

ANTI-FRAUD AND CORRUPTION POLICY

Grendene[®]



GRENDENE S.A.

Public Held Company

CNPJ n. 89.850.341/0001-60 - NIRE n. 23300021118-CE

Anti-Fraud and Corruption Policy

1. Objective

1.1 This Anti-Fraud and Corruption Policy ("Policy") aims to establish the guidelines of Grendene S.A. ("Grendene") with regard to the relationship with the public sector, as well as to strengthen the internal mechanisms for preventing and combating harmful practices such as corruption, bribery, fraud, money laundering, and financing of terrorism.

2. Scope

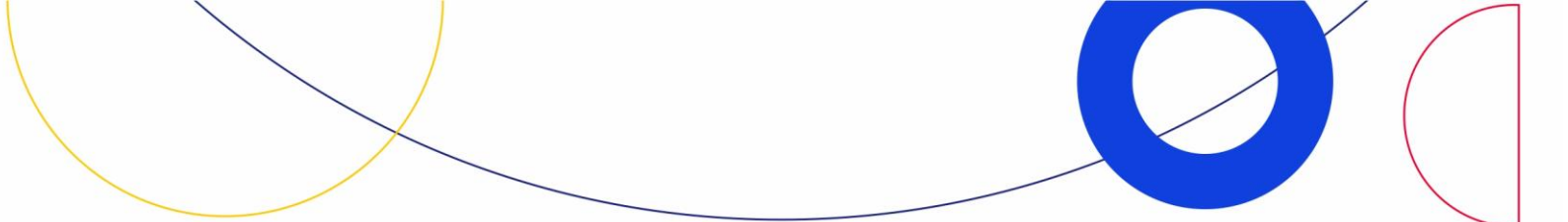
2.1 This policy applies to Grendene, its administrators, employees, interns, and apprentices, regardless of hierarchical level and function exercised; Public Agents, suppliers, service providers, and any third parties that are involved in business with Grendene, in Brazil and abroad.

2.2 For clarity purposes, when the term "Grendene" is used in this Policy, it includes all subsidiaries and/or affiliated companies, as the case may be, in Brazil and abroad.

2.3 All words, expressions, and abbreviations beginning with a capital letter, whether singular or plural, shall have the meaning ascribed to them in this document.

3. Reference Documents

- Grendene's Code of Conduct ("Code of Conduct")
- Code of Best Practices of Corporate Governance, Brazilian Institute of Corporate Governance (IBGC), 5th Edition
- Brazilian Penal Code / Decree-Law No. 2,848 ("Penal Code")
- Crimes of Money Laundering or Concealment of Assets, Rights and Valuables - Law No. 9,613/98 ("Money Laundering Law")
- Brazilian Anti-Corruption Law No. 12,846/2013 ("Anti-Corruption Law") and Decree No. 11,129/2022
- Administrative Misconduct Law No. 8,429/92
- New Public Procurement Law No. 8,666/1993
- Conflict of Interests Law No. 12.813/2013 (for contracting with public officials).
- Grendene's Whistleblower and Consequences Management Policy
- Resolution of the Financial Activities Control Board (COAF) No. 40/2021 ("COAF Resolution")

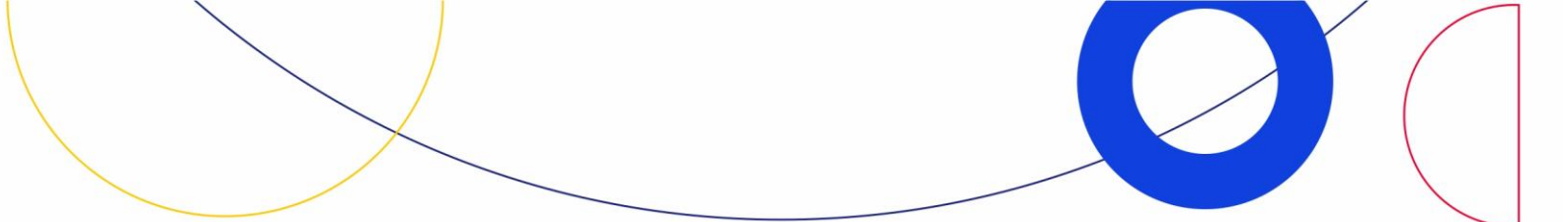


Note: In addition, Grendene must comply with the laws of each country in which it operates, including but not limited to:

- Foreign Corrupt Practices Act (FCPA), USA, 1977; and
- *United Kingdom Bribery Act* (UKBA), UK, 2010.

4. Key Concepts and Definitions

- 4.1. Public Administration: composed of the direct and indirect administration of the union, the states, the Federal District, and the municipalities, including legal entities governed by private law under the control of the public authorities and foundations established or maintained by them, as well as mixed economy companies.
- 4.2. Foreign Public Administration: state agencies and entities or diplomatic representations of a foreign country of any level or sphere of government, as well as legal entities controlled, directly or indirectly, by the public power of a foreign country and public international organizations.
- 4.3. Public Agent: any public servant and/or political agent who performs a mandate, position, job, or function in the municipality, state, union, public agencies, or any public company or government-controlled company (foundations, autarchies, among others) by election, appointment, designation, contracting, or any other form of investiture or relationship, even if temporarily or without remuneration.
- 4.4. Ethics Channel: this is the means made available by Grendene for the registration of complaints by Employees and other stakeholders.
- 4.5. Employees: include Grendene's employees, trainees, apprentices, administrators (including, but not limited to, members of the Board of Directors, statutory officers, and members of the Fiscal Council), and committee members (statutory and/or support committees to the Board of Directors).
- 4.6. Compliance: process of analysis and compliance with the applicable legal norms and regulations, as well as the policies, norms, and rules of integrity and/or compliance established by Grendene.
- 4.7. Corruption: without prejudice to the provisions of Article 5 of the Anti-Corruption Law, corruption is defined as any unethical, dishonest, or illegal act that involves exchanging, offering, or taking an Undue Advantage with a Public Agent or any person equivalent to him/her that causes him/her to cease acting in accordance with the law, morals, and good customs in exchange for some personal benefit.
- 4.8. Fraud: is any deceptive, dishonest, or deliberate conduct committed in bad faith with the intent of injuring or misleading someone else or failing to fulfill a certain obligation.
- 4.9. Money laundering: is a crime defined by Article 1 of the Money Laundering Law as "the commercial or financial transactions that seek to conceal or disguise the nature, origin, location, disposition, movement, or ownership of assets, rights or valuables derived directly or indirectly from a criminal



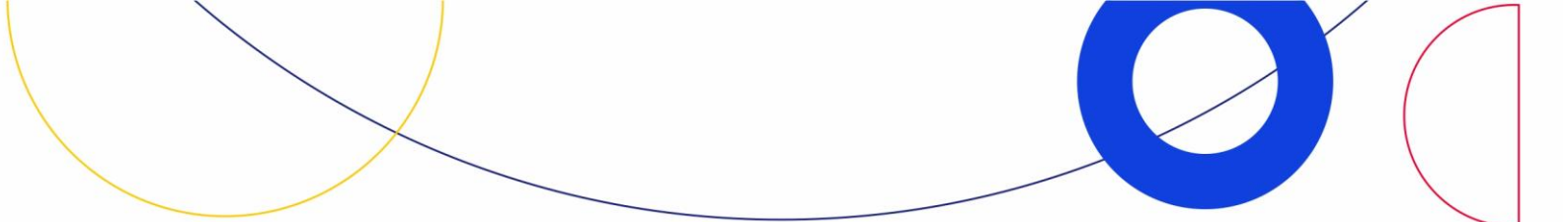
offense, incorporating them into the economy of each country, either temporarily or permanently."

- 4.10. Applicable Anti-Corruption Laws: national and/or international anti-corruption laws and regulations that are applicable to Grendene: Brazilian Anti-Corruption Law (Law No. 12,846/2013); Money Laundering Law, Concealment of Assets, Rights and Valuables Law (Law No. 9,613/1998); New Public Procurement General Law (Law No. 8,666/1993); Brazilian Penal Code (Decree-Law No. 2,848/1940); Foreign Corrupt Practices Act (FCPA), instituted by the United States government in 1977; United Kingdom Bribery Act (UKBA), enacted by the United Kingdom of Great Britain and Northern Ireland, 2010.
- 4.11. Politically exposed persons: according to the COAF Resolution, are "Public Agents who currently or previously held relevant public positions, jobs, or functions in Brazil or in foreign countries, territories, and dependencies, as well as their representatives, family members, and close associates."
- 4.12. Bribe or kickback: one of the execution tools of corruption that can consist of the act of offering, promising, or paying a public agent, a governor, an authority, or even a third party, undue advantages, or amounts, aiming at (i) inducing the Public Agent, ruler, or authority to perform an unduly relevant function or activity; (ii) reward the Public Agent. Ruler, authority, or contractor/third party for the inappropriate performance of such function or activity; and/or (iii) obtain for himself/herself or others, advantages and/or benefits that are manifestly illicit and/or undue when judging his/her professional duties.
- 4.13. Third Parties: Natural or Legal Persons who have some kind of relationship with Grendene.
- 4.14. Undue Advantage: any tangible or intangible earnings, gains, privileges, products, or benefits that are supplied or promised with the intent of rewarding or influencing the decision, omission, or action of a Public Agent, Employee, or Third Party.

5. General Guidelines

5.1 Grendene has a Code of Conduct that outlines its ethical ideals, as well as the values and conduct expected of all Employees, regardless of their hierarchical position or role. In this sense, to strengthen the internal mechanisms of prevention and to fight against harmful practices, it is the responsibility of current and new Employees to read and ensure comprehension of the Company's Code of Conduct, as well as to put these values and principles into practice through daily actions, judgments, and decisions.

5.2 Grendene and/or its employees, as applicable, take all necessary measures to ensure compliance with the Anticorruption Law in all of their activities; do not accept, do not participate in, and condemn any and all practices and/or acts of fraud and/or corruption; and it is strictly prohibited to demand, receive, offer, or authorize an improper or Undue Advantage to a public agent, third parties, or private entities, directly or indirectly.



If an Employee has suspicions and/or indications of Fraud and/or corruption practice and/or act, as applicable, by another employee, independent of hierarchical position and function, he/she shall promptly disclose the suspicion in accordance with item 9.1 below.

5.3 In the event of a case of Fraud or Corruption, it will be the responsibility of the Company's executives, managers, and corporate governance organizations to apply the proper repercussions to the perpetrators in order to end the illegal activity and deter misconduct and its negative effects.

5.4 Permission to receive, promise, or offer gifts, presents, entertainment, or hospitality must comply with Grendene's internal regulations and Code of Conduct. It will not be permitted for Grendene's Employees to offer gifts or benefits to Public Agents.

5.5 Permission to receive, promise, offer donations and sponsorship must be in line with Grendene's standards and Code of Conduct. Possible donations and/or sponsorships, depending on the situation, should never be used to attempt to influence decisions or get any kind of direct or indirect benefits.

5.6 Under no circumstances may Grendene's Employees participate in negotiations involving potential conflicts of interest that could compromise impartiality.

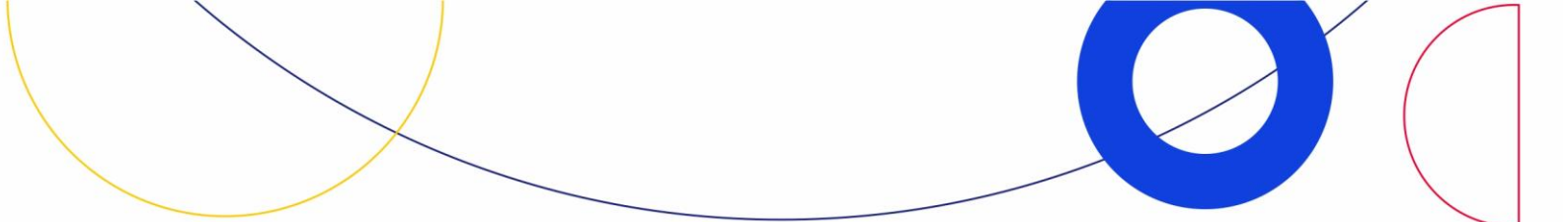
6. Interactions with Government Authorities and Public Agents

6.1 Inspections promoted by Government Authorities and Public Agents: Upon becoming aware of a probable inspection and/or inspection process by a public agency, Grendene's Employees and/or Third Parties must immediately notify the responsible sectors and ensure that the aforementioned inspection process occurs without interfering with the Public Agent's operations.

When accompanying the Public Agent in the process of measurement, inspection, or supervision, the Employee must treat him/her with courtesy and carry out his/her duties with diligence, regard, and care. The Employee must not act fraudulently or attempt to corrupt the Public Agent in the performance of his/her duties.

If the Employee receives a request for an undue advantage from the Public Agent, or observes any indications of an attempt or practice of the crime of Passive Corruption (defined as "requesting or receiving, for oneself or another person, directly or indirectly, even if outside the position or before assuming it, but because of it, an undue advantage, or accepting the promise of such an advantage"), he/she must immediately report the incident via the Grendene Ethics Channel, under the terms of item 9.1. below.

6.2 Hiring Public Officials, Close Members of Public Officials or related individuals: For such cases, note the following points: (i) carry out the hiring process in view of Grendene's real needs; (ii) have no impediment with the Conflict of Interest Law for Public Agents and related laws; (iii) have no intention of inducing or obtaining any type of advantage or benefit favoring the contractor or Grendene; and (iv) use Grendene's usual recruitment and selection process, containing pre-established technical and objective parameters without any kind of favoritism.



6.3 Anticorruption Awareness and Commitment Term: All Grendene employees with a National or Foreign relationship to the Public Administration are required to sign the Anticorruption Awareness and Commitment Term.

6.4 Tendering processes: All and any interactions, tendering process and/or eventual contracts signed with the Public Administration, National or Foreign, must obligatorily occur in a complete and transparent manner, complying with the applicable national and/or international legislation and/or regulation, as the case may be.

7. Relationship and Contracting with Third Parties

7.1 Due Diligence: When necessary, Grendene must go through the auditing process (due diligence) before signing a contract with a third party, taking into account the following: (i) reputation and loyalty of the Third Party (ii) possible conflicts of interest; (iii) legal proceedings, concluded or in progress, concerning the topic of the crime of Corruption; and (iv) the company's commitment to the adoption of practices to combat fraud and corruption.

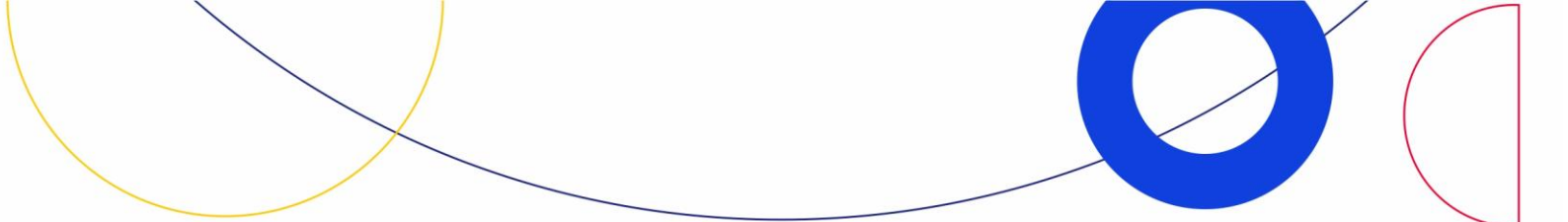
7.2 Anti-Corruption Clause: Hiring third parties and/or partners must comply with Grendene's internal regulations, policies, and/or code of conduct, as applicable. Thus, it is advisable to add an anti-corruption clause in all signed contracts, saying that all parties will comply with the Anti-Corruption Law and other applicable laws. Non-compliance with this clause may cause sanctions against the infringing party, including but not limited to, suspension and/or termination, as the case may be. Grendene's Legal Department will draft, review, and approve the anti-corruption clauses in accordance with the needs and terms of this Policy.

7.3 Payments: The payments and contractual instruments made to Third Parties shall comply with the requirements and provisions contained in Grendene's internal rules and policies, as well as the applicable national and/or international legislation, as the case may be.

7.4 Joint Ventures, Consortiums, Mergers and Acquisitions: In all corporate restructuring procedures, mergers and acquisitions, joint ventures and/or consortium, as the case may be, the proper due diligence shall be conducted to ensure the business's integrity and compliance with applicable laws. As a result of the prior audits, a reasoned document(s) attesting to the suitability and compliance with the Anti-Corruption Law must be issued prior to the consummation of the deal.

8. Money Laundering and Terrorism Financing Prevention

8.1 Grendene repudiates any criminal activity, including those that intend to transform illegal resources into resources with supposedly licit origins. And, in order to ensure that such illegal activities are not carried out, it acts against Money Laundering and Terrorism Financing in its business operations.



8.2 In the case of operations suspected of Money Laundering, Terrorism Financing, Fraud, and/or Corruption, Grendene will evaluate the facts, the instruments used, those involved, the type of economic activity, the financial capacity, and all and any indication of illegality or irregularity in order to prevent the aforementioned operations. If there are signs of such activities being carried out by any Employees or Third Parties, Grendene agrees to notify the matter to the Police Authorities, who may investigate the eventual commission of a crime, as per item 5.3 above.

8.3 Grendene and/or its Employees, as applicable, shall under no circumstances accept monies in cash of questionable origin, nor conduct financial transactions without acceptable cause, nor compensate persons for services done by legal entities.

8.4 All of the company's financial transactions must be recorded and accounted for in accordance with the applicable accounting standards and best practices.

9. Whistleblower and Consequences

9.1 In the event of noncompliance with this Policy or other internal regulations of the company, Grendene provides an independent Ethics Channel, administered by an outsourced and specialized company that ensures the confidentiality of information received via the website, e-mail, 0800 number, and post office box.

9.2 Employees or any interested parties (such as clients, suppliers, and Public Agents) may submit their reporting anonymously or identifying themselves as follows:

- **Website:** <http://www.linhaetica.com.br/etica/grendene>
- **Email:** grendene@linhaetica.com.br
- Telephone: 0800 208 0048

9.3 According to Grendene's Whistleblower and Consequences Management Policy, all reports shall be investigated in a professional, prompt, unbiased, independent, and confidential manner, regardless of whether they involve circumstances of Fraud, Corruption, or Money Laundering.

9.4 Without prejudice to the provisions in item 5.3 above, Grendene is responsible for taking the necessary measures to interrupt the irregularity, apply suitable disciplinary measures and provide possible preventive actions, according to Grendene's Whistleblower and Consequences Management Policy.

10. Responsibilities

All Grendene's employees are accountable for combating Fraud, Corruption, and Money Laundering, from the definition of strategies and projects to the execution of their daily responsibilities, in addition to reporting such instances to the governance bodies and assisting with investigations when required.

10.1 The Board of Directors is responsible for:

- Periodically monitor and supervise Grendene's Anti-Fraud, Anti-Corruption, and Anti-Money-Laundering procedures, including risk exposure, effectiveness of internal controls, and Compliance.
- Ensure Grendene has a structure commensurate with its size and complexity to combat Fraud, Corruption, and Money Laundering; and
- Approve the Anti-Fraud and Corruption Policy as well as any necessary modifications that need to be made to the document, if applicable.

10.2 The Audit Committee is responsible for:

- Supervising, monitoring, and evaluating the activities, effectiveness, evolution, and structure of Grendene's efforts to combat Fraud, Corruption, and Money Laundering, as well as recommending modifications and actions to the Board of Directors.
- Defining and monitoring the process to combat Fraud, Corruption and Money Laundering at Grendene.
- Periodically reviewing this policy and, if necessary, submit suggestions for changes to the Board of Directors.

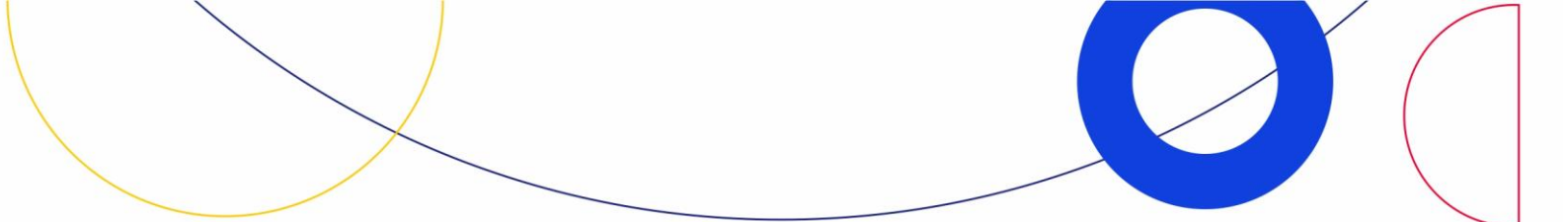
10.3 The Executive Board is responsible for:

- Monitoring and sponsoring the process of combating Fraud, Corruption and Money Laundering at Grendene.
- Ensure Fraud, Corruption, and Money Laundering are effectively addressed during strategy formulation, monitoring, and evaluation.

10.4 The Governance, Risks and Compliance (GRC) area is responsible for:

- Assessing, in an independent, unbiased, and timely manner, the effectiveness and quality of Grendene's process to combat Fraud, Corruption, and Money Laundering, identifying flaws when found, and providing recommendations for process improvements and adjustments.
- Evaluate and monitor the Fraud, Corruption, and Money Laundering environment and risks at Grendene, evaluating and highlighting the efficacy of existing measures and recommending improvements.
- Monitor the implementation of the recommendations scored in the independent audit process related to the evaluation of Grendene's Fraud, Corruption and Money Laundering risks.
- Provide information and reports to top management and the Audit Committee on the effectiveness of Grendene's combat against Fraud, Corruption and Money Laundering.

10.5 The Ethics Committee is responsible for:

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- Managing the Ethics Channel, including the conduct and supervision of all the Company's Internal Investigations.
 - Defining which professionals will be responsible for conducting the investigations and/or hire specialized companies.
 - Ensuring the effective application of disciplinary, educational, and/or preventive actions, as defined after the investigation of each complaint (process of investigation); and
 - Contemplate cooperating with government authorities and regulatory bodies, which should also specify the procedures and specialists involved in this process.

11. General Provisions

11.1 Omissions in this Policy and ambiguities in its interpretation will be addressed at the meetings of the Board of Directors.

11.2 This Policy shall be immediately observed by Grendene, its directors, advisors, members of advisory committees, Employees in general, and all other interested parties upon its adoption by the Board of Directors.

Farroupilha, October 27, 2022.

Renato Ochman
Secretary
