# WHISTLEBLOWER AND CONSEQUENCES MANAGEMENT POLICY





#### **GRENDENE S.A.**

# Publicly Held Company CNPJ nº 89.850.341/0001-60 – NIRE nº 23300021118-CE

# **Whistleblower and Consequences Management Policy**

# 1. General principles and objective

The Company has a Code of Conduct which defines its ethical principles, values and the behavior expected from all of its managers, employees and service providers. They have the obligation to read and understand the Code of Conduct and to practice these principles in their behavior, judgment and the decisions they take daily.

Non-compliance with these principles is characterized as Inappropriate Conduct, and it is a function of the leaders, managers and governance bodies to apply consequences to those responsible, so as to discourage any practice of inappropriate conduct and its negative effects.

This Policy establishes guidelines, rules and requirements to be obeyed in the process of receipt and examination of any accusations within Grendene S.A. ('Grendene' or 'the Company'), arising from possible violations of Grendene's Code of Conduct, or applicable internal or external rules and/or the legislation, and application of the appropriate measures and preventive actions.

# 2. Scope

This Policy on management of information received on non-compliance, and its consequences ('the Policy') applies to Grendene, its managers, employees, interns and apprentices, independently of their level in the company's hierarchy and what function they carry out, and also to the Company's affiliated companies and subsidiaries in Brazil or the rest of the world.

In this Policy, the term 'the Company' includes all such affiliated companies and/or subsidiaries in Brazil or the rest of the world.

#### 3. Documentos de Referência

- Grendene's Code of Conduct ('the Code of Conduct').
- The Best Corporate Governance Practices Code of the Brazilian Corporate Governance Institute (Instituto Brasileiro de Governança Corporativa, IBGC), 5th edition.
- The Consolidated Brazilian Employment Laws ('the CLT').
- Brazil's Anti-corruption Law (Law 12846 of 2013) and Decree 8420 of 2015.
- The Integrity Program Directives for Private Companies, issued by the Office of the Brazilian Federal Comptroller General.
- The Internal Regulations of Grendene's Ethics Committee.

# 4. Principal concepts and definitions

- 4.1. <u>The Ethics Channel</u>: This is the means made available by Grendene for reporting of any accusations by employees or other Stakeholders.
- 4.2. <u>The Ethics Committee</u>: The permanent body supporting and orienting the Company's management, comprising representatives of the Company, the scope of which is to deal with subjects related to ethics and any Inappropriate Conduct in Grendene, including but not limited to management of the Ethics Channel.
- 4.3. <u>Adverse Conduct Report</u>: A written or verbal report, duly recorded, made by a reporting party on the occurrence of possible situations violating the Code of Conduct, internal policies or procedures, or any of the applicable regulations or legislation, including but not limited to the rules of the CVM and the B3, to which the Company is subject.
- 4.4. <u>Reporting Party</u>: Any individual or legal entity that reports a situation of potential Inappropriate Conduct directly or indirectly involving the Company.
- 4.5. <u>Inappropriate Conduct</u>: A failing in behavior, or incorrect judgment, or omission, characterizing non-compliance with the ethical principles contained in the Company's Code of Conduct, Policies or rules, possibly causing an effect on the Company, its employees, the public at large, communities or the environment.
- 4.6. <u>Internal Investigation</u>, or <u>Examination of an Adverse Conduct Report</u>: The process of examination of the facts and data, carried out internally by the Company or by a company contracted by it, aiming to identify, clarify and cure any acts possibly practiced by employees and/or stakeholders that violate the Code of Conduct, internal rules and/or the legislation, which may be characterized as Inappropriate Conduct.
- 4.7. <u>Stakeholders</u>: Individuals or legal entities that do not have a formal employment relationship with Grendene, but which have some type of relationship with the Company such as, but not limited to, clients, suppliers, providers of services, investors, partners, public agents and the community.
- 4.8. <u>Disciplinary Measure</u>: A punitive, orienting or corrective action, as provided for by law, applied by the Company as a consequence of discovery of an action characterized as Inappropriate Conduct.
- 4.9. <u>Retaliation</u>: Any act or omission, behavior or statement for the purpose of punishment of a party that is assisting with any investigation of an Adverse Conduct Report.

# 5. General guidelines and assumptions

- 5.1. Ethics, integrity, respect and transparency are among Grendene's principal values. They are part of its identity as a company and, consequently, serve as guide and orientation for the behavior and decisions of its managers, employees and other Stakeholders.
- 5.2. Grendene encourages all its managers, employees and other Stakeholders to immediately report any Inappropriate Conduct, or suspicion of Inappropriate Conduct, including but not limited to situations of corruption, fraud or bribery.

- 5.3. No retaliation will be permitted against any Reporting Party who in good faith provides a report of possible Inappropriate Conduct that infringes any internal rule and/or the applicable legislation.
- 5.4. Any report and/or evidence given through the Ethics Channel in bad faith, if duly proven, gives rise to possible application of appropriate measures to the Reporting Party.
- 5.5. All Adverse Conduct Reports received, whether anonymously or otherwise, will be treated with confidentiality, impartiality, agility and independence. Only members of Grendene' Ethics Committee have access to the Reporting Channel. Any other professionals designated by this committee for examination of Adverse Conduct Reports will have access only to the information necessary for the case which they are participating in/supporting. All these professionals have the duty of working with integrity, discretion, secrecy, impartiality and respect, as stated in a Commitment, Secrecy and Confidentiality Undertaking.
- 5.6. Grendene's managers and employees are subject to the Disciplinary Measures and must be treated with equality and respect in any process of internal investigation, whatever their job or position in the hierarchy.

# 6. Receipt and investigation of Adverse Conduct Reports

6.1. Initiation of an Adverse Conduct, and the Ethics Channel

Grendene' Ethics Channel is an independent channel of communication, administered by a specialized outsourced company, guaranteeing anonymity and confidentiality for information which is received via the website, by email, by the 0800 number, or by Post Office Box.

Reports may be made by employees or Stakeholders, either anonymously or with identification, by the following means:

- Website: https://www.linhaetica.com.br/etica/grendene

E-mail: grendene@linhaetica.com.br

- Telephone: 0800 208 0048

- By post: Post Office Box 79518, CEP 04711-904, São Paulo, SP.

The Reporting Party may insert or update information, and can accompany the status of the Report, even if it has been made anonymously, using the protocol number supplied when the Report is made.

After receipt, the outsourced company makes a preliminary analysis, classifies the Report and submits it to Grendene' Ethics Committee.

As well as Reports made through Grendene's Ethics Committee, internal investigations may be originated by other means, such as, for example: the result of an internal or external audit; an inquiry by a regulatory body; inspections by authorities; a report in the media; an interview at the time of leaving the company.

6.2. Decision on the Investigation Team

So as to maintain the confidentiality and integrity of the process of Investigation of Reports, if the accused party is a member of the Ethics Committee, he/she will not be

able to see this Report on the ethics channel, and it will be referred and investigated by an alternative process, previously established in the system.

After receiving a Report, the Coordinator of the Ethics Committee shall distribute the case to qualified professionals specified by Grendene's Ethics Committee, providing all necessary support to the team investigating the Report, and shall conduct the most critical investigations himself/herself.

If the professional to whom the Report is referred perceives any conflict of interest, he/she must immediately inform the Ethics Committee, as specified in the Commitment, Secrecy and Confidentiality Undertaking. In this event, the Report will be directed to another professional (among those approved by the Ethics Committee).

The professionals involved in the process of investigation of a Report must give priority to this task, in relation to the other daily activities, due to the urgency for treatment of these situations.

If necessary Grendene's Ethics Committee may contract an external consultancy to carry out or give support in investigations of more critical Reports which require specialized techniques of investigation.

#### 6.3. Collection and analysis of evidence

Before contacting the parties involved for interviews, all the evidence available up to the moment must be duly preserved, collected and analyzed.

The members of the Ethics Committee must have (timely) access to all and any type of information that is relevant for conducting processes of investigation of Reports, and access to any employee or outside party involved in the investigation.

The process of analysis of evidence consists of ascertaining the situation based on the facts and data of each individual case, without any pre-judgment by any of the parties responsible for conduct of the investigation. In any investigation, the scientific method appropriate to the process of investigation of the Report should be used: data may be compared and cross-referenced, using technological tools and applying tests to the evidence.

#### 6.4. Interviews

Interviews must be individual, with, whenever possible, a person taking notes, as well as the interviewer.

Interviews must be held in a neutral and pleasant environment, as well as guaranteeing privacy for the deposition.

When conducting interviews the interviewer must always place respect as the first principle. Honesty is also a requirement; but the interviewer should not give any spoken information on the process of investigation of the Report which the interviewee does not need to know – confidentiality of the entire process must always be a first requirement.

#### 6.5. Recommendation for action, and Final Report

After analysis of all the material collected in the investigation of a Report, the process will be concluded as one of the following:

- Valid, if the facts and data confirm the principal accusations;
- Partially Valid, if the facts and data confirm only part of the accusations;

- Not Valid, if the facts and data clearly negate the accusations; or
- Inconclusive, if there is no objective evidence able to prove or disprove the accusation.

Based on the conclusion of the process, the team investigating the Report may suggest application of appropriate measures, and/or actions to improve processes, internal controls, or the governance environment.

All Investigations of Reports, without exception, shall be submitted to the Ethics committee in an ordinary meeting, or, if necessary, an extraordinary meeting.

So as to maintain the privacy of those involved in the confidentiality of the Investigation of the Report, certain details, evidence, and/or corrective or disciplinary actions taken will not be shared with the Reporting Party, but the party will be informed when the investigation is concluded, and, if applicable, that the appropriate action will be taken.

# 7. Types of Disciplinary Action

After evaluation by the manager and by Human Resources, certain types of Disciplinary Action may be applied.

The types of disciplinary action differ, according to the level of the infringement or Inappropriate Conduct, and may include the following:

<u>Verbal warning</u>: Applicable to low-level infringements. The employee is notified, and the event is registered in the system.

<u>Written warning</u>: Applicable to infringements of a moderate level, or repetition of a low-level infringement. A written warning is given, and the event is registered in the system.

<u>Suspension</u>: Applicable in serious cases, or repetition of moderate-level infringements. The employee is removed from their activities for a period of up to 30 days.

<u>Dismissal for cause</u>: Applicable for extremely serious infringements, or repetition of other disciplinary measures.

Other measures are possible, depending on the severity of the infringement, such as: removal of the person from a process of succession for a period; negation of certain benefits; suspension of a salary increase, promotion, or job rotation; cancellation of a power of attorney; limitation of internal powers (for example, signing of balance sheet, approval of purchases, sales, contracts); prohibition of external representation of the company (for example, on committees, symposiums, business associations, or in negotiations); etc.

# 8. Application of Disciplinary Action, and other measures

Once a Report has been investigated, if occurrence of the infringement is confirmed, the company should take the necessary measures to stop the irregularity, take the applicable Disciplinary Measures, and arrange for the possible actions of prevention or improvement.

However, if the quality of the investigation is at risk, other cautionary measures may be applied, such as for example removal of the accused party from their functions, before the process of investigation of the facts is concluded.

The decision on a Disciplinary Measure (whether to be more less severe) should take into account the following aspects:

- The seriousness of the infringement.
- The infringing party's background history, including any repetition.
- The responsibilities and activities exercised by the accused party.
- The intention and conduct of the accused party in relation to the accusation investigated.

After the decision, the Disciplinary Measure must be formalized in a document (except in the case of a verbal warning, which will only be recorded in the system), issued by the Company, in two copies, signed by the employee and by the manager or, in the event of refusal to sign, by two witnesses who are simultaneously present and identified. One of these copies is for the employee, and the other must be included in the employee's file.

Communication of a Disciplinary Measure must be carried out in a respectful manner, in an appropriate location, and without causing embarrassment to the employee, with the reason for application of the measure being clearly explained.

The Company should also take measures of a preventive nature, aiming to mitigate risks and repetition of the infringement, such as: adjustments to, or creation of, internal rules; implementation of internal controls; improvement and/or automation of processes; or training and communications to raise awareness of the subject.

When Inappropriate Conduct is committed by outside parties, the measures specified in contract should be followed.

Finally, independently of what measure is applied, the employee or outside party (as the case may be) may have to reimburse the Company for any damage caused to Grendene's net equity (personal liability), and be subject to the appropriate sanctions of law.

# 9. Responsibilities

It is the responsibility of all employees of Grendene to collaborate with any process of investigation of an Adverse Conduct Report in the Company.

Disciplinary measures should be applied by the manager, with the support of HR, individually and in private, without embarrassing or humiliating the employee. For routine situations, such as unjustified absence from work or insubordination, the measure may be applied directly by the employee's immediate manager.

#### 9.1. The Ethics Committee

Grendene's Ethics Committee is responsible for the management of the Ethics Channel, including conduct and supervision of all the Company's Internal Investigations. Thus it is the Ethics Committee which decides which professionals will be responsible for conducting the investigations, and/or contracting of specialized companies.

The Committee must also ensure effective implementation of the applicable disciplinary measures, such as educational and/or preventive actions, decided after the process of investigation of each Report.

Any cooperation with government authorities or regulatory bodies shall be decided by the Ethics Committee, which shall also decide on the procedure, and on which professionals will conduct this process.

#### 9.2. The Executive Board

The Executive Board must periodically accompany the activities of the Ethics Committee, checking, as specified in the Internal Regulations of the Ethics Committee, on "the reports received, all dealings, investigations, progress of investigations, plans for action, improvements of processes, and disciplinary measures applied in the period".

#### 9.3. The Board of Directors

The Board of Directors must periodically evaluate the effectiveness of the policies and actions relating to Grendene's program of integrity and ethics, including the accusations received, investigated and dealt with, and the measures and actions taken by the Ethics Committee.

The Board must also approve any changes to or revisions of this document.

#### 10. General Provisions

Any omissions in this Policy and any doubts on interpretation shall be decided by a meeting of the Board of Directors.

This Policy comes into effect on the date of its approval by the Board of Directors, and after approval must be obeyed immediately by the Company, its executive officers, the members of the Board of Directors, members of the advisory committees, all employees, and other Stakeholders.

Farroupilha, RS, February 24, 2022.	
Alexandre Grendene Bartelle Chairman	Renato Ochman Secretary