

**INTERNAL
REGULATIONS,
GOVERNANCE, RISK,
AND COMPLIANCE**

Grendene[®]

[B]³ **BRASIL**
BOLSA
BALCÃO



GRENDENE S.A.

Public Held Company

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

Internal Regulations, Governance, Risk, and Compliance

1. Objective

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

1.2. The purpose of the Governance, Risks, and Compliance area is to contribute to sustainability and the increase of Grendene's value perception by ensuring ethics and integrity, transparency and reliability of processes, risk assessment and mitigation, and compliance with internal policies and external regulations.

1.3. This area at Grendene comprises Corporate Risk Management, Internal Controls, Compliance, and Internal Audit.

2. Organization

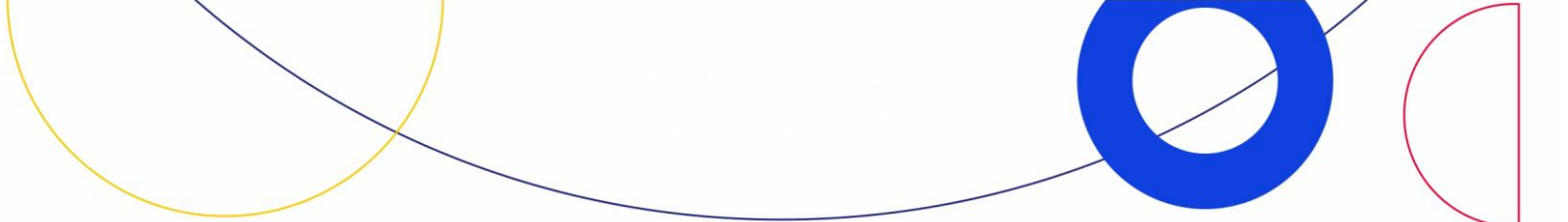
2.1. The GRC area reports to the Board of Directors via the Audit Committee, which will approve these Regulations and any amendments, in addition to the annual planning of Risk Management, Internal Controls, Compliance, and Internal Audit activities.

2.2. Administratively, the GRC area reports to the Investor Relations Director for decisions about performance evaluation, the hiring or termination of staff, and the annual adjustment of compensation, budget, and other operational activities in the area.

3. Responsibilities

3.1. The GRC area works to strengthen Grendene's Corporate Governance by assisting top management and business units in achieving their respective strategies and objectives, as well as complying with regulations and external audits pertaining to risk management, the integrity program, internal controls, and corporate governance, as described below.

3.1. 1. Corporate Risk Management: to coordinate the Corporate Risk Management process at Grendene, identifying, classifying, assessing, and responding to risks, with the business areas responsible for the processes under the scope of analysis; to consolidate and maintain the Company's risk matrix updated by continuously monitoring the risk environment, and assisting top management in defining and reviewing Grendene's risk appetite.



3.1. 2. Internal Controls: preparing and maintaining the internal controls matrix, evaluating the controls, and assisting the business areas in strengthening Grendene's internal control environment; identifying and recommending process changes and other activities targeted at mitigating the company's risks.

3.1. 3. Compliance: coordinate activities associated with the implementation and maintenance of the Company's integrity program; participate in activities associated with the management and dissemination of the code of conduct. implement and disseminate the Compliance policies; collaborate with the ethics committee in the management of the ethics channel, including the investigation of complaints and the application of corrective and preventative measures (in partnership with the Human Resources division) in accordance with the Complaints and Consequences Management Policy; support Grendene in complying with external regulations and internal policies.

3.1. 4. Internal Audit: to assess the adequacy and effectiveness of the Company's Governance, Risk Management, Internal Controls, and Compliance (integrity program); to assess the reliability and integrity of information and the means used to identify, measure, classify, and report such information; to assess the means of safeguarding assets and, as appropriate, verifying the existence of such assets; to assess specific operations at the request of senior management, the Audit Committee and/or other governance bodies, as appropriate; and to support and monitor the actions of the external audit, in accordance with the Internal Audit Regulations.

4. Authority

4.1. Internal Audit and Compliance activities, with strict accountability regarding confidentiality and safeguarding of records and information, are granted full, free, and unlimited access to any and all relevant records, both physical and personal properties of the Company, for the purposes of auditing and conducting internal corporate investigations. All employees are required to offer the necessary support for these measures to be carried out.

5. Professionalism

5.1. The development of the GRC team's activities will be managed in accordance with external laws and regulations as well as internal guidelines and best market practices.

5.2. Models and guidelines from reference institutions in the market, such as COSO (Committee of Sponsoring Organizations of the Treadway Commission), IBGC (Brazilian Institute of Corporate Governance), and CGU (Brazilian Office of the Controller General) will be used to develop Corporate Risk Management, Internal Controls, and Compliance activities.

5.3. As indicated in the Internal Auditing Regulations, Internal Auditing will adhere to the mandatory guidelines and recommended practices of the Institute of Internal Auditors (IIA).

The members of the Governance, Risk, and Compliance (GRC) department have signed a confidentiality and secrecy agreement covering all confidential information they have access to in the course of their duties.



6. Independence and Objectivity

6.1. The activities of the GRC area, including Internal Audit, will remain unaffected by any situations that jeopardize the impartiality of its members in conducting their obligations. 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.

6.2. The members of the GRC team, including the Internal Auditors, must demonstrate the highest level of professional objectivity when collecting, assessing, and reporting information regarding the inspected activity or process. Internal Auditors will not have direct operational control or responsibility over any of the audited activities.

7. GRC Annual Plan

7.1. The Audit Committee will approve the annual plan for the GRC area, which includes actions for Risk Management and Internal Controls, Integrity program (Compliance), and Internal Audit.

7.2. While designing the plan, the Company's strategic guidelines, existing risks and internal controls, rules and regulations, process modifications, points and requirements of external audits, as well as requests from the Board of Directors, Committees, and/or Executive Board will be taken into account.

7.3. Changes to the Annual GRC Plan must be communicated to the Investor Relations Officer and authorized by the Audit Committee.

8. Reporting and Monitoring

8.1. In accordance with the approved Annual Plan, the Audit Committee will receive quarterly updates on Risk Management, Internal Controls, Compliance, and Internal Audit activities. The Audit Committee will next present this report to the Board of Directors of Grendene.

8.2. Periodically, the operations of Grendene's integrity program will be reported to the Ethics Committee, including actions connected to the ethical channel, the investigation of complaints, and the dissemination of the Code of Conduct, associated policies, and processes.

8.3. The specific Internal Audit report may include the response of the area's management and the corrective actions taken or to be implemented in response to the specific findings and suggestions. In accordance with the Internal Audit Regulations, the Internal Audit activity will be responsible for ensuring that the findings and suggestions of the work are appropriately implemented.

8.4. The GRC area will report on its activities to the Investor Relations Director once a month, who will monitor the evolution of the actions as well as evaluate the team's performance.



Farroupilha, March 02, 2023.

Alexandre Grendene Bartelle
Chairman

Renato Ochman
Secretary