Annual report 2023

Valid

Contents

1. Introduction

Evolving trust for a secure digital society

Introduction GRI 2-3

At Valid, it is all about trust. In data, in processes, in solutions, in relationships. Trust is the driving force behind our innovation, inspiring our belief in the potential to evolve into a digital society through our active participation and support.

With a history spanning over 67 years, Valid has consistently reinvented itself, staying at the forefront of the evolving demands of an increasingly digital and interconnected world.

Every step we take aims to foster a more trustworthy and secure society for all, while steadfastly upholding our commitment to authenticity, security, and sustainability.

In both public and private ventures, we strive daily to build a more sustainable future, working alongside each of our over 1,200 B2B and B2G customers in Brazil and across the globe.

This is our inaugural integrated report, prepared in accordance with the Global Reporting Initiative (GRI) guidelines. It marks the beginning of a journey toward continuous progress in advancing ESG initiatives, a strategic pillar for both Valid and our customers.

The information presented here encompasses activities and results for the period from January 1 to December 31, 2023, maintaining the same publication frequency as the financial report.

We warmly invite you to delve into the pages of this report. Every line reflects our commitment to innovation and customer focus, consistently guided by sustainable principles. Together, we will continue shaping the future of trust, safeguarding data security, and driving the digital transformation of our customers.

Enjoy your reading!

Message from the Board of Directors GRI 2-22

In 2023, we achieved the highest profit in our history, with sales growing by 20 percent compared to the previous year

It is with great honor that we present Valid's 2023 Annual Sustainability Report. More than a summary of the company's performance, this document serves as an opportunity to reaffirm our commitment to Brazilian society and to sustainability in all its dimensions.

In late 2020, we embarked on a new chapter in Valid's rich history. The first step in this journey was to initiate a significant cultural and organizational transformation. The year 2021 was a period of significant transformation in our operational and leadership structures, driven by the arrival of a new CEO (hired in late 2020) and the formation of a new board of directors.

We transformed both externally, with a new visual identity, and internally, by updating our values — a process that engaged the company's employees, fostering stronger alignment with Valid's culture.

We relocated our offices in both São Paulo and Rio de Janeiro, adopting a shared workspace model without assigned desks, enabling open access and collaboration among everyone, regardless of hierarchical level. Also in 2021, we reinstated the Long-Term Incentive Program through Shares, and this program included participation from the company's management level for the first time.

That April, we established five short-term objectives to guide Valid's transformation: 1) Maximize results in our core activities; 2) Achieve scale in digital operations; 3) Digitize the mobile business vertical; 4) Simplify and streamline the company, and 5) Transform the organizational culture. We have made significant progress in each of these areas.

We conducted our first Net Promoter Score (eNPS) survey among employees, achieving a score of 53 percent. In January 2024, the most recent wave of the survey, we reached a score of 73 percent. The substantial improvement in the indicator reflects the commitment of everyone at Valid to creating, quarter by quarter, a better and more inclusive environment with greater opportunities for growth and development. With the right people in the right positions, guided by the right direction, the results followed.

The year 2023 stood out as one of the most remarkable in Valid's history. It marked the third consecutive year of significant achievements on both operational and financial fronts. We achieved the highest profit in our history, totaling BRL 2.13 million (approximately $44.01 million). Sales grew by 20 percent compared to 2022, and EBITDA rose by 19 percent, marking a record for the third consecutive year, closing at BRL 567 million ($117.15 million).

Valid's ROIC reached 22.5 percent, reflecting an increase of 4.8 percentage points compared to the previous year. The payment of dividends represented approximately 36 percent of the profit. We fulfilled and renegotiated our financial

1   All conversions from Reals to US dollars in this report are approximate calculations based on the average commercial exchange rate for purchases as of December 29, 2023 (1 $ = BRL 4.84), according to the Time Series Management System of the Central Bank of Brazil.

commitments, reducing Net Debt by approximately BRL 250 million ($51.65 million) over the year. This achievement resulted in a company with balanced liabilities, reaching the lowest leverage ratio (Net Debt/EBITDA) since our IPO in 2006.

It is also important to highlight the significant increase in the stock's liquidity, which rose from BRL 2.9 million ($0.6 million) in 4Q22 to BRL 8.9 million ($1.84 million) in 4Q23. In 2023, Valid was included in the SMLL11 index, progressively increasing its representation in the indicator over the course of the year.

These achievements were made possible thanks to the dedication and commitment of our more than 3,000 employees.

As we celebrate another year of record-breaking accomplishments, we focus on the future we aspire to create. This future is built by strengthening our relationships with customers, striving to work more closely and attentively to understand the unique challenges and opportunities each one faces. We are also accelerating the development of new solutions, leveraging advancements in artificial intelligence.

This reflects our commitment to innovation and excellence, harnessing technology to support our customers' businesses and promote socially and economically sustainable development.

We believe that every change is an opportunity for overcoming and growth. We deeply value the unwavering dedication of every member of our team and reaffirm our mission to keep transforming, collaborating, and leading with integrity.

May this journey stand as a testament to yet another step in our evolution and serve as inspiration for all that we aspire to accomplish. Welcome to the next chapters of Valid's history.

Executive Board

2023 Highlights

Creation of the
ESG Multi-Year Plan

Adherence to the
Principles of the UN Global Compact

73 percent
satisfaction

of employees in the climate survey (eNPS), representing an increase of 20 percentage points compared to 2021.

Creation of
ESG Committee

Implementation of the
"Nós" (We) Diversity and Inclusion Program

The Employees' Satisfaction Level

with its Direct Leadership (LNPS) rose

from 49 percent, in May/23,
to 67 percent in January/24

2023 Highlights

Payment in advance

of part of the Profit Sharing (PS) distributed to all employees in December 2023

BRL 213 million

in profit ($44.01 million) (774% y/y), the highest in the company's history

Resumption of the continuous process of **profit distribution to shareholders,**

with the payment of

BRL 98 million

($20.25 million)

BRL 2.26 billion

in net revenue ($0.47 million)

BRL 567 million

of EBITDA ($117.15 million) (19% y/y), record for the third consecutive year

Revenue for the year 2023 amounted to

BRL 77 million

($15.91 million) (payout of 36%)

2023 Highlights
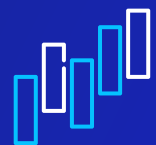
VLID3

closed the year with

a high of 144 percent

– the ninth stock that appreciated the most on the Stock Exchange

Production of 3.3 million cards

using recycled PVC

28.9 million

documents issued in Brazil, the highest level for the company

Over 269 million

SIM cards sold globally

Over 80 million

financial cards produced in Brazil and Argentina
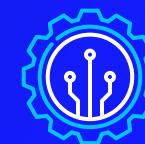
Acquisition of

Flexdoc Tecnologia da Informação

and of a minority interest

in Vsoft

2. Valid

Secure identification of people, journeys and transactions

Profile GRI 2-1, 2-2, 2-6

Valid is a provider of secure identification solutions, integrating both physical and digital formats, and serving the ID & Digital Government, Banking & Payments, and Secure Connectivity ecosystems.

We are a publicly traded Brazilian multinational company that develops reliable solutions using innovation and cutting-edge technology to create a more trustworthy, secure, and digital world. With a legacy spanning nearly seven decades, we are continually evolving. Today, we have over 3,500 employees committed to delivering security, integrity, and responsibility across all our solutions.

Our solutions enable individuals, companies, and institutions to foster trustworthy and transparent relationships by facilitating data exchange, authentication, and verification in a practical and secure manner. They not only prevent fraud but also ensure smooth and frictionless experiences.

Today we meet the digital transformation demands of more than 1,200 B2B and B2G customers. In Brazil, we are the largest issuer of physical and digital civil identification documents, including the new National Identity Card (CIN) and the national driver's license (CNH), and a leading benchmark in biometric identity validation.

Globally, we are a point of reference in connectivity solutions for various applications, including telecom operators, equipment manufacturers, and the Internet of Things. We rank among the five largest global players in the production of chips and SIM cards.

We are among the ten largest card manufacturers globally, utilizing the most advanced technologies for various purposes, such as credit, debit, and identification. In this market, we are the leaders in Argentina and rank among the largest in Brazil, holding approximately 30 percent market share.

In these markets, our main clients include banks, financial institutions, telecommunications operators, governments, industries, and professional organizations, among others, organized within three major ecosystems:

Unrivaled leadership in the issuance of identification documents in Brazil

ID and Digital Government: State governments, public agencies, and departments of innovation and digital transformation, along with private companies, are the primary clients of our secure identification solutions. In this vertical, our solutions encompass civil identification documents, including the new National Identity Card (CIN), driver's licenses (CNH), the Secure Digital ID application, biometric capture, identification and validation systems, security prints, traceable seals, signature management systems, and traceability services using RFID (Radio Frequency Identification) technology. Additionally, we offer digital certificates such as e-CPF, e-CNPJ, SSL/TLS certificates, and others.

Banking & Payments: The financial industry extensively utilizes our cards, communication portals, invoices, and other payment technologies, advancing toward digitalization and contactless technologies. Valid remains attuned to customer demands and has developed innovative solutions, including biometric, metallic, and recyclable cards, as well as offerings tailored to specific niches and value propositions, such as a fully Braille card.

Secure Connectivity: The world increasingly demands technologies that enable seamless integration of connected devices into our daily lives, such as eSIM (embedded SIM), a chip directly embedded into the device, and iSIM (integrated SIM), a virtual chip that eliminates the need for a physical card. Furthermore, the evolution of 5G networks facilitates the development of new solutions and the adoption of wearable and connected equipment in people's daily lives.

We are at the forefront of providing interoperable mobile services globally, offering reliable connectivity solutions to device manufacturers, mobile operators, and IoT players worldwide. We are committed to providing future-proof solutions with enhanced security and reliability. Our unwavering commitment to excellence drives us to bring innovations with the latest technologies, prioritizing data security and enabling our customers to stay ahead in the rapidly evolving digital landscape.

Our client portfolio in the financial system includes Bradesco, Itaú, Nubank, C6 Bank and PicPay. In reliable connectivity, Uber, Andorra Telecom, Tongxin Micro (TMC), Yes (YTL) are some of those served. We serve major retailers such as Magazine Luiza, Carrefour, Pernambucanas, and Riachuelo, as well as state governments, public security departments, traffic departments, and other organizations.

Valid's value chain encompasses inbound and outbound logistics, marketing and sales, infrastructure, technology development, suppliers, distribution, and the utilization of products and services.

Our activities include production, service delivery, research and development (R&D), information technology (IT), customer service, strategy and planning, as well as procurement and supply management.

In short, our goal is to foster a more independent and highly connected world, enabling secure transactions and simplifying processes to create a smoother, more efficient, and convenient reality for individuals, businesses, and governments. We bring our customers' innovative ideas to life by helping them create or enhance their strategies, products, and services.

The companies covered in this sustainability report, which are also included in the financial statements, are: Valid S.A., Valid Soluciones Tecnologicas, S.A.U, Valid Argentina (Varg), Valid Card Nigeria, Valid Card Manufacturing China (VCMC), Valid Asia LTD PTE, and Valid Technology Beijing.
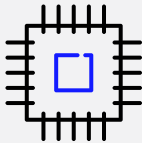
We are one of the five largest suppliers of chips and SIM cards worldwide

Our journey

1957
Start of operations in Brazil as a subsidiary of the English company Thomas de La Rue, offering printing technology services and high-security paper.

1993
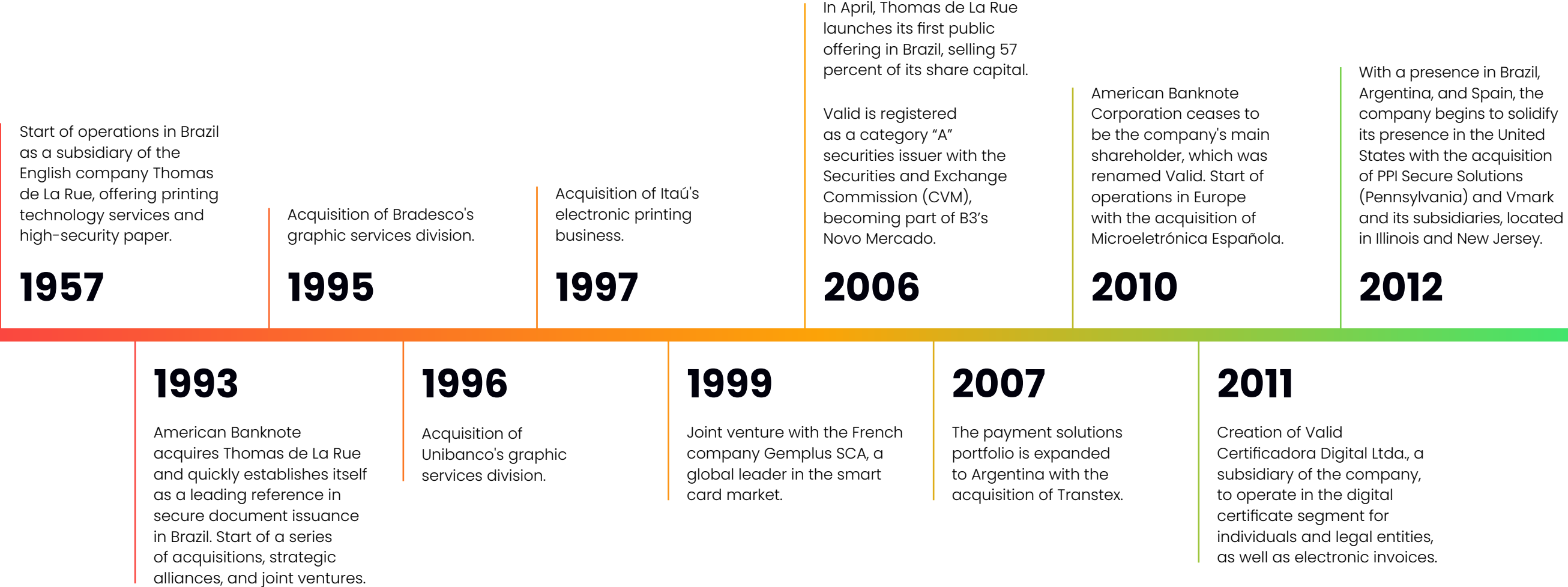American Banknote acquires Thomas de La Rue and quickly establishes itself as a leading reference in secure document issuance in Brazil. Start of a series of acquisitions, strategic alliances, and joint ventures.

1995
Acquisition of Bradesco's graphic services division.

1996
Acquisition of Unibanco's graphic services division.

1997
Acquisition of Itaú's electronic printing business.

1999
Joint venture with the French company Gemplus SCA, a global leader in the smart card market.

2006
In April, Thomas de La Rue launches its first public offering in Brazil, selling 57 percent of its share capital.

Valid is registered as a category "A" securities issuer with the Securities and Exchange Commission (CVM), becoming part of B3's Novo Mercado.

2007
The payment solutions portfolio is expanded to Argentina with the acquisition of Transtex.

2010
American Banknote Corporation ceases to be the company's main shareholder, which was renamed Valid. Start of operations in Europe with the acquisition of Microeletrónica Española.

2011
Creation of Valid Certificadora Digital Ltda., a subsidiary of the company, to operate in the digital certificate segment for individuals and legal entities, as well as electronic invoices.

2012
With a presence in Brazil, Argentina, and Spain, the company begins to solidify its presence in the United States with the acquisition of PPI Secure Solutions (Pennsylvania) and Vmark and its subsidiaries, located in Illinois and New Jersey.

Valid

Our journey

With the acquisition of ScreenCheck North America, located in Indiana, Valid expands its solution portfolio in the United States, now offering secure identification systems.

2013

New acquisitions broaden the global presence: In January, Card Cells (Minnesota) was acquired; in June, MSC (California); and in October, Fundamenture (Denmark).

2015

Valid enters the Internet of Things (IoT) space with a solution developed for the automotive industry in partnership with the Irish company Cubic Telecom.

2017

After providing solutions for the 2013 Copa America and the 2014 World Cup, Valid returns to managing and overseeing accreditation for sporting events.

2019

The company establishes a new brand, redefines its values and purpose, and continues to shape a new corporate culture. Start of the divestment plan, to bring more synergy between operations. Record revenue and EBITDA.

Closure of operations at the São Bernardo do Campo (SP) factory and relocation to the new unit in Sorocaba (SP).

2021

The acquisition of Flexdoc Tecnologia da Informação, based in Brasília, strengthens the Digital ID strategy for governments and businesses. Check out more in Highlights of the year

2023

2014

Acquisition of Inversiones Germán Martínez, based in Bogotá, Colombia, by the subsidiary Valid Soluciones Tecnológicas.

2016

The service portfolio is widely diversified.

2018

The company's operations are expanded to include agribusiness and the management of smart cities. Incorporation of Valid Card Nigeria Limited.

2020

Year dedicated to strengthening partnerships. Acquisition of control of two companies specialized in smart cities: Digital Parking and Mitra. Implementation of the Digital ID project in the state of São Paulo.

2022

Closure of operations at Caju (RJ) and consolidation of operational activities at the Sorocaba (SP) manufacturing unit. Sale of assets in the United States. Valid Ventures is created. Expressive results and record EBITDA.

Our purpose

Empower what is authentic in each of us

Our values

TRANSPARENCY
We are transparent in all our interactions, understanding that this is a two-way street. We act and communicate openly and respectfully about what we aim to achieve, why it matters, and how we plan to reach our goals. We do not hide mistakes, opinions and disagreements.

COOPERATION
We practice teamwork: "We" is greater than "me". That is why we dedicate ourselves to serving our company and our teams. We work together to find solutions. We are committed to achieving results, not just for individuals or departments, but for everyone who is part of Valid.

OPENNESS
We show openness to dialogue, embracing diverse thoughts, ideas, opinions, and all profiles of gender, race, ethnicity, orientation, ideals, and more. We learn from our mistakes, even though we understand that no one enjoys making them.

ETHICS
We do what we say, and we say what we do. We believe that the ends do not justify the means, which is why we have zero tolerance for anything that exceeds the boundaries of what is legal and moral.

TRUST
We believe in sincerity and loyalty. We always strive to do things right, trust in our abilities, and continuously seek development.
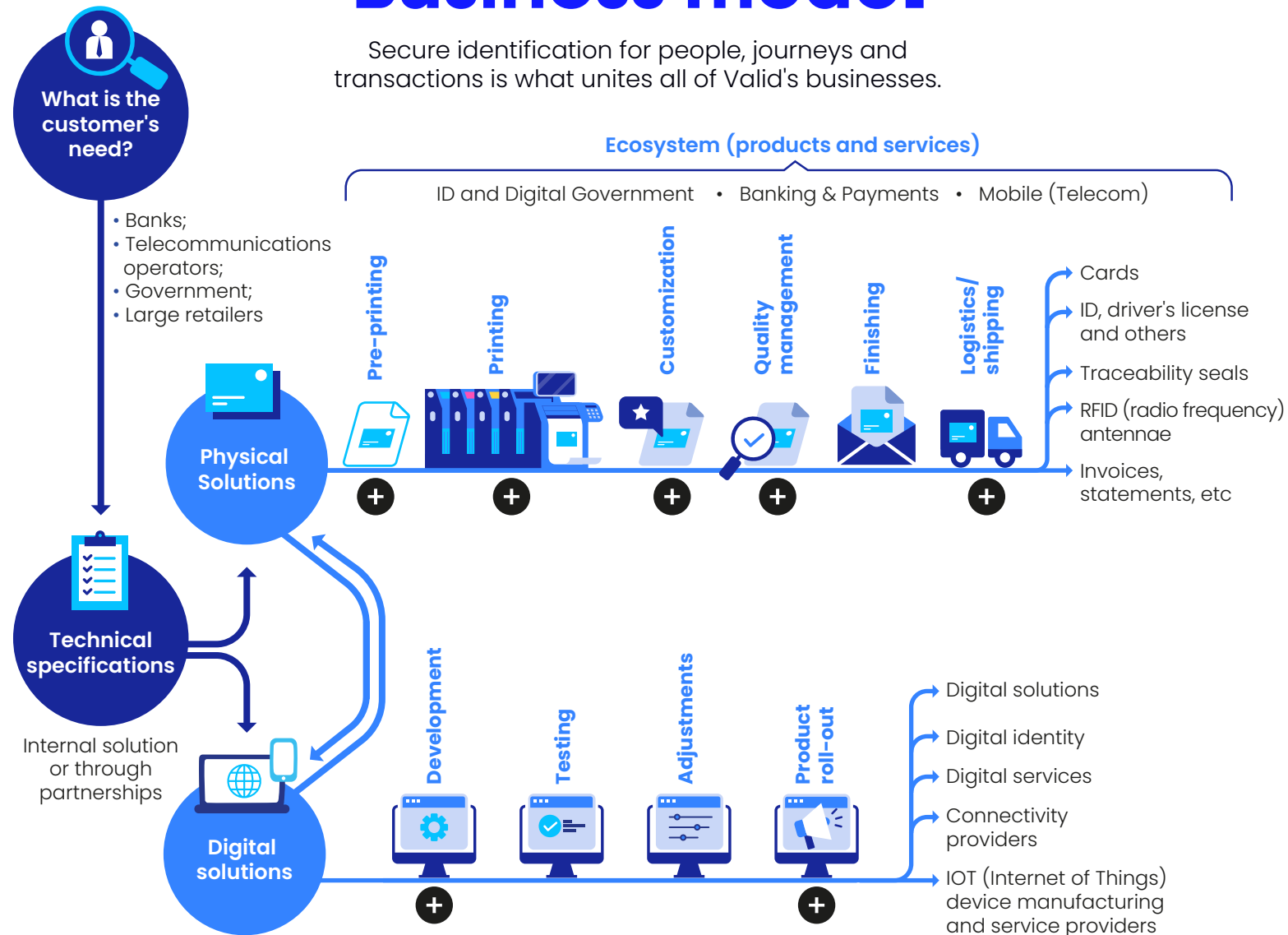
AUTONOMY
We believe in empowering each individual, trusting in their abilities, responsibility, and commitment. We allow for freedom of disagreement, but we actively work to ensure that our agreements are met.

Business model

Secure identification for people, journeys and transactions is what unites all of Valid's businesses.

INPUTS

Financial Capital
> Own resources (cash generation)
> Market value
> Raising of external funds
> Debt management

Manufactured Capital
> Production line
> Logistics structure
> Technology development
> Offices, factories and data centers
> Asset Security
> Equipment and technologies

Natural Capital
> Energy sources: Free market and captive market
> FSC certified paper and PVC

Intellectual Capital
> Data encryption and security
> R&D in new technologies and solutions
> Brand value
> Cybersecurity
> Partnerships with companies and startups

Human Capital
> **3,588** direct employees
> Business partners

Capital Stock and Relationship Capital
> Presence in **15** countries
> Focus on customer service
> Partnership with governments and companies

What is the customer's need?

- Banks;
- Telecommunications operators;
- Government;
- Large retailers

Technical specifications

Internal solution or through partnerships

Physical Solutions

Digital solutions

Ecosystem (products and services)

ID and Digital Government • Banking & Payments • Mobile (Telecom)

Pre-printing → Printing → Customization → Quality management → Finishing → Logistics/shipping

- Cards
- ID, driver's license and others
- Traceability seals
- RFID (radio frequency) antennae
- Invoices, statements, etc

Development → Testing → Adjustments → Product roll-out

- Digital solutions
- Digital identity
- Digital services
- Connectivity providers
- IOT (Internet of Things) device manufacturing and service providers

OUTPUTS

Financial Capital
> **BRL 2.26 billion** in net earnings

Manufactured Capital
> **80 million** bank cards produced
> **269 million** de SIM Cards produced
> Issuance of **28.9 million** identification documents (driver's licenses, ID cards and others) in Brazil
> Revamping of the industrial park

Natural Capital
> We seek to reduce environmental impacts
> Card production using recycled PVC
> Destination of the waste
> **88%** of the paper used is certified

Intellectual Capital
> Development of innovative solutions
> Acquisition of Vsoft and Flexdoc

Human Capital
> **578** jobs created
> Employee benefits
> Employee satisfaction NPS
> Diversity and Inclusion – "NÓS" Project
> Our Values (Transparency, Ethics, Cooperation, Trust, Openness and Autonomy)
> Our Purpose (Empower what is authentic in each of us)

Capital Stock and Relationship Capital
> **6** out of **10** identification documents in Brazil issued by Valid
> Support for social projects

International presence GRI 2-1

We have a presence in 16 countries spanning five continents (refer to the map), with a significant focus on the secure connectivity market internationally. Our subsidiaries manage various stages of the production process, including the development and customization of SIMs for delivery to operators, as well as offering secure solutions to support mobile operators and device manufacturers.

In 2023, international revenues accounted for over 40 percent of the company's total revenue. Out of every ten YES cards produced globally, one is supplied by Valid.

We create synergy across the regions where we operate by consistently striving for performance and efficiency, aiming to elevate product and service quality standards for our B2B customers. By continuously reviewing our processes, we invest in automation projects to reduce costs, enhance efficiency, and improve our operating margins.

The global mobile device market is rapidly evolving through technological advancements, driving the dematerialization and digitalization of services and products that were once exclusively physical. Recognizing this challenge, we have made substantial investments to establish ourselves as a key player in this evolving landscape (read more in Our Business).

Valid strictly complies with domestic and international laws governing export and import controls. Every employee, third-party contractor, client, business partner, direct or indirect supplier, and anyone acting on Valid's behalf has a duty to consult the applicable laws and regulations of relevant countries, companies, or legal entities before initiating new business activities.

Find out more in our
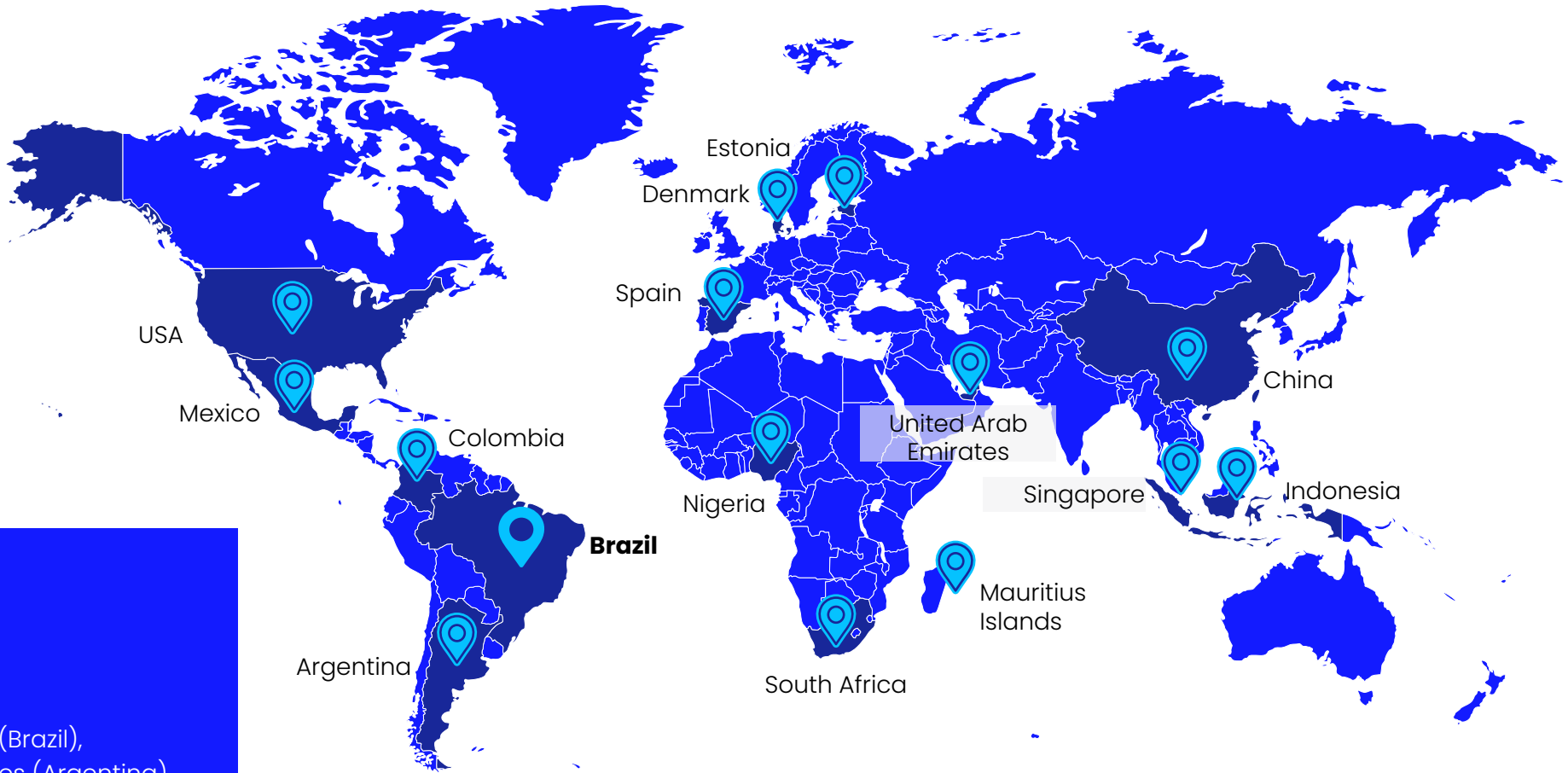**Global Code of Ethics and Conduct**

In 2023, our international revenue accounted for over 40% of the company's total revenue

Our customers are increasingly demanding environmentally sustainable practices. In markets like Europe, environmental, social, and ethical performance is not just a market differentiator but also a legal requirement. In recent years, the company has undertaken various initiatives to advance in these areas.

Our logistics center in Coslada, Spain, holds the ISO 14001 certification, the world's most recognized standard for environmental management systems. Additionally, in October 2023, we initiated a study on the carbon footprint of our products. We hold the Bronze Seal from EcoVadis, one of the world's most respected sustainability certification organizations. In Brazil, we completed the assessment of our carbon footprint, to be released in the next cycle.

Where we are

Estonia
Denmark
Spain
USA
Mexico
Colombia
Nigeria
United Arab Emirates
China
Singapore
Indonesia
Brazil
Mauritius Islands
Argentina
South Africa

Valid in figures (2023)

Employees:	Customers:	Plants:
3,588	more than **1,200**	**3** Sorocaba (Brazil), Buenos Aires (Argentina) and Coslada (Spain)

We have established a dedicated department to execute our ESG initiatives according to the highest management standards

ESG strategy and positioning

Throughout our history, we have consistently engaged with sustainability-related issues. Our practices include, for instance, reusing PVC (polyvinyl chloride) scraps from the card production process and using FSC®-certified paper from the Forest Stewardship Council. For many years, we have maintained strict compliance standards, reflecting our commitment to ESG principles.

Recognizing our responsibilities, we took a significant step forward in 2023 by creating a dedicated area to drive ESG initiatives with enhanced management standards. We believe that prioritizing this topic will be a competitive advantage for the company.

To foster this transformation, we developed a Multi-Year ESG Plan grounded in the principles of the UN Global Compact and the requirements of the Brazilian Stock Exchange's B3 Sustainability Index (Brasil, Bolsa e Balcão). This strategic plan outlines short-, medium-, and long-term actions aimed at enhancing our ESG maturity level.

We have the full backing of our board of directors and the active engagement of our employees to drive progress on this issue. To achieve this, we established an ESG Committee responsible for providing strategic direction, approving all initiatives related to the topic, and overseeing their implementation. These were the projects carried out in 2023:

We become signatories of the **UN Global Compact**, formalizing our commitment to the Ten Principles of the Compact on human rights, labor, environment and combating corruption;

We created a **Diversity and Inclusion Program**, an initiative that contributes to the advancement of our cultural maturity;

We have prepared a **Remote Work Policy**, also taking care of our employees who adopt this work system;

We structured an **Occupational Health and Safety Management System** at the Sorocaba plant, supported by the ISO 45001 requirements to systematize control and increase care for our employees and third parties;

We designed our **Environmental Management System (EMS)**, initially directed to our factory in Sorocaba, seeking the highest standards of environmental management, in accordance with the requirements of ISO 14001;

We undertake the **carbon footprint study** regarding our products;

We chose to create **Valid's first Sustainability Report**, following the GRI guidelines to share what we have accomplished and our plans for the future;

We enhanced our **Compliance Program** by adhering to the guidelines of the Pro-Ethics Seal, an initiative by the Ethos Institute and the Comptroller General of the Union (CGU), to ensure full compliance with all standards applicable to our business.

We integrate the **evaluation of ESG-related positive and negative impacts** into the development process of new products.

In 2024, we have several significant projects planned to further elevate our institutional ESG standards. Notable initiatives include diversity and inclusion literacy projects, the development of an ESG risk matrix, and the implementation of an environmental management system across our other units, among others.

[Get to know our Statute, policies and codes.](#)
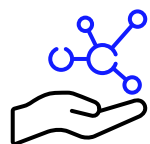
The material topics were defined through a four-stage process: Identification of the audience, topic prioritization, result review, and validation by leadership

Material topics GRI 3-1, 3-2

Materiality is a fundamental concept in the GRI methodology for developing sustainability reports. It refers to the importance of priority topics for the organization in relation to the impacts of its business on the environment and society.

This management tool enables us to identify areas that require prioritization, engagement, action, and investment, while also enhancing opportunities to create value. It contributes to:

- Align corporate efforts with society's expectations, market advances and business needs;

- Integrate sustainability into the organization's strategy and operations;

- Strengthen engagement with stakeholders

- Organize sustainability reports and communications.

Our first materiality consultation, involving both internal and external audiences, was conducted in 2022.

We structured the process in four stages, beginning with identification, which included a documentary analysis of the company, gathering market references, and **identifying** the audiences to be consulted. We conducted videoconference interviews with strategic audiences, including internal leaders, investors, and banks, to identify the material topics to be explored in the survey.

Next, we proceeded to the **prioritization** phase, conducting an online survey with 433 stakeholders to assess the importance of the identified material themes. We interviewed 287 employees, 12 company leaders, 28 customers – eight of whom were from the financial sector (banks) – 102 suppliers, and four investors.

During the **review** stage, we developed the materiality matrix to identify issues with significant financial and socio-environmental impacts on the business, as well as those deemed important by stakeholders. We evaluate perceptions regarding specific challenges and their alignment with the GRI Standards and the Sustainable Development Goals (SDGs).

In the **validation** stage, we submit the list of material topics for approval by the company's leadership. Finally, we defined five material topics that serve as the foundation for Valid's ESG policy during this cycle. They are:

DATA SECURITY AND QUALITY

Our management and investment efforts are dedicated to ensuring the security and superior quality of products and services, while prioritizing the privacy and protection of customer data.

PEOPLE MANAGEMENT

Promoting diversity, equity, and inclusion; fostering organizational health and well-being; attracting, developing, and retaining employees, and ensuring occupational safety.

ETHICS, TRANSPARENCY AND RISKS

Integrity and compliance; risk and emergency management; compliance with anti-corruption laws and regulations; promotion of the Code of Conduct; combating bribery and anti-competitive practices.

WASTE MANAGEMENT

Implementing robust management systems to minimize waste generation, ensuring proper disposal and recovery.

INNOVATION AND RESILIENCE

Investing in innovation to enhance adaptability to new market scenarios and emerging trends.

Our stakeholders

GRI 2-29, 2-6

We engage with a wide range of stakeholders, including business partners, civil society organizations, customers, employees and other workers, governments, local communities, NGOs, shareholders, investors, suppliers and unions.

We aim to build lasting relationships by understanding the specific needs and expectations of each audience and proactively addressing them. When conflicts arise, we are dedicated to resolving them fairly and transparently, ensuring open and constructive dialogue at all times.

To achieve these goals, we implement various strategies to encourage and engage with our audiences. These strategies include open and transparent communication, active listening, regular consultation and collaboration, and integration into our business processes.

Customers

Valid's ability to deliver tailored solutions with high added value, meet deadlines consistently, and provide secure and reliable services has enabled the company to maintain excellent relationships with its customers, built on mutual trust.

In the identification systems segment, we have contracts with government agencies, secured through public bidding processes, with terms ranging from one to two years. These contracts can be renewed for up to a maximum of five years, which is typically the case.

In other business segments, which primarily include financial institutions, telecommunications companies, energy distributors, and retail companies, our most significant customers have been with us for an average of 15 years.

Suppliers

We source services and materials from approximately 1,500 domestic and international suppliers, covering areas such as raw materials, employee benefits, consulting, product development, software, energy, security, and call center services.

Through our engagement practices, we aim to build and enhance our brand reputation and image in the market, creating value for both our company and our stakeholders. This understanding not only strengthens our decision-making but also enhances risk management and enables more effective identification of opportunities.
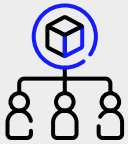
We have more than
1,500
suppliers

3. Our Business

More than 900 million devices are connected
with Valid technology

Innovation and resilience GRI 3-3

Valid has a history of constantly reinventing and disrupting itself. The more the world changes, the more opportunities it brings us. As society becomes increasingly digital, the demand for our products and services to evolve grows stronger.

We have fully integrated the topic into our business strategy, addressing it in both internal policies and public statements.

Over the past three years, we have focused on progressing in two directions: Outside-in changes that affect our business and customers, and inside-out changes that we can drive in the world.

For the company, innovation is intrinsically linked to three global trends:

- **Dematerialization**, that is, the transformation of physical goods and services into digital equivalents, which is already having an impact on various sectors of the economy;

- **Decentralization**, which consists of the distribution of decision-making and management of digital resources, requiring the integration of different systems, and

- **Disintermediation**, that is, the removal of intermediaries in the delivery of products or services, involving aspects such as digital literacy and transparent data management.
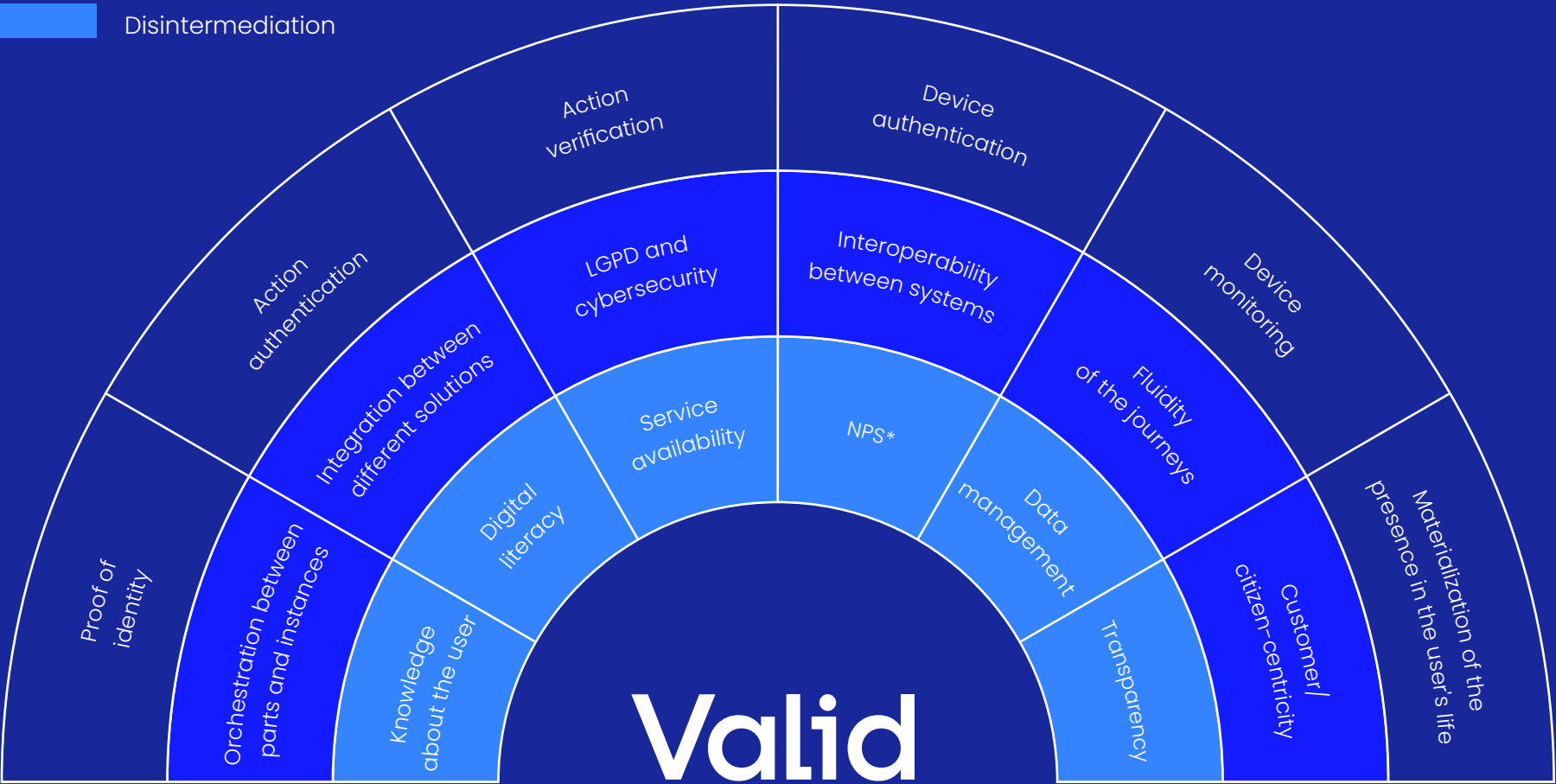
Learn more about Valid's business on our website.

TRENDS THAT INFLUENCE INNOVATION IN THE COMPANY

Dematerialization
Decentralization
Disintermediation

Action verification

Device authentication

Action authentication

LGPD and cybersecurity

Interoperability between systems

Device monitoring

Integration between different solutions

Service availability

NPS*

Fluidity of the journeys

Proof of identity

Orchestration between parts and instances

Digital literacy

Data management

Customer/ citizen-centricity

Materialization of the presence in the user's life

Knowledge about the user

Transparency

Valid

* customer satisfaction level.

Within the company, the responsibility for managing this material issue is shared among the board of directors, management, and specialists. It involves setting measurable goals, developing strategies, allocating resources, engaging with stakeholders, monitoring, evaluation, focus on learning and continuous improvement.

Valid has been working to consolidate its reputation as a technology orchestrator. Our focus is on the agnostic integration of products and services, prioritizing solutions that meet customer needs, regardless of the technology used.

We consistently invest in developing innovative products and services to support our current business and drive future growth opportunities. To achieve this, we reinforce key areas such as digital onboarding[2] and we exited segments that added little to the corporate strategy, such as security proof printing.

2 Digital onboarding is the process of integrating a new user or customer into a service, platform or application. It typically involves steps like identity verification, agreeing to terms and conditions, customizing settings, and offering guidance on using the platform effectively.

Performance verticals

Company activities are concentrated in three ecosystems: ID & Digital Government, Banking & Payments and Secure Connectivity.

ID AND DIGITAL GOVERNMENT

Valid is Brazil's largest integrator of identification solutions, delivering innovative security solutions for citizens and professionals across diverse institutions. Our operations cover more than **170 million people**, almost **84 percent** of the country's population.

Over the years, we have secured a leading market share in issuing driver's licenses and ID cards, establishing the company as a key reference for customers in safety and excellence in delivering these services. Achieving this status was made possible by our expertise in managing complex, high-volume operations and ensuring the utmost preservation of the integrity of the population's sensitive data.

We provide a comprehensive structure with diverse service fronts to address various customer needs, not only in issuance services but also in supporting complete solutions for citizens, such as:

- Printing and customization of official identification documents, with the provision of a digital version with all layers of security;

- Computerized systems for capturing biometric and biographic data for database management and document digitization;

- Solutions for smart city management.

- Traceable seals[3].

The company stands out for understanding the customer and their processes. We map and identify specific needs to deliver results that truly impact everyday life.

One of our main customers is the Federal Board of Medicine. After capturing and processing member data, we produce the physician's identification document on a polycarbonate card. We also offer a functional digital identity for mobile phones and a cloud-based digital certificate for signing medical prescriptions.

3 Tax stamps for product control and origin.

Technology at the service of citizenship

In our smart cities portfolio, we already offer solutions that support the digital management of citizen services across areas such as health, education, mobility, and security.

In São Caetano do Sul (SP), Valid implemented a comprehensive Unified Citizen Registry solution utilizing biometric data collection. The interoperability between the municipality's systems facilitates streamlined management and access across various databases.

We also offer a geographic information system to support the accurate collection of Urban Property and Land Tax (IPTU). Our smart city management solutions are replicable for other municipalities, states and countries.

For the Paraná Information and Communication Technology Company (Celepar), we manage attendance and classroom presence for students in the state public education system through a biometric image validation solution. The process is carried out in a cloud environment, quickly and reliably.
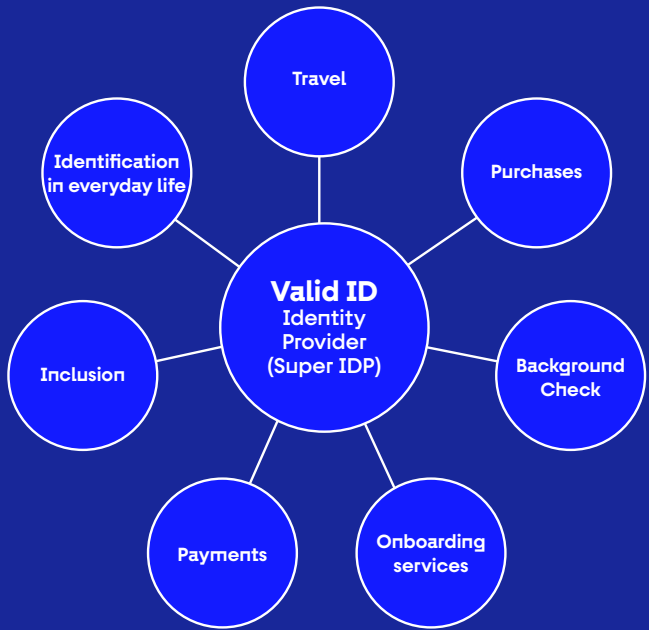
In the states of Espírito Santo and Piauí, we began providing services to the population that wishes to obtain an identification document. After capturing biometric and biographical data, we issue the physical document within hours and provide the Digital Identity through the citizen's mobile phone.

To enhance our relevance as trusted providers, we drew inspiration from the secure identification ecosystems of innovative societies with high human development indices, such as Finland, Denmark, Norway, Sweden, Estonia, and Singapore. We also observe the use of these technologies in the United Kingdom, Germany, New Zealand, and Australia — countries that have achieved significant advancements in recent decades.

Additionally, we consider research highlighting the potential impact of a robust and secure ID ecosystem on wealth generation. According to a 2019 McKinsey study, such an investment could increase Brazil's Gross Domestic Product (GDP) by 13 percent by 2030.

In this connected environment, we see a significant opportunity to drive innovation and contribute to the country's development on multiple fronts by building a robust and secure identity platform for individuals, their journeys, and their transactions.

FUTURE ID AND DIGITAL GOVERNMENT ECOSYSTEM

- Travel
- Purchases
- Identification in everyday life
- **Valid ID** Identity Provider (Super IDP)
- Background Check
- Inclusion
- Onboarding services
- Payments

BANKING & PAYMENTS

In this segment, Valid delivers integrated products and solutions, including chip-enabled and contactless[4] cards, as well as digital invoices and statements. Currently, cards account for approximately 90 percent of the vertical's revenue.

Our customer portfolio is quite comprehensive. We are active in incumbent banks, digital banks, and financial institutions. The company is authorized to provide integrated services for the Visa, Mastercard, and Elo brands in Brazil and Argentina.

Cards are currently the most widely used payment method in Brazil, thanks to their convenience and speed. They bring the value proposition of large digital banks to life, serving as the only tangible instrument a digital account holder physically possesses. Additionally, big tech companies such as Amazon and Apple have introduced their own cards. However, the adoption of digital payment methods, such as wallets and smartwatches, along with advancements in Pix, indicates a potential decline in card issuance volumes.

4 Contactless cards are credit or debit cards that utilize short-range communication technology, such as NFC (Near Field Communication), to perform transactions without requiring physical contact with the payment terminal.

Valid's strategy for this transitional scenario is to maximize value from the production of physical cards in the medium term, an activity deeply rooted in the organization's core operations. We aim to continuously enhance the efficiency of our manufacturing operations and ensure a diverse product offering, with a particular focus on biometric cards and metal cards designed for premium bank customers.
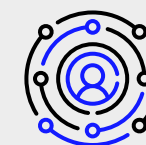
We seek to continuously increase the efficiency of manufacturing operations and ensure a wide range of products

In the long term, we plan to grow our market share in digitalized journeys and transactions, which currently account for only 15 percent of the vertical's revenue. Our challenges are focused on these three key fronts:

- **Identification in the private world** – Valid has a market share of 60 to 70 percent in Brazilian documentation. We aim to be a key player in private-sector identification, providing technologies with advanced security features to prevent fraud, including options for voice or digital authentication. There are many growth opportunities in industries such as mobility, healthcare, insurance, telecommunications, and finance.

- **Journey for granting benefits to the population** – Currently, the benefit-granting model is highly decentralized, characterized by significant complexity, low efficiency, and a high susceptibility to fraud. Valid's proposal is to design transaction journeys for citizens using a single smart card that consolidates all benefits, streamlining the management process. We can thus transform the governance of city halls and increase the digitalization of the most marginalized population.

Current

Benefits

Decentralized distribution

Complexity and inefficiency

Future

Benefits

Centralized distribution

Streamlining and intelligence
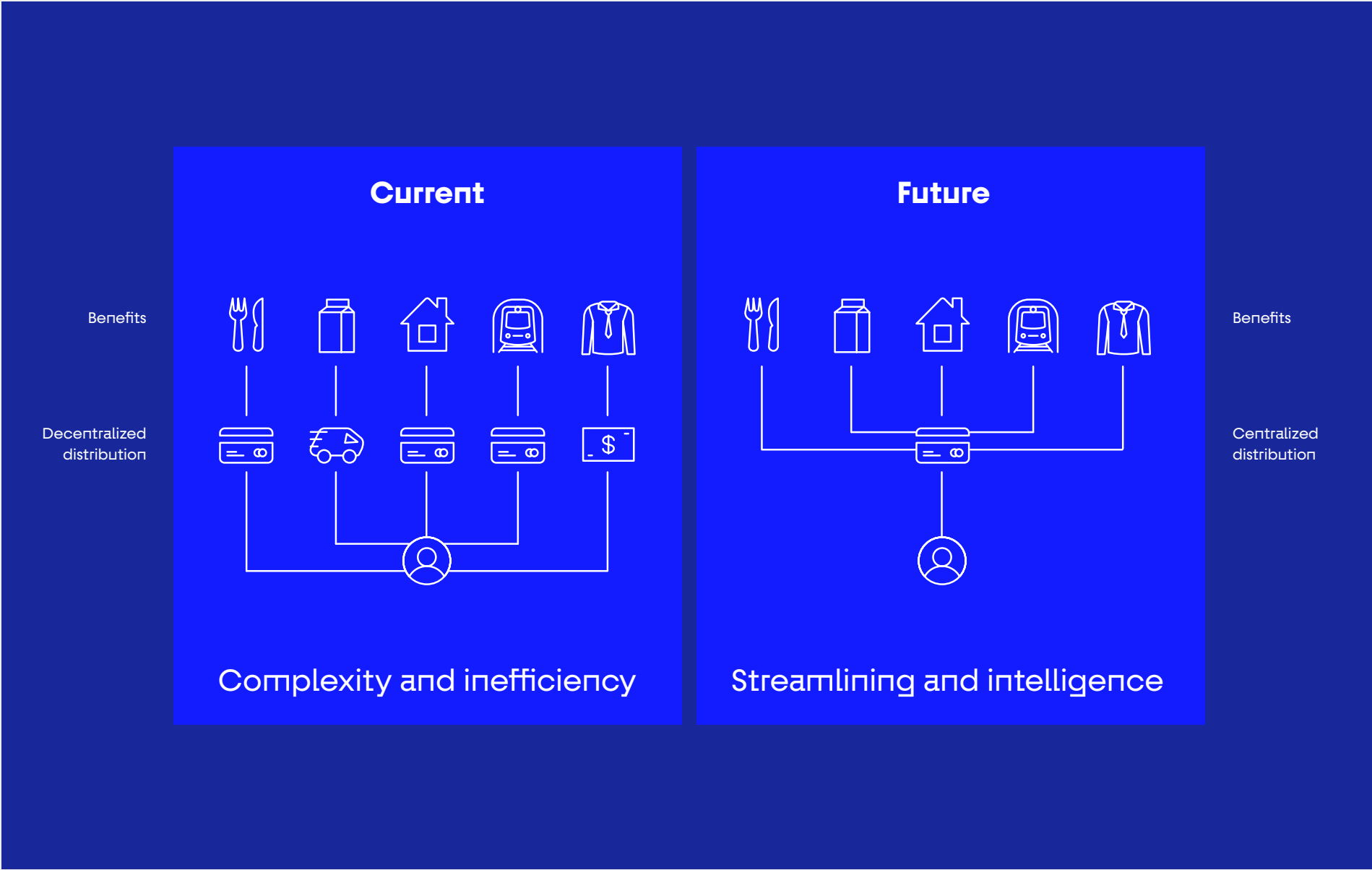
SECURE CONNECTIVITY

We are among the top five global providers of SIM cards — one in ten connected device chips relies on our technology. We offer services that enhance communication between telecom operators and their customers while developing secure digital systems for connected devices. Our broad telecommunications portfolio includes innovative solutions such as NFC, TSM and HCE[5].

In 2010, with the acquisition of Valid Spain, the company gained its own operating system for SIM cards and a dedicated Research and Development team to drive innovation and stay aligned with market advancements.

In 2015, with the purchase of the Danish company Fundamenture, we expanded our global presence in mobile to Asia, Africa and the Middle East. As a result, we started serving a significant portion of the world's largest mobile operators, catering to their need for products with diverse characteristics.

Beginning in 2020, we started investing in secure eSIM solutions for original equipment manufacturers (OEMs). Also referred to as a virtual or embedded SIM, an eSIM is a chip built directly into the device, eliminating the need for manual insertion or removal.

With this new technology, a single soldered chip in smartphones, tablets, and other Internet of Things (IoT) devices can store multiple carrier profiles. eSIM technology will increasingly be embedded in cars, energy meters, smartwatches, and other devices.

This emerging market is projected to generate $850 million by 2025 and grow to $6.7 billion by 2030, with 76 percent of telephone connections expected to utilize this technology by then. Demand is also anticipated to increase significantly in the healthcare, energy, and asset tracking sectors. We aim to capture a 10 percent market share in this industry by leveraging a diversified portfolio and strategic partnerships.

We have already actively participated in several projects in the automotive industry. Our focus has been on developing a new version of the chip with enhanced security features, enabling more robust remote updates. A vehicle activation request can be initiated, for example, by a car manufacturer.

5 The Near Field Communication (**NFC**) technology allows two devices to exchange information wirelessly when they are close to each other.

Telecom Site Management (**TSM**) is a set of solutions for monitoring, maintaining and managing telecommunications infrastructures.

Host Card Emulation (**HCE**) is a technology that enables the use of a mobile phone as an electronic identity card for access, transportation and payments.

4. Environment

We have a longstanding commitment to sustainability.

Environmental management

Valid is a market-leading company, genuinely concerned with environmental issues. This approach facilitated the development of initiatives that have been refined over time. Here are some notable examples:

- Production of cards with 100 percent recycled PVC;

- Optimization of paper roll usage in our processes, including digital invoicing, statement issuance, and collection letters;

- FSC® (Forest Stewardship Council) certification since 2009, guaranteeing that the raw material comes from responsibly managed forests;

- Use of 100 percent renewable energy at the Sorocaba factory, sourced from the free energy market.

To enhance our environmental management, the 2023 ESG Multi-Year Plan included a project aimed at structuring Valid's environmental management practices in alignment with the requirements of

ISO 14001, establishing the Valid Environmental Management System (EMS).

Thus, ensuring compliance with legal requirements and identifying environmental impact risks form the foundation for developing effective operational controls. Regular reviews are conducted to drive the continuous improvement of our initiatives.

Using a tool called EAIS (Environmental Aspects and Impact Survey), we identify and map risks associated with activities that may cause environmental impacts, facilitating the development of effective controls.

Simultaneously, we initiated the development of projects aimed at reducing the environmental impact of our activities. The Environmental Management Program will be structured into specific goals and projects aligned with the company's strategy, guided by annual critical analysis cycles conducted by the ESG Committee. The first phase of assessment is slated for 2024.

Examples of additional tools developed for effective environmental management include:

Policy of the IMS (Integrated Management System) – Environment, Health and Safety at Work and Product Quality, clearly defining our position in relation to environmental preservation;

Operational controls specific to the activities done at the Sorocaba plant to mitigate environmental impacts;

Process structuring for identification, development and critical analysis to meet legal requirements, so that our obligations are fully met;

Training and communication plans to raise awareness and educate our employees, and

Environmental Management Programs, with clearly defined objectives and goals to improve our environmental management practices.

Valid's EMS (Environmental Management System) was established to systematize environmental management practices, ensuring that all interactions between our activities and the environment are managed with a high level of procedural excellence. This practice ensures the company's strategic alignment on the matter, leading to more agile and effective decision-making.

Valid recognizes that high-level environmental management is crucial for developing effective programs, positioning the company as a leading force in environmental matters while meeting the expectations of its customers and other stakeholders.

POTENTIAL IMPACTS RELATED TO OUR ACTIVITIES

In accordance with our Environmental Aspects and Impact Survey (EAIS) methodology, our potential environmental impacts are mapped and managed as follows:

- **In processing and production activities:** Given the high energy consumption of machines and equipment in our production line, we purchase renewable energy from the free market to help mitigate this impact. Another significant aspect of this operation is paper consumption.

Approximately 88 percent of the paper used in production is FSC® certified, ensuring that our raw materials come from responsibly managed forests, thereby mitigating environmental impact.

- **In activities related to material outputs:** Our production process generates certain hazardous wastes, including packaging contaminated with chemical products, ink waste, and other contaminating agents. To mitigate potential environmental impacts, we ensure 100 percent of our waste is collected and directed for co-processing, recycling, or incineration. All critical suppliers are approved and audited through the Valid EMS.

One of the issues monitored by the Valid EMS is a soil and groundwater contamination incident involving metals that occurred in 2009 at the Sorocaba plant. Since then, the company has collaborated with specialized suppliers to monitor and delineate the contaminated area. During the period covered by this report, we invested approximately BRL 500,000 ($103,310) in these activities, which will culminate in a remediation plan to be submitted for approval by the responsible environmental agency in 2024.

In 2023, we identified sites with soil contamination at another manufacturing unit in Rio de Janeiro, which had been decommissioned in 2021. The company promptly engaged a specialized firm to assess and monitor the contaminated area and to develop a remediation plan. Initiatives to address the issue are being closely monitored by Valid's board of directors and will be submitted to the responsible environmental agency for validation.

Waste management   GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5

Valid implements policies and practices that go beyond legal requirements for waste management. We provide detailed information about our approach, impacts, and progress on this topic, while also conducting independent audits to ensure compliance and drive continuous improvement.

These commitments are outlined in the Integrated Management System (IMS) Policy, the Global Code of Ethics and Conduct, certifications, purchasing and supplier policies, and educational activities, all of which are publicly available on our corporate website.
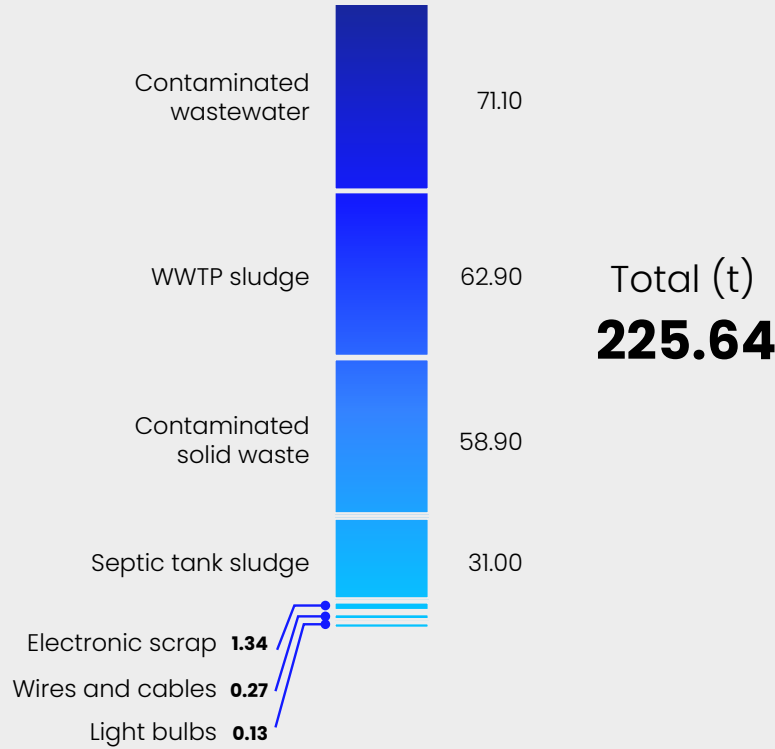
The majority of our waste generation originates from the production processes at our plants in Sorocaba (Brazil), Coslada (Spain), and Buenos Aires (Argentina). The primary types of waste generated include PVC scraps from card manufacturing, paper, cardboard, and hazardous waste such as chemical products and solvents.

Additional waste is generated in smaller quantities, including electronic scrap, fluorescent lamp waste, wood waste, ink waste, and packaging contaminated with chemicals.

In our plants, we conduct selective collection for 100 percent of waste, with dedicated teams managing handling and temporary storage prior to proper disposal.

Waste is meticulously classified, segregated in compliance with current legislation, and its quantities are accurately measured and recorded. Additionally, we conduct monthly monitoring of indicators, analyzing any atypical volumes to ensure proper management and timely intervention.

Weight of hazardous waste (except wastewater) Brazil - 2023* GRI 306-3

Category	Value
Contaminated wastewater	71.10
WWTP sludge	62.90
Contaminated solid waste	58.90
Septic tank sludge	31.00
Electronic scrap	1.34
Wires and cables	0.27
Light bulbs	0.13

Total (t)
225.64

* All waste generated in Brazil is sent for proper final disposal.

All waste is sent for recycling, co-processing, or incineration through suppliers licensed by environmental agencies and approved by the Valid EMS.

Waste management is a strategic theme for Valid's ESG. The card made from 100 percent recycled PVC, developed in 2023, underscores the significance of this issue for the company. This product utilizes scraps from the card production process as inputs, both independently and in collaboration with national partners.

To enable this production, our production team undertakes significant efforts in the segregation and storage of these scraps. In the year, approximately **12 tons** of shavings were recycled.

Another significant initiative was allocating 100 percent of the organic waste from the Sorocaba factory for composting. This initiative led to the production of 520 tons of organic fertilizer, serving as a valuable resource for soil enrichment.

For 2024, Valid's ESG has set a target of reducing our PVC scraps by 2 percent. With the support of our operational excellence team, this project will be monitored in collaboration with the company's ESG committee.
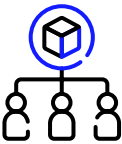
A total of

520
tons

of fertilizers were produced with organic waste from the restaurant at the Sorocaba (SP) plant

Weight of waste generated (except wastewater) International– 2023 GRI 306-3

Contaminated wastewater — 44.18

Contaminated solid waste — 11.19

Waste hydrocarbons or mineral oils not suitable for the use for which they were intended — **0.47**

Fluorescent tubes and other waste containing mercury — **0.03**

Gases in pressure vessels containing hazardous substances — **0.01**

Total (t)
55.88
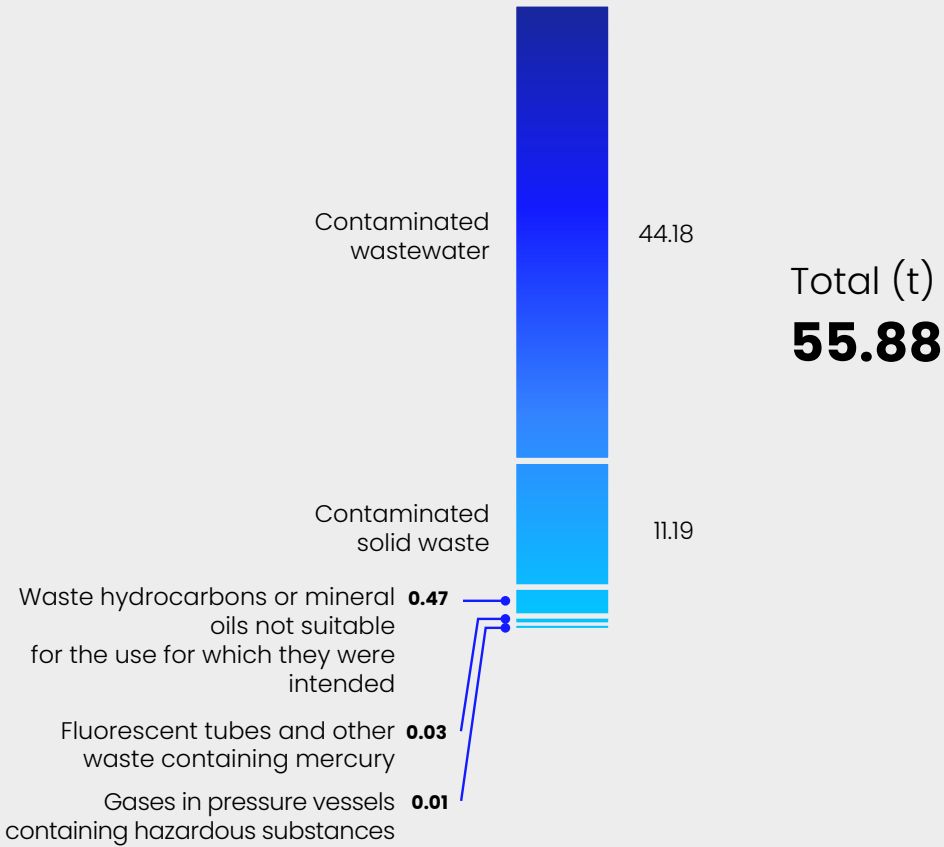
Non-hazardous waste directed to disposal – Brazil – 2023* GRI 306-3, 306-5

Non-hazardous waste	Quantity generated (t)
Ordinary waste	81.10
Organic waste	87.40
Gardening	24.60
Seals	17.54
Filter residue	9.14
Paper scraps with glue	150.28
Paper scraps without glue	80.32
Paper for shredding	118.46
Cardboard	44.54
PVC skeleton	71.63
Crushed PVC	80.40
Aluminum plate	10.84
Plastic mix	9.40
Cardboard tube	7.30
Paper with glue	147.60
Paper without glue	112.15
Cardboard	4.90
Plastic	3.60
Cardboard reels	75.28
Mixed copper	1.05
Glass	0.74
Debris	31.63
Gold chip	0.01
Silver chip	1.46
Iron scrap	84.57
Wood	46.77
TOTAL	**1302.71**

* All non-hazardous waste generated in Brazil is managed and treated through specific processes, ensuring zero landfill disposal.

Non-hazardous waste – International operations – 2023 GRI 306-3

Non-hazardous waste	Quantity generated (t)
Plastic bottles	0.23
Plastic	14.14
Absorbent pads and protective clothing	0.02
Discarded equipment	0.06
Metals	0.11
Paper and cardboard	2.98
Wood container	0.86
Discarded non-hazardous electrical and electronic equipment	0.51
TOTAL	**18.91**

Total weight of waste diverted from disposal – International operations – 2023 GRI 306-4

Non-hazardous waste	Weight not intended for disposal (t)
Plastic bottles	0.23
Plastic	14.14
Discarded equipment	0.06
Metals	3.25
Paper and cardboard	5.23
Wood container	0.86
Non-hazardous electrical and electronic equipment	0.44
PVC	49.72
TOTAL	**73.93**

Weight of waste diverted from disposal –– International 2023 GRI 306-4

Hazardous waste	Weight diverted from disposal (t)
Empty contaminated plastic containers	0.02
Discarded electrical and electronic components containing hazardous materials.	0.30
Fluorescent tubes and other waste containing mercury	0.03
Gases in pressure vessels containing hazardous substances	0.01
TOTAL	**0.36**

Weight of waste directed to disposal –– International 2023 GRI 306-5

Hazardous waste	Weight directed to disposal (t)
Absorbents contaminated with hazardous substances	0.11
Waste developer	0.66
Fabric contaminated with paint	0.70
Waste packaging drums	0.44
Residual ink	1.00
Waste UV printing cleaner (including printing waste water)	0.47
Activated carbon waste	1.15
TOTAL	**4.53**

Hazardous and non-hazardous waste – 2023 GRI 306-3

Brazil

Total calculated inventory (t) **1,528.35**

225.64   1302.71

International

Total calculated inventory (t) **73.79**

18.91   54.88
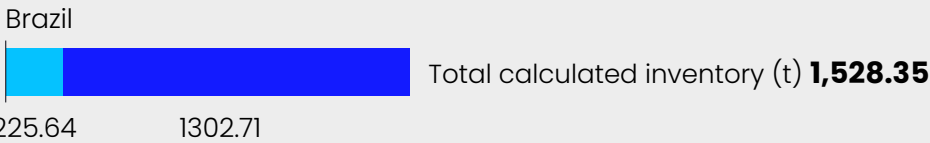
■ Hazardous waste   ■ Non-hazardous waste

Weight of waste diverted from disposal by recovery operation – International – 2023 GRI 306-4

Total **0.36**

0.01   0.35

■ Preparation for reuse   ■ Recycling

Total weight of waste diverted from disposal by recovery operation – International – 2023 GRI 306-4

Total **18.62**

0.86   17.76

■ Preparation for reuse   ■ Recycling

Weight of waste directed to disposal – International 2023 GRI 306-5

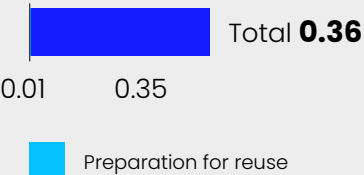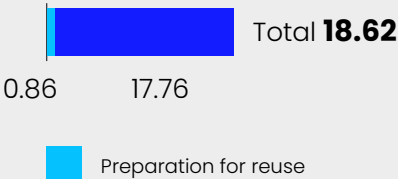| Hazardous waste	Weight directed to disposal (t)
Absorbents contaminated with hazardous substances	0.11
Waste developer	0.66
Fabric contaminated with paint	0.70
Waste packaging drums	0.44
Residual ink	1.00
Waste UV printing cleaner (including printing waste water)	0.47
Activated carbon waste	1.15
TOTAL	**4.53**

Weight of hazardous waste diverted from disposal by recovery operation – International – 2023 GRI 306-5

Type of recovery	Total weight within the organization (t)
Landfill confinement	0.52

Weight of non-hazardous waste diverted from disposal by recovery operation – International – 2023 GRI 306-5

Type of recovery	Total weight within the organization (t)
Landfill confinement	0.02

Objectives, targets and indicators used to assess progress on the topic – 2023 GRI 3-3

Objective	Goals	Indicators
Improve waste management	Direct 100% of organic waste for composting	% Waste directed to composting
	Reduce class II generation by 2% (shredded PVC)	% Class II waste / Production
	Send 100% of electronic waste for recycling	Structuring the management of electronic waste in Brazil (Sorocaba plant + sites)

Atmospheric emissions

Valid prepares the Greenhouse Gas Inventory (IEGEE)[6] in accordance with the GHG Protocol guidelines. This methodology aligns with ISO standards and the quantification approaches of the Intergovernmental Panel on Climate Change (IPCC), covering scopes 1 and 2.

In 2023, we engaged a specialized consulting firm to conduct the emissions inventory, expanding it to include scope 3. Alongside the inventory, we conducted a carbon footprint study for all products manufactured at the plants in Sorocaba (Brazil) and Coslada (Spain). We believe that these practices will enable the precise identification of the main sources of carbon emissions, paving the way for more effective carbon neutrality plans.

As part of our ESG Multi-Year Plan, in 2024, we implemented a project to audit the emissions inventory by engaging an external company specialized in this area. Furthermore, the emissions balance will be duly assessed. The results will be published in the Brazilian GHG Protocol Program in pursuit of the Gold Seal, a recognition of the company's commitment to evaluation and transparency on this topic.

Scope 1 (direct) emissions totaled 410.96 tCO_2e. The primary source is the use of gasoline in rental vehicles, classified under the "mobile combustion" category. Another significant source of emissions in this scope was the replacement of refrigerant gases in air conditioning units, categorized under "fugitive emissions."

In Scope 2 (indirect emissions from purchased electricity), the sole source is electricity consumption, which resulted in 952.82 tCO_2e. The majority of this consumption occurs at the Sorocaba (SP) plant. However, it is worth noting that this plant sources its energy through Mercado Livre, prioritizing the purchase of clean energy.

Scope 3 totaled 1,134.21 tCO_2e and represents the largest share of emissions in the inventory. This scope refers to indirect emissions from Valid's operations. The "business travel" category accounts for the highest emissions, primarily due to air travel undertaken by employees for work purposes. The second largest Scope 3 category is upstream transportation and distribution, which includes emissions from outsourced transport paid by Valid, covering the movement of inputs to the factory and the delivery of finished products to customers.

When emissions are categorized by gas type, the following greenhouse gas emission quantities were identified:

- Carbon dioxide (CO_2): 2,329.357 tons

- Methane (CH_4): 0.629 tons

- Nitrous oxide (N_2O): 0.158 tons

- Hydrofluorocarbons (HFCs): 0.057 tons

The emissions of all these gases were calculated and converted into the company's total emissions, expressed in tCO_2e, based on the Global Warming Potential (GWP) of each gas.
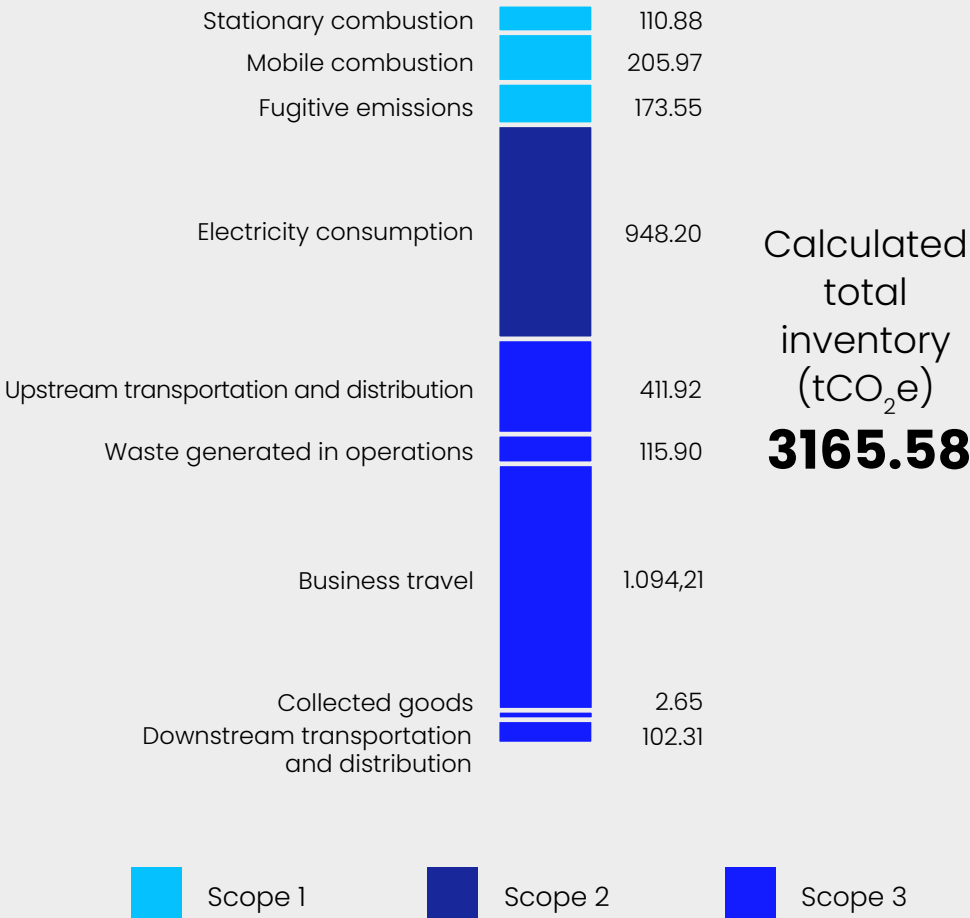
Regarding biogenic CO_2 emissions from the burning of biomass and biofuels, Valid recorded 69.94 tCO_2e in Scope 1, primarily due to the combustion of ethanol mixed with gasoline used by the company. In Scope 3, 37.48 biogenic tCO_2 were calculated, primarily resulting from waste generated during operations that were sent for co-processing.

The work that was done enabled us to gain detailed insights into the primary sources of emissions across all three scopes of our value chain. Additionally, conducting the audit helped us identify opportunities for improvement in both the data collection methodology and the development of control processes.

The next step for Valid will be to explore initiatives aimed at reducing its emissions, prioritizing environmentally responsible decisions.

6 The inventory was conducted using the operational control approach, with the IPCC Fifth Assessment Report (AR5) serving as the primary reference for emission factors and global warming potentials for each gas. CO_2, CH_4 and N_2 emissions were calculated in all scopes, in addition to the emission of HFCs having been identified in Scope 1. Scope 2 was calculated using the location-based approach, with 2023 designated as the base year for the inventory. This marks the first year in which Valid has conducted and published the inventory using a robust methodology.

GHG emissions by category - 2023

Category		Value
Stationary combustion		110.88
Mobile combustion		205.97
Fugitive emissions		173.55
Electricity consumption		948.20
Upstream transportation and distribution		411.92
Waste generated in operations		115.90
Business travel		1.094,21
Collected goods		2.65
Downstream transportation and distribution		102.31

Calculated total inventory (tCO_2e)
3165.58

■ Scope 1   ■ Scope 2   ■ Scope 3

Carbon footprint

Motivated by a desire to understand the climate impact of its products, Valid carried out a thorough study to quantify all greenhouse gas emissions linked to its offerings. The assessment encompassed the production of bank cards made from PVC and RPVC (recycled PVC), RFID products, SIM cards, and invoices, as well as the manufacturing of driver's licenses, identification cards, and traceability seals. We share key conclusions from the study, highlighting the primary activities and inputs responsible for emissions across each of the evaluated products.

Over 66%

of a card's emissions originate from the manufacturing of the chip

BANK CARDS (PVC AND RECYCLABLE PVC)

This study examined cards incorporating PVC or RPVC (recycled PVC) as inputs, as well as components such as the antenna for contactless payments, the chip, the overlay, the magnetic stripe, the security hologram, inks, varnishes, solvents, packaging materials, and plates used for layout production.

For a card, the majority of emissions — over 66 percent — originate from chip manufacturing. This is primarily due to the high electricity consumption and the intense heat needed to create the specific conditions required for producing silicon semiconductors.

The second largest source of emissions, accounting for over 17 percent, was attributed to the antennae, primarily due to the production of aluminum used

as a key input. In addition to being an energy-intensive process requiring significant electricity, it also demands high temperatures, which are achieved through the combustion of fuels.

Another important source of emissions is the base plastic for the card, which can be PVC or RPVC. The use of recycled PVC instead of ordinary PVC represents a 4.7 percent reduction in the total emissions of a card under the same conditions. This is due to recycling and to the reduction of transportation, as the recycling plant is closer to the Valid factory than the virgin PVC suppliers.
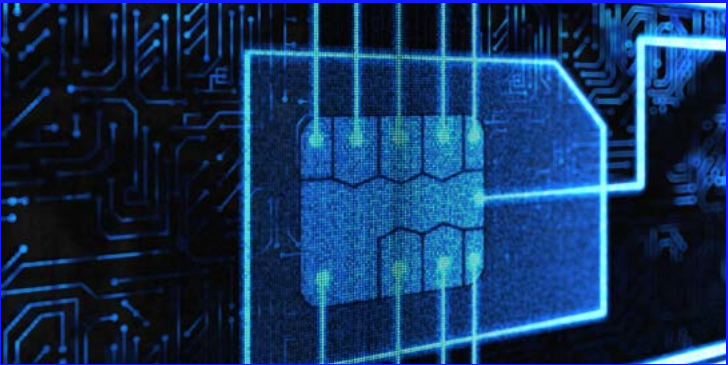
SIM CARD

A product purchased mainly by telecom companies, the SIM card considered in the study has the chip, a blend of PVC and ABS (acrylonitrile butadiene styrene) for the base, paints, varnishes and solvents, as well as packaging materials. As with bank cards, most of the emissions (about 81%) comes from the manufacturing of the chip and the second largest emission (approximately 15% of the total) comes from the manufacture of the plastic used as a base, as it is the input with the largest volume in the end product.
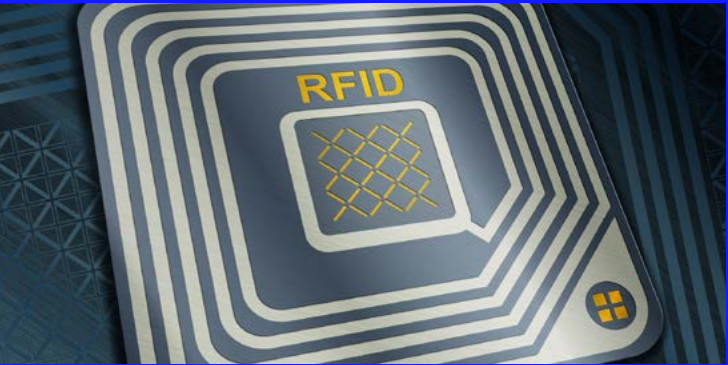
RFID

RFID antennae are procured by companies manufacturing computer equipment for product traceability and by businesses developing devices for automated payment systems at toll booths and parking facilities. They are made up of a base plastic, BOPP (biaxially oriented polypropylene film), a chip, an antenna, tapes and stickers, as well as packaging material. As it is a carbon-intensive input, the chip, despite its negligible weight, still accounts for most of the product's emissions (around 32%). The second-largest source of emissions is the production of BOPP, which accounts for approximately 29 percent of the total emissions. For RFID products, the antenna does not contribute significantly to emissions, as it is manufactured in-house at the Valid plant.

IE BILLING

We consider an invoice along with its corresponding envelope, inks, packaging materials, and the plate used for layout production.. The majority of emissions stem from the production of the paper used in the invoice and envelope, accounting for 49 and 42 percent of the total emissions, respectively. Paper production is not typically considered carbon-intensive; however, the significant contribution of these inputs to invoice emissions is due to the fact that nearly the entire invoice is composed of paper.

CNH (NATIONAL DRIVER'S LICENSE)

For the study, the driver's license (CNH) was analyzed as it is produced by Valid, excluding the personalization data added by the end user. Most emissions originate from paper production (approximately 60%). This is attributed to the significant quantity of this input required for CNH production compared to other materials. The second most significant source of emissions is film production, accounting for approximately 21 percent of the total, as it represents the second largest input in document manufacturing.

ID CARDS

The IDs and National Identity Cards (CINs) Valid manufactures share a very similar composition. As with the CNH, this study considered the ID card without the inclusion of the citizen's personalized data. Most of the emissions from the production of this document come from the manufacture of paper (approximately 64%) and film (around 22%), which are also the most relevant inputs in the product.

TRACEABILITY SEALS

The seals are primarily composed of BOPP plastic, solutions, and holography, but the study also considered the layout production plate and packaging materials. More than 90 percent of emissions related to the production of a stamp come from BOPP, as it is the most significant input. The second most significant source is ink production (around 2.5%), which is the second most used input in seal manufacturing.

5. People

At the heart of innovation, human talent

People management

GRI 3-3, 401-1, 404-1, 404-2, 404-3, 405-1

Cultural transformation

Over the past three years, Valid has undergone a profound transformation in its corporate culture. Based on an assessment made with our employees, we have worked to flatten hierarchical structures, focusing on fostering leadership and promoting transparent communication.

Since 2020, Valid has embarked on an intensive journey of cultural transformation, culminating in the current focus on people. In this process, we conducted a set of actions that had a positive impact.

Among these initiatives, defining Valid's new values and purpose was crucial to guiding the path for all company members and driving meaningful changes.

As a result, in 2023, the employee satisfaction index (eNPS) reached 73 percent, marking a 20-percentage-point increase compared to 2021. Over the year, the direct leadership satisfaction index (LNPS) rose from 49 percent, in May 2023, to 67 percent in January 2024.

Other important steps were taken in this direction, based on two pillars: Leadership development and transparent communication.

Leadership development was an essential step to encourage our employees' autonomy and integration among areas. Our managers are important agents of transformation and multipliers of knowledge within Valid, but this cannot be achieved without communication and transparency. For this reason, our second axis focuses on eliminating barriers, fostering connection among people, and driving the transformation of corporate culture.

73% was the employee satisfaction index in 2023

To contribute to leader development, we invest in a few important actions:

- Workshops (offsite) with the entire group of Valid managers, focused on developing soft skills and fostering integration among participants;

- Coaching leadership skills and providing access to renowned courses for our group identified as Talents, including those offered by Harvard Business School. These initiatives not only enhance the skills and capabilities of individuals recognized for their unique qualities but also foster self-awareness and strengthen fundamental pillars of leadership.

By investing in the personal and professional development of our teams, we cultivate a strong and responsible organizational culture, enabling us to lead effectively in an ever-evolving world. This approach fosters individual growth and reinforces our commitment to generating long-term value, both for Valid and the ecosystems in which we operate.

To enhance transparency in internal processes, we replaced our primary people management and payroll system in 2023. After a six-month implementation project, we achieved increased efficiency in internal processes, improved reliability

in data management and calculations, and a more robust platform to support our employees and managers.

In terms of career transitions, Valid supports employees who have been laid off by offering professional relocation programs, continued benefits for a fixed period, and additional support measures.
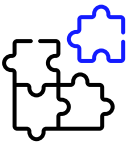
By investing in the personal and professional growth of our teams, we build a strong and responsible organizational culture

Percentage of employees receiving regular performance and career development reviews by employee category – 2023* GRI 404-3

	Men	Women	Total
CEO			
Total headcount	1	0	1
Number of employees evaluated	1	0	1
Percentage	100.00	0	100
Director			
Total headcount	10	4	14
Number of employees evaluated	4	3	7
Percentage	40.00	75.00	50.00
Senior manager			
Total headcount	10	2	12
Number of employees evaluated	9	1	10
Percentage	90.00	50.00	83.33
Supervisor / consultant			
Total headcount	30	15	45
Number of employees evaluated	27	8	35
Percentage	90.00	53.33	77.78
Manager			
Total headcount	19	21	40
Number of employees evaluated	12	13	25
Percentage	63.16	61.9	62.5

	Men	Women	Total
Senior coordinator			
Total headcount	15	8	23
Number of employees evaluated	14	8	22
Percentage	93.33	100	95.65
Coordinator			
Total headcount	39	19	58
Number of employees evaluated	35	17	52
Percentage	89.74	89.47	89.66
Specialist			
Total headcount	72	38	110
Number of employees evaluated	52	28	80
Percentage	72.22	73.68	72.73
Leader			
Total headcount	57	22	79
Number of employees evaluated	56	21	77
Percentage	98.25	95.45	97.47
Analyst			
Total headcount	237	199	436
Number of employees evaluated	0	0	0
Percentage	0	0	0

	Men	Women	Total
Operator**			
Total headcount	700	647	1347
Number of employees evaluated	0	0	0
Percentage	0	0	0
Technician***			
Total headcount	148	24	172
Number of employees evaluated	12	1	13
Percentage	8.11	4.17	7.56
Assistant***			
Total headcount	258	495	753
Number of employees evaluated	25	8	33
Percentage	9.69	1.62	4.38
Total			
Total headcount	1596	1494	3090
Number of employees evaluated	247	108	355
Percentage	15.48	7.23	11.49

* The data consider the Brazilian context.
** We have not yet implemented performance cycles for employees in operator positions.
** In the case of technicians and assistants, only those in the corporate area were evaluated, without considering the manufacturing/operational environment.

Diversity of governance bodies and employees by gender – 2023 GRI 405-1

Board of Directors	Men	Women	Total
Number of members of governance bodies	13	2	15
Percentage of members of governance bodies by gender	86.67	13.33	100.00

Diversity of governance bodies and employees by age group 2023 GRI 405-1

Board of Directors	Number	Percentage
Aged fewer than 30 years	0	0
Aged 30 to 50 years	3	60.00
Aged more than 50 years	2	40.00
TOTAL	**5**	**100.00**

Leadership development

Our People & Culture department is dedicated to continuous people development. To support our leaders' development cycle, we have established two priority programs: The Beta Journey and performance evaluation cycles.

The Beta Journey (an acronym for Belonging, Empowerment, Transformation, Awareness) is a program designed to foster a sense of belonging, promote feedback, empower the individuals' unique qualities, and cultivate transformation and awareness through self-knowledge.

In 2023, we trained 260 managers at different leadership levels. We provided knowledge and strategies essential for effective leadership through a blend of theoretical and practical teaching approaches, fostering the exchange of experiences and collaborative learning.

Participants engaged with various teaching methods, including lectures, consultations, case studies, simulations, and practical activities. These professionals play pivotal roles in leading teams, coordinating activities, supervising operations, and making strategic decisions.

Additionally, every six months, we conduct an employee evaluation cycle, which involves approximately 300 hours of conversations among all managers. These cycles aim to reinforce a culture of feedback, fostering both personal and professional growth among participants.

These initiatives, combined with daily actions, offer our leaders opportunities to enhance the performance of these professionals and empower them to become knowledge multipliers within their teams.

Every six months, we carry out an employee assessment cycle lasting approximately 300 hours

Average hours of training per year, by gender - 2023 GRI 404-1

Gender	Hours
Men	3168
Women	1312

Average hours of employee training per year per employee by employee category – 2023* GRI 404-1

Category	Hours
CEO	64
Director	448
Senior manager	160
Expert	0
Manager	384
Senior coordinator	320
Coordinator	752
Specialist	784
Leader	1568

* The training conducted in 2023 focused on leadership development. Training initiatives for international units are not currently accounted for.

PERFORMANCE EVALUATION

The performance cycle at Valid is a structured process for evaluating the values and performance of company employees. It serves as a crucial tool for managers to identify areas where their team members can improve and to acknowledge their strengths.

During and after the performance cycle, we support leaders in their feedback process by equipping them with methodologies and tools for a more effective approach. This includes providing support materials for individual development plans and employee self-assessments.

As a result, we were able to make adjustments to task progress and develop plans to enhance the performance of those involved, addressing both technical and behavioral skills.

In addition, we have the meritocracy cycle, during which we evaluate our employees based on key factors such as salary range, market comparison, career development, recognition, and other relevant criteria.

The current focus is on ensuring that people are in the right roles with appropriate compensation, through adjustments to fixed monthly wages, discussions of bonuses and awards, promotions, and other related actions.

Communication and transparency

We foster continuous and transparent dialogue in our internal and external relationships, as we believe in the importance of open communication among all team members. Transparency embodies the culture we are building, where information is shared openly and securely among everyone, without secrets.

On this journey, we have developed initiatives that facilitate the frequent exchange of corporate information among all employees, fostering a safe and trustworthy environment where everyone can — and should — share their opinions and suggestions.

We cultivate a safe and trusting environment where everyone can freely share their opinions and suggestions

The first communication and transparency initiative developed in 2021 was **Valid Talks**, a monthly virtual meeting that brings together senior management and our entire team. It provides an opportunity to address a variety of topics, including financial results, new projects, ESG, diversity & inclusion, information security, compliance, and other matters relevant to the company.

We also introduce the new managers who joined the campaign last month, the highlights of the last month (by department) and make important announcements from the People & Culture area.

At the end of the meeting, any employee can ask questions to the management team, including the CEO. After the meeting concludes, everyone receives a survey, offering another opportunity to share honest feedback about the Talks or any other relevant topic.

In the same year, another major milestone of this pillar was the **Day 1 (D1)**, which is part of the new corporate culture. In an open and candid manner, we annually present topics such as our ability to

reinvent ourselves, the commitment of the Valid team, the opportunity to transform the company, and the fear of transformation.

Other editions of D1 have covered new content that has contributed to our change of direction. In the final edition of 2023, we reinforced the commitments of each board for 2024.

We periodically adopt other practices that help to reduce distances between people. Some examples include Valid Kids, an event where employees' children celebrate Children's Day with recreational activities, the quarterly happy hour, and the end-of-year party. We also have a budget for each leader or manager to organize their own end-of-year celebration with their team.

Diversity and inclusion

We acknowledge the diverse ways of existing in the world and the inequalities that come with them. We are committed to providing a safe place that provides opportunities for people with different profiles and stories, where they can live authentically. In 2023, we created a Diversity and Inclusion Program, called "NÓS" (US), which enables the development of several initiatives related to the topic, with short, medium and long-term actions.

An important step in advancing this topic was the Diversity and Inclusion Maturity Diagnosis, where we gathered impressions, demands, and initiatives from 1,721 people through an anonymous online questionnaire. We use the Diversity Management Maturity Index (DMMI), a methodology developed by the 4CO consulting firm.

We conducted 19 individual interviews, one of them in Brazilian Sign Language (Libras), and 26 focus groups, in which 204 people were interviewed (two in Libras). Additionally, we analyzed 42 documents related to the topic, including policies, standards and corporate materials.
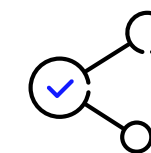
We listened to
1,721 people
to set our path towards a more diverse and inclusive work environment

Based on the insights gathered from this diagnosis, we established a course of action with the primary goal of contributing to the creation of a more dignified, fair, and inclusive work environment at Valid. The proposal is to prioritize the pillars that are perceived as most urgent and face less resistance: Gender and people with disabilities (PwDs), while also incorporating training on topics related to LGBTQIA+ individuals and race, among others.

We initiate awareness raising with our leadership, providing access to knowledge about the legal and moral aspects of diversity and inclusion.

The actions initiated in the cycle of this report, scheduled to end in 2024, include developing and disseminating the D&I policy at Valid, as well as revisiting the company's other policies and documents from this perspective.

In addition, we created facilitating groups and reinforced internal communication. We also conducted a study on salary disparities and formed the Diversity and Inclusion Committee, which aims to connect the topic to the company's strategy. With monthly meetings, the Committee is made up of the CEO, directors, and the manager and person responsible for the area.

We see diversity and inclusion as another pillar integrated into our values, thus translating Valid's culture.

Profile of the employees

GRI 2–7, 2–8, 401–1, 405–1

Valid has 3,588 employees, of whom 1,832 are men and 1,756 are women. Most of our workforce is concentrated in the Southeast region of Brazil. The total number of non–employed workers is 115, including 15 interns and 100 apprentices[7].

During the reporting period, no significant fluctuations were observed in the total number of employees: We recorded 751 terminations and 578 new hires. The turnover rate was 21.86%.

7 The data was extracted from the employee registration report in the ADP digital system. The methodology used to determine the total number of employees and non–employed workers was direct counting, covering all formal employees, both full–time and part–time. Total employees are calculated based on data at the end of the reporting period.
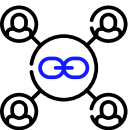
We have 3,588 employees, of whom 1,832 men and 1,756 women

NÓS
Programa de Diversidade e Inclusão da Valid

Number of employees by region and gender – 2023 GRI 2-7

Region	Men	Women	Subtotal
Southeast	1000	1108	2108
South	136	100	246
Northeast	247	254	501
Midwest	119	136	235
Argentina	78	60	138
Colombia	15	8	23
Asia	34	24	58
Africa	73	27	100
Europe	114	43	157
North America	16	6	22
TOTAL	**1832**	**1756**	**3588**

* The data were extracted from the employee registration report in the ADP digital system. The methodology used to determine the total number of employees and non-employed workers was direct counting, covering all formal employees, both full-time and part-time. Total employees are calculated based on data at the end of the reporting period.

Number of employees by type of contract and region – 2023* GRI 2-7

Region	Indefinite term
Northeast	501
Midwest	234
Southeast	2108
South	247
Argentina	138
Colombia	23
Asia	58
Africa	100
Europe	157
North America	22
TOTAL	**3588**

* There are no employees hired for a fixed term.

Number of employees by type of employment and region – 2023 GRI 2-7

Employees by type of employment and region	Full time
Northeast	501
Midwest	234
Southeast	2108
South	247
Argentina	138
Colombia	23
Asia	58
Africa	100
Europe	157
North America	22
TOTAL	**3588**

Number of employees by type of contract and gender – 2023* GRI 2-7

Gender	Indefinite term
Men	1926
Women	1662
TOTAL	**3588**

* There are no employees hired for a fixed term.

Number of employees by employment type and gender – 2023* GRI 2-7

Gender	Full time
Men	1926
Women	1662
TOTAL	**3588**

* There are no employees hired on a part-time basis.

New employee hires, dismissals and employee turnover, by age group – 2023* GRI 401-1

Age group	Number of employees	Hirings	Dismissals	Turnover rate
Aged fewer than 30 years	1227	239	191	17.52
Aged 30 to 50 years	1591	176	271	14.05
Aged more than 50 years	272	14	54	12.5
TOTAL	**3090**	**429**	**516**	**15.29**

* The data consider only the Brazilian context.

New employee hires and employee turnover, by gender – 2023* GRI 401-1

Gender	Number of employees	Hirings	Dismissals	Turnover rate
Men	1926	256	364	16.10
Women	1662	283	290	17.24
TOTAL	**3588**	**539**	**654**	**16.62**

* The data presented consider the national and international contexts.

New employee hires, dismissals and employee turnover, by region - 2023 GRI 401-1

Region	Number of employees	Hirings	Dismissals	Turnover rate
North*	0	0	66	
Northeast	514	63	84	14.3
Midwest	234	120	38	33.76
Southeast	2108	307	401	16.79
South	247	7	12	3.85
Argentina	138	10	13	8.33
Colombia	23	0	7	15.22
Asia	58	10	15	21.55
Africa	100	6	2	4
Europe	157	13	14	13.30
North America	22	3	2	11.36
TOTAL	**3588**	**539**	**654**	**16.62**

*In 2023, we closed an operation in Pará and did not hire in the North region.

Percentage of employees by employee category and gender – 2023* GRI 405-1

	Men	Women	Total
CEO			
Number	1	0	1
Percentage	100	0	100
Director			
Number	10	4	14
Percentage	71.43	28.57	100
Senior Manager			
Number	10	2	12
Percentage	83.33	16.67	100
Supervision / Consultant			
Number	30	15	45
Percentage	66.67	33.33	100

	Men	Women	Total
Manager			
Number	19	21	40
Percentage	47.5	52.5	100
Senior coordinator			
Number	15	8	23
Percentage	65.22	34.78	100
Coordinator			
Number	39	19	58
Percentage	67.24	32.76	100
Specialist			
Number	72	38	110
Percentage	65.45	34.55	100
Leader			
Number	57	22	79
Percentage	72.15	27.85	100
Analyst			
Number	237	199	436
Percentage	54.36	45.64	100
Technician			
Number	148	24	172
Percentage	86.05	13.95	100
Assistant			
Number	258	495	753
Percentage	34.26	65.74	100
Operator			
Number	700	647	1347
Percentage	51.97	48.03	100
TOTAL			
Number	1596	1494	3090
Percentage	51.65	48.35	100

* The data consider only the Brazilian context.

Percentage of employees by employee category and age group – 2023* GRI 405-1

CEO	Number	Percentage
Aged fewer than 30 years		0
Aged 30 to 50 years	1	100
Aged more than 50 years		0
TOTAL	**1**	**100**
Director		
Aged fewer than 30 years		0
Aged 30 to 50 years	9	64.29
Aged more than 50 years	5	35.71
TOTAL	**14**	**100**
Senior Manager		
Aged fewer than 30 years	1	8.33
Aged 30 to 50 years	9	75
Aged more than 50 years	2	16.67
TOTAL	**12**	**100**
Supervision / Consultant		
Aged fewer than 30 years	6	13.33
Aged 30 to 50 years	33	73.33
Aged more than 50 years	6	13.33
TOTAL	**45**	**100**
Manager		
Aged fewer than 30 years	5	12.5
Aged 30 to 50 years	31	77.5
Aged more than 50 years	4	10
TOTAL	**40**	**100**

Senior coordinator	Number	Percentage
Aged fewer than 30 years	2	8.7
Aged 30 to 50 years	21	91.3
Aged more than 50 years	0	0
TOTAL	**23**	**100**
Coordinator		
Aged fewer than 30 years	9	15.52
Aged 30 to 50 years	41	70.69
Aged more than 50 years	8	13.79
TOTAL	**58**	**100**
Specialist		
Aged fewer than 30 years	23	20.91
Aged 30 to 50 years	71	64.55
Aged more than 50 years	16	14.55
TOTAL	**110**	**100**
Leader		
Aged fewer than 30 years	17	21.52
Aged 30 to 50 years	51	64.56
Aged more than 50 years	11	13.92
TOTAL	**79**	**100**
Analyst		
Aged fewer than 30 years	163	37.39
Aged 30 to 50 years	255	58.49
Aged more than 50 years	18	4.13
TOTAL	**436**	**100**

Technician	Number	Percentage
Aged fewer than 30 years	40	23.26
Aged 30 to 50 years	113	65.7
Aged more than 50 years	19	11.05
TOTAL	**172**	**100**
Assistant		
Aged fewer than 30 years	332	44.09
Aged 30 to 50 years	356	47.28
Aged more than 50 years	65	8.63
TOTAL	**753**	**100**
Operator		
Aged fewer than 30 years	630	46.77
Aged 30 to 50 years	599	44.47
Aged more than 50 years	118	8.76
TOTAL	**1347**	**100**
Aged fewer than 30 years	1228	39.74
Aged 30 to 50 years	1590	51.46
Aged more than 50 years	272	8.8
TOTAL	**3090**	**100**

* The data consider only the Brazilian context.

Remuneration policy GRI 2-19, 2-20, 2-30

At Valid, we believe that recognizing both individual and collective efforts is crucial to achieving our goals. We seek not only to reward good performance, but also to attract and retain talent that drives our journey towards success.

Our remuneration policies include fixed salaries and variable benefits such as the Profit Sharing Program (PSP), communicated through internal channels, Long-Term Incentives (ILP) for leaders, and commissions for the sales team.

To develop these policies, we conduct market analyses, design remuneration packages, and gather feedback from our stakeholders. This process is overseen by the Remuneration Committee, a statutory body composed of several members of the Board of Directors, which monitors both internal and external perceptions. The group meets periodically to discuss topics related to remuneration and People & Culture.

Our entire workforce is covered by collective bargaining agreements. Severance pay is made within a maximum of ten days and retirement benefits comply with local conventions.

Profit sharing distribution is based on the achievement of targets set for each business unit and/or our consolidated results. At the end of the fiscal year, all employees are evaluated based on whether they have achieved the business objectives.

Leadership and specialist positions (individual contributors) are eligible for differentiated profit sharing, which is linked to the achievement of their individual goals.

Profit sharing includes all employees, based on the achievement of objectives

In 2023, the company decided to advance the payment of part of the short-term incentives (profit sharing) to December, instead of March of the following year, due to the exceptionally positive business results throughout the year. This way, employees had access to the awards before the end-of-year celebrations and beginning-of-year expenses.

Since 2021, variable remuneration for directors and managers is made up of a long-term portion, in which they receive incentives to purchase Valid shares. Our goal is to drive the company's success through greater alignment of interests between managers, employees and shareholders.

We also encourage our talents through various benefits, depending on the position and collective agreements, or at the company's discretion. These benefits are offered at the time of admission, without distinction based on time on the job.

The committees elected by employees, with the involvement of union leaders, have our full support. Their role is to negotiate profit sharing rules with the company and the union and disclose them to other employees on a quarterly basis.

Cases of recruitment bonuses and advance payments linked to remaining in the company (in the event of termination before this deadline, the professional undertakes to return the money) are assessed individually by the company.

Positive results attained in the year made it possible to advance the payment of part of the incentives

Main benefits GRI 401-2, 401-3

Medical and dental care – We offer a comprehensive health insurance plan that fully covers the needs of employees and their dependents, with 100 percent of the costs paid by the company. In addition, we offer employees the option of purchasing a dental insurance plan, if they wish, with a payroll deduction.

Maternity and paternity leave – We offer 180 days of maternity leave and 20 days of paternity leave, exceeding legal obligations.

Cafeteria at the Sorocaba plant – We have contracted an outsourced service with a specialized company that provides personalized meals to meet the dietary needs of individuals, including pregnant women, people with diabetes, and those with heart conditions.

Meal vouchers and food vouchers – Provided to employees who work in units without a cafeteria and to those working in a hybrid or 100 percent remote work regime, as set forth under collective agreements.

Daycare assistance – Valid pays part of the cost of daycare for its employees' children, as per the collective agreement of each location.

Payroll loan – Valid offers all employees a loan of up to five salaries, to be repaid in up to 48 installments, provided that the monthly installment does not exceed 30 percent of their salary. This benefit is made available through partnerships with financial institutions, does not require a guarantor or credit confirmation, and is offered with the best market conditions.

Retirement plan– We provide an extensive private pension plan to all employees. For positions starting at the manager level, the company contributes a percentage.

Flexible schedule – For administrative areas.

Agreements and partnerships – Discounts at colleges, universities and language courses, to encourage employee development.

Quality of life –Workplace gymnastics; common areas, snacks for pregnant women, pregnancy care program, all extended to the employees' spouses.

"Help me" service program – Through the Pipo Saúde brokerage firm, we offer employees a WhatsApp service channel to address inquiries about health plans, accredited networks, and to receive teleconsultations with the health team.

Mobility – Smartphone and notebook, as well as fuel vouchers for those employees whose work requires travel.

Funeral assistance – The company covers 100 percent of the cost and handles paper work in cases of death of employees, children or spouses.

Life insurance – All Valid employees and their spouses have life insurance 100 percent paid for by the company, including cases of natural or accidental death and disability.

Valid

Introduction   Valid   Our Business   Environment   **People**   Governance   Results   Indicator Report

Maternity and paternity leave – 2023* GRI 401-3

Gender	Number
Men	1596
Women	1494
TOTAL	**3090**
Employees who took maternity/paternity leave, whose leave started and ended in 2023	
Men (start and end in 2023)	49
Women (start and end in 2023)	27
Men (starting in 2022 and ending in 2023)	1
Women (starting in 2022 and ending in 2023)	14
Employees who took maternity/paternity leave in 2023, whose leave ends in 2024	
Men	1
Women	13
Employees who took maternity/paternity leave in 2023	
Men	50
Women	40
Employees expected to return in 2023	
Men	50
Women	41
Employees who returned to work, in 2023, after the end of the maternity/paternity leave	
Men	49
Women	31

Gender	Number
Employees who DID NOT return to work, in 2023, after the end of the maternity/paternity leave	
Men	1
Women	10
Employees who returned to work after the end of the maternity/paternity leave in 2022	
Men	17
Women	36
Total employees who who returned to work after the maternity/paternity leave and continued to be employed 12 months after returning to work	
Men	18
Women	11
Rate of return	
Men	98
Women	75.61
Rate of retention	
Men	105.88
Women	30.56

* The data consider only the Brazilian context.

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Health, well-being and safety

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

Our worker health and safety management practices have always been driven by a commitment to care and a close relationship with our people. We strive to meet legal and customer requirements, which have often driven us to go beyond conventional practices.

Among the initiatives that were already being implemented related to Occupational Health and Safety (OHS) we highlight:

- Health and safety risk analysis at workstations

- Quantitative and qualitative assessments of risks in workplaces

- Mandatory training by regulatory standards

- Machinery and equipment safety

- Caring for the health and safety of third parties

To enhance the management of this topic, the ESG Multi-Year Plan launched a project that facilitated the implementation of ISO 45001 standards, applied to all Valid employees and third parties at the Sorocaba plant, where we have the most employees and associated activity-related risks.

In this way, current practices were systematically directed, with all events structured through the analysis of the PDCA cycle (Plan, Do, Check, and Act). Improving this process ensures compliance with legal requirements and improved risk analysis.

Among all the tools developed to support management, we can highlight:

- Preparation of the HRS (Hazard and Risk Survey) relating to the employees' activities;

- Preparation of the change management process (GMUD), enabling the assessment of risks related to layout, new products, machines and equipment before their installation;

- Creation of the legal requirement management processes;

- Improvement of operational controls;

- Communication and training plans;

- Scope of emergency response plans for new mapped scenarios;

- Occupational Health and Safety objectives and goals.

The Hazard and Risk Survey (HRS) improved risk analysis for employees by providing a clear procedural view of all activities carried out at the Sorocaba plant. Through this instrument, we create more effective operational controls to mitigate risks.

Another important tool developed was the OHS objectives and goals program, as it effectively enables the setting of goals to improve the management of the issue. In 2023, we defined performance goals and launched the Safe Conduct project, which became the main driver for achieving these objectives.

The project focuses on fostering a culture of health and safety at work among employees, emphasizing the importance of OHS awareness through campaigns, internal communication, and events aimed at engaging leadership in prioritizing and aligning the topic.

With the establishment of the OHS management system, performance indicators began to be regularly monitored and critically analyzed. This practice is made possible by the joint work of the health, occupational safety and operations teams.

An important initiative implemented in 2023 was the replacement of the health insurance plan provider, which allowed Valid employees and their families to expand their access to a higher-quality care network, with a broader range of medical specialties, further emphasizing prevention.

Other key actions include the renovation of the outpatient clinic at the Sorocaba plant, which now features a breastfeeding room to enhance care; the refurbishment of the plant's cafeteria, offering greater comfort to employees, and the development of a mobile application for internal use, providing access to information from the People & Management area and a variety of content.

In 2023, Valid invested more than BRL 3 million ($0.6 million) in occupational safety

Workers covered by an occupational health and safety management system – 2023* **GRI 403-8**

	Employees	Third parties
Total number of individuals	3090	112
Number of individuals who are covered by the system	3090	112
Percentage of individuals who are covered by the system	100%	100%
Number of individuals covered by a system that has been internally audited	950	112
Percentage of individuals covered by the system that was internally audited	30.74%	100%
Number of individuals covered by the system that has been certified by an independent third party	0	0
Percentage of individuals covered by this system that has been internally audited or certified by an external party	0	100%

* The data consider only the Brazilian context.

RISK MATRIX

Approximately 63 percent of our employees work in the operational units. At them, there are several risks that could compromise the health and safety of employees and third parties, including the operation of machinery and equipment, as well as facility maintenance. This is why we have implemented appropriate controls for each activity, aimed at mitigating the risk of accidents and ensuring greater ergonomic comfort at workstations.

Our methodology quantifies the significance of risks, which is crucial for directing efforts to enhance the culture of occupational safety. This approach enables the allocation of resources to processes with the highest critical risks. In 2024, we will continue with the project named **Safe Conduct**, focusing on everyday behavioral issues.

In our risk matrix, we identify the key information necessary to meet legal requirements, which is made formal through the Technical Report on Work Environment Conditions (LTCAT) and the Risk Management Program (RMP). These documents are periodically reviewed to ensure compliance with regulatory standards. These tools are essential for defining operational controls for activities

conducted within the company. This approach allows us to mitigate risks and maintain optimal working conditions.

OPERATIONAL CONTROLS

In our occupational health and safety management system, several types of controls are emphasized, including safety devices on machines and equipment, fire-fighting instruments, the installation of collective protective equipment (CPE), distribution of personal protective equipment (PPE), definition of significant monitoring for management, and training and drills to respond to emergency situations.

In 2023, Valid invested more than BRL 3 million ($0.62 million) in improving the safety of machines and equipment and in providing Personal Protective Equipment (PPE).

The main hazards that can result in occupational diseases are physical and ergonomic agents. We regularly conduct ergonomic assessments of workstations, leading to measures that enhance comfort for the company's employees. In 2023 we had no records of occupational diseases.

In our control matrix, we highlight our training plan. We conduct specialized training programs aimed at meeting legal requirements. For example, we provide training for work in electrical consumption systems (SEC) and power systems (SEP), which define the conditions for safely performing electrical services; RN 35, which focuses on safety when working at heights, and training for the emergency brigade. This training covers permanent employees, temporary workers and third parties.

Since 2021, the Sorocaba plant has declared compliance with the Responsible Business Alliance (RBA) requirements, reflecting our ongoing commitment to adopting best practices in sustainability and social responsibility.

PARTICIPATION AND CONSULTATION

Our teams are involved in the development, implementation, and evaluation processes of the OHS management system through three key instruments: Internal Accident Prevention Committee (Cipa), focused on discussing issues related to the topic, Checkpoint, and the Emergency Brigade.

Checkpoint is an application that allows you to record unsafe conditions or behaviors, known as near misses. All these events are critically analyzed and broken down into actions to address the issues identified. We monitor this through performance indicators and meetings with senior leadership.

The Emergency Brigade is made up of Valid employees and meets all legal requirements that determine the dimensioning, training and simulation of emergency scenarios in all our work shifts. The brigade team meets monthly to discuss issues related to emergency scenarios, in addition to conducting drills for the situations mapped in the LAIA and LPR.

Our standard procedure for all employees is: "If you identify an emergency, immediately request support from a firefighter." The firefighters wear a red uniform, making it easier to identify them and call them when necessary.

Since 2021, the Sorocaba plant has complied with the Responsible Business Alliance (RBA) requirements, reflecting our commitment to adopting best practices in sustainability and social responsibility

PROMOTION OF WORKER HEALTH

Valid offers occupational health services to its employees to establish and maintain a safe working environment. For our team at the Sorocaba plant, we have an outpatient clinic with excellent facilities, including a breastfeeding room newly created in 2023, to provide more comfort for our breastfeeding employees.

For teams working remotely or at other company locations, online customer service is provided through the PIPO (health) platform, which offers various health prevention programs for employees, including during the workday.

It is important to mention the creation of a policy aimed at preserving the well-being of people who work remotely. Through the Pipo Saúde health insurance brokerage firm, employees have access to a WhatsApp service channel to get answers to their questions about health insurance plans, the accredited networks, and to receive teleconsultations with the health team.

Our initiatives to promote quality of life in the workplace include the maintenance of common areas and a pregnancy care program that extends to employees' spouses.

Another program carried out in person at the Sorocaba plant and remotely is workplace gymnastics. It takes place in all of the company's workstations with the assistance of a physiotherapist specialized in the subject. In this way, Valid believes that our employees can take a break to recover physically and mentally.

In addition to the Internal Accident Prevention and Environment Week (Sipatma), Valid organizes the Internal Traffic Accident Prevention Week (Sipatrans) every year, aimed at increasing employee awareness and reducing incidents.

Work-related injuries – 2023 GRI 403-9

Class	Employees	Third parties
Number of hours worked	2,757,321.52	1,248
Base of the number of hours worked (200,000 or 1,000,000)	1,000,000	1,000,000
Number of fatalities resulting from work-related injuries	0	0
Index of fatalities resulting from work-related injuries	0	0
Number of work-related injuries with serious consequences (except for fatalities)	2	0
Index of work-related injuries with serious consequences (except for fatalities)	0.73	0
Number of work-related injuries of mandatory reporting	12	8
Index of work-related injuries of mandatory reporting	4.35	6.41

Data security and quality

GRI 2-26, 3-3, 418-1

At Valid, technology is at the service of people. Accurate and secure identification is the foundation of our business. Consequently, we are fully dedicated to protecting our customers' privacy and data, providing them with unwavering care and attention.

Similar to information security, quality is inherently tied to customer satisfaction and remains a top priority for us. Thus, we are committed to producing products that meet the high-quality standards expected by both the international market and our customers.

HOW WE HANDLE DATA SECURITY

We have a robust strategy in place to address this issue, overseen by our Cyber Governance and Data Protection Management team.

We regularly evaluate the maturity of our processes against leading market practices, including those outlined in ISO 27001 standards, as well as guidelines from the National Institute of Standards and Technology (NIST) and the Center for Internet Security (CIS). The objective is to identify the points of improvement to be worked on.

OUR MANAGEMENT APPROACH TO THIS TOPIC IS BUILT ON FOUR KEY PILLARS: PROCESSES, CONTROLS, AWARENESS INITIATIVES, AND EVALUATION MEASURES. CHECK OUT THE MAIN ONES:

Our processes

- We analyze and evaluate critical assets and sensitive data related to the solutions offered;

- We perform regular code reviews to identify and fix potential security vulnerabilities;

- We design and implement incident response plans to ensure swift action when malicious activity is detected;

- We guarantee compliance with industry-specific regulations and standards, staying up-to-date on changing laws and requirements.

Our controls

- We continuously monitor and review emerging threats and potential vulnerabilities using specialized tools;

- We carry out access control management;

- We consistently analyze logs to identify suspicious activities and potential security breaches;

- We regularly apply security patches and updates for systems and applications, minimizing vulnerabilities resulting from outdated software.

Our awareness actions

We collaborate with the Hacker Rangers platform to cultivate a corporate cybersecurity culture through gamification, engaging our users by:

- Courses and quizzes;

- Assessment of adherence to the presented content;

- "Knowledge pills" – e-mails and videos on privacy and cybersecurity;

- Phishing tests to emphasize the risks associated with suspicious e-mails and links;

- Training sessions and workshops communicated through e-mails, posters, and videos, and

- Strengthening the cybersecurity and data privacy governance program.

We actively participate in security communities and forums to exchange information on best practices and emerging threats.

In 2024, we intend to increase the awareness program. We aim to organize regular meetings to discuss specific topics with expert participation, as well as sessions with our clients to showcase key initiatives.

Our assessment actions

- We conduct regular security audits with specialized vendors and clients to assess the effectiveness of our implemented security practices.

- We have implemented a monthly routine for assessing various cybersecurity indicators to ensure continuous improvement of our processes.

We are fully dedicated a protecting our customers' privacy and data

SECURE DEVELOPMENT

During the pre-release phases of the software code, before the product or service enters production, we utilize a digital tool for static analysis to identify potential improvements.

In the post-publication phase of the code, we employ vulnerability monitoring tools widely used by leading companies in the market. These tools provide us with visibility into the necessary corrections and their respective levels of criticality.

We continuously monitor our indicators, consolidating them in the following security verticals:

- Data Governance and Protection;

- CIAM - Customer Identity and Access Management;

- CSIRT - Computer Security Incident Response Team;

- Sec Dev Ops - Security, Development and Operations.

Starting in 2024, we plan to implement an automated solution capable of performing dynamic vulnerability analysis throughout all stages of development. The project is for the medium-term, with an expected duration of four years.

PRIVACY AND PERSONAL DATA PROTECTION

Valid acknowledges the importance of fostering an environment where trust and respect for privacy are integral to its operations. To this end, we strive to uphold this right for our employees and customers, shaping a future where technology and privacy coexist harmoniously.

We operate in full compliance with the General Data Protection Law (LGPD) and are equipped to address the ever-evolving landscape of threats. In 2023, to enhance our processes, we introduced the Personal Data Privacy Governance Program.

This comprehensive program is designed to ensure the protection and responsible use of the personal data we collect and process, aligning with the company's core values. These key actions stand out:

- Appointment of the Data Protection Officer, who reports directly to the vice president;

- Mapping of personal data processing activities – ROPA (Record of Processing Activities);

- Compliance with data subject rights;

- Training and Awareness Actions;

- Appointment of Privacy Champions, focal points that act as a channel between employees, the privacy team and the data protection officer (DPO);

- Inclusion of contractual clauses related to privacy, and

- Adaptation of processes to the ISO 27001 standard.

We invest in several initiatives to reinforce asset protection

To support our initiatives and ensure compliance with legislation, we engaged a specialized consulting firm to provide technical guidelines, map data ecosystems, and propose action plans.

Despite the stringent procedures implemented by Valid to safeguard security and privacy, in 2023, we experienced a cyber intrusion that was limited to our digital certification business unit. The incident was isolated and did not have any impact on other business units. During the year, we received five complaints from third parties regarding privacy violations and data loss, which were promptly addressed and remedied.

To mitigate the risk of new incidents, we invest in several initiatives. The first step was a thorough review of our processes, followed by the hiring of a reputable company in the market to further enhance our security.

We then made improvements to asset protection, monitoring, and response. We also adopted monthly security discussion routines with business units. All this work will be reinforced in the coming years.

By 2024, we plan to roll out a Data Protection Program and expand our Data Loss Prevention System (DLP), enabling the systematic monitoring and mitigation of behaviors that could lead to data leaks. In addition, we will conduct a comprehensive risk assessment of all systems, based on the risk assessment, to improve controls.

Privacy concerns can be reported by e-mail, at privacy@valid.com, or through the website, using the channel *Talk to the DPO*

HIGH QUALITY PRODUCTS

In our integrated policy, under the quality pillar, we affirm our commitment to tirelessly ensuring the complete satisfaction and loyalty of our customers through the innovation of our processes, services, and solutions. Our concern with this topic is attested by several national and international certifications and recognized by customers.

Since 2002, the company has held ISO 9001 certification, an international standard that establishes the requirements for a Quality Management System covering products, processes, and services. We are also certified under ISO 14298 and NBR 15540, which address the physical and logical security of the manufacturing process, including products, human resources, transportation of secure products, and the movement of personnel.

In the Banking & Payments segment, we hold the Card Quality Management (CQM) certification, which ensures the quality of Mastercard cards through rigorous testing and inspections of their manufacturing process.

In this segment, we are also certified by Payment Card Industry Card Production (PCI-CP), a standard that ensures physical security and the protection of sensitive data in transactions involving cards such as Mastercard, Visa, and Elo. Additionally, our certification by Net Connection Corporation (NCC) validates our compliance in the provision of cryptographic cards.

Since 2013, we have been certified under the RoHS (Restriction of Hazardous Substances) directive, ensuring the supply of RFID seals and antennae free from restricted substances.

Get to know our
Privacy Policy

Through the "Empodera" Program, we support the development of the potential of young talents

Community relations GRI 203-1, 203-2

We value cultivating long-term relationships, which includes fostering strong connections with the communities where we operate through social responsibility initiatives.

An important initiative that began in 2011 and continues today is the "Horizontes" project, which Valid conducts in partnership with the SENAI "Luiz Pagliato" School and the NGO LuAR – "Associação Lugar de Amor e Restauração". Through this project, courses in Administrative Assistance and Administration Technician are offered to teenagers and young adults residing in Jardim Novo Mundo (preferably) and other neighborhoods in Sorocaba and Votorantim, the region where the Valid plant is located.

Linked to this initiative, the "Empodera" Program was launched in 2023 with the goal of bringing Valid closer to young talents from communities surrounding our units and supporting their personal and professional development. Through training

sessions and meetings, we aim to support the development of these young individuals, enabling them to successfully take on the responsibilities and challenges associated with the technical course at the partner institution.

The project organizes monthly meetings with tutors to monitor progress and ensure alignment with both technical and behavioral development objectives.

By March 2024, Valid had engaged 63 apprentices through these projects, with four of them being hired as employees by the company. In the coming years, we intend to increase the number of participants.

By the end of this cycle, 262 young people had benefited. The company allocated BRL 1.88 million ($0.39 million) to the project, which has been planned to last 18 months. The positive impacts observed include job creation and the development of adolescents for the labor market.

6. # Governance

Commitment to excellence in conducting business

Corporate governance structure

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-16, 2-17, 2-18, 2-26

Our governance structure comprises the Board of Directors, Fiscal Council, Compensation Committee, Audit Committee, the CEO, executive boards, and other non-statutory committees that provide advisory support to the Board of Directors.

The Board of Directors, Valid's highest governing body, consists of five members: Four men — Sidney Levy, Henrique Bredda, Giuliano Dedini, and Luiz Carlos Miyadaira Ribeiro Jr. — and one woman, Fiamma Zarife.

All members including its chairman, Mr. Sidney Levy, are independent, without family, commercial or any other ties with Valid, do not belong to socially underrepresented groups and do not hold executive positions within the company.

GOVERNANCE ORGANIZATION CHART

Board of directors

Fiscal Council

Compensation Committee

Audit Committee

Executive Board

Legal, Governance and Controls Department
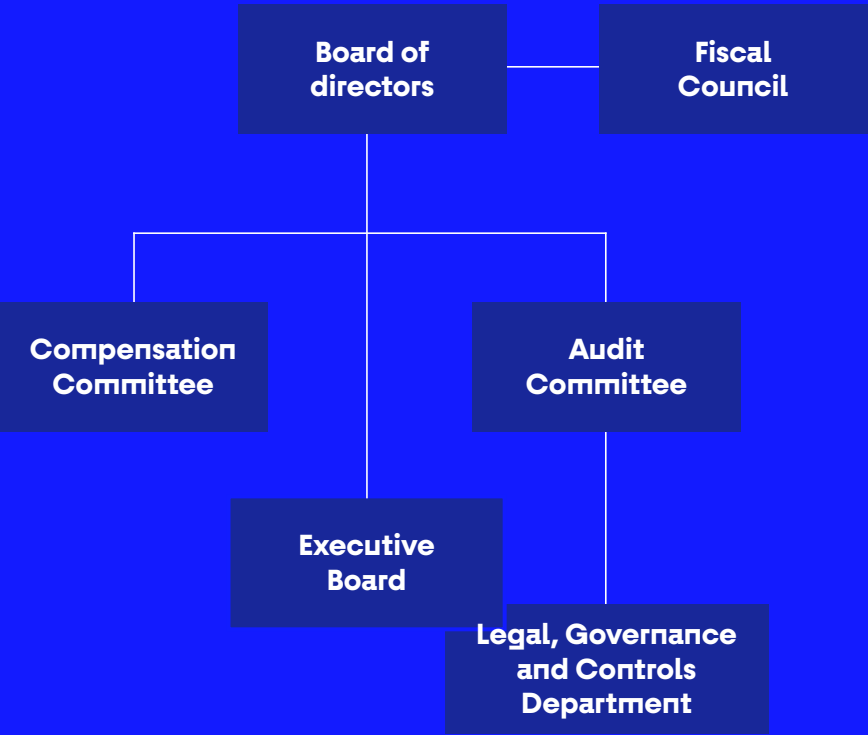
The members of the Board also hold positions in other organizations or within different bodies of Valid itself:

- **Sidney Levy** is a member of both the Statutory Audit Committee and the Statutory Remuneration Committee, in addition to serving as an independent member of the Board of Directors of Instituto Hermes Pardini S.A. and SER Educacional S.A.;

- **Henry Bredda** serves as chairman of the Statutory Remuneration Committee; externally, he serves as a member of the Board of Directors of Marcopolo S.A. and a member of the Fiscal Council of Log-In Logística Intermodal S.A.;

- **Fiamma Zarife** is a member of the Statutory Compensation Committee and serves externally as General Manager of Airbnb in South America;

- **Giuliano Dedini** is the chairman of the Statutory Audit Committee, also acting as an independent member of the Board of Directors of Unicasa Indústria de Móveis and a member of the Investment Committee of CNseg, and

- **Luiz Carlos Miyadaira Ribeiro Jr** is a member of the Statutory Audit Committee.

BOARD OF DIRECTORS

The the role Board of Directors involves setting guidelines, strategic oversight, and approving of policies and objectives for sustainable development. In turn, senior executives are responsible for strategic leadership, defining the mission and values, developing and executing strategies, and external communication.

The information contained in this report and the material topics are approved by the Board of Directors

The highest governance body oversees the identification and management of the impacts of our activities on the economy, environment, and society. To achieve this, processes such as the following are adopted:

- Due diligence;

- Financial risk assessment;

- Supply chain review;

- Cost-benefit analysis;

- Monitoring of economic indicators;

- Corporate risk assessment;

- Employee skills development and well-being, and

- Corporate Social Responsibility.

The information contained in this sustainability report and the organization's material topics are approved by the Board of Directors. This process involves reviews by the ESG Committee, approval, feedback, communication, assessment of internal controls, and ongoing improvements.

The Board is also responsible for evaluating results, making strategic decisions, assuming final accountability, and conducting continuous monitoring. This review is conducted at regular monthly meetings, or extraordinarily, when necessary.

Although the Board of Directors does not directly engage with stakeholders to identify and manage impacts, the outcomes of these processes are integrated into business management through the review of reports, analysis of metrics, discussions, risk and opportunity assessments, and strategic decision-making.

> 🖐 **Check out more details about the Statutory Board, the Board of Directors and the Statutory Committees on our institutional website**

Impact management has been delegated to the Legal, Governance, and Controls Department, which is responsible for sustainability strategies and accumulates the following responsibilities:

- Evaluate and monitor sustainable performance;

- Evaluate and monitor compliance;

- Integrate sustainability into the company's business;

- Engage with stakeholders;

- Promote sustainable initiatives;

- Coordinate the preparation of sustainability reports;

- Take education and awareness initiatives;

- Promote innovation, and

- Review risks & opportunities.

Critical concerns are reported to the highest governance body through risk and compliance reports, board meetings, periodic presentations, as well as internal and external audits and other methods as needed.

To enhance the Board of Directors' understanding of sustainable development, we have implemented measures such as providing access to updated information, promoting internal communication focused on sustainability, forming working groups, and encouraging participation in international networks.

COMMITTEES

At Valid, several committees oversee the impacts generated by the organization. In 2023, the company created two new non-statutory committees, responsible for ESG and Diversity and Inclusion issues.

The committees' responsibilities are:

Compensation Committee

To define and review the remuneration policy for administrators, propose the remuneration to the Board of Directors for approval at the General Meeting, and oversee the implementation of the policy and its economic impacts. It also provides advice on the granting of shares or options to directors and employees and prepares an annual report on its activities, with recommendations.

Audit Committee

To oversee governance and implemented controls, validating their effectiveness and monitoring internal and external audits. It also assesses risks and mitigation actions proposed by management and monitors economic impacts.

ESG Committee

To propose strategic guidelines related to environmental, social and governance issues, as well as the possibility of influencing the topic in the capital markets; disseminate the ESG culture for conducting the company's business; create strategies to mitigate environmental risks and monitor the effectiveness of ESG actions, in addition to approving the company's Multi-Year ESG Plan.

Diversity and Inclusion Committee

To promote and protect diversity within the company. Its main function is to make the company more plural and build a welcoming environment for all people, with more dignity, justice and inclusion, with the internal public as a priority.

In 2023 we created ESG and Diversity committees for the governance of these topics

APPOINTMENT, SELECTION AND EVALUATION

The selection and appointment of advisors and members of advisory committees, as outlined in the Policy for Nominating Members for the Board of Directors, its Advisory Committees, and Statutory Board, transparently follows criteria such as skill set, independence, and time commitment, among others, to assess candidates.

Every two years, Valid independently assesses, through the work of an external consultancy, the performance of the Board of Directors, seeking its continuous development through the implementation and adaptation of best corporate governance practices. The assessment is carried out mainly through interviews and also involves the participation of some shareholders.

The Board of Directors, in turn, is evaluated annually without the participation of external consultants, in a process of self-assessment and peer and stakeholder review.

Measures taken in response to assessments include possible adjustments to the composition of bodies and organizational practices according to need and performance.

Board Of Directors in 2023

Statutory Board

Ivan Murias dos Santos
CEO until March 31, 2024

Daniela Sorroche Belisario da Silva
Director of People and Culture until March 31, 2024

Rafael Moraes Ziggiatti
Chief Financial and Investor Relations Officer

Ilson Bressan
Commercial and Marketing Director until March 31, 2024. Chief Executive Officer effective April 1, 2024

Board of Directors

Sidney Levy
Chairman

Fiamma Zarife
Member

Henrique Bredda
Member

Luiz Carlos Miyadaira Ribeiro Jr.
Member

Fiscal Council

William Cordeiro
Full member

Paulo Roberto Franceschi
Alternate member

Rodrigo Abud
Alternate member

Vanderlei da Rosa
Full member

Regis Lemos de Abreu
Full member

Murici dos Santos
Alternate member

SUBSEQUENT EVENTS

Changes in the Statutory Board

On April 1, 2024, the director of the ID business vertical, Ilson Bressan, assumed the role of chief executive officer (CEO) of Valid, replacing Ivan Murias, who had held the position for three and a half years and led the company to record results.

Ilson Bressan holds a degree from the University of Vale do Rio dos Sinos (Unisinos), in Rio Grande do Sul. He has advanced training courses at the Iese Business School and the European Institute of Business Administration (Insead). His professional experience includes serving as founder of Zuppa and CEO of Peixe Urbano. He has been a member of Valid's board of directors since May 2020.

Other changes that occurred on the same date were the arrival of the director of Identification, Leandro Castro, and the departure of the director of People and Culture, Daniela Sorroche Belisario da Silva, replaced by the director of Legal, Governance and Controls, Heloisa Sirotá.

Statutory board in 2024

Ilson Bressan
CEO

Rafael Moraes Ziggiatti
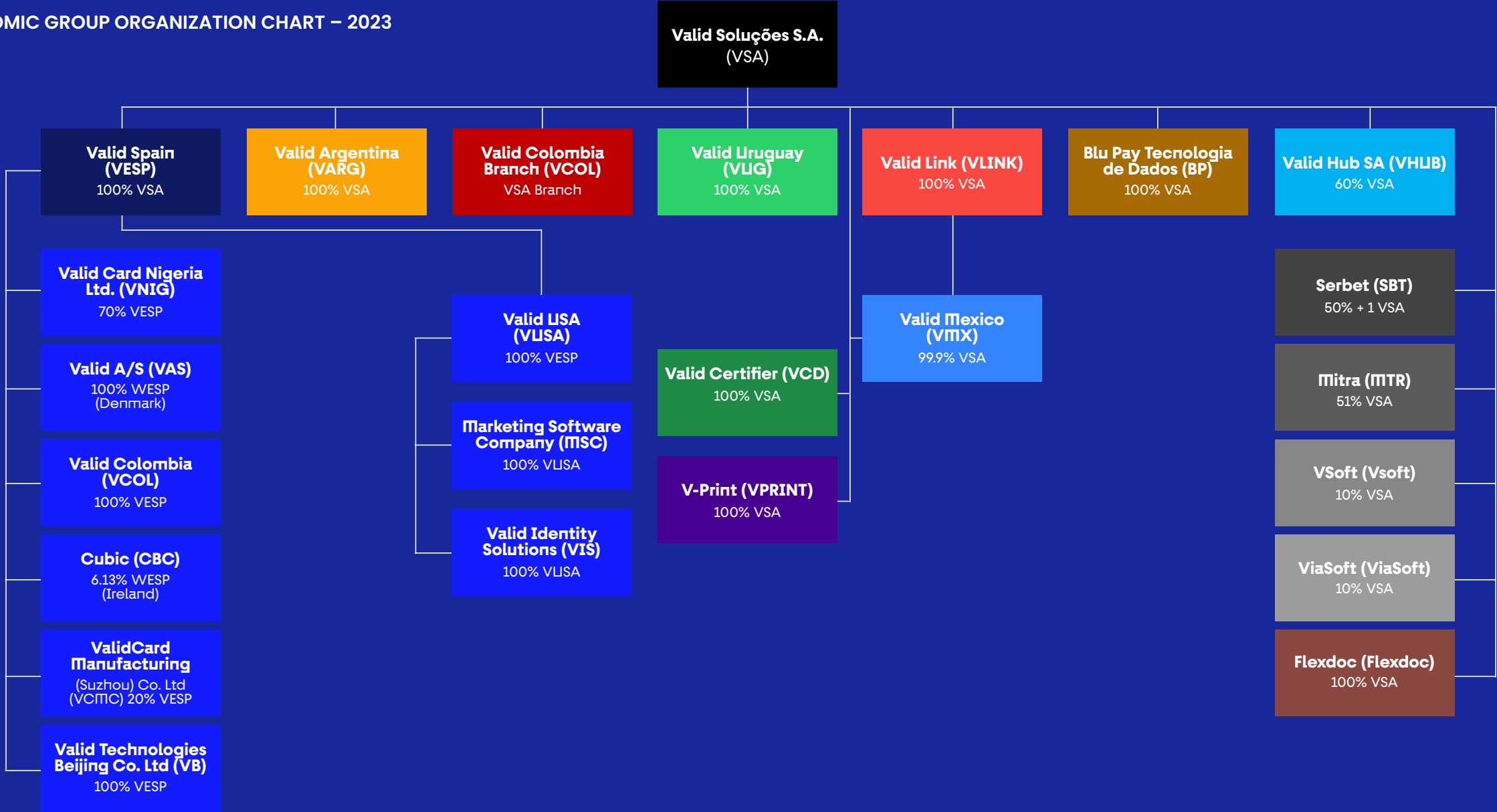Chief Financial and Investor Relations Officer

Leandro Castro
Identification Director

Heloísa Aimée Corrêa Sirotá
Legal, Governance and Controls Director

Valid's new CEO, Ilson Bressan, took over the position on April 03, 2024, in the place of Ivan Murias

SHAREHOLDER AND ECONOMIC GROUP ORGANIZATION CHART – 2023

Valid Soluções S.A.
(VSA)

Valid Spain (VESP)
100% VSA

Valid Argentina (VARG)
100% VSA

Valid Colombia Branch (VCOL)
VSA Branch

Valid Uruguay (VLIG)
100% VSA

Valid Link (VLINK)
100% VSA

Blu Pay Tecnologia de Dados (BP)
100% VSA

Valid Hub SA (VHUB)
60% VSA

Valid Card Nigeria Ltd. (VNIG)
70% VESP

Valid A/S (VAS)
100% WESP
(Denmark)

Valid Colombia (VCOL)
100% VESP

Cubic (CBC)
6.13% WESP
(Ireland)

ValidCard Manufacturing
(Suzhou) Co. Ltd
(VCMC) 20% VESP

Valid Technologies Beijing Co. Ltd (VB)
100% VESP

Valid USA (VUSA)
100% VESP

Marketing Software Company (MSC)
100% VUSA

Valid Identity Solutions (VIS)
100% VUSA

Valid Certifier (VCD)
100% VSA

V-Print (VPRINT)
100% VSA

Valid Mexico (VMX)
99.9% VSA

Serbet (SBT)
50% + 1 VSA

Mitra (MTR)
51% VSA

VSoft (Vsoft)
10% VSA

ViaSoft (ViaSoft)
10% VSA

Flexdoc (Flexdoc)
100% VSA

* Interprint Ltda. and Valid Participações Ltda. merged to form Valid Soluções SA on December 22, 2022. Valid Secure Packaging merged with Valid USA in May 2022.

** In March 2024, Valid announced the sale of 67.5 percent of its minority stake in Cubic to the Softbank group.

Ethics and transparency

GRI 2-15, 2-23, 2-24, 2-25, 2-26, 2-27, 2-28, 3-3, 205-1, 205-2, 205-3, 207-1, 207-2, 207-3, 406-1

Throughout our journey, ethics and transparency have been central values. Through years of commitment to developing, manufacturing, and distributing security-enabled products — such as checks, cards, and secure identification solutions — the company has established a strong reputation for reliability in its relationships with customers and partners.

This stance is reflected in governance practices, which encompass not only strict compliance with laws and regulations in the countries where we operate, but also in the adoption of internal policies applicable to our employees and the value chain.

COMPLIANCE POLICIES AND PROCEDURES

We conduct our activities in strict compliance with the Anti-Corruption act (12,846/13) and other Brazilian and international standards, to the extent applicable, aimed at combating corruption and bribery. We expect the same commitment from all employees, contracted third parties, customers, business partners, direct or indirect suppliers, and anyone acting on the company's behalf.

We implement clear policies and procedures, regularly reviewed, to prevent and address conflicts of interest, including cross-shareholdings in other management bodies, transactions, and outstanding balances with related parties.

The initiatives include education and training, isolation of involved parties when necessary, reinforcing the topic within the organizational culture, ensuring compliance, and publicly disclosing conflicts. Thus, through appropriate internal investigations, the company is committed to taking necessary actions to halt any irregular practices and, if required, to impose appropriate measures on those responsible.

We do not accept ignorance of the rules outlined in these documents and related standards as a justification for actions that violate ethics and integrity.

To date, no cases of corruption have been identified, as defined by the Anti-Corruption Law and the Brazilian Penal Code.

Preparation of the first version of the company's Global Code of Ethics and Conduct	Opening of the Ethics Channel	Creation of the department dedicated to addressing Governance, Risk and Compliance	Creation of dedicated Compliance and Corporate Risks departments	Implementation of supplier due diligence systems and Corporate Risk Management
2014	**2017**	**2021**	**2022**	**2023**

PARTICIPATION IN ASSOCIATIONS

The organization participates in the following associations:

- Brazilian Association of Publicly Traded Companies (Abrasca);

- Brazilian Association of Digital Identification Technology Companies (Abrid).

TAX AND TAX APPROACH

The governance bodies responsible for ensuring compliance include the Audit Committee, the Executive Board, and the Fiscal Council. The strategy is reviewed every six months or as needed, demonstrating a commitment to regulatory compliance.

The tax approach aligns with business strategies through financial impact analysis, opportunity and risk assessment, transparent financial reporting, and professional guidance.

We also take into account the socio-economic impacts of our tax approach when developing our tax strategy, including effects on the community, employability and training, human rights, and the environment.

Tax risks are identified through the analysis of tax laws and regulations, internal audits, and the evaluation of transactions, partnerships, organizational structures, and international implications. These risks are managed through compliance processes, communication with tax authorities, professional consultancy, and employee training.

We continuously monitor tax compliance and the status of debt certificates. Tax report verification is conducted through internal audits, regular reviews, comparison with tax regulations, analysis of supporting documentation, the use of tax verification software, and professional tax consultancy.

MANAGEMENT OF TAX ISSUES

Valid integrates fiscal and tax matters into its stakeholder engagement, maintaining a proactive relationship with tax authorities by closely monitoring legislative changes. We ensure fiscal transparency by adhering to regulations, engaging in constructive dialogue, cultivating trusting relationships and consulting experts.

We engage in advocacy through participation in interest groups and industry associations, promoting fiscal transparency and pursuing tax benefits for sustainable investments.

To address the stakeholders' tax concerns, the company conducts open dialogue meetings. We also offer reporting mechanisms through dedicated communication channels, evaluate socio-environmental impacts, and subject them to independent audits and assessments.

Stakeholder feedback positively influences the company's tax approach, leading to adjustments in tax strategy, a commitment to responsible practices, participation in improvement initiatives, strengthened trust, and adherence to legal and ethical expectations.

COMPLIANCE WITH LAWS AND REGULATIONS

We are committed to complying with all legislation related to our business. Using tools such as legal requirement management software and audits, we monitor our compliance with applicable laws. In 2023, we did not incur significant fines, non-monetary sanctions, or any penalties that impacted the company's image or operations.

Each employee is personally responsible for understanding and adhering to the laws, standards, policies, and procedures relevant to their work area, as well as for ensuring compliance with the principles and rules outlined in the Global Code of Ethics and Conduct.

Valid respects its employees' rights, based on trust and loyalty, which are essential for maintaining its organizational structure. When trust is breached and non-compliance with the law, the Global Code of Ethics and Conduct, or any corporate policy or standard is confirmed, disciplinary measures are applied — regardless of any legal sanctions — taking into account the severity and recurrence of the violation.

In 2023, as part of our ESG Multi-Year Plan, we initiated a project to enhance Valid's Compliance Program in alignment with the Pro-Ethics Seal requirements. This seal, established through a partnership between the Ethos Institute and the Comptroller General of the Union (CGU), recognizes companies committed to ethical business practices and integrity. Among the improvements planned for 2024, the following stand out:

- Creation of **Ethical Conduct Subcommittee**;

- Strengthening of **training and communication plans**;

- Improvement of policies and procedures connected with the **Compliance Program**;

- Beginning of studies for **adherence to the Business Pact for Integrity and Against Corruption**;

- Structuring of the **integrity risk matrix** with the adoption of adequate controls, and

- Creation of management indicators for the **Integrity Program**.

INTEGRITY PROGRAM

Valid's commitment to responsible business conduct is documented in materials accessible to both internal and external audiences, approved and overseen by the Board of Directors. They apply to all of the company's business activities and relationships.

One of the main references is our Code of Global Ethics and Conduct, which was created in 2014 and is periodically reviewed by our compliance team.

Other relevant markers are the Corporate Risk Management Policy, the Global Anti-Corruption Policy and the Integrated Management System Policy. These documents are aligned with the United Nations Global Compact and the Sustainable Development Goals (SDGs).

We employ various strategies to delegate responsibilities effectively, including setting clear goals and commitments, assigning tasks based on individual skills and competencies, and regularly evaluating processes.

REPORTING CHANNEL

We have a Reporting Channel to register reports, suggestions and questions, which can be submitted by calling toll-free from anywhere in Brazil and the world (0800), through the website or own applications. Ombudsmen are available 24 hours a day, seven days a week, 365 days a year.

This service is supported by a confidential tool managed by the independent company Contato Seguro, and it is accessible to both Valid's internal and external audiences. Identification is not required, and anonymity is assured for those who choose to remain confidential throughout the investigation process.

The channel can be used to report any violations or suspected violations and serves as a platform for reporting harassment (sexual or moral) and discriminatory acts based on color, race, ethnicity, origin/nationality, gender, age, sexual orientation, disability, religion, pregnancy, or illness, among other concerns.

The management, investigation, and handling of complaints are conducted internally by the Compliance Integrity team, which reports to Senior Management and provides recommendations for disciplinary measures when necessary.

During the reporting period, we recorded five incidents of discrimination. The allegations were discussed anonymously in the Diversity Committee. In response to these incidents, we conduct internal investigations and implement disciplinary measures. We also welcomed people who had suffered discrimination and promoted diversity training sessions.

📞	
Brazil	0800 601 6890
South Africa	0-800-980-477
Argentina	0800-666-0449
Colombia	01800-710-2142
Denmark	8082-8018
Spain	900-808581
Mauritius Islands	802-049-001
Indonesia	001-803-015-202-5463
Mexico	01-800-681-5366
Singapore	800-130-2206
Taiwan	00801-13-6871

SUPPLIER MANAGEMENT

Valid's global operations require relationships with a wide range of companies across its value chain. In 2023, the company spent BRL 333.04 million ($68.81 million) with 865 suppliers, with the key components of this supply chain being vendors in the paper, plastic, and electronic chip segments. In the service provision area, our primary supplier handles property security for our manufacturing unit and service sites.

We source microchips from various companies across Asia. We partner with leading national and international market players, with a focus on the paper, cellulose, and plastic segments. We also work with suppliers of other inputs used in the production process, including:

- Holograms;

- Cartridges and chemicals;

- Solvents;

- Electricity, water and telephone.

In 2023, the company implemented a third-party due diligence integrity system, enhancing the quality and scale of the supplier approval processes.

We utilize a range of integrity control and compliance tools for companies within our value chain, aiming to foster transparent and cordial relationships.

This approach enables us to monitor potential ethical deviations, conflicts of interest, and any actions that conflict with legal standards, the Global Code of Conduct and Ethics, or other guidelines governing corporate activities.

Valid enters into supply contracts in the market to guarantee the best business conditions, with the purpose of maintaining raw materials at a high level of service in terms of quality, availability and cost.

The costs associated with microchips, paper, and plastic represent the most significant production inputs, accounting for approximately half of the total cost of products sold in recent years.

Our Multi-Year ESG Plan envisions increased supplier engagement in sustainability-related issues in the medium term, with a focus on environmental management, occupational health and safety, human rights, and diversity.

Risk management

Since 2022, we have implemented significant improvements to our risk management process. The changes started with the restructuring of the department, including the hiring of a dedicated team.

Following the establishment of the new structure, we developed the Risk Management Plan and implemented a methodology based on ISO 31000 and the COSO (Committee of Sponsoring Organizations of the Treadway Commission) guidelines. We also developed a new corporate risk dictionary, aligned with the company's strategic objectives.

In 2023, we implemented new risk management software designed to automate the entire process, from risk identification to the execution of action plans. The system ensures the traceability and integration of information. This way, we make the process more efficient, reliable and easy to monitor.

In 2023, we conducted a comprehensive review of the strategic risks the company faces, considering their correlation with sustainability and our Integrity Program. We also began migrating risks that meet regulatory requirements (ISO and NBR) to the risk management software, in line with the corporate methodology we implemented.

Valid's corporate governance is integrated, fostering synergy between the risk management, compliance, and internal audit teams. Even so, each level of management maintains its independence of action.

Integrity Program risks are aligned and included in Valid's risk dictionary. Its objective is to define controls, guide and monitor actions to mitigate risks, and continuously improve the control environment, in line with the best governance practices.

We have integrated governance, with synergy between the risks, compliance and internal auditing management teams

In 2023, we mapped the risks of 14 processes, which allowed us to assess their operational controls and define action plans for potential adaptation needs, providing input for the internal audit plan (third line of defense).

Our current Risk Management Policy reflects the activities supported by the new tool and has been approved by Valid's Board of Directors.

Internal audit

At Valid S.A., Internal Auditing began in 2017 with a structure consisting of a single department that reported directly to the Audit Committee (CoAud).

With the establishment of the Governance Department in 2021, the Internal Audit area was further strengthened, developing into a comprehensive structure. The Department reports to the Legal, Governance and Controls Department, which reports to the CoAud.

In 2023, Internal Audit strengthened its efforts to operate independently in evaluating processes and activities related to risk management, corporate governance, and the efficiency and effectiveness of internal controls. This enhanced reliability and data integrity, while also improving the monitoring of process adjustments and improvements.

CoAud approved and we published our Internal Audit Policy, formalizing the methodologies used in executing the work and defining the roles and responsibilities of the department. We also implemented the Internal Audit module of the same

software adopted by the Risk Management area, ensuring full integration between the departments for conducting risk-based audits.

The audits conducted in 2023 were divided into follow-ups and risk-based audits, with a total of 14 processes reviewed. During the follow-up processes, we analyzed all audits conducted in 2022, revisiting the action plans defined by the audited areas and retesting the plans that were implemented. In risk-based audits, we assess the effectiveness of controls that were deemed effective during the Risk Management area mapping process.

7. Results

In 2023, we had a 20% growth in Net Revenue
and a profit of BRL 213 million ($44.01 million)

A year of many achievements

The 2023 cycle was marked by excellent results, both operationally and financially. All of our verticals experienced double-digit growth. For the third consecutive year, we achieved a record EBITDA result, with a growth of nearly 19 percent compared to 2022.

Our revenue grew 20 percent year over year, with emphasis on the Payments segment. The outlook is positive, with the start of interest rate reductions in Brazil, which could lead to an expanded credit base and a gradual increase in card issuance.

The ID and Digital Government vertical issued 29 million documents, another record. Likewise, the mobile vertical had impressive results, with an 11 percent growth in revenue. We closed the year with less debt and more cash in hand.

The positive indicators reflect the dedication and commitment of the entire team in providing high-quality products and services to customers. Below is a summary of our performance.

Economic and financial performance

In 2023, Valid's Net Earnings was BRL 2.26 billion ($0.47 billion), up 20 percent compared to BRL 1.88 billion ($0.39 billion) in 2022. In all segments of our operations, year-on-year revenue growth exceeded 10 percent.

In the year, EBITDA closed at BRL 567 million ($117.15 million), a growth of 19 percent year over year. This result marks the third consecutive year of record EBITDA for the company. Our margin was 25.1 percent, in line with the 25.4 percent achieved in 2022.

Net income attributable to controlling shareholders reached BRL 213 million ($44.01 million), with a margin of 9.5 percent, reflecting a 774 percent increase compared to the profit of BRL 24 million ($4.96 million) in 2022.

Return on Invested Capital (ROIC) increased by 4.8 percentage points, to 22.5 percent at the end of the year.

In the second half of the year, we intensified our efforts to optimize working capital, enabling 2023 to be another period of significant leverage reduction.

The Net Debt/EBITDA ratio closed the year at just 0.13 times, with a Net Debt of BRL 73 million ($15.08 million), the lowest level since our initial public offering (IPO).

One of the highlights of the year was Valid's capacity to effectively convert EBITDA into cash. For the year, operating cash generation totaled BRL 539 million ($111.36 million), representing 95 percent of the annual EBITDA.

We resumed the ongoing process of distributing profits to shareholders, paying BRL 98 million ($20.25 million) during the year.

VERTICALS

By business units, the following highlights were achieved:

ID and Digital Government – We ended the year with the issuance of 28.9 million documents. The segment's revenue reached BRL 747 million ($154.34 million), a growth of 17 percent compared to 2022. EBITDA reached BRL 252 million ($52.07 million), with a margin of 33.7 percent, slightly below the 34.4 percent recorded in the previous period.

In the first half of the year, we benefited from the issuance of a higher-than-average number of driver's licenses, due to the extended expiration period granted during the pandemic. All of these deadlines have already ended, so we will not have this higher volume in 2024.
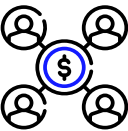
BRL 617 million
($127.48 million) was the revenue value in Secure Connectivity

Banking & Payments – Sales reached BRL 892 million ($184.30 million), representing a 30 percent increase compared to 2022, while EBITDA reached BRL 191 million ($39.46 million), a 62 percent year-on-year growth. We achieved an operating margin of 21.4 percent, an improvement compared to the 2022 level.

The result obtained in this vertical was influenced by the favorable scenario in Argentina. As it is a hyperinflationary country, local numbers require adjustments, which contributed to the improvement in EBITDA.

During the year, sales in the Banking & Payments vertical grew

30%

BRL 747 million
($154.34 million) was the revenue from the ID and Digital Government segment

Secure Connectivity– In this segment, we closed the year with an 11 percent increase in revenue, reaching BRL 617 million ($127.48 million), while EBITDA slipped 12 percent, totaling BRL 124 million ($25.62 million). The EBITDA margin was 20.1 percent, a drop of 5.2 percentage points compared to the previous year. This business unit underwent a significant price and margin adjustment, particularly in the second half of the year, driven by the growth in chip volumes.

In certain locations, particularly where SIM cards with higher added value are used, price competition has been more intense. We continue to monitor these dynamics to preserve our market share without significantly compromising the vertical's profitability.

TAX INFORMATION GRI 207-4

Valid S.A. employs 3,588 people and has an annual payroll of BRL 12,019,641.09 ($2.48 million). In 2023, the total revenue from sales to third parties was BRL 2,255,507,286.55 ($466.01 million), while revenue from intra-group transactions with entities from other tax jurisdictions amounted to BRL 433,433,311.72 ($89.55 million).

Net income before taxes was BRL 273 million ($56.41 million), and the value of tangible assets, excluding cash or cash equivalents, totaled BRL 475,252,200.80 ($98.19 million). Corporate income tax on these profits amounted to BRL 62,542,141.15 ($12.92 million).

The difference between the tax calculated at the legal rate and the tax actually paid can be attributed to the company's choice to be taxed based on actual profit. Under this regime, the legislation allows adjustments to the calculation base, such as additions and exclusions, both temporary and permanent, which impact the effective rate for calculating Income Tax and Social Contribution.

Consolidated results – 2022 and 2023 (BRL million)

	2022	2023	Var.%
Net Operating Income	1,879.4	2,255.5	20.0%
Costs	−1,209.8	−1,432.7	18.4%
Gross Profit	669.6	822.8	22.9%
Gross Margin	35.6%	36.5%	
Operating income (expenses)			
Expenses with sales	−176.1	−194.1	10.2%
General and administrative expenses	−115.7	−165.7	43.2%
Other non-operating income (expenses)	−71.7	−71.0	−1.0%
Equity accounting results	−3.4	−0.2	−94.1%
Operating Profit	302.7	391.8	29.4%
Operating Margin	18.7%	17.4%	

	2022	2023	Var.%
Financial Result			
Financial income	220.3	277.1	25.8%
Financial expenses	−407	−396	−2.7%
Profit (Loss) of the period before income tax and social contribution on net profit	116.2	273.2	135.1%
Income tax and payroll charges	−18.8	−62.6	233.0%
Profit (Loss) after tax	97.4	210.6	116.2%
Net income from discontinued operations	−81.9	0.0	n.a.
Period profit (loss)	15.5	210.6	1,258.7%
Profit attributable to:			
Controlling shareholders	24.4	213.3	774.2%
Non-controlling shareholders	−8.9	−2.7	−69.7%

See more financial information in our Results Center

EBITDA reconciliation (BRL million)

	2022	2023	Var.%
Net income of the period	24.4	213.3	774.2%
(+) Non-controlling interests	−9.0	−2.6	−71.1%
(*) Income tax and payroll charges	19.0	62.5	228.9%
(+) Financial expenses/(income)	186.5	118.5	−36.5%
(+) Depreciation and amortization	100.4	104.0	3.6%
(+) Other (income) Non-operating expenses	71.7	71.0	−1.0%
(+/−) Equity accounting	3.3	0.3	−90.9%
(+/−) Results of discontinued operations	81.9	0.0	−100.0%
EBITDA	478.2	567.0	18.8%
EBITDA margin	25.4%	25.1%	

Other non-operating income/expenses (BRL million)

	2022	2023	Var.%
Brazil	−44.0	51.0	15.8%
Foreign	−27.7	20.1	−27.6%
TOTAL	**−71.7**	**71.0**	**−1.0%**

Evolution of EBITDA, Net Income, ROIC and ROE *

EBITDA (BRL M) (without USA)

2020	2021	2022	2023
203	318	478	567

ROIC

4.8 p.p.

2020	2021	2022	2023
4.8%	11.0%	17.7%	22.5%
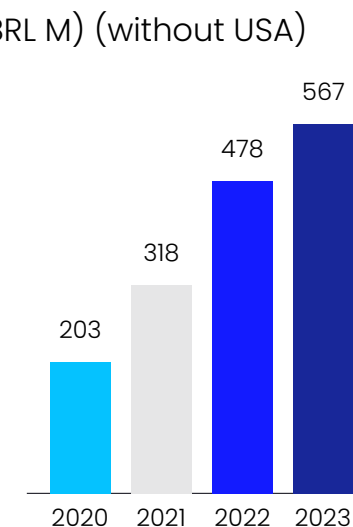
Net Income (BRL M) (without USA)

2020	2021	2022	2023
−88	58	24	213

ROE

8.2 p.p.

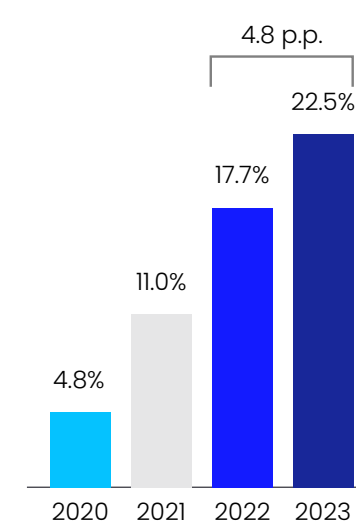| 2020	2021	2022	2023
−18.1%	6.7%	7.6%	5.8%

* EBITDA- Earnings before Interest, Taxes, Depreciation, and Amortization.
ROIC – Return on Invested Capital
ROE – Return on Equity
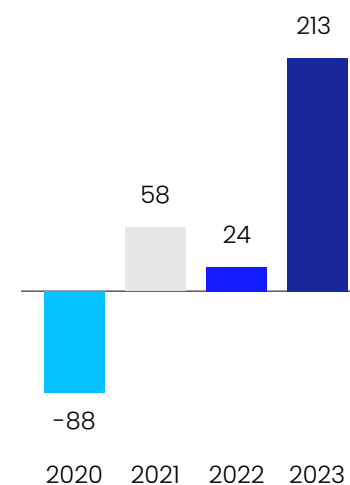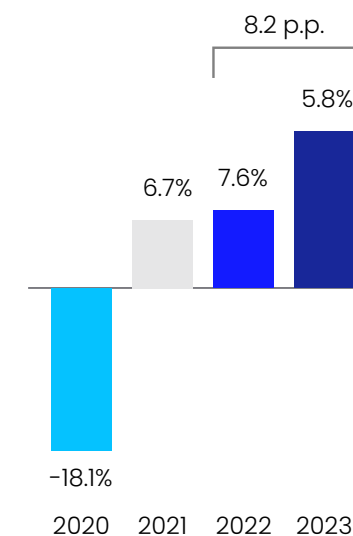
Capital market

Stock performance (VLID3 X IBOV X SMLL)

VLID3 appreciated
144% in 2023

144%

22%
17%

160%
140%
120%
100%
80%
60%
40%
20%
0%
−20%

Dec 22   Jan 23   Feb 23   Mar 23   Apr 23   May 23   Jun 23   Jul 23   Aug 23   Sep 23   Oct 23   Nov 23   Dec 23

—— VLID3   —— SMLL   —— IBOVESPA

Subsequent events

In January 2024, Valid S.A. completed the sale of its property in São Bernardo do Campo and its stake in Serbet/Estacionamento Digital.

Also in January, we made a pre-payment of approximately BRL 16 million ($3.31 million) of the bilateral debt outstanding with Safra Bank, as this transaction had a cost higher than what Valid has raised.

On February 19, we announced some changes to the Executive Board. After a period of almost three and a half years as President, Ivan Murias handed over the position, starting on April 1st, to Ilson Bressan. For Bressan's position, Valid promoted Leandro Castro, who since June 2023 was one of the leaders within the identification unit.

On March 6, we announced the completion of the sale of the 67.5 percent stake that Valid Soluciones Tecnológicas ("Valid Spain") owned in the IoT company Cubic Telecom. This percentage is equivalent to 8,863,743 shares and the value of the transaction totaled €32,175,387. Valid will

continue, through its subsidiary Valid Spain, holding 4,261,873 shares in this investment.

On April 12, the company's Board of Directors approved the tenth issue of simple debentures, non-convertible into shares, of the type with real guarantee, in a single series, in the amount of BRL 250 million ($51.65 million). The funds obtained will be used to conduct an early redemption offer for all of the company's ninth issue of debentures, in the same amount.

On April 17, the Annual General Meeting approved the payment of additional dividends for the 2023 fiscal year totaling BRL 24,646,235.95 ($5.09 million), which represents BRL 0.307419 ($0.063516) per share, based on the current share count, excluding treasury shares. Payment was made on April 30, 2024 to holders of shares on the 22nd of the same month.

On May 21, the Board of Directors approved the payment of interest on equity in the amount of BRL 27,343,232.14 ($5.65 million), which represents

BRL 0.340000 ($0.070248) per share, considering the current basis, already excluding treasury shares. Two payments were made to shareholders in 2024.

8. **Indicator Report**

GRI content summary

Statement of Use	Valid Soluções S.A. reported the information mentioned in this GRI content summary for the period ranging from January 1, 2023 to December 31, 2023 based on the GRI Standards.
GRI 1 used	GRI 1: Fundamentals 2021

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	Sustainable Development Goals
General disclosures			
	2-1 Organizational details	11, 18, and 100	
	2-2 Entities included in the organization's sustainability reporting	11	
	2-3 Reporting period, frequency, and contact point	4 and 100	
	2-6 Activities, value chain, and other business relationships	11 and 24	
	2-7 Employees	54 and 55	8, 10
	2-8 Workers who are not employees	54	8
	2-9 Governance structure and composition	75	5, 16
	2-10 Nomination and selection of the highest governance body	75	5, 16
	2-11 Chair of the highest governance body	75	16
	2-12 Role of the highest governance body in overseeing the management of impacts	75	16
	2-13 Delegation of responsibility for managing impacts	75	
GRI 2: General Content 2021	**2-14** Role of the highest governance body in sustainability reporting	75	
	2-15 Conflicts of interest	81	16
	2-16 Communication of critical concerns	75	
	2-17 Collective knowledge of the highest governance body	75	
	2-18 Evaluation of the performance of the highest governance body	75	
	2-19 Remuneration policies	58	
	2-20 Process to determine remuneration	58	
	2-22 Statement on sustainable development strategy	5	
	2-23 Policy commitments	81	16
	2-24 Embedding policy commitments	81	
	2-25 Processes to remediate negative impacts	81	
	2-26 Mechanisms for seeking advice and raising concerns	67, 75 and 81	16

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	Sustainable Development Goals
GRI 2: General Content 2021	**2-27** Compliance with laws and regulations	81	
	2-28 Membership in associations	81	
	2-29 Approach to stakeholder engagement	24	
	2-30 Collective bargaining agreements	58	8
Material topics			
GRI 3: Material Topics 2021	**3-1** Process of determining material topics	22	
	3-2 List of material topics	22	
Innovation and Resilience			
GRI 3: Material Topics 2021	**3-3** Management of material topics	26	
Ethics & Transparency			
GRI 3: Material Topics 2021	**3-3** Management of material topics	81	
GRI 205: Anti-corruption 2016	**205-1** Operations assessed for risks related to corruption	81	16
	205-2 Communication and training about anti-corruption policies and procedures	81	16
	205-3 Confirmed incidents of corruption and actions taken	81	16
GRI 206: Unfair competition 2016	**206-1** Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2015, an action for compensation was filed against Valid. The action was dismissed in the first instance and the decision was upheld in the second instance. There is an appeal pending judgment. The result will be disclosed as soon as the decision is handed down.	16
GRI 207: Tax 2019	**207-1** Approach to tax	81	1, 10, 17
	207-2 Tax governance, control and risk management	81	1, 10, 17
	207-3 Stakeholder engagement and management of concerns related to tax	81	1, 10, 17
	207-4 Country-by-country reporting	91	1, 10, 17
People Management			
GRI 3: Material Topics 2021	**3-3** Management of material topics	46	
GRI 401: Employment 2016	**401-1** New employee hires and employee turnover	46, 54, 55 and 56	4, 5, 8, 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	60	3, 5, 8
	401-3 Parental leave	60 and 61	5, 8

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	Sustainable Development Goals
GRI 403: Health and safety at work 2018	**403-1** Occupational health and safety management system	62	8
	403-2 Hazard identification, risk assessment, and incident investigation	62	8
	403-3 Occupational health services	62	8
	403-4 Worker participation, consultation, and communication on occupational health and safety	62	8, 16
	403-5 Worker training on occupational health and safety	62	9
	403-6 Worker access to non-occupational medical and healthcare services	62	3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	62	8
	403-8 Workers covered by an occupational health and safety management system	62 and 64	8
	403-9 Work-related injuries	62 and 66	3, 8, 16
	403-10 Work-related ill health	62	3, 8, 16
GRI 404: Training and education 2016	**404-1** Average hours of training per year per employee	46 and 51	4, 5, 8, 10
	404-2 Programs for improving employee skills and career transition assistance	46	8
	404-3 Percentage of employees receiving regular performance and career development reviews	46 and 48	5, 8, 10
GRI 405: Diversity and equal opportunity 2016	**405-1** Diversity of governance bodies and employees	46, 49, 54, 56 and 57	5, 8
GRI 406: Non-Discrimination 2016	**406-1** Incidents of discrimination and corrective actions taken	81	5, 8
Waste Management			
3-3 Management of material topics	**3-3** Management of material topics	36 and 39	
GRI 306: Waste 2020	**306-1** Significant actual and potential waste-related impacts	36	3, 6, 11, 12
	306-2 Actions to prevent waste generation and to manage significant impacts	36	3, 6, 8, 11, 12
	306-3 Waste generated by composition	36, 37, 38 and 39	3, 6, 11, 12
	306-4 Waste diverted from disposal	36, 38 and 39	3, 11, 12
	306-5 Waste directed to disposal	36, 38 and 39	3, 6, 11, 12, 15
Data Security and Quality			
GRI 3: Material Topics 2021	**3-3** Management of material topics	67	
GRI 203: Indirect economic impacts 2016	**203-1** Infrastructure investments and services supported	73	5, 9, 11
	203-2 Significant indirect economic impacts	73	1, 3, 8
GRI 418: Customer privacy 2016	**418-1** Substantiated complaints concerning breaches of customer privacy and losses of customer data	67	16

LIST OF ABBREVIATIONS AND ACRONYMS

ABS –Acrylonitrile Butadiene Styrene

B2B – Business to business

BOPP – Biaxially Oriented Polypropylene

CEO – Chief Executive Officer

CH_4 – Methane

Cipa – Internal Commission for Accident Prevention

CGU – Office of the Comptroller General of the Union

CIS – Center for Internet Security

CNH - National Driver's License

CO_2 – Carbon Dioxide

CoAud - Audit Committee

COSO – Committee of Sponsoring Organizations of the Treadway Commission

CQM – Card Quality Management

DLP – Data Loss Prevention

WMSD – Work-Related Musculoskeletal Disorders

DPO – Data Protection Officer

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization

CPE – Collective Protection Equipment

PPE– Personal Protection Equipment

ESG - Environmental, Social and Governance

FSC® – Forest Stewardship Council

GMUD – Change management

GRI - Global Reporting Initiative

GWP - Global Warming Potential

HCE – Host Card Emulation

HFCs – Hydrofluorocarbons

IEGEE – Greenhouse Gas Emission Reduction Inventory

DMMI - Diversity Management Maturity Index

IPO - Initial Public Offering

GHG – Greenhouse gases

ICMS – Tax on the Circulation of Goods and Services

ILP– Long-term incentives

Insead – European Institute of Business Administration

IoT – Internet of Things

IPCC – Intergovernment Panel on Climate Change

IPTU– Urban Property Tax

ISE B3 – Corporate Sustainability Index

ISS – Tax on Services

EAIS – Environmental Aspects and Impact Survey

RSI – Repetitive Strain Injury

LGPD– General Data Protection Law

LNPS – Leadership Net Promoter Score

HRS – Hazard and Risk Survey

LTCAT – Technical Report on Work Environment Conditions

M2M – Machine to Machine

MPT– Public Labor Prosecution Office

N_2O – Nitrous Oxide

NBR – Brazilian Standard

NFC – Near Field Communication

NIST – National Institute of Standards and Technology

NPS – Net Promoter Score

RN – Regulatory Norms

ODS – Sustainable Development

Goals

OEM – Original Equipment Manufacturer

NGOs – Non-Governmental Organizations

ILO – International Labour Organization

UN – United Nations

R&D – Research of Development

PwD– People with Disabilities

PCI-DSS – Payment Card Industry / Data Security Standard

RMP – Risk Management Program

GDP – Gross Domestic Product

SP – Profit Sharing

PSP – Profit Sharing Program

PVC – Polyvinyl Chloride

RBA – Responsible Business Alliance

RFID – Radio Frequency Identification

RoHS – Restrictions of the use of Certain Hazardous Substances

ROE - Return on Equity

ROIC - Return on Invested Capital

ROPA - Record of Processing Activities

EMS – Environment Management System

IMS – Integrated Management System

NIS – National Interconnected System

SSL – Secure Sockets Layer

OHS – Occupational Health and Safety

TLS – Transport Layer Security

TSM – Trusted Service Manager

Unisinos – University of the Sinos River Valley

Credits GRI 2-1, 2-3

VALID SOLUÇÕES S.A.
Address: R. Laura Maiello Kook, 511 – Ipanema das Pedras, Sorocaba – SP – Brasil | 18052-445
Telephone: +55 11 2575-6899

Web portal and social networks:

www.valid.com
LinkedIn
Instagram
Facebook

EXECUTIVE BOARD
Ilton Bressan – CEO
Rafael Moraes Ziggiatti – CFO and Investor Relations Officer
Leandro Castro – Identification Director
Heloísa Aimée Corrêa Sirotá – Legal, Governance and Controls Director

COORDINATION
André Santos de Oliveira – Senior ESG Coordinator
Adriana Navarro - Senior ESG Analyst

SUPERVISION
Heloísa Aimée Corrêa Sirotá – Legal, Governance and Controls Director

For more information about the sustainability report, strategy, management, and ESG aspects, please contact us at esg@valid.com

We extend our gratitude to all Valid employees for their commitment and dedication in providing the information needed to prepare this report.

São Paulo, December 2024

CONTENT, DESIGN AND CONSULTING
grupo report - rpt.sustentabilidade

Project and relationship management
Beatriz Miranda and Camila Henriqson

Copy
Dauro Veras, Jaqueline Luz and Tita Berton

Consulting
Giuliana Bellegarde, Camila dos Santos Ferreira (GRI), Bruna Duffeck and Juliane Camolezi (climate journey)

Graphic design
Rubem Hojo

Design
Ully Cabral and Vanessa Plassas

Translation to English
Darrell Champlin

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