

2023 Integrated Report



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About this Report [GRI 2-2, 2-3, 2-14, 2-29]

Welcome to TOTVS's Integrated Report

As part of our commitment to transparent accountability and the continuous fostering of dialogue mechanisms with our stakeholders, we present TOTVS's Integrated Report (the "Integrated Report") for 2023.

The release of this document represents a continuation of the process started in 2015, with the aim of offering our stakeholders a holistic view of the Company and the ways in which we have made progress in business and generated shared value through the development of our Sustainability and ESG Agenda.

Released annually, the Report is a multistakeholder document aimed at our strategic audiences, such as customers, shareholders/investors, employees, the community, associations and the public sector, the technology ecosystem, business partners, suppliers and contractors.

This Integrated Report was produced under the coordination of the Investor Relations and ESG Board and results from the engagement of several areas of the Company that are responsible for managing GRI and SASB indicators and take part in the annual cycle of data collection and the construction of editorial content. Its approval process

encompasses the recommendation stage, involving the participation of the Statutory Audit Committee and the Governance and Nomination Committee, both of which are advisory bodies to the governance structure. The approval stage follows, in which the Board of Directors ratifies, reviews, and approves the document. [\[GRI 2-14\]](#)

This document refers to the activities and operations from January 1 to December 31, 2023, in line with the same fiscal period adopted for the preparation of the consolidated financial statements and includes indicators and information concerning the TOTVS Group and its acquired companies.

The Integrated Report underwent external assurance by KPMG for the third consecutive year to assess adherence to GRI and SASB Standards aspects and guidelines, and Guideline CPC 09 - Integrated Reporting, correlated with the Basic Conceptual Framework of Integrated Reporting, prepared by the IIRC. TOTVS published on February 7, 2024 the financial statements for the year ended on December 31, 2023, also audited by KPMG.

Standards and references we use

The preparation of this Integrated Report adheres to the guidelines set forth by:



International Integrated Reporting Council (IIRC)



Standards of the Global Reporting Initiative (GRI)



SASB standard for technology companies, focusing specifically on the software and information technology industry.

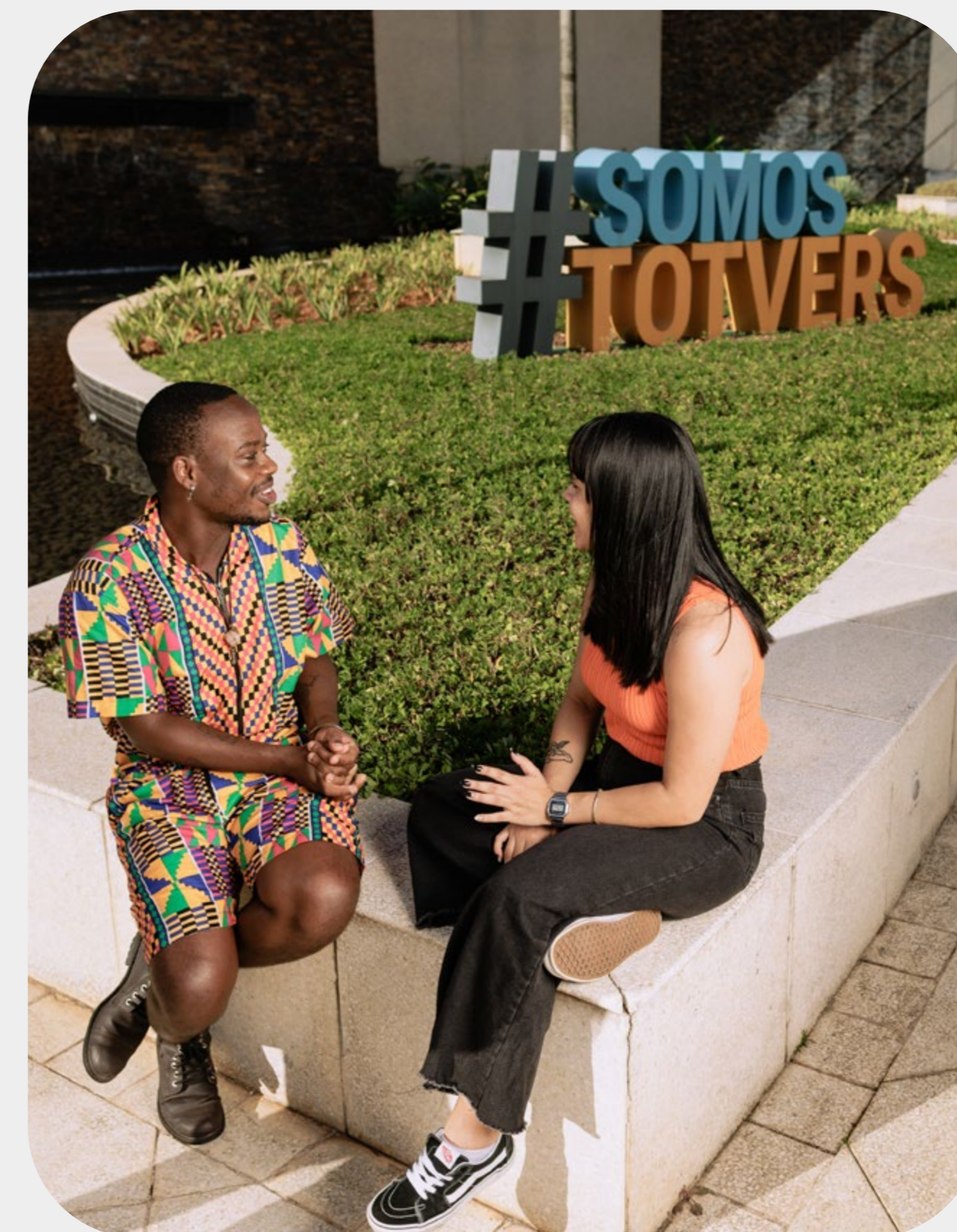


Global Compact
UN initiative to engage companies and organizations in adopting ten principles in the areas of human rights, labor, the environment and anti-corruption.



United Nations (UN) Sustainable Development Goals (SDGs)

The content of this report was shaped by the topics that were deemed material for the sustainability of our business, as a result of the materiality process that was completed in the second quarter of 2024. Additional details regarding the topic can be found starting from [page 21](#).



Should you wish to provide any comments, questions, suggestions, or contributions to our Integrated Report, please contact us via email at sustentabilidade@totvs.com.br.



Message from the Board [GRI 2-22]

2023 was another intense and demanding year that presented both challenges and opportunities. On one hand, economic, environmental and social issues were addressed and we even made progress, but on the other hand it does not seem credible that in the 21st century we are still experiencing an escalation of wars and armed conflicts.

Here at TOTVS, we remained firm and nothing shook our confidence in Brazil's potential and in the resilience of Brazilian entrepreneurs. We remain an eternal unsatisfied team, working tirelessly to deliver an expanded value proposition to our customers: improving companies results through innovation and technology. Amid this scenario of frequent economic, political and technological changes, it is natural to create an environment of constant challenges for the 12 strategic industry sectors that we attend, connecting to our vision of the future: being our client's trusted advisor, building long-term relationships so that he can always navigate with security and stability, always being able to rely on an accessible business partner who he can trust.

Throughout the year, we have made consistent progress in this direction. We started the year by launching our Diversity and Inclusion Policy, showing TOTVS' true way of being and acting with people. We were then recognized as one of the 500 companies in America with the highest revenue

growth between 2018 and 2021 by the ranking "The America's 500 fastest growing companies" from the Financial Times, we took the 6th place in the Merco Responsibility ESG, Technology category - sector ranking and, for the 4th consecutive year, we were in the GPTW ranking, which evaluates companies based on their work climate and culture. We carried out five acquisitions: we incorporated Lexos and Exact Sales in the Business Performance dimension, the TOTVS TRS Franchise, the IP Franchise and AHGORA in the Management dimension, in addition to the closing of the transaction of the Joint Venture (JV) with Itaú in the Techfin dimension.

From the first unicorn to the largest technology company in Brazil, TOTVS's history is intertwined with that of its customers. Since the beginning, I have had the privilege of witnessing the transformation of our company, the market and the maturity of business in Brazil. Our entrepreneurs are creative and innovative. They are used to dealing with challenging scenarios, constantly seeking new opportunities in an increasingly competitive market. We see technology as an essential factor in this equation. It is what has enabled our clients to leverage. The creation of the 3D ecosystem, TOTVS TECHFIN (JV with Itaú) for the development and distribution of financial services in the B2B market, solutions based on Artificial Intelligence, technological partnerships in ESG, evolution of the TOTVS Franchise System and data science in sales are some examples of the transformations and innovations that TOTVS has been promoting to the market.



**Laércio Cosentino,
Chairman of the Board**

“All these achievements reflect the essence of TOTVS, a company that challenges itself daily and surpasses itself at all times.”



In ESG (Environmental, Social and Governance), we continue on our journey with relevant deliveries and achievements. In pillar E, we carried out our second inventory of greenhouse gas emissions, advancing in the inclusion of international market, RD Station and Supplier operations and taking a first step in incorporating data related to scope 3. In pillar S, we continued consolidating our efforts on the education agenda, contributing to the training and employability of young people in situations of social vulnerability, through the Institute for Social Opportunity (IOS) and the Start Tech Program. We entered in iDIVERSA B3, the first index in Latin America focused on diversity, we worked on implementing our Diversity and Inclusion Policy and launched a new edition of the Speed to Hero Program, focused on training people with disabilities to work in our commercial force. In pillar G, we highlight our efforts in information security, data protection and privacy initiatives; winning the “ ANEFAC Transparency Trophy ” for the third consecutive year, registering TOTVS among the companies that present the best financial disclosures; and the evolution of our MSCI score from “A” to “AA”, positioning the Company among a select group of globally differentiated companies in the software sector. Finally, we sealed the period with the approval of TOTVS's Sustainability and ESG agenda for the three-year period 2024 - 2026. In this regard, it is worth special mention to obtain the "Pro-Ethics Company " seal, granted by the General Controllorship of the Union (CGU). This recognition resulting from

a rigorous and independent evaluation process, highlights TOTVS as a reference in best practices for preventing corruption, fraud and bribery, ratifying the relevance and effectiveness of the Company's Integrity Program in all its pillars, and is a reflection of the our commitment to the ESG agenda as well as demonstrating in practice that ethics is a non-negotiable value for us.

All these achievements reflect the essence of TOTVS, a company that challenges itself daily and surpasses itself at all times, delivering with mastery, consistency and efficiency. I attribute all this success to the strong culture and the qualified and engaged team of TOTVERs we have, in tune with the Company's strategy and working towards the same objectives, with the freedom to dare, innovate, transform and be who they want to be. To all customers, partners and participants in our ecosystem who are with us on this journey, I would like to express our gratitude and hope that we have a great 2024, with more and more good stories from our customers' digitalization journey to tell and may they continue to serve as inspiration and fuel for the Brazilian economy. This is the Brazil we want, and this is the Brazil that makes it happen, that we believe in so much and that we will continue to invest in today, tomorrow and always. We are driven by results and will continue to work in this direction non-stop.

Laércio Cosentino, Chairman of the Board



Message from the CEO [GRI 2-22]

TOTVS ended 2023 with important advances. Our ecosystem has worked to expand our value proposition: to enhance companies' results, making them more competitive and relevant in their sectors and thus advancing our position as our customers' trusted advisor. We have made consistent progress in this direction, in all dimensions.

In Management, we maintained a healthy balance between revenue growth, close to 20%, despite a significant decrease in inflation (negative IGP-M for most of the year), and profitability, with an EBITDA margin of 26%, the highest level in recent years. These results were achieved through a record-breaking NPS, eNPS at excellence level, and investments in products.

In Business Performance, we had the successful succession at RD, the transition from a single to multi-product platform and acquisitions that complemented our portfolio. Revenue growth accelerated to over 40% and the EBITDA margin was close to 5%, even though the RD Summit doubled in size and was held in São Paulo for the first time.

In Techfin, the TOTVS TECHFIN joint venture was completed, enabling Supplier and the organic operation to have access to funding that is both broad, stable, and cost-competitive. A vast world of opportunities is open to be explored within the Management customer base.

In the corporate perspective, we created the new position of Vice President of Customer Journey, whose purpose is to identify and capitalize on opportunities for converging offers between dimensions, further accelerating cross-selling. In this sense, at our strategic kick-off at the beginning in January 2024, the slogan was: "3 Dimensions, one destination".

Regarding the development of the sustainability and ESG agenda, for us, ESG is a business premise, that is, there is no separation between business and ESG, as ESG is the business; there are no barriers that separate them; it is intrinsic to everything we do. In this sense, I highlight our initiatives aimed at developing solutions for measuring and managing the socio-environmental impact on our clients' operations; working together with IOS that contributes to the productive inclusion of young people and people with disabilities in the labor market; applying the highest standards of governance in our operations and adhering since 2014 to the Ethos Institute's Business Pact for Compliance and Anti-corruption, besides the United Nations (UN) Global Compact, which reinforce our commitment to promoting sustainability. Through our responsible and sustainable approach, we have achieved everything we set out to accomplish; ethics, transparency, integrity, and compliance are non-negotiable values for us.



Dennis Herszkowicz
CEO

“ At TOTVS, our vision hasn't changed: To believe in a Brazil that makes it happen! With all this determination that we are working towards 2024.

Hence, 2023 was another year of achievements, in which we ended up in a competitive position and even stronger than when we began. Our differentials, combined with a recurring business model and high levels of renewal, which are a result of the relevance and quality we offer our customers, makes Management an extremely solid dimension and, with the new dimensions, which have significantly increased our addressable market, giving us a real chance to further increase these differentials, making us even more relevant. In other words, becoming trusted advisors, especially for the SMB. This is a privileged position. TOTVS stands out as a one-of-a-kind company, difficult to replicate.

In a year in which we have had so many changes, greater volatility in quarterly results was to be expected than we are used to. The world is still adjusting to the effects of the pandemic and in our specific case, the creation of the 3D ecosystem and M&As have been introducing new and different dynamics. Despite this, our strategy remains quite simple: to make the business dimensions solid and self-sustaining, all the while constructing an integrated customer journey

The analysis of quarterly results and their variations holds great importance. As a publicly listed company, it is our standard practice to do this on a

continuous basis. Nevertheless, there are instances when examining a longer time line can be more enlightening and can provide superior insights compared to focusing on a single quarter. We believe that it is the situation for the 4Q23. It is because we had several elements that reduced the short-term result. They totaled around R\$34 million. In Management, we had: (i) impacts on Dimensa, which delivered a weak quarter, with an EBITDA Margin of less than 5%, (ii) one-off fluctuations in the contingency line and (iii) the healthy "problem" of increased ILP (Long-Term Incentive) costs because of the appreciation of shares. In Business Performance, we held the RD Summit with great success, with a structure twice as large as in 2022, and provided with a series of innovations for RD Station and for the entire ecosystem. In Techfin, we experienced: (i) the convergence of historical seasonal factors associated with agricultural crops, and (ii) the impacts of adjustments in the funding framework which are typically advantageous, although they may present oscillations during this phase of construction.

Let me wrap up this message by discussing a little more about Techfin. Despite this business unit presenting a modest contribution for the consolidated result, it has a huge potential for business and both business units (Supplier and "organic Techfin")

are currently undergoing structural changes. We have full confidence that we are establishing a strong business. We communicated to the market that this construction requires additional investments, generating a kind of "J curve" in the results. This is exactly what we are observing. At the Supplier, in addition to margins that are already around 40%, we have favorable winds, as the Selic rate falls and a more flexible, efficient, and affordable funding structure is put in place (although this may cause some fluctuations in the initial quarters) and organic Techfin is diligently adhering to Opex guidance.

At TOTVS, our vision hasn't changed: To believe in a Brazil that makes it happen! With all this determination that we are working towards 2024, committed to continuing to invest in the transformational movement of expanding our unique and innovative 3D ecosystem, which is changing the rules of the competitive game. We continue to believe that everyone can grow, and that investing in technology is essential to turning challenges into opportunities.

Wishing all stakeholders a year of 2024 filled with good health and great accomplishments. I extend my thanks to each one of you for making 2023 a successful year.

Dennis Herszkowicz
CEO



Highlights of the year

* **Record number of entries in the 2nd edition of the "TOTVS Brasil que FAZ" Award.**

★ **+1 Million followers on our LinkedIn profile.**

≡ **We obtained approval from CADE to operate our joint venture with Itaú, TOTVS TECHFIN.**

Performance

- **TOP 500 in the Financial Times ranking of companies on the continent with the highest growth between 2018 and 2021.** Only 28 companies in this ranking are Brazilian.
- **We are featured on LinkedIn's B2B Leaderboard list**, which highlights the work of B2B brands.
- **Featured in Bloomberg Línea's list of the 15 best-performing CEOs in Latin America.**
- **Winner of the Aberje Awards** in the Event category, with the TOTVS Universe
- **The Company was elected "Most Honored Company" in the MidCap ranking of the Technology, Media and Telecommunications (TMT) industry** according to the "The Latam Executive Team 2022" survey. It was recognized in all 8 categories of the General and MidCap rankings, with emphasis on the first place positions in the Combined, Sell Side, and Buy Side ranking in all MidCap TMT categories.

ESG

- **6th place in the Technology category of the Merco ESG Responsibility ("Merco Responsabilidade ESG") ranking.**
- **Featured in the Telecom, Technology, and Media category** in Exame magazine's 2023 Best of ESG ("Melhores do ESG 2023").
- **We became part of IDIVERSA**, the inaugural Latin American index focused on diversity. This index is made up of companies that are leading the way in the ESG agenda.
- **3rd place in ESG/Governance** in the TI&Telecom category of the Época Negócios 360° Yearbook.
- **Achievement of the Pro-Ethics Seal** of the Office of the Comptroller General ("*Selo Pró-Ética da Controladoria-Geral da União, CGU*"), granted to companies that demonstrate their commitment to practices of integrity, compliance, and transparency.
- **The Great Place to Work award recognized us twice**, highlighting us as one of the best IT companies to work for in the country and as one of the 150 Best Companies to Work for in Brazil.
- **We were honored to receive the Human Rights and Diversity Seal for the third year in a row**, an initiative by the City Hall of Sao Paulo. Our efforts in social investment through our Institute for Social Opportunity (IOS) earned us recognition in the Youth categories, while our commitment to empowering people with disabilities was acknowledged through the Speed to Hero Program.

Technology

2nd place in the Information Technology category and 35th in the overall ranking of the 150 most innovative companies according to the 2023 edition of the "Valor Inovação Brazil" Award.

8th place in the IT&Telecom sector ranking, in the 23rd edition of Valor 1000.

10th place in the IT&Telecom category of the 2023 Best and Largest ("*Melhores e Maiores*") of Exame magazine.



About TOTVS

1

Who we are / Three business dimensions, one single destination / Information Security and Data Protection and Privacy / Sustainability management / Materiality

Who we are: technology from Brazil to the world

[GRI 2-1]

TOTVS is our name, derived from the Latin word for everything, everyone, and totality. Our company holds the title of the largest technology firm in Brazil and ranks among the top software developers worldwide. Going far beyond ERP, we offer a robust and complete ecosystem of products and services for the digitalization of business that includes management software, financial services, and business performance solutions. We aim to leverage the results and growth of companies through technology to boost more productivity, efficiency, profitability, growth, and competitiveness in their operations.

TOTVS, renowned for its solid standing and reputation in the market, has expanded its operations and became a trusted strategic partner for companies both in Brazil and worldwide. As an originally Brazilian company, we believe in a “Brazil that gets things done” and support the growth and sustainability of thousands of businesses and entrepreneurs, across the entire country, through technology. We have a unique culture and an rich entrepreneurial tradition that allows us to serve companies of all profiles and maturity levels, as needed, be it small, medium, or large.

Undisputed leader in ERP with 55% market share in Brazil (Gartner)

We operate in 12 market segments

70+ thousand customers between micro, small, medium, and large companies

11 Consolidating Franchises spread throughout Brazil to serve our customers

38 franchised territories and 50+ offices throughout Brazil and Latin America

Development centers in Brazil, Mexico, and the United States

Far beyond ERP:

3 dimensional business ecosystem



Management



Techfin



Business Performance

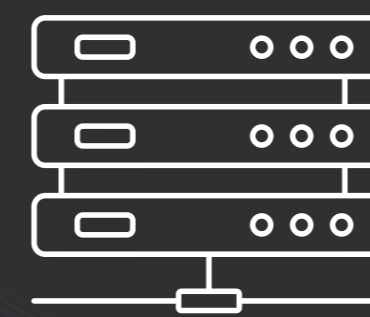
In 12 strategic segments of the economy and for customers of all sizes:

- Agribusiness
- Construction
- Distribution
- Education
- Financial Services
- Hospitality
- Legal
- Logistics
- Manufacturing
- Retail
- Health
- Service Providers

Flexibly deployed across media (mobile or desktop)



Cloud



On-premise

On the following distribution platforms



Franchises & branches



Multichannel



Partnership



Own sales force



Affiliates



Digital platform

Our belief

Here at TOTVS, we believe that everyone can grow, and we work together to achieve so!

Our value proposition

Improving companies' results by leveraging technology, we want to aid companies in boosting their businesses, maximizing profits, and expanding their operations

Our vision of the future

Becoming the companies' Trusted Advisor

Distribution channels **local and digital**

How we relate with our customers



Management

Large enterprise division

Own team with qualified and specialized staff by industry, offering personalized service and consulting support.

38 franchised territories and 5 branches

Franchised territories according to industry sector. Local knowledge for SMB customers.

Multichannel

Distribution model through partners from a multichannel base that provides TOTVS with unmatched penetration across all regions in Brazil.



Techfin

Affiliates

Credit distribution through our suppliers' affiliates.

Franchises and Branches

Sales specialists fully-integrated in franchises and branches, still at the beginning of our journey and with large room to grow.

Cross-selling

Cross-selling solutions through Management Dimension clients.



Business Performance

Partners

Vibrant partner ecosystem in marketing automation.

Digital commerce

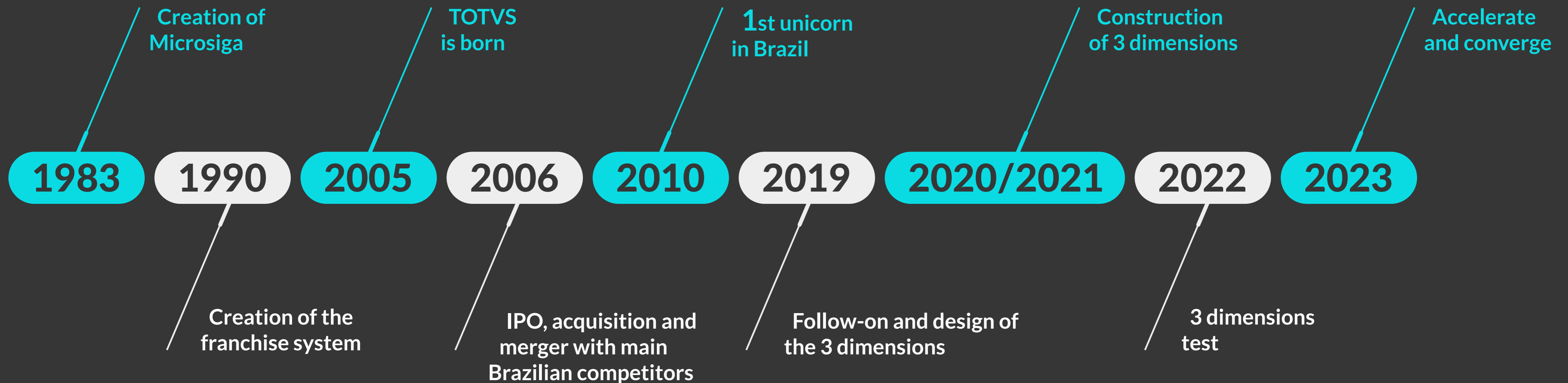
Fully-integrated digital commerce and omnichannel sales specialists present in franchises and branches.

PLG (Product-Led Growth)

Up-sell driven by PLG (Product Led Growth).

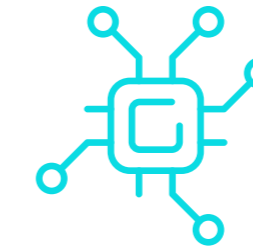
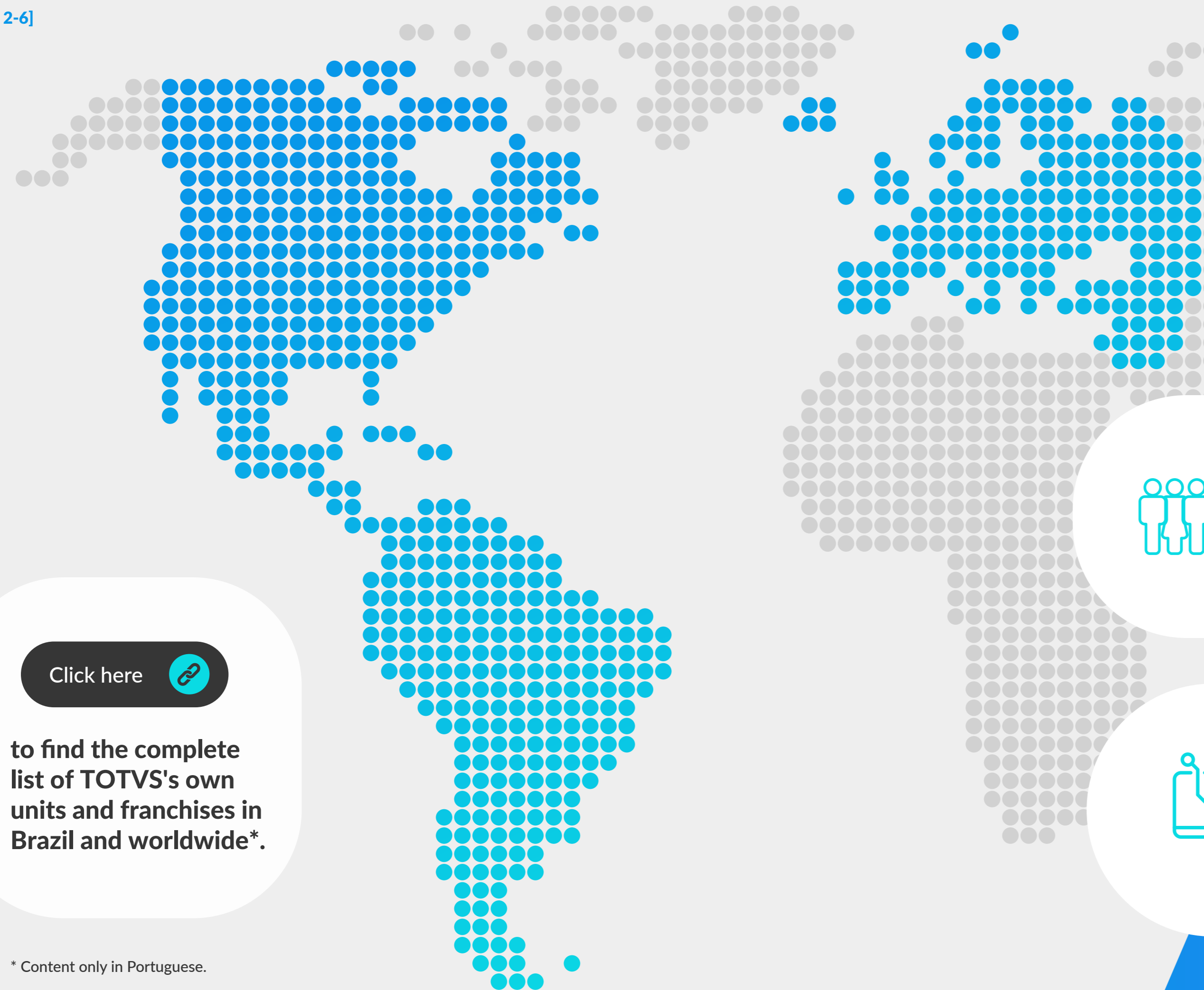
Our business journey

The transformational movement
is a multi-year journey



Where we are present

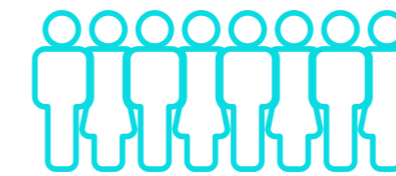
[GRI 2-6]



11 development centers: Assis, Belo Horizonte, Cascavel, Goiânia, Florianópolis, Joinville, São Paulo, Porto Alegre, Ribeirão Preto; United States and Mexico.



4 offices abroad: Argentina, Colombia, Mexico, and the USA.



70,000 customers across 40+ countries
11 Consolidating Franchises spread throughout Brazil to serve our customers in the **38 franchised territories**.



Local and digital presence, based on a robust distribution model with high widespread coverage: **8 offices in Brazil:** we are headquartered in São Paulo and have **5 more regional branches** in Rio de Janeiro, Recife, Minas Gerais, Interior of São Paulo and Rio Grande do Sul. We also have **2 units focused on specific segments (Large Enterprise and Public Sector)**.

Click here



to find the complete list of TOTVS's own units and franchises in Brazil and worldwide*.

* Content only in Portuguese.

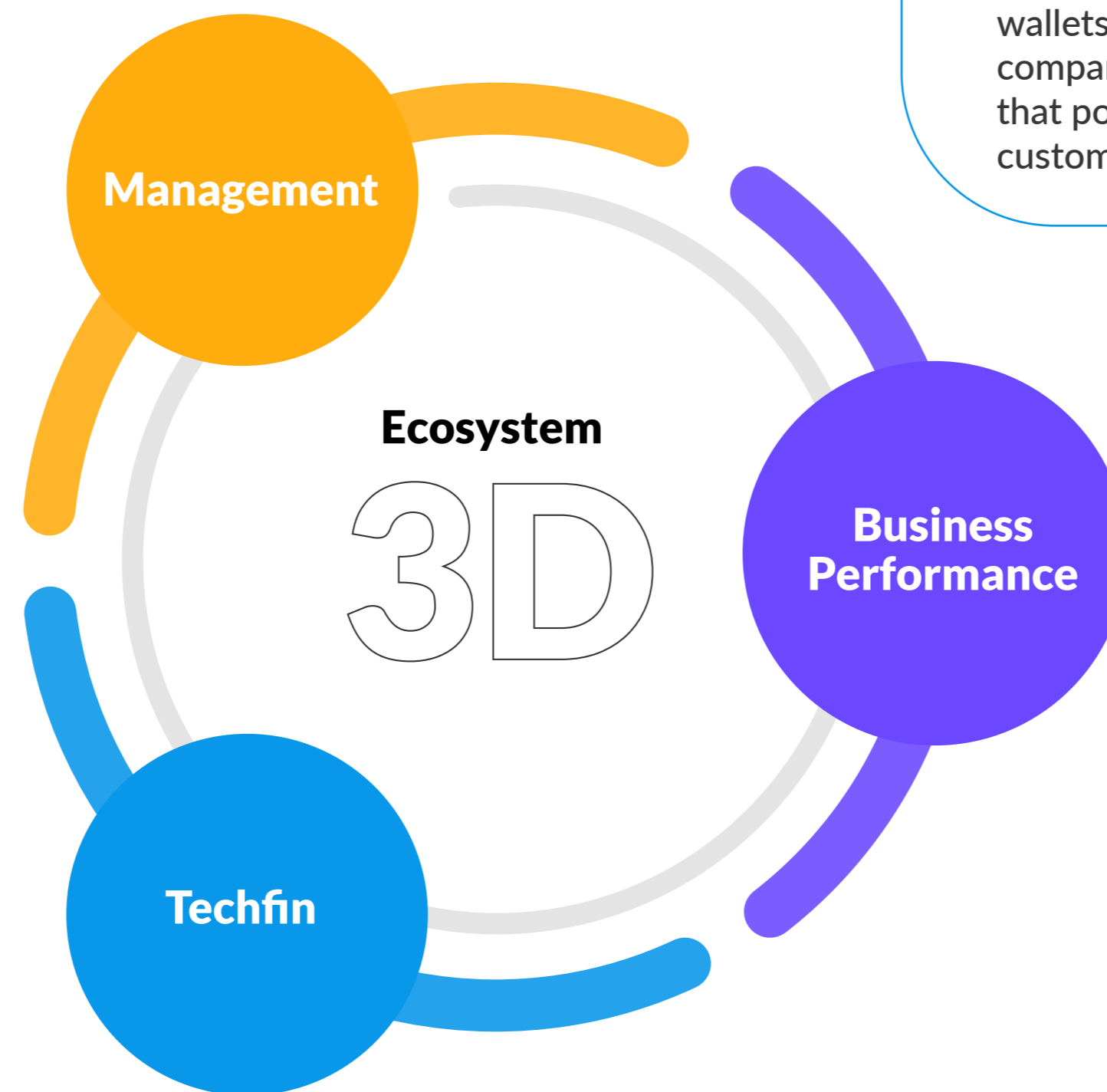


Three business dimensions, one single destination

[GRI 2-6 | 3-3 Transformation and innovation in business model]

In 2019, we structured our performance in a unique and pioneering strategy based on 3 dimensions of business interconnected and interdependent with each other: Management, Techfin, and Business Performance, something unprecedented and innovative in the technology industry sector. Going far beyond ERP, we have been transforming the competitive landscape by promoting a transformational movement to speed up the digitalization of companies, which provides our customers with new journeys that are increasingly integrated, multidimensional, and with a multi-product approach. This approach also provides TOTVS with new markets and an increased relevance as the trusted advisor of its customers.

As for the **MANAGEMENT** dimension, our solutions empower companies with greater productivity, efficiency, control, and governance. The portfolio comprises systems and platforms that automate our clients' back office and core business processes, with cross products such as ERPs and HR systems, besides vertical solutions and specialized systems that serve 12 sectors of the economy.



Learn more [+](#)

Get to know the portfolio of all the solutions offered within each of our business dimensions on our website.

The **TECHFIN** dimension provides companies with customized credit, payment and financial services solutions, effectively enhancing their profitability and liquidity. Among the offers we have B2B credit products, accounts receivables financing, payments via "pix" (Brazilian system to perform an easy transfer of cash in bank accounts), credit card, or digital wallets and payment solutions. All to expand, simplify, and democratize companies' access to financial services, with offers based on data intelligence that positively impact direct customers and their entire supply chain, customers, and employees.

The **BUSINESS PERFORMANCE** dimension, on the other hand, provides an entire ecosystem of solutions focused on increasing sales, competitiveness, and client performance through Digital Marketing, Sales/Digital Commerce, and Customer Experience (CX) solutions.

In 2023, we created the new position of Vice President of Customer Journey, which aims to develop the customer journey across our 3 business dimensions and explore the opportunities for convergence of cross offers between them to seek the best profitability and attach rate of clients with TOTVS.



Partnerships and M&As

TOTVS has as one of the major growth levers strategic partnerships and acquisitions that are able to deliver innovative products in each dimension of our business ecosystem, aiming at sustainability and the growth of the businesses that trust in our work.

We are confident in our solid capabilities and successful track record of more than 20 years in identifying, negotiating, and integrating acquisitions, which have consistently added value to the Company through the creation of significant synergies.

Acquisitions are a powerful lever for achieving our strategy of strengthening the core business and expanding into new markets. Our executives are experienced in both acquiring and integrating new companies, leveraging synergies to maximize potential. They focus on increasing cross-selling and upselling, reducing churn, expanding services and solutions, cutting costs, and improving governance and sales through the use of the TOTVS brand.

Over the course of our trajectory, we have successfully completed over 50 transactions that have benefited all parties involved. These transactions

included acquiring companies that align with our strategy of building our 3D ecosystem. This has strengthened our major dimension (Management) while allowing us to venture into new areas such as Techfin and Business Performance. As a result, we have generated high value for our shareholders, customers, and employees.

Our partnerships and acquisitions are formed with companies operating in market sectors that, directly or indirectly, are connected to TOTVS's growth strategy. In the integration processes, we opted for a gradual integration that preserves operational, financial, and administrative aspects. Remarkable examples of our ability to integrate are clear in the acquisitions of RM, Datasul, and RD Station, all of which were of great significance to the Company given their substantial size at the time of acquisition.

Acquisitions and partnerships entered into in 2023

Management

Ahgora: the leading HR Tech in Brazil, with a 100% SaaS portfolio, Ahgora delivers a 100% digital journey and offers automation, intelligence, and productivity so that HR areas become increasingly strategic, with solutions ranging from the personnel department to employee experience management.

IP Franchise: with 6 offices, IP's operations serve more than 2,000 customers in different cities in the countryside of the State of Sao Paulo and also the Triângulo Mineiro region. TOTVS implemented this initiative as part of an ongoing effort to balance direct action and channel-based strategies in order to expedite the realization of growth opportunities across all 3 business dimensions in various regions of the country.

TRS Franchise: headquartered in Porto Alegre capital city plus a branch in Caxias do Sul, it serves over 700 clients in more than 100 cities in the State of Rio Grande do Sul. With this move, TOTVS now has a direct footing in the Southern Region of the country, enabling expedited tapping

into the region's immense economic potential and bolstering franchise performance in nearby territories.

Techfin

Techfin Joint Venture with Itaú bank: approved by the Central Bank of Brazil, the completion of this transaction marked the beginning of a unique and autonomous operation for the development and distribution of financial services, benefiting small and medium-sized companies and the country's entire productive chain. With transformational potential, TOTVS Techfin will have a light and intelligent business model that combines data science, integration with ERPs, and wide distribution, as well as access to efficient funding to support the expansion of the operation.

Business Performance

Exact Sales: a leading company in the Sales Engagement segment that provides solutions aimed at prospecting and qualifying potential customers (prospects), catering to a range of businesses from startups to large corporations.

Lexos: a startup specialized in integration solutions with online marketplaces, focusing on physical, virtual, marketplaces, and e-commerce platforms, facilitating multichannel sales.

Shopify: with a global reach spanning 170 countries, Shopify is an e-commerce platform that holds 10% of the US digital market and boasts a staggering revenue of US\$445 billion (equivalent to R\$2.2 trillion). This partnership brings RD Station together with the world leader in e-commerce platforms to provide an integrated solution for small and medium-sized businesses.

Click here 

to review our history of mergers and acquisitions transactions.



TOTVS is the largest consolidator in the Brazilian technology market, having made over 50 acquisitions that contributed to the strengthening of our core business (Management) and venturing into new operating segments (BP and Techfin).

Information Security and Data Protection and Privacy

[GRI 3-3 Information security, data protection and privacy]
[SASB TC-SI-220a.1 | TC-SI-230a.2]

Just like every technology company, we prioritize Information Security and Data Protection and Privacy in all arenas. We constantly make progress in these topics before all our stakeholders—customers, former and current employees, partners, and suppliers.

We prioritize measures that protect, preserve, and respect the privacy and rights of individuals whose personal data is involved. We manage potential risks with the support of specific internal areas, which include Information Security Incident Response and Data Privacy Incident Response plans. In 2023, no regulatory agency filed any complaints against TOTVS. In addition, we did not have documented complaints regarding leaks, thefts, or loss of our customers' data. [GRI 418-1]

In the period, we also did not have monetary losses resulting from lawsuits related to user privacy. [SASB TC-SI-220a.3]

How we ensure Information Security and Data Privacy

[SASB TC-SI-230a.2]

While cybersecurity risks are inherent and cannot be fully eradicated, our risk management strategy leverages the broad range and depth of our internal expertise and resources to ensure a comprehensive approach.

Our risk management approach is rooted in industry-standard security best practices outlined by market frameworks, such as:

- International Organization for Standardization (ISO) 9001 (Quality Management Systems - QMS), 27001 (Information Security Management System - ISMS), and 27701 (Privacy Information Management System - PIMS);
- National Institute of Standards and Technology (NIST), Cybersecurity Framework (CSF), and Secure Software Development Framework (SSDF);
- Center of Internet Security (CIS);
- International Standard for Assurance Engagements (ISAE) 3402; and
- American Institute of Certified Public Accountants (AICPA) Service Organization Controls (SOC).

Specific operations, such as Cloud and Techfin, for example, undergo certification and external auditing that prove their full suitability for some of these frameworks, demonstrating our commitment to maintaining robust security standards.

To ensure the secure management of TOTVS's infrastructure and data, we have implemented a comprehensive set of policies and procedures. Our ongoing practice involves regularly assessing and improving our technical controls and strategies to rapidly detect and respond to ever-changing cybersecurity threats. Using market tools and methodologies, we assess the cyber risk of environments exposed to the internet.

We remain vigilant in adapting to the dynamic threat landscape, taking measures to minimize potential risks that could affect TOTVS's security. To protect us against cyber threats, we use a multi-layered defense strategy. This includes security measures for networks, end-user devices, servers, applications, data, and cloud solutions. By combining different layers of security controls, we can reduce the impact of cyberattacks and maintain the integrity, confidentiality, and availability of our systems and data.

In our organization, we foster a culture of security by seamlessly integrating security measures into our development, implementation, and operational processes for both internal and customer environments that are our responsibility. To foster a culture of security awareness and accountability among all TOTVERS, we have adopted a multi-faceted approach that encompasses online training, educational tools, videos, phishing simulations, and various awareness-raising initiatives.

Even in cases where all these layers are not enough to prevent the occurrence of security incidents, we have an incident detection and response process that prevents or mitigates the materialization of major disruptions to our operation and provides important information for the continuous improvement of risk management processes, layers of overlapping controls, and fostering a robust security culture within TOTVS.

TOTVS's ethical and governance conduct enhances and guarantees the security of personal information under the General Data Protection Law (LGPD). Our internal regulatory framework, which includes the Information Security Policy and Data Privacy Policy

that was published in May 2021, governs and details our commitment to transparency, in addition to bringing information security guidelines, preservation, and respect into the processing of customer data. It applies to all areas of the Company, including third parties who process personal data on behalf of the company. Compliance with this Policy is mandatory and reflects the applicable legislation and regulations related to Law 13.709/2018 (General Law on the Protection of Personal Data) and Law 12.965/2014 (Brazilian Civil Rights Framework for the Internet).

TOTVS values the constant improvement of the processing of Personal Data, therefore, it uses frameworks recognized by the market to increase the maturity of the TOTVS Group in the areas of Data Protection and Privacy, reiterating its commitment to the quality and best market practices in the processing

of personal and sensitive data. In 2023, there were no users whose information was used for secondary purposes. **[SASB TC-SI-220a.2]** In addition, there were no requests for users' personal data by local government authorities and agencies. Finally, there were no law enforcement requests that resulted in disclosure during the period. **[SASB TC-SI-220a.4]**

We have an ongoing Data Privacy Governance program that is also implemented in certain acquired companies and our overseas operations. We raise awareness about this topic by conducting training sessions and workshops for our employees, which include mandatory e-learning courses for all TOTVERS. In parallel, we also implemented a communication plan that provides clarifications on the legislation's impact on the company's routine. It is mandatory for our franchisees to follow these guidelines, with no exceptions.

In addition, we have made our major guidelines on the subject available to the public

Click here 



Sustainability management

TOTVS is a company that thinks about and promotes ESG (Environmental, Social, and Governance) principles in its everyday operations. For us, ESG is a business premise, that is, there is no separation between business and ESG, as ESG is the business; there are no barriers that separate them; it is intrinsic to everything we do.

The commitment to social responsibility, highest standards of governance, and a growing concern for the environment have been woven into TOTVS's history and evolutionary journey since its early days, long before this acronym became a worldwide reference for companies and the financial market.

We have been signatories to the **United Nations (UN) Global Compact** since 2014, aligning our actions to seven of the **Sustainable Development Goals**

(SDGs). We are also committed to the **Ethos Institute's Business Pact for Compliance and Anti-corruption**. We are fully aware of our commitment to society and our stakeholders in building a more sustainable and less unequal world. We take on the responsibility of being active collaborators and disseminators of best practices, seeking, every day, to strengthen our role in this process.

We understand the importance of clearly and transparently monitoring, managing, and reporting economic, social, environmental, and governance performance. This is done through well-structured management and reporting processes, with the commitment to take practical actions to drive the evolution of the sustainability agenda integrated into our business. [\[GRI 2-25\]](#)

Technology opens doors to opportunities that drive both people and ESG principles. By incorporating technological innovations, we can devise solutions that promote inclusivity, training, and access

to essential resources, while also enabling a more efficient management of social and environmental impacts. Thus, technology not only enables the achievement of ESG goals but also empowers individuals and communities for a more sustainable and equitable future.

We are supported by both our [Sustainability and ESG Policy](#) and the [Code of Ethics and Conduct](#). The management of the initiatives that address TOTVS's performance on this subject are supported by a solid governance structure, which has a dedicated sustainability area in the **Investor Relations Board**, guidance from the **Strategy Committee (CE)**, leadership of the **Governance and Nomination Committee (CGI)**, and engagement of the Board of Directors (CA). We also have a multidisciplinary and transversal ESG Working Group, designed to discuss improvements and opportunities at TOTVS, involving employees from all career levels, areas of expertise, and company units. [\[GRI 2-13\]](#)

Governance of the Sustainability Agenda



In the year 2023, the **Governance and Nomination Committee (CGI)** received regular updates on the status of ESG actions during all of its meetings. The CGI Coordinator is responsible for reporting to the Board of Directors regarding the progress and initiatives undertaken. [\[GRI 2-13\]](#)

Additionally, we emphasize the promotion of communication and ongoing education on the subject with our employees, as well as throughout our entire chain, spanning from entry-level positions to leadership roles, encompassing franchises and clients. In 2023, as examples in this direction, we promoted

more than 20 meetings to present this subject in the integrations of the new TOTVERS who joined the company; and we made the **Conecta ESG Content Trail available at TOTVS University** for all employees and franchises. In the period, we also held a total of 9 ESG workshops within the NEXT 23 Journey aimed at our **leaders in the positions of Executive Managers and Managers**. Furthermore, we actively engaged in initiatives aimed at fostering awareness and effective handling of ESG factors among our clientele through the use of technology. [Please learn more on page 88.](#)

The 2023 period was sealed with the approval of TOTVS's Sustainability and ESG Agenda strategy for the three-year period 2024-2026 by our Board of Directors.

Materiality

[GRI 3-1]

In 2024, TOTVS completed the review of its materiality matrix, aiming to identify the priority topics for sustainability management in the next two years. The Company identifies and prioritizes its material issues through a robust process of engagement with stakeholders, considering the most relevant economic, environmental, and social impacts. The material topics identified reflect our responsibility and commitment to sustainable development and long-term value creation.

In this cycle, the Company, as a natural step in the evolution of its process, adopted the double materiality approach, contemplating a comprehensive and integrated view of the risks and opportunities that influence both the financial and non-financial aspects of the company. By considering economic, environmental, and social impacts simultaneously, TOTVS anticipates market trends, strengthens its resilience to global challenges such as climate change and the digitalization of business, and builds a solid reputation for accountability and transparency. This practice also facilitates stakeholder engagement, ensuring that the expectations and needs of customers, investors, associates, and the community are met in a balanced and sustainable manner.

The number of stakeholders involved in this process increased significantly, with approximately 56% more participants compared to the previous cycle.

The methodology employed followed the principle of double materiality, aligning with the GRI standard and prevalent reporting practices. It encompassed the following stages:

- 1. Socio-environmental impact analysis:** sectoral, academic, and civil society studies relevant to the sector were examined, besides comparing the sustainability reports of peer companies and analyzing the GRI sustainability framework.
- 2. Financial impact analysis:** the Company's risk matrix, the key indicators of the stock market (ISE, DJSI, FTSE, and MSCI), and the SASB sustainability framework were evaluated.
- 3. Stakeholder consultation:** the opinions of the major stakeholders about the relevance of the topics identified in the previous stages were evaluated through online questionnaires and interviews with the Company's executives.
- 4. Prioritization of topics:** consolidation of the result of stakeholders' survey, socio-environmental impact analysis, interviews with executives, and financial impact analysis, to identify priority topics, through the double materiality methodology: impact materiality vs. financial materiality.
- 5. Validation:** a meeting was held with senior leaders to approve the materiality.

TOTVS's material topics are:



Attraction, Retention, and Development of People



Sustainable Growth



Diversity, Inclusion, and Elimination of Discrimination



Management of Environmental Impact and Climate Change



Ethical and Responsible Governance



People's Health and Wellbeing



Information Security, Data Protection and Privacy



Transformation and Innovation in Business Model

Management of Material Topics

TOTVS implements policies, practices and management systems to address each of the material topics, ensuring that they are dealt with effectively and transparently.

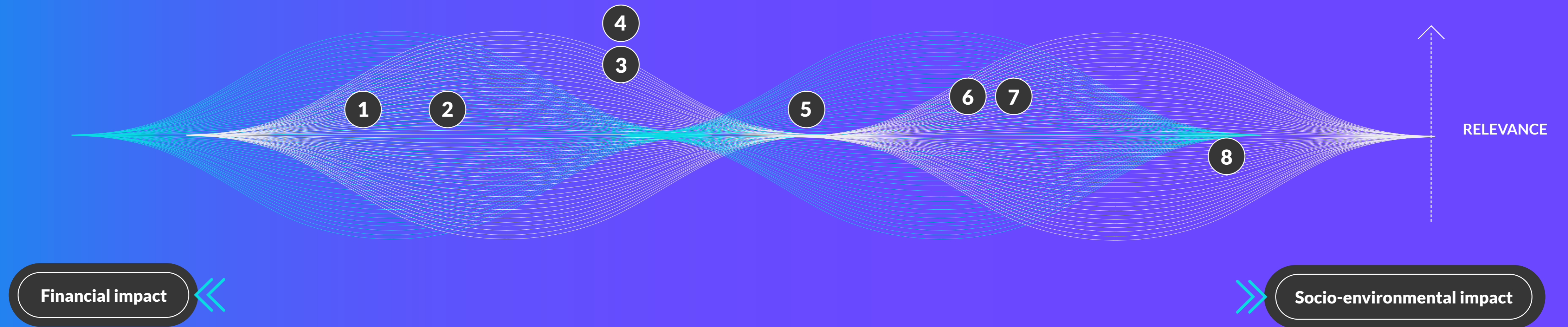
Learn more: check the description of each material topic in the [Appendix](#).



TOTVS Materiality [GRI 3-2]

* In this representation of TOTVS' materiality, the topics on the left are those with the greatest financial impact, while those on the right represent the greatest socio-environmental impact. In the center are the topics with both a financial and socio-environmental impact.

** The topics at the top of the graph are those prioritized by relevance.



1. Transformation and innovation in Business model

2. Sustainable Growth

3. Attraction, Retention, and Development of People

4. Information Security, Data Protection and Privacy

5. Ethical and Responsible Governance

6. Diversity, inclusion, and elimination of discrimination

7. Management of Environmental Impact and Climate Change

8. People's Health and Wellbeing



2

We build relationships of trust

Corporate governance / Risk management / Ethics and compliance

Corporate governance

[GRI 3-3 Ethical and responsible governance]

TOTVS has always been recognized in the technology sector and in the stock exchange market for its solid Corporate Governance practices and for its continuous commitment to the development of its industry sector and the country's growth.

Ever since going public in 2006, TOTVS has been a pioneer, setting an example for others. This company held the distinction of being the first in the IT sector in Latin America and the first Brazilian software company to go public on the stock exchange. By being listed on the Novo Mercado of B3, which is regarded as the pinnacle of corporate governance for publicly traded companies in Brazil, it clearly signifies its commitment to upholding the highest standards of corporate governance. This demonstrates its accountability, responsibility, and consideration for both society and its shareholders.

Significant milestones have been reached by TOTVS throughout its existence. Starting from its admission to the Ibovespa in 2020 to its presence in the IBrX-50 indices of B3; IGPTW B3; and IDIVERSA B3, the Company has reiterated its pioneering spirit by being the first one in the technology sector to appear in the most important stock and ESG indexes in the Brazilian market. These achievements not only symbolize success, but also serve as vital recognitions of the Company's hard work and leadership position in the industry, attained through strategic planning, effective operational execution, and unwavering commitment to the highest standards of corporate governance.

TOTVS follows the principles outlined in the Code of Best Corporate Governance Practices by the Brazilian Institute of Corporate Governance (IBGC), as well as the B3 *Novo Mercado* Regulation. We emphasize several key practices, including:

- **Our Code of Ethics and Conduct** is strictly followed by 100% of TOTVERS and management members;
- **We provide an Ethics and Conduct Channel** operated by an external and independent entity;
- **The Statutory Audit Committee (CAE)**, consists of members who are 100% independent;
- **Internal Controls, Risks, and Compliance Area** that reports directly to the CEO;
- **Independent Internal Audit Area**, that reports to the Board of Directors via the Statutory Audit Committee (CAE).
- **Our Compliance Program** is designed with a consistent structure, and we ensure periodic reporting to both the CAE and the Board.
- **Robust corporate policy framework** (learn more on [page 35](#)).

Governance Structure

[GRI 2-9]

Board of Directors

The Board of Directors (CA) is the highest authority in our corporate governance structure. They are responsible for approving and monitoring the implementation of our strategy, execution of business plans, and long-term strategies.

The Governance and Nomination Committee (CGI) is responsible for overseeing the appointment and selection of Board members. They evaluate candidates based on their compliance with relevant job and legal requirements. After the initial selection analysis by the Committee, the selected profiles are submitted for deliberation/ election by the competent area. Currently, we have five stages:

- analysis of existing and desired profiles on the board;
- performance assessment process of the Board and its committees;
- engagement with shareholders;
- identification of candidates to be added to the Management's Proposal for the Shareholders' General Meeting;
- management of the process of separate nominations. [GRI 2-10]

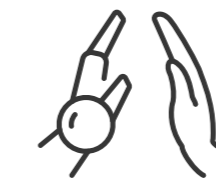
The composition of the Board takes into consideration diversity aspects, independence criteria and key qualifications and experience to the organization's impacts. This is done in compliance with the existing regulations and our Bylaws and Internal Regulations. We emphasize some of the key factors we observed, including:

[GRI 2-10]



Diversity aspects

which include knowledge, culture, age, gender, and ethnicity while also respecting individual privacy, in line with TOTVS's values and strategy. This approach benefits the exploration of a plurality of arguments in the search for business strategies and ensures a decision-making process that is both of higher quality and safety.



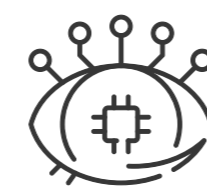
A group that brings together individuals with diverse expertise and multiple skills,

with candidates who must have experience in a leading organization within their respective segment, with a background in at least one of the following areas: administration, auditing and accounting, economics, finance, management, legislation and regulation, risks, best practices in corporate governance, human capital, sustainability, and technology.




Recognized professional trajectory,

with solid experience.



Strategic vision, which includes alignment

and commitment to the CODEC and to the Company's guidelines.

Learn more 

about our process and criteria adopted in our Nomination Policy.

Advisory Committees

TOTVS's Board of Directors is supported by 4 Advisory Committees: Statutory Audit Committee, People and Compensation Committee, Governance and Nomination Committee, and Strategy Committee, the first three being statutory committees. Each one has a coordinator and its work and operating rules are defined in Charter approved by the Board of Directors. [GRI 2-9 | 2-12]

Advisory committees

Statutory Audit Committee (CAE) – it oversees procedures for compliance with legal provisions, assesses risk management policies, and recommends improvement of internal policies.

People and Compensation Committee (CGR) – responsible for providing advice to the Board of Directors and determine the terms of the compensation and other benefits.

Strategy Committee (CE) – it studies, discusses, evaluates, proposes, and follows the key guidelines of the corporate and technology strategy.

Governance and Nomination Committee (CGI) – it promotes progress in corporate governance and in the Company's ESG strategy, assesses the adoption of good practices, and selects and nominates members for the Board and the Board of Executive Officers.

Profile of the Board of Directors' members

TOTVS's Bylaws state that the Board of Directors should consist of at least 5 and at most 7 members. This structure is seen as suitable by the Company's Management because it allows for the agility and flexibility needed in making strategic decisions in a rapidly changing market and in the face of intense global competition for skilled talent.

Currently, at TOTVS, we have a diverse team of 7 members, all from Brazil. Among

them, 86% are independent and 43% are women. Our team is highly engaged (with an average tenure of ~7 years on the TOTVS Board). They are fully committed to driving the development of the industry sector, contributing to the progress of the country, and ensuring the long-term success of our business. They are highly skilled and experienced professionals in their respective fields, with deep expertise in Information Technology, Governance, Entrepreneurship, Management, and

Business Vision. Throughout their careers, they have gained experience in associations and organizations that represent institutions, establishing solid careers with leadership roles in different strategic sectors of the economy. These competencies are crucial for managing the company, which is guided by a strong culture of operational excellence, transparency, efficiency, and high ethical standards, besides being committed to compliance and ESG principles.



86%
of directors are independent

Independence

43%
are women

Diversity

~ 7 years
is the average time dedicated to the BoD of TOTVS

Engagement

On average, people in this age group are **57 years old**

Diversity

100%
of independent members on the Statutory Audit Committee

Independence

100%
of non-executive members in the Company

Multidisciplinary team

The positions of Chairperson of the Board and Chief Executive Officer cannot be held by the same person [GRI 2-11]

Learn more 

Learn further details about the members' profile, curriculum, key competencies, and major contributions to the business by accessing pages 17, and 78 to 85 of the Management's Proposal of the 2024 AGM.

Board of Directors¹

Laércio Cosentino

Chairman
Founder of TOTVS
Chairman of the Board of Brasscom and Mendelics. [GRI 2-11]

Maria Letícia Costa

Vice-President
Independent Member
Partner of SLP Consultoria e Treinamento and Member of the board of Localiza, Mapfre, Mobly and Auren Energia.

6 out of 7 members of the Board of Directors are independent

¹ Current structure of the Board, approved at the Annual General Meeting (AGM) held on April 23, 2024, and whose term of office will end at the 2026 AGM.

Ana Claudia Reis

Independent Member
Kingsley Gate Partners' Senior Partner.

Edson Georges Nassar

Independent Member
Member of the board of Banrisul Icatu.

Gilberto Mifano

Independent Member
Board member of Natura and Construtora Pacaembu.

Guilherme Stocco Filho

Independent Member
Member of the boards of Falconi Consultoria and Vinci Partners.

Tania Sztamfater Chocolat

Independent Member
Investment Executive Officer of CPPIB LatAm, and Member of the board of Equatorial Energia and LAVCA.

Percentages of composition of the Board of Executive Officers ¹

[GRI 2-9]

| By gender | 2021 | 2022 | 2023 |
|---------------------|------|------|------|
| Men | 86% | 86% | 86% |
| Women | 14% | 14% | 14% |
| By age group | 2021 | 2022 | 2023 |
| Under 30 | - | - | - |
| From 30 to 50 years | 100% | 100% | 100% |
| Over 50 years | - | - | - |

¹ It considers the compositions of the Board of Executive Officers on 2021, 2022 and 2023.

Board of Executive Officers

The Statutory Board of Executive Officers is composed of eight members, all of them elected by the Board of Directors, being one Chief Executive Officer (CEO) and seven Vice-President Officers. They are responsible for the implementation of strategies and the day-to-day management, besides being the legal representatives of TOTVS.

Their primary responsibility is to oversee the management of the company and enforce the general policies and guidelines set by the Board of Directors. The executive officers are appointed for a joint term of office of two consecutive years, with the option of reelection and the authority for the Board of Directors to terminate their position as necessary.

Whenever possible, we prioritize the recruitment of professionals residing in the surrounding areas of our operations. Nevertheless, no established protocol exists that prioritizes the appointment of executives for Top Management roles from nearby communities. [GRI 202-2]

TOTVS boasts a senior executive team comprising:

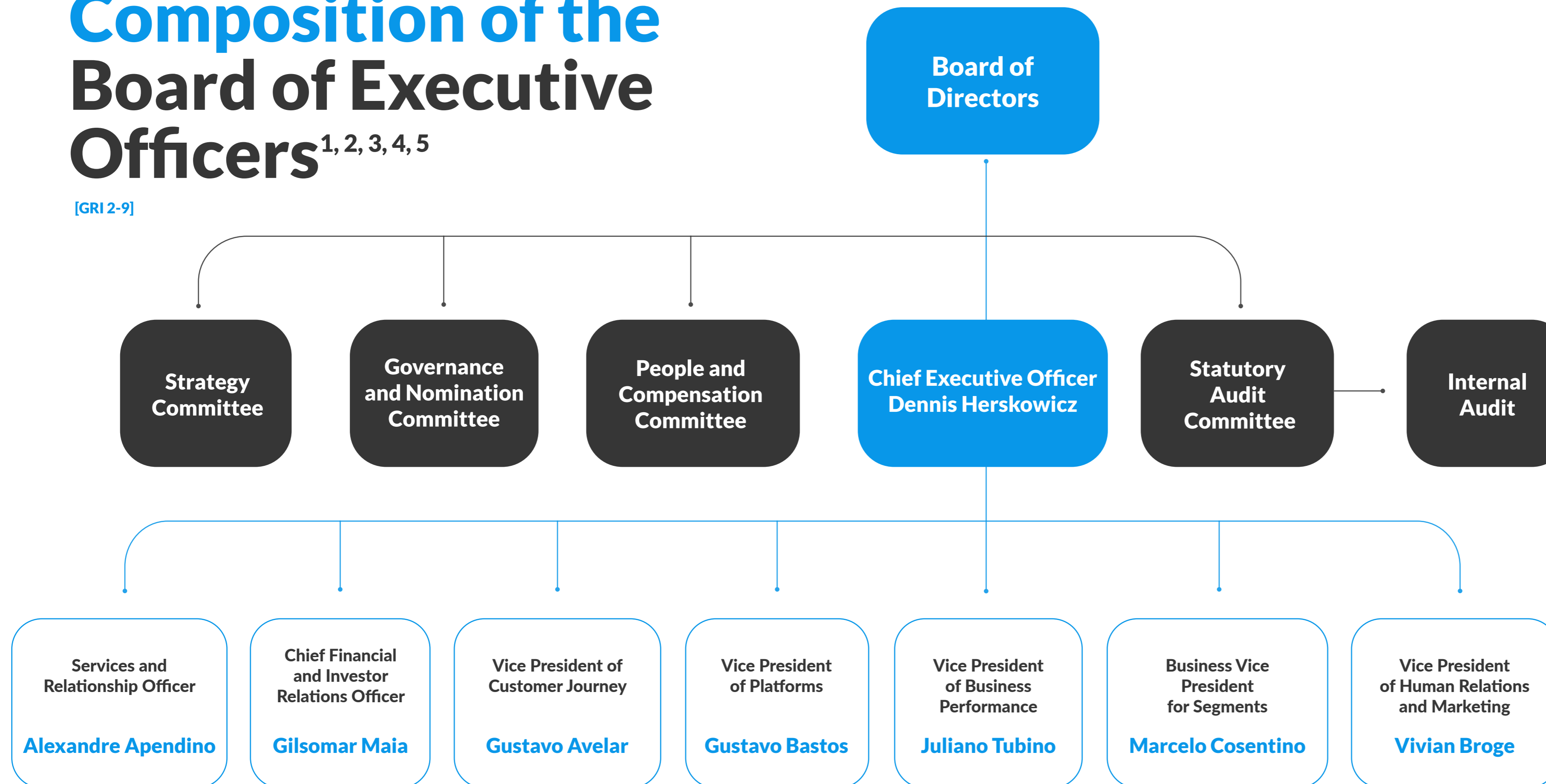
- A young, engaged, and multidisciplinary team;
- Experienced professionals from the technology sector, with an average of 18 years of professional experience, 9 of which were exclusively with the Company;
- Decades of experience in their fields and deep expertise on the company;
- Many years of working together.

These highly qualified professionals play a key role in growing our business, creating a culture of operational excellence, transparency and efficiency, and setting high standards of governance and ethics. The expertise and skills of our executives will be key to spotting growth opportunities, making acquisitions, successfully integrating acquired assets and implementing the strategy of M&A and partnerships.



Composition of the Board of Executive Officers^{1, 2, 3, 4, 5}

[GRI 2-9]



- 1 Corporate governance structure in December 31, 2023.
- 2 On February 10, 2023, with a favorable recommendation from the People and Compensation Committee, the Board approved the re-election of the members of the Board of Executive Officers.
- 3 In March 2023, Juliano Tubino assumed the presidency of RD Station, and his position was changed to "Business Performance Executive Officer".
- 4 On June 30, 2023, Ms. Izabel Cristina Branco submitted her resignation letter to the position of Human Relations VP, which became effective as of July 24, 2023. For this position, on Aug. 29, 2023 the Board elected Ms. Vivian Broge as the Vice President of Human Relations and Marketing, who took office on Oct. 9, 2023.
- 5 On November 1, 2023, the Board elected Gustavo Avelar to the position of Vice President of Customer Journey. Having taken office on November 6, 2023, this new executive is responsible for designing and piloting the customer journey across TOTVS's 3 business dimensions, leading the design and implementation of cross-dimensional offers to seek the best profitability and attach rate of customers with TOTVS.



Remuneration of the Board of Directors and the Executive Board

[GRI 2-19 | 2-20]

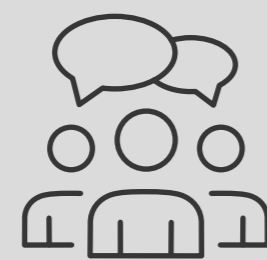
Board of Directors

The compensation of the members of the Board of Directors is predominantly based on the fixed model. Additionally, starting from May 2023, in accordance with the terms and conditions of the Share-Based Incentive Plan that was approved during the Extraordinary General Meeting on April 20, 2021 and amended on April 19, 2023, 20% of the fixed compensation for the members of the Board of Directors (excluding the Chairman) is now being paid in restricted shares to professionals. This practice

is aimed at attracting and retaining members, and is based on best practices and national and international market trends, as well as studies carried out by specialized consultants, providing alignment with the company's long-term objectives.

Since 2019, the Chairman of the Board's compensation includes a variable portion linked to a Long-Term Incentive program, which is based on performance and governed by the terms and conditions outlined in the current Share-Based Incentive and Retention Plan.

Components of the Board of Directors' Compensation Structure



Board Members
(except Chairman of the Board)

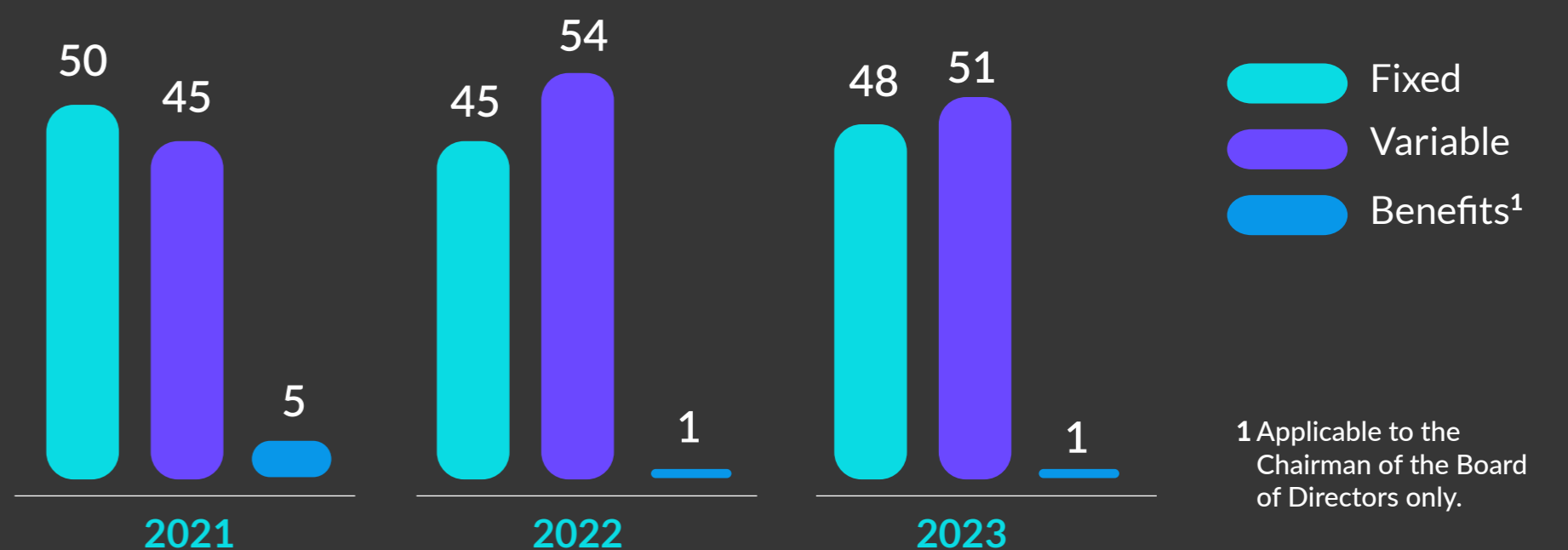
Composed of fixed compensation comprising two components: Short-Term Fixed and Long-Term Fixed.



Chairman of the Board

Composed of Short-Term Fixed compensation, Long-Term Variable and Benefits.

Proportion of each element in the total compensation of the Statutory Board (%)



Board of Executive Officers [GRI 2-19 | 2-20]

The criteria and methodology used to establish the individual compensation consider studies related to the best market practices, based on the results of annual surveys carried out by consultants specialized in the market, based on the group of companies that represent the appropriate balance of the characteristics presented, such as (i) relevant representativeness in their industry sectors of activity, including the technology market; (ii) mostly domestic and publicly traded in the new market; (iii) size similar to or larger than TOTVS', with regard to billing, headcount, and market value; (iv) companies that can compete with TOTVS in the acquisition of talents in the labor market.

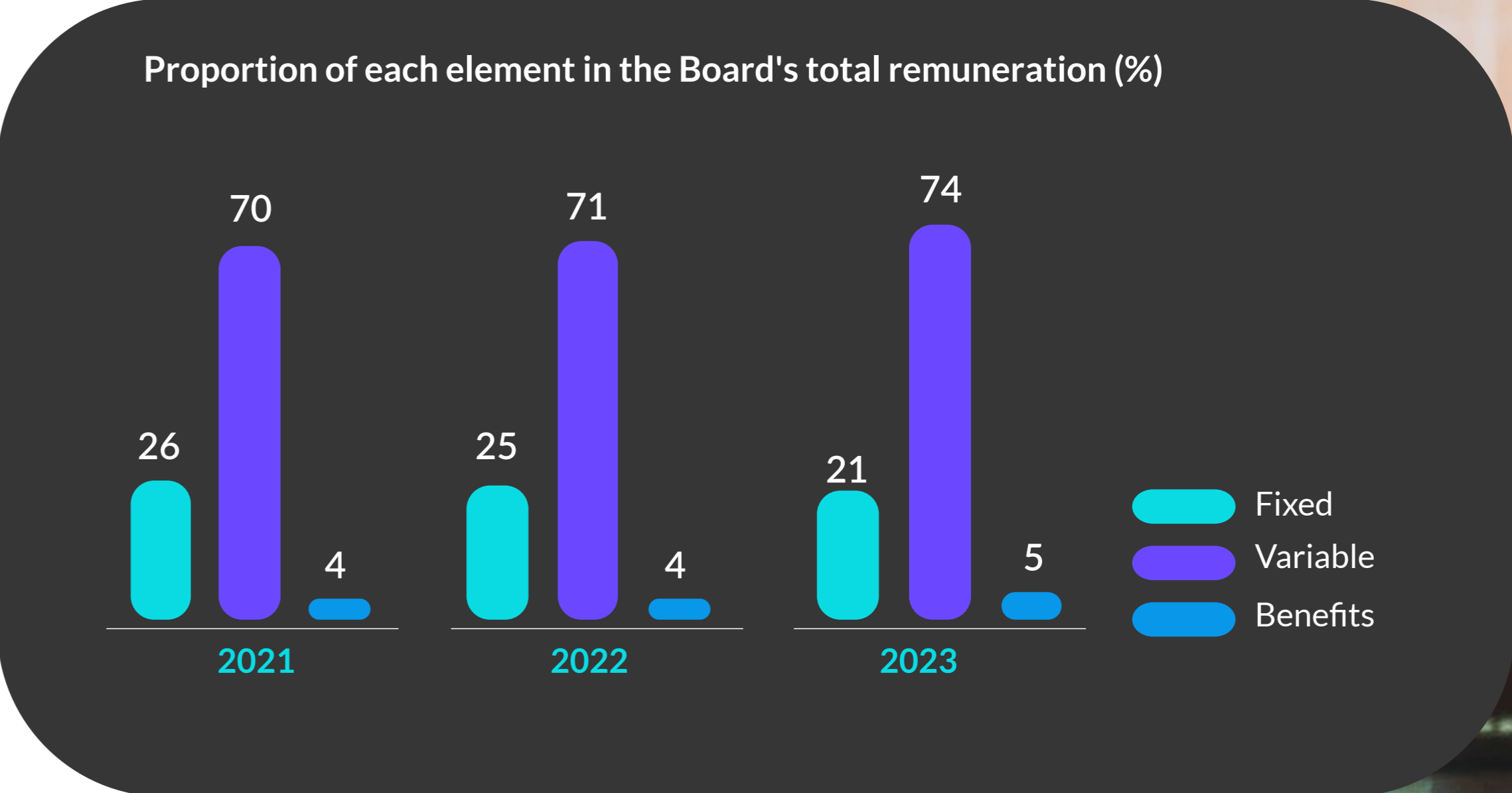
Elements of the Management Remuneration Structure

- **Both the Statutory and non-statutory members of the Executive Board receive a compensation package** that includes a fixed base salary, benefits and a combination of short, medium, and long-term variable incentives, all tied to their performance.
- **Variable Compensation (Short-term Incentive; Semiannual Bonus):** it refers to the variable amounts received every six months by professionals with the purpose of rewarding them for their individual results and for the overall results of the Company and of each business.
- **Variable Compensation (Medium and Long-Term Incentive; Share Plan):** it refers to the amount of the common restricted shares issued by the Company and

delivered to eligible Participants based on individual performance and strictly under the terms and conditions established in the current Share-Based Incentive and Retention Plan approved by the Extraordinary General Meeting held on April 19, 2023, considering the ILP Performance and ILP Master programs.

- **The set of benefits granted to executives,** such as health plan, dental plan, meal vouchers, private pension plan, life insurance, car, and fuel vouchers. The benefits are the same for all executives, but there may be differences in the amount of benefits granted, depending on the position and the region in which the director works.

Detailed information on the management members' compensation process, structure, and amounts is available in section 8 of our Reference Form, as well as in the Human Relations and Compensation Policy and the Share-Based Compensation Plan.






Assessment of the Board of Directors and the Board of Executive Officers [GRI 2-18]

We have a structured, formal, and annual process for assessing the performance of the Board of Directors, the Advisory Committees, as collegiate bodies, besides the chairperson of the Board of Directors and the directors, in accordance with the Internal Regulations.

In accordance with the Board's directives, we can count on the support of external consultants who possess a specialized knowledge of this subject matter for this process. The assessment is led by the Chairman of the Board, with the collaboration of the Corporate Governance area and according to the recommendations of the Governance and Nomination Committee, aiming to assess the performance level of the body and its members, including strategic aspects, the general dynamics of the Board and its meetings, performance of the Committees, the Corporate Governance Department, and the chairperson of the Board, through a self-assessment and peer review.

Our assessment of the Board of Executive Officers follows an annual process that aligns with the practices recommended by the Brazilian Code of Corporate Governance. Our Board of Directors has the duty, upon the recommendation of the People and Compensation Committee, to determine the targets and conduct the annual assessment process, established together with the Chief Executive Officer and based on the financial and non-financial performance targets, in line with our values and ethical principles.

Learn further details about the assessment process, indicators, and metrics considered, among other aspects, by accessing items 7 and 8 of our [Reference Form](#) and the [Governance Report](#). 

Risk management

[GRI 3-3 Ethical and responsible governance | 2-12]

We recognize the importance of risk management as a fundamental principle for our success and for the decision-making process that permeates all our operations and endeavors, both in Brazil and abroad. We acknowledge that risks can originate from a range of sources, encompassing both internal and external factors, which we classify into five principal categories:

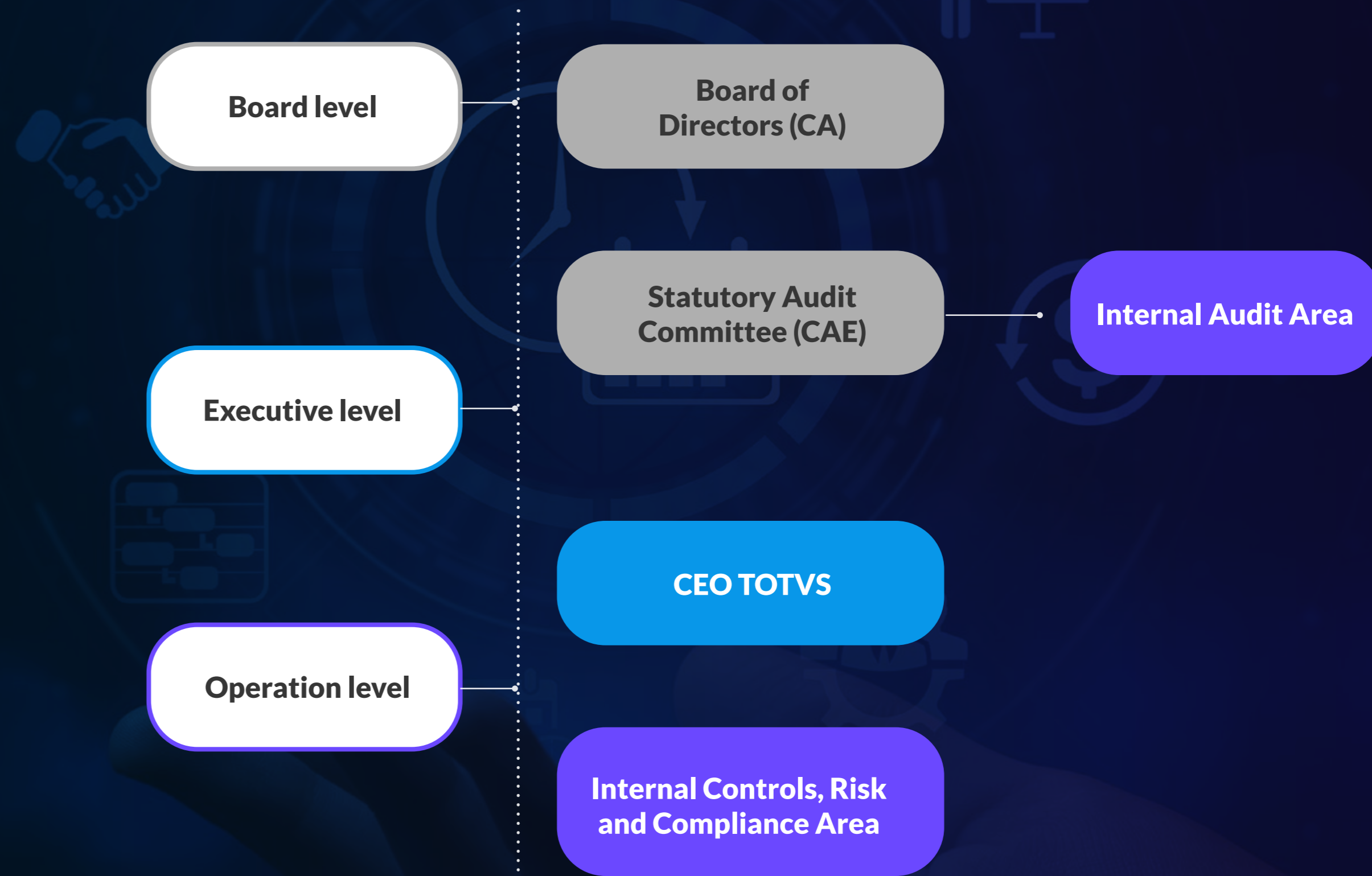
- Operating risks
- Information technology risks
- Financial risks
- Strategic risks
- Regulatory/compliance risks

The Board of Directors, as the highest decision-making area, is essential in our risk management cycle, being responsible for approving the **Risk Management, Internal Controls, and Compliance Policy** and the risk management methodology to be applied, as well as the levels of appetite for and tolerance to the risks proposed by the

Board of Executive Officers and recommended by the Statutory Audit Committee.

The Board of Directors, upon prior evaluation and recommendation of the CEO, the vice-presidents and the Statutory Audit Committee, approves the annual review of the risk matrix and monitors the implementation status of the measures determined for its mitigation (action plans), as well as the progress of the Key Risk Indicators (KRIs) through periodic reports carried out by the Internal Controls, Risks, and Compliance area. [GRI 2-12]

Organization chart risk management



Risk policy

[GRI 3-3 Ethical and responsible governance]

The Risk Management, Internal Controls, and Compliance Policy sets forth the principles, guidelines, and responsibilities that guide the management of our corporate risks, internal controls, and compliance. This document sets forth all stages of the risk management cycle, which include: determining the context, identification, analysis and assessment, treatment, monitoring, and reporting of corporate risks. This policy comprises:

- **Governance and a risk management culture:** our risk management culture is comprehensive. It brings together a set of ethical standards, values, attitudes, and behaviors that are accepted, practiced, and disseminated as part of the decision-making process across all tiers of the organization. Managers are primarily responsible for the day-to-day management of the risks associated with their area or business process, for the engagement and dissemination of this culture among their subordinates. They also establish and execute appropriate controls and action plans for risk management, under the monitoring of the Internal Controls, Risks, and Compliance area. [GRI 2-16]

- **Risk, strategy, and goal setting:** Risk management encompasses two distinct contexts: the evaluation of internal and external factors, and their potential impacts on TOTVS's strategic direction and achievement of business goals. The identification, assessment, prioritization, and documentation of risks for appropriate treatment are achieved through these goals.

- **Risk management methodology:** we apply a method supported by the components of the Committee of Sponsoring Organizations of the Treadway Commission—Enterprise Risk Management Framework (COSO ERM), in conjunction with the ISO 31000 guidelines.

In addition to cultural aspects, this method comprises a set of structured steps to ensure the efficiency of risk management. The first step in the process involves defining the context, followed by identifying potential risks. A thorough evaluation of the risks and their respective risk factors is conducted, taking into account their likelihood and impact. The final risk classification is then assigned to one of the levels outlined in said method.

Once the risks have been mapped out, the corresponding areas take the necessary steps to address them by implementing one or more action plans for mitigation. Risk monitoring is performed through the constant monitoring of the internal control environment, the progress of key risk indicators (KRIs) created, and the response actions to the identified risks.

Risk Matrix

Our risk management methodology provides for a Risk Matrix that is subject to annual updates and aligned with the business's strategic guidelines, the changes in the internal and external scenarios, as well as interviews with risk owners and the Board of Executive Officers. With the goal of enhancing our commitment to the ESG Agenda in the structure and conduct of business, we incorporated aspects of the three guiding principles into the identification of risks, associated risk factors, and in the subsequent preparation of mitigation action plans.

TOTVS's Risk Matrix comprises a total of 13 prioritized risks. In 2023, our matrix was updated based on the analysis of risk behavior and evolution in the 2022 cycle, as well as the assessment of the risk scenario in relation to the Company's

planning and strategic goals. The purpose of that update was to ensure that the Risk Matrix reflects the most current scenario and the appropriate treatment for each identified risk and its corresponding factors.

To ensure effective governance of the risk management process, the Risk Matrix is double-checked by the vice-presidents and the CEO, as well as by an evaluation by the Statutory Audit Committee, which is responsible for recommending its approval to the Board of Directors. Thus, it becomes possible to get adequate insight into the company's risk management process and the effective engagement of the Top Management and the Company's governance areas, ensuring the impartiality of the risk analysis, contributing to the direction of our business decisions and strategic initiatives.

[GRI 2-16]

Internal controls

The area of Internal Controls, Risks, and Compliance bears the responsibility of mapping processes and their associated controls, as well as executing design tests on these controls to verify the understanding of the mapped processes and certify the successful implementation of the controls.

Additionally, the business areas conduct an annual Control Self-Assessment by means of a dedicated questionnaire encompassing inquiries pertaining to their processes and activities.

Also, as part of this methodology, the Internal Controls, Risks, and Compliance area performs effectiveness tests with the purpose of evaluating the correct execution and operational efficiency of the controls to prevent or detect relevant distortions.

Any identified deficiencies are promptly addressed and reported to the Statutory Audit Committee.

Learn more: get to know further details about the risk management and internal controls process by reading sections 5.1 and 5.2 of the [Reference Form](#).

Ethics and compliance

[GRI 3-3 Ethical and responsible governance | 2-24]

Our organization is committed to upholding high ethical, integrity, and compliance standards. These principles guide the way we do business and the relationships with stakeholders in our ecosystem. We have a Compliance Program led by the Internal Controls, Risks, and Compliance area. This program embodies our commitment to ethical conduct, transparency, and the prevention of corruption.

This Program aims to ensure that the applicable laws, regulations, guidelines and rules of conduct of the TOTVS Group are known and complied with by all TOTVERS, as well as to ensure that the third parties with whom the Company relates share our ethical principles.

The Compliance Program methodology, structured with five guiding principles, is focused on preventing, detecting, and addressing irregular and unethical conduct:

1. Compliance culture:

by strengthening the ethical and compliance culture through the constant engagement and support of the Company's key leaders.

2. Risk assessment:

by identifying, assessing, and addressing the major compliance and anticorruption risks to which TOTVS is exposed in the conduct of its activities.

3. Code of Ethics and Conduct, corporate policies and procedures:

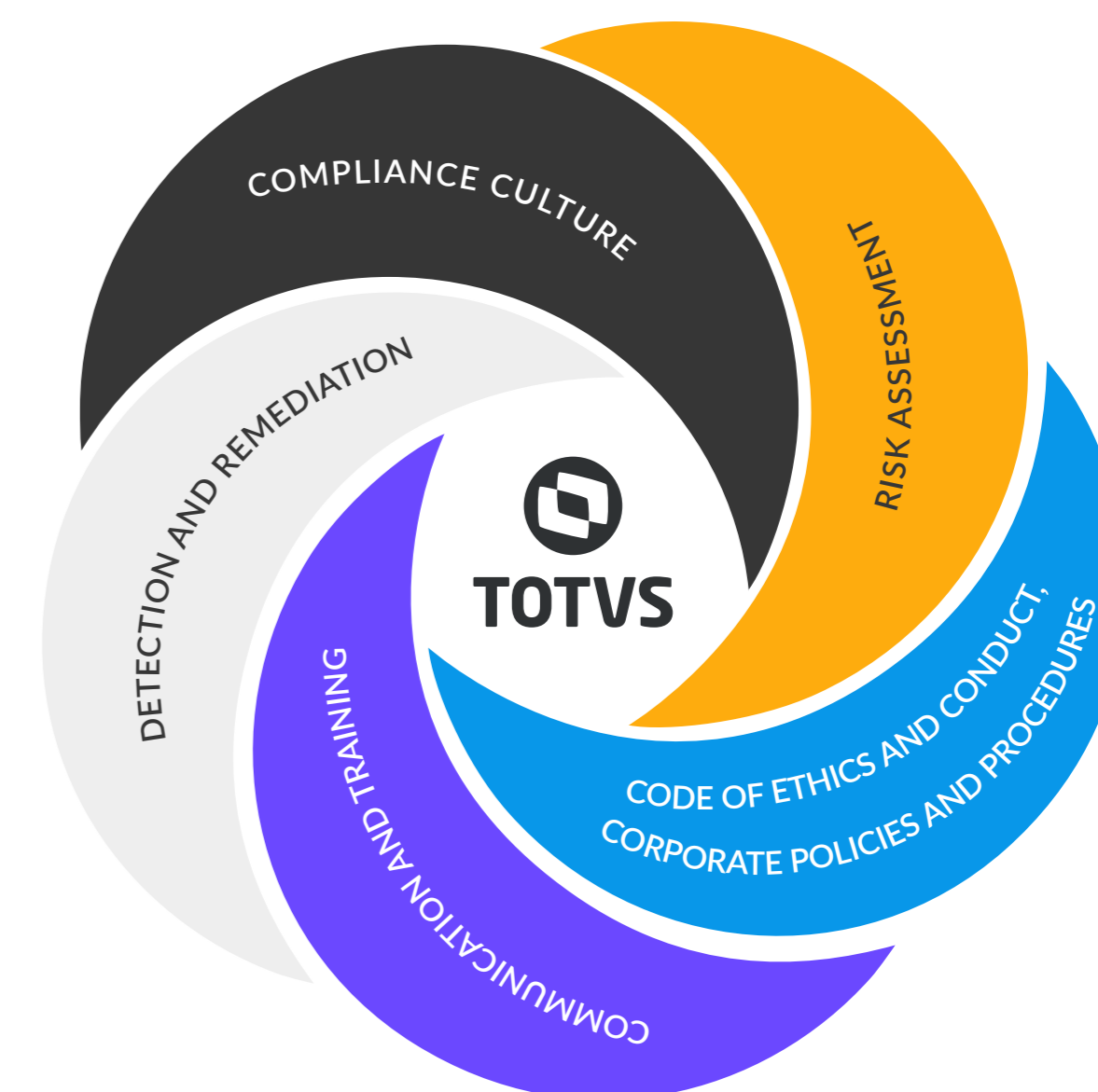
establishment and formalization of internal guidelines, standards, and procedures that must be followed by TOTVERS and third parties within the scope of the Compliance Program.

4. Communication and training:

permanent awareness-raising initiatives so that everyone knows the guidelines, rules, and responsibilities to be met within the scope of the Compliance Program.

5. Detection and remediation:

identification of any conduct that violates the applicable legislation and regulations and the company's internal standards. As a result, it secures the discontinuation of any unethical actions and the enforcement of disciplinary measures for those actions.



TOTVS wins the 2022-2023 Pro-Ethics seal

In 2023, we have been awarded with the Pro-Ethics seal, an initiative of the Office of the Comptroller General of the Union (CGU). This seal recognizes companies that have actions to prevent corruption, fraud, and bribery in line with the best market practices on the subject.

This endorsement from a fully independent agency validates the importance and effectiveness of the TOTVS's Compliance Program across all its guiding principles. This recognition also serves as a public affirmation to the market and all stakeholders that ethics as a non-negotiable value, deeply ingrained in all aspects of our culture and especially our practices. This achievement also reinforces our commitment to the ESG agenda, which is TOTVS's guiding principle for governance and businesses as a whole.

Code of Ethics and Conduct [GRI 2-24]

The Code of Ethics and Conduct sets forth the principles and practices that guide our daily interactions and decisions, including business compliance and internal and external relationships. It is applicable to all directors, officers, shareholders engaged in the control of the company, as well as employees, service providers, franchisees, suppliers, and partners.

Employees have access to the Code of Ethics and Conduct, as well as all Policies, Standards, and Procedures through our Corporate Intranet. Updates to the Policies are also made available on our Corporate Intranet. [GRI 2-23]

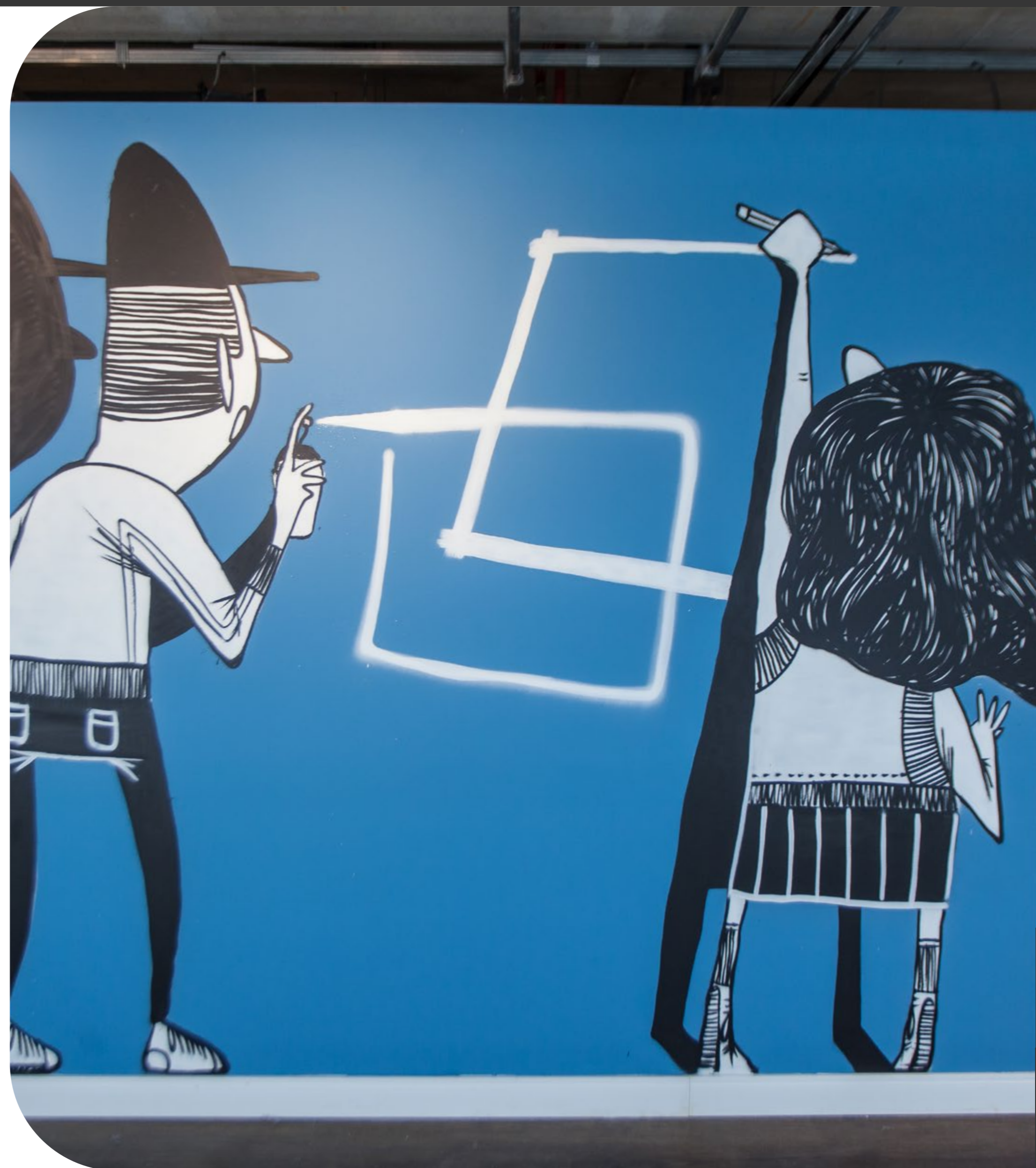
In addition, all third parties who have any relationship with TOTVS must follow the Code of Ethics and Conduct as applicable to them, and undertake to do so formally through contractual clauses in which the requirements regarding their obligations are clear.

In our business practices, we prioritize ethics, responsibility, and transparency, ensuring that we maintain strong relationships and effective communication with stakeholders across the TOTVS value chain.

Click here



To read our Code of Ethics and Conduct, please



Ethics and Conduct Committee

[GRI 2-25 | 2-26]

The Code of Ethics and Conduct guidelines are regularly shared with and reiterated to employees through targeted training sessions and communication efforts. The Ethics and Conduct Committee, a group consisting of employees appointed by the CEO and approved by the Board of Directors, also has a fundamental role in promoting an ethical atmosphere, with the function of analyzing possible violations of the Code, other internal guidelines or current laws. In the event of a violation, the Committee shall determine the appropriate disciplinary measures.

The Ethics Committee Coordinator regularly provides the Statutory Audit Committee with a summary of the work done and any disciplinary measures taken based on the received reports. The Coordinator of the Statutory Audit Committee then informs the Board of Directors about this summary and the measures taken to address the more serious complaints. [GRI 2-16]

We have also established the Consequence Management Standard, which sets forth the rules and criteria to be observed in the process of applying disciplinary or legal measures as a result of infractions committed.


Ethics and Conduct Channel

[GRI 2-25 | 2-26]

We provide a direct channel so that any person who interacts with us can report, anonymously or identified, at his/her discretion, situations that may characterize a violation of TOTVS Group's Code of Ethics and Conduct and other internal standards or any other practice that breaches or may violate current legislation and/or regulations.

- This Channel is operated by an independent external company specialized in the management of complaints.
- In the year 2023, a total of 151 complaints were received through the Ethics and Conduct Channel of the TOTVS Group, which were thoroughly reviewed and resolved, as compared to the 165 cases reported in the previous year of 2022.
- There were no confirmed cases of corruption.
- We were not subject to any legal proceeding (i.e., ongoing public investigations, lawsuits, or closed cases) related to corruption against the organization, its employees, or business partners. [GRI 205-3]
- There was no record of whistle-blowing from local communities. [GRI 413-1]

The Ethics and Conduct Channel is available on the following platforms:

Confidential Channel website: 
<https://www.canalconfidencial.com.br/totvs/>

Phone:

Brazil
0800-721-5966

Other locations
+55 11 3232-0766





Constant training and awareness-raising initiatives [GRI 2-24]

“

In 2023, the 4th Compliance Week was held under the subject "Ethics and Transparency that transform", which was attended by renowned speakers and more than 2,700 TOTVERS on various agendas that dealt with topics related to ethics and compliance, such as ethics - a daily choice, harassment prevention, digital ethics, and corporate compliance.

To ensure the effectiveness of the Code of Ethics and Conduct, we comprehensively disclose our anti-corruption policies and procedures, both to the internal public through training sessions and via our intranet, a platform accessible to 100% of TOTVERS, and to the external public through our institutional and Investor Relations website. In 2023, as part of our ongoing training in the field of ethics and anti-corruption, the following initiatives were promoted to build a solid anti-corruption culture:

- Mandatory e-learning on the Code of Ethics and Conduct for the entire Company. This training is available at TOTVS University in all units, in Brazil and abroad, in addition to the Franchised Units. The year 2023 saw a notable 96% adherence rate among trained employees, who were assessed on their understanding of the content through

ethical questions and dilemmas aligned with the principles and rules of the Code. Completion of the course and acquisition of the Certificate required a minimum score of 70%; [\[GRI 205-2\]](#)

- Training on the Relationship with Public Entities Policy, mandatory for TOTVERS working with the public sector;
- Specific training on conflict of interest for the areas of Supplies and Human Relations;
- Workshops with new employees and leaders, dealing with the importance of ethical conduct, general aspects of the anti-corruption law, and advice on the Code of Ethics and Conduct;
- Training on Corporate Compliance for members of the Board of Directors, the CEO, Vice-Presidents, Executive Officers and Managers of TOTVS.





To answer questions, seek guidance on the Code of Ethics and Conduct or other policies of the Company, TOTVERS may call their leaders, the areas responsible for each normative document, or the Compliance area, which is responsible for providing advice and issuing advisory opinions on the Code and other related topics. [\[GRI 2-26\]](#)

Communication and training on anti-corruption policies and procedures | High governance [\[GRI 205-2\]](#)

| | Notified | % | Trained | % |
|--------------------|----------|------|---------|------|
| Board of Directors | 7 | 100% | 7 | 100% |

Communication and training in anti-corruption policies and procedures Employees: International Market [\[GRI 205-2\]](#)

| Country | Notified | % | Trained | % |
|-----------|----------|------|---------|------|
| Argentina | 148 | 100% | 129 | 87% |
| Colombia | 27 | 100% | 20 | 74% |
| Mexico | 100 | 100% | 93 | 93% |
| Chile | 2 | 100% | 2 | 100% |



Communication and training in anti-corruption policies and procedures | Employees: Brazil [\[GRI 205-2\]](#)

| | SOUTH | | | | SOUTHEAST | | | | MIDWEST | | | | NORTHEAST | | | |
|---------------------------------|----------------------|-------------|--------------|------------|----------------------|-------------|--------------|------------|----------------------|-------------|------------|------------|----------------------|-------------|------------|------------|
| | Provided with notice | % | Trained | % | Provided with notice | % | Trained | % | Provided with notice | % | Trained | % | Provided with notice | % | Trained | % |
| Executive Officers and Managers | 11 | 100% | 9 | 82% | 158 | 100% | 148 | 94% | 1 | 100% | 1 | 100% | 0 | - | 0 | - |
| Managers | 34 | 100% | 20 | 59% | 285 | 100% | 264 | 93% | 7 | 100% | 6 | 86% | 5 | 100% | 5 | 100% |
| Coordinators | 100 | 100% | 85 | 85% | 516 | 100% | 493 | 96% | 19 | 100% | 18 | 95% | 8 | 100% | 8 | 100% |
| Experts | 279 | 100% | 260 | 93% | 1283 | 100% | 1,235 | 96% | 31 | 100% | 31 | 100% | 20 | 100% | 20 | 100% |
| Analysts | 874 | 100% | 780 | 89% | 4,175 | 100% | 4,053 | 97% | 216 | 100% | 212 | 98% | 98 | 100% | 97 | 99% |
| Technicians and Assistants | 143 | 100% | 107 | 75% | 783 | 100% | 740 | 95% | 20 | 100% | 20 | 100% | 22 | 100% | 22 | 100% |
| Total | 1,441 | 100% | 1,261 | 88% | 7,200 | 100% | 6,933 | 96% | 294 | 100% | 288 | 98% | 153 | 100% | 152 | 99% |

Communication and training in anti-corruption policies and procedures | Business partners [\[GRI 205-2\]](#)

| | SOUTH | | | | SOUTHEAST | | | | MIDWEST | | | | NORTHEAST | | | | NORTH | | | |
|-------------|----------------------|------|---------|-----|----------------------|------|---------|-----|----------------------|------|---------|-----|----------------------|------|---------|-----|----------------------|------|---------|-----|
| | Provided with notice | % | Trained | % | Provided with notice | % | Trained | % | Provided with notice | % | Trained | % | Provided with notice | % | Trained | % | Provided with notice | % | Trained | % |
| Franchisees | 408 | 100% | 352 | 86% | 1,204 | 100% | 1,038 | 86% | 151 | 100% | 144 | 95% | 232 | 100% | 206 | 89% | 113 | 100% | 97 | 86% |

Conflict of interest and anti-corruption [GRI 2-15]

As a way to prevent possible situations of conflicts of interest and to promote ethical and responsible conducts with the government and other stakeholders, we have several guidelines and standards that are an integral part of our [Policy of Business and Institutional Relationship with Public Entities](#).

Compliance with this policy is mandatory for all TOTVS employees, managers, and franchised units. We encourage and expect third parties, subcontractors, representatives, consultants, suppliers, and service providers to conduct themselves in accordance with the guidelines of the Policy whenever they engage with the company or act on our behalf.

We also have a [Related-Party Transactions Policy](#), approved by the Board of Directors, which aims to set forth guidelines, rules, and procedures to prevent, manage, and ensure transactions between TOTVS and its related parties. This Policy also aims to govern situations involving any organization belonging to the TOTVS Group in which there may be a potential or actual conflict of interests, ensuring the required transparency with its shareholders and the market in general in the relationships between the Company and its Related Parties.

This policy provides for the strict monitoring of the registration of related parties, as well as the management and control of such information. Annually, the Company conducts a thorough examination involving the directors, key members of the Management and their close relatives to identify links such as participation in other boards, accumulation of positions, terms of office, and equity interests in other companies.

TOTVS also has a Conflict of Interest Standard that details and complements the guidelines of the Code of Ethics and Conduct and the Related-Party Transactions Policy that deals with topics such as Referral and Hiring of TOTVERS or Suppliers and Service Providers, relationship with public agents, political activities, and the participation of key members of our management in External Boards and Committees, among others.

Learn 

To access information regarding transactions with related parties and the respective amounts, please refer to section 11 of the Reference Form.



Anti-corruption initiatives

[GRI 3-3 Ethical and Responsible Governance]

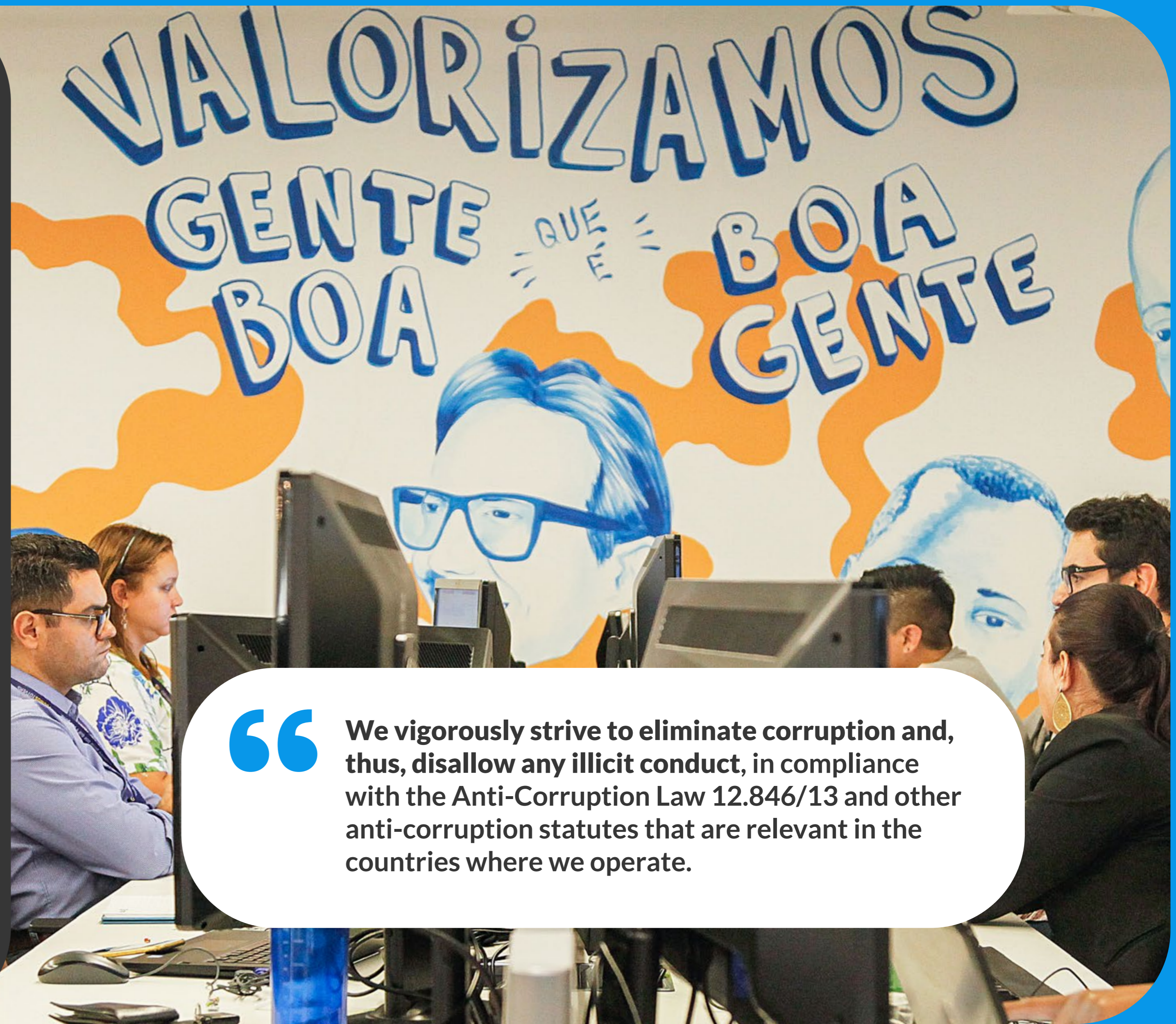
Within the framework of the battle against corruption, we have established a legitimate Anti-Corruption Standard applicable to all TOTVS employees and managers. This standard outlines the guidelines and minimum criteria for preventing corruption and bribery.

This document provides for clear rules on the relationship with public agents and Politically Exposed Persons (PEPs), contributions, donations, and sponsorships, relationship with suppliers and service providers, gifts, presents, and hospitality, accounting books and records, and the express prohibition to facilitation payments.

In 2023, the mapping of risks related to compliance and corruption/fraud in the purchasing process were updated, as well as in the Public Sector area,

regarding TOTVS's participation in bidding processes, in order to identify the major risks to which the Company is exposed in these processes, as well as to map existing mitigation controls and identify any measures to mitigate risks. In addition, in the priority risk matrix approved by the Board of Directors, there is a specific risk factor on fraud and corruption. [GRI 205-1]

We also highlight the **Policy on Contributions, Donations and Sponsorships**, which sets forth the rules and defines the responsibilities and governance required for the process. To ensure compliance with these guidelines, we have established internal controls in the processes for approving expenses and for granting any contributions, donations, and sponsorships. The internal audit area conducts periodic assessments of these controls.



We vigorously strive to eliminate corruption and, thus, disallow any illicit conduct, in compliance with the Anti-Corruption Law 12.846/13 and other anti-corruption statutes that are relevant in the countries where we operate.





Public commitments to eliminate corruption [GRI 2-23]

Through our involvement in organizations with national and international operations, we proudly contribute to a public anti-corruption agenda as signatories. Our goal is to foster the importance of this topic within society, enhance our governance, share experiences, and advance in adopting good practices that ensure a performance always guided by ethics and transparency. We take part in the following initiatives:



Pacto Global
Rede Brasil

UN Global Compact

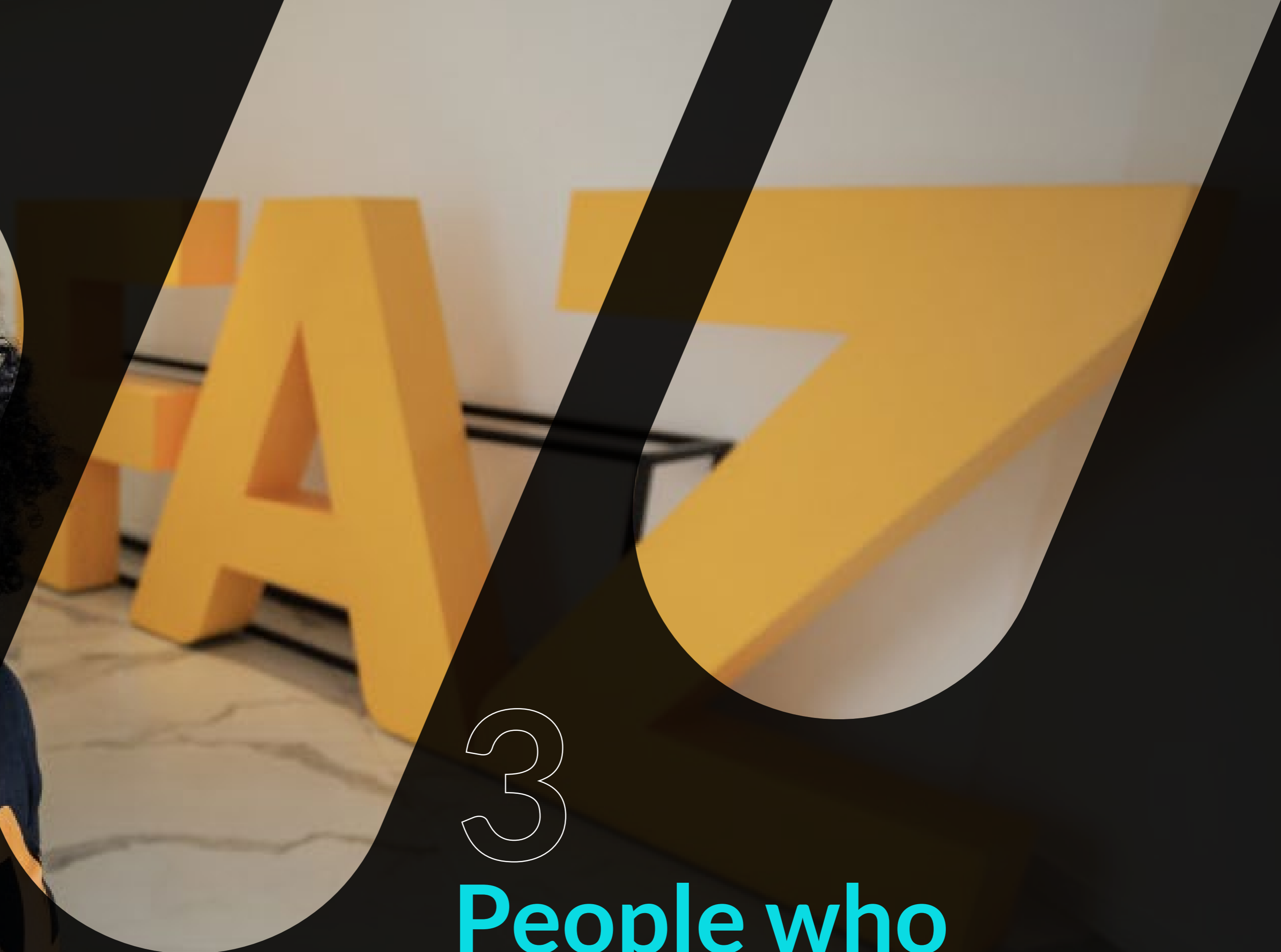
The signatory organizations are committed to aligning their strategies and operations with ten universal principles in the areas of Human Rights, Labor, Environment, and Anti-Corruption.



Ethos Institute's Business Pact for Compliance and Anti-corruption

It seeks to promote more honest and ethical business practices and eradicate bribery and corruption.

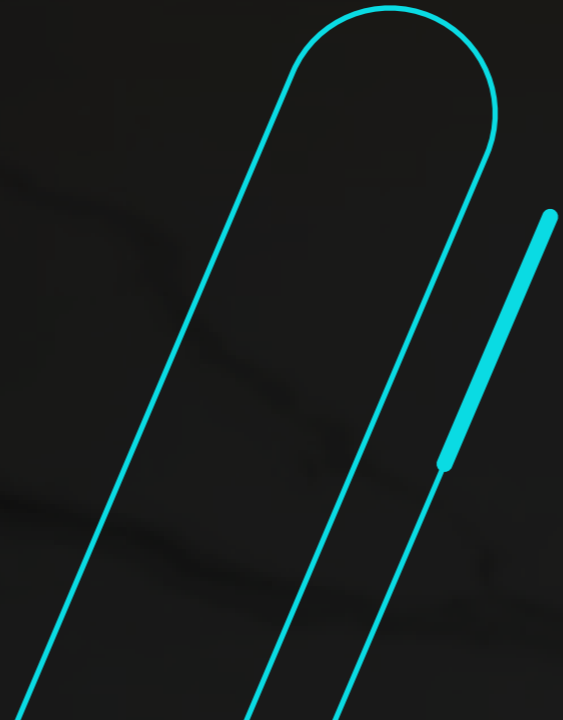




3

People who make a difference

People management / Attraction and retention / Development and training / Diversity and Inclusion / Health, wellness, and safety





People management

Human capital is one of the drivers of TOTVS's growth. Our people management process is structured in 3 guiding principles: Attraction, Development, and Engagement. It aligns with the attributes of our Culture (#SOMOSTOTVERS, i.e., #WEARETOTVERS) and adheres to the meritocracy concept of ARCO (Attitude, Result, and Consequence) in all our actions.

Here at TOTVS, we believe that everyone can grow, and we work together to achieve so. Every day, our commitment is to create a work atmosphere that promotes productivity, ethics, inclusivity, harmony, and trust. We value and respect diversity, encourage innovation and collaboration, and strive to provide, together, the best solutions for our customers' success.

We invest in initiatives that contribute to both professional development and the well-being of TOTVERS. We believe in the importance of valuing our talents and creating opportunities for the progress of all individuals, within a healthy work environment that promotes well-being and is guided by ethical principles and respect for our Code of Ethics and Conduct, as well as our cultural values.

Check out more about our people management process in our Human Relations and Compensation Policy.

Learn more 

#SOMOSTOTVERS Culture

The #WEARETOTVERS culture is a core element for defining, identifying, and positioning the essence of being a TOTVER. It is defined by five drivers that provide us with clarity and serve as a guiding principle for all TOTVERS. They are:

We value good people who have a good character

People who make things happen. Good people who understand that ethics are non-negotiable. Highly motivated, dynamic people. People who take responsibility and deliver what they promise.

We are driven by results

We know that it is results that make the present and future possible. We deliver excellent results at all costs. We seek sustainable growth. Always striving to be better, we are ambitious and creative.

We invest in the technology that makes things possible

Technology is our business. We innovate based on our customers' needs. We are always looking outward and learning. We focus on the technology that drives our customers' business.

We build long-term relationships our clients

Every customer is important to us. We build long-term partnerships. We are accessible to our customers. We care for our customers throughout their journey with TOTVS.

When we collaborate, we get stronger

We are inquisitive and learn and learn from each other. We build trusting relationships. We are happy to help others and to ask for help. We encourage diversity in people, thought, and opinion.

“ Our journey of commitment and appreciation of our employees in promoting a welcoming and unique workplace has been acknowledged with our placement as the 45th Best Company to Work for in Brazil, as determined by the Great Place to Work (GPTW) rankings.



Internal audience

[GRI 2-7]

Our team consists of professionals of diverse genders who are deeply passionate about coding, technology, sales, and business development. Being a TOTVER entails embodying the qualities of restlessness, curiosity, and nonconformity, with an incessant pursuit of self-improvement. We believe in a Brazil that GETS THINGS DONE; therefore, we value committed people who seek results but who are open to asking for help and are not afraid of making mistakes. We value our legacy and that of our clients and customers, and work collaboratively thinking how the power of technology can drive innovation. TOTVS is made by people and for people.

Total number of employees per country or region¹
[GRI 2-7]

| Place | 2021 | 2022 | 2023 |
|-----------------------|-------|-------|--------|
| Brazil | 8,745 | 9,916 | 11,342 |
| Other latin countries | 265 | 278 | 302 |
| USA | 7 | 5 | 5 |
| Europe | 4 | 9 | - |

¹ Statutory personnel, trainees, apprentices, and directors were not considered.



Total employees by gender and type of work^{1,2,3}

| | 2021 | | | 2022 | | | 2023 | | |
|--------------------------|-------|-------|-------|-------|-------|--------|-------|-------|--------|
| | Men | Women | Total | Men | Women | Total | Men | Women | Total |
| For an indefinite period | 5,771 | 3,250 | 9,021 | 6,416 | 3,792 | 10,208 | 7,159 | 4,490 | 11,649 |

¹ All acquired companies in 2023 were considered, except those where the acquisition began in 2023 and was completed in 2024.
² Statutory personnel, trainees, apprentices, and directors were not considered.
³ TOTVS does not have fixed-term contracts.



We are more than **11.6 thousand** TOTVERS, RDoers, Techfiners, and Dimensers



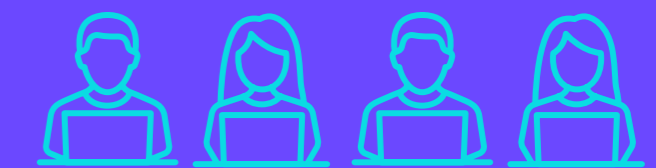
In a global, plural, and diverse company: our human capital comprises professionals from **16 different nationalities** [SASB TC-SI-330a.1]



We belong to **generation Y** (63%), **generation X** (21%), **generation Z** (15%) and **baby boomers** (1%)



More than 30% of our professionals carry out research and development activities



Women make up **39%** of our workforce, and non-white people account for **29%**





Number of employees by gender and type of job^{1,2} [GRI 2-7]

| | 2021 | | | 2022 | | | 2023 | | |
|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|
| | Men | Women | Total | Men | Women | Total | Men | Women | Total |
| Full time | 5,757 | 3,235 | 8,992 | 6,404 | 3,777 | 10,181 | 7,149 | 4,474 | 11,623 |
| Part-time | 14 | 15 | 29 | 12 | 15 | 27 | 10 | 16 | 26 |
| Total | 5,771 | 3,250 | 9,021 | 6,416 | 3,792 | 10,208 | 7,159 | 4,490 | 11,649 |

¹ All acquired companies in 2023 were considered, except those where the acquisition began in 2023 and was completed in 2024.
² Statutory personnel, trainees, apprentices, and directors were not considered.





Number of employees, by gender and region^{1,2} [GRI 2-7]

| | 2021 | 2022 | 2023 | | |
|-------------------------|--------------|---------------|---------------|--------------|----------------|
| | RR* | RR* | Men | Women | RR* |
| South Region | 25.22% | 24.55% | 1,899 | 1,465 | 28.88% |
| Southeast Region | 66.27% | 67.01% | 4,614 | 2,686 | 62.67% |
| Midwest Region | 3.76% | 3.16% | 230 | 102 | 2.85% |
| Northeast Region | 1.56% | 2.41% | 221 | 125 | 2.97% |
| North Region | 0.13% | 0.01% | 0 | 0 | - |
| International market | 3.06% | 2.86% | 195 | 112 | 2.64% |
| Total per gender | 100% | 100% | 7,159 | 4,490 | 100.00% |
| Total employees | 9,021 | 10,208 | 11,649 | | |

¹ All acquired companies in 2023 were considered, except those where the acquisition began in 2023 and was completed in 2024.

² Statutory personnel, trainees, apprentices, and directors were not considered.

*RR = Representativeness per region.

Number of third-party employees by gender and region^{1,2} [GRI 2-8]

| 2023 | | |
|----------------------------------|------------|-------|
| | Men | Women |
| By region | | |
| South Region | 20 | 45 |
| Southeast Region | 98 | 71 |
| Midwest Region | 4 | 2 |
| Northeast Region | 1 | 2 |
| North Region | 0 | 0 |
| By gender | | |
| Total per gender | 123 | 120 |
| By activity performed | | |
| Security, cleaning and reception | 65 | 107 |
| Other activities | 58 | 13 |
| Total | 243 | |

Moreover, we have 243 outsourced professionals who handle complementary tasks for our operations, such as security and cleaning. [GRI 2-8]

¹ Considers TOTVS S.A. and RD Station. Does not include the International Market.

² Data indicates workers with a fixed workload of 8 hours a day, occasional services were disregarded.



Attraction and retention

[GRI 3-3 Attraction, retention, and development of people]

We continue to intensify our work to strengthen the employer brand, magnifying our ability to attract and retain the best talent in the technology industry sector, which is one of the most competitive in the economy and intensive in highly specialized and high value-added labor.

We carry out several relationship initiatives with the labor market, internal and external recruitment processes, as well as attraction projects focused on specific audiences, respecting and valuing diversity and inclusion within the Company. To accomplish that, we launched the Talent Bank known as #ELASNATOTVS, which is aimed at people who identify themselves with the female gender, encouraging this audience to enter the TECH market. We also created the #INCLUSÃONATOTVS, an inclusive talent bank aimed at people with disabilities.

Learn more about our initiatives aimed at these audiences in the Diversity and Inclusion section. We have also been encouraging internal recruitment, providing TOTVERS with opportunities for continuous development and internal mobility (in 2023, we offered 182 internal recruitment jobs, representing 8% of the total available jobs exclusively for internal candidates).

We would like to highlight that LinkedIn serves as one of our primary platforms for introducing TOTVERS and its role within our organization. Additionally, we are actively engaging with universities to focus on aspiring young talents seeking opportunities in the realms of technology and innovation. Our YouTube channel regularly hosts the Career Live event called "What it's like to work at TOTVS." Additionally, we have the "Humans of TOTVS" series and various initiatives and dedicated spaces for professionals to gain insight into our daily operations and the individuals involved.

- **Inclusive recruitment:** TOTVS upholds inclusive recruitment practices, refraining from any form of discrimination based on factors such as race, culture, age, religion, gender, sexual orientation, or any other characteristic. Our selection policy mandates that women make up 50% of the applicants in the final stage of our selection processes.
- **Talent bank:** we have about 1.2 million résumés registered on our LinkedIn and VAGAS.COM platforms.
- **Talent retention:** 98.2% of talent retention in 2023.
- **Engagement:** with an average company time of 5.7, there has been a notable 10% increase compared to the previous year, indicating higher performance than big tech companies.
- **Dismissals:** 43% reduction in voluntary resignations vs. 2022.
- **Hiring:** 41% of hires were women (+10% vs. 2020), and 7% of people with disabilities (a rate ~300% higher vs. 2020).
- **Ownership:** 442 TOTVERS included in the ILP Program in 2023.
- **Employer Brand Reputation:** 4.3/5 Glassdoor rating.



Turnover

New employee hires and employee turnover

Turnover and hiring, per region^{1,2} [GRI 401-1]

| Region | 2021 | 2022 | 2023 | |
|----------------------|---------------|---------------|---------------|-----------|
| | Turnover rate | Turnover rate | Turnover rate | New hires |
| South Region | 7.52% | 5.10% | 19.90% | 848 |
| Southeast Region | 17.29% | 14.86% | 19.98% | 1,725 |
| Midwest Region | 0.75% | 0.54% | 12.35% | 48 |
| Northeast Region | 0.45% | 0.82% | 43.93% | 210 |
| North Region | 0.08% | 0.02% | - | 0 |
| International market | 0.74% | 0.62% | 19.71% | 68 |

1 Does not consider USA.
2 Statutory personnel, trainees, apprentices, and directors were not considered.

Turnover and hiring by age group^{1,2} [GRI 401-1]

| Age group | 2021 | 2022 | 2023 | |
|-----------------------------|---------------|---------------|---------------|-----------|
| | Turnover rate | Turnover rate | Turnover rate | New hires |
| Under 30 years of age | 10.79% | 8.71% | 31.44% | 1,361 |
| Between 31 and 50 years old | 15.11% | 12.65% | 15.97% | 1,375 |
| Over 50 years of age | 0.93% | 0.74% | 12.68% | 95 |

1 Does not consider USA.
2 Statutory personnel, trainees, apprentices, and directors were not considered.

Turnover and hiring, by gender^{1,2} [GRI 401-1]

| Gender | 2021 | 2022 | 2023 | |
|--------|---------------|---------------|---------------|-----------|
| | Turnover rate | Turnover rate | Turnover rate | New hires |
| Men | 17.69% | 13.30% | 18.74% | 1,583 |
| Women | 9.15% | 8.80% | 21.87% | 1,248 |
| Total | 26.84% | 22.10% | 19.95% | 2,831 |

1 Does not consider USA.
2 Statutory personnel, trainees, apprentices, and directors were not considered.

Engagement survey [SASB TC-SI-330a.2]

Since 2019, we have conducted the "*Fala, Gente Boa!*" (Speak Up, good people) survey, which seeks to understand the level of satisfaction and engagement of TOTVERS on topics such as compensation, hybrid work, benefits, leadership, diversity, and culture.

We perform quantitative and qualitative analysis, with affirmative and multiple-choice questions, besides measuring the eNPS (Employee Net Promoter Score), a method that allows companies to measure the level of loyalty of their employees) and the NPS (Net Promoter Score).

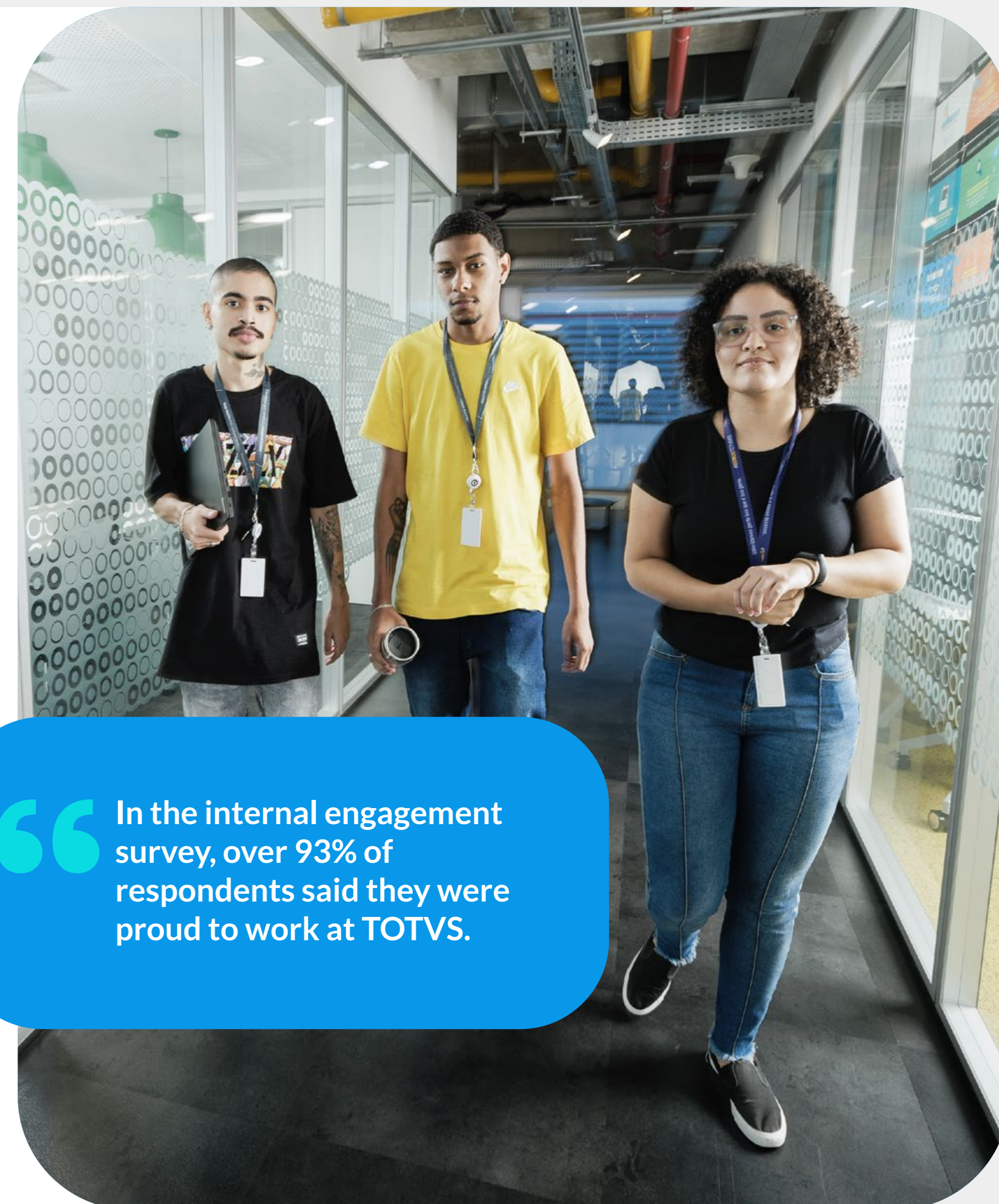
In the year 2023, the survey garnered participation from over 7,500 individuals, accounting for **86%** of our internal audience, all of whom provided valuable insights. Check out below the major highlights:

- More than **93%** of respondents said they were proud to work at TOTVS;

- The **e-NPS** for our workplace reached **74 points**, reinforcing our uplifting, healthy, and pleasant work atmosphere. Meanwhile, the eNPS for Products and Services scored 69 points.
- More than **84%** of our TOTVERS say they are aligned with the company's purpose and over **86%** also identify with the **#SOMOSTOTVERS** culture, besides believing that leadership is aligned with our drivers (**+ 90%**);
- When it comes to job satisfaction, over **89%** see clarity in their deliveries, **94%** consider that their activities are relevant, and **85%** consider that they have autonomy to make decisions in their routine;

- Our work environment focused on development and collaboration has had a positive impact, as over **95%** of TOTVERS Integrated Report making daily progress, and **92%** believe that there is effective collaboration between the different areas;
- Another positive point is that over **90%** of TOTVERS believe they work in a safe work environment, in which people are not treated differently because of their gender identity, race/ethnicity, religion, physical condition, disability or sexual orientation, and over **90%** feel respected, in a work atmosphere with equality and equity.

Through the analysis of results, we create action plans and customized initiatives for each area of the company, which are identified with the seal known as "Fala, Gente Boa!" (Speak Up, Good People). These actions play a crucial role in TOTVS' endeavor to build a more favorable work environment.



“ In the internal engagement survey, over 93% of respondents said they were proud to work at TOTVS. ”

Engagement actions

[SASB TC-SI-330a2]

TOTVS hosted a series of events throughout 2023 to strengthen engagement and culture within the company:

- **Carnival:** the year began with a Carnival celebration on February 14th, encompassing a costume contest and a multitude of festive activities.
- **Button Soccer:** we held the 3rd Button Soccer Cup in March, involving all branches in Brazil, followed by the National Cup in September at the headquarters in Sao Paulo.
- **Mother's Day:** personalized cards were distributed, besides a photo initiative showcasing mothers and children, highlighting the importance of mothers in the company.
- **Towel Day:** to celebrate the geek universe, this event comprised contests, cosplayers, nerdy product fairs and activities inspired by CCXP.
- **Women's World Cup:** a prediction competition was organized for this event, with participants allowed to wear their national soccer team shirts as per the dress code. Additionally, the matches were broadcast on internal televisions for everyone's convenience.
- **Festa Junina (Brazilian June Folk Festivities):** the organization arranged a charity bazaar at its headquarters and branches, recognizing that these celebrations are some of the most captivating occasions of the year.
- **Father's Day:** an online lecture was conducted featuring psychologist João Audi, focusing on the different styles of fatherhood and the ongoing challenges they face. This led to TOTVERS who are fathers sharing their experiences on social media.
- **Children's Day:** approximately 1,000 children were brought together at both the headquarters and branches, engaging in diverse activities. Moreover, over 2,000 toys were donated to NGOs dedicated to supporting socially vulnerable children.



Compensation [GRI 2-19]

We firmly believe in the importance of offering fair and competitive compensation as a means to demonstrate our appreciation for our employees, recognize their performance, and successfully attract, engage, and retain talented individuals amid market competition. Our model is in line with best practices and offers: fixed compensation, short- and long-term variable compensation, and benefits that guarantee the health and well-being of TOTVERS.

Our compensation strategy is formulated by analyzing salary surveys and specialized studies that take into account the seniority and skill levels of each career stage. Additionally, we seek the counsel of independent consultants with expertise both in Brazil and internationally. Compensation composition is structured to align with meritocratic ideals and labor laws, with the aim of fostering competitiveness and promoting the adoption of best market practices.

¹ To calculate these numbers, the following data were considered: fixed compensation, variable compensation from sales, short-term incentives received in 2023, and long-term incentives accrued in 2023. The provided benefits are not being considered. The median is taken into account when determining values for all employees.

In the case of the Executive Board of Officers and other eligible career levels, the global compensation is proposed by the Management itself and approved annually at the General Meeting of Shareholders. The variable compensation portion is pegged to the Company's financial and operating results, besides the fulfillment of corporate and individual targets that we have established. Learn further details in section 8 of our Reference Form.

Additionally, we implemented the Long-Term Incentive (LTI, or LTIP) plan, to award eligible individuals with Company shares, thereby elevating them to partners with the purpose of reinforcing their long-term commitment to TOTVS and the business' sustainability. This program, which was updated in 2022 to make progress in meeting the different goals of the eligible public, also assesses the performance related to employee retention, following the 9Box methodology, which is carried out with all TOTVERS annually.

In 2023, the ratio of the annual total compensation of the highest paid individual in the organization to the average annual total compensation of all employees (excluding the highest paid) was 167.88. The percentage increase in the annual total compensation of the highest paid individual in the organization

was 41.29%, while the average percentage increase in the annual total compensation of all employees (excluding the highest paid) was 9.47%¹. [GRI 2-21]

Compensation per gender [GRI 202-1]

In 2023, the difference between the lowest salary paid by the Company compared with the local minimum wage was 22.35% higher for men and 13.07% higher for women, that is, R\$1,615.04 and R\$1,492.50, respectively. For the purpose of that calculation, we employed the amount of R\$1,320.00 as the minimum wage in Brazil for the year 2023. It should be noted that certain states within our operational scope have established regional minimum wage amounts. The lowest salary paid by the company considers all employees, except trainees and apprentices.

Throughout 2023, TOTVS deepened its studies on gender pay equity considering other variables, such as age, area, time in the position, and job levels. It has been discovered that the salary disparity is not limited to females alone, and age appears to have the strongest correlation with salary.

Intensified initiatives are currently underway to identify gender pay gaps, which will then inform the creation of action plans to address any disparities that are mapped.

Ratio of women's basic salary to men's, by job category (%) ^{2,3,4} [GRI 405-2]

| Job category | 2022 | 2023 |
|--------------------------------|------|------|
| Directors | -3% | 1% |
| Executive Managers | -5% | -2% |
| Managers | -7% | -7% |
| Coordinators and Specialist II | -10% | -8% |
| Leader and Specialist I | -11% | -10% |
| Analysts III | -6% | -6% |
| Analysts II | -7% | -5% |
| Analysts I | -6% | -5% |
| Technicians and Assistants | -12% | -12% |

² Statutory personnel, trainees, apprentices, and directors were not considered.

³ TOTVS, RD Station and Exact Sales employees were considered.

⁴ Employees in the international market were not considered. The way this indicator is calculated doesn't take into account the different areas and specificities of the business. For example, it compares the salaries of people in the technology area with the corporate area. As a result, there are significant differences in salary between genders at certain job levels, such as analyst.



Benefits

[GRI 401-2]

Our company provides benefits that have the potential to greatly improve the overall well-being of our employees. These benefits follow market practices and our attraction and retention strategies. In 2023, the following benefits were made available¹:

- Health plan ★
- Dental plan ★★
- Maternity leave ★★★
- Meal vouchers
- Reset day
- Transportation voucher
- Life Insurance
- Private pension plan

- ★ Health plan, including outpatient, hospital, and obstetric care, available to all TOTVERS and their legal dependents.
- ★★ Dental plan, available to TOTVERS and direct dependents.
- ★★★ 180-day maternity leave, and 40-day paternity leave, which are periods longer than those required by law.

¹ The benefits offered to TOTVERS and/or dependents do not include RJ Consultores, RD Station, Feedz, and franchises.

In 2023, we held the 2nd edition of TOTVS's Benefits and Labor and Union Relations Day, with the purpose of educating, creating awareness, and providing guidance to TOTVERS about the available benefits and the implications of current legislation. The event witnessed a participation of over 11,000 TOTVERS.



“TOTVS offers its employees the **EAP Assistance to TOTVER**, a comprehensive support program available 24/7. This program provides TOTVERS and their family members with free assistance in navigating personal and professional challenges, including psychological and legal support.



Union relations and collective agreements [GRI 2-30]

In compliance with the requirements of the Brazilian labor legislation, 100% of the TOTVERS are covered by collective agreements or conventions, negotiated with 12 different unions, according to the end activity of each location.

Our Labor Relations area actively takes part in negotiating roundtables with the major employers' associations, which represent 93% of our workforce and conducts negotiations directly with the unions through Collective Bargaining Agreements with the ultimate goal of meeting the company's and employees' needs.

In the year 2023, we conducted negotiations directly with the

unions, resulting in a value increase of the meal voucher at TOTVS units located in Joinville (SC), TOTVS CRM Cascavel city, and TOTVS Maringá (PR). Furthermore, this resulted in a diminished burden on the employee in terms of their dependents' Health Plan expenses, thereby facilitating enhanced accessibility to Private Health Care.

In addition, we highlight the Workday Control Project, which made a diagnosis to identify whether or not TOTVS was in compliance with labor legislation (Collective Agreement and Brazilian Labor Laws, aka CLT). As a result, we have confirmed that our practices are in full compliance with the prescribed legal requirements. Moreover, we conducted a mapping and identification process to determine if intervals for meals and rest were appropriately recorded, while also assessing the extent to which established practices aligned with both legislation and employee needs.



Development and training

[GRI 3-3 Attraction, retention, and development of talent]

Each TOTVER's development journey is given a unique and personalized perspective. Our career mapping provides a clear understanding of one's current position and the necessary skills to achieve their career goals.

Our Performance Cycle is constantly improved to provide an accurate assessment of talent identification and development opportunities, ensuring that each employee performs at their best and contributing to the consistent growth of the company through the achievement of individual and collective targets. Furthermore, we have implemented a succession map, a valuable management tool that supports the long-term sustainability of the organization by nurturing its employees. As a 3D organization, we can also expand the variables for career evolution in our ecosystem, giving the opportunity for TOTVERS to expand their horizons of growth and connection with different areas.

The dynamics are valid for the entire company, including the teams of the acquired companies. We acknowledge the significance and complexity

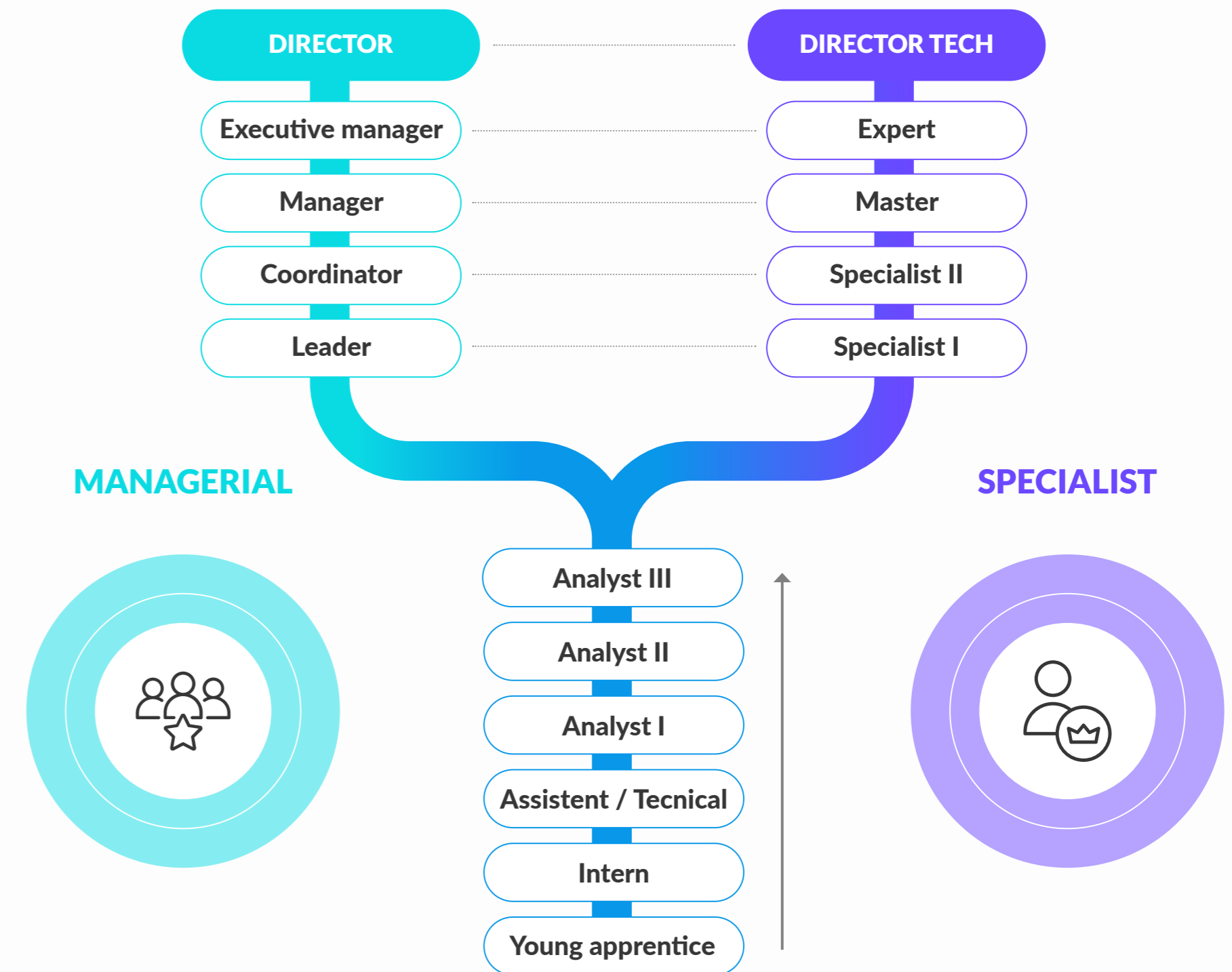
of integrating cultures, yet we have implemented well-defined processes that duly recognize the distinct characteristics of each culture.

Career Tracks

Through the process of career mapping, we provide an overview of the job positions available in each department at TOTVS, including detailed information on job descriptions, mission, responsibilities, and prerequisites. The specific competencies for each business area and the level of competence maturity expected for each position (proficiency ruler) are also presented.

Our approach to careers considers a leverage in 'Y', which means that there are basic positions (Apprentice, Intern, Assistant/Technician, Analyst I, Analyst II, and Analyst III), which unfold in people management (Leader, Coordinator, Manager, Executive Manager, and Executive Officer) and in specialists (Specialist I, Specialist II, Master Specialist, Expert Specialist, and Tech Officer).

With this model, we make career levels in people management and specialist-equivalent in pay range and level of responsibility, while promoting TOTVERS' greater opportunities for mobility and career development.



Succession program

Every year, we engage in succession (and contingency) mapping for leadership positions (specifically for roles at the managerial level and above) as a result of the Performance Cycle process. As part of this process, it is also necessary to map out key positions beforehand, which enables assessing the prioritization of identifying and developing potential successors.

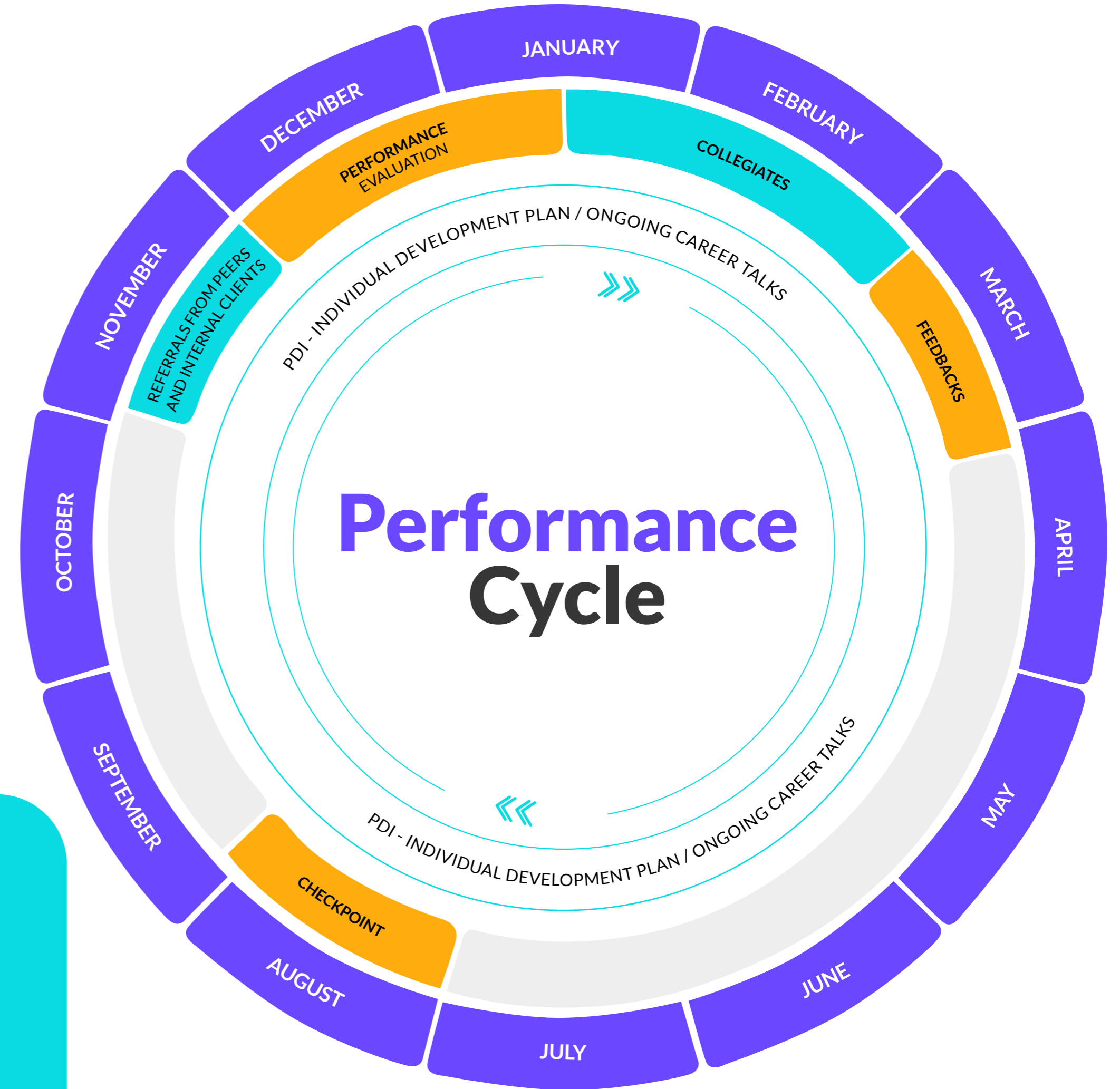
During 2023, we made substantial progress in mapping positions, with a remarkable 170% increase, including the mapping of Managers' career levels. The mapping of executive positions reached 89% coverage of positions with successors and 95% with a contingency plan. For managerial positions, we identified coverage in 95% of positions with mapped successors.

Performance evaluation

TOTVS's Performance Cycle comprises five stages: referral of peers and internal clients, performance evaluation, team assessment, feedback, results provided, individual development plan, and checkpoint. TOTVERS of all career levels are eligible for this process. We use the 90° evaluation method for career levels up to Analyst II, the 270° dynamics for analysts III and specialists, and the 360° evaluation model for leadership positions.



Through a corporate evaluation, our company's cycle fosters meritocracy by assessing employees based on the expected behaviors within the organization. Our goal is to evaluate, reward, and celebrate distinguished deliveries that are in line with our #SOMOSTOTVERS (#WEARETOTVERS) culture, aiming at an increasingly transparent environment of unbiased recognition, with no favoritism. In addition, we encourage continuous and spontaneous feedback, which can be documented on our online platform by TOTVERS, as a way to acknowledge the exceptional efforts of clients, customers, and internal partners every day.



Progress of our performance cycle

In 2023, as part of the evolving organizational culture *#SOMOSTOTVERS*, the Performance Evaluation form was improved. It now incorporates the expected behaviors of TOTVS's cultural drivers, which are described in different levels of complexity depending on the position.



WE BELIEVE THAT EVERYONE CAN

GROW

AND WE WORK TOGETHER TO MAKE THAT HAPPEN



We value **good professionals** who are **good people**



We are driven by **results**



We invest in **technology** that **makes it possible**

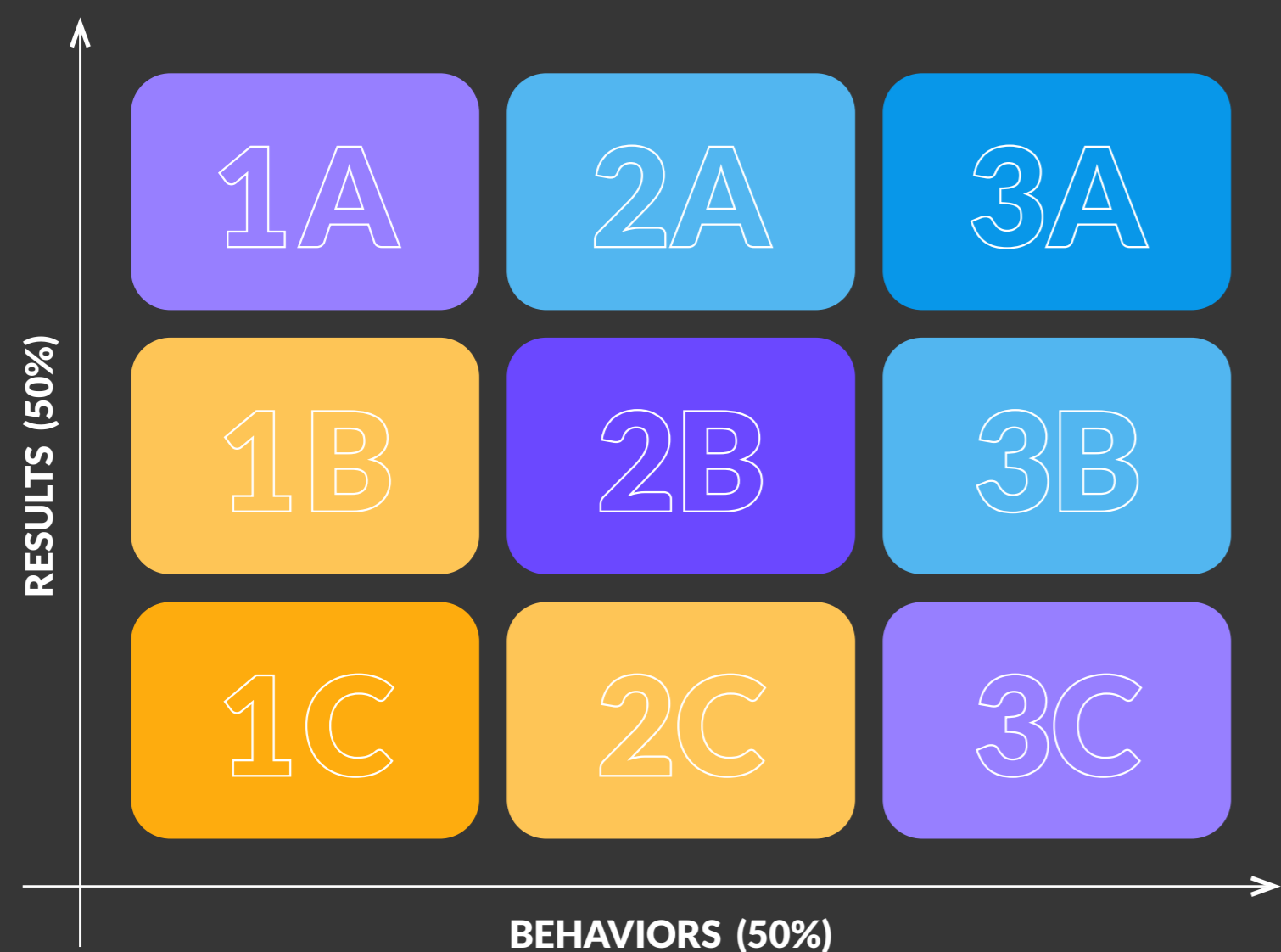


We build **long-term relationships** with our clients



When we collaborate we become **stronger**

Additionally, we have made improvements to the Nine Box Matrix, also known as the 9-Box method. This approach involves evaluating and categorizing the TOTVER by intersecting the Y-axis of results with the X-axis of behaviors, allowing for better classification and positioning within the matrix. We consider **WHAT** was delivered with the same weight **AS HOW** the deliveries were made, as our way of acting is as relevant as the results we provide.



The Potential Assessment, which includes elementary, moderate, and high levels, was specifically targeted at managers and higher-level individuals. This assessment serves as a crucial tool in confirming talent that can take on key roles in the future, serving as a valuable input for our Succession stage.

Our meritocracy actions are developed based on the results achieved. Among the initiatives we implement are: participation in recognition programs, salary actions, promotions, follow-up, and support for performance recovery, as well as exit strategy.

In 2023, 88% of employees² were assessed, which corresponds to 90% of men and 85% of women. [GRI 404-3]

“ Opportunities and Development: as a reflection of our meritocracy cycle, we carried out 2,468 transactions (merit, promotion, or career planning). ”

Percentage of total employees who had performance and career development assessed (%) ^{1,2,3}
[GRI 404-3]

| | 2021 | | 2022 | | 2023 | |
|---------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Men | Women | Men | Women | Men | Women |
| Total employees | 5,556 | 2,998 | 5,912 | 3,216 | 5,992 | 3,608 |
| Number of employees who underwent performance and career development assessment | 5,137 | 2,714 | 5,238 | 2,848 | 5,364 | 3,060 |
| % per gender | 92% | 91% | 89% | 89% | 90% | 85% |
| % leadership positions | 92% | 88% | 87% | 84% | 87% | 81% |
| % other positions | 93% | 91% | 89% | 89% | 90% | 85% |
| Total | 92% | | 89% | | 88% | |

¹ The units considered include those located in Brazil, Argentina, Colombia, Mexico, Chile, and the United States.

² The units not considered are the ones of Dimensa, Lexos, RD Station and TOTVS IP.

³ For the job category "leadership positions", the following career levels are considered : leaders, coordinators, managers, executive managers, officers, vice president, and president. For "other positions", the following career levels are considered: apprentices, interns, assistants, technicians, analysts, and specialists.



Training and qualification

TOTVS University

The foundation of our training and organizational development efforts is to empower each TOTVER to achieve their maximum potential. Together, we establish the best paths for the development of skills and competencies, whether they are technical or behavioral. With a commitment to building a diverse and inclusive work environment, we also plan actions focused on the inclusion and training of new talents.

In July 2023, we implemented a new Learning Experience and Management Platform (LXP) with the purpose of improving the learning journey of our TOTVERS. We view this change, particularly the new educational trends centered around autonomous and self-directed learning, as nano, micro, and social learning. The latter is defined by an exclusive social network that facilitates the sharing of information and the exchange of learning materials. In addition, this new platform aims to meet the engagement and gamification strategies that support the network learning model at TOTVS.

Amounts invested in training and education (R\$ thousand) ^{1,2} [GRI 404-2]

| | 2021 | 2022 | 2023 |
|-----------------------------------|----------|-----------------------|----------|
| Training sessions ³ | R\$3,357 | R\$3,185 | R\$3,870 |
| Scholarships awarded ⁴ | R\$184 | R\$14.80 ⁵ | R\$11.20 |

1 All TOTVERS from own units, acquired and international units (which were already on the staff until December 2020, 2021, and 2022) were considered.
 2 Scholarships for undergraduate courses, language, immersion, postgraduate courses, MBA, master's degree and Ph.D. degree are considered.
 3 It includes the "gamification" for users, who produce content for the TOTVS Networked University.
 4 Amount invested in training.
 5 Value revised in relation to what was disclosed in the 2022 Integrated Report. [GRI 2-4]



Average training hours per year, per employee, and by gender ^{1,2,3} [GRI 404-1]

| | 2021 | | 2022 | | 2023 | |
|----------------|---------|--------------------|---------|--------------------|---------|--------------------|
| | Hours | Hours per employee | Hours | Hours per employee | Hours | Hours per employee |
| General | 229,378 | 21.90 | 336,510 | 31.70 | 239,386 | 24.00 |
| Men | 155,475 | 22.50 | 206,623 | 30.20 | 139,699 | 23.00 |
| Women | 73,903 | 20.70 | 129,887 | 34.30 | 99,717 | 27.00 |

1 Units considered include Brazil, Mexico, USA, Argentina, and Colombia.

2 Units not considered include RD Station, Chile and United States.

3 The 2021 data for this indicator has been restated. [GRI 2-4]



Average training hours per year, per employee, and by job category ^{1,2} [GRI 404-1]

| Functional Category | 2021 | | 2022 | | 2023 | |
|----------------------------------------|---------|--------------------|---------|--------------------|---------|--------------------|
| | Hours | Hours per employee | Hours | Hours per employee | Hours | Hours per employee |
| Executive Officers and Managers | 680 | 3.70 | 1,189 | 8.80 | 6,040 | 35 |
| Men | 519 | 3.65 | 960 | 9.50 | 4,257 | 34 |
| Women | 161 | 3.83 | 228 | 6.70 | 1,784 | 37 |
| Managers | 3,391 | 10.03 | 3,803 | 12.00 | 9,162 | 25 |
| Men | 2,223 | 9.58 | 2,534 | 11.60 | 6,059 | 25 |
| Women | 1,168 | 11.02 | 1,269 | 12.90 | 3,103 | 26 |
| Coordinators | 11,593 | 14.90 | 10,895 | 18.10 | 12,493 | 19 |
| Men | 7,136 | 15.51 | 7,289 | 19.50 | 7,278 | 18 |
| Women | 4,457 | 14.02 | 3,605 | 15.70 | 5,215 | 21 |
| Experts | 20,938 | 14.60 | 27,619 | 17.20 | 27,047 | 15 |
| Men | 16,547 | 14.93 | 20,287 | 17.60 | 18,309 | 14 |
| Women | 4,391 | 13.47 | 7,331 | 16.10 | 8,737 | 17 |
| Analysts | 146,125 | 23.03 | 210,423 | 32.70 | 140,400 | 25 |
| Men | 99,882 | 23.76 | 136,159 | 32.50 | 84,846 | 24 |
| Women | 46,243 | 21.61 | 74,264 | 33.10 | 55,554 | 26 |
| Technicians and Assistants | 30,889 | 29.76 | 71,018 | 57.20 | 33,954 | 35 |
| Men | 17,939 | 32.86 | 32,369 | 50.30 | 14,275 | 30 |
| Women | 12,95 | 26.32 | 38,649 | 64.50 | 19,679 | 40 |
| Apprentices and interns | 15,756 | 44.26 | 11,56 | 37.80 | 10,290 | 39 |
| Men | 11,226 | 52.95 | 7,022 | 39.00 | 4,645 | 37 |
| Women | 4,53 | 31.46 | 4,538 | 36.00 | 5,645 | 42 |

1 Units considered include Brazil, Mexico, USA, Argentina, and Colombia.

2 Units not considered include RD Station, Chile and United States.

Network-based knowledge management

'Educar para Crescer' (Educate to Grow) is the purpose of TOTVS University, which believes in a networked and continuous education as one of the keys to the development of TOTVERS and knowledge management.

To this end, in 2020, we created the TOTVS University ("Universidade TOTVS"), a project that disseminates knowledge on a collaborative and gamified educational platform, known as UNIT.

Within it, our TOTVERS function as both producers and distributors of knowledge, utilizing their expertise to generate content. Our collaborative educational platform ended 2023 with 2,568 published subjects and 30,985 educational objects. These contents generated 250,388 accesses and a volume of 161,039 hours of training—exclusive in distance learning consumption.

The learning tracks are built with a focus on TOTVERS' careers. They are divided into Institutional Content, Job Tracks (for a given position), and Essential Tracks (which consider competencies specific to an area).

The Networked University model allows us to measure the volume of content shared and learned, based on indicators that value who teaches and who learns in a ranking shown within the platform.

In 2023, we accounted for:

239,386 hours of learning, with an impact on

9,873 trained TOTVERS, reaching the average of 24 hours per person with an average NPS of 92.

In addition to our networked education initiative, 2023 included an agenda of training to meet business and organizational demands. With a team of educational coaches, who worked with the consultative development of solutions, the following initiatives are worth highlighting:

Sales Academy

The learning HUB to train TOTVS's Sales Force aims to speed up the total capacity of TOTVERS in their roles and leverage talent to expand the succession pipeline. We focus on the development of core skills for every position and the strengthening a customer-centric culture.

Impact in 2023:

- 886 trained TOTVERS
- Over 11,053 hours
- Average NPS of 92

Acceleration of HCT (TOTVS Approval and Certification)

In order to confirm the efficiency of learning, HCT supports the management of knowledge and development of TOTVERS through professional Certifications that validate knowledge about TOTVS's systems, applications, and methodologies—MIT Digital.

Impact in 2023:

- 38 certifications developed
- 1,215 registrations and 621 TOTVERS certified

Mandatory Tracks

Every year we review the mandatory subjects, evaluating potential content that is relevant and priority for TOTVS's strategy or the educational evolution of our TOTVERS. This year we included in the pool of mandatory topics the Diversity and Inclusion Literacy course, which complements the list that has, among others, tracks focused on LGPD (General Data Protection Law), TOTVS's Code of Ethics and Conduct, and Cybersecurity.

This subject is a key component of TOTVS's strategy to improve understanding and behaviors aligned with the TOTVS culture. It also aims to raise awareness among TOTVERS about diversity and inclusion, fostering an inclusive environment that is free from discrimination and emphasizing the importance of respecting individuality as a core human value.

Impact in 2023:

- 85% of TOTVERS have completed their mandatory tracks
- 1,215 registrations and 621 TOTVERS certified

Amplifying the impact on society

We invest in training for work with the structuring of the "Unidos" (United) pillar, which aims to develop new educational opportunities for society, employability, and development of a career pipeline for TOTVS with the strengthening of the following entry programs:

Internship Program

Through this program, trainees are given the opportunity to enhance their skills in various areas, including both soft and hard skills, while also receiving follow-up and support from experienced managers and employees. The new professionals are welcomed with an immersion of TOTVS's culture and values, as well as a technical immersion that aims to train them with the major methodologies and technologies for practical performance.

In 2023:

- 113 interns admitted, and a 56% rate of them becoming employees
- 7,418 hours of training
- NPS of 96
- Recognition as the best company to do an internship in Brazil according to the Best Internship Experiences study
- We were awarded the "Empresa Amiga do Estagiário" Seal (Trainee-Friendly Company)



Young Apprentice Program

A development program aimed at young apprentices and working on the following topics: creativity and innovation, planning and organization at work, and diversity and inclusion. We work for the training of tutors and managers, promoting an environment for the development, feedback, and follow-up of young people during the program.

In 2023:

- 64 trainees admitted, and a 57% rate of them becoming employees
- 2,872 hours of training supplementary to the training provided by the educational organization
- NPS of 93

The devUP program provides assistance to young individuals facing social vulnerability

In 2023, TOTVS launched the devUP Program, an initiative that contributes to the training, employability, and inclusion of young talents in the technology market. Over the period, this initiative benefited 10 young students with the cost of the first year of college to become eligible for the Company's 2023 Internship Program. Besides higher education, training in behavioral and technical content was promoted, in partnership with the Institute for Social Opportunity (IOS) and Alura.

In addition to the formal graduate program, devUP participants, as interns, are also provided with the development actions comprised in the Internship Program. As a final step in this journey, new employees are invited to present an improvement project for their area of expertise, putting into practice all the topics learned during the program.

Start Tech

Since 2022, TOTVS University, in partnership with the Social Opportunity Institute, has been carrying out the Start Tech program, with the purpose of accelerating the career of people facing social vulnerability, already trained in IOS courses, for employability in the technology area.

This initiative consists of a training journey lasting about four months, in hybrid format, comprising theoretical and practical classes via the TOTVS University and an unpaid internship. At the end of this journey, the profiles that completed their training and not yet absorbed by the job market are available in a "showcase" of talents, with their profiles and skills developed, for consultation by the TOTVS ecosystem and the market in general:

<https://formacaodetalentos.totvs.com/start-tech/>*

* Content only in Portuguese.



In 2023:

- 7,680 hours of training with an NPS of 95
- 21 participants, 20 of which successfully completed the program, and 2 were hired by TOTVS
- Since its launch, it has employed 56% of the young people who have gone through this initiative
- This program was awarded in the "Youth Development" category at Think Work Flash Innovations, the largest HR innovation award in Brazil

Speed to Hero

This program, aimed at developing new TOTVERS from the acceleration of knowledge in a specific competence, had in 2023 two exclusive editions for People with Disabilities.

In 2023:

- 27 participants, all of which completed the training, and 26 active
- 3,168 hours of training and the NPS of 100
- This initiative was a finalist in the Diversity category at the Think Work Flash Innovations, the largest HR innovation award in Brazil

Sales Start ("Start Comercial")

This program aims to prepare IOS alumni with a base of action in the sales area through a training journey with technical and practical content for 10 days.

In 2023:

- 55 graduated students (25 from São Paulo, 15 from Belo Horizonte, and 15 from Rio de Janeiro)
- 1,125 hours of training
- 11 participants were hired by TOTVS and 10 of them remain active



Training for Leadership

TOTVS University also prioritizes the development of leaders as a fundamental strategy for achieving improved results. We believe that leaders should inspire their teams, be the spokespersons of TOTVS culture, and take the lead in building high-performing teams. In this sense, we have several development actions on people's leadership, business, technology, and innovation.

Next is our hub that embarks on all development actions and programs that aim to speed up and enhance leadership skills and behaviors. It includes programs for a variety of audiences, moments, and challenges within the leadership journey. They are the following ones:

Next: I am a Manager; now what?:

An essential soft and hard skills development program for the management of the 1st team at TOTVS. In 2023, 53 new leaders were prepared for the challenges of their first leading roles.

Next 2023: an annual program that addresses strategic and organizational challenges at all levels of leadership. We work with the groups of Executive Officers, Officers, Executive Managers, Managers, and Coordinators to align with TOTVS's culture and its evolutionary process and strategies. We had 319 participants (exclusive) and a total of 66 modules, which covered topics of Culture, Leadership, Business, and Diversity.

Next Talent: in addition to identifying, it is necessary to speed up the development of talents. Its purpose is to accelerate key competencies for the future of the organization. In 2023, we trained 48 executives, of which 18 officers and 30 executive managers.

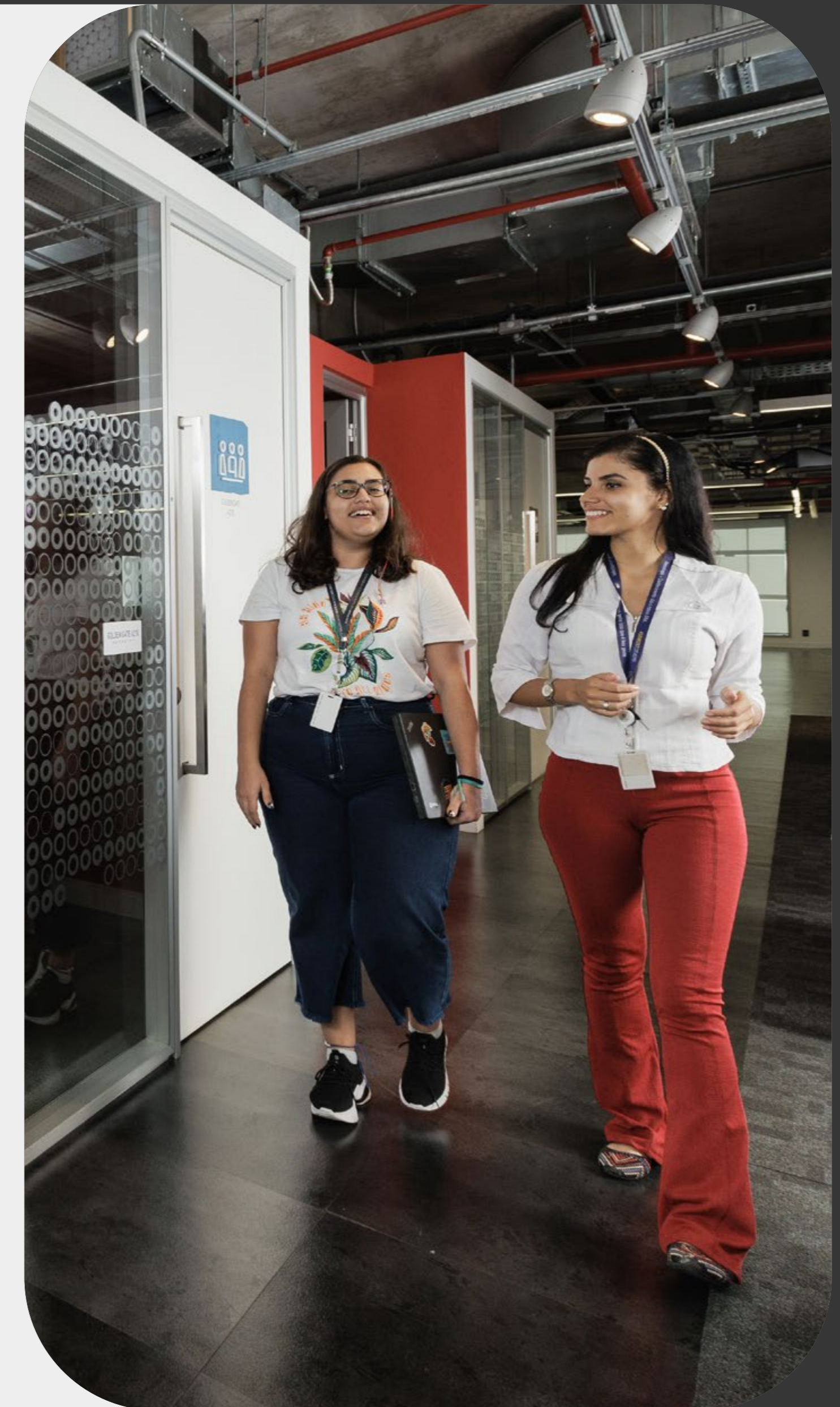
Next Building: dedicated to building high-performance teams with a focus on developing leadership, collaboration, and trust skills. TOTVS leaders are offered to design a program tailored to the needs of their team. In 2023, 12 actions were carried out with different teams and areas.

There were over 200 participants and 2,000 hours of development.

Next Mentoring: aimed at strengthening the development culture, it promotes the exchange of experiences and networking between TOTVERS. This program promotes the development of two levels simultaneously and the leading role of mentor and mentee, with voluntary participation. This program has training for mentors, follow-up sessions, and an exclusive training for mentors of women. In the period, 39 mentors and 64 mentees took part in this program.

Next Desenvolve (Next Development): this is a follow-up initiative that provides a structured and personalized approach to the development and evolution of IDPs for executives. In 2023, the "Next Development" supported the process of 19 assessments, 7 coaching processes, and 3 external trainings in business schools.

In 2023, Next's entire journey resulted in over 7,500 (non-unique) participations, 25,000 hours of training, 76% average participation, and NPS of 90.

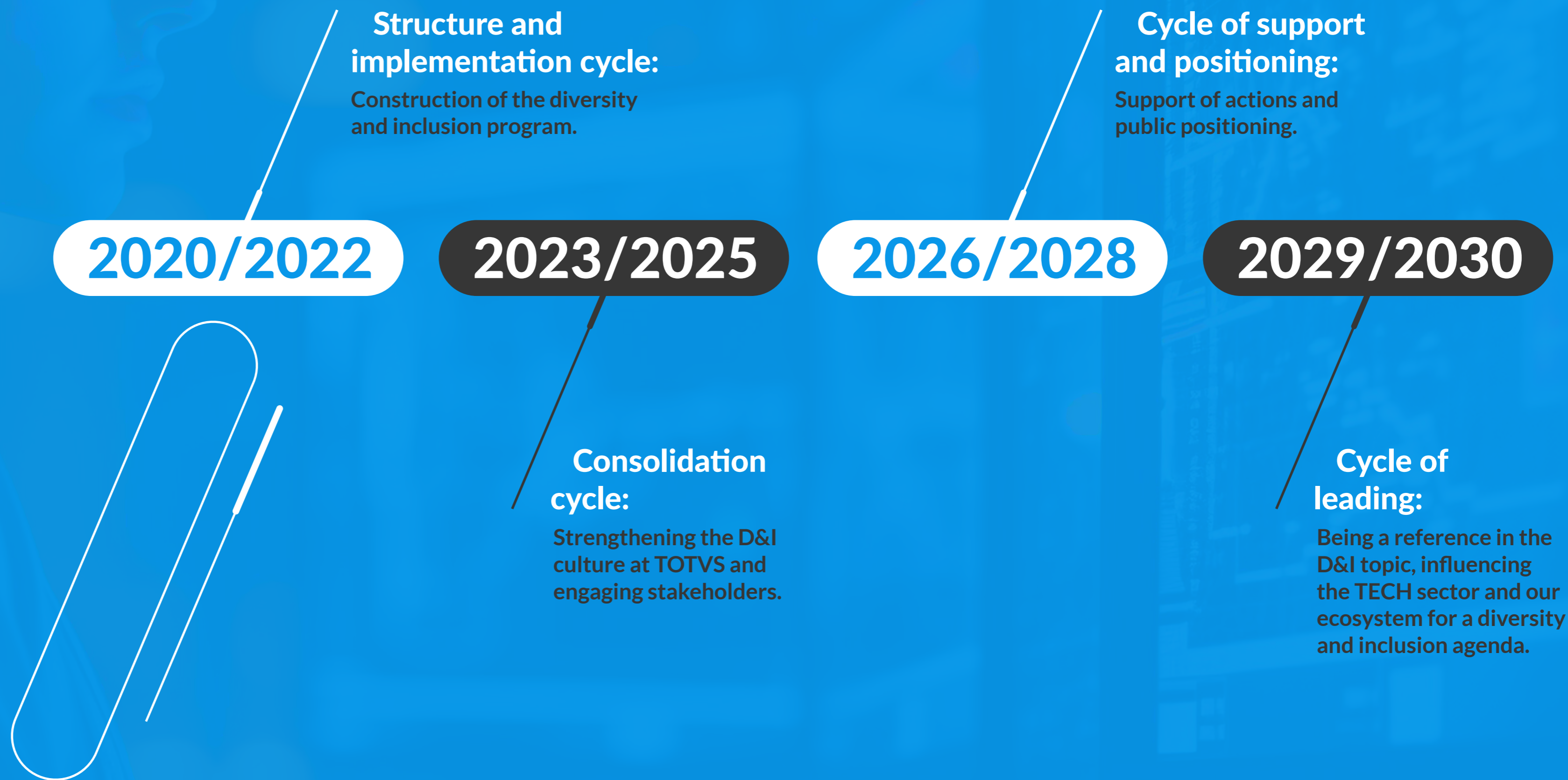


Diversity and Inclusion

[GRI 3-3 Diversity, inclusion, and elimination of discrimination]

Diversity and Inclusion (D&I) is an increasingly important topic for society, and at TOTVS it is no different. Being a leader in the industry sector, we recognize the Company's role in supporting initiatives that promote increased equity and inclusion in both society and the corporate market, thereby creating more opportunities for everyone. The Company has a Diversity and Inclusion Program aimed at expanding the culture of respect and inclusion, and generate equitable opportunities for all people.

In addition, we have implemented a Diversity and Inclusion Policy that outlines the guidelines and positioning to drive ongoing improvement in these topics within our internal and external interactions. This policy aligns with our 2030 Strategy, which encompasses four cycles:





As support for the execution of actions and decision-making, we also have an area dedicated to this subject, as well as a Committee, Affinity Groups, Code of Ethics and Conduct, and other organizational policies.

The Diversity and Inclusion Committee supports the development of strategies and procedures to ensure the topic is approached across all levels. It has the participation of TOTVS's top leaders in several areas, aiming to integrate the needs, projects, and challenges already mapped, building solutions collaboratively.

To support the governance of this subject, in 2023, TOTVS's third diversity and inclusion census was carried out, with records documented: **62% of engagement rate, and an eNPS score of 77.** This census was carried out

confidentially and its result is being widely disseminated in the Company, as well as the action plans that are being carried out based on the insights collected.

Moreover, we have a dashboard in which we track several KPIs related to minority groups, such as admission rate, turnover, salary equity, among others. This monitoring is carried out monthly and the data is used in the development of the D&I program strategies.

We emphasize that the Diversity and Inclusion Program works with projects and initiatives aimed at the following minority groups: women, people with disabilities, LGBTQIAPN+ and black, non-white, and indigenous people. Hence, we have embarked on a construction endeavor aimed at fostering enhanced diversity within TOTVS, ensuring that every individual feels welcomed, included, and respected.

Our Diversity and Inclusion program has five fronts

In 2023, TOTVS was awarded the Human Rights and Diversity Seal, marking their third consecutive year of recognition. This is an initiative of the City of São Paulo that recognizes good practices for managing diversity and promoting human rights in companies, public agencies, and third sector organizations. We were also awarded in the Youth categories, for social investment through IOS (Institute for Social Opportunity), and People with Disabilities through the Speed to Hero Program.

Attraction, Selection, and Employer Branding

We have strategies for attracting and hiring talent, with internal targets for hiring minority groups and a monthly follow-up. We also take part in and sponsor events to work with the employer branding with these audiences.



Training and development

We are dedicated to train all TOTVERS in the D&I subject. In 2023, diversity and inclusion training became mandatory. We promote education on the topic as early as their onboarding; we have continuing education modules at our corporate university (TOTVS University), as well as an institutional calendar to work on topics related to Diversity and Inclusion throughout the year. Also, throughout the year, TOTVS's diversity and inclusion team promoted dialogues with different areas on the subject, engaging over 700 TOTVERS.



Governance

The program has a structure, policy, and strategy for diversity and inclusion until 2030, in line with the Company's ESG Strategy and the UN 2030 Agenda. In addition, we report the indicators, actions, and progress made on the subject in a transparent and continuous manner.



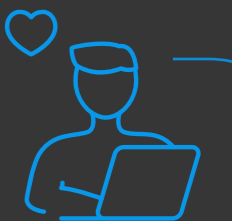
Communication and accessibility

Through events and internal communication, we disseminated the diversity and inclusion program in different branches and structures of TOTVS. We also sought to generate physical and digital accessibility in tools and products. In 2023, TOTVS's first week of diversity and inclusion was held, in which we had more than 5,600 participants. This event featured lectures, dynamics, and games with the aim of strengthening TOTVS's culture of diversity and inclusion.



Psychological Safety

Through an inclusive culture and the diversity and inclusion program, we promote psychological safety. Affinity groups play a crucial role in fostering inclusivity, as they provide safe spaces for individuals to share their experiences, discuss various topics, embrace their unique identities, and celebrate who they are. These groups also exist so that everyone can reflect on actions that should be taken at TOTVS to encourage engagement and create an even more inclusive atmosphere.



#ELASNATOTVS (#THEYATTOTVS)



#ELASNATOTVS

The primary goal of this program is to promote gender equity by attracting, developing, and empowering women, thus creating a more inclusive environment for everyone.

- **#ELASNATOTVS Affinity group:** today there are **more than 400 women** participants who exchange experiences and carry out actions on the gender equity topic at TOTVS.
- Amendment to **TOTVS's Code of Ethics and Conduct**, which now incorporates a "zero-tolerance policy towards gender discrimination, encompassing both sexist and misogynistic attitudes".
- Extension of **paternity leave** from **20 to 40 days**.
- **#ELASNATOTVS Talent bank** specific aimed at women in technology; whenever we open a new job vacancy, this bank is consulted by the recruitment and selection teams.
- **Intentional selection processes** focused on female talent: in 2023, **41%** of TOTVS's hires were women, an increase of **10%** compared to 2020.
- **Sponsorship of events** related to the connection of women in the technology universe, such as PrograMaria, which strengthens the community of women who are coders, encouraging them to pursue a career.
- Through our Institute for Social Opportunity (IOS), TOTVS promotes the **encouragement and support to the training of women professionals in the tech market**. It is worth **highlighting that 55%** of IOS students are women.
- In the **educational action pillar**, we held live sessions and events on gender equity throughout the year, as a collective mentoring that addresses issues related to women in the job market. Furthermore, TOTVS University is dedicated to promoting gender equity and conducts training sessions to address and eliminate sexual harassment. It is also worth highlighting the creation of an anti-sexism guide, thus contributing to disseminate knowledge.
- **Mentoring:** a mentoring program was carried out between officers and managers. In training the mentors, a module on gender equity was carried out and also a percentage of the job vacancies for mentored people were allocated to women.

#PERTENCIMENTO NATOTVS (#BELONGINGATTOTVS)



#PERTENCIMENTO NATOTVS

A program focused on the search for racial equity.

We have an affinity **group known as #PERTENCIMENTONATOTVS** with 118 members that is focused on strengthening the sense of identity and belonging, making TOTVS a welcoming and inclusive company that promotes an anti-racism culture. **In 2023, this group created TOTVS's anti-racism guide** and also carried out a dynamic to generate reflections on racial equity.

We work with **literacy and awareness-raising initiatives**. An example of this is our course "Anti-racism culture- Behaviors and attitudes to create a more just and unprejudiced society" ("Cultura antirracista - Comportamentos e atitudes para criar uma sociedade mais justa e sem preconceitos") that was made available to all TOTVS. Also, a conversation circle on "Algorithmic Racism-How to use technology in the anti-racism struggle?" was promoted, with Tarcizio Silva, a researcher on transparency, responsibility, and anti-racism in artificial intelligence.

As for **social responsibility**, we work in the free-of-charge training of people facing social vulnerability in administrative and

technology courses through our Institute of Social Opportunity. In 2023, 2,204 young people were trained, of which 58% were black (black and non-white people).

In 2023, TOTVS was one of the **sponsors** of the "Yes to Racial Equality Forum" promoted by the Identities of Brazil Institute ("Instituto Identidades do Brasil"). This event aims to connect black and indigenous professionals to partner companies.

Finally, we highlight that we have been promoting the work of monthly monitoring of the rate of hiring black people with the attraction and selection team, aiming at planning actions on this subject. TOTVS had 1,888 black employees in December 2020, which increased to 2,935 in December 2023.



#CORESNATOTVS

(#COLORSATTOTVS)

This program focus on welcoming and including the LGBTQIAPN+ community.

We have an affinity group #CORESNATOTVS that aims to be a safe, inclusive, and welcoming environment that promotes TOTVS's respect, visibility, and cultural transformation through the exchange of knowledge and experiences between LGBTQIAPN+ people. There are over 150 registered people who contribute to support initiatives that go beyond the work environment, such as clarifying doubts related to the change of civil name, adoption, maternity and paternity leave for same-sex couples, among others.

According to the diversity census carried out by TOTVS in 2023, 9% of TOTVERS identified themselves as belonging to the LGBTQIAPN+ group, which means 1% more than the last census carried out in 2021.

With this program, we approved the procedure for allowing transgender people to use their social name.

In 2023, we carried out awareness-raising and education actions regarding trans visibility and the welcoming of LGBTQIAPN+ people, in the months of January and June. Furthermore, as part of the diversity week, we incorporated a track focused on LGBTQIAPN+ topics at TOTVS University.

As for social responsibility, we trained more than 550 people from the LGBTQIAPN+ community for free from administrative and technology courses through the Institute for Social Opportunity.



#INCLUSÃONATOTVS

(#INCLUSIONATTOTVS)

A program focused on including people with disabilities.

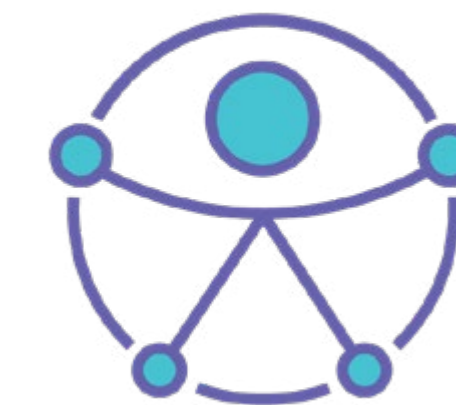
We created the **affinity group for people with disabilities known as #INCLUSÃONATOTVS**, which brings together a total of 72 participants.

Our organization places great importance on internal awareness, and we have taken several steps to promote it in the period. One notable achievement is the launch of the Anti-ableism Guide, which was created with the valuable support of our affinity group. Additionally, we actively organize lectures during the month dedicated to raising awareness about the struggles experienced by people with disabilities.

We also work in the hiring and training of people with disabilities within TOTVS, an initiative that counts on the engagement of several areas of the company and focuses on actions on four fronts: employer branding, attraction and selection, retention, and accessibility.

With the work done on this front, we significantly increased the rate of hiring people with disabilities from 2.5% in 2020 to 7% in 2023. At the end of the 2023 cycle, TOTVS had 5% of people with disabilities in the workforce in different areas and levels.

With the scarcity of tech talent in the job market, TOTVS has undertaken alternative efforts to discover potential talent from minority groups by promoting



#INCLUSÃONATOTVS

internal development of the required skills. Thus our Speed to Hero Program was born—special edition for People with Disabilities, aimed at the rapid training of technology professionals with a focus on accelerating knowledge and career. This program is aligned with TOTVS's diversity and inclusion policy, strategy, and program.

Through it, all people with disabilities who want to build a career in the tech sector, be it early career or migration, but still have gaps in technical knowledge, can join TOTVS as an employee and receive training in technology. Our schedule of actions allows, in a short time, the new TOTVER to have full technical and cultural training to continue working in the company fully and independently. In 2023, we opened 30 job vacancies in the cities of São Paulo, Belo Horizonte, Joinville, Porto Alegre, and Recife in the areas of Software Development, Support, and Customer Service, TOTVS Labs, Cloud, and Sales.

We also emphasize that in order to continuously improve our spaces and provide our employees with a better experience, our buildings have accessibility for people with physical disabilities, we have assistive technology so that blind and deaf professionals can perform their work, and we make Libras (sign language) interpreters available for any TOTVER activity to ensure communication with deaf employees.



Diversity and inclusion commitments

- **Commitment to the global action plan of the 2030 Agenda**, coordinated by the UN, to achieve the 17 Sustainable Development Goals (SDGs), among which there are commitments related to Diversity and Inclusion;
- **Signatory to the UN Global Compact and the Ethos Institute's Business Pact for Compliance and Anti-corruption** since 2014;
- **Adherence to the Women's Empowerment Principles (WEPS)** of UN Women.

Employees by position and gender^{1,2} [GRI 405-1] [SASB TC-SI-330a.3]

| | 2021 | | | 2022 | | | 2023 | | |
|---------------------------------|-------|-------|-------|-------|-------|--------|-------|-------|--------|
| | Men | Women | Total | Men | Women | Total | Men | Women | Total |
| Executive Officers and Managers | 76% | 24% | 155 | 75% | 25% | 196 | 75% | 25% | 206 |
| Managers | 68% | 32% | 294 | 68% | 32% | 398 | 66% | 34% | 463 |
| Coordinators | 60% | 40% | 532 | 59% | 41% | 921 | 57% | 43% | 887 |
| Experts | 73% | 27% | 1,373 | 75% | 25% | 1,533 | 72% | 28% | 1,977 |
| Analysts | 64% | 36% | 5,102 | 62% | 38% | 6,234 | 60% | 40% | 7,076 |
| Technicians and Assistants | 50% | 50% | 797 | 50% | 50% | 921 | 49% | 51% | 1,040 |
| % per gender | 64% | 36% | 100% | 63% | 37% | 100% | 61% | 39% | 100% |
| Total employees | 5,760 | 3,250 | 9,010 | 6,411 | 3,792 | 10,203 | 7,159 | 4,490 | 11,649 |

1 All acquired companies were considered.
2 Statutory personnel, trainees, apprentices, and directors were not considered.

Total women, by position^{1,2} [GRI 405-1]

| | 2021 | 2022 | 2023 |
|---------------------------------|-------|-------|-------|
| Executive Officers and Managers | 41 | 49 | 51 |
| Managers | 109 | 127 | 159 |
| Coordinators | 250 | 381 | 379 |
| Experts | 396 | 390 | 558 |
| Analysts | 2,054 | 2,385 | 2,813 |
| Technicians and Assistants | 400 | 460 | 530 |
| % per gender | 36% | 37% | 39% |
| Total employees | 3,250 | 3,792 | 4,490 |

1 All acquired companies were considered.
2 Statutory personnel, trainees, apprentices, and directors were not considered.

Total men, by position^{1,2} [GRI 405-1]

| | 2021 | 2022 | 2023 |
|---------------------------------|-------|-------|-------|
| Executive Officers and Managers | 130 | 147 | 155 |
| Managers | 235 | 271 | 304 |
| Coordinators | 375 | 540 | 508 |
| Experts | 1,044 | 1,143 | 1,419 |
| Analysts | 3,575 | 3,849 | 4,263 |
| Technicians and Assistants | 399 | 461 | 510 |
| % per gender | 64% | 63% | 61% |
| Total employees | 5,760 | 6,411 | 7,159 |

1 All acquired companies were considered.
2 Statutory personnel, trainees, apprentices, and directors were not considered.





Percentage of employees by age group and gender^{1, 2} [GRI 405-1] [SASB TC-SI-330a.3]

| | 2021 | | | 2022 | | | 2023 | | |
|----------------------------------------|----------|-------------------|---------|----------|-------------------|---------|----------|-------------------|---------|
| | Under 30 | Between 30 and 50 | Over 50 | Under 30 | Between 30 and 50 | Over 50 | Under 30 | Between 30 and 50 | Over 50 |
| Executive Officers and Managers | 0.58% | 84.97% | 14.45% | 1.53% | 85.71% | 12.76% | 0.49% | 81.07% | 18.45% |
| Men | 100% | 74.83% | 84% | 0.68% | 87.07% | 12.24% | 0.65% | 80.65% | 18.71% |
| Women | - | 25.17% | 16% | 4.08% | 81.63% | 14.29% | - | 82.35% | 17.65% |
| Managers | 3.20% | 89.24% | 7,56% | 2.26% | 90.70% | 7.04% | 1.51% | 88.98% | 9.50% |
| Men | 72.73% | 66.45% | 88.46% | 2.58% | 89.67% | 7.75% | 0.99% | 87.83% | 11.18% |
| Women | 27.27% | 33.55% | 11.54% | 1.57% | 92.91% | 5.51% | 2.52% | 91.19% | 6.29% |
| Coordinators | 8.32% | 86.72% | 4.96% | 7.82% | 86.43% | 5.75% | 9.58% | 82.07% | 8.34% |
| Men | 55.77% | 60.89% | 51.61% | 6.85% | 87.59% | 5.56% | 7.48% | 83.86% | 8.66% |
| Women | 44.23% | 39.11% | 48.39% | 9.17% | 84.78% | 6.04% | 12.40% | 79.68% | 7.92% |
| Experts | 6.18% | 81.60% | 12.22% | 6.72% | 81.93% | 11.35% | 5.31% | 80.32% | 14.37% |
| Men | 73.03% | 72.43% | 72.73% | 6.21% | 82.24% | 11.55% | 5.36% | 79.77% | 14.87% |
| Women | 26.97% | 27.57% | 27.27% | 8.21% | 81.03% | 10.77% | 5.20% | 81.72% | 13.08% |
| Analysts | 33.42% | 62.27% | 4.32% | 32,21% | 63.22% | 4.57% | 33.37% | 61.62% | 5.02% |
| Men | 63.96% | 62.94% | 68.31% | 32.32% | 62.61% | 5.07% | 33.61% | 60.99% | 5.40% |
| Women | 36.04% | 37.06% | 31.69% | 32.03% | 64.19% | 3.77% | 32.99% | 62.57% | 4.44% |
| Technicians and Assistants | 60.70% | 37.17% | 2.13% | 59.72% | 37.46% | 2.82% | 58.85% | 37.60% | 3.56% |
| Men | 50.72% | 48.48% | 52.94% | 60.74% | 37.09% | 2.17% | 55.88% | 40.78% | 3.33% |
| Women | 49.28% | 51.52% | 47.06% | 58.70% | 37.83% | 3.48% | 61.70% | 34.53% | 3.77% |
| Employees by age group | 30.51% | 72.36% | 6.27% | 26.90% | 67.30% | 5.79% | 27.22% | 65.64% | 7.14% |
| Total employees | 9,010 | | | 10,203 | | | 11,649 | | |

1 All acquired companies were considered.
2 Statutory personnel, trainees, apprentices, and directors were not considered.

Race and ethnicity of employees, by gender and position % ^{1,2} [GRI 405-1] [SASB TC-SI-330a.3]

| | 2021 | | 2022 | | 2023 | |
|----------------------------------------|--------|--------|--------|--------|--------|--------|
| | Men | Women | Men | Women | Men | Women |
| Executive Officers and Managers | 75.90% | 24.10% | 74.87% | 25.13% | 75.24% | 24.76% |
| White | 74.80% | 25.20% | 74.12% | 25.88% | 74.29% | 25.71% |
| Black | 100% | - | 100% | - | 33.33% | 66.67% |
| Brown | 100% | - | 77.78% | 22.22% | 80% | 20% |
| Yellow | 100% | - | 100% | - | 100% | - |
| Indigenous | - | - | - | - | - | - |
| Not stated | - | 100% | 77.78% | 22.22% | 87.50% | 12.50% |
| Managers | 68.20% | 31.80% | 68.12% | 31.88% | 65.66% | 34.34% |
| White | 67.50% | 32.50% | 66.90% | 33.10% | 64.22% | 35.78% |
| Black | 57.10% | 42.90% | 66.67% | 33.33% | 60% | 40% |
| Brown | 75% | 25% | 75.44% | 24.56% | 77.05% | 22.95% |
| Yellow | 100% | - | 100% | - | 100% | - |
| Indigenous | - | - | - | - | - | - |
| Not stated | 50% | 50% | 60.71% | 39.29% | 58.70% | 41.30% |
| Coordinators | 59.80% | 40.20% | 59.34% | 40.66% | 57.27% | 42.73% |
| White | 57% | 43% | 56.63% | 43.37% | 56.12% | 43.88% |
| Black | 66.70% | 33.30% | 60% | 40% | 48.72% | 51.28% |
| Brown | 71.90% | 28.10% | 69.84% | 30.16% | 68.80% | 31.20% |
| Yellow | 50% | 50% | 42.86% | 57.14% | 54.55% | 45.45% |
| Indigenous | - | - | - | - | - | - |
| Not stated | 66.70% | 33.30% | 54.84% | 45.16% | 48.72% | 51.28% |

| | 2021 | | 2022 | | 2023 | |
|-----------------------------------|--------|--------|--------|--------|--------|--------|
| | Men | Women | Men | Women | Men | Women |
| Experts | 72.40% | 27.60% | 75.15% | 24.85% | 71.78% | 28.22% |
| White | 70.40% | 29.60% | 73.74% | 26.26% | 70.72% | 29.28% |
| Black | 72.20% | 27.80% | 71.74% | 28.26% | 68.57% | 31.43% |
| Brown | 84.50% | 15.50% | 81.45% | 18.55% | 78.61% | 21.39% |
| Yellow | 64% | 36% | 67.86% | 32.14% | 65.52% | 34.48% |
| Indigenous | 50% | 50% | 75% | 25% | 66.67% | 33.33% |
| Not stated | 63.20% | 36.80% | 67.50% | 32.50% | 68.63% | 31.37% |
| Analysts | 63.50% | 36.50% | 61.64% | 38.36% | 60.25% | 39.75% |
| White | 62.10% | 32.90% | 60.30% | 39.70% | 59.82% | 40.18% |
| Black | 67.30% | 32.70% | 65.70% | 34.30% | 60.74% | 39.26% |
| Brown | 68% | 32% | 64.77% | 35.23% | 62.52% | 37.48% |
| Yellow | 60% | 40% | 52.63% | 47.37% | 48.35% | 51.65% |
| Indigenous | 33.30% | 66.70% | 40% | 60% | 40% | 60% |
| Not stated | 53.50% | 46.50% | 64.23% | 35.77% | 59.29% | 40.71% |
| Technicians and Assistants | 50.10% | 49.90% | 50.27% | 49.73% | 49.04% | 50.96% |
| White | 51.20% | 48.80% | 51.33% | 48.67% | 50.96% | 49.04% |
| Black | 54.70% | 45.30% | 51.19% | 48.81% | 45.26% | 54.74% |
| Brown | 48.20% | 51.80% | 48.57% | 51.43% | 46.77% | 53.23% |
| Yellow | 50% | 50% | 37.50% | 62.50% | 70% | 30% |
| Indigenous | - | - | 66.67% | 33.33% | 60% | 40% |
| Not stated | 21.40% | 78.60% | 46.94% | 53.06% | 44.79% | 55.21% |

1 All acquired companies were considered.

2 Statutory personnel, trainees, apprentices, and directors were not considered.



Proportion of employees with disabilities, by position, in % ^{1, 2, 3} [GRI 405-1]

| People with Disabilities (%) | 2021 | | | 2022 | | | 2023 | | |
|---------------------------------|--------|-------|--------|-------|-------|--------|--------|--------|--------|
| | Men | Women | Total | Men | Women | Total | Men | Women | Total |
| Executive Officers and Managers | 0.60% | - | 0.60% | 0.50% | 1.00% | 1.50% | 0.66% | 3.92% | 1.49% |
| Managers | - | 0.30% | 0.30% | - | - | - | - | 1.28% | 0.44% |
| Coordinators | 0.20% | 0.20% | 0.30% | 0.30% | 0.30% | 0.70% | 1.21% | 1.37% | 1.28% |
| Experts | 0.70% | 0.40% | 1.10% | 0.50% | 0.30% | 0.80% | 0.79% | 0.91% | 0.82% |
| Analysts | 1.50% | 0.60% | 2.10% | 1.30% | 0.80% | 2.10% | 2.43% | 2.78% | 2.57% |
| Technicians and Assistants | 10.50% | 9.90% | 20.40% | 9.10% | 8.30% | 17.40% | 22.44% | 16.98% | 19.67% |
| % per gender | 2.00% | 1.40% | 3.40% | 1.70% | 1.30% | 3% | 3.33% | 4.09% | 3.62% |
| Total employees | 8,745 | | | 9,916 | | | 11,342 | | |

1 All acquired companies were considered.

2 Statutory personnel, trainees, apprentices, and directors were not considered.

3 In 2023, does not consider the International Market.



Health, wellness, and safety

[GRI 3-3 People's Health and Wellbeing | 403-3 | 403-6]

Our approach to TOTVERS' health and wellness is comprehensive, with the goal of improving quality of life in all aspects, be it in the workplace or beyond. Focused on offering a set of actions aimed at the physical, mental, and financial health of our employees, we have the +Saudáveis (Healthier) program structured in 6 guiding principles that follow the guidelines of the World Health Organization (WHO).



The **+Saudáveis (Healthier)** program is divided into six guiding principles:

+Vidaativa (A more active life):

Initiatives aimed at physical health, with the objective of encouraging and facilitating the regular practice of physical exercises in the search for more willingness, prevention of diseases, and improvement of quality of life.

+Cuidado (More care):

Actions aimed at comprehensive health care, based on the concept of primary care—prevention, treatment, and care.

+Equilíbrio (More balance):

Initiatives aimed at mental health care as a basis for all the appropriate functioning of life, whether in the professional, family, or affective sphere.

+Leve (Lighter):

Actions that aim to contribute to the good shape and balance of the body, through a healthy and balanced diet that is appropriate to the needs and characteristics of each one.

+Vantagens (More benefits):

With products and actions for self-management of finances, a pillar that influences the balance of quality of life, according to the recommendations of the World Health Organization (WHO).

+Conexão (More Connections):

A guiding principle established in 2023, with actions aimed at fostering greater engagement among TOTVERS both within and beyond the workplace. The first action was the participation in the Seasons Foot Race ("Corrida das Estações") in the capital cities of Sao Paulo, Belo Horizonte, and Rio de Janeiro. Over 200 TOTVERS challenged themselves and met their goals in the race.

In 2023, TOTVS was recognized with the silver certification in the National Quality of Life Award (PNQV), granted by the Brazilian Association of Quality of Life (ABQV, for "Associação Brasileira de Qualidade de Vida"). This award is aimed at valuing the best and most consistent practices in promoting health and quality of life in corporate environments applied in the most robust and modern organizations worldwide.

We offer free primary healthcare services, including Telemedicine, Einstein healthcare system clinics, digital emergency room, and telepsychology, to TOTVERS and their dependents.

In the year 2023, we introduced Gift Days, which are additional days off granted based on length of service. This initiative acknowledges the value of taking time off for the purpose of rejuvenation and maintaining a healthy work-life balance.

We also started the Wellness Healthier Multipliers ("Multiplicadores do Bem-Estar + Saudáveis") project with the purpose of disseminating to co-workers the information, calendar, and actions scheduled to take place throughout the year, encouraging teams to adopt healthier habits in their daily lives, besides disseminating this agenda within TOTVS units.



TOTVS participates in the federal government's *Empresa Cidadã* program, in which maternity leave is extended by two months, to six months, and paternity leave is extended to 20 days. The company also guarantees an additional 20 days for paternity leave, totaling 40 days.



Parental Leave^{1,2} [GRI 401-3]

| | Gender | 2021 | 2022 | 2023 |
|----------------------------------------------------------------------------------------------------------------------------------------------|--------|------|--------|------|
| Total employees on parental leave | Men | 170 | 182 | 222 |
| | Women | 147 | 154 | 95 |
| Total number of employees who returned from parental leave | Men | 165 | 182 | 222 |
| | Women | 144 | 153 | 95 |
| Total number of employees who returned to work after the end of maternity/paternity leave and remained employed 12 months after their return | Men | 137 | 158 | 216 |
| | Women | 127 | 128 | 90 |
| Retention rate of employees who returned to work after the end of the leave (%) | Men | 97% | 100% | 100% |
| | Women | 98% | 99.35% | 100% |
| Retention rate of employees who returned to work after 12 months (%) | Men | 81% | 87% | 97% |
| | Women | 86% | 84% | 94% |

¹ TOTVS, Dimensa and TECHFIN were considered.

² The rules for adhering to this benefit were disclosed to TOTVERS, and the request was made through a proper form on Fluig, with the specificity of deadlines and rules established in the legislation and the Citizen Company ("Empresa Cidadã) program.

Cases of occupational diseases

[GRI 403-10]

As in 2022, we did not have cases of deaths or records of occupational diseases, nor cases that required mandatory reporting. Moreover, there was no absenteeism rate and lost days related to occupational diseases.

This management is done through periodic analysis of

pathological groups of the medical certificates submitted (RM System), which prevail diagnoses that are not directly related to work. All hazards are identified, classified, analyzed, and treated in the risk inventory that makes up the Risk Management Program (aka PGR). [GRI 403-3]

Number of occupational disease cases^{1,2,3} [GRI 403-10]

| | 2021 | 2022 | 2023 |
|----------------------------------------|------|------|------|
| Total with mandatory reporting | 0 | 0 | 0 |
| Total days lost (medical certificates) | 0 | 0 | 0 |
| Absenteeism rate - days lost (%) | 0 | 0 | 0 |

¹ Only CLT workers were considered.

² We do not perform accident control for third parties and service providers.

³ To calculate the total number of days lost and absenteeism rate, only the number of occupational diseases was considered.



Occupational safety [GRI 403-1 | 403-2 | 403-7 | 403-8]

We comply with all legal requirements (labor and social security) provided for by the Specialized Services in Safety Engineering and Occupational Health (SESMT, i.e., OH&S management system) through programs and reports guided by procedures that cover almost all the Company's offices (except RD Station and the international market) and consider the activities developed therein.

We have a Risk Management Program (aka PGR) with the goal of identifying the processes, work environments and activities, describing the hazards and potential injuries or hazards to the worker's health, identifying the sources or circumstances, describing the risks generated by hazards, mapping the groups of workers subject to these risks, as well as describing the prevention measures implemented. All the procedures and treatments are documented within the comprehensive report called "Inventory of Occupational Risks". The Inventory of Occupational Risks is prepared under the Risk Management Operating Procedure

(PO-SESMT-05), which describes how risk assessments and classifications are carried out, as well as which Controls are necessary to make them at least acceptable.

Our Occupational Safety structure is responsible for monitoring and identifying potential risks that may affect the daily lives of TOTVERS. They are identified, classified, and consolidated internally through an inventory, which is part of our occupational risk management. From this analysis, we concluded that there is no dangerous risk that could generate or contribute to the occurrence of serious hazards in our company. Most of the existing risks can be mitigated through preventive measures and safe behaviors of employees.

When an incident takes place, either on our premises or in the external area (in case of commuting accidents), the responsible team collects the relevant information and documents it in the Occupational Accident Investigation Form, to be subsequently submitted to the e-Social (an integrated system for Brazilian employers to comply with all labor-related social obligations), when the causal connection is established. All typical accidents are analyzed in order to identify the generating causes so that corrective measures can be proposed in order to eliminate and/or minimize the risk that generated them. Additionally, we oversee the suggested actions to validate their efficacy.

“The major (ergonomic) risk can be mitigated by providing ergonomic accessories to adapt the workstation for office or home office activities. In order to ensure that TOTVERS working from home have suitable work environments, SESMT has introduced remote ergonomic analysis in collaboration with external consultants. The purpose of this action is to provide employees with guidance on maintaining a workplace and postures that are ergonomically appropriate for their activities. For employees in a predominant remote or special hybrid work model who need adaptations in their environments, we offer support with the loan of ergonomic chairs, meeting the legal requirements.



Occupational injuries [\[GRI 403-9\]](#)

The predominant form of accident is internal displacement, which is primarily caused by distraction or engagement in other activities, as employees assume postures and attitudes that increase their vulnerability to risks. It is important to highlight that none of the accidents were deemed significant, as evidenced by the fact that all social security leaves were equal to or shorter than 15 days.

Over the course of the year, a total of eight accidents were documented, all

of which were classified as typical, as outlined in the chart below. Moreover, there was a change in the way work hours were calculated in 2023, as compared to 2022. The total number of hours worked in 2023 amounted to 16,268,864.98. It should be noted that the data included in the system was based solely on card time, excluding factors such as vacations, leaves, absences, and delays. For TOTVERS not eligible to a card time, their daily journey registered in the system was considered.

Total work accidents^{1, 2, 3, 4} [\[GRI 403-9\]](#)

| | 2021 | | 2022 | | 2023 | |
|-------------------------------------------------------------|------|---|------|------|------|------|
| | Nº | % | Nº | % | Nº | % |
| Deaths resulting from accidents at work | 0 | 0 | 0 | 0 | 0 | 0 |
| Accidents at work with serious consequences (except deaths) | 0 | 0 | 0 | 0 | 0 | 0 |
| Accidents at work with mandatory reporting | 0 | 0 | 2 | 0.09 | 8 | 0.49 |

¹ Only CLT workers were considered.

² We do not carry out accident control for third parties and service providers.

³ There were no cases of deaths in the period covered by the report.

⁴ The calculations took into account all typical work accidents sent to eSocial (Event S-2210), as well as the number of man-hours worked, taken from the report generated in the RM System. We used 1,000,000 hours worked as the basis for calculating the index.



Safety training [\[GRI 403-5\]](#)

Regarding the topic of Occupational Safety, we offer TOTVERS two training tracks provided by the TOTVS University Network ("Universidade TOTVS em Rede"), our online training platform. This platform offers the opportunity to receive training on our mandatory **Occupational Safety Track**, which covers standards, obligations, and risks associated with various activities. Additionally, it provides a **Prevention Track** that features videos on safety topics at home, during commutes, and specialized tracks on occupational medicine. [\[GRI 403-5\]](#)

In addition, we disseminate our actions related to the health and safety of our employees through the **Internal Committee to prevent Occupational Hazards (CIPA)**, established as provided for in current legislation (NR 05 standard). The participants are categorized into two groups: members selected by the employer and by employees. The core function of this Committee is to undertake actions aimed at preventing accidents and occupational diseases, while also reducing risks associated with work activities. CIPA meetings take place bimonthly. The Committee represents all employees, with participating members elected through an electoral process. [\[GRI 403-4\]](#)



4

Collaboration that makes us stronger

Relationship with stakeholders



Relationship with stakeholders [GRI 2-29]

We strive to uphold a relationship with our stakeholders that is close, accessible, and transparent, rooted in our core values, such as ethics and responsibility. Our work focuses on creating spaces for dialogue, promoting transparency, building collaborative and long-term relationships, and generating sustainable growth and shared value with our ecosystem.

“ For TOTVS, the opinion and engagement of each of its strategic stakeholders matters. In this sense, as a way of continuously promoting the improvement of our sustainability and ESG practices, we have solid processes of relationship and periodic consultation with our strategic stakeholders, which are identified and prioritized according to the degree of relevance and the impacts of their activities on the organization and vice versa.

TOTVS on social media

Social media platforms play a crucial role in fostering brand relationships with all our stakeholders. There are more than one million people connected in our channels and interacting with the company on strategic topics for the business.

In our interactions and connections with our audiences, we collaborate and learn non-stop. This is the essence of our community, made up of people who are passionate about technology in a powerful network that goes far beyond digital. We value the diversity of thoughts and experiences, promoting an environment where collaboration is the engine of progress. Together, we build bridges that drive our mutual growth. Algorithms connect people; people connect worldviews, knowledge, common goals. And it is through these connections that are made transformations, the innovation... the future

We are made up of people. And that is our greatest strength!

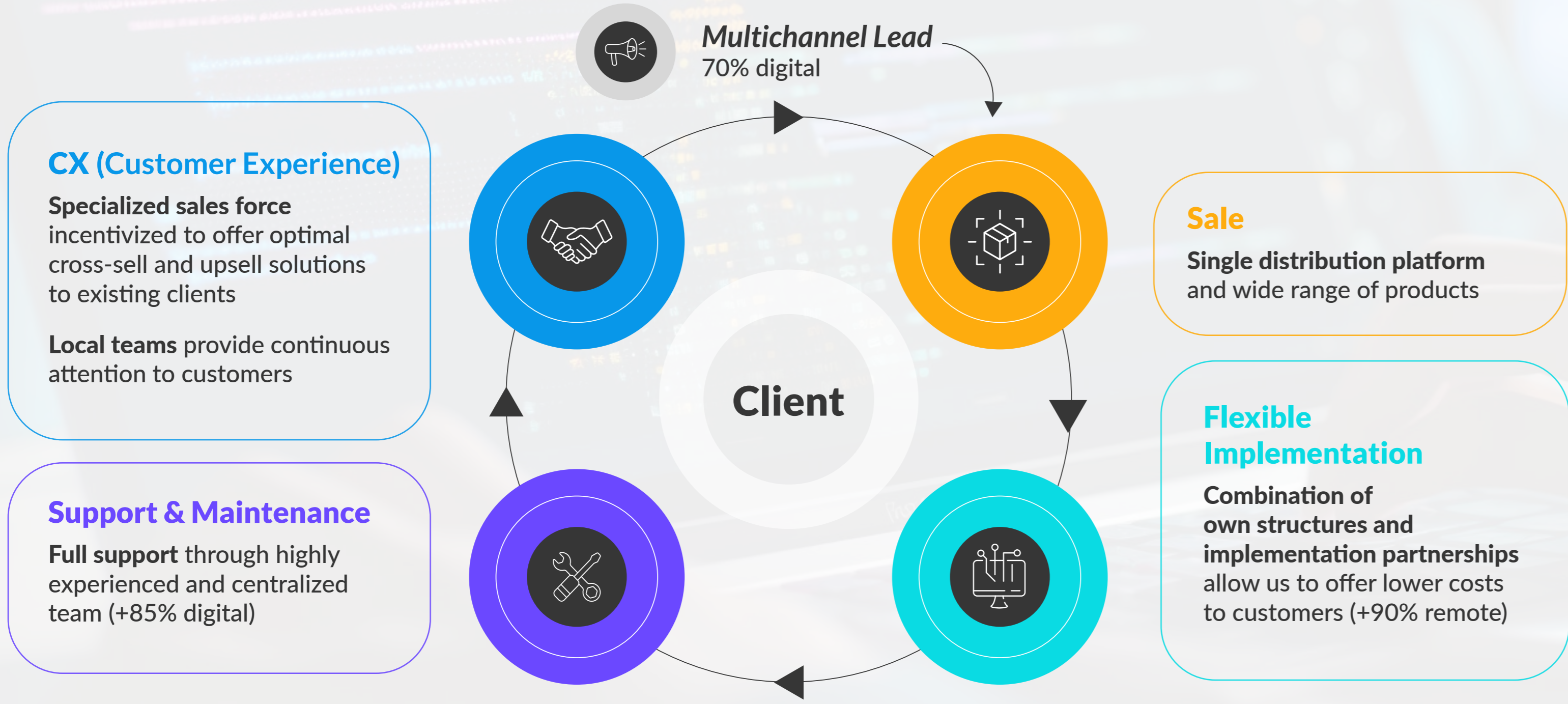
 1,021,191
  130,269
  141,221

Customers

We are a one-of-a-kind company in Brazil and worldwide, serving over 70,000 clients and customers of all sizes and belonging to 12 segments of the economy, which are led by creative and innovative entrepreneurs.

Throughout its trajectory, TOTVS has always stood out as a company that develops technology to support Brazil's productivity and competitiveness. Over the course of these decades, it witnessed the emergence, strengthening, and, in many cases, profound changes in Brazilian companies and industry sectors. This successful story was only possible because

of the Company's ability to support in a very close way the needs of its customers, supported by a strong entrepreneurial tradition, a pioneer spirit, innovation, and a lot of determination, to offer the best solutions for the business of thousands of companies throughout the national territory, always present at each stage of the journey of its customers.



"TOTVS Brasil que Faz" Award

Believing in a Brazil that Gets Things Done is believing in our customers and always thinking about how technology can help companies grow more and more. Throughout its history, TOTVS has been supporting thousands of businesses and entrepreneurs through technology!

In this sense, in 2023, it held the 3rd edition of the "TOTVS Brasil que Faz" Award (TOTVS that Gets Things Done Award), an initiative that has becoming more and more acknowledged as an important award for the technology industry sector, which seeks to recognize the efforts of the digitalization and innovation journey of the TOTVS Group's clients and customers.

- Evaluation criteria:** digitalization, innovation, operational gain, financial impact, and ESG.
- Categories:** Segments, HR Special, Innovation Special, "Lei do Bem", and Company of the Year.
- Award path:** 900+ entries, 120+ finalist projects, and 26 recognized companies





The Brazil that gets things done gets things done through TOTVS

More than 1/3 of the companies listed on B3 are TOTVS's clients

62% of these companies have been with us for more than 10 years

10K+ customers in both the Brazilian and international markets use our HR solutions

9MM+ of salaries processed every month with TOTVS systems, which represents approximately 25% of the country's payrolls

12 bi+ traded every month as compensation

6k customers use the TOTVS Cloud

6MM+ lives served by health industry systems

4MM+ students registered in our education solutions annually

38 bi+ in school tuitions processed annually

5.7K+ customers in the manufacturing industry, with more than **190 thousand** users

60% of the Brazilian sugarcane production goes through our agribusiness solutions every year

TOTVS partnership with DEEP ESG

TOTVS is a company that thinks of and promotes ESG. In its portfolio, the Company offers more than 300 solutions that ensure more control and centralization of data, directly supporting the best performance of client governance.

In 2021, TOTVS introduced a consulting service to assist companies in implementing ESG initiatives within their operations. In November 2023, taking another step in the evolution of its strategy, the company established a commercial partnership with the Brazilian startup DEEP ESG, which develops technological solutions to identify and measure the social and environmental impacts of the activities of organizations in the most diverse segments of the economy. As a reflection of this partnership, it made an investment of R\$12 million in the company.

In practice, the platform assists companies in capturing and processing company data (through integration with TOTVS ERPs or other market systems) by monitoring accounting, financial, and managerial KPIs related to ESG in real time, and producing automatic calculations of the impact of GRI, ISE indicators, and reporting demands such as SASB and CDP.

In 2023, the startup calculated more than 300 inventories of greenhouse gas (GHG) emissions, following the GHG protocol standard, and stood out as the winner of the National Innovation Award promoted by CNI and SEBRAE, in the Innovation in Process/Small Business category.

Suppliers and outsourced partners [GRI 2-6]

TOTVS manages suppliers through the Procurement and Contract Management areas. Our partner base is composed of software development and deployment companies that we use and are resold, in addition to databases and technological platforms that are used and also resold to clients.

This chain of suppliers is also composed of consultancies in different areas, auditing, marketing, building infrastructure, and telecommunication services (such as cleaning, security, maintenance, internet links, and data colocation), as well as various supplies, such as office supplies, hygiene and consumption, among other items.

The hiring of suppliers and service providers is carried out in accordance with TOTVS's Procedures for the Procurement of Products and Services and Administration of Supplier Contracts and under our Code of Ethics and Conduct. In 2023, 99% of new suppliers were hired based on social criteria. [GRI-414-1]

In the period, the rate of expenses with local suppliers (located in the same state as the operating unit of TOTVS's Headquarters)¹ in important operating units was 71.88%. This percentage considers the unit that concentrates most of TOTVS's contracting of goods and services, in this case TOTVS's Headquarters, located in the capital city of São Paulo. [GRI 204-1]

We also highlight the implementation of an approval tool in our supply chain, which includes automated consultation of due diligence information, as well as acknowledgment and validation of the TOTVS compliance term for suppliers (acknowledgment and compliance with TOTVS Group's Code of Ethics and Conduct and Anti-Corruption Law No.12.846/2013, among other topics).

¹ Local suppliers are those located in the same state as the TOTVS Headquarters, in this case, São Paulo.

Suppliers, per region, in %² [GRI 204-1]

| | 2023 |
|-------------------|--------|
| São Paulo | 53.66% |
| Minas Gerais | 8.18% |
| Paraná | 5.83% |
| Santa Catarina | 10.11% |
| Rio de Janeiro | 6.99% |
| Rio Grande do Sul | 4.83% |
| Goiás | 3.23% |

² RD Station, Supplier, InovaMind, Mobile2You, Vadu, and RBM were not considered.

Human Rights in the relationship with the supply chain and third parties

[GRI 408-1 | 409-1]

We do not have operations or suppliers that could pose significant risks of child labor, young people exposed to dangerous labor, or forced or slave-like labor. All suppliers must undergo a background check during the approval process to verify any related issues. If any issues are found, the supplier is automatically disqualified from entering into any business supply relationship.

In our supply and service contracts, we have clearly defined obligations regarding labor compliance, which include ensuring the absence of child labor, forced labor, and slave-like labor.

In addition, we invest in training and awareness of human rights with third parties. In the year 2023, a total of 17 individuals from the security team (accounting for 60% of the team), and 3 individuals from the reception team

(representing 50% of the reception team), underwent training in human rights and diversity. [GRI 410-1]

In 2023, we launched mandatory diversity and inclusion training at TOTVS, reaching 7,990 TOTVERS. The content addressed unconscious biases, minority groups, intersectionality, religion, how this topic is a strategic business agenda, and how to create and implement a culture of diversity.

Additionally, specialized training sessions were conducted in the cities of Recife and Belo Horizonte. These sessions focused on addressing the consequences of a non-inclusive team and aimed to emphasize that the Company does not tolerate discriminatory attitudes, actions, or jokes of a racist, homophobic, or sexist nature.



Shareholders / Investors

The relationship with TOTVS's shareholders and investors complies with existing laws and regulations and is based on the reporting of accurate and transparent information that allows them to monitor TOTVS's activities and performance, strictly complying with legislation governing corporate affairs and the stock market.

We respect the rights of every shareholder, irrespective of their shareholding in the capital stock, including the disclosure of periodic information or material facts. This aligns with our Relevant Information Disclosure and Securities Trading Policy, which is governed by the Securities and Exchange Commission, reported to B3, and published on the TOTVS website (ri.totvs.com), accessible to all stakeholders.

Significant milestones have been reached by TOTVS throughout its existence. Starting from its admission to the Ibovespa in 2020 to its presence in the IBrX-50 indices of B3; IGPTW B3; and iDIVERSA B3, the Company has reiterated its pioneering spirit by being the first

one in the technology sector to appear in the most important stock and ESG indexes in the Brazilian market. These achievements not only symbolize success, but also serve as vital recognitions of the Company's hard work and leadership position in the industry, attained through strategic planning, effective operational execution, and unwavering commitment to the highest standards of corporate governance.

TOTVS implements a corporate structure that grants voting rights to all shareholders, while avoiding any form of management compensation that may potentially harm the legitimate interests of both majority and minority stakeholders.

Shareholding structure in 2023

Capital stock of approximately **R\$3 billion**

617,183,181 common shares

89% of the capital stock as outstanding (free float) shares

86.7% by foreign investors

13.3% of domestic investors

Investor Day inside the TOTVS Universe 2023

Universo TOTVS, one of the largest technology and business events in Brazil, attracted over 12,000 attendees (a 30% increase from 2022) including clients, partners, and developers for a two-day event packed with cutting-edge product launches, innovations, and trends across the Company's three business dimensions. Investor Day was hosted inside the Universo TOTVS structure for the second consecutive year, featuring presentations and interactions by the Executive Officers about the Company's future strategy and vision with analysts and investors, and those who attended on-site were granted complete access to the two-day Universo TOTVS event.

Institutional Investor

The Company was elected "Most Honored Company" on the MidCap ranking of the Technology, Media and Telecommunications (TMT) industry sector in the "The Latam Executive Team 2022" survey, being recognized in all 8 categories of the General and MidCap rankings, with emphasis on the first place positions in the Combined, Sell Side, and Buy Side ranking in all MidCap TMT categories.

Community

[GRI 413-1]

We believe in technology's power to bring about transformation and to assist in creating an ever more digital, prosperous, productive, inclusive, and sustainable ecosystem.

As a 100% national company with the responsibility of being the largest technology company in Brazil, TOTVS understands that it is part of its legacy to promote the development of the technology sector, especially among young people, so that they can invest in future careers and have the skills to understand dilemmas and propose solutions, such as techs, but also as citizens, capable of intervening positively in their own realities and communities. Consequently, one of the numerous social and environmental responsibility initiatives we champion is the Institute for Social Opportunity (IOS), founded and sponsored by TOTVS. Through it, we invest in initiatives that provide the democratization of access to education and productive inclusion of people to act in a world in constant transformation.



Institute for Social Opportunity (IOS, the "Instituto da Oportunidade Social")

[GRI 203-1 | 203-2]

The job market presents numerous challenges for young individuals, primarily due to their limited experience and specific skill set, especially in highly competitive technological fields.

In Brazil, there are approximately 50 million individuals between the ages of 15 and 29 who aspire to a brighter future. They dream of acquiring high-quality education and training to excel in higher education and secure employment opportunities. However, without adequate support and access to opportunities, their path to professional success becomes significantly more challenging. Unemployment rates prove this reality: in 2023, the unemployment rate of young people aged 18 to 24 stood at 18% , more than twice the national average (source: *O Globo* newspaper of Nov. 22, 2023)¹.

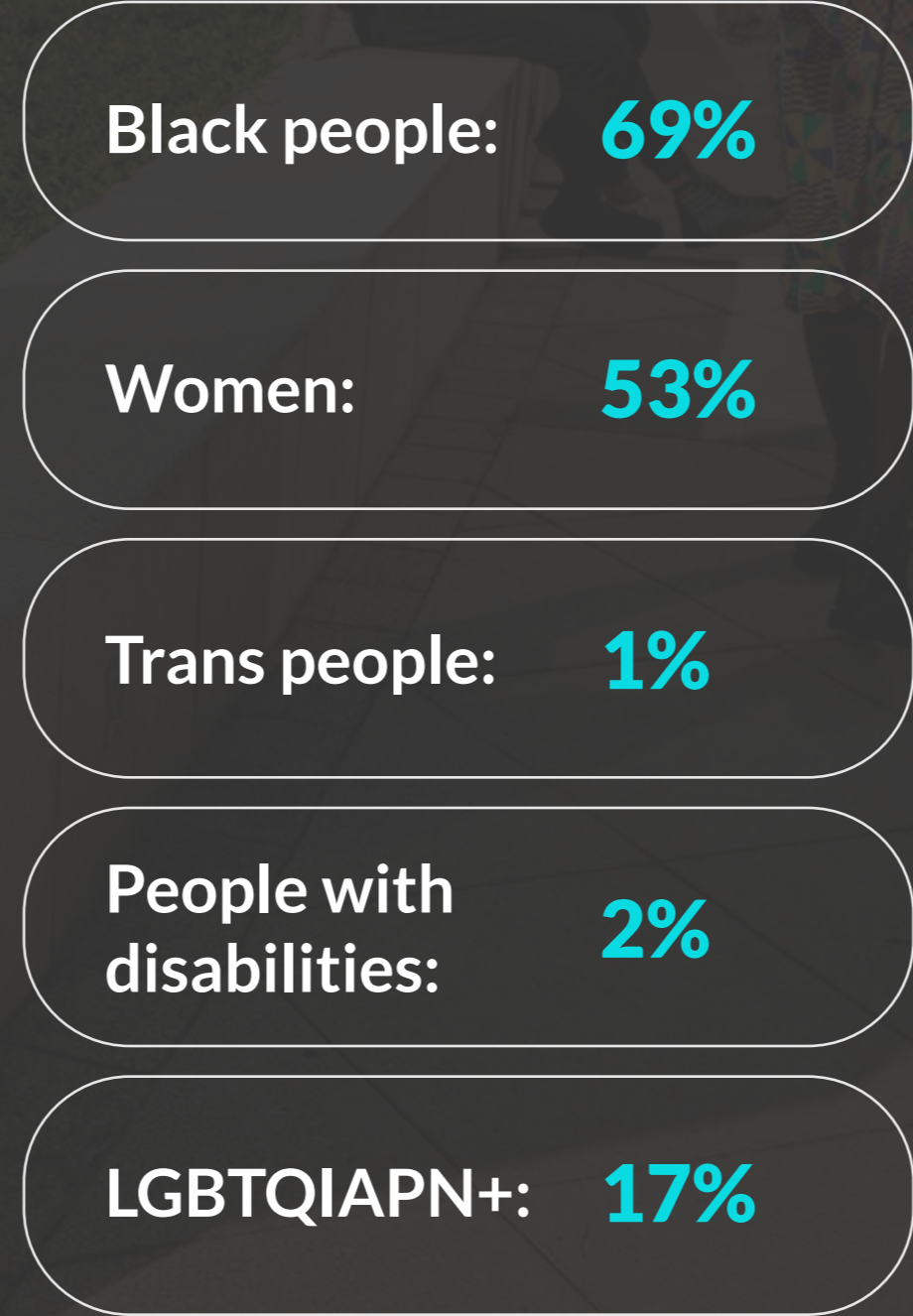
Given our awareness of this scenario, we have chosen to sponsor the Institute for Social Opportunity (IOS), an institution that was established in 1998 by TOTVS volunteers. It is a non-profit institute supported by the private sector, which offers training for young people facing social vulnerability and people with disabilities to prepare them for the labor market, providing access to technology with the main purpose of employing qualified professionals in the future's economy. IOS has an inherent focus on minority groups, particularly women and individuals from ethnic-racial minorities.

¹ Source: *O Globo* newspaper of Nov. 22, 2023 (<https://oglobo.globo.com/economia/noticia/2023/11/22/desemprego-entre-jovens-de-18-a-24-anos-e-mais-de-duas-vezes-superior-a-media-nacional.ghtml>).





According to data from the IOS annual report, 95% of students who answered the psychosocial questionnaire identify themselves as follows:



[GRI 413-1]

Our focus with the Institute is to train professionals who add to their baggage, besides technical knowledge and theoretical training, behavioral skills that the job market seeks, such as care for relationships, respect for differences, teamwork and creative problem solving, always based on an innovative mindset.

IOS provides courses on administration and information technology, with practices in digital education, citizenship, sustainability, mathematics, communication and expression, and behavioral skills, and all of them make use of software available in the market. The classes took place in both face-to-face and distance learning formats. To support learning, a great differential of IOS is the use of the ERP TOTVS software in practice, making the concepts studied tangible.

In 2023, 2,204 young people were trained free of charge by IOS, of which 5% have some disability, 55% were women, 57% were black (black and non-white people), and 93% attended high school. 1,275 students enrolled in the institute's employability cycle, specifically in administration and technology courses, were successfully employed. In the period, the employed alumni had an average compensation that represented a 63% increase in their families' income.

TOTVS invested R\$7.2 million in IOS throughout 2023. In the period we also carried out the 4th edition of the "TOTVERS who Get Things Done" ("TOTVERS que FAZEM") Campaign, which engages TOTVERS and franchises in the collection of financial donations to help maintain the training of IOS students and basic needs, such as the donation of support material for students, besides transportation and food costs. As a result of this action, a contribution of approximately R\$364 thousand was made. It is worth mentioning that during this period, we organized a volunteer campaign that saw the involvement of 114 TOTVERS volunteers. These committed individuals generously dedicated a collective total of 436 hours to engaging with young people through various initiatives.



In 2023, IOS offered 3 affirmative classes for People with Disabilities (PwD), in partnership with private companies, and this training had as a distinguished feature the focus on the profile and technical skills that the partner desired and adhering to compliance with the Brazilian Affirmative Action Law.

In the year, the Institute also promoted the “IOS WANTS TO KNOW” meeting, in which information on free access/ opportunities for young people and students was discussed.

Criatech, another event, showcased projects that stood out for their technological advancements, innovation, and cultural contributions. These projects were developed by students in the second semester of 2023. The papers were presented at TOTVS headquarters in São Paulo, Rio de Janeiro, Pernambuco, and Belo Horizonte. Apart from TOTVERS, the event was also attended by volunteers from partner companies, benefiting approximately 280 students. Additionally, there were 16 TOTVERS present who participated in evaluating the best projects.

In order to connect TOTVERS with IOS and strengthen its commitment to Social Responsibility, TOTVS held, from October 24 to 26, the TOTVS Social Impact Festival, an event that was attended by over 1,180 young people. The purpose of this event was to connect TOTVERS with students who, by volunteering, could not only familiarize themselves with the layout of TOTVS headquarters but also interact with the professionals employed there. The program included: Design Thinking workshop, conversation with TOTVERS alumni; visit to the facilities of the TOTVS headquarters for students from Sao Paulo; and visit of the TOTVERS at the IOS headquarters in Sao Paulo.

Impact that makes a difference

45,000+ students graduated since IOS was established

R\$7.2MM is the total amount invested in 2023 by TOTVS

63% positive impact on family income of students employed in 2023

3,000+ students¹ enrolled per year

2,200+ students¹ graduated per year

1,316 students¹ employed annually

¹ Average of the last 3 years.



Click here



to learn more about IOS.



Institutional and public sector relationship

At TOTVS, we believe that constructive dialogue among the private sector, civil society, and the public sector is essential for the country's development. Therefore, we are dedicated to establishing mechanisms of exchange and relationship to bring our vision to life and contribute to knowledge creation aimed at boosting innovation, national economic growth, and the creation of effective public policies that serve the interests of the entire society and the development of the technology market.

We actively engage with governments, associations, and universities. Our relationship actions are achieved through the following channels:

- Collaborative thematic working groups that discuss the impacts of institutional and governmental actions, and develop sector-specific strategies for targeted agendas;
- Rounds of discussions and meetings for sectoral discussions between companies, associations, and governments;
- Participation in public consultations and hearings organized by the Government and the third sector;
- Technical and institutional visits;

- Individual meetings (led by TOTVS) and sectoral meetings (with associations) with government representatives and other entities;
- Sponsorship in events that guide and reinforce the importance of technology and innovation in the country;
- Discussions and design of sectoral proposals;
- Development of projects of public interest and institutional support.

It is worth emphasizing that our business and institutional interactions follow structured processes as outlined in our [Policy for Business and Institutional Relationship with Public Entities](#). It is mandatory

to document all interactions, whether in person or remote, using an electronic tool, with the goal of ensuring transparency in this relationship. We expect and encourage the adherence to this policy by third parties, subcontractors, representatives, consultants, suppliers, and service providers when they interact with or represent our company. [\[GRI 2-23\]](#)

The purpose of engaging with this audience is to ensure that TOTVS has a voice in the process of building public policies. The priority agendas are related to innovation, human capital, tax matters, labor relations, information security and privacy, because of their potential impact on the Company's operations. [\[GRI 2-29\]](#)



Among our key initiatives in 2023, we highlight the following ones:

Institutional Agenda

Council for Sustainable Economic and Social Development (CDESS): we rejoined the CDESS in 2023, represented by Laércio Cosentino. Besides participating in the plenary meetings, TOTVS is also one of the coordinators of the Technology, Innovation, and Digital Transformation Committee, whose mission is to serve as a space for dialogue between society and government in the construction of a strategic agenda for digital transformation.

Parliamentary Front for Competitive Brazil: we became part of the sponsors of the Executive Secretariat and took part in the launch of this Front.

Government Relations Meeting: we sponsored the Meeting of the Institute of Government Relations (Irelgov) and were invited to moderate the Brazil panel in the face of technological transformations.

Human capital agenda

ABES Conference: we sponsored the ABES Conference, an event focused on the debate on the digital future and the reinvention of the current landscape.

Business Mobilization for Innovation (MEI) of the CNI: we actively take part in the MEI, a group that brings together the major players of the Innovation ecosystem in the country and works to formulate public policies proposals and shape the business innovation agenda in Brazil.

Innovation & AI agenda

International Innovation Congress: we sponsored the 10th International Innovation Congress, held by CNI. In 2023, the conference explored the theme "Eco-innovation, towards a sustainable and competitive industry". This event had a booth dedicated to displaying our manufacturing solutions and with space for IOS to present how it can help companies in the ESG agenda.

"Lei do Bem": we see the "Lei do Bem" (a law granting tax benefits for companies investing in R&D for innovative technology) as an important instrument to encourage innovation in the country and we engage in several forums for debate on this subject.

Tax matters agenda

Tax Reform: updating the national tax system is a priority subject for the Company, as it directly

impacts the solutions offered to customers. For this reason, TOTVS worked with ABES, Abrasca and Brasscom to advocate for the PEC (Bill of Amendment to the Federal Constitution) and the extension of the exemption by the Congress. The importance of these matters for the country's development was a driving force behind this collaboration.

Labor relations agenda

e-Social: we are part of the e-Social Confederative WG, a forum for strategic discussion of functionalities and new timelines for implementing the system and building technical understandings for its improvement (e-Social is a digital integrated system for Brazilian employers to comply with all labor-related social obligations).

Privacy agenda

Data protection: we engage through sectoral associations in the process of regulating the General Data Protection Law (LGPD) made by public consultations opened by the National Data Protection Authority (ANPD). This sector maintains a collaborative relationship with the Government in order to enhance Brazilian legislation.





Institutional and sectoral associations

[GRI 2-28]

We strive to aim our efforts on common agendas of the industry sector and strengthen our status as a benchmark company in the construction of an ecosystem of growth and technological innovation in Brazil. Being present in the discussions of the technology sector and the business dimensions in which we operate helps us to be well positioned in the face of market demands and legislative and regulatory changes.

Here are a few of the institutional associations we are involved with and have seats in:

Our participation in entities representing the technology industry sector takes place through engagement in debates and technical discussion forums.

- **BRASSCOM** – Brazilian Association of Information and Communication Technology Companies, Chairman of the Board of Directors and leader of the Talent Training GTT to work on the Human Capital development agenda.
- **ABES** – Brazilian Association of Software Companies, Leadership of the Future of Work Committee, the Task Force on "Lei do Bem" (a law granting tax benefits for companies investing in R&D for innovative technology), and the Labor Relations WG to work on the Human Capital, Innovation, and Labor Relations agendas.
- **ANPEI** – National Association for Research and Development of Innovative Companies; Leading role in the Development Committee to work on the Innovation agenda.
- **ABRASCA** – Brazilian Association of Publicly Held Companies; member of the Board of Directors 2023-2026.

Technology Ecosystem

[GRI 3-3 Transformation and innovation in business model]

Innovation is ingrained in TOTVS's DNA, driving progress in our core business of developing technology solutions for companies, as well as shaping our overall business strategy.

Facts and data about our intellectual capital and its innovative activity:

 **11** development centers in Brazil, Mexico, and the United States

 **R\$3 billion** invested in research and development in the last five years

30%+ of our employees carry out R&D activities 

80+  startups in the iDEXO community (open innovation front)

90+ patents
110 registered software
400 trademarks

We develop innovative projects that address the specific challenges faced by the 12 sectors of the economy we cater to, involving our clients and partners in the process of innovation.

Awards and recognitions: highlight for the achievements of the 2nd place in the Valor Inovação Brazil Award in the IT category, and the 35th place in the overall ranking of the 150 most innovative companies, besides the 2nd place in innovation in the 100 Open Startups ranking.

Still aiming to innovate in our portfolio, we work strongly in open innovation through our hub of connections with startups, called iDEXO, which allows us to be close to agile, simple, and innovative solutions, which can, in different ways, be made available to our clients and customers.

We also work very closely with entities that foster innovation such as CNI (National Confederation of Industry), ANPEI (National Association for Research and Development of Innovative Companies), ABII (Brazilian Association of Industrial Internet), among others.

AI applications

AI has successfully kept pace with the rapid advancements in technology, undergoing significant development in its capabilities and now having an a gigantic range of applications. For TOTVS, since 2012 this topic has been part of studies and development in our Innovation Labs in Brazil and the United States, with the major focus on the evolution and efficiency of the business of TOTVS Group's clients through AI.

In 2023, we realized that we could and should go further, mainly because we are the largest technology company in Brazil and the only Brazilian IT company present in global innovation rankings, thanks to constant investments in R&D.

The challenge at hand was to devise a plan that would ensure the efficient and secure advancement of AI applications. From this, we developed the DTA: Digital Trusted Advisor, a robust innovation strategy capable of accelerating the application of AI in TOTVS solutions. This strategy enables data interaction with other company platforms or public sources, resulting in increased efficiency and disseminating practical recommendations to our clients whenever they need them, without requiring them to submit any data beforehand. This means that we combine the power of knowledge available in the public domain with the information that our clients already have to make it more efficient.

1 - Content & Knowledge:

At its core, this first experience is all about knowledge, empowering us to deliver timely and valuable recommendations to clients when they need them the most. Utilizing AI, for example, clients can gain insights into incorrectly parameterized tax rules, detect tax risks and vulnerabilities, which holds significant importance, especially within the context of tax reform challenges. Another example would be to receive some warning about the use and dissemination of sensitive data, corroborating the maintenance of good LGPD practices.

2 - Live & Action:

This particular experience operates on the principle of real-time data submission, enabling the client to promptly initiate action within a matter of seconds. Utilizing AI, clients can anticipate and address cash flow problems by requesting advance payment or an extension of payment terms directly on the platform.

Another example that is already being sold is TOTVS Varejo Supermercados Pricing Insights, a tool created from the DTA that centralizes the operational processes of store pricing and optimizes revenues based on sales forecasts. These forecasts are generated by simulating the average output of each product and allows to set up different pricing scenarios, according to the reality of the business, using registered margin criteria and competitor research.

3 - Build & Code:

This third experiment works for all cases where something needs to be developed. The DTA provides support to developers who use programming languages, such as ADVPL / TL ++ (TOTVS proprietary language) enabling them to generate code based on command descriptions (Prompts). This assistance helps to complete code that is already under construction, explaining a piece of code developed in the past, helping to make tests and implement best practices.

iDEXO [GRI 2-6]

Since 2017, TOTVS has established a structured relationship with startups through iDEXO, its open innovation hub. Through iDEXO, TOTVS facilitates connections and partnerships between scale-up startups, franchises, channels, partners, and clients. This enables the expansion of TOTVS's portfolio of offers and strengthens its integration with the innovation ecosystem. Many clients already adopt solutions developed by startups supported by iDEXO to optimize their businesses.

To intensify its open innovation initiatives, TOTVS launched CV iDEXO in 2021, a R\$300 million Corporate Venture Capital fund managed by Citrino Ventures. This fund invests in startups with high potential for growth and innovation, acquiring minority stakes. To date, CV iDEXO has invested in 10 promising startups.

In 2023, iDEXO started a program to serve and support the startup community more effectively. This program offers mentoring, connections with executives, and enables technical rounds with TOTVS to solve business challenges. This program was specially structured to meet expectations and consider the different levels of maturity and connection of the startups with which we relate: early stage (startup), scaleups (with greater maturity), partners, and investees.

For early-stage startups, collective mentoring and exchanges of general knowledge are offered. For scaleups, there are individual mentorships with TOTVS's executives and a project checkpoint. Partner startups gain visibility both in the market and within TOTVS's startup ecosystem. Those invested by CV iDEXO, on the other hand, have access to exclusive TOTVS events and interactions with key executives.

iDEXO also opens periodic opportunities for startups to join its community, assessing the level of maturity and identifying synergies with TOTVS prior to admission.

Click here



to learn more about iDEXO's operation.



“ The iDEXO Initiatives Program provides for a series of actions ranging from networking to training. Among the deliveries of the Program are technical rounds, mentoring, content trails, among others—always with the contribution of a group of professionals selected by iDEXO fostering the exchange of knowledge, networking, and business development, with the evaluation of opportunities and potential synergies between different areas of TOTVS and startups.



Alliances and partnerships with market players [GRI 2-6]

We invest heavily in strategic alliances and partnerships with the major and most renowned global companies in the technology industry and also with companies from various segments, sizes, and nationalities, in the segments inherent to TOTVS's businesses and markets. The Company's strategy is to expand its ability to develop new markets and offerings through external innovation and connection with other companies, focusing on providing clients with technology and business solutions that improve their financial results, increasingly strengthening TOTVS's role as a trusted advisor to its clients.

The strategy of forming strategic alliances and partnerships aims to:

- Develop new capabilities for TOTVS to provide more and more innovation and competitiveness to the market;
- Expand the portfolio of offerings, solutions, and businesses;
- Speed up the time to market by launching innovative and differentiated offerings quickly;
- Take advantage of the existing synergy between the solutions and brands of the Company and its partners;

- Develop joint actions of marketing, dissemination, and business generation;
- Expand the use of the Company's technology to other companies, partners, or clients; and
- Accelerate the consolidation and integration of TOTVS's three business dimensions (Management, Techfin, and Business Performance).

The Company's strategic alliances primarily focus on technology solutions and involve prominent global companies like Microsoft, Progress, and Oracle, among others.





Certifications

The technical certifications attest to the excellence of TOTVS, the high quality of our software and services, being also tools that encourage us to seek continuous improvement in our management of processes and controls and in the satisfaction of clients, customers, and employees:

- **TIER III:** it assesses effectively the structure of data centers in terms of business requirements for system availability based on the performance or expected uptime of the website infrastructure. TOTVS's data center is TIER III certified.
- **ISO 9001:** quality management certificate that specifies the set of requirements that provides companies with a parameter for standards to serve customers, seek continuous improvement, and ensure business competitiveness and quality.
- **ISO 27001:** international standard for the implementation of Information Security Management. This certification ensures that TOTVS Cloud meets the operational excellence required in the guidelines and obligations based on confidentiality, integrity, and availability, in the conduct of secure management for cyber resilience.
- **ISO 27701:** international standard aimed at validating adherence to the specific practices of an Information Privacy Management System. This certification ensures compliance with requirements and controls related to data protection and privacy, under the role of Operator in the TOTVS Cloud framework.
- **ISAR 3402:** it is a formal report used by service providers and prepared by independent auditors. It aims to describe the development, implementation, and operational effectiveness of the organization's controls, ensuring the quality and control of the services provided and mitigating risks to clients and customers.



5

Environmental Management

Environmental management guidelines / Water Energy / Waste / Emissions / Quality and safety in the management of data centers

Environmental management guidelines

[GRI 3-3 Management of Environmental Impact and Climate Change]



At TOTVS, we work on the ESG Agenda in a transparent and integrated manner, guided by a [Sustainability and ESG Policy](#). We disseminate the sustainable culture to all TOTVERS since the onboarding, with learning tracks at TOTVS University and awareness campaigns on environmental management in our internal communication.

As a technology company, TOTVS has the potential to play an important role in the socio-environmental sphere, both in its internal actions, aimed at evaluating and managing the environmental impact of its business, as well as in the development of technologies that contribute to greater efficiency in using resources and minimizing the impact related to its customers' businesses. Please learn more on this topic on [page 20](#).

The management of environmental indicators at TOTVS is carried out by the Facilities team, which plays a crucial role in consolidating data and implementing sustainable practices. This team collaborates closely with

the Facilities teams of the group's regional companies, ensuring that data management is tailored to their unique requirements.

The collection and analysis of environmental indicators include monitoring energy consumption, water, waste generation, and GHG emissions. Through team collaboration, we can achieve a detailed and accurate view of the environmental impact of our operations. This empowers us to identify areas that require enhancement and swiftly implement corrective actions. Through this coordinated effort, TOTVS reinforces its commitment to sustainability, incorporating

responsible environmental practices into all its operations and contributing to a more sustainable future.

One of our major initiatives was successfully completing the third inventory of Greenhouse Gas (GHG) emissions, according to the GHG Brazil protocol and the guidelines of the Carbon Disclosure Project (CDP). We aim to quantify and monitor emissions, proposing comparisons over time and identifying potential solutions to reduce consumption.

Our overall CDP inventory score increased from C- to C in 2023, demonstrating our efforts to identify and map major emission sources. Also, TOTVS remained a member of B3's ICO2 Index, which features companies committed to reducing GHG emissions, reinforcing our commitment to sustainability. The inventory that consolidates the 2023 data will be available from July on the Company's investor relations website and CDP's global website.

We highlight that, in 2023, we did not have any lawsuit regarding non-compliance with environmental laws and regulations.



Responsible architecture

As part of TOTVS's commitment to reducing environmental impact, optimizing the use of natural resources and improving people's quality of life, the Company's headquarters office, opened in 2017, follows several principles of sustainable architecture.

Our building's design prioritizes energy efficiency and enables savings through features such as abundant natural light, solar panels on the facade, and 100% LED lighting, allowing the structure to complement energy supply sources of its facilities. Moreover, our air conditioning systems are highly energy-efficient and offset CO₂ emissions. In addition, we have environments with individualized dumpsters per type of waste spread over strategic areas, besides spaces featuring elements of biophilic design.

The design of the internal environment was deliberately planned to promote collaboration and the formation of cross-functional teams, while adhering to the principle of "horizontality." This means that there is no distinction between roles, as everyone, from assistants to executives, works together. In 2022, as a consequence of the impact of the Covid-19 pandemic and the adoption of the hybrid work model, this concept was improved, with the launch, for example, of an application to allocate workstations and the creation of new decompression environments. These spaces feature suitable lighting, painting, and decoration to promote visual well-being among employees.

Water [GRI 303-1 | 303-5]

The water consumption in TOTVS's offices is related to administrative operations performed in common areas like restrooms and kitchens, besides the cleaning of all spaces. In addition, the Company's operations are located in urban areas and condominium structures, so we hire water and sewage from the utilities concessionaires and report only when we are single users.

In the year 2023, there was an 18% rise in water consumption compared to the previous year. This increase can be attributed to the expanded access to corporate environments, increased water usage for necessary maintenance, and the inclusion of operations from RD Station companies, the RBM office in Minas Gerais, and the Supplier unit.

Water consumption per cubic meter ^{1,2,3}

[GRI 303-5] [SASB TC-SI-130a.2]

| Supply from the public utility (m ³) | 2021 | 2022 | 2023 |
|--------------------------------------------------|--------|--------|--------|
| Total | 12,336 | 19,752 | 21,128 |

- 1 These data do not include operations of Tail, RBM in Juiz de Fora, and international operations.
- 2 In 2022, we changed our building structures at the Cianorte Unit to a new unit in Maringá city.
- 3 TOTVS units with condominium management to which we do not report: BH, Cascavel, Recife, Maringá, Goiânia, and Porto Alegre.

Energy [GRI 302-1 | 302-4]

In 2023, electricity consumption grew by 11% compared to 2022, due to the expansion of reporting which includes new operations. In addition, physical changes led to an increase in the usage profile of the units, as we began to host a greater number of events and carry out other activities that require the use of electricity for longer periods.

In addition, 2023 was marked by the El Niño climate phenomenon

and the consequent rise in temperature and increased use of air conditioning units. According to the National Institute of Meteorology (INMET)⁴, 2023 was one of the hottest years in Brazil's history, including a change in the temperature seasonality.

Around 87% of the energy we consume in 2023 will come from renewable sources.

Total electricity consumption (GJ) ^{1,2,3}

[GRI 302-1] [SASB TC-SI-130a.1]

| Electricity consumption | 2021 | 2022 | 2023 |
|-------------------------|--------|--------|--------|
| Total | 35,812 | 41,079 | 45,642 |

- 1 For the collection of this indicator, data reported by invoices (from utility companies and the Free Market) of all owned and acquired units up to December 2021, 2022, and 2023 were considered.
- 2 In 2022, we changed our building structures at the Rio de Janeiro Unit.
- 3 The data includes the operations of TOTVS S.A, RD Station, Supplier, Dimensa, RBM, Vadu, and international market operations.
- 4 <https://portal.inmet.gov.br/noticias/ano-de-2023-%C3%A9-o-mais-quente-da-hist%C3%B3ria-do-brasil#:~:text=O%20ano%20de%202023%20%C3%A9,16%C2%BAC%20abaixo%20da%20m%C3%A9dia%20hist%C3%B3rica.>



Waste [3-3 Management of Environmental Impact and Climate Change | 306-1 | 306-2 | 306-3 | 306-4]

TOTVS has entered into a contract with a third-party company to manage waste collection and recycling activities at their headquarters in Sao Paulo and their Joinville branch. Additionally, they closely track key performance indicators in this area. The vast majority of waste generated in the Company comes from administrative activities, which contribute to proper disposal, such as recycling and reuse, as well as public collection in smaller units. In the last period, we had a 15% increase in the use of the units, contributing to a 26% increase in waste generation.

In 2023, 44.56 tons of waste were discarded at the landfill, an increase of 56.9% compared to 2022, and 33.23 tons were destined for recycling,

an increase of 17.9% compared to the previous year. The return of corporate activities and events organized in our offices has contributed to this result.

Throughout the year, a total of 4 tons of electronic equipment were sold, primarily originating from headquarters and decommissioned offices. This volume generated a return of R\$351,838.51 for TOTVS. Nine iMacs and 51 smartphones were also donated to IOS (Institute for Social Opportunity).

In addition, over 90% of our furniture is donated to social organizations during processes of demobilization and/or restructuring of our building structures and offices.

Volume of waste generated and destination^{1,2,3}

[GRI 306-3 | 306-4 | 306-5]

| Total weight of waste, per type and method of disposal (t) | 2021 | 2022 | 2023 |
|------------------------------------------------------------|--------------|--------------|--------------|
| Landfill | 3.30 | 28.40 | 44.56 |
| Recycling | 11.80 | 28.17 | 33.23 |
| Total | 15.10 | 56.57 | 77.79 |

1 As of 2022, we started to account for the Joinville unit, in addition to our headquarters in São Paulo.

2 Materials sent for recycling are mostly paper, glass, plastics, and electronic waste.

3 In the case of electronics, we consider equipment sent from other TOTVS units to São Paulo and Joinville.





Emissions [\[GRI 3-3 Management of Environmental Impact and Climate Change | 305-1 | 305-2\]](#)

Reducing greenhouse gas (GHG) emissions in operations not only contributes to mitigating climate change but also demonstrates commitment to reducing environmental impact. In 2023, we worked on constructing our third GHG emissions inventory, covering scopes 1, 2, and 3. Based on the 2021 inventory data, we obtained a comparison of our emission

reduction progress and identified areas for improvement to extend these efforts to acquired units and the international market.

Scope 1 includes direct emissions such as internal fleet emissions, fugitive emissions, generators, and fuels. In 2023, we recorded a total of 1,138.12 tCO₂e, a significant reduction compared to 1,514.88 tCO₂e in 2022, with biogenic emissions totaling 43.25

tCO₂e in 2023. The decrease in fugitive emissions was largely due to reduced air conditioning system maintenance needs, reflecting our operational efficiency and commitment to reducing direct emissions.

Scope 2 addresses indirect emissions associated with purchased electricity, both based on location-based and market-based energy sourcing. In 2022,

location-based emissions were 584.83 tCO₂e, reduced to 487.83 tCO₂e in 2023, due to lower emission factors in the Brazilian electricity grid. Market-based indirect emissions were 102.35 tCO₂e in 2023, demonstrating continuous improvement in our energy efficiency and cleaner energy sourcing.

Scope 3, included in the 2022 inventory, was expanded in 2023 to cover air travel, home office employee data, and commuting. In 2023, we recorded a total of 5,324.91 tCO₂e in Scope 3, an increase from the previous year due to the inclusion of new emission sources. Employee travel and commuting also contributed to a more comprehensive understanding of our environmental impact.

The construction of the 2023 GHG inventory represents a significant milestone in our sustainability journey, enabling us to monitor and compare our progress, identify areas for improvement, and expand our efforts to new units and markets.

Simplified table of emissions (in metric tons of CO₂) ¹ [\[GRI 305-1 | 305-2\]](#)

| Scope | 2021 | 2022 | 2023 |
|------------------------------------------------------------------------------------------------|----------|----------|----------|
| Scope 1 | | | |
| GHG emissions from internal fleet of vehicles, fugitive emissions, power generators, and fuels | 1,136.90 | 1,514.88 | 1,138.12 |
| Biogenic emissions (Scope 1) ² | 304.29 | 122.26 | 43.25 |
| Scope 2 | | | |
| Indirect emissions (market basis) | 199.46 | 178.54 | 102.35 |
| Indirect emissions (location basis) | 1,167.39 | 548.83 | 487.83 |
| Scope 3 | | | |
| Emissions related to corporate travel, employee commuting and solid waste ³ | NA | 370.30 | 5,324.91 |

¹ Included gases: CO₂, CH₄, and N₂O.
² Associated with fossil fuels, related to fleet of vehicles and generators.
³ In 2022, scope 3 reporting covered corporate travel via taxi, rental cars and mobility apps and the solid urban waste generated by the São Paulo (SP) and Joinville (SC) operations. In 2023, it also includes air travel and employees' home-work commute.



Carbon inventory

Development of the third greenhouse gas emissions inventory for TOTVS operations

Execution

SDG 12 Commission

Facilities and ESG

Material themes

Management of Environmental Impact and Climate Change

Ethical and Responsible Governance

Related SDGs



Related Standard

GRI 305-1 | 305-2

GHG Brazil

protocol used to build the document

Modelo CDP

a global benchmark in environmental reporting

Mobilization

and engagement of the acquired companies RD Station, Supplier, TECHFIN, Dimensa, RBM, Vadu and the International Market operations in building the inventory

Scopes 1, 2 and 3

contemplated, allowing the climate impact to be assessed comprehensively

Upgrade Score CDP

▲ C vs. score F (2021)

Scope 3

expanded with indirect emissions from air travel, home office workers and home-work commuting

Aligned with the Principles of the Global Compact Environment



Environment

Continuity in **ICO2 B3**

Quality and safety in the management of data centers [SASB TC-SI-130a.3]

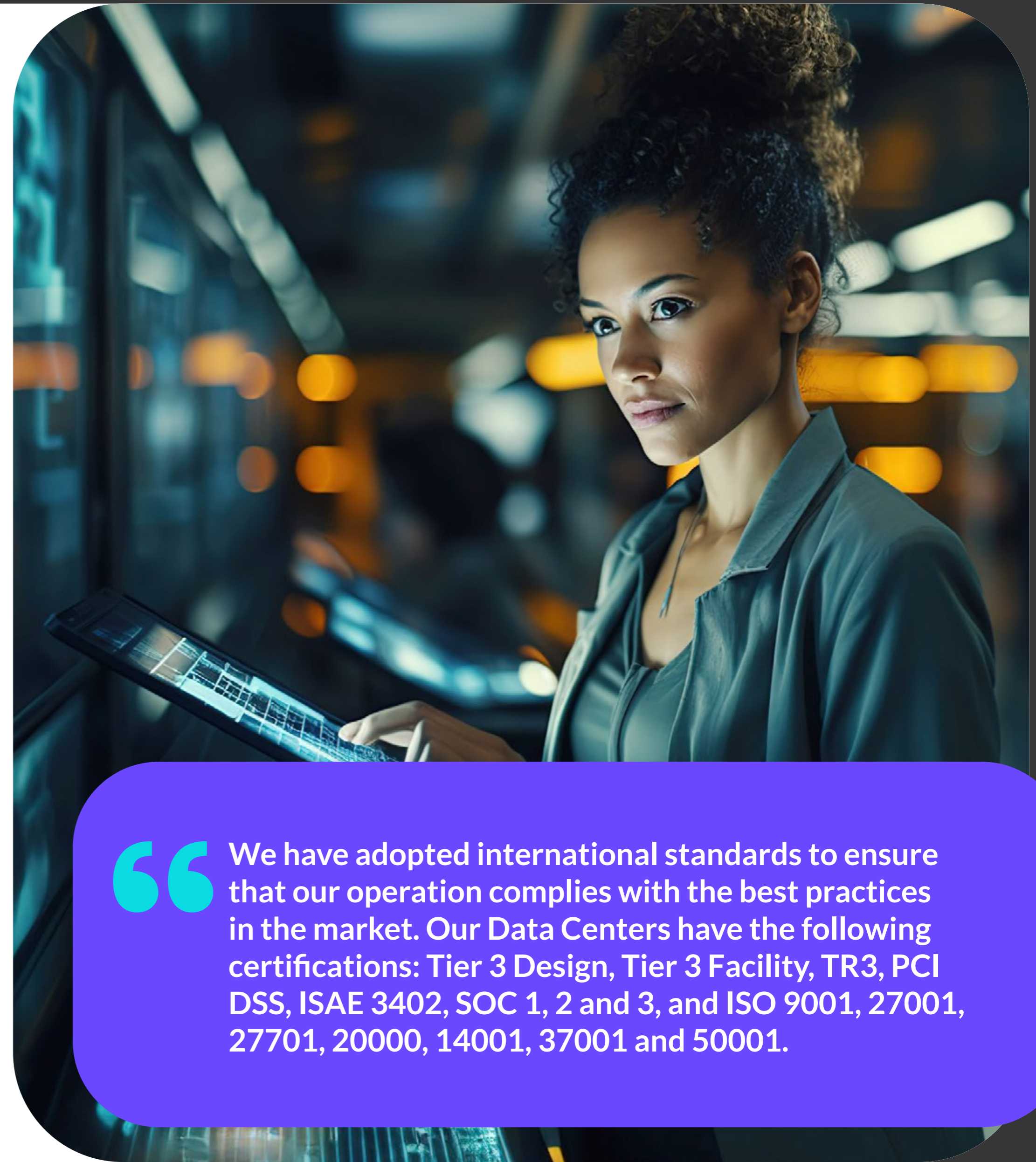
TOTVS's Data Centers have been meticulously crafted to ensure an improved Cloud experience for both our clients and customers, all the while upholding our unwavering commitment to society and the future of the planet. By adopting international standards, we have established a framework of best practices in our operations, enabling us to support companies that share our philosophy. For us and our partners, the commitment to best practices in environmental, social, and governance issues is an absolute priority.

With a dedicated and specialized team composed of internal and outsourced professionals, we guarantee the management of five main Data Centers, two Backup Edges, and three expansions dedicated to Cloud customers. This team is responsible for maintaining the entire infrastructure of TOTVS's Datacenter in full, performing essential activities, such as preventive, predictive, and corrective maintenance, contract management with third parties, energy efficiency studies, access control, asset security, and capacity management.

On the premises of the Data Centers, there are also devices for controls against environmental factors such as: generators, UPSs, firefighting central service, smoke detection devices, Novec 1230 combat agent for critical mission areas, conventional CO₂ fire extinguishers and dry chemical powder in common

areas, redundant and segregated power panels, raised floors, structured cabling, redundant and segregated chilled water plant to control the internal temperature, reinforced walls, fire doors, emergency lighting, and emergency exits. Our ecosystem includes humidity and temperature sensors, along with a Building Management System (BMS) that is connected to all equipment. These components undergo regular maintenance.

Furthermore, strict security protocols have been put in place at the Data Centers, which encompass the prohibition of smoking, consumption of food or drinks, entry with bags or backpacks, and capturing images or videos of the premises. Access to them is restricted exclusively to authorized professionals, and all instances of access are meticulously logged to uphold the security and integrity of the facilities.



“ We have adopted international standards to ensure that our operation complies with the best practices in the market. Our Data Centers have the following certifications: Tier 3 Design, Tier 3 Facility, TR3, PCI DSS, ISAE 3402, SOC 1, 2 and 3, and ISO 9001, 27001, 27701, 20000, 14001, 37001 and 50001.



6

Financial Results

Economic and financial management / How we generated value in 2023 / Business landscape and outlook for 2024

Economic and financial management

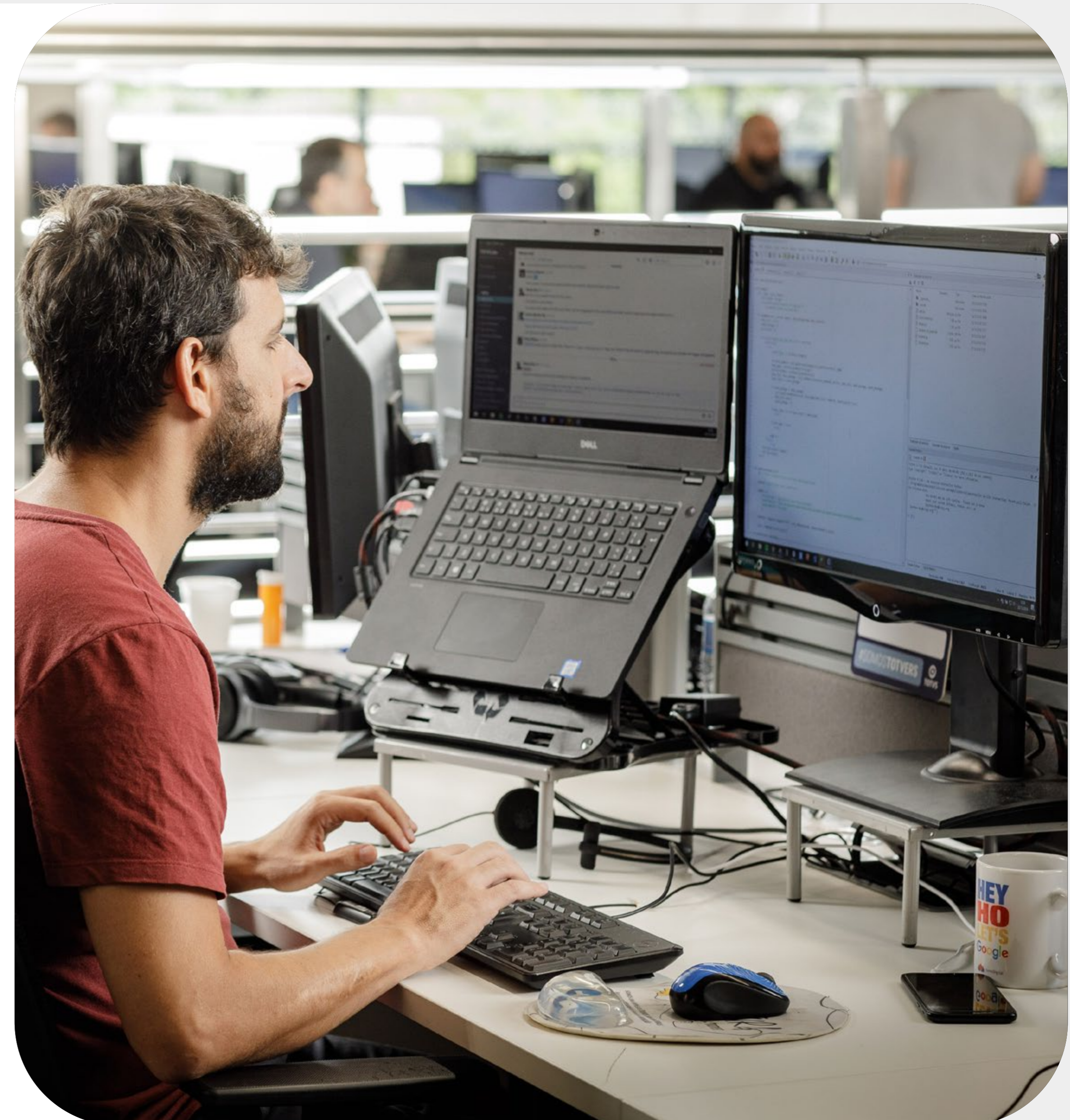
[GRI 3-3 Sustainable Growth]

In 2023, TOTVS maintained its focus and vision in the execution of its long-term strategy: expansion of its unique and innovative 3D ecosystem, with the purpose of improving the results of companies, making them more competitive and relevant in their sectors of operation (learn more about this strategy in [page 15](#)).

Throughout this period, we made significant strides and progress in all of our business dimensions, making progress in establishing ourselves as the trusted advisor for our clients through the use of technology.





The results reflect the very consistent, decades-long work that involves a lot of skilled people who have a good character. Check out our 2023 key financial and operational highlights:

- Consolidated net revenue reached **R\$4.6 billion**, growth of 18% over 2022
- This performance was driven by the growths of **18%** in Recurring Management Revenue and **41%** in Business Performance Net Revenue over 2022
- Consolidated EBITDA approached **R\$1.1 billion in 2023**, exceeding 2022 at 17%, with Management EBITDA surpassing R\$1 billion
- Operating Cash Generation reached 127% of Adjusted EBITDA, having reached the level of **R\$1.4 billion** in 2023, 13% higher than 2022
- Cash Earnings ended the year at **R\$651 million**, growth of 10% over 2022
- In Management, we maintained a healthy balance between growth and profitability
- In Business Performance, we had the successful succession at RD, the transition from a single to multi-product platform and acquisitions that complemented our portfolio
- In Techfin, the TOTVS TECHFIN joint venture was completed, enabling Supplier and the organic operation to have access to funding that is both broad, stable, and cost-competitive



Statement of Value Added [GRI 201-1]

In 2023, our wealth distribution amounted to R\$3.972 billion. The amount, which is 22% higher than the previous year's total distribution, was allocated as follows:

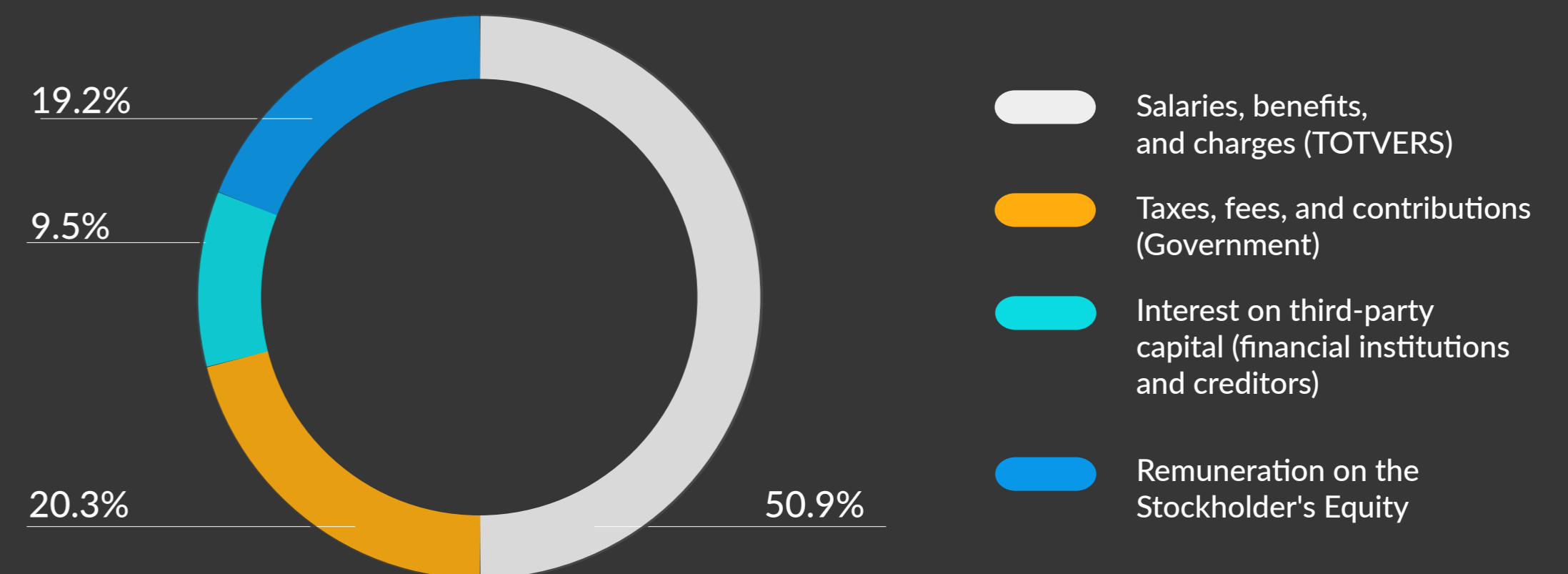
-  **50.9%** to employees
-  **20.3%** to the government
-  **19.2%** to shareholders
-  **9.5%** to interest and rents

Distribution of Value Added¹ (stated in R\$ thousand) [GRI 201-1]

| | 2021 | 2022 | 2023 | VAR 2022 vs. 2023 |
|------------------------------------------------------------------------|------------------|------------------|------------------|-------------------|
| Total DVA | 2,356,052 | 3,247,486 | 3,971,649 | 22% |
| Salaries, benefits, and charges (TOTVERS) | 1,310,587 | 1,680,291 | 2,022,490 | 20% |
| Taxes, fees, and contributions (Government) | 523,915 | 697,441 | 806,236 | 16% |
| Interest on third-party capital (financial institutions and creditors) | 147,513 | 346,453 | 378,488 | 9% |
| Remuneration on the Stockholder's Equity | 374,037 | 523,301 | 764,435 | 46% |

¹ 100% of the TOTVS S.A. group was disclosed with a base date of December 31, 2023, according to the Company's Financial Statements.

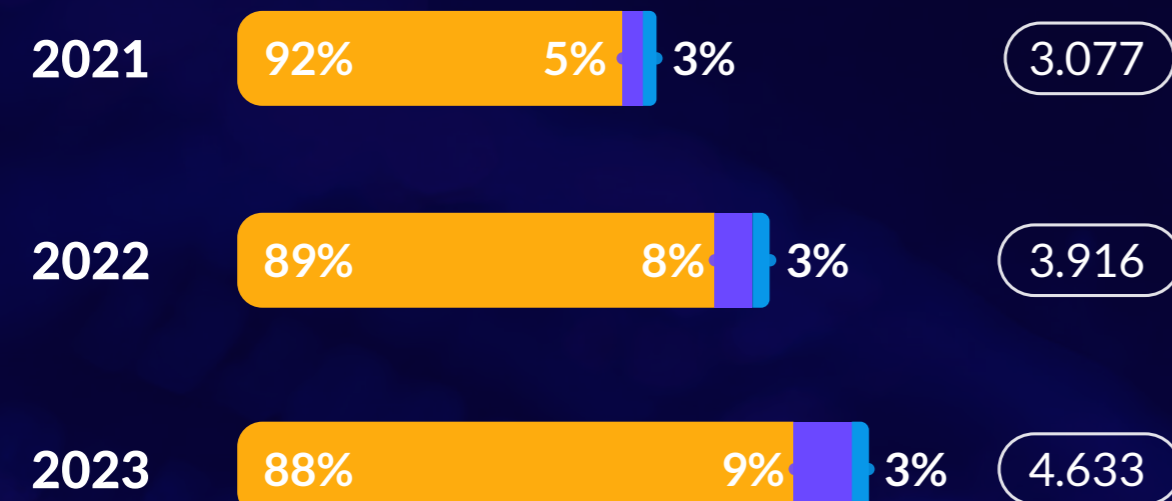
Distribution of Value Added in 2023 (in %)



Consolidated Results 2023 (R\$ million)

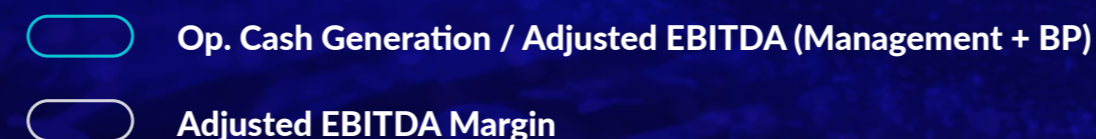
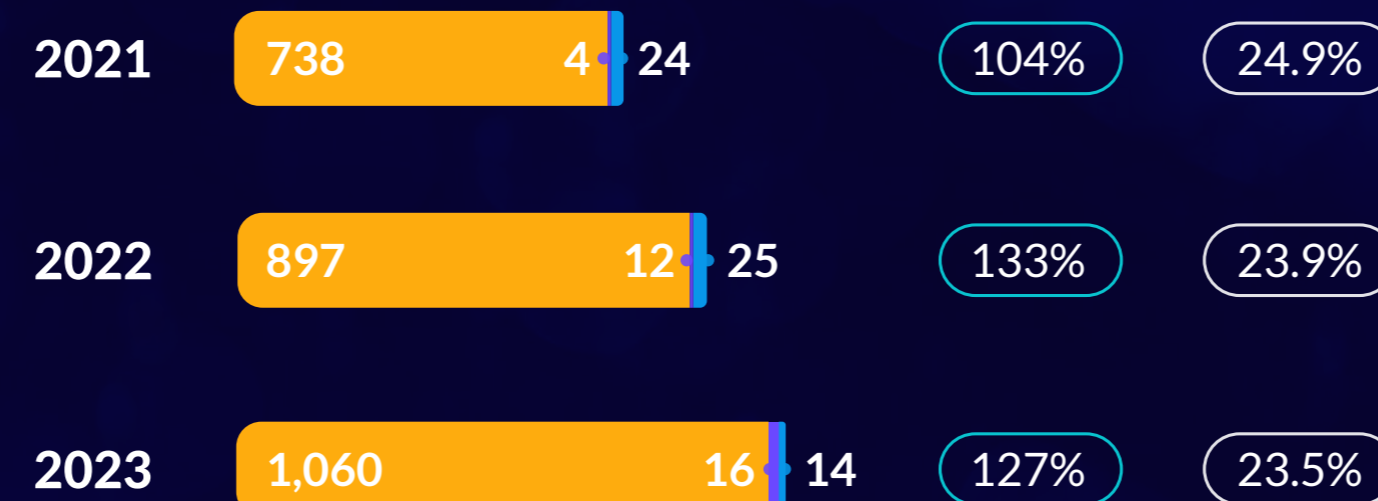
Net Revenue

CAGR 21 - 23 = 23%



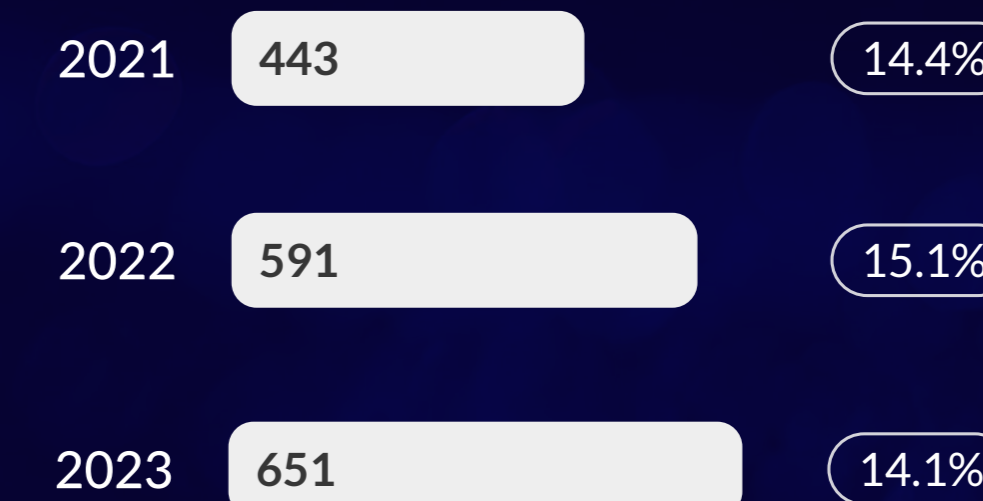
Adjusted EBITDA²

CAGR 21 - 23 = 21%



Cash Earnings³

CAGR 21 - 23 = 21%



¹ Considers Techfin Revenue at 50%, net of funding cost.
² Adjusted EBITDA, excluding extraordinary items, plus 50% of Techfin's EBITDA.
³ Net Income without the effects of expenses with amortization of intangibles arising from acquisitions, considering Techfin Net Income at 50% in all periods.

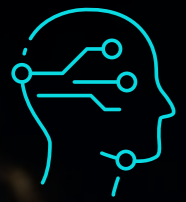
To access comprehensive financial information for 2023, please visit the Results Center on our Investor Relations page

Click here [+](#)

How we generated value in 2023

| | Manufactured Capital | Human Capital | Financial Capital | Intellectual Capital | Social and Relationship Capital | Natural Capital |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Drivers | <ul style="list-style-type: none"> Value proposition: improve companies' results | <ul style="list-style-type: none"> A unique, attractive, and competitive company Diversity and Inclusion A strong, young, and meritocratic culture | <ul style="list-style-type: none"> Sustainable growth based on 3 business dimensions: Management, Business Performance, and Techfin Resilience and predictability of the recurrence model plus addressable market growth capture and transactional model take rate M&A Strategy | <ul style="list-style-type: none"> Users' experience and need is the major premise of innovation Focus on the technology that leverages our clients' businesses Product quality and satisfaction | <ul style="list-style-type: none"> TOTVS, a Trusted Advisor for its clients Presence and proximity at all stages of the client journey Building trusting and long-term relationships with our stakeholders Social investment in line with the business strategy: productive inclusion and income generation Constructive relationship with the government and class entities | <ul style="list-style-type: none"> Strengthening environmental practices with a focus on impact measurement Responsible disposal of electronic waste and other waste from our operations Conscious consumption of natural resources and efficient use of energy |
| Our assets and/or processes | <ul style="list-style-type: none"> Robust distribution platform with widespread business reach 11 Consolidating Franchises spread throughout Brazil to serve our clients in the 38 franchised territories 50+ offices throughout Brazil and Latin America | <ul style="list-style-type: none"> Over 11,000 people in our own units in Brazil and abroad A global, plural, and diverse company: our human capital comprises professionals from 16 different nationalities, including generation Y (63%), generation X (21%), generation Z (15%) and baby boomers (1%) | <ul style="list-style-type: none"> Capital Stock of over R\$2.9 billion Strong Corporate Governance: true corporation, Board of Directors composed of 89% independent members, of which 43% women and who have been working on average 7 years with our company | <ul style="list-style-type: none"> 11 development centers in Brazil, Mexico, and the United States, specialized in 12 strategic sectors of the economy | <ul style="list-style-type: none"> 70+ thousand customers between micro, small, medium, and large companies | <ul style="list-style-type: none"> Open concept offices Tier III internationally certified Datacenter |
| Investments, impact, and shared value generation | <ul style="list-style-type: none"> About 25% of the Brazilian GDP goes through TOTVS's solutions | <ul style="list-style-type: none"> R\$2 billion in value generated from Human Capital (salaries, benefits, and social charges) Hybrid work model focused on quality of life and productivity Promotion of diversity and inclusion by creating affinity groups: Gender, People with Disabilities, Ethnic-racial, and LGBTQIAP+ Focus on work education via the Network University model and gamification among users +Saudáveis (Healthier) Program featuring 6 health and wellness guiding principles. 240 thousand hours of training with an NPS of 92 in 2023. | <ul style="list-style-type: none"> Undisputed leader in ERP with 55% market share in Brazil (Gartner) Consolidated Net Revenue of R\$4.6 billion, an increase of 18% over 2022 | <ul style="list-style-type: none"> Over R\$3 billion invested in R&D in the last 5 years Far beyond ERP: our B2B technology ecosystem based on 3 business dimensions is already a reality for our clients 18th most valuable brand in Brazil according to the Interbrand ranking (2023) Over 90 patents, 110 registered software, and about 400 trademarks Connection with more than 80 startups | <ul style="list-style-type: none"> R\$7.2 million in donations to the Institute for Social Opportunity (IOS), contributing to the professional qualification of 2,204 young people 63% increase in family income of students trained by the IOS R\$806 million distributed as municipal, state, and federal taxes, fees, and contributions Promotion, engagement, and articulation of public policies for the sector on topics such as education, innovation, information security, labor, and tax matters, among others | <ul style="list-style-type: none"> Development of the third inventory of greenhouse gas emissions, addressing scopes 1, 2, and 3. About 87% of the energy consumed by our operations comes from renewable sources Disposal of 33.2 tons of waste for recycling More than 90% of our furniture is donated to social organizations during demobilization and/or restructuring processes |

Business landscape and outlook for 2024



Human Capital

In people management, we will continue to attract, retain, and develop TOTVERs. In order to gain more visibility among the younger people, we will focus on expanding our database of resumes. We will invest in development through the TOTVS University ("TOTVS Universidade"), leadership programs, and other initiatives. The focus will also be on mental health actions, encouraging financial health and the continuous promotion of diversity and inclusion guidelines.



Manufactured Capital

Our business development structure ensures that we are constantly aware of and responsive to the emerging needs of both society and the business sector. Through our ability to transform and adapt, we will achieve favorable results and encourage continual growth. Our primary focus will be on driving technological development, establishing productive partnerships, and exploring growth opportunities through acquisitions. Our aim is to become the best partner for our customers, supporting the expansion of businesses and entrepreneurs. All of this is aligned with our motto, "BRAZIL THAT MAKES IT HAPPEN."



Financial Capital

On economic and financial management, we will continue, each year, seeking the best financial and operational results, with robust financial management strategies, cash generation, liquidity, and controlled debt. Operational efficiency, in turn, is increasingly supported by structured processes in our operations, diligent risk management, and discipline in cost control.



Intellectual Capital

In the area of knowledge generation and dissemination (Intellectual Capital), we will maintain a strong emphasis on innovation, research and development of software, solutions, and services, we are targeting specific investments to drive these initiatives, while promoting the continued development of TOTVERs. Moreover, we actively foster and promote the discussion and dissemination of knowledge in society, actively participating in, sponsoring, and endorsing events, workgroups, and studies.



Social and Relationship Capital

In our interactions with customers, shareholders, investors, suppliers, and other relevant parties, as well as in our engagement with society at large, we will continue to prioritize delivering solutions and partnerships of excellence. In this context, we seek mutual benefits, promoting a win-win process for our stakeholders and for our entire value chain. We also highlight the commitment to the Institute for Social Opportunity, maintained by TOTVS, as an integral part of this socially responsible approach.



Natural Capital

In the management of environmental resources and processes, we reinforce our commitment to continuous evolution in all of our initiatives. We actively work on reducing our impact on water usage by consciously and efficiently utilizing it. Similarly, we have focused efforts on efficient energy management and emission reduction by improving our Greenhouse Gas Inventory, by mapping the impacts of our key operations.





Appendix

GRI Content Index / SASB Table of Contents

GRI Content Index

| Statement of use | | TOTVS has reported with reference to the GRI Standards for the period spanning from January to December, 2023 | | | | | |
|-----------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------|-------------|-------|----------------|
| GRI 1 standard | | GRI 1: Foundation 2021 | | | | | |
| GRI standard | Content | Location | Omission | | | SDG | Global Compact |
| | | | Omitted requirement | Reason | Explanation | | |
| GRI 2: General Disclosures 2021 | | | | | | | |
| The organization and its reporting practices | 2-1 Organization's details | Page 10. TOTVS S.A. (the "Company") is a Brazilian corporation governed by these Bylaws and the applicable legislation. The Company's headquarters and jurisdiction are in the Capital City of Sao Paulo, State of Sao Paulo, Brazil, and the Board of Directors is responsible for determining its precise location. | | | | | |
| | 2-2 Entities included in the organization's sustainability report | Page 3. This material includes the acquired companies of the economic group TOTVS, taking into account the acquisition date (only those acquired until December 2023), and compiling quantitative financial and people data. Further information on the entities included in the company's operations and comprised in this report is available in section 1.2 of TOTVS's Reference Form and the results in the Financial Statements. | | | | | |
| | 2-3 Reporting period, frequency, and point of contact | Page 3. | | | | | |
| | 2-4 Restatements of information | Page 64. | | | | | |
| | 2-5 External verification | Page 132. | | | | | |
| Activities and workers | 2-6 Activities, value chain, and other business relationships | Pages 14, 15, 88, 99 and 100. | | | | 3 | |
| | 2-7 Employees | Pages 47, 49 and 50. | | | | | |
| | 2-8 Workers who are not employees | Page 51. | | | | 8, 10 | |

| GRI standard | Content | Location | Omission | | | SDG | Global Compact |
|----------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------|-------------|-------|----------------|
| | | | Omitted requirement | Reason | Explanation | | |
| Governance | 2-9 Governance structure and composition | Pages 25, 26, 28 and 29. | | | | | |
| | 2-10 Appointment and selection to the highest governance body | Page 25. | | | | | |
| | 2-11 Chairperson of the highest governance body | Page 27. The founder of TOTVS, Laércio Cosentino, has been Chairman of the Board since November 2018 and does not hold the highest executive position in the organization, which is held by another executive, the CEO. | | | | | |
| | 2-12 Role played by the highest governance body in charge of overseeing impact management | Page 26 and 33. | | | | 16 | |
| | 2-13 Delegation of responsibility by the impact management area | Page 20. | | | | 5, 16 | |
| | 2-14 Role played by the highest governance body in sustainability reporting | Page 3. | | | | 16 | |
| | 2-15 Conflict of interest | Page 41. | | | | 5, 16 | |
| | 2-16 Reporting of critical concerns | Pages 34 and 37. | | | | 16 | |
| | 2-17 Collective knowledge of the highest governance body | The topic of ESG is dealt with by reporting on the activities of the Committee. In addition, during the strategic planning meeting of the Board of Directors, all members learnt about and were able to discuss the strategy for ESG issues in the company for the 2024-2026 cycle. | | | | | |
| | 2-18 Performance assessment of the highest governance body | Page 32. | | | | | |
| 2-19 Compensation policies | Pages 30, 31 and 56. | | | | | | |

| GRI standard | Content | Location | Omission | | | SDG | Global Compact |
|----------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------|-------------|-----|----------------|
| | | | Omitted requirement | Reason | Explanation | | |
| Governance | 2-20 Process for determining compensation | Pages 30 and 31. | | | | 16 | |
| | 2-21 Ratio of annual total compensation | Page 56. | | | | | |
| Strategy, policies and practices | 2-22 Statement on the sustainable development strategy | Pages 4 and 6. | | | | | |
| | 2-23 Policy commitments | Pages 36, 43 and 94. | | | | | |
| | 2-24 Incorporation of policy commitments | Pages 35, 36 and 38. | | | | | |
| | 2-25 Processes for repairing negative impact | Pages 20 and 37. In line with the updated guidelines of the Global Reporting Initiative (GRI), we have broadened our perspective and the debate on the material topics relevant to TOTVS and the context within which they are found, based on the perception and conduct of these impacts, whether real or potential, on the company's everyday operations and strategies. By doing so, we aspire to present a holistic outlook of TOTVS and the way we have been making progress in business, partnerships, and solution development, as well as the commitments outlined in our Sustainability and ESG Agenda. | | | | | |
| | 2-26 Mechanisms for getting advice and reporting concerns | Pages 37 and 39. | | | | | |
| | 2-27 Compliance with laws and regulations | There were no significant instances of non-compliance with laws and regulations that led to fines and/or lawsuits in 2023. | | | | | |
| | 2-28 Participation in associations | Pages 91 and 96. | | | | 16 | |

| GRI standard | Content | Location | Omission | | | SDG | Global Compact |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------|---------------------|--------|-------------|----------|----------------|
| | | | Omitted requirement | Reason | Explanation | | |
| Stakeholder engagement | 2-29 Approach to stakeholder engagement | Pages 3, 85 and 95. | | | | | |
| | 2-30 Collective bargaining agreements | Page 58. | | | | 8 | |
| GRI 3: Material themes 2021 | | | | | | | |
| | 3-1 Process of defining material topics | Page 21. | | | | 17 | |
| | 3-2 List of material topics | Pages 21 and 22. | | | | | |
| Attraction, Retention, and Development of People | | | | | | | |
| GRI 3: Material themes 2021 | 3-3 Management of material topics | Pages 52 and 59. | | | | | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | Page 53. | | | | 5, 8, 10 | 6 |
| | 401-2 Benefits offered to full-time employees that are not offered to temporary or part-time employees | Page 57. | | | | 3, 5, 8 | |
| | 401-3 Parental leave | Page 81. | | | | 5, 8 | 6 |

| GRI standard | Content | Location | Omission | | | SDG | Global Compact |
|------------------------------------------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------|-------------|----------|----------------|
| | | | Omitted requirement | Reason | Explanation | | |
| GRI 404: Training and education 2016 | 404-1 Average hours of training per year, per employee | Page 64. | | | | 4, 8 | 6 |
| | 404-2 Programs for upgrading employee skills and transition assistance | Page 63. | | | | 8 | |
| | 404-3 Percentage of employees receiving regular performance and career development evaluations | Page 62. | | | | 5, 8, 10 | 6 |
| Sustainable Growth | | | | | | | |
| GRI 3: Material themes 2021 | 3-3 Management of material topics | Page 110. | | | | | |
| GRI 201: Economic performance 2016 | 201-1 Direct economic value generated and distributed | Page 111. | | | | 8, 9 | |
| | 201-4 Defined benefit plan obligations and other retirement plans | In 2023, the Company made use of the tax benefit of Incentive to Research & Development (Law 11,196/05), deducting from its effective rate of income tax and social contribution the amount of R\$30 million, with 100% of the amount used in Brazil. | | | | | |
| GRI 203: Indirect economic Impacts 2016 | 203-2 Significant indirect economic impacts | Page 91. | | | | 3, 8, 10 | |

| GRI standard | Content | Location | Omission | | | SDG | Global Compact |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------|-------------|--------------|----------------|
| | | | Omitted requirement | Reason | Explanation | | |
| Diversity, inclusion, and elimination of discrimination | | | | | | | |
| GRI 3: Material themes 2021 | 3-3 Management of material topics | Page 70. | | | | | |
| GRI 405: Diversity and equal opportunities 2016 | 405-1 Diversity of governance bodies and employees | Pages 75, 76 and 78. | | | | 5, 8, 10 | 6 |
| | 405-2 Ratio of basic salary and remuneration of women to men | Page 56. | | | | 5, 8, 10 | 6 |
| Management of environmental impact and climate change | | | | | | | |
| GRI 3: Material themes 2021 | 3-3 Management of material topics | Pages 103, 105 and 106. | | | | | |
| GRI 201: Economic performance 2016 | 201-2 Financial implications and other risks and opportunities due to climate change | Climate-related risks and opportunities are not material to TOTVS's business model. We have an Impact Table (for financial, reputational, legal, and operational aspects) that ranks the levels of criticality according to the severity of potential impacts. In this sense, for example, risks that can have a financial impact above R\$100 million are deemed critical for TOTVS. While they are acknowledged as ESG risk factors in our risk management, they lack the tangibility required to be featured in the company's risk matrix. Regarding opportunities, we see a path in supporting our clients in their sustainability journey through digital solutions and specialized ESG consulting. | | | | 13 | 7 |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Page 104. | | | | | |
| | 302-4 Reduction of energy consumption | Page 104. | | | | 7, 8, 12, 13 | 8, 9 |

| GRI standard | Content | Location | Omission | | | SDG | Global Compact |
|-------------------------------------------|-----------------------------------------------------------------------------|------------------------------|---------------------|--------|-------------|-------------------|----------------|
| | | | Omitted requirement | Reason | Explanation | | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Pages 106 and 107. | | | | 3, 12, 13, 14, 15 | 7, 8 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Pages 106 and 107. | | | | 3, 12, 13, 14, 15 | 7, 8 |
| Ethical and Responsible Governance | | | | | | | |
| GRI 3: Material themes 2021 | 3-3 Management of material topics | Pages 24, 33, 34, 35 and 42. | | | | | |
| GRI 205: Anti-corruption 2016 | 205-1 Operations evaluated for risks related to corruption | Page 42. | | | | 16 | 10 |
| | 205-2 Communication and training in anti-corruption policies and procedures | Pages 38 to 40. | | | | 16 | 10 |
| | 205-3 Cases of corruption confirmed and actions taken | Page 37. | | | | 16 | 10 |
| People's Health and Wellbeing | | | | | | | |
| GRI 3: Material themes 2021 | 3-3 Management of material topics | Page 79. | | | | | |

| GRI standard | Content | Location | Omission | | | SDG | Global Compact |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------|-------------|--------------|----------------|
| | | | Omitted requirement | Reason | Explanation | | |
| GRI 403: Health and safety 2018 | 403-1 Occupational health and safety management system | Pages 81 and 82. | | | | 3, 8, 12 | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Page 82. We don't have an established process for employees to report risky and/or dangerous situations. However, informally, employees report situations that pose a risk to the area's team leaders or brigade members so that they can be discussed at CIPA meetings or taken to the SESMT. If the employee chooses to report the situation, they can use the Ethics and Conduct Channel. | | | | 3, 8, 12 | |
| | 403-3 Occupational health services | Pages 79 and 81. | | | | 8 | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Page 83. | | | | 8, 16 | |
| | 403-5 Worker training on occupational health and safety | Page 83. | | | | 8 | |
| | 403-6 Promotion of worker health | Page 79. | | | | 3, 8, 12 | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Page 82. | | | | 8 | |
| | 403-8 Workers covered by an occupational health and safety management system | Page 82. | | | | 8 | |
| | 403-9 Work-related injuries | Page 83. | | | | 3, 8, 12, 16 | |
| | 403-10 Work-related ill health | Page 81. | | | | 3, 8, 16 | |

| GRI standard | Content | Location | Omission | | | SDG | Global Compact |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------|---------------------|--------|-------------|-----|----------------|
| | | | Omitted requirement | Reason | Explanation | | |
| Information Security, Data Protection and Privacy | | | | | | | |
| GRI 3: Material themes 2021 | 3-3 Management of material topics | Page 18. | | | | | |
| GRI 418: Customer privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Page 18. | | | | 16 | |
| Transformation and Innovation in Business Model | | | | | | | |
| GRI 3: Material themes 2021 | 3-3 Management of material topics | Pages 15 and 97. | | | | | |
| Complementary indicators (non-material) | | | | | | | |
| GRI 202: Market presence 2016 | 202-1 Proportion of the lowest salary in relation to the local minimum salary by gender | Page 56. | | | | | |
| | 202-2 Proportion of board members hired from the local community | Page 28. | | | | | |
| GRI 203: Indirect economic impacts 2016 | 203-1 Infrastructure investments and services supported | Page 91. | | | | | |
| GRI 204: Purchase practices 2016 | 204-1 Proportion of spending on local suppliers | Page 88. | | | | | |
| GRI 303: Water and effluents 2018 | 303-1 Water consumption as a shared resource | Page 104. | | | | | |
| | 303-5 Water consumption | Page 104. | | | | | |

| GRI standard | Content | Location | Omission | | | SDG | Global Compact |
|---------------------------------------------------|------------------------------------------------------------------------------------------------|----------------------|---------------------|--------|-------------|----------|----------------|
| | | | Omitted requirement | Reason | Explanation | | |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | Page 105. | | | | | |
| | 306-2 Management of significant waste-related impacts | Page 105. | | | | | |
| | 306-3 Waste generated | Page 105. | | | | | |
| | 306-4 Waste diverted from disposal | Page 105. | | | | | |
| | 306-5 Waste directed to disposal | Page 105. | | | | | |
| GRI 408: Child labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | Page 89. | | | | 5, 8, 16 | 5 |
| GRI 409: Forced or compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Page 89. | | | | 5, 8 | 4 |
| GRI 410: Security practices 2016 | 410-1 Security personnel trained in human rights policies or procedures | Page 89. | | | | | 1 |
| GRI 413: Local communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Pages 37, 91 and 92. | | | | | |
| GRI 414: - Supplier social assessment 2016 | 414-1 New suppliers that were screened using social criterias | Page 88. | | | | | |

SASB table of contents

| Theme | Indicator | Description | Localization |
|-------------------------------------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Environmental Footprint of Hardware Infrastructure | TC-SI-130a.1 | (1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable | Page 104. In addition, 15% of the energy consumed is electricity from the grid and 85% is renewable energy. |
| | TC-SI-130a.2 | (1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress | Page 104. We do not have a study on the proportion of our operations that may be located in water-stressed areas. |
| | TC-SI-130a.3 | Discussion of the integration of environmental considerations into strategic planning for data centre needs | Page 108. |
| Data Privacy & Freedom of Expression | TC-SI-220a.1 | Description of policies and practices relating to behavioural advertising and user privacy | Page 18. |
| | TC-SI-220a.2 | Number of users whose information is used for secondary purposes | Page 18. |
| | TC-SI-220a.3 | Total amount of monetary losses as a result of legal proceedings associated with user privacy | Page 18. |
| | TC-SI-220a.4 | (1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure | Page 19. |
| | TC-SI-220a.5 | List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring | There are no countries where TOTVS or its products are censored, blocked or banned for legal or cultural reasons. |
| Data Security | TC-SI-230a.1 | (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected ³ | Confidential information. |
| | TC-SI-230a.2 | Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards | Page 18. |
| Recruiting & Managing a Global, Diverse & Skilled Workforce | TC-SI-330a.1 | Percentage of employees that are (1) foreign nationals and (2) located offshore | Page 48. In total, 3.23% of employees are foreigners and 0.09% are located abroad. |
| | TC-SI-330a.2 | Employee engagement as a percentage | Page 54. |
| | TC-SI-330a.3 | Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees | Pages 75 to 77. |

Appendix I - Description of Material Topics

| Topics | Impacts | Importance for TOTVS | Correlation with GRI | Correlation with SASB |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Attraction, Retention, and Development of People | <p>Positives:</p> <ul style="list-style-type: none"> • Our brand's attractiveness and the opportunities it offers to talents and newcomers entering the job market. • Initiatives aimed at attracting diversity, including women, black people, people with disabilities, and LGBTQIAPN+, among other groups. • Strengthening a strong corporate culture, with a diverse and multidisciplinary team. • Securing steadfast engagement and retention of talent that exceeds industry standards. <p>Negatives:</p> <ul style="list-style-type: none"> • Challenges of increasing attractiveness for IT professionals. • Difficulty in retaining talent in a highly churning industry sector. | <p>TOTVS is actively seeking professionals who are well-suited to the company's opportunities, taking into consideration their potential, knowledge, and alignment with the culture (#SOMOSTOTVERS, or #WEARETOTVERS). We use people management practices to attract and retain talent, investing in the employer brand, offering competitive compensation and benefits, and promoting continuous professional development.</p> <p>TOTVS established the Networked University program to address the training needs in the technology sector. Employees actively contribute and exchange content through a collaborative platform. Moreover, the company actively encourages the professional development of newcomers in their markets.</p> <p>TOTVS provides training to young individuals facing social vulnerability through the Institute for Social Opportunity (IOS), with a focus on preparing them for the future's economy. In partnership with the Government of the State of São Paulo, TOTVS takes part in the My Chance ("Minha Chance") Program, training students from Etecs and Fatecs (technology-oriented secondary and university education schools).</p> | <p>3-3 Management of material topics</p> <p>401-1 New employee hires and employee turnover</p> <p>401-2 Benefits offered to full-time employees that are not offered to temporary or part-time employees</p> <p>401-3 Parental leave</p> <p>404-1 Average hours of training per year, per employee</p> <p>404-2 Programs for upgrading employee skills and transition assistance</p> <p>404-3 Percentage of employees receiving regular performance and career development evaluations</p> | <p>TC-SI-330a.2</p> |

| Topics | Impacts | Importance for TOTVS | Correlation with GRI | Correlation with SASB |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Sustainable Growth | <p>Positives:</p> <ul style="list-style-type: none"> Strengthening the image of TOTVS as a company committed to responsible practices. Increased competitiveness in the market, attracting consumers and partners who value perennality. Opportunities for innovation and development of products and services that meet the demands of today's market and promote sustainable development. <p>Negatives:</p> <ul style="list-style-type: none"> Challenges in implementing sustainable practices, especially in sectors traditionally less receptive to change. Need for awareness and engagement of employees and other stakeholders. | <p>Sustainable growth involves balancing economic expansion with responsibility, influencing business decisions, and fostering resilience and innovation. The Company, with about 70 thousand clients and customers, stands out for the widespread reach of its distribution model, ensuring a solid presence and partnership. Our financial and operational resilience comes from the confidence we have in our business model and sustainable growth strategies.</p> <p>Our business model is focused on the customer, both in B2B and B2C, seeking to improve companies' results. This focus is directly linked to the essential factors to face challenges and ensure continuous and responsible growth.</p> | <p>3-3 Management of material topics</p> <p>201-1 Direct economic value generated and distributed</p> <p>201-3 Financial support received from the government</p> <p>201-4 Defined benefit plan obligations and other retirement plans</p> <p>203-2 Significant indirect economic impacts</p> | TC-SI-130a.3 |
| Diversity, inclusion, and elimination of discrimination | <p>Positives:</p> <ul style="list-style-type: none"> Increased attractiveness of the company for talented professionals from different backgrounds, identities, and experiences. Greater retention rate resulting from an inclusive, respectful, and diverse environment. Greater diversity of perspectives and skills in the team, favoring innovation and creativity. Reduction of discrimination and promotion of equal opportunities within the company. Strengthening ties with clients and partners who value companies committed to diversity and inclusion. <p>Negatives:</p> <ul style="list-style-type: none"> Challenges in promoting an inclusive culture in different areas and leadership. Potential internal and external resistance to change, especially in sectors or regions with conservative traditions. Risks of damage to the company's reputation in case of failures to implement diversity and inclusion initiatives. | <p>Promoting human rights, diversity, and inclusion is essential to TOTVS's culture and values. The Company has a diversity and inclusion (D&I) program based on four guiding principles: gender, LGBTI+, people with disabilities, and race and ethnicity. We believe in a work environment and a culture focused on the inclusion of all people.</p> <p>TOTVS recognizes technology as a transformative agent and uses its influence to promote digital inclusion and reduce social inequalities in Brazil, empowering people to assume new roles in the future and contribute positively in their communities.</p> <p>As the largest technology company in Brazil, TOTVS is committed to developing this industry sector, especially among young people, training them for future careers and encouraging active citizenship. Part of this effort includes the Institute for Social Opportunity (IOS), founded and maintained by TOTVS, which promotes social and environmental responsibility initiatives.</p> | <p>3-3 Management of material topics</p> <p>202-1 Proportion of the lowest salary in relation to the local minimum salary by gender</p> <p>405-1 Diversity of governance bodies and employees</p> <p>405-2 Ratio of basic salary and remuneration of women to men</p> | TC-SI-330a.1 TC-SI-330a.3 |

| Topics | Impacts | Importance for TOTVS | Correlation with GRI | Correlation with SASB |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Management of Environmental Impact and Climate Change | <p>Positives:</p> <ul style="list-style-type: none"> Attraction of clients and partners who value companies engaged in reducing environmental impact. Opportunities for innovation and development of sustainable products and services. Reduction of the environmental impact of TOTVS operations, contributing to the preservation of the environment. Compliance with environmental regulations and adherence to international sustainability standards. <p>Negatives:</p> <ul style="list-style-type: none"> Costs required to implement environmentally sustainable practices and technologies. Need for awareness-raising initiatives, besides an active and constant engagement of the value chain to ensure the implementation of environmental initiatives. Risks of unexpected or unmapped climatic adversities. | <p>As a leader in the technology industry, we recognize our responsibility to reduce our environmental footprint and mitigate the effects of climate change. Investing in sustainable practices not only strengthens our culture and values but also fosters innovation and makes us more resilient in the face of global environmental challenges. In addition, by taking proactive measures to minimize our environmental impact, we are contributing to a more sustainable future for the next generations.</p> | <p>3-3 Management of material topics</p> <p>201-2 Financial implications and other risks and opportunities due to climate change</p> <p>302-1 Energy consumption within the organization</p> <p>305-1 Direct (Scope 1) GHG emissions</p> <p>305-2 Energy indirect (Scope 2) GHG emissions</p> <p>303-1 Water consumption as a shared resource</p> <p>303-5 Water consumption</p> <p>306-1 Waste generation and significant waste-related impacts</p> <p>306-2 Management of significant waste-related impacts</p> <p>306-3 Waste generated</p> <p>306-4 Waste diverted from disposal</p> <p>306-5 Waste directed to disposal</p> | <p>TC-SI-130a.1</p> <p>TC-SI-130a.2</p> <p>TC-SI-130a.3</p> |

| Topics | Impacts | Importance for TOTVS | Correlation with GRI | Correlation with SASB |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Ethical and Responsible Governance | <p>Positives:</p> <ul style="list-style-type: none"> Reinforcement of the reputation of TOTVS as a company committed to high ethical and responsible standards. Attraction of investors, clients, and partners who value companies having a solid and transparent governance. Strengthening ties of trust with stakeholders, including employees, clients, customers, shareholders, and local communities. Decreasing the risk of scandals and crises associated with ethical and governance matters. Improvement of the company's long-term financial and operational performance because of more efficient and transparent management. <p>Negatives:</p> <ul style="list-style-type: none"> New market regulations and requirements. Challenges of rigidity and bureaucracy in internal processes. | <p>At TOTVS, we have a corporate culture that goes beyond mere compliance with standards, prioritizing solid values of ethics, responsibility, and transparency in all our interactions with stakeholders. We understand that the effectiveness of our risk management is not just an operational issue, but rather a direct reflection of the soundness of our governance structure. We recognize the importance of a robust governance framework in making strategic decisions, ensuring alignment between our operations, core values, and stakeholder expectations. It is through this structure that we establish supervision and control mechanisms that allow us to anticipate, assess, and mitigate risks in all areas of our operations</p> | <p>3-3 Management of material topics</p> <p>205-1 Operations evaluated for risks related to corruption</p> <p>205-2 Communication and training in anti-corruption policies and procedures</p> <p>205-3 Cases of corruption confirmed and actions taken</p> <p>408-1 Operations and suppliers at significant risk for incidents of child labor</p> <p>409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor</p> <p>410-1 Security personnel trained in human rights policies or procedures</p> | <p>TC-SI-230a.2</p> <p>TC-SI-520a.1</p> <p>TC-SI-550a.1</p> <p>TC-SI-550a.2</p> |
| People's Health and Wellbeing | <p>Positives:</p> <ul style="list-style-type: none"> Retention of professionals by providing a good and balanced quality of life. Increased employee engagement and efficiency because of a work atmosphere that promotes health. Reduction of the absence rate and improvement of job satisfaction, which contributes to operational stability. Fostering a positive and collaborative corporate culture based on care and mutual respect. <p>Negatives:</p> <ul style="list-style-type: none"> Challenge of shaping programs and benefits to the needs of employees. | <p>TOTVS recognizes that the well-being and quality of life of its professionals play a crucial role in their performance, both inside and outside the work environment. The company is committed to promoting the physical, mental, and emotional health of its employees.</p> <p>The introduction of innovative work models, like remote work or a combination of remote and in-office work, is now both essential and an opportunity to promote work-life balance.</p> <p>In addition, the company has invested in initiatives aimed at the emotional support and personal development of its employees, offering resources and programs that aim to strengthen their well-being through the one known as +Saudáveis (Healthier). By prioritizing the care of its employees, TOTVS reinforces its commitment to a people-centered organizational culture, and also contributes to the construction of more engaged, resilient, and productive teams.</p> | <p>3-3 Management of material topics</p> <p>403-1 Occupational health and safety management system</p> <p>403-2 Hazard identification, risk assessment, and incident investigation</p> <p>403-3 Occupational health services</p> <p>403-4 Worker participation, consultation, and communication on occupational health and safety</p> <p>403-5 Worker training on occupational health and safety</p> <p>403-6 Promotion of worker health</p> <p>403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</p> <p>403-8 Workers covered by an occupational health and safety management system</p> <p>403-9 Work-related injuries</p> <p>403-10 Work-related ill health</p> | <p>TC-SI-330a.2</p> |

| Topics | Impacts | Importance for TOTVS | Correlation with GRI | Correlation with SASB |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Information Security, Data Protection and Privacy | <p>Positives:</p> <ul style="list-style-type: none"> Strengthening stakeholder trust in TOTVS through a clear demonstration of the company's unwavering commitment to protecting information security and data privacy. Improved operational efficiency due to robust information security systems and teams, minimizing the risk of data breaches and process disruptions. Ensuring compliance with data protection regulations to prevent legal fines and penalties. Strengthening the company's reputation in the market, projecting an image of being responsible and committed to information security. <p>Negatives:</p> <ul style="list-style-type: none"> Risk in case of data breaches, which can affect the trust of customers and partners. Challenge of facing external pressures from stakeholders, such as regulating agencies and customers that could demand stricter standards for information security and data privacy. | <p>TOTVS maintains a constant concern with security and confidentiality in information management, encompassing not only data protection and privacy but also information security for clients and their operations.</p> <p>The Company recognizes the vital importance of a continuous improvement of processes, policies, and control tools to ensure compliance with current legislation and, at the same time, protect its customers' sensitive data from digital threats. This proactive approach not only strengthens the company's trust and credibility with clients but also reinforces TOTVS's commitment to protecting digital assets and defending itself from digital attacks.</p> | <p>3-3 Management of material topics</p> <p>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</p> | <p>TC-SI-220a.1</p> <p>TC-SI-220a.2</p> <p>TC-SI-220a.3</p> <p>TC-SI-220a.4</p> <p>TC-SI-220a.5</p> <p>TC-SI-230a.1</p> <p>TC-SI-230a.2</p> |
| Transformation and Innovation in Business Model | <p>Positives:</p> <ul style="list-style-type: none"> Strengthening TOTVS's competitiveness by providing innovative and differentiated products and services. Improved operational efficiency and agility in adapting to market changes, driving growth and profitability. Expanding market reach and acquiring new customers by implementing disruptive, customer-centric business models. Establishment of TOTVS as a reference in innovation, promoting a culture of creativity and disruption <p>Negatives:</p> <ul style="list-style-type: none"> Need for significant investments in research, development, and emerging technologies. Risks of failures to implement innovative initiatives, leading to waste of resources and loss of opportunities. | <p>TOTVS, a prominent market leader in Brazil and a key player in Latin America, invests in research and development, applying new technologies in 12 strategic sectors of the economy. This speeds up the development of solutions related to trends such as Big Data, Mobile, Social Media, Cloud, Artificial Intelligence, and others.</p> <p>Moreover, TOTVS prioritizes the training of highly qualified professionals, contributing to the advancement of innovative activity in the countries where it operates. We firmly believe in the transformative power of technology to solve present-day socio-environmental challenges.</p> | <p>3-3 Management of material topic</p> | |

INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT ON NON-FINANCIAL INFORMATION INCLUDED IN THE INTEGRATED REPORT 2023

[GRI 2-5]

(A free translation of the original report in Portuguese, containing the Assurance Report)

To the Board of Directors and Shareholders
TOTVS S.A.
São Paulo - SP

Introduction

We have been engaged by TOTVS S.A. ("Company") to present our limited assurance report on the non-financial information included in the "2023 Integrated Report" ("Integrated Report") of TOTVS S.A. for the year ended December 31, 2023.

Our limited assurance does not extend to prior period information or any other information disclosed together with the Integrated Report, including any images, audio files or embedded videos.

Responsibilities of the Management of TOTVS S.A.

The management of TOTVS S.A. is responsible for:

- Selecting and establishing proper criteria for preparing the information included in the Integrated Reporting system;
- prepare information based on to the criteria and guidelines set by the *Global Reporting Initiative (GRI – Standards)* and the *Sustainability Accounting Standard – Software & Information Technology (IT) Services*, the *Sustainability Accounting Standards Board (SASB)* and CPC 09 Guideline – Integrated Reporting, in line with the Basic Conceptual Framework for Integrated Reporting, prepared by the *International Integrated Reporting Council (IIRC)*;
- design, implement and maintain internal control over the information that is relevant to the preparation of the information included in the Integrated Report that is free from material misstatement, whether due to fraud or error.

Responsibility of independent auditors

Our responsibility is to express a conclusion on the non-financial information included in the Integrated Report, according to the limited assurance engagements conducted in accordance with Technical Communication CTO 07/2022 and NBC TO 3000 – Assurance Engagements Other than Audits and Reviews, issued by CFC, which is equivalent to ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information, issued by the *International Auditing and Assurance Standards Board (IAASB)*. These standards require that the auditor comply with ethical, independence and other responsibilities related to them, including the application of the Brazilian Standard on Quality Control (NBC PA 01), and therefore the maintenance of a comprehensive quality control system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Moreover, those standards require that the engagement be planned and performed to obtain limited assurance that the non-financial information included in the Integrated Reporting as a whole is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) basically consists of inquiring the management of TOTVS S.A. and other professionals of TOTVS S.A. who are involved in the preparation of the information and applying analytical procedures to obtain evidence that enables us to conclude, in the limited assurance manner, information taken as a whole. A limited assurance engagement also requires additional procedures to be applied when the independent auditor gets to know about issues that lead him to believe that the information disclosed in the Integrated Report as a whole may pose material misstatements.

The selected procedures are based on our understanding of the issues related to the compilation, materiality and presentation of the information included in the Integrated Report, of other circumstances of the engagement and of our consideration about the areas and processes associated with the material information disclosed in the Integrated Report, in which significant misstatements could exist. The procedures consisted of, among others:

- a. planning the engagement, considering the materiality of the issues for the activities of TOTVS S.A., the relevance of the information disclosed by the Company, the volume of quantitative and qualitative information, operating systems and internal controls that supported the preparation of the information included in the Integrated Reporting.
- b. understanding the calculation method and procedures followed for compiling indicators by inquiring the managers in charge of gathering information;
- c. applying analytical procedures to quantitative information and inquiring about qualitative information and its correlation with the indicators disclosed in the information included in the Integrated Report; and
- d. when non-financial data correlate with financial indicators, these indicators are cross-checked against financial statements and/or accounting records.

The limited assurance engagements also covered compliance with the guidelines and criteria of the *global reporting initiative (GRI – standards)* with the *Sustainability Accounting Standard – Software & Information Technology (IT) Services* of the *Sustainability Accounting Standards Board (SASB)* and CPC 09 Guidelines - Integrated Reporting related to the Basic Conceptual Framework of the Integrated Reporting, prepared by the *International Integrated Reporting Council (IIRC)* applicable to the preparation of information included in the Integrated Reporting Report.

Scope and limitations

The procedures applied in a limited assurance engagement vary in terms of nature and timing and are smaller to the extent than in a reasonable assurance engagement. Therefore, the security level obtained from a limited assurance engagement is substantially lower than that obtained if a reasonable assurance engagement had been carried out. If we had carried out a reasonable assurance engagement, we could have found other issues and possible misstatements that may exist in the information included in the Integrated Report. Accordingly, we do not express an opinion on that information.

Non-financial data are subject to more inherent limitations than financial data, given the nature and diversity of the methods used to determine, calculate or estimate this data.

Qualitative interpretations of materiality, relevance and accuracy of data are subject to individual assumptions and judgments. Moreover, we did not carry out any work on data informed for prior periods, or about future projections and goals.

The preparation and presentation of sustainability indicators based on the criteria set by the *Global Reporting Initiative (GRI – Standards)* with the *Sustainability Accounting Standard – Software & Information Technology (IT) Services*, the *Sustainability Accounting Standards Board (SASB)* and the Guidelines issued by CPC 09 - Integrated Reporting in accordance with the Basic Conceptual Framework for Integrated Reporting prepared by *Therefore, the International Integrated Reporting Council (IIRC)* does not aim at ensuring compliance with social, economic, environmental or engineering laws and regulations. However, those standards provide for the presentation and disclosure of possible violations to these regulations when significant sanctions or fines are imposed. Our assurance report should be read and understood accordingly, which is part of the criteria selected according to the *Global Reporting Initiative (GRI – Standards)* and the *Sustainability Accounting Standard – Software & Information Technology (IT) Services*, of the *Sustainability Accounting Standards Board (SASB)* and CPC 09 Guidelines - Integrated Reporting related to the Basic Conceptual Framework for Integrated Reporting prepared by the *International Integrated Reporting Council (IIRC)*.

Conclusion

Our conclusion was based on and is subject to the matters described in this report.

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

According to the procedures applied by our team and described on this report and the evidence we obtained, nothing came to our attention that causes us to believe that the non-financial information included in the 2023 Integrated Report for the year ended December 31, 2023 of TOTVS S.A., have not been prepared, in all material respects, based on the criteria and guidelines of the *Global Reporting Initiative (GRI – Standards)* with the *Sustainability Accounting Standard – Software & Information Technology (IT) Services*, the *Sustainability Accounting Standards Board (SASB)* and the Guideline CPC 09 - Integrated Reporting related to the Basic Conceptual Framework of Integrated Reporting prepared by *International Integrated Reporting Council (IIRC)*.

São Paulo, June 17, 2024

KPMG Auditores Independentes Ltda.
CRC No. 2SP014428/O-6

Flavio Gozzoli Gonçalves
Accountant CRC 1SP290557/O-2

Credits

COORDINATION AND REVIEW

SUSTAINABILITY

Alexandre Pereira

Henrique Ramos

Jessica Martinez

Nicolli de Sousa

sustentabilidade@totvs.com.br

SUPPORT FOR DATA COLLECTION AND MANAGEMENT OF INDICATORS

Environmental, Social and Governance Working Group (ESG WG)

DEEP ESG - DEEP Advanced Solution

<https://deepesg.com/>

GRI CONSULTANCY, CONTENT, GRAPHIC DESIGN AND LAYOUT

JUNTOS APPROACH

www.approach.com.br

PROOFREADING

Catalisando Conteúdo