



Subject: Sustainability and ESG	Identification: PO-RI-03 Version: 01
Board in Charge: Investor Relations Office	Published on: 18/12/2023
Related Rules: <ul style="list-style-type: none">- TOTVS Group Code of Ethics and Conduct;- TOTVS S.A. Bylaws;- Contributions, Donations and Sponsorships Policy;- Policy on the Disclosure of Material Information and Trading of Securities of TOTVS S.A.;- Risk Management, Internal Controls, and Compliance Policy;- Human Relations and Compensation Policy;- Policy on the Nomination of Members to the Board of Directors, its Advisory Committees and the Statutory Management;- Policy on Business and Institutional Relations with Public Entities;- Information Security Policy;- Data Privacy Policy;- Diversity and Inclusion Policy.	Review by: 18/12/2026

1. Purpose

This Policy aims to define the guidelines that govern the performance of the TOTVS Group in sustainability, according to a business development agenda based on the integration between economic, ESG (environmental, social, and governance) and ecosystem relations aspects.

Specific Objectives:

- Enhance TOTVS Group's performance as an agent of positive change by connecting business, people and technology that include sustainability as a value proposition;
- Strengthen the integration of ESG issues into TOTVS Group's strategy and business model, investment decisions, products, services, innovation processes and technological development; and
- Foster the development of the sustainability culture at TOTVS Group, expanding its capacity to incorporate the demands of its strategic stakeholders while generating shared value throughout its relationship ecosystem.

2. Scope

This Policy applies to the TOTVS Group.

It is also recommended that suppliers, service providers, business partners, franchises, channels, and any third parties, when interacting with or representing the TOTVS Group, acknowledge the content of this document and take actions considering the provisions of this Policy.

3. References

3.1 External References

- ABNT NBR ISO 26000: Guidelines on Social Responsibility.
- 2030 Agenda and the Sustainable Development Goals (SDGs): Global agreement on the priorities for achieving sustainable development, defined at the 2015 United Nations Summit. The agenda consists of 17 sustainable development goals (SDGs) and 169 targets to be achieved by 2030.
- UN Global Compact: Defines ten principles whose purpose is to mobilize the international business community to adopt, in their business practices, fundamental and internationally accepted values in the areas of human rights,

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labor relations, environment, and anticorruption. This initiative relies on UN agencies, companies, unions, NGOs, and other partners to build a more inclusive and egalitarian global market. TOTVS has been a signatory to the UN Global Compact since 2014.

- Ethos Institute's Business Pact for Integrity and Against Corruption: Aims to bring together companies committed to promoting a more honest and ethical marketplace and eradicating bribery and corruption. TOTVS has been a signatory to the pact since 2014.

- Universal Declaration of Human Rights: Adopted and proclaimed by the General Assembly of the United Nations, it outlines the fundamental human rights inherent in all human beings and universally recognized by nations.

- Principles for Responsible Investment (PRI): Principles developed by investors in partnership with the UN Environment Program Finance Initiative (UNEP FI) and the UN Global Compact. It aims to understand the implications of investment on environmental, social and governance issues, in addition to supporting signatories in integrating these matters into their investment and asset ownership decisions.

- Global Reporting Initiative (GRI): A multi-stakeholder organization that helps companies and governments around the world assess and communicate their impact on key sustainability issues. GRI defines Sustainability Reporting Standards developed with contributions from different stakeholders and focused on the public interest. TOTVS adopts the GRI model in the management and creation of the Sustainability Report.

- The International Integrated Report Council (IIRC): a global coalition of investors, companies, accountants, regulators, academics, and NGOs developing a model for corporate reporting. The standard is developed on the analysis of value creation from the integration of sustainability to the business model. TOTVS develops its Sustainability Report based on the IIRC model.

- GHG Brazil Protocol: Establishes a comprehensive, globally standardized framework for measuring and managing greenhouse gas (GHG) emissions from public and private sector operations, value chains, and mitigation activities. TOTVS reports the GHG emissions of its operations based on the GHG Brazil Protocol.

- Healthy work environment: According to the World Health Organization (WHO), a healthy work environment is one in which workers and managers work together to implement a process of continuous improvement to promote the health, safety, and well-being of all workers and contribute to the sustainability of the workplace.

3.2 Internal References

- Code of Ethics and Conduct applicable to companies in the TOTVS S.A. economic group ("CODEC").
- TOTVS S.A. Bylaws.
- TOTVS S.A. Contributions, Donations, and Sponsorship Policy.
- Policy on the Disclosure of Material Information and Trading of Securities of TOTVS S.A.
- TOTVS S.A. Risk Management, Internal Controls and Compliance Policy.
- TOTVS S.A. Human Relations and Compensation Policy.
- Policy on the Nomination of Members to the Board of Directors, its Advisory Committees and the Statutory Management of TOTVS S.A.
- TOTVS S.A. Policy on Business and Institutional Relations with Public Entities.
- TOTVS S.A. Information Security Policy.
- TOTVS S.A. Data Privacy Policy.
- TOTVS S.A. Diversity and Inclusion Policy.

4. Definitions

The terms and expressions listed below, when used in this ESG and Sustainability Policy, will have the following meaning:

Value chain: complete sequence of activities or parties that provide or receive value in the form of products or services. (1) Parties that provide value include suppliers, outsourced workers, contractors, and others. (2) Parties that receive value include customers, consumers, and other users.

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Code of Ethics and Conduct – CODEC: is the Code of Ethics and Conduct of the TOTVS Group, which establishes a set of rules and ethical principles that guide the TOTVS Group's commitment to business integrity and internal and external relationships. The CODEC applies to all directors, officers, controlling shareholders, TOTVERS, service providers, suppliers, and partners.

Sustainable Development: Development that meets the current needs without compromising the capacity of future generations to meet their own needs.

TOTVS ESG and Sustainability Working Group: Group formed by a multidisciplinary team, with representatives from various areas and hierarchical levels, including leaders of the TOTVS Group. It aims to support the construction, development and strengthening of the integration of the ESG and sustainability agenda into the business. Acts in the implementation, communication, rendering of accounts, promotion of projects, initiatives and actions aimed at enhancing the topic within the TOTVS Group ecosystem.

TOTVS Group: TOTVS S.A. and its direct and indirect subsidiaries, domestic or foreign.

Impact: positive or negative change, totally or partially resulting from the organization's past and present decisions and activities related to society, economy or the environment.

ESG: Refers to an organization's environmental, social, and governance practices.

UN: United Nations Organization.

Stakeholders: individuals or groups that have an interest in any decision made by the TOTVS Group. They include employees, directors, shareholders, customers, suppliers, business partners, the internal community, and society in general.

Transparency: frankness about decisions and activities that affect society, the economy and the environment, and the willingness to communicate them in a clear, precise, timely and comprehensive manner.

5. Guidelines

We are committed to developing a sustainable agenda that reflects TOTVS Group's purpose and vision on how its businesses can positively drive and impact society, both as an employer and social agent. We believe in the transformative power of technology, in its ability to contribute to the construction of an increasingly digital, prosperous, productive, inclusive and sustainable ecosystem.

TOTVS' ESG and sustainability performance is supported by a solid governance structure, the pillars of which are set out in the CODEC, the Organizational Policies, and the most advanced corporate governance practices, by the transparency, ethics, and integrity that guide the relationships established with its audiences, and manifested through the commitment to continuously develop and improve the practices set out in the general and specific guidelines described below.

5.1 General Guidelines

This ESG and Sustainability Policy should be disclosed, made available and disseminated throughout the TOTVS Group ecosystem, in order to actively promote engagement with the principles, values and guidelines it recommends. The objectives, themes, and guidelines of this Policy must be included and taken into account in the strategic planning, product development, decision making, and investment processes of the TOTVS Group Management.

The content of this Policy should be gradually incorporated, where applicable, in the development of the products and services offered by the TOTVS Group, in internal processes and in research, development, and innovation activities.

Monitoring, management and communication should be made in a clear and transparent way relating to ESG performance, based on structured management and reporting processes, and ensuring undertaking of practical commitments towards the evolution of the integrated sustainability agenda to the business.

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Regular stakeholder listening and engagement processes should be conducted to map ESG demands and opportunities and update business materiality.

Objectives and targets related to ESG aspects should be developed.

The identification of risks related to the ESG aspects of the business should be done in accordance with the Risk Management, Internal Controls, and Compliance Policy.

It must include the engagement and promotion of knowledge and training of leaders and, gradually, of all collaborators of TOTVS Group, so that they integrate the objectives and guidelines of this Policy in their daily activities.

The necessary structure for the implementation of this Policy must be continuously improved.

5.2 Specific Guidelines

Continuous developments in the corporate governance system should be promoted, encouraging the adoption of better practices and strengthening the mechanisms for evaluating the effectiveness and efficiency of its processes.

The principles and guidelines of voluntary commitments and global, regional, and local agendas supported or ratified by the TOTVS Group, such as the Sustainable Development Goals, the Universal Principles of the UN Global Compact, and the Ethos Institute's Business Pact for Integrity and Against Corruption, should be integrated into the TOTVS Group's strategy and management.

Specific target groups should be attracted and developed, respecting and valuing the diversity of the employees of the TOTVS Group and adopting compensation models in line with market practices.

Diversity should be respected and valued in the recruitment and development processes as defined in the Human Relations and Compensation Policy and the Diversity and Inclusion Policy.

The protection of human rights and the fight against child and slave labor should be promoted throughout the TOTVS Group's value chain.

A psychologically safe environment should be promoted and discrimination and prejudice in all its forms should be combated, ensuring that employees can perform productive, quality work in conditions of freedom, fairness, safety, and human dignity.

The internal supply and procurement regulations of the TOTVS Group should be adapted to the objectives and guidelines of this Policy, in line with internal procedures and encouraging the integration of sustainability as a business value in the supply chain and a value for partners of the TOTVS Group.

Technological innovation and digital education should be promoted, contributing to the development of the ESG topic in society, as well as the promotion of the use of technology as a provider of solutions to contemporary socio-environmental challenges.

The continuous improvement of processes and aspects related to reliability, privacy, and information security in the products, services, and network of the TOTVS Group should be adopted, following the definitions of the Information Security Policy, Privacy Policy, and current legal regulations.

Monitoring of impacts of the TOTVS Group's activities on climate change should be carried out, including the strengthening of partnerships with organizations tackling the global challenge of preventing and combating the effects of climate change, especially in the TOTVS Group's field of activity.

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Good environmental practices aimed at eco-efficiency should be promoted in all TOTVS Group facilities.

Dialogue and building of partnerships with external audiences (e.g., customers, suppliers, innovation community, representative entities, among others), should be sought in the development of projects, initiatives and joint solutions related to the ESG sustainability topic.

6. Assignments:

Board of Directors

- Evaluate and approve the Sustainability and ESG Policy;
- Discuss the public commitments made by the TOTVS Group regarding ESG initiatives and the Sustainable Development Goals (SDGs);
- Discuss the Plan of Goals for the agenda on sustainability and integration of ESG aspects to the business strategy;
- Approve the sustainability indicators to be adopted by the company;
- Discuss the Business Materiality Matrix;
- Define and update TOTVS Group's strategic objectives that will guide the management of the theme, in accordance with the guidelines of this Policy, in an integrated way with the business;
- Evaluate and approve integrated ESG performance reports;
- Ensure the structure and resources (human and financial) necessary for the implementation of this Policy and the strategy of the topic in the organization.

Governance and Nomination Committee

- Evaluate this Policy and recommend it for approval by the Board of Directors;
- Evaluate the Plan of Goals on sustainability and integration of the ESG aspects of the business;
- Monitor and express an opinion on the process of setting the TOTVS Group's sustainability goals;
- Monitor the process of engagement and consultation of stakeholders in the periodic review of the company's materiality, and evaluate and measure its results;
- Monitor and validate the development of the action plan on ESG sustainability, proposing updates and improvements when necessary;
- Evaluate integrated annual ESG performance reports.

Personnel and Compensation Committee

- Oversee the annual evaluation process of the company's senior executives, based on the definition and review of the achievement of financial and non-financial performance targets (including ESG) in line with the Group's values and ethical principles, and recommend their approval by the Board;
- Propose the form of disclosure of the directors' compensation in the management proposal to the general meeting and in the reference form;
- Recommend and monitor the company's social practices, including ESG aspects related to work models, diversity and inclusion, workforce skills, and education for work.

Strategy Committee:

- Analyze and discuss topics that develop the company's vision for the future and its strategic planning, including strategic guidelines related to ESG topics, and assess the company's actual ability to implement them.

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- Map needs to update this Policy, review, submit it for approval and publish it;
- Monitor the adoption of the objectives and guidelines of this Policy, as well as the effectiveness of its processes, proposing updates and improvements when necessary;
- Structure, together with the corporate and business areas, at each two-year cycle, a plan of goals aligned with the guidelines of this Policy and the strategic sustainability and business objectives based on the opportunities mapped in the consultation with the organization's stakeholders;
- Coordinate, at each two-year cycle, the process of engagement and consultation with stakeholders with the aim of updating the Business Materiality Matrix;
- Coordinate the company's sustainability agenda, contributing to the integration among the economic, social, environmental and governance aspects of the business;
- Support top management in the strategic incorporation of the topic and in the institutional positioning;
- Disseminate to the market, through integrated ESG performance reports and in the other internal and external communication tools and channels, the business sustainability agenda, as well as its strategy and priority topics related to the company's activities;
- Design strategies, solutions, and action plans for the Sustainability and ESG topic, promoting the creation and development of programs, projects, initiatives, and processes together with other areas of the organization, at the thematic intersections, considering that sustainability is a converging topic in activities of various areas of TOTVS Group.

TOTVS Sustainability and ESG Working Group and its Members

- Be a benchmark in sustainability and ESG within the TOTVS Group;
- Help foster the sustainability culture in the TOTVS Group, contributing to communication and education for the topic;
- Act as a multiplier of the sustainability culture in their areas and engage employees in the topic;
- Contribute to the development of the business sustainability strategy by planning projects and initiatives and implementing action plans to achieve its short, medium and long term objectives;
- Identify opportunities for innovation in products and services as well as in processes, management, and business models related to the theme, and work for their incorporation in TOTVS Group;
- Propose solutions to TOTVS Group's sustainability challenges;
- Continuously improve the processes and systems for management and control of indicators reported in the organization's annual reports;
- Periodically collect ESG indicators related to their area of operations.

TOTVS Diversity and Inclusion Committee

- Monitor the diversity indicators of the TOTVS Group;
- Build, together with the Diversity and Inclusion Area, strategies that promote the Diversity and Inclusion agenda within TOTVS Group;
- Support the Diversity and Inclusion Area in integrating the Diversity and Inclusion agenda in other areas of the company;
- Identify opportunities for innovation in products and services as well as in processes, management, and business models related to the theme, and work for their incorporation in TOTVS Group;
- Propose solutions for TOTVS Group's diversity challenges.

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Leadership and employees of the TOTVS Group

- Learn about the TOTVS Group's Sustainability Policy and seek to integrate its objectives and guidelines in their performance, projects, and programs;
- Help foster the sustainability culture in the company, contributing to the search for solutions that enhance the incorporation of the topic into the business;
- Participate and assist in engagement, communication and education on the topic across the TOTVS Group ecosystem;
- Carry out periodically, or whenever requested, the mandatory corporate capacity building and training related to the sustainability topic provided by TOTVS Group.

7. Consequence Management

In case of noncompliance with this Policy and failure to carry out mandatory training related to the topic, appropriate consequence management measures will be adopted to address the nonconformity.

8. Approvals

Name/Position	Description
Sérgio Sérgio Head of Investor Relations, Sustainability, and ESG	Development
Claudia Karpát Legal Officer	Review
Marcos Corradi Executive Manager of Internal Controls, Risks and Compliance	Review
Gilsomar Maia Executive Financial Vice President/Investor Relations Officer	Review
Vivian Broge Vice President of Human Relations and Marketing	Review
Dennis Herszkowicz CEO	Review
Governance and Indication Committee	Recommendation
Board of Directors	Approval