participants with its stunning landscapes but also promoted the Release of Turtles in partnership with Projeto Tamar; the vertical race at Farol Santander, where participants were challenged to climb 26 floors of the iconic building in downtown

São Paulo; and the partnership with BH Airport for a night race stage at the Belo Horizonte International Airport.

TFSports renovated the layout of the Run Series stages' arena in 2023, providing a more spacious and comfortable environment for participants. Additionally, they introduced a social area with live music and activities for the whole family, enhancing the event experience.



Joining forces to include and transform

In 2023, we will strengthen our commitment to inclusion and social transformation through a partnership with Achilles International Brazil, an organization whose mission is to transform the lives of people with disabilities through sports programs and social connection. Aligned with our ESG Plan 2025, this collaboration has also had a positive impact on Achilles athletes with disabilities (AWDs).

The partnership involved the delivery of personalized t-shirts with exclusive Thermody technology to athletes and guides, in addition to the provision of bib numbers to enable the participation of AWDs and their guides in the race stages and exclusive tents. Around 521 Achilles athletes and guides participated in nine stages in Villalobos I, Market Place, Cidade

Jardim II, Shopping Eldorado, Pátio Higienópolis – Night, Vila Olimpia II, Center Norte III, VillaLobos III and Farol Santander.

This partnership also provided our employees with the opportunity to become guides for athletes with disabilities, undergoing exclusive training at the Brazilian Paralympic Center and following the Achilles formation path for guide preparation.

Track&Field Open Beach Tennis

The Track&Field Open Beach Tennis, in its second edition in 2023, established itself as one of the main beach tennis circuits in Brazil. Experiencing exponential growth, twice as many stages were held compared to the previous year, increasing from 16 to 35. These were divided into three qualifiers (regional finals) – in Belo Horizonte (BH), Salvador (BA), and São Paulo (SP) – culminating in a grand final in Campinas (SP), attracting thousands of athletes from throughout the country.

The professional organization and the variety of stages ensure that the competition is accessible to all beach tennis enthusiasts, from beginners to high-level athletes, including Brazilian and international champions, thereby raising the technical level of the competitions. The pairs compete in skill-level categories, ensuring equality of conditions and competitiveness in each match.



Track&Field Experience

Track&Field Experience hosts a wide range of sports events, including running, cycling, dancing and yoga. In 2023, over 374 events were held throughout Brazil, open to all ages and levels of physical fitness. We offer a variety of options to suit different preferences.

One of the highlights was a special cycling tour on Marginal Pinheiros, in São Paulo, with the participation of actor Rodrigo Hilbert. In addition to promoting sports, the activity provided experiences and activities after cycling.

Our events contribute to well-being in several ways, encouraging sports, promoting socialization and offering fun and relaxation for participants.

Continue em Movimento (Keep Moving)

The *Continue em Movimento (Keep Moving)* program was designed to enable people to maintain a fitness and wellness routine regardless of their location. Every day, the TFSports app offers a schedule of free online classes. Throughout the year, over 1,600 classes were offered across more than 21 sports taught by partner coaches. In 2024, approximately 1,700 classes are scheduled to accommodate over 35,000 enrolled participants. To learn more, click [here](#).



GAME RULES

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We take a unique approach when it comes to corporate governance, ensuring we preserve the long-term interests of our stakeholders. We are a company listed on the Level 2 segment of B3, with two categories of shares: common and preferred. Inspired by the Super-Voting Stock model, all our shares grant voting rights in the General Meeting of Shareholders, with preferred shares offering an economic right ten times greater than common shares. [GRI 2-1](#)

We comply with the B3 Novo Mercado Regulations, with the exception of the rule that provides for the capital to be divided exclusively into common shares.

B3 also granted us exceptional treatment for calculating the Minimum Percentage of Outstanding Shares, allowing the consideration of only preferred shares, provided that this percentage is higher than 50% of this category of shares.

In this way, we protect one of our competitive advantages, which is the continued presence of our three founding shareholders as controllers, safeguarding our principles, values, and brand identity, established and successfully managed over the past 35 years. However, we are fully committed to the rules of the highest-level listing segment in corporate governance at B3.



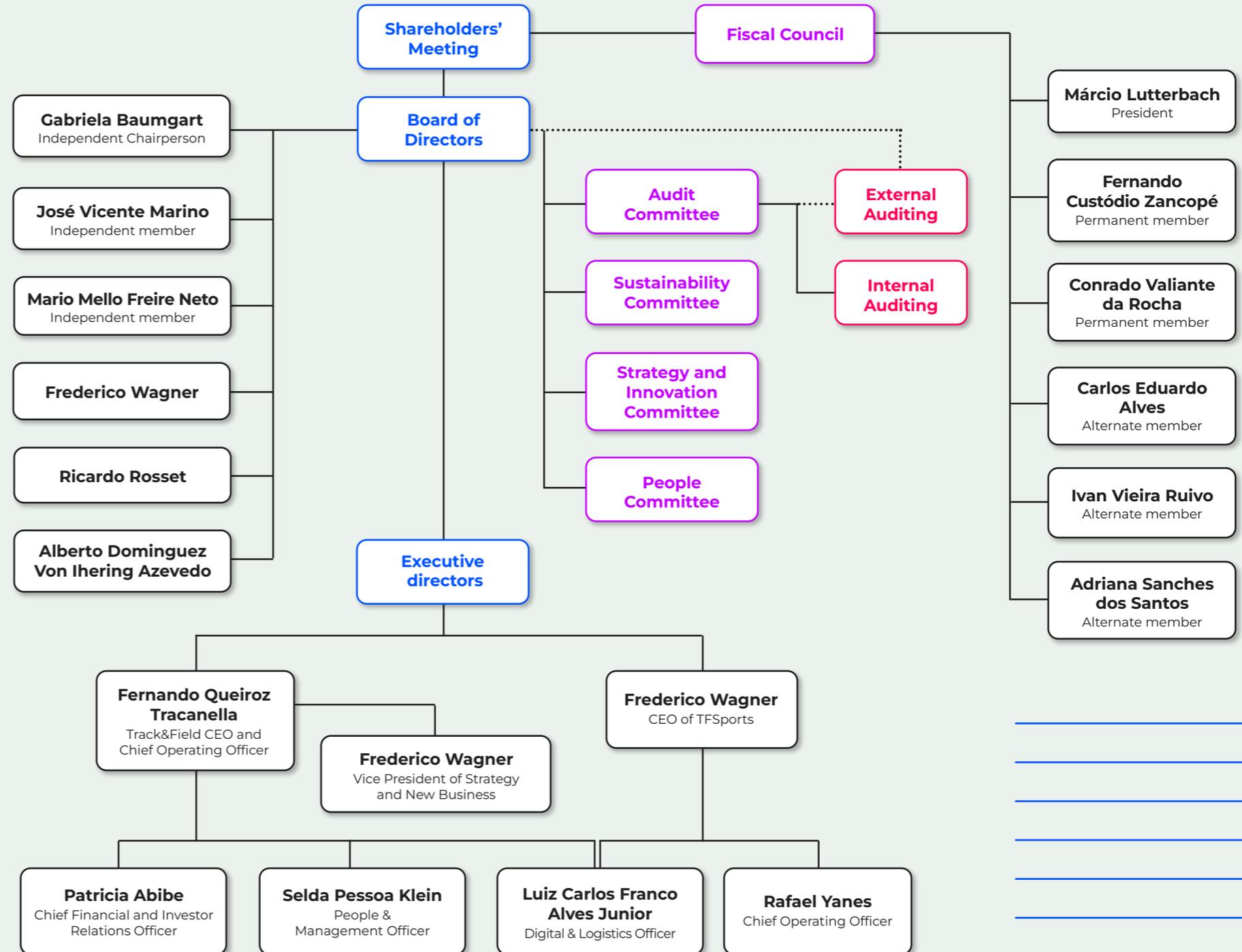


Among our governance practices, the following stand out:

- Availability of varied communication channels to offer relevant and updated information to shareholders and the market in general;
- Shareholder access to Administration, through General Assemblies, public meetings or interaction with the Investor Relations team;
- Presence of independent members on the Board of Directors representing 50% of the members, especially in the presidency of the body;
- Work on thematic committees (Statutory Audit Committee, Strategy and Innovation Committee, People Committee and Sustainability Committee);
- Application of strict compliance mechanisms to ensure the dissemination of ethical precepts among employees and other stakeholders;
- Fiscal Council installed, composed of three members, one appointed by minority shareholders.
- 33% of women on the Statutory Board;
- 100% of women on the Statutory Audit Committee;
- Positions of chairman of the Board of Directors and chief executive officer held by different executives;
- Internal regulations for the Board of Directors, Fiscal Council, advisory committees and Board of Directors;
- Formal evaluation by the Board of Directors, advisory committees and the Board of Directors;
- Long-term incentive plans aligning the interests of management and shareholders;
- Board with variable remuneration linked to ESG goals;
- Outsourced and independent reporting channel.

GOVERNANCE STRUCTURE

GRI 2-9



Our governance structure is made up of several decision-making and advisory bodies that ensure effective and responsible management. We have a **General Meeting of Shareholders**, which meets ordinarily once a year and, extraordinarily, as necessary. Its responsibilities include analyzing financial statements, deliberating on the distribution of dividends, electing members for the Board of Directors and Fiscal Council, among other duties described in our Bylaws (available [here](#)).

The **Board of Directors** assumes responsibility for establishing business guidance, defining policies and evaluating risks and opportunities, which includes considering economic, social and environmental impacts. The body is composed of five to seven members elected by the General Meeting of Shareholders for two-year terms, with the possibility of reelection. It includes the

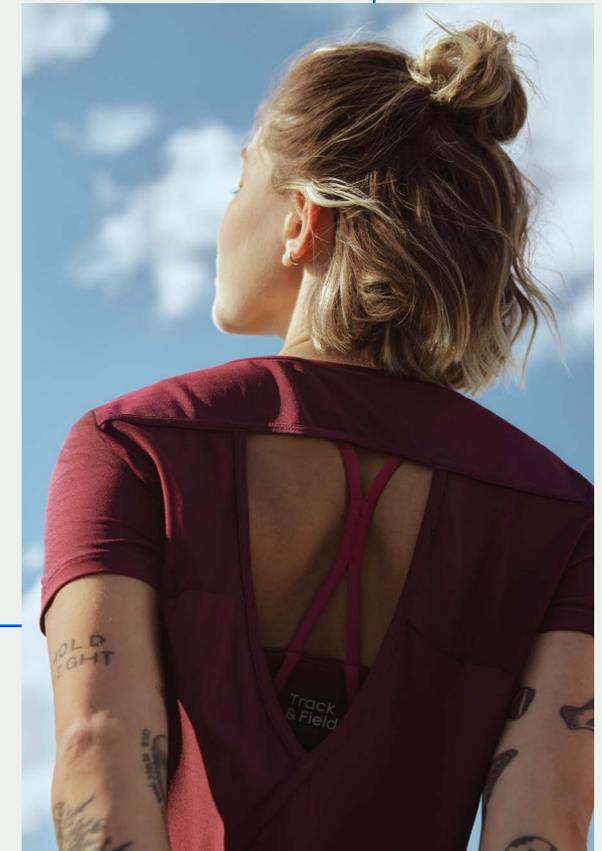
independence of one-fifth of the board or a minimum of two members (whichever is greater), including the Chairman of the Board. All members must have professional experience and diverse knowledge, in line with our strategic themes. The body, its advisory committees and the Executive Board are evaluated at least once during the term of office, and regularly through a process conducted with the support of external advisors. The evaluation is based on the performance of specific activities and deliberate themes, and aims to constantly improve the effectiveness of the bodies.

The evaluation of the Board of Directors and its advisory committees was conducted with the support of specialized external consulting. The scope of the process included a diagnosis of the operation of the Board of Directors and committees, market benchmarking, and mapping of

the Board of Directors' culture. According to the evaluation results, the highlighted topics in the Board of Directors include governance structure and processes that contribute to its effectiveness. The composition is perceived as complementary between the founders, who bring deep business knowledge, and external members with expertise in governance, business management, and digital affairs. Additionally, the committees have the presence of external specialist members who add specific knowledge to the scope of each Committee. The culture of the Track&Field Board reflects a pragmatic and decisive dynamic, where individual contributions are valued in building objective and consensus-driven solutions. The process also identified improvement opportunities that will be addressed to continue enhancing the effectiveness of the bodies consistently. [GRI 2-10, 2-11, 2-12, 2-18](#)

Building knowledge on the Board of Directors GRI 2-17

In order to enhance the board members' understanding of Environmental, Social, and Governance (ESG) issues and thereby support informed decision-making with effective actions, various agenda items related to ESG were discussed during the Board of Directors' meetings in 2023. This included a lecture on Diversity, Inclusion, and Equity, followed by discussions and alignment regarding the strategy and action plan on this topic. The results of the Greenhouse Gas Emissions Inventory and a study on Climate Risks and Opportunities were also presented, in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), in addition to a workshop on carbon credit – given to advisors who are part of the Sustainability Committee.





The Board of Directors has the support of thematic committees, established to provide reliable data for decision-making. The **Statutory Audit Committee**, for example, monitors internal controls, internal audit and evaluates financial statements, reinforcing compliance mechanisms. The **Strategy and Innovation Committee** advises on strategic direction and innovation projects, while the **People Committee** validates the People and Management strategic plan. Furthermore, the **Sustainability Committee** defines strategies for practices aligned with social and environmental issues. The members of these committees are appointed by the Board of Directors. [GRI 2-13](#)

The **Fiscal Council**, in turn, is responsible for monitoring the actions of administrators and analyzing the financial statements, among other duties observed by law or as

good corporate governance practice. The **Executive Board** works to execute the strategy, strengthen the business and manage impacts. Composed of two to eight members, elected and dismissed by the Board of Directors, the Executive Board is responsible for implementing policies and guidelines, playing a fundamental role in the operational conduct of business. To manage impacts on the economy, the environment and people and monitor the ESG Plan, the Executive Board has an ESG Executive Management, which reports to the CEO. [GRI 2-13](#)

Since October 2020, our **Director Appointment Policy** (available [here](#)) establishes guidelines, criteria and procedures for the composition of the Board of Directors, Executive Board and thematic committees. The document is based on our Bylaws, Code of Ethics and Conduct, Corporation Law, Brazilian

Code of Corporate Governance (CBGC), Corporate Governance Level 2 Listing Regulation and Novo Mercado Regulation. The Supervisory Board is installed in accordance with applicable legislation, with a representative appointed by minority shareholders. [GRI 2-10](#)

The changes to the Executive Board in 2023 demonstrate the maturity of our governance model, recognizing the professionals on our team. One of the significant changes was the appointment of Fred Wagner, one of our partners and founders, as CEO of TFSports, the wellness platform that represents one of the main growth avenues for us. Fred also took on the role of Vice President of Strategy and New Business at Track&Field, highlighting innovation and new sources of revenue.

As part of this reorganization, Fernando Tracanella, then Chief Financial Officer (CFO) and Investor Relations,

was promoted to CEO of Track&Field. With five years of experience at the company, Tracanella led the IPO process and guided the expansion of our store network and omnichannel presence. Patrícia Abibe was announced as the new CFO and Director of Investor Relations, bringing more than 25 years of experience in retail after almost a decade on our team.

Rafael Yanes, with more than nine years dedicated to managing TFSports, joined the management team as Chief Operating Officer, playing a fundamental role in operational excellence and efficiency. All of these changes were planned to maintain continuous growth and improve the efficiency of our processes and operations.

Compensation of directors

GRI 2-19, 2-20

When defining our compensation policies, we ensure competitiveness, transparency and alignment with best market practices. This commitment aims to maintain a highly qualified management team committed to the company's success and growth.

Members of the Board of Directors and thematic committees receive monthly compensation, determined through individual negotiation. This process considers factors such as time dedicated to functions, competence, professional reputation and value of services in the market.

Officers, in turn, receive monthly compensation aligned with the sector's responsibilities and salary

surveys. Additionally, they are eligible for benefits such as medical and dental assistance plans, meal vouchers, annual profit sharing and restricted share grant plan, the latter being conditional on meeting goals and a waiting period.

Compensation is reviewed annually, considering market practices and aiming to attract and retain professionals who effectively contribute to the company's results. The annual review of fixed compensation considers changes in the activities provided, market compensation levels, complexity of positions and meritocracy. Internal research conducted by the People and Management department, supported by specialized consulting firms, is used to compare our salary practices

with those of other companies in the same sector. In specific cases, additional research is conducted for key positions on the Board of Directors and advisory committees.

The rules for determining the compensation of officers, including non-statutory Executive Officers, members of the Board of Directors, and committees established by the Board of Directors, are outlined in our Compensation Policy of Directors (available [here](#)).

The compensation of the Fiscal Council members is determined by the General Meeting of shareholders, in accordance with applicable legislation. This process is conducted in accordance with the limits imposed by Article 152 of the Brazilian Corporation Law.

Diversity in governance bodies by gender

GRI 405-1

	2022		2023	
	MALE	FEMALE	MALE	FEMALE
Executive Board	80%	20%	67%	33%
Board of Directors	83%	17%	83%	17%
Fiscal Council	80%	20%	83%	17%
Audit Committee	33%	67%	0%	100%
Strategy and Innovation Committee	100%	0%	100%	0%
People Committee	100%	0%	33%	67%
Sustainability Committee	100%	0%	100%	0%

Diversity in governance bodies by age group

GRI 405-1

	2022		2023	
	30 to 50 years old	Over 50 years old	30 to 50 years old	Over 50 years old
Executive Board	80%	20%	50%	50%
Board of Directors	17%	83%	17%	83%
Fiscal Council	40%	60%	50%	50%
Audit Committee	33%	67%	67%	33%
Strategy and Innovation Committee	0%	100%	0%	100%
People Committee	0%	100%	33%	67%
Sustainability Committee	0%	100%	0%	100%



ETHICS AND COMPLIANCE

GRI 2-23, 2-24

Our ethical principles, which are essential for our relationships, are communicated to all team members, regardless of their hierarchical position, including franchisees, partners, suppliers, and contractors. Our Code of Ethics and Conduct is the main tool in this context, clarifying our principles and values, detailing practices and standards of behavior to ensure fair and harmonious coexistence.

It establishes compliance with legislation and internal standards, in addition to providing guidelines for interpersonal relationships, receiving gifts, political activities, social duties, respect for human rights, confidentiality of information and other work practices.

Complementary policies are adopted to prevent and mitigate risks in specific topics, such as transactions with related parties, market risk management, information disclosure, securities trading and internal privacy, always guided by the precautionary principle, establishing processes and strategies for the risk control and mitigation of potential damage.

Adherence to ethical principles is a formal step for each employee. In addition, we conduct periodic training and campaigns to reinforce the content of our Code of Ethics and Conduct, promoting risk prevention and responsive actions in case of inappropriate conduct.

We continuously emphasize the importance of the Ethics Hotline, an independent channel managed by Aliant/ICTS, which allows secure and anonymous reporting of irregularities such as fraud, corruption, ethical violations, harassment, and more. It can be accessed by phone (0800 591 7159) or on the website www.canaldeetica.com.br/trackefield. We reinforce the promotion of this channel throughout the year with posters in all units, including stores, and conducting training sessions for all employees, both in offices and in company-owned and franchise stores. [GRI 2-26](#)

In 2023, we expanded the internal promotion of the Ethics Hotline and recorded 54 reports throughout the year, distributed as follows: Moral harassment (20%), Sexual harassment (5%), Destruction or damage to company property (6%), Misconduct (35%), Discrimination (4%),

Favoritism or conflict of interest (15%), Sexual misconduct (4%), Violation of labor laws (7%), and Others (4%). Regarding discrimination complaints, only one was assessed as valid. The necessary measures were taken, in accordance with the consequence matrix, and all employees in the area underwent awareness raising actions, including formal training on ethics, respect, diversity, inclusion, equity and belonging. We have not received any complaints from suppliers. [GRI 2-26, 406-1](#)

All complaints are forwarded to the Ethics and Conduct Committee, made up of representatives from the People and Management, Financial, ESG and Legal areas, that analyze them, verify their origin and determine appropriate sanctions.

Conflict of interest management

GRI 2-15

The management of conflicts of interest is governed by our Related Party Transactions and Conflict of Interest Management Policy. As established in the document, any Board member, committee member or director who identifies a potential conflict of interest must refrain from making decisions and may partially participate in meetings only to provide additional information.

GRI 2-23

Our policy is in accordance with our Bylaws, our Code of Ethics and Conduct and the laws that regulate the topic, in addition to the regulations issued by the Securities and Exchange Commission (CVM), including those referring to Novo Mercado.

During general shareholder meetings, the management of conflicts of interest is dealt with in accordance with legislation, especially article 115 of the Brazilian Corporation Law. This reiterates our commitment to transparency and integrity in all instances, protecting the interests of shareholders, employees and other parties involved.

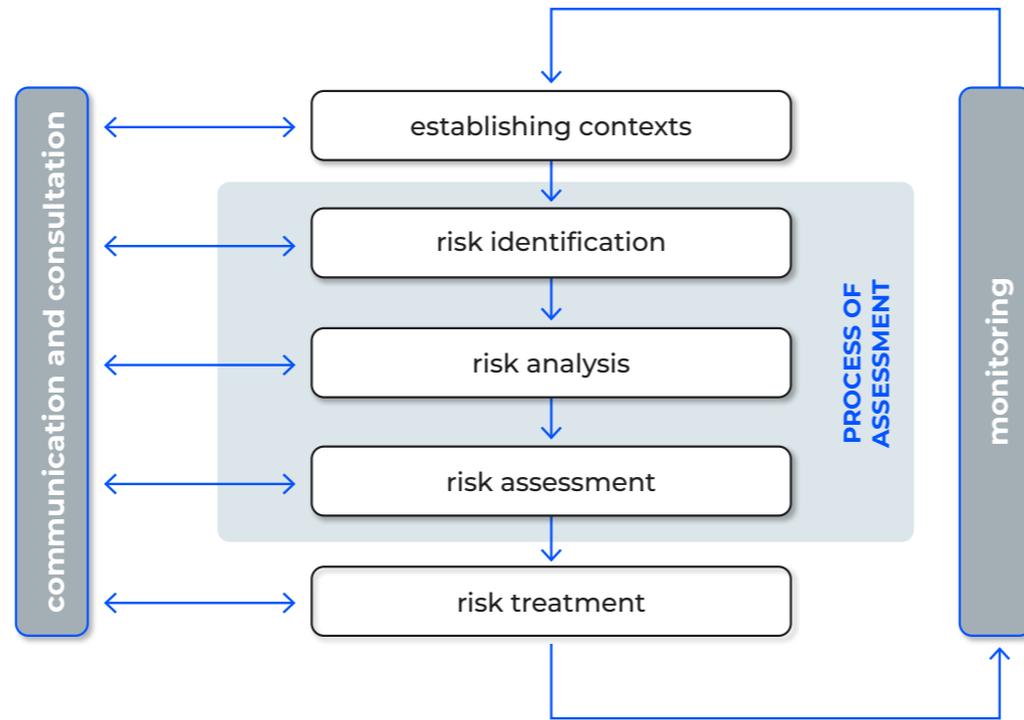
RISK MANAGEMENT

GRI 2-25

We preserve our values, assets, reputation and ability to generate value in the long term, adopting a methodology that connects our risk management to daily processes and strategic planning. We thus strengthen an organizational culture focused on preventing and mitigating risks and responding quickly to events that could materialize them.

The analysis process includes defining actions to maintain risks at acceptable levels, mitigating significant impacts. We develop control activities to identify emerging risks and internal and external changes that may affect our operations.

Annually, the risk matrix is updated by the Risk manager, together with professionals from other areas, and presented to the Statutory Audit Committee. This committee returns the matrix with any improvements before being submitted for validation by the Board of Directors.



All work on the risk management front is performed based on the COSO-ERM model, which consists of six steps:

- 1 **Establishing contexts:** Study of the internal environment, strategic objectives and macroeconomic, political, social, environmental and sectoral situation.
- 2 **Risk identification:** Description of source, cause and consequences, classifying risks into categories such as financial, legal, image and reputation, operational, socio-environmental and technological.
- 3 **Risk assessment:** Consideration of the probability of occurrence and the impact on the business. The risk matrix visualizes and implements forms of treatment, indicating the level of risks categorized as very high, high, medium, low and very low, influencing the responses adopted according to the risk appetite defined by Senior Management, and expressed in the Management Policy of Risks.
- 4 **Risk treatment:** It involves transfer, control, reduction or maintenance, depending on classification and prioritization.
- 5 **Continuous monitoring:** Essential to ensure that risks remain within controlled limits. This includes monitoring the execution of action plans and periodically reassessing the degree of residual risk.
- 6 **Communication and consultation:** Fundamental in all previous stages and ensures that relevant information is passed on in an agile, proactive and transparent way to stakeholders.





Our risk management structure involves all team members, following the Institute of Internal Auditors (IIA) three-line model: the first line represents the business areas; the second line provides support and monitoring, and the third line provides independent assessment. Risk owners play a fundamental role in disseminating the risk management culture in their areas, identifying risk factors, proposing limits and actively participating in the management process.

The Risk Management area, subordinate to the CFO, is responsible for preparing and monitoring the Risk Matrix, consolidating information, reporting to the Audit Committee and supporting the operational departments. Internal Audit acts as the third line, evaluating the quality and effectiveness of risk management processes and internal controls. The Executive Board sponsors

actions, establishes priorities, defines exposure limits and supervises the risk assessment process.

The Statutory Audit Committee advises the Board of Directors, monitors risk exposures, analyzes the risk management policy, evaluates the risk matrix and reports exceptions and suggestions to the board. Finally, the Board of Directors approves the risk management policy, establishes the risk appetite and evaluates our operational structure. [GRI 2-23](#)

This integrated structure aims to ensure that we have effective mechanisms and internal controls to know, evaluate and control our risks, keeping them within established limits and promoting a culture of risk management in all businesses and areas.

[Click here to access our Risk Management Policy.](#)



Climate opportunities and risks

GRI 3-3 Climate action

In 2023, we conducted a comprehensive study to identify climate risks and opportunities, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In partnership with an external consultancy, we conduct two stages. Firstly, we developed a benchmark of climate risks and opportunities, aligned with the TCFD framework and internally aligned the methodology and scales for classifying the identified risks.

In the second stage, we identified, assessed and recorded 25 climate risks and nine opportunities applicable to our business. Each one was thoroughly evaluated, including a description of the impact and its applicability to our operations. As a result, we prioritized six risks and five opportunities.

Identified risks include carbon pricing mechanisms, extreme weather events, changes in weather patterns and resource scarcity, while opportunities encompass sustainability initiatives, energy efficiency and the development of low-emission products.

The 25 identified priority climate risks were converted into risk factors and incorporated into our corporate risk matrix through a detailed exercise, associating each climate risk factor with an existing corporate risk. Furthermore, we added a new risk on Climate Change to the matrix, consolidating all 25 identified risk factors. This approach reinforces our commitment to proactively managing climate challenges and strengthens our positioning as a resilient company committed to sustainability.

Main climate risks and opportunities identified for T&F

Type	Climate risk factor
Regulation	Carbon pricing mechanism for third parties and the company
Physical	Floods, storms and landslides that interrupt the supply chain and affect T&F structures
Physical	Changes in precipitation patterns and types and the impact on T&F structures
Physical	Temperature changes and the impact on the availability of inputs
Physical	Water shortages and periods of drought that increase the cost of energy and can affect the supply chain
Reputational	Stigmatization of the sector

Type	Climate opportunity
Resource efficiency	Lower water use and consumption, both for our own and for the supply chain
Resilience	Participation in renewable energy programs and adoption of energy efficiency measures
Resource efficiency	Use of more efficient distribution processes
Products and services	Development and/or expansion of new products or services with low emission rates through R&D
Power supply	Shift to decentralized energy generation or renewable matrix



IMPACT MANAGEMENT

Additionally, we maintain a governance structure dedicated to crisis management and mitigation of adverse negative impacts originating in our stores, events and brand channels. The recorded incidents undergo rigorous analysis by the responsible team, which, upon detecting the sensitivity of the cases, forwards them to the Incidents Group. This group, made up of professionals from the Legal, Corporate Governance and Public Relations departments, assumes the responsibility for investigating and dealing with everyday occurrences according to the specific nature of each one and the potential risk to our reputation and image.

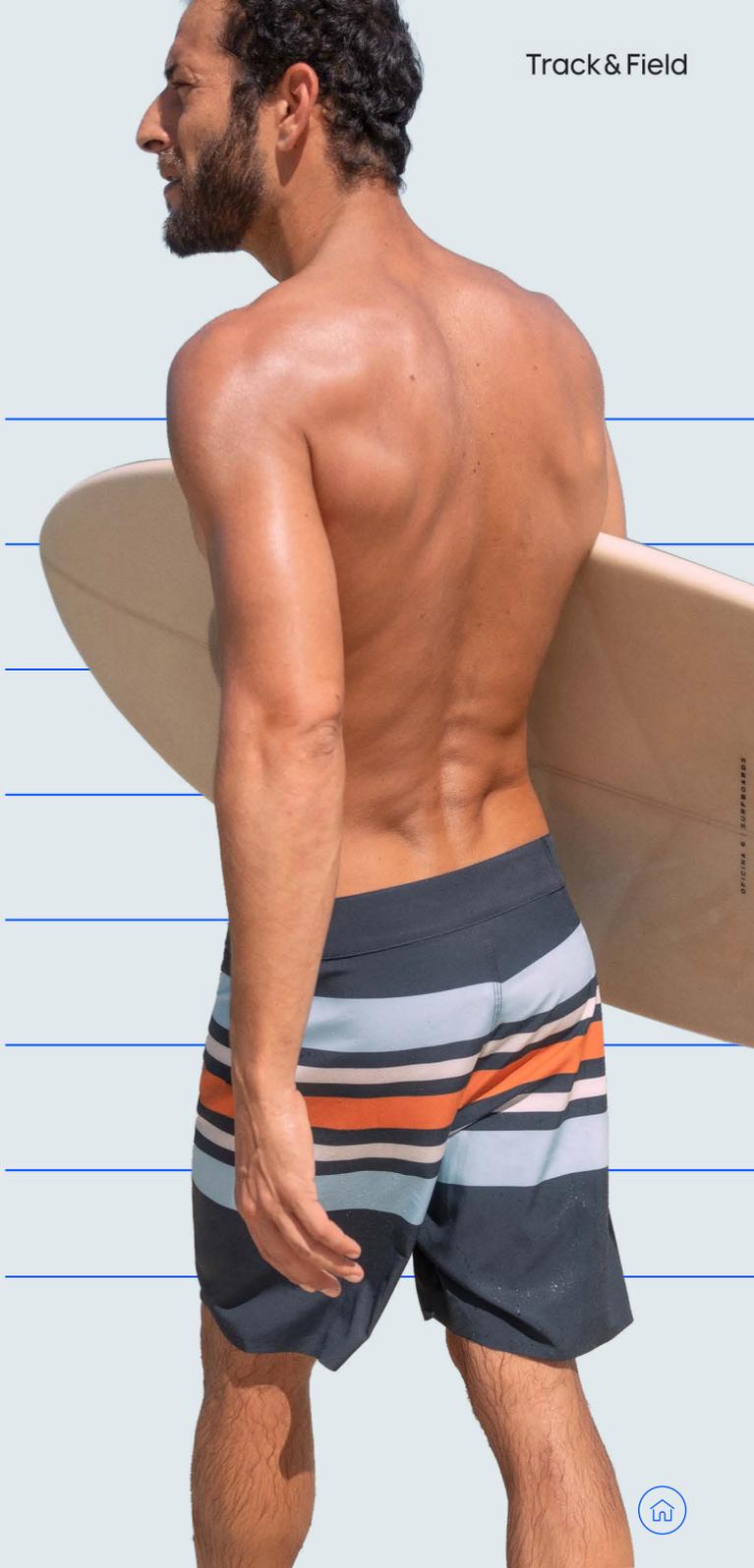
In critical situations, the Crisis Committee comes into action. This body, comprised by the CEO, Chief People and Management Officer, Chief Financial and Investor Relations Officer, ESG executive manager and Legal manager, is convened to monitor and make decisions on sensitive topics. The critical topics considered include discrimination, harassment, incidents involving clients, reports of fraud and/or illegal activities among franchisees or suppliers, and leakage of customer data and/or confidential information.

We also pay attention to initiatives that aim to avoid possible crisis with our customers. After each purchase

through our sales channels (e-commerce, omnichannel, own and franchised physical stores, and outlets), we send a Net Promoter Score (NPS) survey to customers. The Customer Relationship Management (CRM) team closely monitors every feedback received, especially detractors, seeking immediate actions together with other areas of our team to resolve the problems presented. Internally, we have an NPS committee, made up of representatives from all customer contact areas, including franchisees and store managers, who meet biweekly to address points of concern and implement continuous improvements. In 2023, we presented a consolidated NPS of 84.2, two

points above the consolidated in 2022, which reflects our consistency in treatment of such information. [GRI 2-29](#)

It's worth noting that the Customer Service Department (SAC) is the official channel for customers to register complaints, and we continuously assess the effectiveness of this platform. After closing each registered case, we send a satisfaction survey to ensure that, five days after the conclusion of the process, we can obtain feedback on the quality of the service provided. In 2023, we observed a satisfaction rate of 73.4%, encompassing all available contact platforms (email, form submissions, telephone, and chat). [GRI 2-29](#)



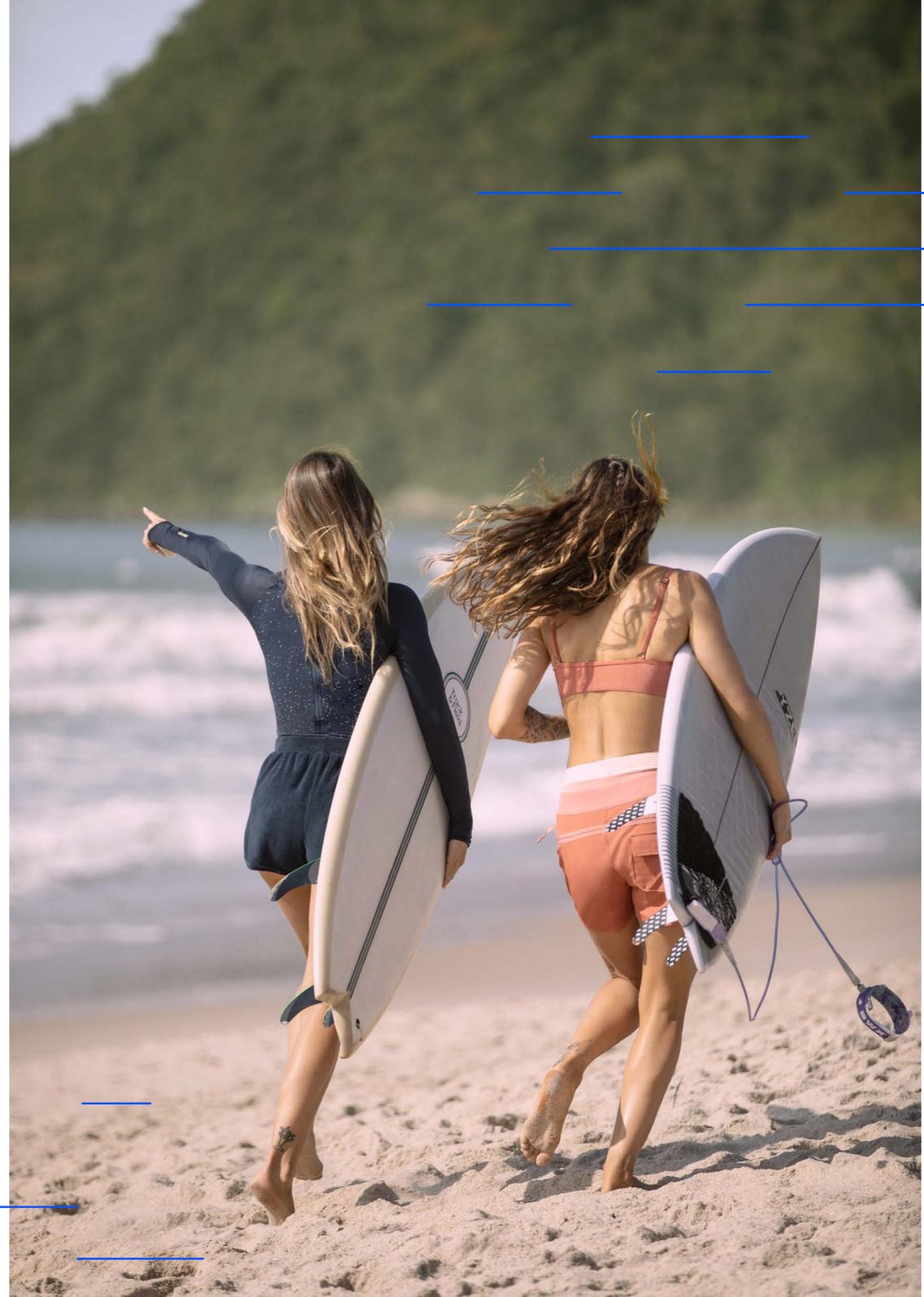
ESG PLAN 2025

Our ESG Plan 2025, designed in 2022, represents a significant milestone in our journey towards sustainability. As a result of close collaboration among our internal teams – the Executive Board, the Sustainability Committee, and the Board of Directors – the plan outlines eight voluntary and qualitative commitments that will guide our efforts in the socio-environmental agenda until December 31, 2025.

The commitments were separated into three pillars: People; Products and Experiences; and Environment. Each pillar reflects our dedication to engaging stakeholders in our

socio-environmental journey, offering products and experiences that generate positive impacts, and preserving the environment for future generations. Tracked by key performance indicators, these commitments will be constantly reviewed and monitored to ensure continued progress towards our objectives.

In 2023, we made progress towards the eight commitments of the ESG Plan 2025 and went from an initial stage to a new level in which we have already established action fronts ready to be implemented from 2024.



ESG Plan 2025

General status



PEOPLE

Engage key stakeholders in our ESG journey

COMMITMENTS	STATUS	ACTIONS
Promote and foster initiatives connecting society with an active and healthy lifestyle.	ONGOING	TFSports entered into a partnership with Achilles International Brazil, an organization whose mission is to transform the lives of people with disabilities through sports programs and social connection (learn more here). We also support social impact projects related to sport, through private social investment and project funding via incentive laws (learn more here).
Encourage our employees to have a more active and healthy lifestyle; promote a culture of sustainability and a more diverse and inclusive work environment.	ONGOING	Development and implementation of an internal communication plan aimed to foster a culture of sustainability through internal actions (learn more here); built the Diversity and Inclusion Action Plan (learn more here).
Redesign and expand our socio-environmental assessment program for the domestic textile supply supply chain.	ONGOING	Creation of a matrix of socio-environmental risks for the supply chain; review of the socio-environmental assessment and monitoring system and creation of support tools; review of the Code of Conduct for Suppliers (learn more here).
Make our ESG initiatives more transparent for investors and customers.	ONGOING	Publication of the first Annual Report for 2022.

RELATED SUSTAINABLE DEVELOPMENT GOALS (SDGS)



PRODUCTS AND EXPERIENCES

Offer products and experiences that enable a more active, healthy and sustainable lifestyle

COMMITMENTS	STATUS	ACTIONS
Search for alternatives and solutions with socio-environmental attributes for products and experiences.	ONGOING	Creation of a list of socio-environmental attributes for products, focusing on raw materials (learn more here).
Lead initiatives that contribute to increasing the products and materials use cycle.	ONGOING	Assessment of the possibilities of disposing disused materials to increase their use cycle.

RELATED SUSTAINABLE DEVELOPMENT GOALS (SDGS)



ENVIRONMENT

Understand and reduce the environmental footprint of our operations

COMMITMENTS	STATUS	ACTIONS
Monitor, reduce and neutralize* scopes 1, 2 and 3 greenhouse gas emissions.	ONGOING	Preparation of a 2022 GHG emissions inventory; development of a study on climate opportunities and risks (learn more here); 2022 scopes 1 and 2 emissions neutralized (learn more here).
Create a Solid Waste Management Plan for owned operations and establish waste reduction goals.	ONGOING	Solid Waste Management Plan completed and creation of tools that will support us in better waste management (learn more here).

RELATED SUSTAINABLE DEVELOPMENT GOALS (SDGS)



* Scopes 1 and 2.



FINANCIAL RESULTS

Track & Field

TFC
TODAY'S FUTURE



We ended 2023 with positive results, demonstrating resilience, consolidation of expansion strategies and solid growth amid the challenges faced by Brazilian retail. The year was marked by the realization of our positioning as a true well-being ecosystem, accelerated by a combination of investments in innovation and new business fronts. Thus, we achieved record results, maintaining double-digit growth in every quarter, and were recognized by the IBEVAR-FIA 2023 Ranking as the company with the best index in the return on invested capital category, reaching 19.6% of return.

Financial results (BRL thousand, unless otherwise indicated)

	2022	2023	Variation (%)
Net Revenue	567,426	683,690	20.5%
Gross Profit	326,770	394,430	20.7%
Ebitda*	143,761	173,730	20.8%
Adjusted Ebitda**	126,184	155,802	23.5%
Adjusted Ebitda Margin	22.2%	22.8%	0.6 pp
Net Profit	96,460	114,410	18.6%
Adjusted Net Profit***	99,954	120,750	20.8%
Adjusted Net Margin	17.6%	17.7%	0.1 pp

* Reconciliation as disclosed on page 14 of the 4th quarter 2023 Earnings Release.

** Adjusted EBITDA: exclusion of the effects of IFRS 16 (effect of excluding depreciation expense of right-of-use assets and lease expense related to rentals) and non-recurring expenses.

*** Adjusted Net Profit: exclusion of the application of IFRS 16 and non-recurring expenses.

Sell out billed per channel (BRL thousand)

	2022	2023	Variation (%)
Franchises	615,366	749,485	21.8%
Own stores	361,177	425,116	17.7%
e-Commerce	23,614	19,487	-17.5%
Total	1,000,157	1,194,088	19.4%

Sell out captured per channel (BRL thousand)

	2022	2023	Variation (%)
Franchises	596,856	714,268	19.7%
Own stores	331,401	389,596	17.6%
e-Commerce	71,901	90,224	25.5%
Total	1,000,157	1,194,088	19.4%

In terms of sales, 2023 reached a sell out of BRL 1.2 billion, an increase of 19.4% compared to 2022, with emphasis on renovated stores, which grew their sales by 34.9%. This result was positively impacted by a set of factors, namely: (i) consolidation of an addressable market that reflects the growing search for products and experiences related to an active and healthy lifestyle; (ii) events with greater numbers of participants, bringing greater

flow of customers into stores, and (iii) evolution of the brand as a gift item on commemorative dates such as Mother's Day, Father's Day and Christmas. Furthermore, we had a 14.6% increase in the number of stores, closing the year with 359 stores, including our own, outlets and franchises. We also highlight the successful launch of new products, including both the Winter 23 and Summer 24 collections as well as the increase in the range of the

kids line and the introduction of the Teen Line, launched in December.

Another highlight was our performance in the e-commerce channel, which grew 25.5% in the vision captured in 2023, reflecting our focus on improving the consumer experience in this channel, efficiency gains in SEO (organic search) and performance media. We also consolidated the ship from storemodel, which represented, in 2023, 78.5% of sales captured by e-commerce. In this model, revenue from online sales is carried out by physical stores, which strengthens both sales channels. In addition, 229 stores already operate with a focus on the infinite showcase model, a feature that allows any of the enabled stores to sell items from any other store, through connection with the distribution center or partner sellers, further strengthening our omnichannel strategy.

On tfmall, a marketplace focused on wellness, the year ended with nine sellers, all of them aligned with our purpose (Apple, Garmin, Head, Hoka, Manduka, New Balance, Polar, Samsung and Saucony). We must continue to seek new strategic partners in 2024 and it is important to highlight that the marketplace's sales volume increased by 90.6% in the fourth quarter of 2023, indicating significant potential for expansion.



Our consolidated net revenue in 2023 reached BRL 683.7 million, representing a growth of 20.5% compared to 2022. Gross profit, in turn, grew by 20.7% compared to 2022, reaching BRL 394.4 million, with a gross margin of 57.7%. This performance is the result of continuous sales growth throughout all quarters of the

year. Consolidated adjusted EBITDA for the year 2023 reached BRL 155.8 million, showing significant growth of 23.5% and an adjusted Ebitda margin of 22.8%. Adjusted net profit reached BRL 120.8 million, marking a significant increase of 20.8% compared to the previous year.

TFSports

	2022	2023	Variation (%)
Net revenue (BRL thousand)	26,449	36,066	36.4%
In-app users*	389.1	592.5	52.3%
Registered for events*	193.5	250.1	29.8%
Number of coaches*	3.3	6.1	84.8%

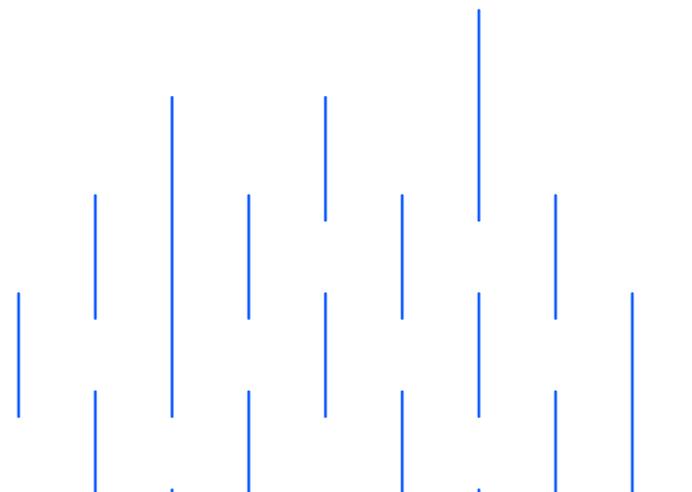
* Data in thousand.

The TFSports platform, which is part of the brand's wellness ecosystem, also showed significant numbers – it held 81 Santander Track&Field Run Series, 1,631 *Continue em Movimento* (Keep Moving) classes, 374 T&F Experience events, and 35 stages of Track&Field Open Beach Tennis. At the end of the year, the Platform had more than 592 thousand users, 52% growth compared to 2022.

Cash

Net cash generation from operating activities was BRL 78.5 million, a level above that seen in the same period of the previous year at 15.0%, demonstrating the company's sustainable growth even taking into account the investments made throughout the year to the growth of operation. The increase in cash generated in operating activities was absorbed by the increase in the net cash line applied to investment activities (+1.9% YoY), mainly due to the development of the TFSports platform and store renovations, as well as the increase in financing activities (+22.9% YoY) due to the higher payment of dividends and JCP (interest on own capital) during the period. The company ended the period with a net cash balance of BRL 54.5 million and cash equivalents (including credit card receivables) totaling BRL 151.7 million.

Details of the value added statement, which aims to highlight the wealth generated by companies and its distribution during the fiscal year 2023, can be found on [page 72](#).





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WE PLAY AS A TEAM

GRI 2-29



EMPLOYEES

GRI 3-3 Quality of life for employees

Our employees are fundamental to achieving our mission of connecting people to an active and healthy lifestyle. Therefore, we continue to improve the Employee Journey and develop initiatives that aim to encourage an increasingly better work environment, in which workers can be themselves.

The latest engagement survey, carried out in 2023 in partnership with the consultancy Pulses, revealed an active participation of 93.2% of employees, with an ambassadorship index of 8.9. The survey assesses the satisfaction of our teams in relation to 12 essential dimensions, such as well-being, happiness, feedback, ambassadorship, leadership, among others. We also highlight the high employee engagement rate, reaching 80% on a scale of 0 to 100%.

Engagement actions

Throughout the year, we dedicate ourselves to initiatives that aim to link our employees to our mission and foster a relaxed, light and welcoming work environment.

During **Women's Month** (March), we held a special edition of the Track&Field Experience, offering an exclusive self-defense class for our employees. Each participant received an event kit, consisting of a t-shirt and healthy snacks. We believe that this is a relevant topic for security today, as well as being a way to strengthen security, enhance self-confidence and challenge established standards.

In honor of **International Yoga Day** (in June), we offered

yoga classes at our units for the second consecutive year. In the same month, we celebrate **International LGBTQIA+ Pride Day**. With the aim of deepening the dialogue on diversity, we held an online meeting with our team, which represented a valuable opportunity to share knowledge, information and awareness on issues related to the topic.

In celebration of **Children's Month** (October), we promote #TFKids. In São Paulo (SP), we provide our employees' children with the opportunity to explore their parents' work environment. We welcome the little ones with affection, offering playful activities led by



monitors, music, snacks and a guided tour of the facilities. At the Joinville (SC) unit, we stimulate creativity and imagination through a drawing exhibition. As a gesture of gratitude, we provided recreational kits for parents to give to their children.

Furthermore, in 2023, we started the T&F Circuit in our São Paulo units and in an Experience Store format

store. This initiative, carried out quarterly, comprises a guided tour at each location, allowing employees to deepen their practical understanding of how the different areas work. The Circuit also provides an excellent opportunity to connect and share experiences.

The profile of our employees

We ended 2023 with a total of 1,607 employees in our own operations, of which 78% are women and 21% men, all benefiting from collective bargaining agreements. In addition, our team included 172 outsourced professionals and interns, who perform various functions in areas such as architecture, controlling, design, legal, cleaning, maintenance, security, information technology, transportation, direct sales, and Customer Service. [GRI 2-7, 2-8, 2-30](#)

Percentage of employees by functional category and gender (%)

GRI 405-1

	2022		2023 ¹			
	MALE	FEMALE	MALE	FEMALE	NON-BINARY	OTHER ²
Senior leadership ³	29%	71%	27%	73%	0%	0%
Leadership ³	39%	61%	37%	63%	0%	0%
Professional	32%	68%	31.5%	68.2%	0.15%	0.15%
Retail positions	11%	89%	12%	88%	0%	0%

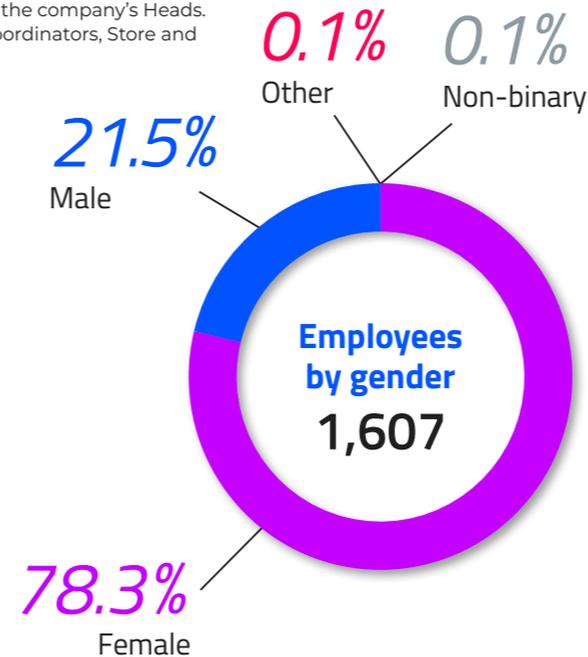
- In 2023, we updated the registration details of our employees so they could self-declare their race/ethnicity and gender. In gender we added the options "non-binary" and "others".
- Gender as specified by the employees.
- The "Senior Leadership" functional category encompasses the company's Heads. The "Leadership" functional category includes: Specialists, Coordinators, Store and Regional Supervisors, and Managers.

Collaborators by region and gender

GRI 2-7 Employees by region and gender

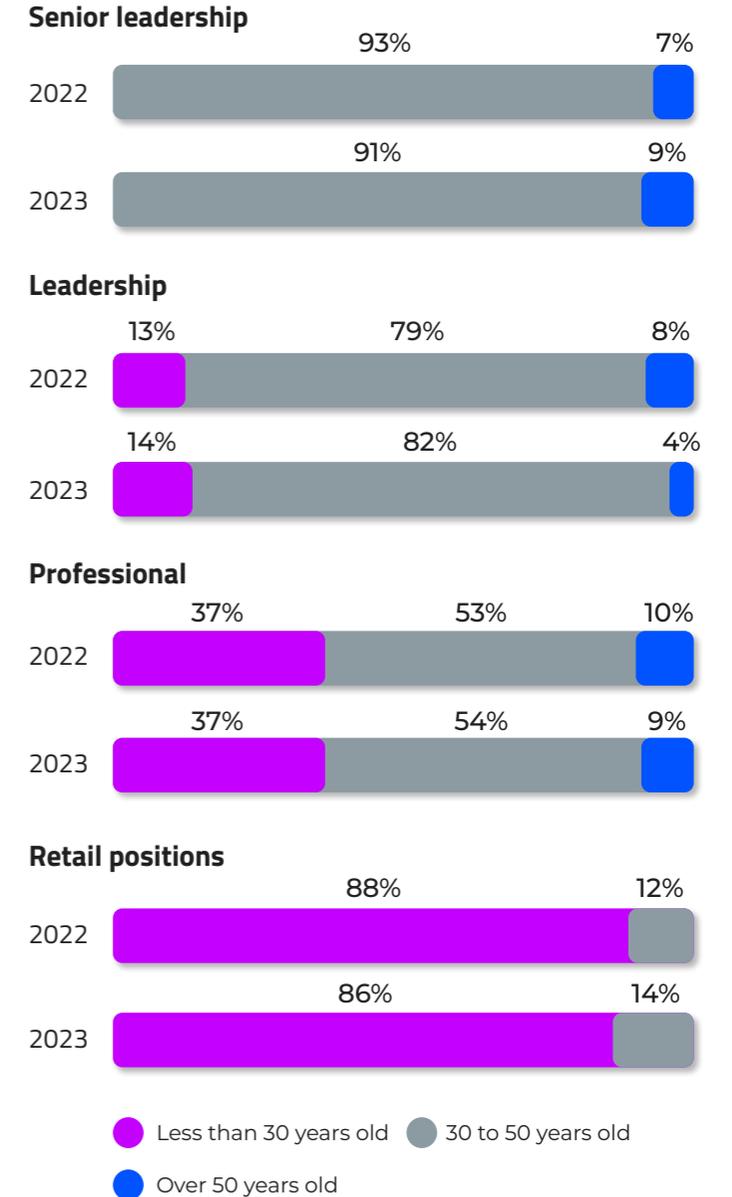
	2022		2023			
	MALE	FEMALE	MALE	FEMALE	NON-BINARY	OTHER ¹
Southeast	283	990	307	1,068	2	1
South	20	115	35	128	0	0
Midwest	8	27	1	42	0	0
North ²	0	0	0	0	0	0
Northeast	4	20	2	21	0	0
Total	315	1,152	345	1,259	2	1

- Gender as specified by the employees.
- We do not have our own operations in the North region.



Percentage of employees by functional category and age group (%)

GRI 405-1



Percentage of employees by functional category and ethnicity (%)

GRI 405-1

	2022 ¹	2023 ²
Senior leadership		
White	87.5%	72.7%
Black	0%	9.1%
Brown	0%	9.1%
Indigenous	0%	0%
Yellow	12.5%	9.1%
Not declared	–	0%
Leadership		
White	76.5%	83%
Black	6.4%	2.8%
Brown	12.8%	7.6%
Indigenous	0%	0%
Yellow	4.3%	4.7%
Not declared	–	1.9%
Professional		
White	45%	47.5%
Black	14.7%	12.8%
Brown	36.9%	35%
Indigenous	0.9%	0.2%
Yellow	2.5%	1.9%
Not declared	–	2.6%

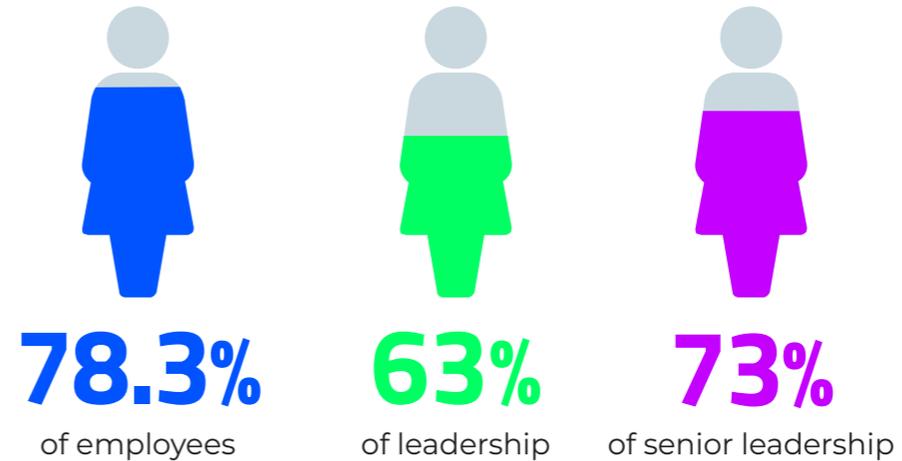
	2022 ¹	2023 ²
Retail positions		
White	50%	50.9%
Black	9.7%	11.1%
Brown	37%	31.2%
Indigenous	0.3%	0.7%
Yellow	3%	2.3%
Not declared	–	3.8%
TOTAL		
White	49.7%	51.8%
Black	11.6%	11.2%
Brown	35.1%	31.1%
Indigenous	0.5%	0.4%
Yellow	3.1%	2.3%
Not declared	–	3.2%

1. Data from 2022 reflects the responses from the census applied that same year, which was voluntary and had a response of around 84% of employees.

2. Data from 2023 reflects the responses from the company's registration update process, and employees who were considered non-declarants did not provide their information.



Female representation



Diversity and inclusion

We are a predominantly female-led company, but we recognize there are still opportunities to advance in the diversity and inclusion agenda. Therefore, in 2023, we developed our Diversity Action Plan, which included a comprehensive diagnostic process conducted by a diversity and inclusion consulting firm; awareness and literacy actions; prioritization and goal setting; and details of the action plan.

The diagnosis involved interviews with company leaders, in addition to a lecture and alignment with the Board of Directors. We also promote conversation circles and focus groups with employees from different hierarchical levels and types of operations: stores, distribution centers, factories and administrative headquarters.

These activities not only provided valuable diagnostic insights, but also aimed to promote awareness and sensitization about the importance of diversity and inclusion in our workplace. As part of the assessment, we conducted the second edition of the diversity census, mapping demographic data about our population and evaluating internal awareness on the topic.

All of these efforts were essential for us to prioritize key audiences and define the directions of our efforts on this agenda. As a result, our Diversity and Inclusion Action Plan is divided into four fronts: People with Disabilities (PwDs), Race and Ethnicity, Gender and LGBT+. For each of these fronts, objectives were established to be achieved by 2025.



Diversity and Inclusion Action Plan

FRONT

GOAL

Gender 

To be an increasingly welcoming and promising company for women to develop their careers.

Race and Ethnicity 

Increase the representation of people from different backgrounds in all positions and business units.

PwDs 

Offer work opportunities that promote the development of professional and personal skills for people with disabilities, as well as providing an inclusive environment where everyone feels genuinely welcomed.

LGBT+ 

Create a space for open and inclusive dialogue that contributes to maintaining a safe and respectful environment for everyone.

Our focus is to advance on these four fronts, building a culture of inclusion that values and celebrates diversity in all its forms.



Attraction and Retention

GRI 401-2

Our core values – integrity, respect, collaboration, care for the business and customer success – guide all our people management initiatives, especially those aimed at attracting and selecting new talent.

In 2023, we simplified our recruitment processes by migrating our careers page to the Gupy platform. In this environment, candidates access all available opportunities, along with information about our history, culture, experiences in the people management cycle and the stages of the selection process.

Our compensation and benefits practices strictly follow legislation, collective bargaining agreements and market standards, and do not differentiate between people of different genders. We work

with the concept of salary ranges, and this allows there to be no discrepancies between the compensation of employees in the same position.

To ensure our compensation remains competitive, we regularly participate in salary surveys within our industry. These analyses guide our salary competitiveness standards, which are essential for attracting and retaining the best talent. Employee compensation consists of a fixed salary portion, in addition to a variable portion, comprised of benefits and profit sharing. For the store team, compensation has a fixed portion, represented by benefits granted to employees who are part of the sales team, as well as a variable composition represented by commission and bonus.

Variable compensation is comprised by Profit Sharing, in the case of corporate salary, with the aim of rewarding the achievement and surpassing of the company's pre-established goals, aligned with the business's performance and growth strategy. Commissions and bonuses in the store team's compensation aim to encourage and recognize employees' sales performance.

Ratio between base salary and remuneration received by women and those received by men GRI 405-2

	2023
Senior leadership	113%
Leadership	96%
Professional	86%
Retail positions ¹	106%

1. They represent 52.4% of the company's employees.

Maternity/paternity leave

GRI 401-3

	2022		2023	
	Paternity	Maternity	Paternity	Maternity
Employees entitled to take leave	315	1,152	345	1,259
Employees who took leave	2	33	1	35
Employees who returned to work after the end of their leave	2	33	1	35
Return to work rate ¹	100%	100%	100%	100%
Employees who returned to work after the end of their leave and continued with the team 12 months after returning.	1	13	2	29
Retention rate ¹	50%	81.25%	66.66%	87.87%

1. To calculate the rates, employees who were still employed were considered.



We also offer benefits to promote an active and healthy lifestyle, such as discounts on our products, exclusive perks for participants in TFSports races, and Gympass membership.

We also announced our participation in the *Empresa Cidadã* (Citizen Company) program starting in 2024, which will extend the current maternity leave from 120 days

to 180 days and increase the paternity leave from 5 days to 20 days.

Recognizing the high turnover in the retail segment and the demand for additional resources during important commercial dates, we hire temporary workers under the same terms and conditions as other employees to address these seasonal demands.



New hires and employee turnover¹

GRI 401-1

	2022			2023		
	HIRING	DISMISSALS	TURNOVER RATE	HIRING	DISMISSALS	TURNOVER RATE
BY GENDER						
Male	239	185	58.70%	240	226	14.06%
Female	1,081	805	69.90%	1,020	913	56.81%
Non-Binary	–	–	–	2	0	0.00%
Other	–	–	–	0	0	0.00%
Not declared	–	–	–	0	0	0.00%
Total	1,320	990	67.50%	1,262	1,139	70.88%
BY AGE GROUP						
Less than 30 years old	948	735	80.30%	952	858	53.39%
30 to 50 years old	328	232	47.40%	284	250	15.56%
> 50 years old	44	23	36.50%	26	31	1.93%
Total	1,320	990	67.50%	1,262	1,139	70.88%
BY REGION						
Southeast	1,097	878	69.00%	1,050	978	60.86%
South	158	69	51.10%	130	111	6.91%
Midwest	42	21	60.00%	60	26	1.62%
North ²	0	0	0.00%	0	0	0.00%
Northeast	23	22	91.70%	22	24	1.49%
Total	1,320	990	67.50%	1,262	1,139	70.88%

1. The data in the table does not include franchisee turnover and hiring.

2. The 11 stores we have in the North are franchised, therefore, there are no employees in the region.



Qualification and Training GRI 404-2

In 2023, we continue to improve our development and learning programs, aligning them with our strategy, mission and values. One of the highlights was the continuity of the **HeadsUp** program, focused on leadership training in three dimensions: self-leadership, people leadership and business leadership. With five meetings throughout the year, providing moments of connection and exchange between leaders, topics such as team building, communication, diversity & inclusion, productivity, innovation and entrepreneurship were addressed, promoting an environment conducive to learning and collaboration.

In addition to HeadsUp, we launched the **LeadersUP** program for managers and coordinators. With four meetings lasting six hours each, the program aimed to strengthen connections and collaboration. Topics such as emotional intelligence were covered; development and feedback; financial management; self-knowledge and collaboration; agile culture; formation of high-performance teams and non-violent communication.

We also dedicate efforts to implementing an internal communication plan to promote a culture of sustainability in all spheres of our organization. This plan encompassed a series of carefully planned actions, aimed at involving and informing our employees about ESG (Environmental, Social and Governance) practices and values. Among these initiatives, we highlight the creation of a monthly newsletter, entitled “Por Dentro do ESG”, with content on environmental, social and governance issues, in addition to the creation of an ESG glossary containing the terms relevant to these themes, aiming to facilitate understanding and promoting the integration of these concepts into our corporate daily life. We hold specific lectures and events for employees at operational units, providing a space for discussion, learning and engagement on issues related to sustainability. These initiatives reflect our commitment to aligning organizational culture with the principles of sustainable development and encouraging the active participation of employees in this process.



Internship Program

Launched in 2021, our Internship Program aims to develop our future talents in the job market. The program provides a development path, including follow-up conversations, quarterly meetings and thematic panel presentations. In 2023, we welcomed ten new interns, providing a complete onboarding experience and immersion in our culture. We also carry out the intern development program, with two meetings starting in August, reinforcing our commitment to creating an environment of learning and growth for our future talents. After all, we believe in the power of daily learning, valuing exchanges between people and connecting content that stimulates new knowledge.



Performance Evaluation

Our Performance Management Cycle, called tfhit, is an initiative that aims to monitor the performance of our employees throughout the year. Implemented as a pilot project in 2022 and established as our official process for all Track&Field employees starting in 2023, this cycle is designed to strengthen our core values, develop teams and drive continuous improvement.

This process aims to boost personal and collective development, combining tangible results and behaviors aligned with our culture, offering an environment conducive to growth, with continuous stimuli such as constructive feedback, merit actions, career advancement opportunities and constant learning.

Percentage (%) of total employees, broken down by gender and functional category, who received regular performance and career development evaluations

GRI 404-3

	2022 ¹	2023 ²			
	TOTAL	MALE	FEMALE	NON-BINARY ³	OTHER
Executive Board	100%	100%	100%	0%	0%
Senior leadership	93%	100%	100%	0%	0%
Leadership	66%	97%	88%	0%	0%
Professional	0%	86%	80%	0%	100%
Retail positions	0%	49%	42%	0%	0%

1. In 2022, the initiative operated as a pilot project, covering only a group of employees.
2. The evaluation process is carried out from January to March of each year, referring to the previous year's performance. The information presented here refers to the 2023 process, which evaluated people in their positions until December 2022.
3. There was no evaluation of non-binary employees.

The evaluation takes place in two essential dimensions: Results ("What") and Behaviors ("How"). The behaviors assessed are based on our values of Integrity, Respect, Collaboration, Business Care and Customer Success. Leaders also undergo additional assessment of specific leadership behaviors.

Our Performance Management Cycle seeks to promote a culture of feedback and development, increasing transparency and dialogue between leaders and their teams.



Health and well-being

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7

We provide our employees with benefits that aim to promote health, well-being and an active lifestyle. This includes discounts on branded products, participation in races organized by TFSports, benefits for companions, access to the *Continue em Movimento* (Keep Moving) Program through the TFSports app and a partnership with Gympass, which allows access to gyms for employees and their dependents. We also offer free places in partnership with RunFun Assessoria Esportiva, where employees receive specialized support, providing training with physical educators.

In 2023, we entered into a partnership with SouSmile, offering discounts on all dentistry and orthodontics treatments, in addition to promoting oral health awareness in our offices on International Self-Care Day.

We also established a partnership with Bayer for preventive campaigns, during Pink October and Blue November, to raise awareness about breast and prostate cancer prevention, respectively.

Annually, we hold lectures on physical and emotional health, with educational content, including 21-day challenges to promote healthy habits. In 2023, we will have a lecture by the former captain of the Brazilian Water Polo team, Cristiana Pincirolí, on the Science of Happiness.

We introduced workplace exercise classes at Ipiranga unit to promote health and vitality during working hours. These are 15-minute sessions and take place twice a week. As special attention to the topic of mental health, in addition to lectures on the subject, we offer social and psychological assistance in cases of personal and family crises.

We offer courses tailored to each employee's role, such as Fire Brigade Training and Forklift Operation. These training programs aim to ensure that everyone is prepared to handle specific situations related to their responsibilities.

The Internal Committee for Accident Prevention (CIPA) plays a key role in identifying and monitoring potential risks. Composed of five representatives, with three elected by employees and two appointed by management, the CIPA acts proactively to maintain a safe environment.

We have a Risk Management Program (PGR), supported by a third-party company and aligned with applicable Regulatory Standards (NRs) for operations, covering all employees and third parties providing services at our facilities.



Annually, a safety technician inspects the facilities and working conditions, recording the results in CIPA minutes, which are shared with the responsible departments.

We promote a proactive safety environment, encouraging all employees to identify hazardous situations and report them in the CIPA minutes. Additionally, training sessions are conducted that address hindering situations for service execution, ensuring that everyone is aware of safety procedures.

In case of accidents, we take immediate measures such as providing transportation for the injured person, accompanied

by a colleague. CIPA investigates incidents, evaluates the PGR reports, and defines action plans for workplace improvements.

In 2023, we recorded 18 work accidents, with ten being commuting accidents and eight typical accidents (related to falls and strains), over 2,869,459.20 hours worked. Three accidents were serious, all classified as commuting accidents. The rates of work accidents and serious accidents were 6.27 and 1.05, respectively, using a base of 1,000,000 for calculation. There were no fatalities among employees, cases of occupational diseases, or accidents involving third parties in our operations.

GRI 403-9, 403-10

COMMUNITY ENGAGEMENT



In our journey of supporting the community, we reinforce the commitment to projects aligned with our mission, highlighting initiatives that promote sports and transform lives. Throughout the year, in line with our ESG Plan macro objective of connecting people to an active, healthy and more sustainable lifestyle, we support social responsibility projects through the contribution of our own resources and incentive laws.

Our longstanding partnership with **Instituto Guga Kuerten**, initiated in 2015, reflects our support for sports, educational, and social initiatives aimed at children, adolescents, and people with disabilities in Santa Catarina. Details about the impact of your actions can be accessed at www.igk.org.br/nossos-numeros.

We also maintain a valuable partnership with **Hospital de Amor** since 2016, contributing to our commitment to health and well-being. This institution,

with 60 years of history, operates in prevention, rehabilitation and research related to the oncology area, with treatment units distributed throughout Brazil. Last year, the institution conducted 1,744,509 appointments, benefiting 568,900 patients.

In our mission to support the community, we highlight the partnership initiated in 2020 with **Instituto Esporte & Educação (IEE)**. In addition to promoting sports culture in low-income communities, the IEE trains Physical Education teachers, fostering values such as inclusion and respect for diversity. Also since 2020, we support **Associação Santo Agostinho (ASA)**, which is dedicated to the transformation and education of children, adolescents, and the elderly. With five Early Childhood Education Centers, five Centers for Children and Adolescents, and one Day Center for the Elderly, ASA provides opportunities for personal development with respect and dignity. In 2023, we served 1,459



children, adolescents, and elderly individuals. More information available at asatransforma.org.br.

Since 2021, we have been active partners of the **Paraty Athletics School**, contributing through private social investment. In collaboration with Comunitas, this initiative benefits students from public schools in Paraty (RJ), encouraging them not only about the benefits of sports for quality of life but also aiding in the development of future athletes and promoting social inclusion.

ENVIRONMENTAL RESPONSIBILITY



- 61 Climate change
- 64 Waste management
- 66 Resource Management
- 66 Energy
- 67 Water



CLIMATE CHANGE

GRI 3-3 Climate action

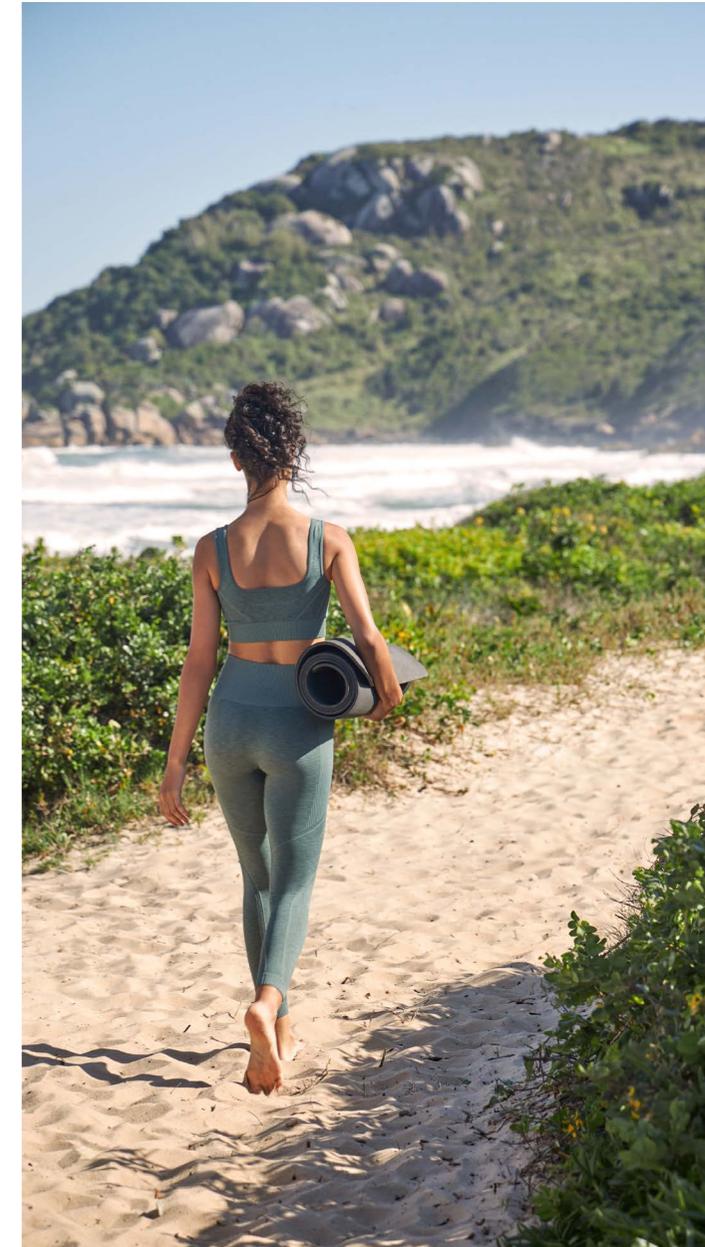
The issue of climate change has been gaining prominence worldwide, especially due to the extreme weather events observed in recent years. At Track&Field, we recognize our responsibility regarding this issue, and in 2023, we dedicated ourselves to better understanding the impacts and opportunities that climate change can bring to our business. We developed our greenhouse gas (GHG) emissions inventory, maintaining our commitment aligned with the goals established in our ESG Plan 2025 to continuously monitor our emissions.

We use the operational control approach, taking responsibility for all GHG emissions from the units over which we have operational control. Furthermore, we consider data from our franchises through estimates and include them in the corresponding category of the inventory.

Our inventories are prepared according to the GHG Protocol Corporate Standard methodology and ISO 14064-1 standard, ensuring the accuracy and compliance of our data.

According to the methodology, emissions are classified into three scopes: direct (Scope 1), indirect through energy acquisition (Scope 2) and other indirect emissions (Scope 3). It is important to clarify that to calculate Scope 3 emissions, we mapped all applicable categories within our value chain and quantified the associated emissions. Data collection therefore encompasses various operations, including own stores, factories in São Paulo (SP) and Joinville (SC), corporate office on Presidente Juscelino Kubitschek Avenue in São Paulo (SP), distribution center, as well as data such as raw material quantities, and transportation and distribution of all our products and employees. In the search

for continuous improvement in our data collection, we identified an opportunity for improvement related to the emission factors used to calculate Scope 3, which had an impact mainly on category 1 – Goods and Services Purchased. With the update, we achieved a significant impact on the results of the 2023 inventory, achieving a 51% reduction compared to the previous year. Therefore, aligned with the GHG Protocol, we extended the improvement to the data from the previous year, recalculating the affected categories for the year 2022. Thus, the Scope 3 emissions, which were 38,353.62tCO₂e in 2022, have been recalculated to an updated emission index of 23,538.00tCO₂e.

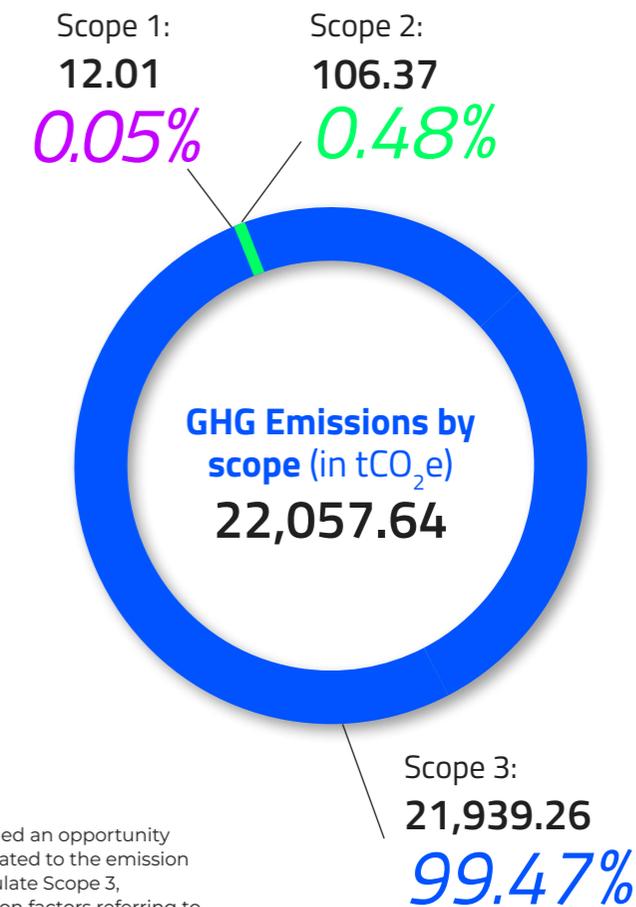


In 2023, our total emissions were 22,057.64 tCO₂e, representing a 6.7% reduction compared to the previous year. In Scope 1, there was less maintenance on refrigeration equipment, generating lower emissions of refrigerant gases. In Scope 2, despite a significant increase in electricity consumption – mainly related to the expansion of operations at the factory in Joinville, which was inaugurated in 2022 and was not operating at full capacity – emissions did not increase in the same proportion due to the decrease in the emission factor of the Brazilian grid. In Scope 3, the reduction occurred due to methodological changes such as: improved data collection; switching to emission factor bases with greater granularity for more accurate calculations; and enhanced procurement planning for materials and products. This resulted in an 11% reduction in Category 1 emissions compared to 2022. GRI 305-5

GHG Emissions by Scope (in tCO₂e)

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

	2022	2023
Scope 1	18.25	12.01
Mobile combustion	6.10	10.50
Stationary combustion	1.15	1.32
Fugitive emissions	11.00	0.20
Scope 2	90.41	106.37
Acquisition of electricity	90.41	106.37
Scope 3	23,538.00¹	21,939.26
1. Goods and services purchased	18,201.54 ¹	16,236.56
2. Capital goods	1,456.03	1,273.88
3. Activities related to fuels and energy not included in Scopes 1 and 2	48.24	59.51
4. Transport and distribution (upstream)	148.63	118.99
5. Waste generated in operations	81.98	108.63
6. Business travel ²	269.48	461.85
7. Employee commuting (home-work)	1,685.88	1,914.18
9. Transport and distribution (downstream)	223.52	229.20
11. Use of Sold Products	852.93	864.93
12. End-of-life treatment of sold products	371.81	450.47
14. Franchises	197.96	221.07
Total	23,646.66¹	22,057.64



1. In 2023, we identified an opportunity for improvement related to the emission factors used to calculate Scope 3, updating the emission factors referring to raw material and finished product activity data. This improvement was also applied to 2022 data. GRI 2-4

2. In reviewing the 2022 data, it was observed that emissions resulting from employees commuting using app cars represent 0.09% of Scope 3, and it was found that the index remained at the same magnitude compared to the previous year. In this way, we excluded the calculation of emissions for traveling in category 6 application cars.



GHG Emission Intensity (in tCO₂e)

GRI 305-4

	2022	2023
Total GHG emissions (tCO ₂ e) - Scopes 1 and 2	108.66	118.4
Total GHG emissions (tCO ₂ e) - Scope 3	23,538.00	21,939.3
Quantity of products available (units)	5,538,214	7,119,131
GHG emission intensity Scope 1 and 2 (tCO ₂ e/unit)	0.000020	0.000017
GHG emission intensity Scope 3 (tCO ₂ e/unit)	0.0043	0.0031

Biogenic GHG Emissions by Scope (in tCO₂e)

GRI 305-1, 305-3

	2022	2023
Scope 1	2.48	2.73
Mobile combustion	2.36	2.57
Stationary combustion	0.12	0.16
Scope 3	232.81	304.87
1. Goods and services purchased	5.17	6.55
4. Transport and distribution (upstream)	13.86	13.95
6. Business travel	3.91	0.00 ¹
7. Employee commuting (home-work)	191.8	262.64
9. Transport and distribution (downstream)	18.07	21.73

1. In 2022, biogenic emissions attributed to Category 6 related to employee transportation via ride-hailing apps represented 0.09% of Scope 3 emissions. The distance traveled in 2023 remained in the same order of magnitude compared to the previous year. Due to its low significance, emissions from commuting via ride-hailing cars were excluded for this reporting cycle, resulting in no biogenic emissions in Category 6 in 2023.

Seeking to reduce impacts

In 2023, we offset our 2022 Scope 1 and 2 GHG emissions, as guided by our ESG Plan 2025. Together with the Sustainability Committee, we established criteria for selecting offset projects that provide certification of acquired credits by internationally recognized standards, generate positive social impact, and reduce environmental impact. This reflects our commitment to seek solutions that not only offset our emissions but also contribute to social development and environmental preservation.

Therefore, we defined that the project meeting these criteria would be a Reduced Emissions from Deforestation and Forest Degradation (REDD+) project, a mechanism aimed at reducing greenhouse gas emissions from deforestation and forest degradation, while promoting conservation and sustainable forest management.

Based on this, we neutralized 109 tons of CO₂ and, referring to the total emissions of scopes 1 and 2 through the Jari/Amapá REDD+ project, which has VCS (Verified Carbon Standard) certification and received the gold level seal for biodiversity in the CCBS (Climate, Community & Biodiversity Standards) standard. The activities carried out by REDD+ Vale do Jari Program benefit 1,647 families in 68 communities.

In 2023, aiming to reduce our emissions, we piloted a last-mile delivery project using electric vehicles. Last-mile deliveries refer to the final stage of the logistics chain, where products are delivered directly to the end consumer. Throughout the year, we conducted 5,792 deliveries using low-emission vehicles in the cities of São Paulo and Rio de Janeiro, which reduced CO₂ emissions by 76% compared to deliveries using conventional modes. The operation is under review, and the results obtained will be evaluated to consider the potential expansion of the project.

WASTE MANAGEMENT

GRI 3-3 Solid waste, 306-1, 306-2

In 2023, we also made progress towards the commitment established in our ESG Plan 2025 to create a comprehensive Solid Waste Management Plan (PGRS in Portuguese) for our own operations. In this sense, we carried out an in-depth study to understand waste management in each of our units. Technical visits were carried out to stores, including some with TFC Food&Market; to factories; to the distribution center; to the warehouse dedicated to TFSports operations; and our administrative headquarters, in addition to visiting and conducting technical analysis of three sports events of different sizes.

As a result, the generation of

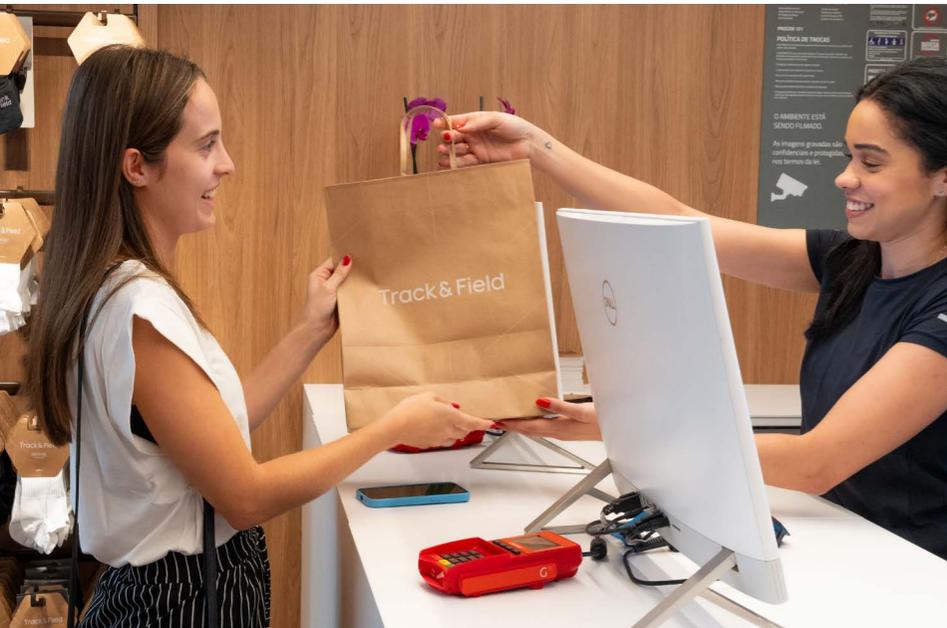
41 types of waste were identified, of which **33** were classified as hazardous and eight as non-hazardous.

Each waste was carefully evaluated regarding its characterization, generation process, monthly or event-based volume, storage, current management, disposal, and associated documentation.

Based on this study, we developed several management support documents, including our PGRS, which details waste management in all our units, establishing goals for adequate management of waste generated in our activities. The PGRS covers all of our business units and is in compliance with Law 12,305/2010, National Solid Waste Policy. A comprehensive diagnosis was also prepared, which not only describes the current management of each type of waste in our units, but also the impacts and challenges at all stages of waste management, highlighting points of attention, positive aspects and environmental, legal trends and consumption.

Furthermore, we have developed a detailed procedure for improving waste management processes at our units. From 2024, these tools will be used to support the beginning of the implementation of improvements in waste management mapped in our own operations.





Despite the challenges encountered in measuring waste generation, our study identified conscientious employees and reuse practices across all operations, highlighting our commitment to responsible waste management.

Most of our operations are located in shopping malls or condominiums where waste management is outsourced, resulting in a lack of precise quantification of the discarded volume. In the Joinville (SC) factory,

in 2023, we recorded the disposal of 4.3 tons of recyclables (paper, cardboard, and plastic) generated before the production process, along with 2.3 tons of selvedge, 18.7 tons of fabric scraps, and 560 liters of oil generated after production. Only the oil is classified as hazardous. All these wastes from the Joinville (SC) factory are sold or donated to responsible companies for proper recycling and disposal.

GRI 306-3, 306-4, 306-5

At our distribution center, we use sturdy cardboard boxes and prioritize their reuse to the maximum extent before sending them for recycling. In 2023, 70.3 tons of plastic and cardboard were recycled at our distribution center, which includes the volume of boxes that reached the end of their lifespan. We also implemented a freight optimization strategy aimed at improving routes so that the cardboard boxes used for transporting our products are returnable and reusable.

In our physical stores, we have adopted measures designed to reduce impact, including replacing

plastic packaging with tissue paper and reusing, whenever possible, the zip bags that package all of our clothing items. Furthermore, we encourage the practice of repairs on mannequins to extend their useful life. It is worth mentioning that we environmentally compensated the plastic and paper packaging distributed, in line with legislation, totaling 51.21 tons of paper and 15.58 tons of plastic compensated in 2023, referring to distribution in 2022.

At TFC Food&Market, we choose to use reusable utensils, cups, and dishes, reserving disposable items, mostly made from PLA (a thermoplastic polymer derived from renewable sources such as lactic acid), only for takeout orders.

At our events, we prioritize the reuse of materials whenever possible. This includes replacing only the data on banners and exhibitor headers, while refurbishing countertops, carpets, and metal and wooden structures. The T-shirts are transported in bags made from polyamide fabric waste by the manufacturers. All

medals are made following the same standard, enabling their use across multiple events, while service providers for engraving use technology that generates no waste. We also distribute aluminum cans of mineral water to the public, facilitating recycling.

Our commitment to responsible waste management does not stop here. We aim to continue advancing towards the best environmental management practices across all our operations. As the next steps in our planning, we will implement the developed waste management procedure, ensuring its effective application across all units. We will also conduct training for all employees, especially those responsible for waste management, to increase awareness and engagement with sustainable waste management practices.

RESOURCE MANAGEMENT

Energy

In 2023, our factories, own stores, office, warehouse, and distribution center required a total of 2,762.1 MWh of electricity, equivalent to 9,943.6 GJ. In addition to this electrical consumption, our generators contributed 563 liters of diesel, representing a consumption equivalent to 23.1 GJ.

For better understanding, we used specific conversion factors: 3.6 GJ for every 1 MWh of electricity and 41.03064 GJ for every 1 m³ of diesel. These factors help us quantify our energy consumption and evaluate our performance in relation to other players in the sector, based on international measurement standards.

Energy Intensity

GRI 302-3

	2022	2023	Un. Measure
Energy consumption	7,710.6	9,943.6	GJ
Area of our operations (own stores, DC, administrative office, factories and warehouse)	23,405.6	26,725.3	m ²
Energy Intensity	0.33	0.37	GJ/m ²

Energy consumption within the organization (in GJ)

GRI 302-1

UNIT	2022			2023		
	ELECTRICITY	DIESEL	TOTAL	ELECTRICITY	DIESEL	TOTAL
TFLog	367.3	8.2	375.5	357.9	9.8	367.7
JK	247.4	-	247.4	363.5	-	363.5
Factories	1,560.8	11.7	1,572.5	3,075.7	13.2	3,088.9
Own stores	5,535.0	-	5,535.0	6,122.2	-	6,122.2
Warehouse	-	-	0.0	24.3	-	24.3
Total	7,710.5	19.9	7,730.4	9,943.6	23.0	9,966.6



In 2023, we had a 28.9% increase in the organization's energy consumption compared to the consumption in 2022. This increase was due to the new operation of our Warehouse, the inclusion of two new stores in our own store network, and a significant increase in consumption at our factory in Joinville, which in 2022 did not operate throughout the year and was still not operating at its full capacity.



Water

GRI 3-3 Water management, 303-1, 303-2



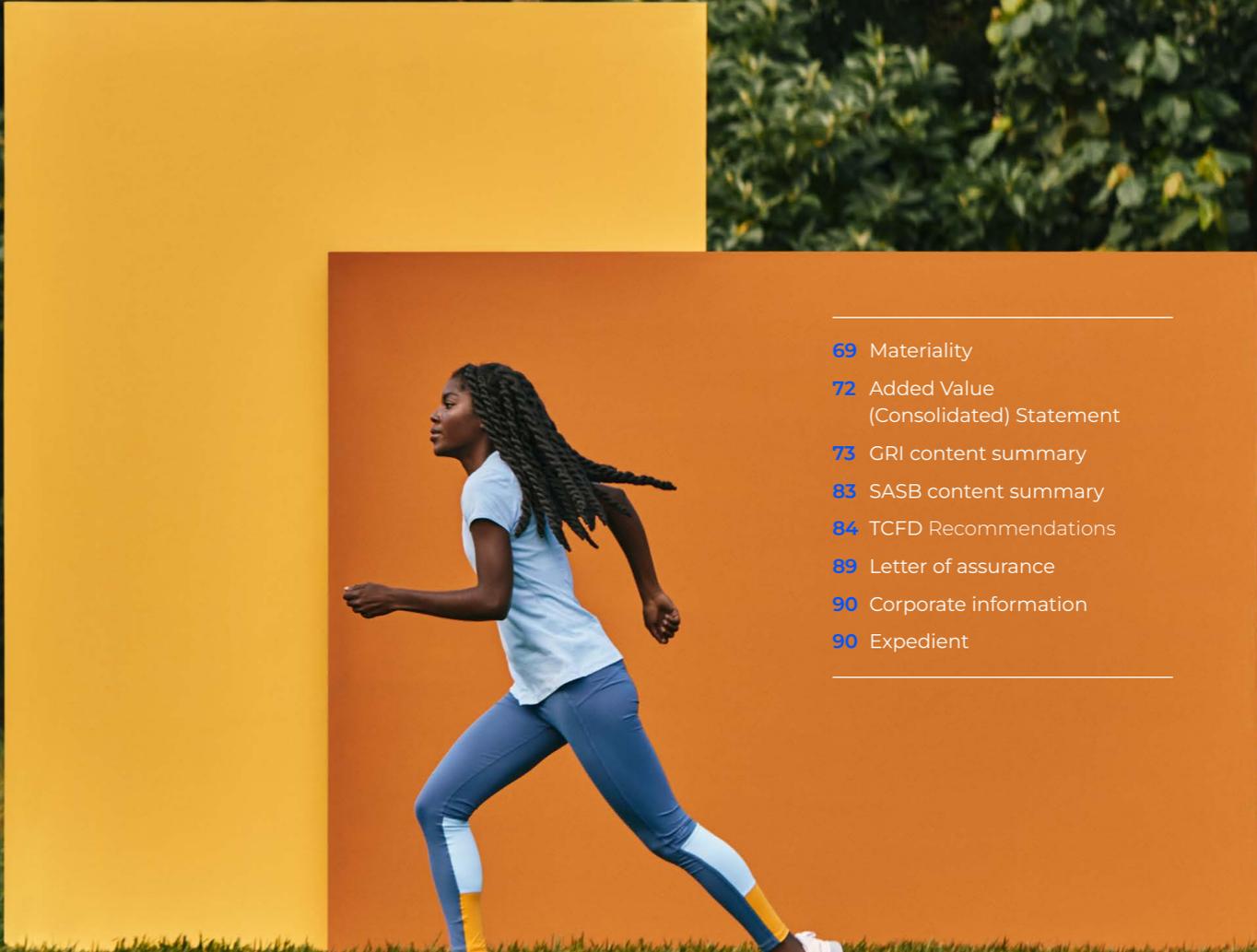
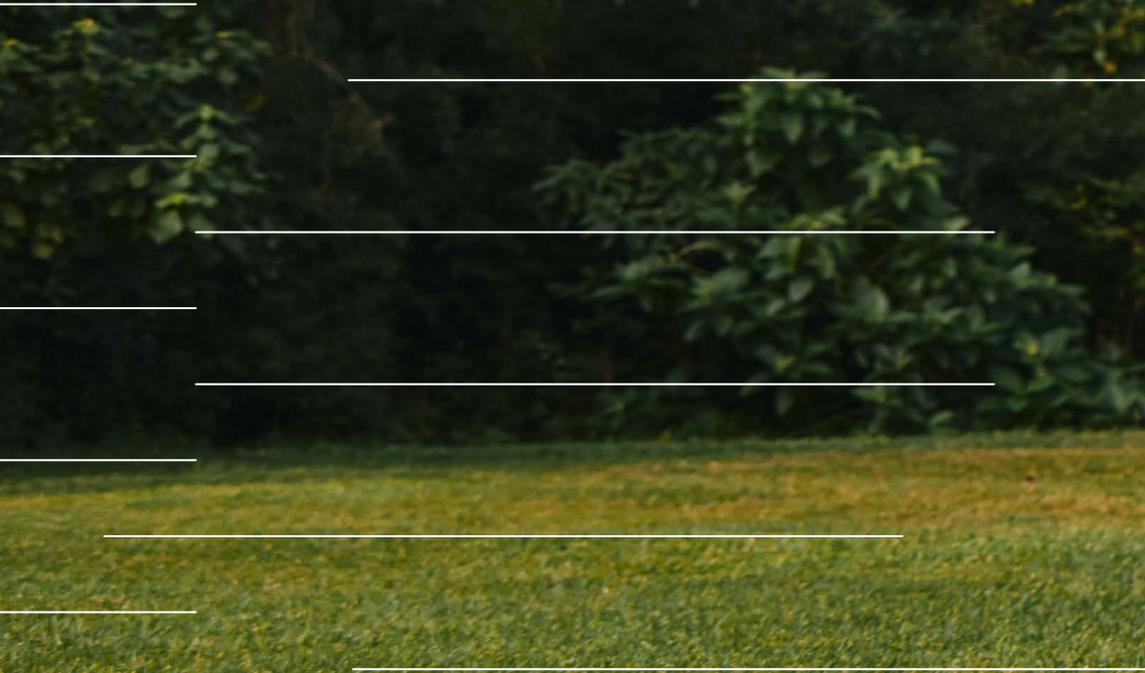
Our activities are not water-intensive, primarily used for cleaning our facilities and human consumption. However, we are aware of the challenge in our sector and seek to explore more efficient techniques. Therefore, we are experimenting with technologies such as a digital printer in our processes for printing t-shirts for sports events. Although it does not yet print a significant volume of products, the initiative represents progress toward eliminating the use of water in printing.

In 2023, our production unit located in the Ipiranga neighborhood, along with our warehouse and the stores on Oscar Freire and Cristiano Viana streets in São Paulo, recorded a total consumption of 3.9 megaliters (ML). This volume increased by approximately 105% compared to the previous year (1.9ML), mainly due to consumption in the new Galpão operation, opened in June 2023. Moreover, we had an increase

in the number of employees, restructured and expanded the areas for employee hygiene, and carried out renovations at Ipiranga unit, which resulted in higher water consumption. In other units, which include a corporate office, distribution center, factory in Joinville (SC) and stores located in commercial condominiums and shopping malls, we face the challenge of not directly managing consumption data. [GRI 303-5](#)

There is no water collection point in our units. Every water resource is supplied by the water supply companies in the respective regions where our operations are located. Regarding water disposal, we strictly comply with all laws and environmental requirements, with the service also being provided by the companies responsible for managing local sewage networks. Therefore, there are no significant impacts regarding collection and disposal.

ANNEXES



- 69 Materiality
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- 73 GRI content summary
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- 90 Expedient

Materiality GRI 3-1

The content of this report reflects a comprehensive materiality process initiated in 2021 by analyzing reports from other companies in the fashion and sports accessories industry, as well as internal documents, sector studies and publications on sustainability. This study allowed us to identify priority topics that affect not only our industry, but also reflect our values and objectives.

Subsequently, we conduct preliminary qualification and consolidate emerging topics. We conducted interviews with our leadership and administered online surveys with predefined stakeholders, ensuring a comprehensive understanding of the expectations and concerns of all parties involved.

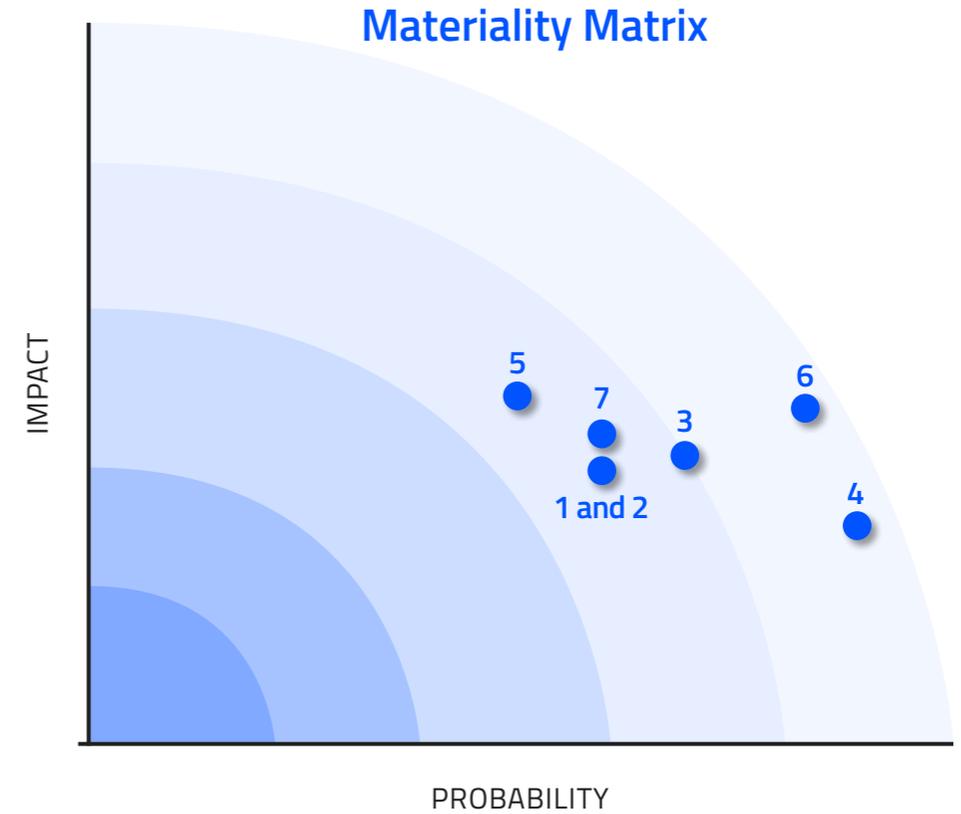
The weighting of the results observed in the previous stages ensured that we assigned the appropriate importance to each

identified topic. This process allowed us to highlight those that are not only relevant to our operation, but also have a significant impact on our stakeholders and society as a whole. Finally, validation by senior management ensured that the conclusions reached during the previous stages were reviewed and approved by our key team leaders. [GRI 2-14](#)

In 2022, we conduct additional analysis with a specific focus on significant economic, environmental and social impacts. This assessment involved reviewing our risk map and conducting an in-depth analysis of industry studies, particularly the Sustainability Accounting Standards Board (SASB) guidelines related to the sectors directly linked to our operations: Clothing, Accessories and Footwear; E-commerce; and Restaurants.

The identified impacts were prioritized considering the perspectives of different operations and then grouped by material topics. This review process was once again submitted for validation by the Executive Board and the Board of Directors, ensuring that our approach remains aligned with the highest standards of governance and corporate responsibility. [GRI 2-14](#)

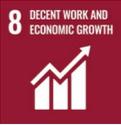
This report reflects not only our dedication to progress in sustainability, but also our openness to ongoing dialogue with our stakeholders. We are committed to constantly evolving, meeting not only the expectations of the present but also shaping a more sustainable and responsible future for everyone.



- Material Topic**
- | | |
|---------------------|---------------------------------|
| 1 Product ecodesign | 5 Supply chain management |
| 2 Climate action | 6 Quality of life for employees |
| 3 Water management | 7 Customer in the center |
| 4 Solid waste | |

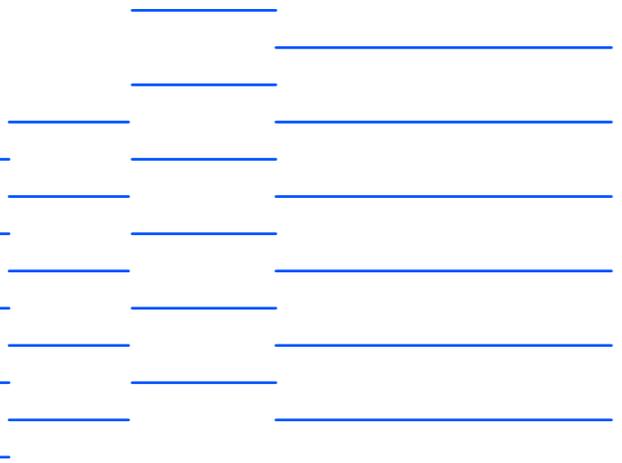


Material Topics GRI 3-2

TOPIC	SCOPE	IMPACT	RELATED DISCLOSURES	RELATED SUSTAINABLE DEVELOPMENT GOALS (SDGS)
<i>PRODUCT ECODESIGN</i>	Aspects related to the product design stages include the use of alternative and more sustainable raw materials such as cotton and viscose, recycled synthetic materials, products from regenerative agriculture; prioritization of mono-materials; and elimination of dyes and microplastics.	Employees, customers, environment, society	GRI 301: Materials 2016	
<i>CLIMATE ACTION</i>	Monitoring and management of Greenhouse Gas (GHG) emissions in scopes 1, 2, and 3.	Employees, government, environment, society	GRI 302: Energy 2016; GRI 305: Emissions 2016	 
<i>WATER MANAGEMENT</i>	Monitoring of water consumption throughout the product lifecycle, as well as management of effluents to prevent contamination of surface and groundwater.	Employees, government, environment, society	GRI 303: Water and effluents 2018	
<i>SOLID WASTE</i>	Waste management (textile waste, defective stock, and production samples, including product packaging) throughout the product lifecycle, from fiber producers to textile recyclers.	Employees, government, environment, society	GRI 306: Waste 2020	
<i>SUPPLY CHAIN MANAGEMENT</i>	Periodic onsite audits of suppliers to ensure compliance with company-defined criteria – such as decent working conditions and respect for environmental aspects – and to monitor and mitigate potential risks, such as the use of child labor, forced labor, or labor conditions akin to slavery.	Suppliers	GRI 308: Supplier Environmental Assessment 2016; GRI 408: Child Labor 2016; GRI 409: Forced or Compulsory Labor 2016; GRI 414: Supplier Social Assessment 2016	 



TOPIC	SCOPE	IMPACT	RELATED DISCLOSURES	RELATED SUSTAINABLE DEVELOPMENT GOALS (SDGS)
<p><i>QUALITY OF LIFE FOR EMPLOYEES</i></p>	<p>Promotion of the quality of life and well-being of employees, which includes ensuring adequate working conditions considering occupational safety, health and well-being, including freedom of collective association; promoting healthy habits among employees; and dignified, fair and equitable compensation.</p>	<p>Employees</p>	<p>GRI 401: Employment 2016; GRI 402: Labor/Management Relations 2016; GRI 403: Occupational Health and Safety 2018; GRI 406: Non-Discrimination 2016; GRI 407: Freedom of Association and Collective Bargaining 2016</p>	  
<p><i>CUSTOMER IN THE CENTER</i></p>	<p>Promote the best customer experience at all brand touchpoints, ensuring high levels of satisfaction, along with data protection measures aimed at preventing leaks, such as financial information, purchase history, and demographic data. We aim to Connecting people to an active and healthy lifestyle, and to bring our mission to life, we offer the best experiences through our purchasing channels and events, as well as high-quality, technology-driven products.</p>	<p>Client</p>	<p>GRI 418: Customer Privacy 2016</p>	



Statements of (consolidated) value added for the years ended December 31, 2021, 2022 and 2023

(In thousands of reais - BRL, except net income per share)

GRI 201-1

REVENUES	2021	2022	2023
Sales of goods, products and services	555,371	716,353	854,255
Other income	145	762	2,454
Revenues related to the construction of own assets	–	7,588	6,584
Credit loss	(532)	(106)	(414)
Expected credit loss	(62)	(52)	(112)
INPUTS ACQUIRED FROM THIRD PARTIES	2021	2022	2023
Costs of products, goods and services sold	(222,712)	(281,105)	(323,138)
Expenses related to the construction of own assets	–	(7,588)	(6,584)
Materials, Energy, Services of Third Parties and Others	(63,004)	(66,085)	(78,492)
Gross Added Value	269,206	369,767	454,553
Depreciation and Amortization	(3,093)	(6,471)	(11,011)
Net Added Value	266,113	363,296	443,542
Added value received in transfer			
Profit sharing from subsidiaries	–	–	–
Financial Income	6,619	10,263	8,966
Total added value to distribute	272,732	373,559	452,508

ADDED VALUE DISTRIBUTION	2021	2022	2023
Staff	77,743	103,726	131,943
Direct compensation	66,864	88,447	111,371
Benefits	7,264	10,232	14,060
FGTS	3,615	5,047	6,512
Taxes, fees and contributions	88,219	129,856	152,788
Federal	39,948	68,948	76,471
State	43,539	56,330	70,108
Municipal	4,732	4,578	6,209
Remuneration of third-party capital	29,623	43,517	53,367
Interest and bank expenses	3,811	9,418	14,067
Rent	25,812	34,099	39,300
Equity remuneration	77,147	96,460	114,410
Interest on equity	9,530	18,290	21,932
Dividends	9,881	5,393	7,578
Retained earnings	57,736	72,777	84,900
Distributed Added Value	272,732	373,559	452,508

GRI Content Summary

Statement of use: Track&Field has reported based on GRI Standards for the period between January 1st and December 31st, 2023.

GRI 1: GRI 1: Foundation 2021.

Applicable GRI Sector Standard: Not applicable.

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: <i>GENERAL DISCLOSURES 2021</i>	2-1 Organization details	Pages 32 and 89			
	2-2 Entities included in the organization's sustainability reporting	Page 3			
	2-3 Reporting period, frequency and contact point	Pages 3 and 90			
	2-4 Restatements of information	Any reformulations are indicated in footnotes throughout the report.			
	2-5 External assurance	Page 89			
	2-6 Activities, value chain and other business relationships	Pages 8, 17, 20 and 22 to 27			
	2-7 Employees	Page 51			
	2-8 Workers who are not employees	Page 51			
	2-9 Governance structure and composition	Page 34			
	2-10 Nomination and selection of the highest governance body	Pages 35 and 36			
	2-11 Chair of the highest governance body	Page 35			
	2-12 Role of the highest governance body in sustainability reporting	Page 35			
	2-13 Delegation of responsibility for managing impacts	Page 36			
	2-14 Role of the highest governance body in sustainability reporting	Pages 3 and 69			
	2-15 Conflicts of interest	Page 38			



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: <i>GENERAL DISCLOSURES 2021</i>	2-16 Communication of critical concerns	The Board of Directors is notified of any critical concerns through periodic reports from the advisory committees and the Executive Board. However, in 2023, no significant situation was reported.			
	2-17 Collective knowledge of the highest governance body	Page 35			
	2-18 Evaluation of the performance of the highest governance body	Page 35			
	2-19 Remuneration policies	Page 37			
	2-20 Process to determine remuneration	Page 37			
	2-21 Annual total compensation ratio	The ratio between the highest individual compensation and the median individual compensation of the Company's employees is 45.05. To calculate the median, we only consider employees who worked 12 months throughout the fiscal year 2023.			
	2-22 Statement on sustainable development strategy	Pages 4 and 5			
	2-23 Policy commitments	Pages 38 and 40			
	2-24 Embedding policy commitments	Page 38			
	2-25 Processes to remediate negative impacts	Page 39			
2-26 Mechanisms for seeking advice and raising concerns	Page 38				



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: <i>GENERAL CONTENTS 2021</i>	2-27 Compliance with laws and regulations	During 2023, no cases of non-compliance with laws and regulations were recorded. There were also no incidents of significant fines or non-monetary sanctions throughout the year. To determine the relevance criteria for fines and sanctions, we take into account both the representativeness of revenue and the possible impact on our reputation.			
GRI 2: <i>GENERAL CONTENTS 2021</i>	2-28 Membership associations	We do not participate in sectoral associations.			
	2-29 Approach to stakeholders engagement	Pages 17, 43, 49			
	2-30 Collective bargaining agreements	Page 51			
MATERIAL TOPICS					
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Page 69			
	3-2 List of material topics	Page 70			
MATERIAL TOPIC: PRODUCT ECODESIGN					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Page 19			
GRI 301: MATERIALS 2016	301-1 Materials used, broken down by weight or volume	Page 19			
	301-2 Raw materials or recycled materials used	–	All	Information unavailable	In the cycle referring to 2023, the company declared that it did not reuse products and their packaging.
	301-3 Reused products and their packaging	–	All	Information unavailable	In the cycle referring to 2023, the company still did not use raw materials or recycled and reused materials.



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
MATERIAL TOPIC: CLIMATE ACTION					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Pages 41 and 61			
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	Page 66			
	302-3 Energy intensity	Page 66			
	302-4 Reduction of energy consumption	In 2023, we had no reduction in energy consumption.			
GRI 305: EMISSIONS 2016	305-1 Direct emissions (Scope 1) of greenhouse gases (GHG)	Pages 62 and 63			
	305-2 Indirect emissions (Scope 2) of greenhouse gases (GHG) from energy acquisition	Page 62			
	305-3 Other indirect emissions (Scope 3) of greenhouse gases (GHG)	Pages 62 and 63			
	305-4 Intensity of greenhouse gas (GHG) emissions	Page 63			
	305-5 Reduction of greenhouse gas (GHG) emissions	Page 62			
MATERIAL TOPIC: WATER MANAGEMENT					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Page 67			



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 303: <i>WATER AND EFFLUENTS 2018</i>	303-1 Interactions with water as a shared resource	Page 67			
	303-2 Management of impacts related to water disposal	Page 67			
	303-3 Water collection	–	All	Not applicable	We do not perform direct water extraction; all water resources are supplied by service providers in the respective regions where our operations are located.
GRI 303: <i>WATER AND EFFLUENTS 2018</i>	303-4 Disposal of water	–	All	Not applicable	Any disposal is carried out by local sewage service providers.
	303-5 Water consumption	Page 67	Item b	Information unavailable	We do not have units located in water-stressed areas.
MATERIAL TOPIC: SOLID WASTE					
GRI 3: <i>MATERIAL TOPICS 2021</i>	3-3 Management of material topics	Page 64			
GRI 306: <i>WASTE 2020</i>	306-1 Waste generation and significant impacts related to waste	Page 64			
	306-2 Management of significant impacts related to waste	Page 64			
	306-3 Waste generated	Page 65			
	306-4 Waste not intended for final disposal	Page 65			
	306-5 Waste intended for final disposal	Page 65			



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
MATERIAL TOPIC: SUPPLY CHAIN MANAGEMENT					
GRI 3: <i>MATERIAL TOPICS 2021</i>	3-3 Management of material topics	Page 20			
GRI 204: <i>PROCUREMENT PRACTICES 2016</i>	204-1 Proportion of spending on local suppliers	Page 20			
GRI 407: <i>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016</i>	407-1 Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	Page 21			
GRI 408: <i>CHILD LABOR 2016</i>	408-1 Operations and suppliers with significant risk of incidents of child labor	Page 21			
GRI 409: <i>FORCED OR COMPULSORY LABOR 2016</i>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 21			
GRI 414: <i>SUPPLIER SOCIAL ASSESSMENT 2016</i>	414-1 New suppliers that were screened using social criteria	Page 21			
	414-2 Negative social impacts in the supply chain and actions taken	Page 21			



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
MATERIAL TOPIC: QUALITY OF LIFE FOR EMPLOYEES					
GRI 3: <i>MATERIAL TOPICS 2021</i>	3-3 Management of material topics	Page 50			
GRI 401: <i>EMPLOYMENT 2016</i>	401-1 New employee hires and employee turnover	Page 55			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 54			
	401-3 Parental leave	Page 54			
GRI 402: <i>LABOR/ MANAGEMENT RELATIONS 2016</i>	402-1 Minimum notice periods regarding operational changes	The term agreed with the unions is at least one week.			
GRI 403: <i>OCCUPATIONAL HEALTH AND SAFETY 2018</i>	403-1 Occupational health and safety management system	Page 58			
	403-2 Hazard identification, risk assessment, and incident investigation	Page 58			
	403-3 Occupational health services	Page 58			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 58			
	403-5 Worker training on occupational health and safety	Page 58			
	403-6 Promotion of worker health	Page 58			



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 403: <i>OCCUPATIONAL HEALTH AND SAFETY 2018</i>	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 58			
	403-8 Workers covered by an occupational health and safety management system	100% dos employees and workers performing activities covered by a health management system and occupational safety.			
	403-9 Work-related injuries	Page 58			
	403-10 Work-related ill health	Page 58			
GRI 406: <i>NON-DISCRIMINATION 2016</i>	406-1 Incidents of discrimination and corrective actions taken	Page 38			
MATERIAL TOPIC: CUSTOMER AT THE CENTER					
GRI 3: <i>MATERIAL TOPICS 2021</i>	3-3 Management of material topics	Page 17			
GRI 418: <i>CUSTOMER PRIVACY 2016</i>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No cases of breaches of customer privacy were identified.			
OTHER NON-MATERIAL DISCLOSURES					
<i>GRI 201: ECONOMIC PERFORMANCE 2016</i>	201-1 Direct economic value generated and distributed	Page 72			



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<p>GRI 201: <i>ECONOMIC PERFORMANCE 2016</i></p>	<p>201-2 Financial implications and other risks and opportunities due to climate change</p>	<p>–</p>	<p>a.iii., a.iv., a.v. and 2.2</p>	<p>Information unavailable</p>	<p>We do not yet have a system to calculate the associated financial implications or costs, nor to make revenue projections. Likewise, the costs of measures taken to manage risks or opportunities, as well as the financial implications associated with these risks or opportunities before taking measures, have not yet been calculated. Furthermore, methods for managing such risks or opportunities have not been defined. This information will be provided as we progress with the work of mapping opportunities and risks related to climate change, as presented on page 41 of this report, with the results also detailed in this document, on page 84.</p>



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 201: <i>ECONOMIC PERFORMANCE 2016</i>	201-3 Defined benefit plan obligations and other retirement plans	-	All	Not applicable	We do not offer a retirement plan to our employees. However, we make the monthly payment of the contribution to the Social Security of the employees, to the National Institute of Social Security (INSS), which is responsible for the payment of retirement and other benefits to Brazilian workers (Law n° 8.213, of July 24, 1991).
GRI 404: <i>TRAINING AND EDUCATION 2016</i>	404-2 Programs for upgrading employee skills and transition assistance programs	Page 56			
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 57			
GRI 405: <i>DIVERSITY AND EQUAL OPPORTUNITY 2016</i>	405-1 Diversity of governance bodies and employees	Pages 37, 51 and 52			
	405-2 Ratio of basic salary and remuneration of women to men	Page 54			



SASB content summary

STANDARD	CONTENT	UNIT OF MEASUREMENT	ANSWER
TOPICS AND ACCOUNTING METRICS FOR SUSTAINABILITY DISCLOSURE SECTOR: CONSUMER GOODS INDUSTRY: APPAREL, ACCESSORIES & FOOTWEAR			
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	CG-AA-430a.1	Percentage (%)	The sewing factions do not use water in the production process. Water is only used for human consumption. The water and sewage used are from the public network.
(1) Priority non-compliance rate and (2) associated corrective action rate for suppliers' labor code of conduct audits	CG-AA-430b.2	Rate	Page 21
Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	CG-AA-430b.3	N/A	Page 21



TCFD Recommendations

TCFD RECOMMENDATIONS	ANSWERS
GOVERNANCE: DISCLOSE THE ORGANIZATION'S GOVERNANCE AROUND CLIMATE-RELATED RISKS AND OPPORTUNITIES	
<p>a) Describe the board's oversight of climate-related risks and opportunities</p>	<p>In 2023, we carried out a study to identify climate risks and opportunities in line with TCFD recommendations to build consensus on the main topics on the agenda with leadership. The findings of this work were integrated into our risk matrix through a process approved by the Board of Directors.</p> <p>It is worth mentioning that we have a Sustainability Committee, led by one of our advisors, one of the members of which is also an independent member of the Board of Directors. This body is responsible for defining strategies for practices aligned with social and environmental issues.</p>
<p>b) Describe management's role in assessing and managing climate-related risks and opportunities</p>	<p>Our Board of Directors is responsible for approving the risk matrix, establishing risk appetite and evaluating our operational structure. This process is carried out every year and has the support of the Statutory Audit Committee, of which at least one director is a member.</p>
STRATEGY: DISCLOSE THE ACTUAL AND POTENTIAL IMPACTS OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE ORGANIZATION'S BUSINESSES, STRATEGY, AND FINANCIAL PLANNING WHERE SUCH INFORMATION IS MATERIAL	
<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term</p>	<p>RISK 1: REGULATION Carbon pricing mechanisms for third parties and the company.</p> <p>RISK 2: PHYSICAL Floods, storms and landslides that interrupt the supply chain and affect T&F structures</p> <p>RISK 3: PHYSICAL Changes in precipitation patterns and types and the impact on T&F structures.</p> <p>RISK 4: PHYSICAL Temperature changes and the impact on the availability of inputs.</p> <p>RISK 5: PHYSICAL Water shortages and periods of drought that increase the cost of energy and can affect the supply chain.</p> <p>RISK 6: REPUTATIONAL Stigmatization of the sector</p>



TCFD RECOMMENDATIONS	ANSWERS
	<p>OPPORTUNITY 1: RESOURCE EFFICIENCY Lower water use and consumption, both for our own and for the supply chain.</p> <p>OPPORTUNITY 2: RESILIENCE Participation in renewable energy programs and adoption of energy efficiency measures.</p> <p>OPPORTUNITY 3: RESOURCE EFFICIENCY Use of more efficient distribution processes.</p> <p>OPPORTUNITY 4: PRODUCTS AND SERVICES Development and/or expansion of new products or services with low emission rates through R&D.</p> <p>OPPORTUNITY 5: ENERGY SOURCES Shift to decentralized energy generation or renewable matrix.</p>
<p>b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning</p>	<p>Although we have not yet quantified the financial implications of the identified climate risks and opportunities, we are aware that the risks may result in increased direct and indirect costs, as well as reduced revenues and the useful life of our assets. On the other hand, opportunities have the potential to reduce direct and indirect costs, increase revenues and provide us with gains from the return on investments in technology.</p>
<p>RISK MANAGEMENT: DISCLOSE HOW THE ORGANIZATION IDENTIFIES, ASSESSES, AND MANAGES CLIMATE-RELATED RISKS</p>	
<p>a) Describe the organization's processes for identifying and assessing climate-related risks</p>	<p>We identify and assess risks related to climate change based on standards established by the Task Force on Climate-related Financial Disclosures (TCFD). This process is integrated into our general risk management, following the guidelines of the Risk Management Policy and executed in line with the COSO-ERM model.</p> <p>Process for survey and evaluation:</p> <ol style="list-style-type: none"> 1. Survey of risks and opportunities: based on a broad context analysis, we identified 25 risks and nine opportunities related to climate change, based on the TCFD classification and publicly available materials. 2. Applicability to our business: The identified risks and opportunities were assessed for their direct applicability to our specific businesses, ensuring an accurate understanding of the potential impact on our operations. 3. Mapping of assessment criteria: We map the criteria and formats currently used for risk assessment, establishing a solid basis for comparative analyzes and ensuring consistency in risk management.



TCFD RECOMMENDATIONS	ANSWERS
	<p>4. Graphical visualization in heatmaps: The creation of heatmaps provides a clear and intuitive visual representation of the results achieved during the risk assessment, facilitating understanding and prioritization.</p> <p>5. Prioritization of risks and opportunities related to climate change: Of the 25 risks and nine opportunities identified, we prioritized six risks and five opportunities, considering their relevance and potential impact on our strategic objectives.</p>
<p>b) Describe the organization's processes for managing climate-related risk</p>	<p>Our approach to managing risks, including those related to climate change, is anchored in the internationally recognized COSO-ERM standard. The treatment of these risks is guided by a classification that directs the choice between four possible approaches:</p> <ol style="list-style-type: none"> 1. Transfer: Transfer of risk to third parties through insurance contracts or outsourcing of operations and activities. 2. Control: Monitoring measures to manage risk exposure according to the initial assessment. 3. Reduce: Measures to reduce the probability or impact of the risk, partially reducing exposure. 4. Maintain: No action is taken, only monitoring is maintained. Potential impacts of the risk are accepted, as are the opportunities derived. <p>Continuous monitoring is essential to ensure risks remain within control limits. This includes:</p> <ul style="list-style-type: none"> • Monitoring the execution of action plans: Carried out by the Risk Manager, who verifies the implementation of risk response action plans, ensuring compliance with deadlines and responsibilities. • Reassessment of risks: Monitoring helps to reassess the degree of residual risk based on the implementation of action plans. Annually, or as necessary, a comparative analysis is performed to update the risk matrix. <p>Effective communication is a priority at all stages of the risk management process. By ensuring that relevant information is communicated promptly, proactively, and transparently to stakeholders, we reinforce our commitment to transparency and effective governance in our risk management.</p>
<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</p>	<p>The prioritized risk factors are carefully correlated with risks in our risk matrix, an essential step to ensure that all significant elements are properly integrated into the comprehensive risk management process. This strategic correlation not only ensures that all prioritized risks are reflected in the matrix but also strengthens rigorous alignment with the guidelines established in our Risk Management Policy. This policy, in turn, is fully implemented based on the recognized COSO-ERM model, consolidating consistency and effectiveness across the entire spectrum of our risk management practices.</p>



TCFD RECOMMENDATIONS	ANSWERS
	<p>The incorporation of the main risk factors identified in our corporate risk matrix follows a specific approach. Through a detailed exercise, each climate-related risk factor was understood in relation to specific corporate risks. Subsequently, these climate-related risk factors were added to the existing corporate risks in the matrix. Furthermore, the matrix was enriched with a new climate change-related risk, which centrally gathers all the incorporated risk factors into the pre-existing corporate risks. This structured and integrated approach strengthens our ability to proactively identify, assess, and manage risks associated with climate change, ensuring a comprehensive view aligned with best governance standards.</p>

METRICS AND TARGETS: DISCLOSE THE METRICS AND TARGETS USED TO ASSESS AND MANAGE RELEVANT CLIMATE-RELATED RISKS AND OPPORTUNITIES WHERE SUCH INFORMATION IS MATERIAL

<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p>We adopt a comprehensive approach in assessing risks and opportunities related to climate change, considering various criteria to define the likelihood and impact of these events. The analysis is based on five risk categories, classified on a scale ranging from "Very low" to "Very high".</p>
	<p>RISK CRITERIA:</p> <ol style="list-style-type: none"> 1. Probability or frequency of occurrence: Assesses the likelihood of adverse or beneficial events related to climate change. 2. Impacts on assets and finances: Analyzes the impact on financial statements, financial disbursement, and the usefulness of critical infrastructure assets. 3. Impacts on the operation: Considers the interruption of operations, delivery of products or services, and the ability to recover within different time frames. 4. Legal and compliance: Assesses legal issues, compliance and the degree of complexity involved, with emphasis on the ability to regularize through routine procedures. 5. Image and reputation: Individual concerns, media exposure and potential reputational damage, with attention to the ability to reverse. <p>RISK CATEGORIES:</p> <ol style="list-style-type: none"> 1. Very low: Imperceptible impact on financial statements and operations, issues resolved by routine procedures and concern based on individual issues on image and reputation. 2. Low: No impact on financial statements, some interruption in operations (with quick recovery) and impact and concern in local communities on image and reputation.



TCFD RECOMMENDATIONS	ANSWERS
	<p>3. Medium: Low impact on financial statements, specific intervention for regularization and localized adverse impact on image and reputation.</p> <p>4. High: Significant impact on financial statements, severe operational disruption (requiring executive intervention), and considerable adverse impact on image and reputation.</p> <p>5. Very high: Long-term critical impact on financial statements, complete operational shutdown (involving external intervention), and significant adverse impact on image and reputation, with challenges in reversal.</p> <p>These criteria provide us with a holistic view of the risks associated with climate change, enabling a proactive approach in managing these issues and identifying opportunities for continuous improvement.</p>
<p>b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks</p>	<p>In 2023, direct GHG emissions totaled 22,070.45 tCO₂e, with 12.15 tCO₂e from direct emissions (Scope 1), 109.46 tCO₂e from indirect emissions from purchased energy (Scope 2), and 21,948.85 tCO₂e from other indirect emissions (Scope 3). More information is detailed here.</p>
<p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p>	<p>There are currently no specific goals set for managing risks and opportunities related to climate change. Our ESG Plan 2025 includes a commitment to monitor and reduce our greenhouse gas (GHG) emissions from scopes 1, 2, and 3, as well as to offset emissions from scopes 1 and 2. In line with this direction, in 2022 we conducted inventories of our emissions for the years 2020 and 2021, a process that is intended to be continued annually. Thus, we are monitoring our emissions across all three scopes based on the guidelines of the Greenhouse Gas Protocol and its national version, the Brazilian GHG Protocol Program. Measuring our emissions allows us to truly understand the impacts of our operations and to structure effective reduction initiatives and strategies.</p>



Limited Assurance Report



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(Convenience Translation into English from the Original Previously Issued in Portuguese)

**INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON
 NON-FINANCIAL INFORMATION INCLUDED IN THE ANNUAL REPORT 2023**

To the Shareholders, Board and Management of
 Track & Field CO S.A.

Introduction

We have been engaged by Track & Field CO S.A. ("Company" or "Track & Field") to submit our limited assurance report on the non-financial information included in the Company's "Annual Report 2023", related to the year ended December 31, 2023.

Our limited assurance scope does not comprise prior-period information or any other information disclosed in conjunction with the Annual Report 2023, including any embedded images, audio files or videos.

Track and Field Management's responsibilities

The Track and Filed's Management is responsible for:

- Selecting and setting appropriate criteria to prepare the information included in the Annual Report 2023.
- Preparing the information based on the criteria and guidelines set out in the Global Reporting Initiative - GRI, the Sustainability Accounting Standards Board - SASB and the Task Force on Climate Related Financial Disclosures - TCFD.
- Designing, implementing and maintaining internal controls over relevant information for the preparation of the information included in the Annual Report 2023, that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the non-financial information included in the Annual Report 2023, based on our limited assurance engagement conducted in accordance with Technical Communication CT No. 03/2022, issued by the Brazilian Federal Accounting Council (CFC), and based on Brazilian standard NBC TO 3000 - Assurance Engagements other than Audits or Reviews, issued by the CFC, which is equivalent to the international standard ISAE 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board - IAASB. Those standards require that we comply with ethical and independence requirements and other related responsibilities, including as regards the adoption of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the implementation of a comprehensive quality control system, including documented policies and procedures on the compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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In addition, those standards require that the work be planned and performed to obtain limited assurance that the non-financial information included in the Annual Report 2023, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with Brazilian standard NBC TO 3000 (international standard ISAE 3000) consists mainly of making inquiries of Management and other professionals of Track and Field involved in the preparation of the non-financial information, as well as applying analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that cause the auditor to believe that the information included in the Annual Report 2023, taken as a whole, might present material misstatements.

The procedures selected were based on our understanding of the aspects related to the compilation, materiality and presentation of the information included in the Annual Report 2023, other circumstances of the engagement and our consideration of the areas and processes concerning the material information disclosed in the Annual Report 2023, in which material misstatements might exist. The procedures comprised, among others

- Planning the work, considering the relevance, the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the Annual Report 2023.
- Understanding the calculation methodology and the procedures adopted for the compilation of KPIs through inquiries with the managers responsible for the preparation of the information.
- Applying analytical procedures to quantitative information and making inquiries about the qualitative information and its correlation with the indicators disclosed in the information included in the Annual Report 2023.
- For cases in which non-financial data is correlated to financial indicators, comparing such KPIs with the financial statements and/or accounting records.

The limited assurance engagement also included the compliance with the guidelines and criteria of the GRI, SASB and TCFD, applied in the preparation of the information included in the Annual Report 2023.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Had we performed a reasonable assurance engagement, other matters and misstatements that might exist in the information included in the Annual Report 2023 might have been identified. Accordingly, we do not express an opinion on this information.

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Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate such data. Qualitative interpretations on materiality, relevance and accuracy of the data are subject to individual assumptions and judgments. In the sustainability indicators have been prepared and presented pursuant to the criteria set out in GRI, SASB and TCFD Standards and, therefore, are not intended to ensure compliance with social, economic, environmental or engineering laws and regulations. However, the aforementioned standards provide for the presentation and disclosure of possible non-compliance with such regulations when sanctions or significant fines are applied. Our limited assurance report should be read and understood in this context, which is inherent in the criteria selected (GRI, SASB and TCFD).

Conclusion

Based on the procedures performed, which are described herein, and on the evidence we have obtained, nothing has come to our attention that causes us to believe that the non-financial information, included in the Annual Report 2023 of the Company for the year ended December 31, 2023, was not prepared, in all material respects, based on the criteria and guidelines set out in the GRI, SASB and TCFD.

Other matters

The accompanying Annual Report 2023 has been translated into English for the convenience of readers outside Brazil.

São Paulo, June 7, 2024

Deloitte Touche Tohmatsu
 DELOITTE TOUCHE TOHMATSU
 Auditores Independentes Ltda.

Alexandre Carboni Machado
 Alexandre Carboni Machado
 Accountant

2024SP034090

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GRI 2-1, 2-3

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Expedient

The collaboration and partnership of the Track&Field teams were essential for the preparation of this Annual Report. Thanks to the dedication of each employee, we were able to share our achievements, evolutions and challenges throughout 2023. Thank you!

COORDINATION:
[ESG T&F Team](#)

CONTENT, DESIGN AND CONSULTANCY:
[Walk4Good](#)

PHOTOGRAPHY:
[Internal collection](#)

LIMITED ASSURANCE:
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Track & Field