

INTERNAL AUDIT REGULATIONS

Grendene[®]

[B]³ BRASIL
BOLSA
BALCÃO



GRENDENE S.A.

Public Held Company

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

Internal Audit Regulations

1. Objective

1.1. The objective of these Internal Audit Regulations ("Regulations") is to establish the processes, objectives, and guiding principles of Grendene S.A.'s internal auditing activities. ("Grendene" or "Company") as well as its relationship with the Audit Committee and the other corporate bodies of the Company.

1.2. Internal auditing is an independent, objective review and consulting activity guided by a value-adding philosophy that aims to improve the company's operations. Internal audit also assists in the systematic fulfillment and attainment of the Company's objectives by identifying the efficiency, effectiveness, and economy of Grendene's risk management, control, and governance processes.

2. Professionalism

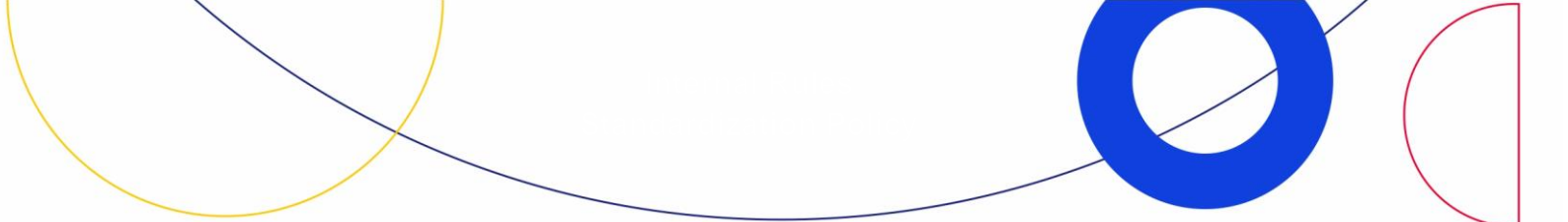
2.1. The internal audit activity will govern itself and, shall be guided by the legally enforceable recommendations of the Institute of Internal Auditors (IIA), including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). These mandatory standards represent the concepts and fundamental requirements for the professional practice of internal auditing and for assessing the effectiveness of the performance of the internal audit activity.

2.2. The Recommended Practices, Practice Guides and Position Statements of The Institute of Internal Auditors will also be applied in part or in their entirety to guide Grendene's operations. In addition, the internal audit will be conducted in accordance with Grendene's Code of Conduct and the Company's policies and processes.

3. Authority

3.1. The internal audit activity is granted complete, free, and unrestricted access to any and all Company records, physical and personal property relevant to the conduct of auditing process, with strict accountability for maintaining the confidentiality and security of records and information. All employees, sales representatives, interns, and apprentices, irrespective of their hierarchical rank and function, are required to help the internal audit activities in carrying out their duties.

4. Organization



4.1. Grendene's Internal Audit reports to the Board of Directors via the Audit Committee, which will approve these Regulations and any amendments, as well as the annual planning for Internal Audit.

4.2. Administratively, the Internal Audit is assigned to the Governance, Risks, and Compliance (GRC) area of the Investor Relations Office, which is responsible for decisions regarding performance evaluation, the appointment or termination of the team, and the annual adjustment of compensation, budget, and other operational activities.

5. Independence and Objectivity

5.1. Internal audit activities will be unaffected by any conditions that threaten the ability of the Company's internal auditors to fulfill their responsibilities impartially, such as sample selection, scope, procedures, frequency, timing, and audit report content. If it is determined that independence or objectivity may have been compromised in fact or in appearance, the specifics of the impairment will be reported to the relevant parties in order to maintain the required mind set of independence and objectivity.

5.2. Internal Auditors will not have direct operational control or responsibility over any of the audited activities. Similarly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that could compromise the judgment of the internal auditor.

5.3. Internal Auditors must demonstrate the highest level of professional objectivity when collecting, assessing, and reporting information regarding the inspected activity or process. Internal auditors must evaluate all pertinent circumstances objectively and must not be unduly influenced by their own or other interests when rendering judgments.

6. Responsibilities

6.1. The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the Company's governance, risk management, and internal controls, as well as the quality and performance of fulfilling the responsibilities determined to achieve Grendene's stated goals and objectives, including, without limitation:

- Assess the reliability and integrity of information, as well as the methods used to detect, measure, classify, and report such information.
- Assess existing systems for compliance with policies, plans, processes, rules, and regulations that may have a substantial influence on the Company.
- Assess the means of safeguarding the assets and, as appropriate, verify the existence of such assets.
- Assess the efficacy and efficiency with which resources are employed.
- Assess operations or programs to ensure that results are in line with specified goals and objectives, and that operations or programs are conducted as planned; and
 - Assess specific transactions at the request of the Audit Committee, senior management, and other Company governance bodies, as appropriate.



7. Internal Audit Plan

7.1. Annually, internal audit will submit the audit plan to the Audit Committee for approval.

7.2. The internal audit will produce a plan of the procedures that will be audited, which will be subject to change when unique demands arise on an urgent basis and/or by the Investor Relations Director's analysis, as the case may be. Any significant variation from the annual internal audit plan, however, must be approved by the Audit Committee.

7.3. The internal audit plan will cover all areas of the company and will be developed using a risk-based methodology, considering strategic guidelines, existing internal controls, process changes, external audit points, laws, and regulations, and demands from the Board of Directors, Committees, and/or the Executive Board, as applicable.

8. Reporting and Monitoring

8.1. The results of the internal audit will be reported quarterly to the Audit Committee.

8.2. The internal audit report may include the management response to the specific findings and recommendations, as well as corrective action taken or to be taken. The response from those responsible, whether included in the initial audit report or delivered later, must be made within seven (7) days of the report's delivery, and must contain measures to be taken, a completion deadline, and/or justification for non-implementation.

8.3. The internal audit activity will be in charge of following up on the findings and recommendations of its work. All major discoveries will be kept in a pending issues file until resolved and will be brought to the attention of the responsible Directors on a regular basis.

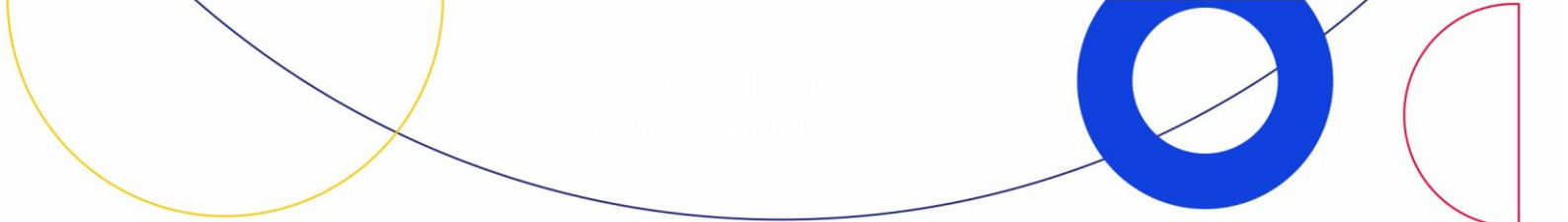
9. External Audit Follow-up

9.1. The internal audit function is to follow up on external audits of internal controls, with the activities of pre-analyzing the reports of the situations observed, transmitting the notes to the respective sectors, and convening work meetings as necessary to address these notes.

9.2. In this activity, the areas' actions will be monitored, and the Directors and/or Managers will be updated on the progress of the action plans and resolutions adopted by the sectors.

9.3. A report will be prepared to provide the Audit Committee with input on the follow-ups.

Farroupilha, March 02, 2023.



Alexandre Grendene Bartelle
Chairman

Renato Ochman
Secretary