INTERNAL REGULATIONS OF THE ETHICS COMMITTEE





GRENDENE S.A.

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

Internal Regulations of the Grendene Ethics Committee

1. Introduction

These Internal Regulations were developed by Grendene with the purpose of regulating the principles, objectives, composition, attributions and responsibilities, operation and organization of the Company's Ethics Committee. This document is ruled by the legislation applicable to the Company and the good practices of corporate governance.

2. Principles

The Ethics Committee shall act in strict conformity with the mission, vision, values and guidelines of Grendene, in addition to conducting its work in accordance with the good practices of corporate governance, aligned with the Company's Code of Conduct.

The Ethics Committee shall encourage respect, compliance with conduct aligned with the Company's internal rules, in compliance with the laws and ethical standards of society, which also guide our internal and external relationships as collaborators, employees, third parties and Grendene's administrators.

3. Objectives

The Ethics Committee is a collegiate body of a permanent nature, governed by these Regulations, and its objectives are:

- I. Propose actions regarding the dissemination, training, revision and updating, and compliance with Grendene's Code of Conduct, ensuring its efficacy and effectiveness and watching over the ethical culture in all of Grendene's businesses:
- II. Supporting the Board of Directors as to Grendene's continuous commitment to act with transparency, ethics and in compliance with good national and international governance practices, with applicable laws, rules, regulations and Grendene's policies;
- III. Ensuring that the Executive Board and advisory bodies are aware of matters that may significantly impact the Company's image, directly compromising its reputation and credibility;
- IV. Systematically following up and evaluating the cases of possible violation of the Code of Conduct received through the Denouncement Channel formally instituted by the Company, and monitoring the execution of the actions established, as well as ensuring the uniformity of the criteria used in the resolution of similar cases:
- Ensuring that infractions and violations are followed by applicable disciplinary measures, regardless of hierarchical level, without prejudice to the applicable legal penalties;

4. Composition

The Grendene Ethics Committee shall be composed of (seven) members and these have an unblemished reputation and are a reference in the application and/or oversight with respect to ethics and integrity.

The Committee will have a Coordinator who will be occupied by the position Specialist in Risk Management and Ethics and the other members below:

- Human Resources Director
- Investor Relations Director
- Controller Division Manager
- Information Technology Division Manager
- Sustainability Coordinator
- Human Resources Coordinator

The members of the Ethics Committee must be in office and meet the requirements of moral standing and unblemished reputation, as well as have notorious knowledge of the Company's Code of Conduct guidelines and possess complementary skills, experience and abilities related to the business aspects and ethical guidelines required to act in this collegiate body. Therefore, eventual effective or potential conflicts of interest shall be timely informed to the other members of the Ethics Committee, and the member in this situation shall not participate in deliberations that, in any way, affect him/her.

The Ethics Committee is independent from the other internal areas and shall report directly to the Chief Executive Officer. All Committee deliberations shall be made by consensus of its members, without prejudice to the right of any member to have their manifestation included in the minutes or in a separate document, based on the good corporate governance practices and the guidelines established by Grendene's Code of Conduct.

The members of the Ethics Committee shall take office by signing the respective Terms of Office:

- Accepting their appointment;
- II. Declaring:
 - a. Having received a copy of these Internal Regulations and of Grendene's Code of Conduct;
 - b. Signing the Confidentiality and Secrecy Commitment Term.

In case of vacancy of any member, the position shall be filled by means of a new choice made by the Board of Directors.

The appointments, or replacement of members during the term of office, shall be recorded in the minutes.

Replacements during the term of office may occur in the following cases:

- Failure to comply with the guidelines of these Rules of Procedure;
- Behavior incompatible with the duties of the function
- Recurrent and unjustifiable absenteeism;
- Resignation of the member;
- Termination and/or suspension of the work contract

5. Duties and Responsibilities

The Ethics Committee is an executive, deliberative and advisory body to the Board of Directors. In this way, the Committee is responsible for

- I. Manage and ensure compliance with Grendene's Code of Conduct and other related internal policies.
- II. Exercising the role of advising on doubts and/or conflicts of interpretation of the provisions of the Code of Conduct and internal policies related to guidelines, standards of ethical conduct and integrity.
- III. Support and approve the disclosure, awareness and dissemination plan of the Code of Conduct and related internal policies, and monitor their implementation and adherence.
- IV. Oversee the activities of the External Whistleblowing Channel, including:
 - a. Assessing the effectiveness and integrity of the Whistleblowing Channel with the Company.
 - b. Ensuring the existence, management and maintenance of the Denouncement Channel as a permanent communication channel.
 - c. To analyze the reports on possible deviations, non-compliances and non-compliance with the Code of Conduct, considering Grendene's guidelines and policies.
 - d. Follow up and monitor the processing of denunciations, in the manner and periodicity defined by its Regulations, complying with the SLA's defined, when applicable.
 - e. Maintain communication with the whistleblower through the system, in case of anonymity, for additional questioning and records of follow-up responses and closure of the complaint.
 - f. Assess and deliberate on possible disciplinary measures for cases of misconduct.
 - g. In cases of serious infractions and violations, recommend preventive and corrective action plans, regardless of the hierarchical level.
 - h. Conduct and/or authorize investigations (internal or external) in any matter within its scope of attributions.

- Report to the Board of Directors on a regular and frequent basis (quarterly), the reports received, handling, investigations, evolution of investigations, action plans, process improvements and disciplinary measures applied in the period.
- j. Alerting the Executive Management and the Board of Directors about the imminence of the materialization of risks, being able to manifest itself about it and suggest measures.
- k. The Committee must inform the deliberations taken at the meeting, recommendations and established deadlines, whenever applicable, to the relevant bodies and professionals. Monitoring the execution of action plans.

6. Functioning and Organization

The Ethics Committee shall meet monthly, in accordance with the annual calendar stipulated by the Committee and approved among its members, or whenever the need arises.

In case it is necessary to alter the initially proposed date, prior notice will be given to the other members.

Meetings shall be called by electronic invitation with the agenda forwarded at least 5 working days before the date of the meeting, with the exception of matters requiring urgent consideration.

Extraordinary meetings may be called, with notification of the members at least 24 hours in advance.

The meetings of the Ethics Committee shall be held with the presence of at least 5 (five) members. In addition, the Committee Coordinator may invite other internal employees and/or independent members and specialists (in risk and compliance), who hold relevant information or whose issues on the agenda are pertinent to their area of operation, to participate in the meetings. It is important to emphasize that the guests may not opine about the decisions taken by consensus by the members present at the meeting.

The call notice must include the date, time, place, subjects on the meeting's agenda and indication of deliberations foreseen on the agenda. By unanimity of the Committee members, agendas may be included in the day of the meeting.

All deliberations shall be recorded in the minutes of the meeting containing the points discussed, the decisions taken and the actions to be carried out with the definition of deadlines and respective responsible persons. This document will be presented to the participants for approval and will be signed or confirmed electronically by all.

The Committee's deliberations will always be confidential and secret, and every new participant must sign the "Confidentiality and Secrecy Commitment Term" before starting his/her activities in the function.

The minutes will be filed after being signed by the members present at the meeting, or through an electronic resource, together with the documents (presentations, reports, letters, memoranda) used as support material.

7. Meeting Minutes

After the meeting, a summary record of the proceedings of the meeting shall be drawn up, containing the points discussed, the decisions made, any abstentions from voting due to conflicts of interest, and the actions to be carried out with the definition of deadlines and respective responsible persons. This document will be presented to the participants for approval and will be signed or confirmed electronically by all.

The minutes will be filed after being signed by the members present at the meeting, together with the documents (presentations, reports, letters, memos) used as supporting material for the meeting.

8. Attributions and Duties of the Members of the Ethics Committee

- I. The members of the Ethics Committee are subject to the provisions of Grendene's Code of Conduct and to the provisions of the legislation, with respect to the duties and responsibilities of each member's position;
- II. Attend the meetings of the Ethics Committee;
- III. Examine during the Committee meetings, the matters assigned to them, as well as the documents pertinent to the performance of their functions, issuing opinions on them;
- IV. Examine, with impartiality, the occurrences presented to them for deliberations:
- V. The duty of confidentiality and secrecy of the employee with Grendene, mainly of investigation, not being allowed to disclose to any employee/and or third party, documents or confidential information, and shall keep secrecy on any relevant, privileged or strategic information obtained as a result of his/her position, as well as to ensure that employees and/or third parties do not have access to them, being forbidden to use the information to obtain, for themselves or for others, any kind of advantage;
- VI. Taking part in discussions and deliberations;
- VII. Comply with and enforce the Rules and Regulations of this Committee;
- VIII. To exercise the functions respecting the duties of loyalty and diligence;
- IX. To sign the term "Confidentiality and Secrecy Commitment".

Attributions and Duties of the Coordinator of the Committee:

- I. Convocar as reuniões do Comitê e presidi-las;
- II. To call and chair meetings of the Committee;
- III. To evaluate and define the matters to be discussed at the meetings;
- IV. To authorize the consideration of matters not included in the agenda of the meeting;

- V. To invite other internal employees and/or independent members and experts to participate in the Committee's meetings;
- VI. To prepare the reports to be submitted to the Board of Directors;
- VII. To issue and keep the minutes of the Committee meetings;
- VIII. In the absence or impediment of the Committee's Coordinator another Committee member shall perform these functions, indicated by the majority.

9. Research

- I. As set forth in its duties, the Committee shall coordinate the investigation of ethical irregularities and deviations, establishing responsibilities for the investigation of serious suspicions or allegations when necessary. The Committee shall ensure the promptness in the investigation of deviations and the conduct by professionals with adequate experience in investigations and for the investigation in question. Aiming to establish subsidies for the prompt interruption of irregularities and remediation of damages.
- II. The Committee shall propose procedures that ensure the prompt interruption of detected irregularities or infractions and the timely remediation of the damage generated.
- III. The investigations can be conducted by professionals from the Compliance Area, other professionals from the company or by outside specialists. Provided they are properly trained and have adequate experience for conducting investigations. The results of the investigations must be presented to the Ethics Committee, to the Executive Board and to the Board of Directors, according to the severity, risk of the deviation and people involved.

10. General Provisions

The Ethics Committee has a budget for investigations or consultations with external professionals to be submitted to the Board of Directors.

Omissions, doubts of interpretation of these Internal Regulations and eventual changes to its provisions shall be discussed by the members and submitted for the Board's approval.

Farroupilha, April 29, 2021.	
Alexandre Grendene Bartelle Chairman	Renato Ochman Secretary