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1.1 Issuer's history

Plásticos Grendene Ltda was founded on February 25, 1971, initially as a limited liability company, with the purpose of operating in the field of plastics industrialization in general. At the time of incorporation, the Company's activities centered on the production of plastic packaging for wine carboys, an innovation in a market that had previously only produced such packaging in wicker.

In 1976, the company expanded its operations by beginning to produce plastic components for agricultural machinery and implements, and then by becoming a supplier of footwear components such as soles and heels. Grendene was the first company to use polyamide (nylon) as a base material for the production of such components. Already operating under the name Grendene S.A. in 1979, the company introduced the first Nuar sandals and Melissa sandals in the same year.

In search of more competitive conditions in terms of labor costs and tax incentives, production migrated from the Serra Gaucha in Rio Grande do Sul, initially to the capital of Ceará, Fortaleza (1990), and gradually factories were built in the middle of the state, in Sobral (1993), which became the head office, and Crato (1997), facing extremely diverse cultural conditions, adverse climatic conditions, minimal infrastructure at the time, and with local labor that was not specialized in the footwear industry and even less so in the specific footwear industry of injected footwear, which uses sophisticated and automated equipment. In 2007, Grendene opened a second facility in Teixeira de Freitas, MHL Calçados Ltda, in the southern region of Bahia.

Over the years, the Company has developed its own recognized and successful brands, such as: Melissa, Rider, Grendha, Ipanema, Zaxy, Cartago, Pega Forte and Grendene Kids. In addition, the use of third-party brands and licensing of celebrities and characters from the children's universe, such as: Azaleia, Ivete Sangalo, Mormaii, Disney, Mattel, Warner, Marvel, Maurício de Sousa, Universal, Nintendo, Netflix, and Viacom, among others.

Grendene is vertically integrated, with a total installed capacity of 250 million pairs per year across its five industrial divisions, which include eleven footwear factories, a matrix factory, a distribution center, and an in-house PVC factory.

In line with the Company's strategy to expand and strengthen the brand's relationship with its customers and consumers, the Melissa brand has two "Galeria Melissa" concept stores, one in São Paulo and one in New York; a Showroom in Milan, which manages and distributes the brand's products in Italy; and a network of "Clube Melissa" franchises in Brazil and the United States.

In 2021, Grendene signed with 3G Radar Private Fund I LP ("3G Radar"), a fund managed by *3G Radar Gestora de Recursos Ltda.*, the binding documents for the establishment of a joint venture ("JV") headquartered in the United Kingdom to be called "Grendene Global Brands Limited", whose objective is the distribution and commercialization of Grendene products on the international market, with the first destinations being: USA, Canada, China and Hong Kong, starting operations in 2022. The JV will be controlled and managed by 3G Radar, which will hold 50.1% of the JV's share capital, while Grendene will hold 49.9% of the JV's share capital.

1.2 Description of the main activities of the issuer and its subsidiaries

Grendene is one of the largest footwear manufacturers in the globe. It possesses proprietary and exclusive technology in the production of footwear for women, men, and children, and its five industrial divisions have an installed capacity of 250 million pairs per year (800,000 pairs per day) in its five industrial units composed of eleven shoe factories, a distribution center, a matrix factory, and a PVC factory for its own consumption in the production of footwear, with a distribution logistics system that reaches from distributors to traditional and non-traditional retailers across the national territory and internationally.

The Company sells its products through sales representatives, distributors, direct exports, and overseas subsidiaries, Grendene USA, Inc. (USA), Grendene UK Limited (UK), and Grendene Italy S.R.L.(Italy), totaling approximately 45,000 points of sale abroad and 65,000 in the Brazilian market, in addition to a separate sales department and selective distribution for the Melissa brand. The majority of revenues are derived from the commercialization of products on the domestic market (approximately 80% of Gross Revenue), with exports to more than 100 countries accounting for the remainder (approximately 20% of Gross Revenue).

In line with the Company's strategy to expand and strengthen the brand's relationship with its customers and consumers, the Melissa brand has two "Galeria Melissa" concept stores, one in São Paulo and one in New York; a Showroom in Milan, which manages and distributes the brand's products in Italy; and a network of "Clube Melissa" franchises in Brazil and the United States.

1.3 Information related to operating segments

a. products and services sold.

Footwear

b. revenue from the segment and its share in the issuer's net revenue

Net revenue by market	2021		2022	
	Value R\$	% Net Revenue	Value R\$	% Net Revenue
Domestic market	1,667,897	71.2%	1,783,150	71.0%
External market	674,649	28.8%	729,506	29.0%
Total	2,342,546	100.0%	2,512,656	100.0%

c. profit or loss resulting from the segment and its share in the net profit of the issuer.

Net revenue by market	2021		2022	
	Value R\$	% Net Income	Value R\$	% Net Income
Domestic market	309,690	51.5%	344,677	60.7%
External market	291,315	48.5%	223,350	39.3%
Total	601,005	100.0%	568,027	100.0%

1.4 Production/Commercialization/Markets

a. production process characteristics

The production process is differentiated by a modern industrial park, scale, and verticalized production, creating a market advantage. The Company has always developed its footwear to be produced by the thermoplastic injection molding process. It is a patented technology, developed over more than 50 years of experience, which includes the development of proprietary matrices, the formulation of PVC in the company's own factory, and the automated production of footwear, with the fusion of the upper and components to the sole of the shoe during the injection process. The production of all PVC, the primary raw material, within the factory enables us to develop, with greater flexibility and independence from third parties, formulations tailored to each component type and type of footwear. In addition, it enables rapid correction of any basic material defects discovered during the production process. The Grendene team modifies and assembles the machinery and equipment it acquires from suppliers according to its own specifications, which are kept as an industry secret.

Consequently, production becomes more economical, faster, differentiated, and of higher quality, with large volumes in a brief period of time, whereas the majority of competitors use manufactured production (assembly), the conventional method for producing footwear. Thus, in response to fashion trends and consumer acceptance of the products, the Company can create differentiated models rapidly or withdraw them from the market.

The result of this production structure is high-quality footwear with high-cost competitiveness, generating attractive returns for the Company and its partners.

We avoid any power supply issues by maintaining our own generators.

b. distribution process characteristics

Grendene has a logistics system that enables national and international distribution via multiple channels of distribution. It services the Brazilian market via sales representatives and the international market via overseas subsidiaries: Grendene USA, Inc. (United States), Grendene UK Limited (United Kingdom), and Grendene Italy

S.R.L.(Italy), As well as through distributors and direct exports to large customers. Third-party carriers are in charge of carrying out the product distribution.

It operates in over one hundred countries, with approximately 65,000 points of sale in Brazil and 45,000 points of sale abroad.

c. characteristics of the markets in which it operates are:

Brazil, which was once the world's largest footwear manufacturer in the 1970s and where there have been manufacturing activities in the sector for more than 150 years and is characterized by small (just over 5,000 manufacturers) labor-intensive companies, is now ranked fourth among producers with a significant market share in the segment of footwear that combines quality and design with competitive prices.

General industry data (Source: Sector Report: Brazil's footwear industry 2023 - Abicalçados (Brazilian Footwear Industry Association))

Approximately 5,000 firms manufacture footwear, creating 296.400 direct jobs.

Brazil is the fifth largest footwear producer in the world.

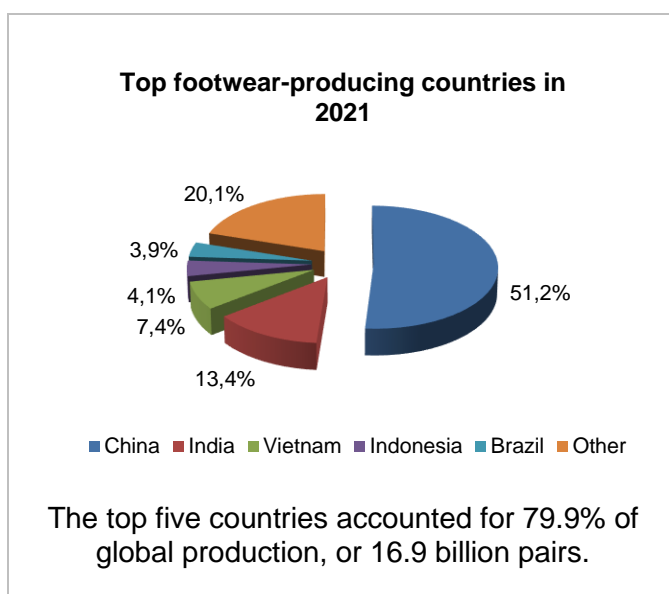
Exports: 141,9 million pairs in 2022, 123,7 million pairs in 2021, and 93,8 million pairs in 2020 exported for over 140 countries.

1.4 Production/Commercialization/Markets

Brazilian footwear production and apparent consumption (million pairs)

Brazil	2020	2021	2022
Production	745.7	819.2	848.6
Importation	21.1	22.7	25.8
Exports	93.8	123.7	141.9
Apparent consumption	673.0	718.2	732.5
Per capita consumption (pairs)	3.2	3.4	3.4
Source: Sector Report: Brazil's footwear industry 2023 - Abicalçados (Brazilian Footwear Industry Association).			

Country	Production 2021 (million of pairs)
China	10,818
India	2,823
Vietnam	1,553
Indonesia	857
Brazil	819
Nigeria	395
Pakistan	274
Mexico	249
Thailand	205
Bangladesh	188
Other	2,932
Total	21,113



i. Market share in each market

The sole business segment of the Company and its subsidiaries is the production and sale of footwear for domestic and external markets.

The Company is structured as a singular business unit for accounting and management purposes because it manufactures only footwear. Although the Company's products are aimed at various demographics (male, female, children, and mass), management does not control and manage them as separate segments, and the Company's results are followed, monitored, and evaluated as a whole.

Consolidated sales in the domestic and external markets are represented as follows:

Gross sales (in thousands of reais)	2020	2021	2022
Domestic market	1,903,565	2,160,905	2,379,525
External market	431,232	686,316	740,422
Total	2,334,797	2,847,221	3,119,947

The information on gross sales in the foreign market, by geographic segment, was derived from the country of origin of the revenue, that is, based on sales made by the parent company in Brazil and through direct and indirect subsidiaries abroad (Grendene USA, Inc., Grendene Italy S.R.L., and Grendene UK, Limited. in the United States, Italy, and the United Kingdom, respectively), and can be shown as follows:

1.4 Production/Commercialization/Markets

Gross sales in the external market from: (in thousands of R\$)	2020	2021	2022
North America	56,769	103,508	169,703
Asia and Oceania	73,337	89,143	105,235
Europe	105,160	167,283	157,042
Central and South America - Latam	163,634	275,745	262,568
Africa and Middle East - Mea	32,332	50,637	45,874
Total	431,232	686,316	740,422

The sales are pulverized and distributed equitably across both domestic and international markets. The domestic market accounts for approximately 80% of revenues. There are no clients that individually account for more than 5% of sales.

In million pairs	2020	2021	2022
World			
Production	19,022.0	21,113.0	21,600.0
Importation	8,812.0	9,770.0	10,700.0
Exportation	10,594.0	11,907.0	12,800.0
Apparent consumption	17,240.0	18,976.0	19,500.0
- Apparent consumption (except Brazil)	16,567.0	18,257.8	18,767.5
Brazil			
Production	745.7	819.2	848.6
Importation	21.1	22.7	25.8
Exportation	93.8	123.7	141.9
Apparent consumption	673.0	718.2	732.5
Grendene			
- Domestic market	119.4	121.2	114.4
Exportation	26.0	32.9	33.8
- Total	145.4	154.0	148.2
Grendene's % share			
- World's apparent Consumption	0,8%	0.8%	0.8%
- Domestic market	17,7%	16.9%	15.6%
- Brazilian footwear exports	27,7%	26.6%	23.8%

Source: Brazil Footwear Industry Sector Report 2023 (Abicalçados) and Grendene

ii. competitive conditions in the markets

The majority of international competitors are based in Asia, particularly China, the world's largest footwear producer and exporter.

Brazil is the fifth-largest producer of footwear but imports a relatively small proportion of its consumption. In the domestic market, we have around a half-dozen large and medium-sized enterprises (considering the footwear sector) and numerous small competitors.

Brazil is the main market for Grendene's products, accounting for 76% of gross revenue and 77% of footwear sold in 2022. Grendene is present in all Brazilian states and is strategically positioned in the markets in which it operates.

Grendene's competitive advantages are its brands (Melissa, Rider, Grendha, Ipanema, Zaxy, Cartago, Pega Forte, and Grendene Kids), licensing, innovation, and marketing capacity, a differentiated production process, a secure capital structure, and robust cash generation.

1.4 Production/Commercialization/Markets

d. possible seasonality

During the months of September through December, the Company experiences an increase in footwear sales, coinciding with the holiday shopping season. Due to the winter in the southern and southeastern regions of Brazil, demand for our products is lower between May and July.

e. main inputs and raw materials, stating:

Our main raw materials are PVC resin and plasticizing oils.

i. a description of relationships with suppliers, including whether they are subject to government control or regulation, identifying the governing bodies and their applicable laws.

When selecting our suppliers, Grendene adheres to stringent criteria, including not only quality and price but also reputation and financial standing. Our main raw materials, thermoplastics, and plasticizing oils are subject to various laws and/or technical standards.

The Brazilian, North American, and European markets require compliance with the legislation that deals with restricted chemical substances in these markets. The bodies/legislations in these markets are:

- Brazil: IPT - Institute for Technological Research
- USA: CPSIA - Consumer Product Safety Improvement Act
- European Community: REACH - Registration, Evaluation, Authorization and Restriction of Chemicals

The purchase of other inputs and raw materials is not subject to government control or regulation.

ii. possible dependence on a few suppliers

Although Grendene purchases the majority of its thermoplastic resin requirements from Braskem S.A., we do not believe we are dependent on this or any other supplier. Grendene's production scale enables it to explore the globe for raw materials, purchase them in bulk, and negotiate a competitive price (See item 4 Risk Factors).

However, Braskem is the only national company capable of meeting Grendene's resin requirements, and a problem with this company coupled with the possibility of importing raw materials could compromise our production capacity.

iii. possible price volatility

The primary raw material purchased on the market is PVC resin, whose price is determined by the balance between supply and demand on the international market.

1.5 Main clients

There is no sales concentration, and no customer accounts for more than 10% of net revenue.

1.6 Relevant effects of state regulation

a. the need for government authorization to conduct the activities and the history of relations with the public administration in order to obtain such authorizations.

Except for licenses related to environmental and location factors (municipal zoning regulations, permits, etc.), the manufacturing of shoes does not require specific government authorizations.

All of the Company's divisions operate under valid operating licenses.

b. main aspects related to the issuer's compliance with legal and regulatory obligations related to environmental and social issues.

Companies in the footwear industry, including the Company, are subject to strict federal, state, and local environmental legislation regarding, among other things, proper management with a focus on solid waste disposal, proper treatment and disposal of liquid, industrial, and sanitary effluents, and control of atmospheric emissions. Such industries need permits from government agencies for some of their activities, called environmental operating licenses.

Environmental licensing applies to all activities that use environmental resources and may cause actual or prospective pollution or environmental degradation, and which are conducted by individuals and legal entities, including entities of the federal, state, and municipal public administrations. Following is a summary of licenses and authorizations by establishment in Grendene.

The State Environmental Superintendence (COEMA), an environmental agency of the State of Ceará, issued Operating License No. 450/2019 to the Sobral unit for the Synthetic Footwear Manufacturing activity, valid until August 14, 2027. Under the condition of performing Self-Monitoring, the Self-Monitoring Report of the analysis of Liquid Effluents conducted in the two Effluent Treatment Plants and effluent storage pond for reuse must be presented every four months, and it must comply with the parameters established by Resolution No. 02/2019, Article No. 38 of COEMA. In addition to the Solid Waste Management Report which includes evidence of the final destination of all waste, copies of the Environmental Licenses of the companies responsible for transporting and receiving the waste are also required.

In Complementary Law No. 235/2017, the Municipal Department of Urbanism and Environment (SEUMA) regulates Environmental Licensing in the Municipality of Fortaleza by establishing criteria, parameters, and fees applicable to the licensing procedure, as well as other measures. SEUMA has granted the Fortaleza unit Operating License PD024/2022, valid until March 14, 2027, for the Synthetic Footwear Manufacturing activity. And, it stipulates that the facility must deliver to SEUMA and make available for inspection every four months an Operation and Maintenance report containing an analysis report of a sample of the effluent purified at the facility, issued by a competent laboratory, and it must comply with the current legislation in effect (Normative Instruction No. 01/2017).

Law No. 2,638/2010 establishes the environmental code of the municipality of Crato, which is responsible for granting licenses, authorizations, and/or environmental consent for the location, implementation, expansion, and operation of polluting enterprises, works, and activities. In this way, it was granted to the Fortaleza unit Operating License 005/2023, valid until April 20, 2024, for the Synthetic Footwear Manufacturing activity. The Self-Monitoring of effluents must be presented quarterly through physical-chemical analysis, which must present the parameters established by COEMA Resolution No. 02/2017, along with the Gas Emissions Self-Monitoring reports and Solid Waste Management reports, along with proof of collection and final disposal.

The State Foundation for Environmental Protection (FEPAM), established by Law No. 9,077 of June 4, 1990, and affiliated with the Secretariat for the Environment and Infrastructure (SEMA), has issued Operating License No. 07105/2020, valid until November 23, 2025, to the Farroupilha unit for the manufacture of plastic items. The License requires the Farroupilha unit to submit quarterly the biological ETS flow report, the physical-chemical ETS recycle flow report, the station operation report, the monthly analysis report, and the Solid Waste Generation Report for all solid waste.

The Certificate of Good Standing is the publicly accessible document by which the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA) certifies that the registered person's data comply with the obligations arising from the Federal Technical Registrations (CTF/APP and CTF/AIDA) pertaining to activities subject to IBAMA's control and supervision. Individuals and organizations are required to register in the Federal Technical Registration of Potentially Polluting Activities and Users of Environmental Resources under IBAMA Instruction No. 13/2021.

1.6 Relevant effects of state regulation

The activities eligible for registration with the CTF/APP are listed in Annex I, of Normative Instruction No. 13, of August 23, 2021. Good Standing certification of the following units:

- Registration No. 69684, unit Sobral, in the following activities:
 - 21-27 Carrying and using chainsaws: Art. 69, Paragraph 1 12-2 of Law No. 12,651/2010 Production of plastic goods.
 - 11-4 Manufacture of footwear and footwear components.
 - 18-81 Trade of Chemical and Hazardous Products - National Council for the Environment (CONAMA) Resolution No. 401/2008.
- Registration No. 339782, unit Fortaleza, for the following activities: 11-4 Manufacture of footwear and footwear components.
 - 18-81 Trade of Chemical and Hazardous Products - National Council for the Environment (CONAMA) Resolution No. 401/2008.
- Registration No. 339795, unit Crato, for the following activities:
 - 21-48 Consumption of wood, fuel, and charcoal for industrial purposes (Law No. 12,651/2012, Art. 34). Utilization of restricted substances (Melbourne Protocol).
 - 11-4 Manufacture of footwear and footwear components.
- Registration No. 71447, unit Farroupilha, for the following activities:
 - 21-45 Importation of tires and related products: 21-27 CONAMA Resolution No. 416/2009. Carrying and using chainsaws, Law No. 12,651/2010, Art. 69, Paragraph 1.
 - 12-2 Manufacture of plastic goods.
 - 11-4 Manufacture of footwear and footwear components.
 - 18-81 Trade of Chemical and Hazardous Products - National Council for the Environment (CONAMA) Resolution No. 401/2008.

The company launched the Grendene Restricted Substances Program in 2021 in partnership with the Brazilian Institute of Technology for Leather, Footwear, and Artifacts (IBTeC) by holding a series of events with the participation of its suppliers, including awareness meetings, training, and the distribution of Restricted Substances Lists by supply category.

It aims to operate businesses in a sustainable manner to safeguard consumers, workers, and brands, as well as to improve product quality and reduce environmental impact. This is a requirement for all Grendene suppliers and is based on the major international lists such as AFIRM, REACH, and Prop 65. It is available through the link:

<https://grendene.com.br/sustentabilidade/pdfs/PDFpt/Lista%20de%20Subst%C3%A2ncias%20Restritas%20Grendene.pdf>

Social- Health and Safety

Current operating licenses have been issued by the competent public bodies, including certificates of compliance of the facilities (AVCB) issued by the Fire Department, sanitary permits issued by the Health Surveillance Agency, and operating licenses issued by the City Halls of the municipalities where it has units installed. It is also compliant with the Regulatory Standards for Occupational Safety and Health issued by the Ministry of Labor and Employment of Brazil. The company's Specialized Service in Safety Engineering and Occupational Medicine (SESMT) is responsible for administering the Internal Occupational Health and Safety Management System in order to ensure that the various work activities are conducted under suitable conditions. This service also monitors the company's adherence to the social aspects of health and safety mandated by the applicable law and executes the protocols for sustaining certificates and licenses issued by regulatory bodies.

1.6 Relevant effects of state regulation

Legal Labor Obligations

To comply with the apprenticeship law, the company annually employs 5% of young people aged 14 to 24, and together with Senai, it developed a course for these young people in the Mold-making workshop.

The company also complies with the laws regarding people with disabilities.

c. reliance on patents, trademarks, licensing, concessions, franchises, and royalty agreements pertinent to the activities' development.

In Brazil, trademark ownership is acquired only through registration with the National Institute of Industrial Property (INPI), the agency responsible for the registration of trademarks and patents, and the owner is guaranteed the exclusive use of the registered trademark throughout the national territory for a period of ten years, subject to successive renewals. During the registration procedure, the applicant has only an expectation of ownership rights over the deposited marks submitted to identify its goods or services.

The Company currently owns or is in the process of registering dozens of highly relevant trademarks in Brazil and abroad, including "Grendene", "Melissa", "Grendha", "Zaxy", "Ipanema", "Grendene Kids", "Rider", "Cartago", and "Pega Forte", among others. Additionally, Grendene possesses a number of domain names associated with these brands, as well as patents and industrial designs.

d. financial contributions, indicating the respective amounts, made either directly or through third parties:

- i. for political office holders or candidates**
- ii. in favor of political parties**
- iii. to fund the exercise of influence on public policy decisions, notably on the content of normative acts.**

Not applicable. In 2015, the Supreme Court declared unconstitutional the legal regulations that authorized contributions from corporations to political parties and electoral campaigns. The Company does not make direct or indirect financial contributions in support of holders or candidates for political office in Brazil or abroad.

Article 6 (Interactions with Government Authorities and Public Agents) of the Anti-Fraud and Corruption Policy, which was adopted by the Board of Directors on October 27, 2022, establishes the guidelines that must be followed when interacting with the public sector.

1.7 Relevant revenues in the issuer's home country and abroad

a. Revenue from customers in the issuer's native country and the share of the issuer's total net revenue attributable to these customers

Grendene manufactures all of its products in Brazil; therefore, all of its foreign revenue is generated through exports. There are no export revenues attributed to Brazilian customers. Our customers in these countries are distributors who resell the products to the retail sector in local markets. These distributors are typically independent companies situated in the countries in which they operate.

On the domestic market, transactions are conducted by sales representatives at approximately 65,000 points of sale. There are no clients that individually account for more than 5% of sales.

in thousands of R\$	2021		2022	
	Value R\$	% of Net Revenue	Value R\$	% of Net Revenue
Domestic market	1,667,897	71.2%	1,783,150	71.0%
Net Sales Revenue	2,342,546	100.0%	2,512,656	100.0%

b. Revenue from customers attributed to each foreign country and their share of the issuer's total net revenue

Exports to more than one hundred countries are highly spread out, with a base of about 45,000 points of sale, with no significant dependence on any one customer, country, or currency. There are no clients that individually account for more than 5% of sales.

in thousands of R\$	2021		2022	
	Value R\$	% of Net Revenue	Value R\$	% of Net Revenue
External market	674,649	28.8%	729,506	29.0%
Net Sales Revenue	2,342,546	100.0%	2,512,656	100.0%

1.8 Relevant effects of foreign regulations

In the more than one hundred countries to which Grendene exports, customs regulations and laws must be followed. These countries' imposition of import quotas or tariffs may have an effect on our exports to these markets.

Our products contain chemical compounds as inputs (PVC resins and plasticizing oils), and we are subject to local regulations governing the import of chemical compound-containing inputs.

The most comprehensive international standards are:

- USA: CPSIA - Consumer Product Safety Improvement Act.
- European Community: REACH - Registration, Evaluation, Authorization and Restriction of Chemicals.

1.9 Environmental, social, and corporate governance (ESG)

a. Whether the issuer discloses environmental, social, and governance (ESG) information in an annual report or other document designed for this purpose.

We disclose ESG information in our Sustainability Report. The Company's Sustainability Reports can be consulted through the link: <https://grendene.com.br/sustentabilidade/>.

b. The methodology or standard followed in preparing this report or document.

The 2021 report was developed in accordance with the foremost international reporting and management standards for sustainability:

- Integrated Reporting (Capital)
- Global Reporting Initiative (GRI) and
- Sustainable Development Goals (ODS).

The Sustainability Accounting Standards Board (SASB) guidelines will also be considered for the 2022 reporting period.

c. Whether this report or document has been audited or reviewed by an independent entity and, if applicable, identifying that entity.

The 2021 Sustainability Report has not been independently audited or reviewed. We intend to carry out third-party verification of the 2022 report.

d. The Web page where the report or document can be found.

The Sustainability Report can be found on the website: <https://grendene.com.br/sustentabilidade/>.

e. Whether the report or document produced considers the disclosure of a materiality matrix and key ESG performance indicators, and what are the material indicators for the issuer.

The report was prepared considering a materiality matrix and ESG key performance indicators. Below, we highlight the topics incorporated in our materiality matrix, according to the order of relevance attributed by stakeholders:

- Best labor practices in the operation
- Best labor practices in the supply chain
- Waste Management
- Managing material usage in products and packaging
- Climate change mitigation
- Environmental assessment of suppliers
- Human rights impact management
- Training and education
- Compliance and integrity in governance structure, share profile, and ownership structure.
- Diversity, equality, and non-discrimination
- Freedom of Association and Collective Bargaining
- Water and effluent management

f. Whether the report or document considers the United Nations' Sustainable Development Goals (SDGs), and which SDGs are relevant to the issuer's business.

Grendene's commitments and trajectory on the path to sustainable development are described in the company's sustainability reports, which are set to be published annually beginning in 2019 to strengthen our commitment to our stakeholders and transparent management.

The Sustainability was developed in accordance with the foremost international reporting and management standards for sustainability. These include:

1.9 Environmental, social, and corporate governance (ESG)

- Integrated Reporting (Capitals): natural, social, and relationship; intellectual, manufactured, human, and financial.
- Global Reporting Initiative (GRI): reporting, data, and indicators.
- UN's Sustainable Development Goals (SDGs): Grendene's Sustainable Development Policy is based on the United Nations (UN) Sustainable Development Goals and aims aimed at improving global standards of quality of life and productive activities by 2030. We recognize that our business actively contributes to eight SDGs, which we refer to as priorities. We concluded from the materiality review that we also contribute in varying degrees to fourteen of the initiative's 17 SDGs.

Priority SDGs

3 - Health and Well-being	4 - Quality Education	5 - Gender Equality	6 - Potable Water and Sanitation
7 - Clean and Affordable Energy	8 - Decent Work and Economic Growth	9 - Industry, Innovation, and Infrastructure	12 - Responsible Consumption and Production

SDGs Materials

3 - Health and Well-being	4 - Quality Education	5 - Gender Equality	6 - Potable Water and Sanitation
7 - Clean and Affordable Energy	8 - Decent Work and Economic Growth	9 - Industry, Innovation, and Infrastructure	10 – Reduction of inequalities
11 – Sustainable Cities and Communities	12 - Responsible Consumption and Production	13 - Action Against Global Climate Change	14 - Life in Water
16 - Peace, Justice, and Effective Institutions	17 - Partnerships and Means of Implementation		

Beginning with the report for the year 2022, which will be available by July 2023, the sustainability report will be verified and audited by a third party.

g. Whether the report or document takes into account the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) or the financial disclosure recommendations of other recognized entities pertaining to climate issues.

Grendene has responded to the Carbon Disclosure Project (CDP) Climate Change and Water Security questionnaires since 2020, and the Forests for Wood Products questionnaire since 2022. Demand comes from CDP signatory investors and clients.

Grendene also answers the Supplier Engagement Rating, which is an additional module of the Climate Change questionnaire. Grendene also answers the Supplier Engagement Rating, which is an additional module of the Climate Change questionnaire.

- Climate Change: C
- Water Security: B
- Forests (Timber Products): C
- Supplier Engagement Rating: B

A score of C on the Climate Change questionnaire qualifies a company for inclusion in the B3 Corporate Sustainability Index (ISEB3).

1.9 Environmental, social, and corporate governance (ESG)

h. Whether the issuer conducts greenhouse gas emission inventories and, if so, the scope of the emissions inventoried and a link to a website with additional information.

Since 2020, Grendene has been monitoring its greenhouse gas emissions and publishing its Emissions Inventory, built on the GHG Protocol methodology. Grendene discloses its emissions for scopes 1, 2 and 3.

Below are the categories reported in each scope. Scope 1:

- Mobile combustion
- Stationary combustion
- Effluent treatment
- Fugitive emissions

Scope 2:

- Location approach
- Purchase choice

Scope 3:

- Downstream transportation and distribution
- Upstream transportation and distribution
- Business trips
- Commute
- Waste treatment

The inventory adheres to the methodological standards of the Brazilian GHG Protocol Program, which adheres to the Greenhouse Gas Protocol and Intergovernmental Panel on Climate Change guidelines for corporate accounting of greenhouse gases.

In addition, the inventory is audited by a third party, KPMG, whose methodology is founded on the KPMG Greenhouse Gas Assurance, ISO 14064-3, the Greenhouse Gas Protocol, the Brazilian GHG Protocol Program, and the Intergovernmental Panel on Climate Change. The third-party assurance and the publication of indirect emissions (Scope 3) guarantee Grendene the Gold Seal, the highest category, in the Getúlio Vargas Foundation's Brazilian GHG Protocol Program.

The inventory base can be consulted in the Public Emissions Registry on the following link: <https://registropublicodeemissoes.fgv.br/participantes/3239>.

i. the issuer's explanation of the following conduct, if applicable:

- non-disclosure of ESG information.**
- non-adoption of a materiality matrix.**
- non-adoption of ESG key performance indicators.**
- failure to audit or review the ESG information disclosed.**
- failure to consider the SDGs or adopt climate-related recommendations issued by the TCFD or other recognized entities in the ESG information disclosed.**
- failure to carry out greenhouse gas emission inventories.**

Not applicable.

1.10 Mixed-capital company information

- a. public interest, which justified its creation.**
- b. performance of the issuer in compliance with public policies, including universalization goals, indicating:**
 - i. government programs implemented in the previous fiscal year, those defined for the current fiscal year, and those planned for future fiscal years, criteria adopted by the issuer to classify this action as having been designed to serve the public interest, as indicated by letter "a."**
 - ii. pertaining to the above-mentioned public policies, investments made, costs incurred, and the origin of the resources involved (own cash generation, onlending of public funds, and financing), including funding sources and terms.**
 - iii. estimate of the effects of the aforementioned public policies on the issuer's financial performance, or a statement that no analysis of the monetary impact of the aforementioned public policies has been conducted.**
- c. price formation process and tariff setting rules.**

Not applicable; Grendene is not a mixed-economy company.

1.11 Acquisition or disposal of relevant asset

No significant assets have been acquired or disposed of outside the normal course of business.

1.12 Corporate transactions / Capital increase or reduction

There were no mergers, splits, incorporations, share mergers, increases, or reductions in capital operations involving the Company in the last fiscal year.

1.13 Shareholders' agreement

No shareholders' agreement was entered into, terminated, or amended in the last fiscal year.

1.14 Significant changes in business conduct

There have been no significant changes in the way the Company conducts its business.

1.15 Significant changes in business conduct

Since the incorporation of the Company and its subsidiaries, no material contracts have been entered into that were not directly related to operating activities.

1.16 Other relevant information

All relevant and pertinent information on this topic has been disclosed in the previous items.

2.1 Financial and equity conditions

a. General financial and equity conditions:

According to the management, the company's economic and financial state is healthy. The cash, cash equivalents, and/or financial investments maintained by the company provide confidence that it can meet all its short- and long-term financial commitments.

Since its listing on the *Novo Mercado* in 2004, the Company has proved its ability to generate profits even in unfavorable economic conditions by adequately remunerating invested capital and distributing dividends that exceed the minimum necessary payouts.

The data showing Grendene's general financial and equity conditions for the fiscal years 2021 and 2022 are shown in the following tables and complemented by items 2.1.b, 2.1.c, 2.1.d, 2.1.e, 2.1.f, 2.1.g., and 2.2 of this report.

Year (In thousands of R\$)	Initial net ¹ equity	Net profit - formal accounting	Dividends	Reinvestment	Return on net equity	Final net ¹ equity
2021	4,082,020	601,005	395,209	205,796	14.7%	4,032,057
2022	4,032,057	568,027	316,639	251,388	14.1%	3,266,401

1) Net Equity adjusted by excluding the balance of dividends payable.

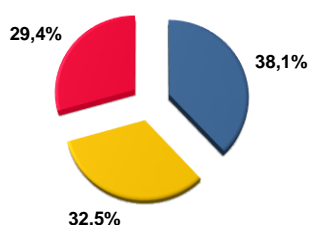
Liquidity	2021	2022
General liquidity	8.1	8.5
Current liquidity	8.0	7.3
Dry liquidity	6.7	6.3

Profitability	2021	2022
Gross margin	44.0%	40.1%
EBIT margin	16.8%	9.5%
Recurring EBIT margin	17.7%	11.3%
Net margin	25.7%	22.6%
Recurring net margin	23.1%	24.4%

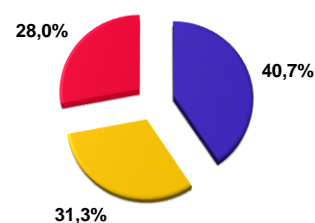
In thousands of R\$	2021	2022
Loans and financings (ST and LT)	124,285	106,639
Cash and cash equivalents plus cash investments (ST and LT)	1,588,018	1,796,640

Assets

December 31, 2021



December 31, 2022



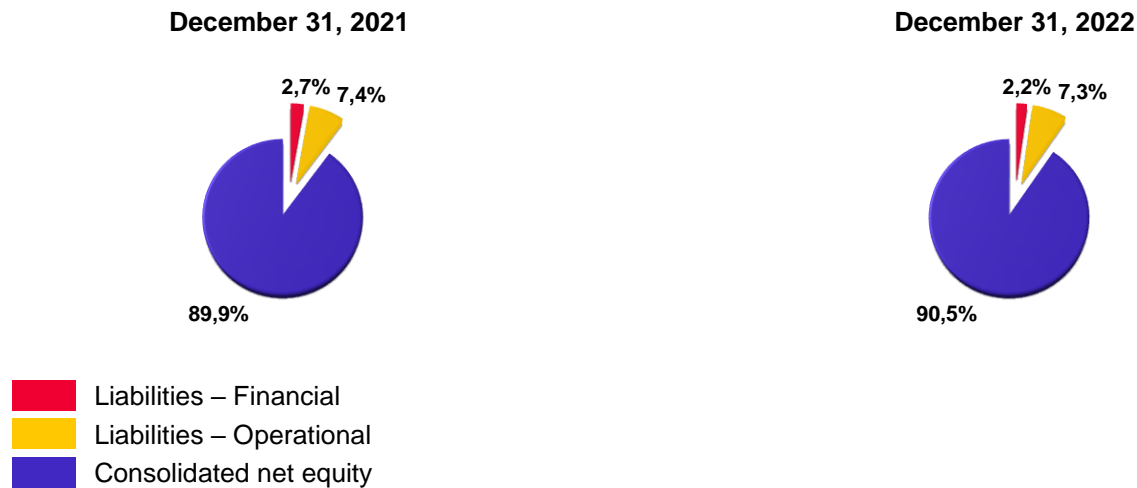
- Cash and cash equivalents and financial investments
- Working capital (without cash and cash equivalents and financial investments)
- Non-Current Assets

2.1 Financial and equity conditions

b. Capital Structure:

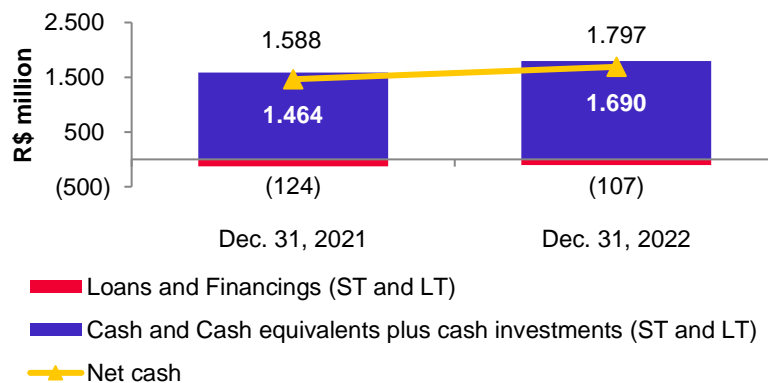
The Company's capital structure is not dependent on third-party financing in order to operate. Grendene uses its own funds for both fixed and working capital investments. Grendene finances its investments in fixed and working capital with its own funds.

Liabilities: Current liabilities + non-current liabilities



c. Ability to pay in relation to the financial commitments assumed:

Grendene has a stable and comfortable financial position and is able to fulfill all of its obligations.



In thousands of R\$	2021	2022
Current Assets	3,058,563	2,968,359
Non-Current Assets	1,495,932	1,853,561
Current Liabilities	381,290	407,981
Non-Current Liabilities	78,875	49,807
Consolidated net equity	4,094,330	4,364,132

As observed on the balance sheet and in the preceding table, the Company's cash (Cash, Cash Equivalents, and Financial Investments) surpasses its short- and long-term liabilities, making it unlikely that external economic or financial conditions will influence its capacity to meet its obligations.

2.1 Financial and equity conditions

d. Finance sources for working capital and investments in non-current assets:

Grendene has a positive net cash position (cash balance, cash equivalents, and financial assets minus short- and long-term loans), a strong and consistent operating cash flow, and the capacity to finance its current operations and investments with its own funds. Yet, the Company may utilize alternative financing sources whenever, in the opinion of its management board, the expenses of these resources are low enough to provide shareholder value.

e. Sources of funding for working capital and investments in non-current assets intended to cover liquidity deficits:

Grendene has no cash issues, has never had liquidity issues in the past, and does not expect this situation to arise. It finances its working capital and investments using its own resources.

f. Debt levels and characteristics of such debts, elaborating on:

i. Relevant loan and financing agreements

Loans and funding are recorded at their contract values plus any agreed-upon fees, such as interest and any monetary or exchange rate restatements. After initial recognition, they are measured using the effective interest method and amortized cost.

On December 31, 2022, and 2021, bank debt was as follows:

Consolidated	Indexers	Interest rates (p.a)	2021	2022
National Currency - Financing Incentives	TJLP	7,20% and 5,32%	12,214	9,712
Foreign Currency - ACE	Dollar +	5,98% and 1,38%	112,071	96,927
Total loans and financings			124,285	106,639
Total, current liabilities			117,479	98,815
Total, non-current liabilities			6,806	7,824

We present below the breakdown of loan and long-term finance installments as of December 31, 2022:

Salaries	Long-term Installments				
	2024	2025	2026	2027	Total
Proapi	-	445	1,186	614	2,245
Provin	1,553	995	858	-	3,406
Proade	103	408	351	1,311	2,173
Total	1,656	1,848	2,395	1,925	7,824

Financing - Working Capital - ACE

The Company took out loans for its export operations under the ACE modality (Advances on Exchange Delivered). These operations consist of advancing the corresponding value in reais of shipped exports.

Financing – Proapi, Provin and Proade

The company receives tax incentives for its activities based in the state of Ceará by acquiring financing from the Industrial Development Fund of Ceará (FDI) through the fund's designated financial agent. Calculated monthly, these financings are based on ICMS due (Proade and Provin) and on exported products (Proapi; this benefit has been stopped, although there are still receivable balances and payable financing). Financing must be settled within 36 and 60 months after its release.

The Company's Management believes that the benefit of reduction of amounts due is recorded at the time of obtaining financing in order to more accurately reflect the accrual basis of accounting for the year, as the cost of ICMS and exports, pertaining to the incentive operations, are also recorded concurrently with the benefits.

As of December 31, 2022, the non-incentive installments of this financing totaling R\$ 9.7 million (R\$ 12.2 million in 2021) are considered to be current and non-current liabilities.

2.1 Financial and equity conditions

Under the Proapi Program, financing was granted based on 11% of the FOB value exported with a term of 60 months to pay, on which interest of TJLP is levied. Upon maturity of the financing, the Company paid 10% of the outstanding balance of the financing, with the remaining 90% paid, representing a net incentive of 9.9% of the FOB exported value in force until March 2017.

ii. Other long-term relationships with financial institutions

The Company does not have long-term obligations with financial institutions other than obligations related to the above operations.

iii. Degree of subordination between debts

There is no degree of subordination between debts.

iv. Any restrictions imposed on the issuer, including those pertaining to limits on indebtedness and contracting additional debt, dividend distribution, the sale of assets, the issuance of new securities, and the sale of corporate control, and if the issuer has been complying with these restrictions.

There are no restrictions on the company's ability to incur additional debt, distribute dividends, dispose of assets, issue new securities, or transfer corporate control.

g. Limits of contracted financing and percentages already used:

There is no contracted or unused financing.

h. Significant changes in income statement and cash flow statement items:

Individual and consolidated financial statements for the Company's fiscal years ending December 31, 2021 and 2022 were prepared in accordance with accounting practices adopted in Brazil and the rules of the Brazilian Securities and Exchange Commission (CVM), observing the accounting guidelines set forth in the corporation law (Law No. 6,404/76), as well as in accordance with the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB).

In the fiscal years 2021 and 2022, there are no material changes to the Consolidated Financial Statements of the Company, as determined by management.

Description of the main accounts of the Consolidated Balance

Sheet. Considerations on the main accounts of Assets.

Cash and cash equivalents and financial investments

Cash and cash equivalents and short- and long-term financial investments totaled R\$ 1,588.0 million on December 31, 2021, and R\$ 1,796.6 million on December 31, 2022. Cash and cash equivalents are represented by bank deposits without interest. Financial investments classified as cash equivalents are represented by short-term investments, maturing in three months or less, counting from the acquisition date.

Financial investments comprise Bank Deposit Certificates, Assignment of Credit Rights, Repurchase Debentures, Financial Bills, Investment Funds, National Treasury Notes, Time Deposits with Special Guarantee, Shares, Simple Debentures, Bank Credit Note, Companies in participation account and are classified in "Financial assets at amortized cost" and "Financial assets at fair value through profit or loss", according to the Company's investment strategy.

2.1 Financial and equity conditions

We demonstrate below the Company's cash generation:

In thousands of R\$	December 31, 2022	December 31, 2021
Net cash from operational activities (a)	536,078	556,396
Net cash generated / consumed by investing activities (b)	(128,386)	133,774
Net cash consumed / generated in financial investments	142,933	504,818
Net cash consumed by investments and fixed assets	(271,319)	(371,044)
Net cash consumed by financing activities (c)	(302,429)	(687,186)
Increase in cash and equivalents (a + b + c)	105,263	2,984

Cash and cash equivalents and financial investments (short and long term) represented 37.3% of total assets on December 31, 2022 (34.9% in 2021).

Accounts receivable from clients and Inventories

The entries, Accounts receivable from customers and Inventories totaled R\$,528.2 million on December 31, 2021, and R\$ 1,544.5 million on December 31, 2022.

The average collection terms for the domestic market on December 31, 2021, and 2022 were 106 and 112 days, while for the international market they were 81 and 95 days, respectively.

Shareholder's Equity

On December 31, 2022, consolidated shareholders' equity totaled R\$ 4,364.1 million, compared to R\$ 4,094.3 million on December 31, 2021. The evolution of the Company's consolidated shareholders' equity is detailed below:

	In thousands of R\$
Balances as of December 31, 2020	4,230,168
Net profit for the period	601,005
Exchange differences on subsidiaries abroad	3,384
Acquisition of treasury shares	(1,832)
Sale of treasury shares: exercise of stock options	3,404
Expenses with stock option or subscription plan	369
Dividends distributed	(315,427)
Interest on distributed equity	(93,500)
Interest on equity allocated to dividends	(10,950)
Additional Proposed Dividend – Destination of Tax Incentive (Provin)	(680)
Tax Incentive Reserve – Miscellaneous Destination Provin (IRPJ)	375
Interim dividends	(321,986)
Balances as of December 31, 2021	4,094,330
Net profit for the period	568,027
Exchange differences on subsidiaries abroad	(18,857)
Exchange loss on investments	1,211
Acquisition of treasury shares	(3,429)
Sale of treasury shares: exercise of stock options	1,058
Expenses with stock option or subscription plan	2,974
Dividends distributed	(223)
Interest on distributed equity	(151,050)
Interest on equity allocated to dividends	(16,500)
Interim dividends	(113,409)
Balances as of December 31, 2022	4,364,132

2.1 Financial and equity conditions

Working capital

Working capital is shown below:

In thousands of R\$	December 31, 2021	December 31, 2022
Working capital (Current Assets - Current Liabilities)	2,677,273	2,560,378
Working capital / Total assets	58.8%	53.1%
Working capital / Net sales revenue	114.3%	101.9%

Description of the main accounts of the Consolidated Income Statement

See item 2.2, letter “a.”

2.2 Operational and financial results

a. Results of the issuer's operations, in particular:

i. Description of any important components of the revenue

Gross Sales Revenue

The gross revenue recorded in 2022 was R\$ 3.1 billion, up 9.6% from 2021. We shipped 148.2 million pairs during the year, a decrease of 3.8% compared to 2021. The strengthening of exports, the higher value-added mix, and the approved price increases resulted in 13.9% greater gross revenue/par than in 2021.

In Brazil, the convergence of factors such as high inflation, high interest rates, political unpredictability, and elevated levels of debt led to a decline in consumer confidence and, subsequently, a decline in sales, particularly among the poorer classes, whose purchasing power has diminished. In this context, domestic market gross revenue/par increased by 16.6% over 2021, and domestic market revenue increased by 10.1% compared to 2021, from R\$ 2.2 billion to R\$ 2.4 billion, but the number of pairs sold declined by 5.6%, to 114.4 million.

On the international market, the decline in COVID-19 cases permitted the reopening of marketplaces and the resumption of tourism. The search for supplier diversification and the increase in international freight from Asia have contributed to the resumption of Brazilian footwear exports. Compared to 2021, the gross export revenue increased by 7.9%, while the volume of pairs increased by 2.9%. To date, exports have generated R\$ 740.4 million in gross income, 7.9% more than in 2021. We exported 33.8 million pairs in the year, an increase of 2.9% compared to 2021.

In thousands of R\$	2021	2022	Change % 2022/2021
Gross Sales Revenue	2,847,221	3,119,947	9.6%
Domestic market	2,160,905	2,379,525	10.1%
Exportation	686,316	740,422	7.9%
Exports (US\$)	127,213	143,359	12.7%

(thousands of pairs)	2021	2022	Change % 2022/2021
(Volume)	154,046	148,210	(3.8%)
Domestic market	121,160	114,384	(5.6%)
Exports	32,886	33,826	Up 2.9%

In Brazilian Reais	2021	2022	Change % 2022/2021
Gross sales revenue per pair	18.48	21.05	13.9%
Domestic market	17.84	20.80	16.6%
Exports	20.87	21.89	4.9%
Exports (US\$)	3.87	4.24	9.6%

Net Sales Revenue

In thousands of R\$	2021	2022	Change % 2022/2021
Gross Sales Revenue	2,847,221	3,119,947	9.6%
Domestic market	2,160,905	2,379,525	10.1%
Exports	686,316	740,422	7.9%
Deductions from sales	(504,675)	(607,291)	20.3%
Sales returns and sales taxes	(401,934)	(437,495)	8.8%
Discounts given to clients	(102,741)	(169,796)	65.3%
Net Sales Revenue	2,342,546	2,512,656	7.3%

2.2 Operational and financial results

Average cost of goods sold.

In 2022, the unit cost of COGS increased by 19.1%. The decrease in the price of our raw materials, particularly PVC resin, has been reflected somewhat in the COGS. Some of the factors that explain the time lag between the drop in raw material prices and its reflection in the income statement are the average term of raw material inventories, purchases of inputs in smaller quantities (normalization of supply chains), and shipment of products produced during the first semester (strategic inventory).

In thousands of R\$	2021	2022	Change % 2022/2021
Average cost of goods sold	1,312,479	1,504,894	14.7%

In reais per pair	2021	2022	Change % 2022/2021
Average cost of goods sold / pair	8.52	10.15	19.1%

Gross profit

In 2022, the gross margin decreased from 44.0% to 40.1% (a decrease of 3.9 pp) as a result of the increase in the cost of raw materials and the decline in the number of pairs shipped in the year.

In thousands of R\$	2021	2022	Change % 2022/2021
Gross profit	1,030,067	1,007,762	(2.2%)
Gross margin	44.0%	40.1%	(3.9 pp)

Operational Expenses (SG&A)

Selling expenses (DV)

The majority of the Company's commercial expenses consist of freight, licensing, commissions, advertising, and marketing, and have remained between 22% and 25% of net sales income over the period.

In thousands of R\$	2021	2022	Change % 2022/2021
Selling expenses	534,203	619,503	16.0%
% Net Sales Revenue	22.8%	24.7%	1.9 pp

General and Administrative expenses (G&A)

In 2022, general and administrative expenses increased by 16% and remained around 4% of net revenues.

In thousands of R\$	2021	2022	Change % 2022/2021
Operational General & Administrative	89,462	103,748	16.0%
% Net Sales Revenue	3.8%	4.1%	(0.3 pp)

2.2 Operational and financial results

Net financial revenue

In 2022, the net financial result was positive by R\$ 336,2 million, an increase of 111.2% compared to 2021. As shown in the table below, the income from financial investments and the results from variable income financial instruments and other financial assets (silent partnerships) were the major contributors to the growth in net financial results:

Financial result (In thousands of reais)	2021	2022	Change % 2022/2021
Revenue from cash investments	103,463	157,270	52.0%
Revenue from cash investments	103,463	157,270	52.0%
Gain on equity financial instruments	5,338	89,158	1,570.3%
Gain on equity financial instruments	5,338	89,158	1,570.3%
Net gain (loss) on FX variations	157	12,795	8,049.7%
Net gain (loss) on FX derivatives transactions– BM&F	(23)	17,836	-
Net gain (loss) on FX derivatives transactions– BM&F	44,942	23,258	(48.2%)
Net gain (loss) on FX derivatives transactions– BM&F	(44,965)	(5,422)	(87.9%)
Net gain (loss) from FX variations	180	(5,041)	-
FX variation – gains	54,073	97,223	79.8%
FX variation – losses	(53,893)	(102,264)	89.8%
Profit/loss on other financial assets – (silent partnerships)	25,101	28,222	12.4%
Profit/loss on other financial assets – (silent partnerships)	25,101	28,222	12.4%
Profit/loss on Structured Transaction Certificate (COE)	-	2,915	-
Profit/loss on Structured Transaction Certificate (COE)	-	2,915	-
Result of Debentures	5,149	(33,070)	-
Result of Debentures	5,149	(33,070)	-
Other financial transactions	(1,056)	15,810	-
Active interest	13,822	39,551	186.1%
Interest received from clients	3,585	2,505	(30.1%)
Borrowing costs	(6,041)	(8,779)	45.3%
PIS and Cofins taxes on financial revenues	(6,721)	(10,038)	49.4%
Other financial revenues (expenses)	(5,701)	(7,429)	30.3%
Gains on adjustments to present value	21,055	63,097	199.7%
Adjustments to present value	21,055	63,097	199.7%
Net financial revenue	159,207	336,197	111.2%

Net profit for the period

In 2022, the recurring net profit increased by 13.2%, mostly due to the improvement in the financial result.

Statement of financial position (R\$ '000)	2021	2022	Change % 2022/2021
Net profit for the period	601,005	568,027	(5.5%)
Non-recurring effect	(59,244)	45,057	13.2%
Recurring net profit for the period	541,761	613,084	13.2%
Net margin	25.7%	22.6%	(3.1 pp)
Recurring net margin	23.1%	24.4%	1.3 pp

2.2 Operational and financial results

ii. Factors that materially affected operating results

In 2021, we had non-recurring items referring to: PIS/COFINS credits on ICMS inputs (+R\$10.0 million), procedural credits (+R\$ 0.9 million), estimated losses with doubtful debtors (-R\$ 13.9 million), expenses related to COVID-19 (-R\$ 14.0 million), INCRA lawsuit (-R\$ 2.1 million), write-off of fixed assets of Grendene UK (-R \$2.1 million) and other non-recurring expenses (-R\$ 0.9 million), totaling -R\$ 22.1 million.

In 2022 we had non-recurring items referring to: Non-recurring revenues (+R\$ 14.8 million); procedural credits (+R\$ 3.2 million); expenses related to COVID-19 (-R\$ 3.8 million); result FM retail stores (-R\$ 15.8 million); result GGB equity equivalence (-R\$ 30.5 million); write-off of FM inventories (-R\$ 6.3 million); write-off of Grendene USA fixed assets (-R\$ 1.2 million); franchise management (-R\$ 5.3 million) and civil indemnities (-R\$ 0.9 million).

We present below the reconciliation of the Operational Result:

EBIT / EBITDA reconciliation (In thousands of reais)	2021	2022	Change % 2022/2021
Recurring net profit for the period	541,761	613,084	13.2%
Non-recurring effect	59,244	(45,057)	-
Net profit for the period	601,005	568,027	(5.5%)
Taxes on profit	(48,276)	7,290	-
Net financial revenue	(159,207)	(336,197)	111.2%
EBIT	393,522	239,120	(39.2%)
Non-recurring effect	22,068	45,758	107.4%
Recurring Ebit	415,590	284,878	(31.5%)
Depreciation and amortization	91,020	93,746	3.0%
EBITDA	484,542	332,866	(31.3%)
Recurring EBITDA	506,610	378,624	(25.3%)
EBIT margin (%)	16.8%	9.5%	(7.3 pp)
Recurring EBIT margin	17.7%	11.3%	(6.4 pp)
EBITDA margin (%)	20.7%	13.2%	(7.5 pp)
Recurring EBITDA margin	21.6%	15.1%	(6.5 pp)

b. Changes in revenues attributable to the introduction of new products and services, volume fluctuations, and pricing, exchange rate, and inflation fluctuations:

Changes in the number of pairs sold, the gross revenue per pair, and the exchange rate on export have an effect on our operational revenues. The impact of the mentioned factors can be seen in the following tables:

Gross revenue (in thousands of R\$)	2021	2022	Change 2022-2021	
			R\$	%
Domestic market R\$	2,160,905	2,379,525	218,620	10.1%
Exports R\$	686,316	740,422	54,106	7.9%
Exports (US\$)	127,213	143,359	16,146	12.7%
Total	2,847,221	3,119,947	272,726	9.6%

Sales Volume (In thousands of pairs)	2021	2022	Change 2022-2021	
			Pairs	%
Domestic market	121,160	114,384	(6,776)	(5.6%)
Exports	32,886	33,826	940	Up 2.9%
Total	154,046	148,210	(5,836)	(3.8%)

2.2 Operational and financial results

Gross sales revenue per pair (R\$)	2021	2022	Change 2022-2021	
			R\$	%
Domestic market R\$	17.84	20.80	2.96	16.6%
Exports R\$	20.87	21.89	1.02	4.9%
Exports (US\$)	3.87	4.24	0.37	9.6%
Total	18.48	21.05	2.42	15.1%

Variation in Reais of footwear's gross sales in the domestic and external markets due to volume and gross sales revenue per pair.	
2021– 2022	R\$ thousands
Var. DM volume vs gross revenue per pair of previous year (6,776 vs R\$ 17.84).	(120,851)
Var. EM volume vs gross revenue per pair of previous year (940 vs R\$ 17.84).	19,617
Variable revenue - depending on volumes	(101,234)
Var. gross revenue per pair – DM vs DM Volume current year (R\$ 2,96 vs 114.384)	339,471
Var. gross revenue per pair – EM vs EM Volume current year (R\$1,02 vs 33.826)	34,489
Variable revenue - depending on gross revenue per pair	373,960
Total	272,726

Variation in Dollars of footwear's gross sales in the domestic and external markets due to volume and gross sales revenue per pair.	
2021– 2022	US\$ thousands
Var. EM volume vs gross revenue per pair of previous year (940 vs US\$3,87).	3,636
Variable revenue - depending on volumes	3,636
Var. gross revenue per pair – EM vs EM Volume current year (R\$1,02 vs 33.826)	12,510
Variable revenue - depending on gross revenue per pair	12,510
Total	16,146

The business model used by Grendene takes into account the company's performance in fashion-driven markets, where it displays a significant number of new styles in each period as a competitive advantage. Each of the company's styles is part of a collection with an average shelf life of 90 to 180 days. The products are primarily manufactured on customer orders.

c. Relevant impacts from inflation, price fluctuation of the primary inputs and outputs, exchange rates, and interest rates on the operating result and financial result of the issuer are as follows:

Each quarter, Grendene introduces new collections and introduces a new pricing structure to the market (for each new collection). With such a business model, any changes in expenses are reflected in the final pricing whenever demand and the purchasing power of consumers allow. So, inflation indirectly influences our results by influencing the consumer's disposable money for consumption of our products. Our main inputs are commodities priced in dollars on the international market.

The exchange rate affects our costs to the extent that it affects the BRL prices of these commodities when converted to BRL. This is not a linear relationship, however, because the price of goods in USD changes based on supply and demand on the worldwide market (when the BRL appreciates, the price of commodities in BRL becomes cheaper; in these cases, there is usually also a variation in the price of commodities in USD, compensating part of this effect). On the other hand, the exchange rate has a beneficial effect on our export revenues, which contributes positively to our margins as the majority of our expenses are priced in BRL.

Interest rates do not directly affect the Company's operating result, only the financial result. The Company maintains a significant balance of cash and cash equivalents and financial investments (ST and LT), which as of December 31, 2022, was R\$1,796.6 million (R\$1,588.0 million in 2021). These resources are primarily invested.

2.2 Operational and financial results

in the financial market, where they generate interest rates comparable to the Selic. Any variations in the interest rates practiced in the market will affect the remuneration of these resources.

The rise in interest rates can have an indirect impact on the spending power of our consumers. The following table displays the variants for the items listed:

	2021	2022	Change % 2022/2021
Gross sales revenue per pair– DM– R\$	R\$17,84	R\$20,80	16.6%
Gross sales revenue per pair– EM– R\$	R\$20,87	R\$21,89	4.9%
Gross sales revenue per pair– EM– R\$	US\$3,87	US\$4,24	9.6%
Gross sales revenue per pair– R\$	R\$18,48	R\$21,05	13.9%
COGS per pair– R\$	R\$8,52	R\$10,15	19.1%
Rate R\$ / US\$ (Final)	R\$5,5805	R\$5,2177	(6.5%)
Rate R\$ / US\$ (Average)	R\$5,3950	R\$5,1648	(4.3%)
IGP-M			5.46%
Broad IPCA			5.78%

2.3 Changes in accounting practices / modified opinions, and emphases

Officers must comment on:

a. Changes in accounting procedures have had a substantial impact on the data supplied in fields 2.1 and 2.2.

In 2022, the same accounting policies were utilized that were presented on December 31, 2021. The implementation of updated accounting rules on January 1, 2022, had no effect on the individual and consolidated financial statements.

Individual and consolidated financial statements for the Company's fiscal years ending were prepared in accordance with accounting practices adopted in Brazil and the rules of the Brazilian Securities and Exchange Commission (CVM), observing the accounting guidelines set forth in the corporation law (Law No. 6,404/76), as well as in accordance with the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB).

All relevant information proper to the financial statements, and only them, is being evidenced and corresponds to those used by the company in its management.

Regulations and interpretations of regulations not yet in force

The regulations and revisions issued by the IASB but not yet adopted by the date of issue of the financial statements are presented below:

I. Regulations effective beginning January 1, 2023, and 2024

Regulations	Nature of change
IFRS 17 /CPC 50 – Insurance Contracts IFRS 17 replaces IFRS 4/CPC 11 - Insurance Contracts	The modification is intended to guarantee that a business delivers relevant information that authentically represents the essence of these contracts using a consistent accounting approach.
IAS 8 / CPC 23 – Definition of accounting estimates	The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. In addition, they clarify how entities use measurement techniques and inputs to develop accounting estimates.
IAS 12 / CPC 32 – Income Tax	It requires organizations to recognize deferred tax on transactions that generate equal amounts of taxable and deductible temporary differences upon initial recognition.
IAS 1 / CPC 26 (R1) – Presentation of financial statements	(i) Classification of liabilities as current or non-current: specifies the requirements for classifying the liability as current or non-current. In October 2022, a new amendment was released to clarify that restrictive contractual conditions requiring achievement of ratios under covenants only after the balance sheet date do not influence the classification as current or non-current. Only covenants with which the entity is required to comply by the date of the balance sheet affect the categorization of the liability, even if the measurement does not occur until after the balance sheet date. (ii) Disclosure of accounting policies: amendments to assist entities in disclosing accounting policies that are most useful by replacing the requirement for disclosure of significant accounting policies to material accounting policies and adding guidance for how entities should apply the concept of materiality to make decisions on the disclosure of accounting policies.

In accordance with Management's assessment, IFRS 17 /CPC 50 is not applicable to the Group. In addition, the Company does not anticipate that the adoption of IAS 1 /CPC 26 (R1), IAS 8 /CPC 23, and IAS 12 /CPC 32 will have any effect on its individual or consolidated financial statements.

b. Modified opinions and emphases present in the auditor's report:

There are no modified opinions and emphases in the auditor's opinion.

2.4 Changes in accounting practices / modified opinions, and emphases

a. Introduction or disposal of operating segment

In 2021 and 2022, there was no introduction or disposal of an Operating Segment that had or was projected to have a major impact on the financial statements or results of the Company.

b. Constitution, acquisition, or disposal of equity interest

In 2021, Grendene signed with 3G Radar Private Fund I LP ("3G Radar"), a fund managed by *3G Radar Gestora de Recursos Ltda.*, the binding documents for the establishment of a joint venture ("JV") headquartered in the United Kingdom to be called "*Grendene Global Brands Limited*", whose objective is the distribution and commercialization of Grendene products on the international market, with the first destinations being: USA, Canada, China and Hong Kong, starting operations in 2022. The JV will be controlled and managed by 3G Radar, which will hold 50.1% of the JV's share capital, while Grendene will hold 49.9% of the JV's share capital.

In 2022, we did not establish, acquire, or dispose of any equity interest that would have a material effect on the Company's financial statements or results.

c. Unusual events or operations

In 2021 and 2022, no unusual events or operations occurred with respect to the Company and/or its activities.

2.5 Non-accounting measurements

a. inform the value of the non-accounting measurements.

In 2022 we had non-recurring items referring to: Non-recurring revenues (+R\$ 14.8 million); procedural credits (+R\$ 3.2 million); expenses related to COVID-19 (-R\$ 3.8 million); result FM retail stores (-R\$ 15.8 million); result GGB equity equivalence (-R\$ 30.5 million); write-off of FM inventories (-R\$ 6.3 million); write-off of Grendene USA fixed assets (-R\$ 1.2 million); franchise management (-R\$ 5.3 million) and civil indemnities (-R\$ 0.9 million).

b. Perform reconciliations between the declared amounts and the audited financial statements' amounts.

EBIT / EBITDA reconciliation (R\$ million)	2021	2022	Change 2022/2021
Recurring net profit for the period	541,761	613,084	13.2%
Non-recurring effect	59,244	(45,057)	-
Net profit for the period	601,005	568,027	(5.5%)
Taxes on profit	(48,276)	7,290	-
Net financial revenue	(159,207)	(336,197)	111.2%
EBIT	393,522	239,120	(39.2%)
Non-recurring effect	22,068	45,758	107.4%
Recurring Ebit	415,590	284,878	(31.5%)
Depreciation and amortization	91,020	93,746	3.0%
EBITDA	484,542	332,866	(31.3%)
Recurring EBITDA	506,610	378,624	(25.3%)
EBIT margin (%)	16.8%	9.5%	(7.3 pp)
Recurring EBIT margin	17.7%	11.3%	(6.4 pp)
EBITDA margin (%)	20.7%	13.2%	(7.5 pp)
Recurring EBITDA margin	21.6%	15.1%	(6.5 pp)

c. Explain why they believe that such a measurement is more appropriate for a correct understanding of its financial condition and the results of its operations.

We believe that the exclusion of the non-recurring items specified in Item 2.5, Letter "a" helps to comprehend the financial status and the result of the company's operations in a more appropriate and accurate manner by excluding and/or including non-recurring items.

2.6 Events subsequent to the financial statements

Following the guidelines established by the Investment Committee, the Company carried out the following transactions:

- (i) NM GAP II Participações S.A.: On January 16, 2023, it recorded an increase in interest from 36.47% to 42.78% through the acquisition of shares in the amount of R\$ 8,791, resulting in a capital gain of R\$ 65.
- (ii) SCP Itaim Bibi: On January 16, 2023, it recorded an increase in interest from 76.36% to 83.25% through a contribution of R\$500, resulting in a capital gain of R\$2,965.
- (iii) NM GAP Participações Ltda: On February 2, 2023, it recorded the acquisition of quotas through a capital contribution in the amount of R\$3,208, resulting in a capital gain of R\$2,444.

2.7 Allocation of profits

a. rules on retention of profits

According to Grendene's Bylaws, Article 32, Shareholders are entitled to an annual mandatory dividend equivalent to at least twenty-five percent (25%) of the net income for the year, reduced or increased by the following amounts:

- a. five percent (5%) for the constitution of the legal reserve, until it reaches the limits established by law; and
- b. amount destined to the formation of reserves for contingencies, and reversal of these reserves that have been formed in previous years as provided for in Article 195 of the Brazilian Corporation Law.

Paragraph 1: The payment of the dividend referred to in this article is limited to the amount of net income for the year that has been realized, and the difference is recorded as an unrealized profit reserve as provided for in Article 197 of the Brazilian Corporation Law. Profits recorded in the unrealized profits reserve, when realized, if they have not been absorbed by losses in subsequent years, must be added to the first dividend declared after realization.

Paragraph 2: The general meeting may, at the proposal of the management bodies, allocate a portion of the net income to the constitution and/or maintenance of a statutory profit reserve called "Reserve for Acquisition of Shares", which will have the purpose of redeeming, repurchasing or acquiring of shares of its own issuance, including to fulfill its obligations to deliver shares to the participants of the Company's Stock Option Plan approved by the same, who exercise their options. The Share Acquisition Reserve may be formed with up to 100% of the net income remaining after legal and statutory deductions, and the balance of which will have a maximum limit of 20% of the Share Capital. At the end of the fiscal year, any remaining unused balance of this reserve may be used for the same purpose for the next year if the board of directors believes it necessary, subject to approval by the General Meeting; otherwise, the balance will be returned to the payment of dividends. According to Article 198 of the Brazilian Corporation Law, the allocation of profits for the creation of the Capital Redemption Reserve Account cannot be allowed at the expense of the payment of the mandatory dividend.

Paragraph 3: The remaining profits have the destination that is approved by the General Meeting, in accordance with the proposal formulated by the Executive Board, observing the applicable legal precepts, notably article 202, Paragraph 6, of Law No. 6,404/76.

According to Article 35: on the recommendation of the administrative bodies, the general meeting may, in accordance with Article 195-A of Law No. 6,404/76, as amended by Law No. 11,638/07, allocate to the tax incentives reserve the portion of net income resulting from donations or government subsidies for investments that may be excluded from the calculation base for the mandatory dividend.

In 2021 and 2022, the Company allocated the entire amount received as investment grants to a tax incentive reserve as permitted by law and the bylaws.

Amount of retained profit		
Allocation of net income for the fiscal year	2021	2022
Net profit for the period	601,004,937.05	568,027,378.53
Reserve of tax incentives for investment grants	(204,210,647.37)	(234,722,655.28)
Legal reserve	(19,839,714.49)	(16,665,236.16)
Subtotal - calculation base of the minimum mandatory dividend - 25%.	376,954,575.19	316,639,487.09
Diverse destination of ICMS tax incentive	1,254,000.00	1,000,000,000.00
Amount of the dividend proposed by management	395,208,575.19	1,316,639,487.09
Allocation of dividends:		
Mandatory dividend – 25%	94,238,643.80	79,159,871.77
Dividend proposed more than the mandatory minimum – fiscal year 2022	227,969,931.39	1,038,479,615.32
Interest on distributed equity (IOE)	73,000,000.00	199,000,000.00
Amounts of retained profit	205,796,361.86	(748,612,108.56)
% in relation to total reported profits	34.2%	(131.8%)

2.7 Allocation of profits

b. dividend distribution rules

According to Article 33, by resolution of the Board of Directors, the Company may pay its shareholders interest on equity, which will be attributed to the mandatory dividend referred to in Article 32, including such amount the number of dividends distributed by the Company to all effects.

Also, according to the Sole Paragraph and by resolution of the Board of Directors, the Company may pay dividends to its shareholders on account of retained earnings from previous fiscal years.

Sole Paragraph: Dividends do not bear interest, and if not claimed by any shareholder within three (3) years from the date of the resolution of their distribution, they will revert to the Company.

c. Dividend distribution frequency

According to Article 34 of its bylaws, the Company may prepare semi-annual, quarterly, or shorter balance sheets and declare, by deliberation of the Board of Directors, dividends from the profit calculated in these balance sheets, on account of the total to be distributed at the end of the respective year, subject to the limitations provided for by law. Dividends declared in this way constitute an anticipation of the mandatory dividend referred to in Article 32. In the years 2021 and 2022 the Company declared and paid dividends quarterly.

d. Restrictions on dividend distribution imposed by legislation or specific regulations applicable to the issuer, as well as contracts, judicial, administrative, or arbitration rulings.

According to article 32, Paragraph 1, the payment of the dividend referred to in this article is limited to the amount of net income for the year that has been realized, and the difference is recorded as an unrealized profit reserve as provided for in Article 197 of the Brazilian Corporation Law.

e. If the issuer has an officially approved policy for allocation of net income, the issuer must inform the body responsible for approval, the date of approval, and the website URL where the document can be seen, if it is publicly accessible.

The Company's Dividend Policy, as reported in the Relevant Fact of February 13, 2014, was to distribute quarterly as dividends the whole Profits not derived from tax benefits, minus the Legal and Statutory Reserves (Ratified at the Board of Directors Meetings of February 14, 2019, February 13, 2020, March 4, 2021, and February 24, 2022).

At the meeting of the Board of Directors on March 2, 2023, a new Company Dividend Policy was defined, establishing that a mandatory 25% dividend will be distributed in accordance with the Brazilian Corporation Law, after the legal and statutory reserves have been established, and may be paid as interest on equity (IOE), as required by law. Thus, the payment of additional dividends (extraordinary dividends) beyond the minimum foreseen by law will be the responsibility of the Board of Directors "ad referendum" of the General Shareholders' Meeting. As is customary for the Company, the amount to be distributed each year will be proposed by the Board of Directors ("ad referendum" of the shareholders' general meeting) after an evaluation that will take into account, among other things, the Company's level of capitalization, financial leverage, and liquidity, its cash generation capacity, its investment plan, the prospects for the use of capital due to the anticipated growth of the Company's business, and/or the need for funds for other purposes.

In addition, we will continue to provide dividends quarterly.

The policy can be found on the Internet at: <http://ri.grendene.com.br/PT/Governanca-Corporativa/Estatuto-Politic-Regimentos>.

2.8 Relevant items not disclosed in the financial statements

a. Assets and liabilities held by the issuer, directly or indirectly, that do not appear on its balance sheet (off-balance sheet items), such as:

i) Receivables portfolios written off over which the entity has neither retained nor substantially transferred the risks and rewards of ownership of the transferred asset, indicating the respective liabilities.

Not Applicable

ii) Contracts for the future purchase and sale of products or services

Not Applicable

iii) Unfinished construction contracts

Not Applicable

iv) Contracts for future financing collections

Not Applicable

b. Other items not shown in the financial statements.

The Company does not have any operations, contracts, obligations, or other types of commitments with unconsolidated subsidiaries or other operations that may have a material effect, present or future, on its financial condition and/or changes in its financial condition, income or expenses, operating results, liquidity, capital expenditures or capital resources that are not recorded on its balance sheet.

2.9 Comments on non-disclosed items

- a. How such items change or may change the issuer's revenues, expenses, operating income, financial expenses, and other financial statement items.**

Not Applicable

- b. Nature and purpose of the operation.**

Not Applicable

- c. Nature and number of obligations assumed, and rights generated in favor of the issuer as a result of the transaction.**

Not Applicable

2.10 Business plans

a. Investments, including:

i. Quantitative and qualitative description of ongoing and planned investments

Maintenance of industrial structures and facilities, replacement of fixed assets, procurement of new equipment to upgrade the industrial park, and different projects to improve the company's performance were the primary investments in 2021 2022.

The composition of the investments is shown in the following table:

In thousands of R\$	2021	2022	Change % 2022/2021
Investments (fixed and intangible)	121,577	173,134	42.4%

The quantitative and qualitative descriptions of ongoing and planned investments are described in items 2.10.b and 2.10.c.

ii. Investment financing sources

The Company is able to make all investments with its own resources.

iii. Relevant divestments in progress and expected divestments.

There are no relevant divestments in progress and no divestments are planned.

b. Provided it has already been disclosed, indicate the acquisition of plants, equipment, patents, or other assets that should materially influence the issuer's production capacity.

We do not foresee the acquisition of industrial plants, equipment, patents, or other assets that should materially influence our production capacity.

c. New products and services, indicating:

Grendene operates in the footwear industry, which has significant fashion elements, and its business model is comparable to what is known as "fast fashion" on the market, which consists of producing a large number of goods per year, creating multiple collections. In this way, Grendene's product portfolio is entirely renewed every 90 to 180 days.

To ensure the success and acceptance of these collections, Grendene continuously monitors the market, maintaining close communication with the points of sale and carrying out market research with target consumers about its launch proposals. This effort also includes participation in numerous national and international fairs where the reactions of purchasers to products can be monitored and evaluated.

i. Description of ongoing research that have already been released.

Grendene does not disclose ongoing research on the characteristics of its business but shows the result in the form of products at launches, which generally occur during participation in exhibitions and events.

ii. Total amounts spent by the issuer on research for the development of new products or services.

In thousands of R\$	2021	2022	Change % 2022/2021
Investment in R&D of new products	51,564	58,785	14.0%

iii. Previously announced development projects

See item 2.10.b and 2.10.c.

2.10 Business plans

iv. Total amounts spent by the issuer on the development of new products or services

We do not distinguish these expenses from those presented in item 2.10.c. ii.

d. Opportunities embedded in the issuer's business plan related to ESG issues:

There are numerous opportunities related to ASG issues. In light of this, we incorporate sustainability into our company strategy and, supported by an eco-efficient production model, we invest in releasing products with a lower environmental effect, considering the selection of the optimal raw material, and analyzing the product life cycle.

We believe that continuous investments in innovation, boost our value generation and foster a culture of sustainability among our stakeholders. In light of this, we can highlight the launch of collections with lower environmental impact and low carbon emissions, which rely on the use of biomaterials of renewable origin, such as sugar cane and rice husks, in addition to other strategies, such as increasing the percentage of recycled content in footwear and employing post-consumer recycled materials.

2.11 Other factors that had a significant impact on operational performance

There are no further issues that have materially impacted operating performance that have not been recognized or discussed in the preceding sections.

3.1 Projections released and assumptions

- a. Object of projection**
- b. Projected period and the validity period of the projection.**
- c. Projection assumptions, indicating which ones can be influenced by the issuer's management and which ones are beyond their control.**
- d. Values of the indicators that are the object of the projection.**

Not applicable. The Company does not disclose projections and/or assumptions.

3.2 Monitoring of projections

- a. Inform which of them are being replaced by new projections included in the form and which of them are being repeated in the form.**
- b. For projections relating to periods already elapsed, compare the projected data with the actual performance of the indicators, clearly indicating the reasons that led to deviations in the projections.**
- c. For projections relating to periods that are still in progress, state whether the projections remain valid at the date of submission of the form and, if so, explain why they have been abandoned or replaced.**

Not applicable. The Company has not disclosed projections and/or assumptions during the last three fiscal years.

4.1 Description of risk factors

4.1. Describe the risk factors with an effective potential to influence the investment decision, observing the categories below and, within them, the descending order of relevance:

Grendene is a large company within its market of operation — design, production, and sale of footwear — and is responsible for the production of approximately 1% of global footwear consumption and 19% of Brazilian footwear consumption. The company operates in all states of the federation, present in approximately 65,000 points of sale and exports to more than one hundred countries. In 2022, our products were sold to 114.4 million consumers in Brazil and 33.8 million consumers in the various countries to which we export. Consequently, the majority of the risks we face are macroeconomic in character, tied to the general level of economic activity and, in particular, the performance of the consumer goods sector, against which we have limited protection capacity.

Our business, financial condition, and operating results could be adversely and materially impacted by any of the risks outlined here, as well as other risks that we cannot predict at this time. Due to any of these risks, the market price of Grendene's shares may decline, and investors may lose some or all of their investment capital. Additional risks that are currently unknown or insignificant may also have a negative impact on our business and share investments.

a. Issuer

We may not be successful in implementing our growth strategy.

On the domestic market, our primary area of operation, we already have a significant share despite confronting strong competitors who make it difficult for us to attain an even larger share of the total footwear consumed in the country. In addition, population growth is modest (approximately 1% per year), and future consumption growth is likely to be accompanied by an increase in the average disposable income of consumers. On the international market, we face intense competition, different exchange rate effects between the currencies of the countries where competing manufacturers are located and the currencies of the countries with the largest consumer markets, and customs or other barriers imposed by countries to protect their local consumer markets from foreign suppliers. As part of our growth strategy, we aim to improve the positioning of our own brands, expand our sales in both domestic and international markets, and improve our operational performance, including by obtaining new tax incentives. We intend to maintain our growth strategy through the use of marketing and promotional initiatives, the continued introduction of new products, the expansion of our domestic sales, and the growth of our production and exports. It is possible that we will be unable to implement our growth strategies satisfactorily, including as a result of tariff and/or non-tariff barriers in the countries where we export our products. If we fail to implement them, our growth rate or operating results could decline, which could have a negative impact on Grendene.

We may not be successful in managing our growth.

Our future performance will depend on our ability to manage the expansion of our domestic and international operations by identifying fashion trends and introducing desirable products at affordable prices, as well as by enhancing our financial and operational control systems, our infrastructure, and our information system, as well as by recruiting a skilled marketing, design, and production workforce and expanding our production capacity. We cannot guarantee that we will be able to successfully manage our growth or that it will not negatively impact our existing structure. If we are unable to effectively manage our growth, we could lose market share, which would be detrimental to Grendene.

Our sales and profitability could be adversely affected if our investments in advertising and marketing, including licensing, do not have the intended effect on the acceptance and consumption of our products.

Our business requires substantial investments in advertising and marketing, including the licensing of brands and names of national and international celebrities as well as nationally and internationally renowned children's characters, due to the fact that the image of our brands has a significant impact on the demand of our consumers for footwear. If these investments do not increase the acceptance and consumption of our products as planned, or if we are unable to retain and sign new licensees, our sales and profitability could be negatively impacted.

4.1 Description of risk factors

If our brands are misused by our competitors or if we are prevented from using them, our results could be adversely affected.

Our brands and the design of our products are constantly subject to misuse and infringement by third parties of our intellectual property rights. There are counterfeit products and products that infringe our intellectual property rights in the markets where we operate and in other markets. We are not always successful in combating counterfeiting and infringement of our intellectual property rights, particularly in foreign countries. The counterfeiting of our products and the misappropriation of our brands may not only have a negative impact on our sales but may also damage our own brands by associating them with inferior products.

In addition, even though we have registered the overwhelming majority of our trademarks and patents, we cannot guarantee that none of our competitors will assert that we violate their intellectual property rights. In this case, if we are prevented from producing a particular product or using a particular brand, it could have an adverse effect on Grendene.

Disconnection or loss of system services could adversely affect our business.

The Company relies on its IT and telecommunications systems to operate effectively, and the malfunction or loss of functionality of these systems, even temporarily, could have a negative impact on our business.

The systems of the Company and its subsidiaries are all computerized. We maintain a disaster recovery plan that allows us to recover the entire database and resume normal operations in less than forty-eight hours in the event of a problem. The company's operating base is founded on the continuity of computational processes through parallel services, with self-restarting capacity and operations concentrated in a portion of the environment, allowing it to avoid critical outages with business-impacting recovery periods.

The database is replicated and updated in real time in two datacenters located in separate physical environments using fiber network communication independent of the departmental and user networks. All environments have been deployed and operate with "active-active" resilience (two active environments operating in parallel), using the principles of high availability and virtualization.

The entire data communication network between the units is redundant and served by two operators, who must demonstrate that the physical communication paths do not intersect or cross. Additionally, communication networks operate on the "active-active" principle, prioritizing traffic in the event of an outage. Each location's internal network is redundant with ring fiber links, assuring high availability and performance with automatic selection of the optimal route.

The practice of real-time monitoring of key computing assets, including software, hardware, and telecommunications, enables the anticipation of issues and independence from problem alerts. Preventive and anticipatory maintenance is performed according to a predetermined and monitored schedule as part of the standard IT maintenance process. We have recently modernized our data center environment management systems by increasing the number of sensors and interconnecting them with the property security surveillance camera systems.

Despite these precautions, there may be instances in which we are unable to restore services at the pace and quality required for the efficient operation of our operations.

Our operations may be negatively impacted by issues with our factories, facilities, or transportation methods.

Grendene develops new products in large quantities, primarily through its own design team in the city of Farroupilha, Rio Grande do Sul (RS), using advanced computerized systems and collaboration tools. The molds for shoe injection are produced in Farroupilha (RS) and shipped to our facilities in the municipalities of Fortaleza, Sobral, and Crato, in the state of Ceará. The basic materials are acquired by a team based in Farroupilha (RS) and transported directly to our factories by independent carriers. Once manufactured, the products are distributed to consumption centers throughout Brazil, with a significant concentration in the southeast. On the national territory, completed goods and raw materials are transported by road and, for exports and imports, primarily via the port of Pecém in the state of Ceará.

4.1 Description of risk factors

Casualties such as fires and other accidents can damage facilities and inventories, disrupting production and distribution. The lack of electricity, water, and fuels by public utilities companies and distributors, as well as strikes, pickets, and logistical blockades, can also compromise the production of goods. For the types of claims it deems possible, the Company has contracted insurance and/or contingency plans that minimize the risks mentioned.

Even so, it is not possible to predict that there will be no accidents in the future that could result in the shutdown of any of the factories or transportation means, preventing the receipt of raw materials and/or the shipment of products to our customers.

We hold federal and state tax benefits, and the suspension, termination, or non-renewal of such benefits could adversely affect our results.

Globally, the footwear industry experiences a variety of tax incentives and government stimuli, which are crucial to companies' competitiveness and factory location decisions. These incentives exist in Brazil as well, particularly for factories located in the northeast, where the majority of the country's manufacturers are located.

According to our strategy, we manufacture 100% of our products in Brazil in the state of Ceará, in the northeast region, and since the late 1990s, the Company has been the bearer of state tax incentives, with ten (ten) units in the state of Ceará currently being considered for incentives. We are beneficiaries of federal and state tax benefits that exempt or reduce our income tax and convert a portion of our Tax on the Circulation of Goods and Services of Interstate and Intermunicipal Transport and Communication (ICMS) obligation to the State of Ceará into an exemption.

The Company has federal tax incentives for all industrial units based in the Northeast of Brazil, with incentives granted by the Northeast Development Superintendence (SUDENE). These federal and state incentives are a transfer of funds by the respective governments as a counterpart for the Company's investments in the construction, installation, and modernization of new industrial units in the respective states or regions. The provision of such incentives is contingent upon the Company's demonstration of the completion of the investments envisioned in projects approved by the respective governments, in accordance with the laws that authorize the respective governments to provide subsidies for the completion of such investments.

Even in the case of tax incentives granted on the basis of compliance with certain conditions and for a specified period—which, according to Brazilian law, cannot be unilaterally revoked by the granting governments before the expiration of the concession period—the Company may have its right to receive them suspended or even revoked if it fails to meet certain conditions that must be met during their term of fruition, including: (i) investing resources sufficient for the implementation or modernization of the activity object of the investment; (ii) maintaining its operations within fiscal regularity, particularly paying taxes without delay; and (iii) submitting annually certain documents and reports to the competent authorities. Failure to comply with such obligations may result in the suspension or cancellation of such tax incentives and may even require the Company and its Subsidiaries to return the amount of incentives received, plus fees, which could have a significant negative impact on the Company.

State-level tax benefits in the Brazilian state of Ceará provide a mechanism for granting deferrals of the monthly ICMS, or the postponement of payment of a portion of the tax amount. Such deferrals are contingent on the availability of funds in the Industrial Development Fund of Ceará (FDI). We cannot guarantee that the FDI will have resources available to pass on to us. The lack of FDI resources may have a negative impact on Grendene.

Additionally, we cannot guarantee that the company's current procedure with Bradesco.

S.A. regarding the collection of ICMS will be maintained in the future or, if it is changed, that a procedure will be adopted that contemplates favorable conditions for the Company.

4.1 Description of risk factors

On September 1, 2016, the State of Ceará Decree No. 32,013 of August 16, 2016, establishing the State Fiscal Equilibrium Fund (FEEF), went into effect. It consists of deposits made by corporations receiving incentives and tax benefits granted by the state or that may be granted by the state under the ICMS. In contrast, the deadlines for tax incentives will be extended by two times the duration of this contribution. Establishments that receive tax incentives and benefits are required to contribute 10% of the value of each incentive or benefit used during each ICMS calculation period to the FEEF. If there has been a nominal increase in ICMS collection equal to or greater than 10% of the same period (month) of calculation in the prior year, the taxpayer is exempt from this charge. In accordance with the enactment of Law No. 16,699 of December 17, 2018, and State Decree No. 32,913 of December 27, 2018, the FEEF is maintained at the following percentages: 9% for the year 2019 and 7% in the months of January and February 2020, and March to December 2021. The FEEF was suspended from March 2020 to February 2021 due to COVID-19 (Law No. 17,251/2020). The State of Ceará does not impose this fee for the 2022 fiscal year. Nevertheless, on February 16, 2023, Law No. 18,307/2023 was passed, establishing the State Fund for Fiscal Sustainability of Ceará (FESF) for a period of 12 months beginning in April 2023 and ending in March 2024, which may be extended by an additional 6 months if the State can demonstrate that its accounts do not reflect fiscal balance. This charge has similar characteristics and objectives to the FEEF. In the case of the new charge, the FESF, however, the beneficiary establishments must make a deposit of 8.5% of the value of the respective deferred ICMS in each calculation period, less the return percentage stipulated in the Contract with the State. In the case of Grendene, the return percentage on the deferred ICMS value is 1%. In summary, the FESF will be levied on 99% of the ICMS deferred on a monthly basis. In concrete terms, this contribution means a reduction in incentives, which can negatively affect the Company's results.

In addition, we cannot guarantee that state tax benefits will be effectively maintained until the end of their respective validity periods, or that, in the case of state and federal tax benefits, we will be able to renew them on favorable terms after their current validity period expires or obtain new tax benefits after the expiration of the validity period of the tax benefits currently held by the Company. If the state tax benefits we hold are challenged in court by third parties, such as the Public Prosecutor's Office, other states, and new governors of the State of Ceará, and the final court decision is unfavorable to us, we may have the tax benefits canceled and/or be charged for the amount object of the exemption, reduction, and/or deferral granted until the date of such decision (observing the statute of limitations and statute of repose), as the case may be, which may have an adverse effect on Grendene.

In addition, there are long-discussed projects in the Brazilian Congress that seek to implement a comprehensive tax reform in Brazil. In these projects, there are proposals for the total extinction of state tax incentives, even if they are preserved until their deadline. If such initiatives become amendments to the Brazilian Constitution or tax laws, the Company will no longer be able to obtain new state tax incentives, at least like those it currently enjoys. In such an event, our cash generation could also suffer a material adverse effect.

In addition, we cannot guarantee that the tax changes to be approved under this reform will not be unfavorable to the Company's business, that the proposals to maintain the tax incentives already granted until the end of the concession period will be incorporated into the legislation, or that the proposals to migrate the collection of ICMS from the State of origin to the State of destination, with the reduction of the interstate tax rates currently due to the State of origin, will be incorporated into the legislation in accordance with the proposals being discussed. All of these proposals and initiatives currently under consideration in Congress may be altered prior to becoming law and may become unfavorable to Grendene's business.

The price of our raw materials is volatile, and a sudden and unexpected swing in the price of our raw materials could have an adverse effect on Grendene.

Our main raw materials are PVC resin and plasticizing oils. These basic materials are considered commodities, and the prices of products sold in Brazil are determined by reference to international market prices and supply-and-demand fluctuations. Historically, the international markets for petrochemicals have alternated between periods of limited supply and rising prices, followed by periods of increased production capacity and declining prices.

We do not and will not have control over the factors influencing the fluctuation of the price of such commodities, and sudden and unexpected changes in the price of such commodities, as well as fluctuations in supply and demand for such products, may have a direct impact on the cost of our raw materials and inputs, which may have a negative impact on Grendene.

4.1 Description of risk factors

b. its shareholders, in particular the controlling shareholders Our Shareholders

There may be restrictions on the ability to sell and purchase our shares, and we cannot guarantee an active and liquid market for our shares.

We cannot predict how an unfavorable situation in the national and international economies, with potential capital flight from the Brazilian stock market, will affect the liquidity of our shares in the future, or how this factor may cause a decline in the value of our shares.

To mitigate this risk, Grendene maintains a very active Investor Relations program, which, among other actions, includes non-deal road shows with local and international investors to keep them informed about the sector in which the company operates and, in the case of international investors, the economic situation in Brazil. Also, to mitigate this risk, Grendene has engaged BTG Pactual CTVM S.A. to act as a market maker for its shares.

The transfer of a substantial quantity of our shares by controlling shareholders may have a negative impact on their price. The sale of a substantial number of our shares by our shareholders, or the perception that this may occur, may have a negative impact on the market price of our Shares.

Controlling Shareholders

The controlling shareholders collectively possess approximately 70% of the voting capital of the Company.

The shares owned by Alexandre Grendene Bartelle are subject to by a shareholders' agreement dated October 6, 2004, and subsequent amendments. As long as Mr. Alexandre Grendene Bartelle maintains control of the company, has the right to, without the consent of the other shareholders:

- Elect the majority of the Board of Directors members and remove Advisors.
- Control our administration and policies.
- Determine the outcome of the majority of our corporate transactions or other matters presented to shareholders for approval, such as mergers, consolidations, and the sale of all or a sizable portion of our assets.
- Establish dividend distribution policies while adhering to the minimum required dividend required by law. Alexandre Grendene Bartelle's interests may differ from the interests of the other shareholders of the Company.

c. its subsidiaries and affiliates

Subsidiaries & joint venture: The subsidiaries and joint venture operate in the same industry (footwear) as Grendene and hence face the same risks. However, we observe that these operations are very small in comparison to the size of Grendene.

Affiliates: Affiliated companies aim to manage their own assets and to participate, directly or through subsidiaries, as unit holders or shareholders, in the share capital of other corporations, both domestically and internationally, and/or in investment funds as unit holders, including entering into joint ventures. We cannot guarantee that our partnerships will be fruitful and produce the desired outcomes, nor can we guarantee that we will be able to maintain a positive relationship with any of our partners. Challenges in maintaining our companies, as well as difficulties in adequately meeting our clients' needs due to the failure of these companies, could have a negative impact on our operations, operational results, and financial situation. Furthermore, according to Brazilian legislation, as a partner of specific purpose companies or joint participant in associations, we may become liable for the obligations incurred, particularly in regard to tax, labor, environmental, and consumer defense obligations, which can directly affect us. Additionally, our economic interests may diverge from those of our partners, requiring us to make additional investments and provide additional services, which could have a negative impact on our business, operating results, and financial condition.

4.1 Description of risk factors

d. its administrators

The dismissal or loss of services of people who are strategic to the Company could adversely affect our business.

Our performance is largely dependent on the efforts and abilities of our key administrators, who occupy a strategic position in our organization and direct various aspects of our business operations. The loss of services or the death of any of these executives could have an adverse effect on Grendene. Our success and future expansion are also contingent on our capacity to identify, recruit, and retain qualified employees and managers. The market in which we operate is highly competitive, and we cannot guarantee that we will be able to attract and retain such personnel and administrators.

e. its suppliers

Our supply chain consists of both domestic and international suppliers of raw materials and other products, including machinery and equipment used in our production lines.

In general, we concentrate our supply on a small number of suppliers for each type of raw material, thereby attempting to increase our share of the respective suppliers' revenue, thereby obtaining competitive prices as well as products and materials developed to customer specifications. Given that our primary raw materials are considered commodities produced in various regions of the globe, we believe that, despite the fact that a disruption at one of our local suppliers would negatively impact our supply, we could mitigate these effects by sourcing internationally. Grendene possesses the necessary size and competence to implement this solution.

f. Its clients

Delinquency by customers or non-receipt by the Company may adversely affect the Company's revenues.

This risk stems from the possibility that the Company will not receive payment for sales-related transactions. To mitigate this risk, the company conducts a detailed analysis of its customers' assets and financial situation, establishes a credit limit, and continuously monitors their outstanding balance. Additionally, this risk is inherently mitigated by the high dilution of receivables, as no single customer accounts for more than 5% of the Company's total accounts receivable or revenues.

The performance of our sales representatives can have a negative impact on our sales.

All sales in Brazil are made through sales representatives, including sales to large retail chains and specialty stores. We maintain strictly commercial relationships with our representatives, who are independent legal entities whose salespeople are not our employees. They work in specific areas, determined by contract, and for the provision of such services, they receive commissions based on the total sales made in their area of activity. Our sales representatives are not subject to working-hours restrictions or hierarchical subordination by Grendene employees; they are responsible for all costs associated with their activities.

These representatives play a crucial role in our sales process, and their deficient performance could have a negative impact on our revenue. When they must be replaced due to unsatisfactory performance, disputes that incur expenses for Grendene may arise.

On the external market, our products are sold through subsidiaries in the United States, the United Kingdom, and Italy, which function as our agents or distributors, as appropriate. In other countries, our products are usually sold through distributors. In this case, when there is a need to replace them due to unsatisfactory performance, there may be litigation and claims for compensation that may generate costs for Grendene.

Consumer complaints and product recalls could adversely affect the Company's image and have a significant impact on its costs, business, and results, which could have a negative impact on the Company.

4.1 Description of risk factors

The Company and its Subsidiaries manufacture and sell consumer products, making them subject to the Consumer Protection Law. If the Company or its Subsidiaries were to be held liable in a product-related civil liability lawsuit or were to recall their products, this could have a negative impact on its profitability for a period of time, depending on: (i) the volume of the product on the market; (ii) the reaction of competitors; and

(iii) the reaction of its consumers, which may include significant recall costs, explanations in the media and with attorneys, and potential compensation payments. Even if the Company is not found liable in a lawsuit, negative publicity regarding its products and their quality could harm its reputation with current and future consumers, as well as its corporate and brand image, which would have a negative impact on the Company, its business, and its financial results.

g. economic sectors in which the issuer operates.

The footwear industry is vulnerable to declining consumer purchasing power and negative economic cycles. If economic conditions in Brazil and other countries that import our products deteriorate, many of our consumers will likely reduce their purchases and may not be able to pay on time.

Historically, the footwear market has been subject to cyclical fluctuations and a decline in performance when consumer purchasing decreases. Numerous factors influence the amount of money our consumers spend on footwear, including:

- General business conditions
- Interest rates
- Consumer income and, to a lesser extent, consumer credit availability.
- Taxes; and
- Consumer optimism about the future economy.

During periods of recession, pandemics, or other circumstances where consumer income is lower, our product sales may decline. Negative economic conditions in the markets in which we operate could have a negative impact on Grendene and reduce our sales.

The footwear industry is extremely competitive, and we may lose our market position under specific conditions.

The footwear industry is extremely competitive and has minimal entry barriers for new companies. Price, product quality, product design, brand image and prestige, and the capacity to serve consumers in a timely manner are the primary factors that influence competition in this industry. We face competition from a number of national and international rivals, some of whom have access to substantial financial resources and whose brands are well-known among consumers. A significant marketing success, promotional campaign, or technological innovation introduced by one of our competitors could have a negative impact on our market position. We cannot guarantee that we will be able to respond in a timely and satisfactory manner or that the competitive pressures will not have a negative impact on Grendene.

Customary in the footwear industry, unanticipated changes in consumer preferences could have a negative impact on Grendene.

Consumer preferences are subject to rapid change in the footwear industry. The demand for our products is substantially affected by brand image, consumer receptivity, and, eventually, by weather conditions. Our brand-building strategies, which include market research, the launch of new and creative products, licensing alliances, the usage of accessories, and active marketing planning, may not be successful. In addition, we cannot guarantee that consumers will continue to be receptive to our products or that we will be able to respond quickly enough to shifting consumer preferences. If we are unable to introduce products into the market that have good acceptance among consumers, our sales could decrease, which would have an adverse effect on Grendene.

4.1 Description of risk factors

Grendene has been active in the footwear industry for over 50 years and has extensive experience with the launch of multiple successful products and brands. However, occasionally, a product collection is unsuccessful due to our inability to accurately predict consumer preferences and whether the fashion trends we incorporate into our products will win over customers, the economic conditions that will prevail when the new products reach the market, and what products our competitors will launch to compete for the same customers as our products. Grendene's results are adversely impacted when our seasonal collections underperform in comparison to those of our competitors.

Inflation and government actions to combat it may contribute significantly to economic uncertainty in Brazil and adversely affect the Company's business.

Brazil has experienced periods of high inflation in the past. The National Consumer Price Index for All Urban Areas (IPCA), a measure of annual inflation, has decreased significantly since the 1994 implementation of the Real Plan (BRL).

If Brazil were to again experience high levels of inflation, the country's economic development rate could slow, resulting in a decrease in demand for the Company's products in Brazil. Inflation would also likely increase some of the Company's costs and expenses, particularly labor costs related to the minimum wage adjustment, which may not be immediately passed on to consumers, thereby decreasing our profit margins and net income. In addition, high inflation reduces consumers' disposable income for discretionary spending, which has a negative impact on footwear demand, and generally results in higher domestic interest rates, which may further reduce this consumer income in the current environment of indebtedness among the Brazilian population.

Inflation could also harm investor interest in capital markets, resulting in a decline in share prices across the board, including those of Grendene. Inflationary pressures may also result in the adoption of anti-inflationary government policies, which could have a negative impact on the Company's business.

Changes in the exchange rate between the US dollar and the Brazilian real could reduce Grendene's export capacity.

Variations between the Brazilian real and the US dollar have an effect on the operational results of the company, which benefit from a devaluation of the Brazilian real against the US dollar and suffer from an appreciation of the Brazilian real against the US dollar. Basically, the appreciation of the real against the dollar decreases the competitiveness of our products on international markets and decreases export margins. In recent years, approximately 20% of our revenues have come from exports.

h. the sectors in which the issuer operates and their respective regulatory framework.

Changes in environmental laws and regulations could have a negative impact on the footwear industry.

Companies in the footwear industry, including the Company, are subject to strict federal, state, and local environmental legislation regarding, among other things, proper management with a focus on solid waste disposal, proper treatment and disposal of liquid, industrial, and sanitary effluents, and control of atmospheric emissions. Such industries need permits from government agencies for some of their activities. In the event of a violation or noncompliance with such laws, regulations, licenses, and permits, industries may be subject to administrative sanctions, such as fines or permit revocation, or criminal sanctions (including their administrators). They may also be required to bear substantial corrective environmental expenditures. Government agencies or other authorities may also issue new, more stringent rules or pursue more stringent interpretations of existing laws and regulations, which may necessitate footwear industries, including the Company, to allocate additional resources to environmental compliance. Any such action by government agencies could have a negative impact on the operations of the footwear industry and on Grendene.

Grendene conducts a survey and mapping of potential and actual requirements pertinent to its operations, and continuously evaluates its processes to ensure that they adhere to legal requirements and national and international environmental standards. The process of updating and verifying is performed by modular software that serves as a System for Management and Monitoring of Applicable Legal Requirements, an effective instrument for promoting, streamlining, and facilitating management in real time with all the required security and agility. The organization minimizes risks and losses, optimizes processes, and ensures compliance with laws and international ISO certification standards in this manner.

The untimely renewal request for environmental licenses and the absence of insurance to cover environmental damages can have an adverse effect on Grendene.

4.1 Description of risk factors

According to the National Council for the Environment (CONAMA) Resolution No. 237/1997, Law 10.165 of December 27, 2000, and COEMA Resolution 02/2019, all of our operations are categorized as having a medium polluting potential; however, our industrial facilities are required to obtain and maintain environmental operating licenses. Failure to obtain or maintain these licenses may result in administrative penalties and, in extreme cases, a prohibition if we do not address any deficiencies identified by regulatory bodies.

Since in the assessment of management, the industrial processes of Grendene's units have a majority of environmental aspects of low significance, the most significant aspects have the appropriate operational controls, the primary raw material is 100% recyclable, all PVC scraps are recycled during the manufacturing process, and all manufacturing facilities have monitoring and control systems in place, as well as processes to reduce solid waste and control effluent and atmospheric emissions. We do not purchase insurance to cover potential environmental damage caused by the operation of each of our industrial facilities. In the event of environmental damage claims, we may be required to employ significant resources to implement corrective environmental measures and incur administrative and judicial penalties, which could have a negative impact on Grendene.

List of maintained licenses:

Unit	License or certificate number	Issuing Authority	Type of License or certificate	Duration
Fortaleza – CE	LO No. LO_PD024/2022	SEUMA - CE	Environmental License to Operate	Mar. 14, 2027
Fortaleza- CE	Federal Technical Certificate - Registration No. 339782	IBAMA	IBAMA's Certificate of Compliance	Mar. 08, 2023
Sobral -CE	LO No. 450/2019	SEMACE - CE	Environmental License to Operate	Aug. 14, 2027
Sobral -CE	Federal Technical Certificate - Registration No. 69684	IBAMA	IBAMA's Certificate of Compliance	Mar. 29, 2023
Crato -CE	LO No. 005/2023	Crato City Hall - CE	Environmental License to Operate	Jan. 20, 2024
Crato -CE	Federal Technical Certificate - Registration No. 339795	IBAMA	IBAMA's Certificate of Compliance	May 17, 2023
Crato -CE	LO No. 003/2022	Crato City Hall - CE	Installation License - Expansion	Feb. 22, 2023
Crato -CE	Protocol No. 202301061430	Crato City Hall - CE	Renewal of Installation License Protocol	-
Farroupilha - RS	LO No. 07105/2020	FEPAM - RS	Environmental License to Operate	Nov. 23, 2025
Farroupilha - RS	Federal Technical Certificate - Registration No. 71447	IBAMA	IBAMA's Certificate of Compliance	May 17, 2023

Materiality matrix:

In addition to the significance of sectoral regulation, we have conducted a study that identifies the material topics of highest importance for our sustainability strategy in the future years. By defining the themes, we can keep our management moving forward and improve our performance.

Based on a Power x Interest analysis, we consulted the company's most important audiences for this study. The stakeholders were selected with the entire value chain in mind, including supply, internal operations, and after-sales care.

We then identified ESG best practices from the perspective of investors, based on:

- i) Review of the main capital market indices.
- ii) Review of the main international guidelines (frameworks) for monitoring corporate sustainability performance.
- iii) Conducting a sectoral benchmark of best sustainability practices being developed by peers in the industry.

With the definition of ESG best practices, we surveyed online the stakeholders chosen in the first stage to determine the relevance of the topics. In total, 692 valid responses were obtained.

To define the Materiality Matrix, the result of the research, we chose the topics that scored the highest in relevance with a score above or at least 77% based on the evaluation of the priority audiences and the strategic scenario (a synthesis of the perspectives of stakeholders and peers in the sector).

4.1 Description of risk factors

In total, eleven material themes were identified. Despite receiving a slightly lower score, Water and Effluents was included by the Company's Sustainable Development Division due to the topic's relevance to the primary area of operation (Brazilian Northeast).

By defining the topics that should be monitored for the Company's sustainability strategy, the method identifies the ESG issues and practices whose risks and opportunities must be evaluated to advance sustainability management at Grendene until 2024:

- 1) Best labor practices in the operation
- 2) Best labor practices in the supply chain
- 3) Waste Management
- 4) Managing material usage in products and packaging
- 5) Climate change mitigation
- 6) Environmental assessment of suppliers
- 7) Human rights impact management
- 8) Training and education
- 9) Compliance and integrity in governance structure, share profile, and ownership structure.
- 10) Diversity, equality, and non-discrimination
- 11) Freedom of Association and Collective Bargaining
- 12) Water and effluent management

Changes in tax laws could have a negative impact on the footwear industry.

All our products are manufactured in Brazil in our factories located in the Northeast region, mainly in the state of Ceará. With an annual average of approximately 17,000 employees in Brazil, we are subject to the country's complex labor laws.

This region has severe climatic issues that impede primary activity, which has historically resulted in significant social issues and a deficit in economic development relative to other states in the country. To mitigate these issues, the federal and state governments maintain tax incentive policies to encourage industrialization in the region. Grendene satisfies the requirements to receive these incentives and maintains them, which are crucial to its success.

About 80% of our revenue is derived from the domestic market and is therefore subject to the no less complex Brazilian tax legislation. Furthermore, the majority of footwear consumption in Brazil takes place in the southeast region (Rio de Janeiro-São Paulo-Minas Gerais axis), and products shipped to other states (states other than those where they are manufactured) are subject to legislation regulating interstate taxation.

Changes in tax, labor, social security, and tax incentive regulations and legislation may have a negative impact on demand and costs in the footwear industry and for Grendene.

i. foreign countries where the issuer operates.

Restrictive measures imposed by importing nations to restrict footwear commerce may have a negative impact on the Company's business by increasing the price of its products or decreasing its export capacity.

The Company is a footwear manufacturer that serves both the Brazilian domestic market and a number of international markets. The Company's exports face competition from other footwear producers and restrictions imposed by importing countries in the form of quotas, goods taxes, tariffs, or increases in import duties. Any of these factors may increase the cost of products, make them less competitive, or prevent the Company from selling them in these markets. There is no guarantee that importing countries will not impose quotas, goods taxes, or tariffs, nor that they will not increase import duties.

In 2022, Grendene accounted for 23.8% of all pairs of shoes exported by Brazil (26.6% in 2021), and its products are sold in more than one hundred countries across five continents. Any significant change in the political/economic environment of any of these countries, or in the region where they are located, can affect sales in those locations.

4.1 Description of risk factors

j. social issues

Vertically integrated production is a differentiator for Grendene and is critical to our operations' integrity and respect for human rights.

Our employees have formal contracts following the Consolidation of Labor Laws and Collective Bargaining Agreement of their respective categories, as well as the current labor laws. Furthermore, our leadership is responsible for safeguarding these rights, fair salaries, and team value, as well as accountability throughout our value chain. Grendene has the following policies to help with human rights management:

- **Sustainable Development Policy** in which there is a specific section on "Valuing and Respecting People".
- **Human Resources Policy** with guidelines on the prohibition of forced labor, slavery-like practices, and child labor.
- **Supplier Manual** to promote ethical conduct throughout the chain.
- Other advances to create a corporate environment where people feel safe and satisfied are:
- **Grendene Diversity Committee and the Grendene+ Program**, to promote respect for diversity as a whole and combat any form of discrimination.
- **Ethics Channel and Ethics Committee** for monitoring any violation of Human Rights and/or Code of Conduct in our operations, ensuring alignment with our business ethics standards. The Ethics Channel handles complaints from all stakeholders that have a relationship with the Company.

Finally, we emphasize the primary third-party verifications that we conduct annually in our operations as social risk mitigation mechanisms:

- The Brazilian Association of Textile Retail (ABVTEX) audits us on a regular basis, attesting to good procedures across our production chain. At the most recent audit, conducted in August 2022, we were awarded the ABVTEX Gold Seal, the highest possible grade.
- This year, we were also audited by Sedex Members Ethical Trade Audit (SMETA), one of the most well-recognized audits of ethics and social responsibility in the world and had impressive results.
- In addition to the audits described above, our operations are evaluated on a regular basis by our customers.

Other fronts for mitigating issues related to social matters include:

- We have an **Occupational Health and Safety Policy** and an Occupational Health and Safety Management System designed internally to protect our employees' health and well-being, and our operations adhere to current Regulatory Standards. The Internal Management System (IMS) was designed and implemented based on ABNT NBR ISO 45001:2018. This international standard is a reference in the best practices of Occupational Health and Safety (OSH) management. Thus, we aim to ensure quality in safeguarding our employees. All of the Company's activities, direct and indirect, are covered by the policy and our MIS has interaction with all units and sectors of the company.
- **Information Security and Privacy:** with our Corporate Information Security Policy, we establish guidelines to direct all areas and employees of the Company on the handling and protection of information within the Company. The Policy guidelines cover Protection, Accountability, Compliance, Awareness, Continuous Improvement and Ethics. In addition, we have a Corporate Personal Data Protection Policy in place to preserve our management's lofty standards of information security and ethics in the handling of our audiences' personal data.

4.1 Description of risk factors

k. environmental issues

"The identification of the company's environmental risks is carried out through the process of Environmental Aspects and Impacts Assessment, which encompasses the company's activities and how they interact with the environment.

The Environmental Aspects and Impacts Assessment (EAIA) is an in-depth study to better understand the company's connection with its surrounding environment and its relationship with natural resources, guided by the international standard ISO 14001:2015. This standard defines the mandatory requirements for the implementation and maintenance of an Environmental Management System

According to ISO 14001, the first step of the EAIA process is to identify and assess the Environmental Aspects and Impacts related to the activities performed and to evaluate their degree of criticality and importance.

To survey and assess environmental aspects and impacts, it is necessary to identify the work activities of the company's processes, define the scope of the environment, point out the aspects or hazards arising from these activities, and define qualitative and quantitative criteria for determining aspects and hazards. Activities should be evaluated based on their operational and implementation responsibility, the nature of their environmental impact, their relevance, which takes into account the activity's scope, its potential harm, and the likelihood of an environmental impact occurring, as well as any applicable legal requirements (whether a particular aspect relates to a law that must be met).

Environmental damage, inappropriate use of natural resources, failure to satisfy the socio-environmental requirements and regulations of the domestic and international markets, and inventory obsolescence are the environmental risks mapped for Grendene.

To minimize and/or eliminate environmental risks, the company operates responsibly by monitoring key indicators such as water and energy consumption, waste generation, and Greenhouse Gas (GHG) emissions. This enables us to propose actions to combat wastage and reduce pollution associated with our activities.

Over the past twelve years, we have made important transformations to reduce the externalities of our operations on the environment and on people. Key actions include:

- The installation of Effluent Treatment Stations in the factories, which currently treat 100% of the generated effluent and enable the reuse of 86% of water for irrigating green areas and flushing toilets, resulting in 127 million liters reused in 2022.
- The installation of a Solar Power Plant at the Sobral unit (CE) that produces 1.14 MWp of clean energy and reduces annual energy consumption by an average of 2.5%, along with several projects aimed at improving energy efficiency in our operations.
- The reverse logistics of products, which since 2019 has already collected more than 8,000 pairs of shoes, considering the program for the internal audience (19 collection points in manufacturing units and Bergamotta Labs) and retail.

Our projects and programs encompass the entire product lifecycle: we use various raw materials and resources in our production process, with PVC being the primary input in terms of volume, and it is a 100% recyclable polymer. We have our own infrastructure for PVC recycling within our factories, and we also collaborate with external partners (recyclers). In 2021, 27% of the PVC used was sourced from recycling. We use additional materials derived from recycling processes and endeavor to expand their use in our products.

The Solid Waste Management of each Grendene establishment is a component of Grendene's sustainable development management system and aims to reduce, reuse, recycle, and/or dispose of waste in an appropriate manner, including the planning, responsibilities, practices, and procedures required to meet legal requirements and achieve Grendene's sustainable development goals.

The majority of our operation's waste is composed of unused production materials. Each of our facilities has a Solid Waste Management Plan and a Selective Collection Program to mitigate and reduce impacts. Plans and programs provide guidelines for the storage, transportation, and environmentally responsible disposal of waste. These documents contain procedures and operational controls that assure compliance across the entire organization.

It is crucial that the Sustainable Development System be founded on the 4R's theory in order to maximize the opportunities associated with the correct management of waste and thereby reduce the risks and impacts associated with its constituent activities. This global trend that classifies the types of waste management prioritizes source reduction, followed by the other 3R's: reuse, recycling, and reduction. Reuse, Recycle and Rethink, can become the main objective of the Solid Waste Management Plan.

4.1 Description of risk factors

The main initiatives taken to increase waste recycling at Grendene are:

- recycling of polymer leftovers, process trims, and PVC losses.
- recycling and re-incorporation of formed EVA waste.
- internal recycling of solvents for cleaning screen printing screens and containers that are returned to the same activity from which they originated.
- reverse logistics of obsolete pigments.

In order to reduce waste, we also invest in industrial technologies, such as machinery and equipment, which increase our material usage efficacy. An example is the automated laminate cutting machine that, through an intelligent system, performs cuts with the aim of minimizing waste to the maximum extent.

I. Climate issues, including physical and transition risks.

Global climate change is one of the most pressing issues of our time, and its consequences are becoming increasingly concerning, causing enormous imbalances in the environment and people's lives.

At Grendene, we work to resolve complex issues.

We therefore seek to minimize the risk of climate response failure and the risk of extreme weather through concerted actions that prioritize improving energy efficiency, using renewable energy, and reducing emissions impacts in our operations.

To minimize physical risks and transition risks, it is essential to measure emissions related to the company's activities, map opportunities, and implement emission reduction projects and programs. Since 2020, Grendene has been monitoring its greenhouse gas emissions and publishing its Emissions Inventory, built on the GHG Protocol methodology.

In 2022, we achieved the Gold Seal of the Brazilian GHG Protocol Program —the main tool for identifying, controlling, and managing greenhouse gas (GHG) emissions —by publishing an inventory in the Public Registry of Greenhouse Gas Emissions, validated by a third-party audit, demonstrating the comprehensiveness and transparency of the published information.

Since 2020, we have submitted information to the Carbon Disclosure Project (CDP), an organization that assesses the environmental performance of companies, bridging the gap between them and shareholders and facilitating business opportunities. In 2022, we responded to the questionnaires of the Water Security programs (result B: Management Level), Climate Change (outcome C: Awareness Level) and Forests (outcome C: Level of Awareness).

In order to increase our energy consumption from renewable sources, we have a self-generation photovoltaic plant at the Sobral (CE) unit, implemented in 2018, with 3,500 panels and a generation capacity of 1.14 MWp. In addition, we track the use of electrical energy through the I-REC (Renewable Energy Certificate) Certification, which verifies that 100% of the electrical energy consumed in our operations comes from renewable sources. As a result, since 2021, we have reduced 100% of scope two emissions.

In addition to initiatives and investments in renewable energy, the company continuously monitors energy consumption and energy intensity indicators to increase energy efficiency. We have been advancing in efficiency projects that encompass high-consumption equipment — from injection machines, ovens, and kilns to industrial utilities, compressed air, and chilled water — in order to implement innovative solutions that allow us to reduce the impact of the intensive use of these resources in our operation.

In terms of water security, the corporation has a Water Efficiency program that includes steps to reduce water consumption, encourage reuse, and utilize rainwater.

All of our units have a water reuse system that can consume 100% of the treated effluent. In 2022, 86% of the effluent generated and treated was reused, amounting to 127 million liters, with Crato (CE) and Fortaleza (CE) units reusing 100% and Sobral (CE) units reusing 95%. Water

¹ We used two methods to determine Scope 2 emissions: the location technique and the purchase choice method. The location-based method uses an emission factor that is the average of emission factors from different energy sources that make up the National Interconnected System, whereas the purchase-choice factor considers only one emission factor, corresponding to the generation source chosen for purchase by Grendene. In 2021, we calculated our scope two emission using the purchase choice method. Gasses included in the scope: CO₂, CH₄, N₂O and HFCs. Data obtained from the GHG Protocol tool.

4.1 Description of risk factors

The reused water is used to flush toilets, irrigate green areas and gardens, and supply the lake at the Sobral unit (CE).

To reduce transition risks, a more sustainable model must be developed, beginning with the selection of safe raw materials and the adoption of more efficient processes, and continuing until the conclusion of the product's life cycle, promoting circularity. We invest in lower impact materials and raw materials that result in low carbon products. PVC, a form of plastic that is 100% recyclable and in continuous use, is the primary raw material used in the production of the shoes. Continuous use plastic allows for use and reuse for many years, as it is durable and has an immense potential for circularity. In addition to being 100% recyclable, the PVC used comprises an average of 30% recycled material (pre-consumer), with certain special projects containing 100% recycled material.

In addition, we have developed and implemented innovative materials such as EVA Biobased Plastic, which is derived from a renewable source (sugar cane) and reduces CO₂e emissions by 20% when compared to the same product made from nonrenewable sources. Other low-impact materials include fibers from recycled PET bottles and pigments of renewable origin, such as agro-industrial refuse such as coconut fiber and rice husk.

To minimize emissions at the end of the product life cycle, Grendene maintains a Reverse Logistics Program through which customers can dispose of all of our brands' footwear, which is then recycled both internally and externally. We have partnerships with three recyclers who externally recycle shoe components. Currently, we have nineteen internal shoe collectors, distributed in the units in the northeast of the country, in the city of Farroupilha (RS), and in Bergamotta Labs (RS) for the reverse logistics of our employees' shoes. In addition, reverse logistics collectors located in approximately four hundred Melissa Clubs and Galleries accept unworn footwear from any of Grendene's brands.

Grendene is committed to forests and responsible administration in terms of its responsibility for materials derived from forests. To communicate our commitment to the consumer, we are licensed to use the FSC® trademark. In addition, Melissa initiated a packaging initiative in 2021. The new Melissa box with a lower environmental impact is free of single-use plastics and is 100% recyclable, making it more valuable for recyclers and increasing its recyclability potential. The amount of ink used has also been reduced, the adhesive has been replaced with a starch and water-based alternative, free from solvents, and the metal eyelets have been eliminated. The packaging has an impact on greenhouse gas emissions because its production emits 68% less Co₂e than the previous packaging.

We strive to introduce innovative solutions that support our retail clients and enable us to increase our chain-wide sustainable value creation. In 2010, the sales team therefore initiated the *Projeto Caixa Favo* (Honeycomb Box Project). With the adoption of the honeycomb box, we optimized the packaging by using only the minimum amount of material required to safeguard the products and eliminating any excess. In addition, the shoes are accompanied by ready-made hangers made from 100% recycled materials for display in retail locations, allowing stores to restock products more efficiently. In addition to the aforementioned advantages, honeycomb boxes allow the use of lighter materials, which contribute to a reduction in energy consumption during product transportation and a smaller footprint in clients' inventory areas.

We began a series of studies in 2017 to gain a deeper understanding of the environmental effects associated with our primary products in order to identify opportunities for improvement in our production activities. Since 2021, a Brazilian university has conducted research based on the Life Cycle Assessment (LCA) methodology, which evaluates the manufacturing cycle and supply chain of a product from the extraction of raw materials to its shipping. In comparison to other footwear industries evaluated under the same conditions, Grendene demonstrated superior environmental performance in terms of water consumption, greenhouse gas emissions, electricity consumption, and waste production during the manufacturing process. Due to the smaller number of components, our products are simpler to disassemble post-consumption, which facilitates the process of sorting and separating the various materials, thereby enhancing the recycling process.

m. other matters not covered in the previous items.

All relevant and pertinent information on this topic has been disclosed in the previous items.

4.2 Indication of the five main risk factors

In the ordinary course of our business, we are exposed to a variety of inherent general hazards that may have an impact on our results of operations, financial condition, or future prospects. Among the factors mentioned in the previous section, the following are the most significant risk factors:

- 1) Oscillation/volatility in the price of raw materials.
- 2) Economic conditions in Brazil and the low purchasing power of the population.
- 3) Unforeseen changes in consumer preferences.
- 4) Exchange rate variations between the US dollar and the Brazilian currency, and finally,
- 5) Risks related to social, environmental and climate issues.

These factors, in turn, are constantly monitored, and the Company has implemented a number of mitigating measures.

4.3 Description of the main market risks

In the normal course of our business, we are exposed to various general risks that are inherent to our activities, which may influence our results of operations, our financial condition, or our future prospects, since changes in Brazil's economic environment, such as fiscal, exchange rate, monetary, and other policies that will be adopted by the current or future administration of the Federal Government, may negatively impact our activities through, for instance, economic instability.

The business model used by Grendene takes into account the company's performance in fashion-driven markets, where it displays a significant number of new styles in each period as a competitive advantage. Each of the company's styles is part of a collection with an average shelf life of 90 to 180 days. Each quarter, Grendene introduces new collections and introduces a new pricing structure to the market (for each new collection), which mitigates the effect of inflation on them. With such a business model, any changes in expenses are reflected in the final pricing whenever demand and the purchasing power of consumers allow. So, inflation indirectly influences our results by influencing the consumer's disposable money for consumption of our products. Our main inputs are commodities whose prices are based on the US dollar in the international market.

The exchange rate affects our costs to the extent that it affects the BRL prices of these commodities when converted to BRL. This is not a linear relationship, however, because the price of goods in USD changes based on supply and demand on the worldwide market (when the BRL appreciates, the price of commodities in BRL becomes cheaper; in these cases, there is usually also a variation in the price of commodities in USD, compensating part of this effect). On the other hand, the exchange rate has a beneficial effect on our export revenues, which contributes positively to the majority of our expenses are priced in BRL.

Interest rates do not directly affect the Company's operating result, only the financial result. The Company maintains a significant balance of cash and cash equivalents and financial investments (ST and LT), which as of December 31, 2022, was R\$1,796.6 million (R\$1,588.0 million in 2021). These resources are primarily invested in the financial market, where they generate interest rates comparable to the SELIC. Any variations in the interest rates practiced in the market will affect the remuneration of these resources.

The following table displays the variants for the items listed:

Variations vs. previous year	2020	2021	2022
Variation % of net revenue	(8.4%)	23.5%	7.3%
Variation % of operating profit (EBIT)	(47.1%)	30.7%	(39.2%)
Variation % of net revenue	(50.5%)	48.3%	(5.5%)
Variation in gross revenue per pair on the domestic market	(3.4%)	11.9%	16.6%
Variation in gross revenue per pair on the domestic market (BRL)	(4.0%)	25.7%	4.9%
Variation in gross revenue per pair on the domestic market (USD)	(26.7%)	20.2%	9.6%
Variation in total gross revenue per pair (BRL)	(3.6%)	15.1%	13.9%
Variation of average total COGS per pair (BRL)	(5.9%)	21.2%	19.1%
Exchange rate variation (final rate on December 31)	28.9%	7.4%	(6.5%)
Exchange rate variation (average annual rate)	30.7%	4.6%	(4.3%)
IGP-M	23.1%	17.8%	5.5%
Broad IPCA	4.5%	10.1%	5.8%
Real GDP growth (Brazil)	(3.3%)	5.0%	2.9%
Total number of pairs sold	145,408	154,046	148,210
Variation on the total number of pairs sold	(3.6%)	5.9%	(3.8%)
Number of pairs sold on the domestic market	119,429	121,160	114,384
Variation of the number of pairs sold on the domestic market	(0.5%)	1.4%	(5.6%)
Number of exported pairs	25,979	32,886	33,826
Variation on the number of exported pairs	(15.8%)	26.6%	Up 2.9%

Source: BACEN, FGV, IBGE and Grendene.

Financial Instruments

Financial instruments are recorded when the Company becomes bound to the instrument's contractual terms. These are assessed at amortized cost or fair value and categorized as one of the following categories: (i) instruments at amortized cost; (ii) instruments at fair value through comprehensive income; and (iii) instruments at fair value through profit or loss.

Their subsequent measurement is performed at each balance sheet date in accordance with the rules established for each type of financial asset and liability classification.

4.3 Description of the main market risks

The Company and its subsidiaries classify their financial assets and liabilities based on their contractual characteristics and the purpose for which they were acquired or issued, as follows:

- Financial assets at amortized cost are measured at their amortized cost in a business model whose objective is to receive contractual cash flows where their contractual terms generate cash flows that consist exclusively of payments and interest of the main value.
- Financial assets at fair value through profit or loss: any financial assets that are not classified in the category mentioned above should be measured and recognized at fair value through profit or loss. Financial assets that are held for trading and managed on a fair value basis are also included in this category.
- Financial liabilities: the entity must classify all financial liabilities as measured at amortized cost, except for: (a) Financial liabilities at fair value through profit or loss, (b) Financial liabilities arising when the transfer of a financial asset does not qualify for derecognition or when the continuous involvement approach is applicable, (c) Financial guarantee contracts, (d) Commitments to grant below-market interest rate loans, (e) Contingent consideration recognized by the acquirer in a business combination to which CPC 15 (Accounting Pronouncements Committee 15) must be applied.

Derivative financial instruments and hedge activities

The Company operates with derivative financial instruments for hedge protection; however, it does not use hedge accounting to account for its derivative operations, which have no speculative purposes.

Derivatives are initially measured at fair value on the date of the contract and are subsequently remeasured at fair value, with changes in value recognized in the financial result.

The Company maintains operations involving financial instruments, the risks of which are managed through strategies of financial positions and exposure limits systems. All transactions are fully recognized in the accounts.

The table below presents the classification of the main financial assets and liabilities of the Company and its subsidiaries:

	(Holding company)		Consolidated	
	2022	2021	2022	2021
Financial assets at amortized cost ^(*)				
Cash and cash equivalents	87,621	5,353	127,409	22,146
Cash investments	1,338,185	1,174,392	1,338,185	1,174,392
Accounts receivable from clients	1,118,469	1,043,517	1,131,904	1,030,529
Financial assets at fair value through profit or loss				
Cash investments ⁽ⁱⁱⁱ⁾	253,569	122,306	253,569	122,306
Cash investments ⁽ⁱ⁾	77,477	269,174	77,477	269,174
Derivatives ^{(ii) (*)}	-	2,635	-	2,635
Financial liabilities at amortized cost ^(*)				
Loans and financings	106,639	124,285	106,639	124,285
Leasing contracts	-	-	43,907	78,380
Suppliers	77,854	59,468	80,240	66,074
Commissions payable	55,900	51,816	56,085	52,325
Financial liabilities at fair value through profit or loss				
Derivatives ^{(ii) (*)}	624	-	624	-

(*) The accounting balances as of December 31, 2022, and 2021, reflect the fair values of financial instruments.

(i) Level 1: Transactions valued at quoted prices (without adjustments) in active markets for identical assets and liabilities.

(ii) Level 2: Transactions that have observable information for assets and liabilities but do not have quoted prices.

(iii) Level 3: Transactions that do not have observable data for assets and liabilities and that reflect assumptions for pricing.

Derivative Financial Instruments

The Company and its subsidiaries have transactions with the following derivative financial instruments:

4.3 Description of the main market risks

Transactions in foreign exchange derivative instruments

The strategy of contracting these operations aims to hedge the sales revenues and financial assets of the Company and its subsidiaries against foreign exchange exposure. These instruments are used for the specific purpose of hedging, with the portfolio consisting of selling US dollars in the future, through financial instruments designed for this purpose, such as selling contracts on B3 and ACE (Advance Exchanges Delivered). In B3's sales contract operations, the cash flow of the company and its subsidiaries is affected by the calculation of adjustments to the US dollar rate up until the contracts' settlement.

In order to reduce the net foreign exchange exposure of its businesses, the Company's Management has decided that future USD sales contracts may be traded exclusively on B3 up to a maximum limit determined by the sum of the following items: (i) "Foreign currency bank balances held abroad; (ii) Financial investments held abroad; (iii) Accounts receivable balance (denominated in USD) from future exchange contracts; (iv) Up to 25% of the annual export projections, equivalent to approximately 90 days of forecasted exports (usually corresponding to order backlog and ongoing sales negotiations), minus (a) foreign currency supplier balances, (b) ongoing imports, and (c) ACC (Advance Payment on Exchange Contracts)."

Risks are monitored daily and managed via internal controls that seek to demonstrate exposure limits and adapt them to the Company's risk management policy.

B3's exchange protection transactions are executed by specialized brokers with special guarantees. The guaranteed amount is R\$ 65,207 as of December 31, 2022 (R\$ 62,811 in 2021), consisting of the Company's financial investments in government securities, observing limits and exposures to foreign exchange risk as defined by its counterparties' risk management policies.

The following table displays the positions as of December 31, 2022, and 2021, along with their nominal and market values.

	Reference value (notional) - USD		Reference value - BRL		Balance Receivable (Payable)	
	2022	2021	2022	2021	2022	2021
Futures contracts						
Sale commitment	14,250	22,750	75,867	127,785	(624)	2,635

It is essential to note that these operations are associated with the receipt of sales and financial assets in foreign currency, which are also related to the fluctuation of the exchange rate, thereby offsetting any calculated gains or losses. The balance payable presented on December 31, 2022, in the amount of R\$ 624, is classified as other accounts payable, while the balance receivable presented in 2021, in the amount of R\$ 2,635, is classified as securities receivable.

Sensitivity analysis

The income from financial investments as well as the financial expenses arising from the Company's borrowings are affected by variations in rates or indicators such as CDI (Interbank Deposit Rate), IPCA (Consumer Price Index for Broad Consumer Prices), IGPM (General Market Price Index), INCC (National Index of Construction Costs) and TJLP (Long-Term Interest Rate). We evaluate 25% and 50% deviations from the likely scenario for these instruments, with decreases for financial investments and increases for financing.

The following table displays the outstanding positions as of December 31, 2022, along with the nominal quantities and interest of each contracted instrument:

Risk factor	% p.a.	Sensitivity scenario					
		Balance on December 31, 2022	Remote - 50%	Possible - 25%	Probable	Possible+ 25%	Remote+ 50%
Fixed Income Financial Investments							
ICD (Interbank Certificate of Deposit)	13.6500%	929,818	44,342	66,844	89,060	110,920	133,401
CPI (National Consumer Price Index)	5.9005%	343,727	29,726	34,706	39,685	44,662	49,636
NCCI (National Construction Cost Index)	9.5547%	64,641	7,626	8,661	8,972	10,732	11,768
Financing Incentives							
LIR (Long-Term Interest Rate)	7.2000%	9,712	(328)	(492)	(656)	(819)	(983)

4.3 Description of the main market risks

Sensitivity Analysis of Exchange Rate Variations

i) Foreign Currency Derivatives

The following table displays the outstanding positions as of December 31, 2022, along with the nominal quantities and interest of each contracted instrument:

				Sensitivity scenario				
Risk factor	Short Position in USD	Quote	Balance on December 31, 2022	Remote -50%	Possible -25%	Probable	Possible +25%	Remote +50%
<u>Contracted Derivatives - Hedge</u>								
Dollar	14.250	5.3239	75.867	37.933	18.967	(624)	(18.967)	(37.933)

ii) Foreign Exchange Exposure

The net asset and liability values in foreign currency are shown below:

				Sensitivity scenario				
Risk factor	Portfolio position in USD	Quote	Balance on December 31, 2022	Remote -50%	Possible -25%	Probable	Possible +25%	Remote +50%
Foreign Exchange Exposure								
Current account	10	5.2171	50	(25)	(12)	-	12	25
Accounts receivable from clients	45,223	5.2171	235,931	(117,965)	(58,983)	-	58,983	117,965
Advances from clients	(3,912)	5.2171	(20,408)	10,204	5,102	-	(5,102)	(10,204)
Accounts payable	(3,848)	5.2177	(20,078)	10,039	5,019	-	(5,019)	(10,039)
Loans and financing - EIC (Equity Investment Company)	(18,579)	5.2171	(96,927)	48,463	24,232	-	(24,232)	(48,463)
Contracted Derivatives - Hedge	(14,250)	5.3297	(75,867)	37,933	18,967	(624)	(18,967)	(37,933)
Net Exposure	4.644		22,701	(11,351)	(5,675)	(624)	5,675	11,351

Sensitivity analysis of stock price variations

The Company projected the impact of operations targeted at hedging the risk of financial investments in variable income shares listed on the stock exchange under three scenarios, assuming the operations would be settled in the position maturing on December 31, 2022.

ON DECEMBER 31, 2022:

				Sensitivity scenario			
Risk factor	Number of shares	Average Price	Balance on December 31, 2022	Remote -50%	Possible -25%	Possible +25%	Remote +50%
Variable Income Financial Investments							
Share Prices	871,700	88.88	77,477	(38,738)	(19,369)	19,369	38,738

Sensitivity Analysis of Variations in the Return Rate of silent partnerships (SCPs)

The Company forecasted the impact of its operations in silent partnerships, taking into account the predicted average rate of return until December 31, 2022, as indicated below:

Sensitivity scenario						
Risk factor	Average rate of return	Balance on December 31, 2022	Remote -50%	Possible -25%	Possible +25%	Remote +50%
Profit/loss on other financial assets - SCPs						
Property values	9.2930%	152,562	2,569	1,248	(1,182)	(2,296)

4.4 Relevant non-confidential cases

The Company is a party to labor, civil, environmental, and tax legal and administrative procedures that arise in the usual course of its operations and are not subject to confidentiality and are considered material to the Company.

Following an appraisal by its legal staff and external legal experts, the corporation examines the contingencies table on a regular basis, rating them by probability of loss as probable, possible, and remote. Grendene used the following relevant criteria for disclosing information regarding the processes described here: (i) the opinion of external and internal legal advisors, by analyzing the probability of success or loss of the lawsuit, its complexity, and the position of the courts; (ii) the potential impacts of a favorable or unfavorable decision on its assets; (iii) its financial capacity and its business, or that of its subsidiaries; and (iv) the potential risks to the image of the Company and its subsidiaries.

Provisions - Probable loss risks

For contingencies considered probable losses by the company's legal counsel, risk provisions in an amount sufficient to cover probable losses in adverse decisions were established.

The changes in provisions for labor, civil, and tax risks are shown below:

Consolidated	Labor	Tax	Civil	Total
Balances as of December 31, 2019	1,475	1,650	36	3,161
Additions	1,518	-	810	2,328
Realizations	(1,677)	-	(36)	(1,713)
Reversals	(141)	(473)	-	(614)
Monetary Correction	-	(60)	-	(60)
Balances as of December 31, 2020	1,175	1,117	810	3,102
<i>Current</i>	929	1,117	772	2,818
<i>Non-Current</i>	246	-	38	284
Balances as of December 31, 2020	1,175	1,117	810	3,102
Additions	2,616	171	594	3,381
Realizations	(2,151)	-	(493)	(2,644)
Reversals	(14)	-	-	(14)
Monetary Correction	-	(10)	-	(10)
Balances as of December 31, 2021	1,626	1,278	911	3,815
<i>Current</i>	864	143	884	1,891
<i>Non-Current</i>	762	1,135	27	1,924
Balances as of December 31, 2021	1,626	1,278	911	3,815
Additions	1,418	864	100	2,382
Realizations	(1,621)	(143)	(810)	(2,574)
Reversals	(25)	-	-	(25)
Monetary Correction	-	43	4	47
Balances as of December 31, 2022	1,398	2,042	205	3,645
<i>Current</i>	619	864	205	1,688
<i>Non-Current</i>	779	1,178	-	1,957

Labor-related: The majority of them refer to complaints filed by former employees alleging noncompliance with labor standards, specifically indemnity amounts, unhealthy work incentives, and amounts believed to be owed under subsidiary liability.

Taxes: Refers to PIS/COFINS ((Social Integration Program/Contribution for Social Security Financing)-Import on foreign services and state tax execution fees.

Civil: Relate to various indemnity actions and attorney's fees.

Contingent liabilities - Possible loss risk

The processes listed under the 'possible loss' classification are categorized this way due to uncertainties arising regarding their outcome. These are administrative processes and legal actions of labor, tax, civil, and environmental nature that still require verification, analysis of facts, establishment of jurisprudence, or do not present concrete aspects for the probability of loss. For processes classified as possible loss, no provision has been established.

4.4 Relevant non-confidential cases

The composition and estimate are presented below:

(R\$ thousands)	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Labor	2,212	2,475	1,772	1,211
Tax	8,577	12,263	12,135	11,743
Civil	29,154	28,612	35,278	36,752
Environmental	500	722	722	316
Total	40,443	44,072	49,907	50,022

The **labor actions** categorized as potential losses pertain primarily to claims lodged by former employees of the Company and its subsidiaries for alleged noncompliance with labor standards, referring to indemnity amounts and additional hazardous allowance.

Tax actions classified as possible losses relate to notifications of debt entries: (i) social security contribution on group life insurance made available to employees (R\$ 568); (ii) execution related to the disallowance of compensation of presumed Tax on Industrialized Products (IPI) credit, calculated as a reimbursement related to the Contribution for the Financing of Social Security (COFINS) and the Social Integration Program (PIS) (R\$ 6,998); (iii) execution related to the disallowance of COFINS compensation (R\$ 1,431); (iv) disallowance of compensation for the negative balance of Corporate Income Tax (IRPJ) with a Social Contribution on Net Income debit (R\$ 507); (v) disallowance of compensation with credits computed in Reintegra with COFINS debits (R\$1,494); and (vi) alleged improper use of Tax on Circulation of Goods and Services (ICMS) credits for electricity (R\$ 745).

Civil actions: (i) Indemnity action from former sales representatives (R\$ 18,376); (ii) Indemnity action from a former customer claiming an alleged distribution contract (R\$ 6,000); (iii) Annulment actions against tax assessments for alleged violation of consumer regulations (R\$ 10,761); (iv) Various indemnity actions (R\$ 1,544); and (v) Action discussing intellectual property in a product (R \$71).

The **environmental action** classified as possible loss refers to an administrative penalty notice for alleged non-compliance with conditions in an environmental license.

Additionally, as of December 31, 2022, the Company was a defendant in the following legal cases, considered relevant by our legal advisors:

Case No. 0312770-12.2015.8.05.0001	
a) Court	27th Court of Civil and Commercial Relations Matters of the District of Salvador
b) Instance	3rd Instance
c) Commencement Date	January 09, 2009
d) Parties in the case	Plaintiff: José dos Santos Gomes Barros, JS Comércio e Representações Ltda., and Sun Flower Comércio e Representações Ltda. Defendant: Grendene S/A
e) Amounts, assets, or rights involved:	R\$18,000,000.00 (estimated as of December 31, 2022) GRENDENE S/A
f) Main facts	This is a labor lawsuit that was later transferred to the Civil Court on July 5, 2015. The plaintiff requests payment for Moral Damages, Difference in Commissions, Refund of Deducted Amounts, and Lost Profits. In a first-degree decision, the judge of the 16th Court of Consumer Relations in Salvador ruled in favor of the defendant, dismissing the plaintiff's claims. Both parties filed an appeal, which was examined by the Court of Justice of Bahia in February 2017. The Court partially overturned the initial ruling and partially upheld the plaintiff's claims. In May 2017, the Company submitted a Special Appeal to the Superior Court of Justice, which, upon examination, accepted Grendene's arguments and partially granted the appeal. The Superior Court directed that the case be sent back to the lower court for further proceedings, providing both parties with a new opportunity to present evidence. The plaintiff filed an Internal Appeal against the aforementioned decision, which was denied. Following this decision, the plaintiff filed a motion for Clarification, which was rejected. After the decision became final, the case was sent back to the original court with a new opportunity for the presentation of evidence. Questions were presented by both the plaintiff and the defendant. The process is awaiting the completion of technical expertise.
g) Summary of the decisions on the merits rendered.	
h) Stage of the process	
i) Likelihood of loss:	Possible loss
j) Reason why the process is considered relevant	
k) Analysis of the impact in case of process loss	In the event of the company losing the case, the impact will be limited to the value of the action in the judgment settlement and attorney fees.
l) Provisioned value	No provision made

4.4 Relevant non-confidential cases

Case No. 2016.14731-9	
a) Court	ADMINISTRATIVE – Tax Administrative Litigation at the State Department of Finance of Ceará (SEFAZ / CE).
b) Instance	1st Instance
c) Commencement Date	August 16, 2016
d) Parties in the case	Plaintiff: SEFAZ / CE. Defendant: Grendene S/A
e) Amounts, assets, or rights involved:	R\$ 5.192.509,97 on December 31, 2022
f) Main facts	Administrative Challenge of a Tax Infraction Notice issued for non-payment of ICMS. The government entity alleges that the company used an improper formula to calculate the FDI (Industrial Development Fund), thereby reducing the owed tax. The company filed an objection to the tax assessment notice, which was dismissed, upholding the assessment. The company filed an Ordinary Appeal that was partially upheld, referring the case to an expert examination. After the completion of the expert examination, the expert report determined a debit balance, though it did not take into account certain CFOPs (Fiscal Operation Codes). The company submitted a statement disagreeing with the expert's report; however, the same was ratified. The council members understood that the analysis regarding the essence of the operations challenged in Grendene's production process had already been conducted in the last session held in November 2019. This information was obtained during the oral argument presented at the hearing. The Company has not yet been informed of the decision and has not even had access to the content of the hearing.
g) Summary of the decisions on the merits rendered.	
h) Stage of the process	
i) Likelihood of loss:	Remote loss
j) Reason why the process is considered relevant	
k) Analysis of the impact in case of process loss	In the event of the company's loss, the impact will be significant. The company will not only need to pay the amounts indicated in the tax assessment, along with their legal increases, but also modify the method of calculating the Industrial Development Fund (IDF) for the upcoming terms.
l) Provisioned value	No provision made

Case No. 0801253-17.2021.4.05.8103	
a) Court	18th Federal Court of Sobral, Ceará, Brazil
b) Instance	1st Judicial Instance
c) Commencement Date	July 30, 2021
d) Parties in the case	Plaintiff: Grendene S/A Defendant: RFB
e) Amounts, assets, or rights involved:	R\$ 8,986,553.73 on December 12, 2022
f) Main facts	This concerns a lawsuit for the annulment of tax debts with the objective of annulling the decision-making orders issued in the Tax Administrative Proceedings No. 1331.0000181/2009-49, No. 1331.0000182/2009-93, and No. 13312.720939/2011-83, based on the recognition of the legality of the offsets carried out in the indicated proceedings. The requested preliminary injunction was granted. The Federal Government filed a response, and the company submitted a Reply specifying the evidence it intends to present. We await the approval of the request for expert evidence, appointment of an expert, and submission of questions.
g) Summary of the decisions on the merits rendered.	
h) Stage of the process	
i) Likelihood of loss:	Possible loss
j) Reason why the process is considered relevant	
k) Analysis of the impact in case of process loss	In the event of the Company's loss, the impact will be limited to the updated amount of the tax assessments.
l) Provisioned value	No provision made

4.4 Relevant non-confidential cases

The company also initiates the following lawsuit, which its legal advisors consider relevant to the business, acting as the plaintiff in these cases:

Case No. 0037549-73.2014.4.01.3400	
a) Court	15th Federal Court of Brasília, Federal District, Brazil
b) Instance	2nd Instance
c) Commencement Date	May 28, 2014
d) Parties in the case	Plaintiff: Grendene S.A. Defendant: Federal Government
e) Amounts, assets, or rights involved:	R\$ 6.159.000,00 (estimated in December 2022)
f) Main facts	This is a civil lawsuit aiming to include the sales made to the Manaus Free Trade Zone in the calculation basis of the Reintegra program. Judgment in favor of the company Awaiting the appeal judgment. of the Federal Government.
g) Summary of the decisions on the merits rendered.	
h) Stage of the process	
i) Likelihood of loss:	Likely success
j) Reason why the process is considered relevant	
k) Analysis of the impact in case of process loss	In the event of the company's loss, there will be no impact on its results, as there was no interruption in the payment of the tax.
l) Provisioned value	No provision made

Case No. 0047158-80.2014.4.01.3400	
a) Court	3rd Federal Court of Brasília, Federal District, Brazil
b) Instance	2nd Instance
c) Commencement Date	July 16, 2014
d) Parties in the case	Plaintiff: Grendene S.A. Defendant: Federal Government
e) Amounts, assets, or rights involved:	R\$ 7.161.000,00 (estimated in December 2022)
f) Main facts	This is a civil lawsuit aiming at the non-forceability of the social security contribution on the payroll proportional to the thirteenth salary paid in December 2011. Judgment in favor of the company Awaiting judgment on appeal from both parties.
g) Summary of the decisions on the merits rendered.	
h) Stage of the process	
i) Likelihood of loss:	Likely success
j) Reason why the process is considered relevant	
k) Analysis of the impact in case of process loss	In the event of the company's loss, there will be no impact on its results, as the contribution has been collected in accordance with legal requirements.
l) Provisioned value	No provision made

4.5 Total provisioned value of relevant non-confidential cases

See item 4.4.

4.6 Relevante confidential cases

There are no relevant confidential processes in which the Company or its subsidiaries are involved.

4.7 Other relevant contingencies

There are no other relevant contingencies of the Company or its subsidiaries.

5.1 Description Other relevant contingencies

- a. **whether the issuer has a formalized risk management policy, indicate the body that authorized it and the date it was approved. If the issuer does not have a formalized risk management policy, justify the reasons why.**

The Company has a formal Corporate Risk Management policy approved by the Board of Directors on February 24, 2022.

- b. **the objectives and strategies of the Corporate Risk Management policy, if any, including:**

This policy is intended to establish guidelines for Grendene's Corporate Risk Management process in order to facilitate the identification, assessment, prioritization, and treatment of risks that permeate the Company's processes and business.

The basic corporate risk management strategy outlined in this policy aims to reduce the uncertainties and negative impacts that risks can have on the strategic and operational objectives of the business, as well as substantially contribute to the Company's value growth and longevity.

- i. **the risks for which protection is sought.**

The Company seeks protection against the identified and considered significant or critical risks. The Corporate Risk Management policy categorizes risks as follows: Strategic; Operational; Compliance; Financial and Market; Information; Technological; Socio-environmental.

- ii. **the instruments used for protection.**

The company seeks to evolve its internal control environment in order to mitigate the identified, classified, and assessed risks. In addition to implementing and enhancing mitigation controls, the organization employs instruments to transfer risks through the purchase of insurance.

After the risks have been assessed and the internal controls have been reviewed and implemented, the process will undergo monitoring cycles to verify the effectiveness of the internal controls and, by extension, the risk assessment.

Grendene will consolidate the defined risks and internal controls in a risk matrix and an internal control matrix to facilitate monitoring and management.

Regarding risks, the company will conduct periodic evaluations, which may alter the risk level and include newly identified risks (emerging risks). This step entails identifying external and internal environment changes and enhancing event analysis and risk assessment processes.

Regarding internal controls, monitoring will be conducted using testing based on the company's internal controls matrix (defining samples and accumulating evidence of internal controls) on an established schedule.

- iii. **the risk management organizational structure**

At its meeting on May 27, 2019, the Board of Directors of Grendene authorized the formation of an Investment Committee, which will be primarily responsible for defining the Company's investment modalities. The Company may also invest in other categories of investments, such as private credit financial instruments and real estate financial swaps, as defined by the Investment Committee.

In December 2021, a Governance, Risks, and Compliance (GRC) area was created under the Investor Relations department with the following responsibilities:

- Coordinate Grendene's Enterprise Risk Management process, identifying, classifying, assessing, and responding to risks in collaboration with the business units responsible for the processes within the scope of the analysis and taking the Board's risk appetite into account.
- Consolidate and maintain the Company's risk matrix, continuously monitoring the risk environment and informing the Audit Committee of newly identified risks.

5.1 Description Other relevant contingencies

- Develop and maintain the internal controls matrix, evaluating the controls and advising the business units on how to strengthen the internal controls environment at Grendene.
- Develop and implement the enterprise risk management methodology in accordance with external laws and regulations as well as internal policies and procedures.
- Conduct actions to spread a culture of openness, accountability, and risk consciousness throughout Grendene.
- Report periodically to Grendene's Audit Committee on corporate risk management activities.

c. the adequacy of the operational structure and internal controls to confirm the adopted policy's efficacy.

To continually improve its governance structure and corporate risk management, the Company adopts the principles recommended by COSO (Committee of Sponsoring Organizations of the Treadway Commission), IIA (Institute of Internal Audit), and IBGC (Brazilian Institute of Corporate Governance), in addition to observing and adhering to the rules issued by CVM and B3 (*Novo Mercado*).

At the meeting of the Board of Directors on February 24, 2022, the Audit Committee was installed as an independent entity in accordance with B3's Novo Mercado Regulation, with the following responsibilities:

- Supervising the activities, efficacy, evolution, and structure of enterprise risk management at Grendene, as well as suggesting improvements to the Board of Directors.
- Monitor and evaluate Grendene's risk exposure and, if necessary, recommend modifications to the Company's risk matrix and/or risk appetite levels.
- Define and manage the risk management communication and reporting process for Grendene.
- Periodically reviewing this policy and, if necessary, submit suggestions for changes to the Board of Directors.

At its first meeting on April 26, 2022, the Audit Committee of Grendene authorized the annual plan for the Governance, Risks, and Compliance (GRC) area, which included the implementation of the internal audit function. Among the responsibilities of internal audit are the following:

- Assessing, in an independent and timely manner, the effectiveness and quality of Grendene's process of corporate risk management, identifying flaws when found, and providing recommendations for process improvements and adjustments.
- Evaluate the company's internal control environment and matrix, testing and highlighting the effectiveness of existing controls and recommending enhancements, taking into account the effectiveness of risk mitigation.
- Through monitoring and evaluation of the risk management and internal controls processes, identify and draw attention to any unmapped risks.
- Monitor the implementation of the recommendations outlined in the audit/evaluation of Grendene's risk management process and control environment.
- Provide senior management and the Audit Committee with information and reports regarding the effectiveness of the company's risk management and internal controls, as well as its compliance with legal requirements and standards.

5.2 Description of internal controls

a. the main internal control practices and the degree of efficiency of such controls, indicating any imperfections and the measures taken to correct them.

Once parameterized, the Company's integrated management systems (management software) ensure reasonable standardization of its transactions and records. To ensure the integrity of its systems, the company monitors system access and transaction traceability.

Internal management reports and the systematic surveillance of indicators and results by the accountable managers, in conjunction with the directors, provide a control environment that is reasonably safe.

It is the responsibility of management to establish and maintain adequate internal controls over the Company's financial reporting.

According to management, the Company maintains adequate internal controls over financial reporting and seeks to enhance them continuously.

b. the organizational structures involved.

The company's board of directors, which consists of the chief executive officer, the vice chief executive officer, the investor relations officer, and the financial manager, as well as the non-statutory directors and the managers reporting to them, is responsible for monitoring the indicators and outcomes of the company's most important business processes. Linked to the Financial Administrative Directorate, the Southern Controllershship Management and the Northeastern Controllershship Management are primarily accountable for the preparation of financial reports, the adoption of good internal control practices, and compliance with applicable accounting standards. The Audit Committee is responsible for evaluating and reviewing the Company's internal policies and controls, supervising corporate risk management, monitoring the execution of the annual audit plan, including aspects related to the preparation and review of financial statements, and reporting to the Board of Directors.

At its first meeting on April 26, 2022, the Audit Committee of Grendene authorized the annual plan for the Governance, Risks, and Compliance (GRC) area, which included the implementation of the internal audit function, whose responsibilities include evaluating the quality and efficiency of the company's internal control system.

c. whether and how the effectiveness of internal controls is supervised by the issuer's management, indicating the position of the persons responsible for such monitoring.

The Board of Directors carries out systematic monitoring of business indicators and financial reporting. Directors participate in the meetings of the Board of Directors and are questioned by them about the results.

Managers receive regular reports (daily, weekly, monthly, and quarterly) on business indicators and results. At a meeting between managers and directors, monthly results are analyzed, contrasted with expectations and results from the same period the previous year, and presented for discussion.

Monthly updates are provided to the Board of Directors, Directors, and Managers involved regarding the results of all planned work for the year.

At a meeting of the Board of Directors on February 24, 2022, the creation of the Audit Committee was approved as an independent body, in accordance with the Novo Mercado Regulation of B3, with, among other responsibilities, the evaluation of quarterly information, interim statements, and financial statements, as well as the monitoring of internal audit activities and the verification of the effectiveness of the company's internal controls.

d. inadequacies and recommendations regarding internal controls contained in the detailed report prepared and transmitted to the issuer by the independent auditor in accordance with the CVM regulations governing the registration and exercise of the independent audit activity.

The independent auditors conducted their audit and evaluation of the Company's accounting and internal control systems in conjunction with the audit of the financial statements for the years ended December 31, 2022, but not for the purpose of expressing an opinion on those internal controls.

5.2 Description of internal controls

In their detailed report on this work for December 31, 2022, the auditors identified a significant deficiency in internal controls related to the recognition of revenue from the sale of products whose delivery does not necessarily occur on the same date as the invoice is issued. The accounting standard "CPC 47/IFRS 15: Revenue from Contracts with Customers" stipulates, among other criteria, that an entity must recognize revenue when it is probable that it will receive the consideration to which it is entitled in exchange for goods transferred to customers. The independent auditors recommend that management improve its procedures by recording sales revenues and associated costs and expenses only when products are transferred to customers, so that the book values more accurately reflect current accounting standards.

e. comments by the directors on the deficiencies pointed out in the detailed report prepared by the independent auditor and on the corrective measures adopted.

The Management made the following comments at the report assessment meeting:

1. All the company's production is done after receiving orders for the products, that is, the company programs the entire production system according to the orders received.
2. The company produces and ships daily a large quantity of products that have already been ordered by its customers and can send more than one million pairs of shoes in a single day.
3. These products are grouped according to orders and conveyed by hundreds of trucks from independent carriers, who deliver them to all regions of the country, to approximately 15,000 distinct customers, and to over 65,000 points of sale.
4. As previously indicated, there are no concentrations of orders among customers, and no customer accounts for more than 4% of the company's revenue, with individual orders contributing even less.
5. Individually, each order or even each shipment carried by a truck represents an insignificant amount in relation to the total company's revenues. Therefore, the risk of any potential loss or event that prevents the delivery of products from affecting this revenue is also considered to be insignificant. The management of the does not believe that this potential issue would have a significant impact on the overall financial situation or results of the company. Furthermore, all shipments are insured.
6. As demonstrated to the auditors, all orders existed on the date of shipment, the products were shipped, and there were no significant returns or refusals of receipt by customers.
7. The process of delivery control is conducted using digital information received from carriers that provides the status of each shipment and its respective movements. If consumers request date and/or delivery changes, the company analyzes the situation and attempts to adapt in order to avoid significant impacts.
8. The clients paid the invoices corresponding to these requests on time, with no defaults or unusual delays.
9. All taxes on these earnings have been reported and settled.
10. To generate timely information for related parties, the company makes continuous efforts to enhance this process, which is always in line with the present business environment.

Considering these attributes and the negligible impact these amounts would have on the Company's results, Management assessed the cost-benefit of implementing additional internal controls to manage these effects. However, it was determined that such measures would not be advantageous and would not contribute significantly to the quality of the information.

According to the assessment of management, the other deficiencies identified by the auditors are neither probable nor severe enough to result in material misstatements in the financial statements.

5.3 Integrity program

a. whether the issuer has rules, policies, procedures, or practices aimed at preventing, detecting, and remedying deviations, fraud, irregularities, and illicit acts against public administration, please identify:

Yes, it does. On April 29, 2021, the Board of Directors reviewed and approved the Grendene Code of Conduct, which has been in effect since December 1, 2008. The latest version establishes the ethical principles and conduct standards that should govern the Company's internal and external relations. The Code of Conduct applies to and must be followed by all employees, regardless of their specific duties and responsibilities. On October 27, 2022, the Board of Directors also approved the Third-Party Contracting Policy and the Anti-Fraud and Corruption Policy.

The complete Code of Conduct, Anti-Fraud and Corruption Policy, and Third-Party Contracting Policy are available on the investor relations website of the Company via the following links:

- [Code of Conduct](#)
- [Anti-Fraud and Corruption Policy](#)
- [Third-Party Contracting Policy](#)

The Whistleblowing and Consequences Management Policy was approved by the Board of Directors on February 24, 2022. Its purpose is to establish guidelines, rules, and requirements to be observed in the process of receiving and investigating complaints at Grendene arising from possible violations of the Code of Conduct, internal and external standards, and/or applicable legislation, as well as the application of appropriate measures and preventive actions.

i. the main integrity mechanisms and procedures adopted, and their adequacy to the profile and risks identified by the issuer, stating how often risks are reassessed and policies, procedures and practices are adapted.

Employees are expected to report any infractions of the Code of Conduct, Grendene Policies, or applicable laws and regulations as soon as they become aware of them. The Ethics Channel, which is accessible to both internal and external audiences, allows for the submission of complaints anonymously if desired.

The Ethics Channel is managed by KPMG Assessores Ltda a third-party organization that specializes in this segment.

- Website: www.linhaetica.com.br/etica/grendene
- Email: grendene@linhaetica.com.br

Telephone: Toll Free Direct Dialing: 0800-7011616

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

The Ethics Channel ensures the confidentiality of information and protects the identities of the involved Employees.

ii. the organizational structures involved in monitoring the functioning and effectiveness of internal integrity mechanisms and procedures, including their responsibilities, whether their formation has been formally approved, the issuer bodies to which they report, and, if applicable, the mechanisms to ensure the independence of their managers

At the meeting of the Board of Directors on April 29, 2021, the new Code of Conduct, the formation of the Ethics Committee, and the Ethics Committee's Rules of Procedure were approved. The Ethics Committee must encourage respect and compliance with conduct aligned with the Company's internal rules in accordance with the laws and ethical standards of society, which also govern our internal and external relations as collaborators, employees, third parties, and managers of Grendene. Under the Investor Relations department, a Governance, Risks, and Compliance (GRC) area was established in December 2021 with the responsibility of carrying out the activities associated with the Company's integrity program. The Audit Committee was created on February 24, 2022. The Audit Committee is an internal, permanent, and non-statutory advisory entity that is directly linked to the Board of Directors and required to report on its quarterly activities.

5.3 Integrity program

iii. **whether the issuer has a code of ethics or conduct that has been duly approved, indicating:**

- **if it applies to all directors, fiscal council members, board members, and employees, and if it also extends to third parties, such as suppliers, service providers, intermediaries, and affiliates.**

Yes, the Code of Conduct is applicable to all Grendene stakeholders.

- **a description of the sanctions applicable in the event of a violation of the code or other rules pertaining to the subject, as well as the document in which these sanctions are specified.**

Employees who violate a Grendene conduct, practice, or policy, as well as applicable laws or regulations, or who allow a subordinate to do so, will be subject to disciplinary action, which may include a warning, suspension, dismissal, or termination of the contractual relationship with Grendene. For more details, see the [Whistleblowing and Consequence Management policy](#) available on the Company's website.

- **the governing body that approved the code, the date of approval, and, if the issuer discloses the code of conduct, the web addresses where the document can be accessed.**

At its meeting on April 29, 2021, the Company's Board of Directors approved the Code of Conduct. The document can be consulted on the Company's website.

b. **whether the issuer has a whistleblower channel, and if so, indicating:**

Yes, Grendene has a channel for whistleblowers (Ethics Channel).

- Website: <http://www.linhaetica.com.br/etica/grendene>
- Email: grendene@linhaetica.com.br
- Telephone: Toll Free Direct Dialing: 0800-7011616
- Post Office Box: 79518 - CEP 04711-904, São Paulo, SP.

The Ethics Channel ensures the confidentiality of information and protects the identities of the involved Employees.

i. **whether the whistleblowing channel is internal or belongs to a third party**

The Whistleblowing Channel (Ethics Channel) is managed by KPMG Assessores Ltda a third-party organization that specializes in this segment.

ii. **whether the channel is open to receiving complaints from third parties or whether it receives complaints only from employees**

Yes, it is open to receiving reports from third parties.

iii. **whether there are anonymity and protection mechanisms for legitimate whistleblowers**

Yes, there are mechanisms to ensure anonymity and protection.

iv. **responsible entity of the issuer for investigating complaints**

The Ethics Committee is responsible for investigating complaints submitted through the Ethics Channel and determining cases of proven infraction.

5.3 Integrity program

- c. **number of confirmed cases of deviations, fraud, irregularities, and illegal acts committed against the public administration over the past three fiscal years, and the corrective measures taken.**

We did not have any cases.

- d. **whether the issuer does not have rules, policies, procedures, or practices aimed at the prevention, detection and remediation of deviations, fraud, irregularities, and illegal acts practiced against the public administration, identify the reasons why the issuer has not adopted controls in this regard.**

Not applicable The Code of Conduct, the Whistleblowing and Consequences Management Policy, and the Anti-Corruption Policy govern employees' relations with the Government.

The complete Code of Conduct, Anti-Fraud and Corruption Policy, and Third-Party Contracting Policy are available on the investor relations website of the Company via the following links:

- [Code of Conduct](#)
- [Anti-Fraud and Corruption Policy](#)
- [Third-Party Contracting Policy](#)

5.4 Significant changes

Throughout 2022, we experienced a challenging macroeconomic scenario as a result of the adverse conditions that had been known and faced since the beginning of the year: high inflation, high interest rates, high unemployment, and prominent levels of indebtedness, thereby reducing consumers' disposable income. In the last quarter of 2022, below-average temperatures in the South and Southeast and political and economic uncertainty stemming from the electoral process have produced an environment that discourages family spending, particularly of non-essential goods.

As described in section 4.1, the company's ESG agenda resulted in a number of significant accomplishments and new actions and initiatives to mitigate risks related to social, environmental, and climate issues.

With the establishment of the Governance, Risks, and Compliance area, the creation of the Internal Audit Committee, the approval of the Corporate Risk Matrix, and the implementation of a number of corporate policies, the company has made major improvements in governance and structure for corporate risk management. In this way, the company has made significant improvements toward effective risk management, both in terms of identifying, assessing, and responding to the inherent business risks.

5.5 Other relevant information

All relevant and pertinent information on this topic has been disclosed in the previous items.

6.1/2 Shareholding position

CPF/CNPJ (Individual Taxpayer Registry / National Registry of Legal Entities)

CONTROLLER / INVESTOR					
SHAREHOLDER					
Shareholder's CPF/CNPJ	Nationality-State	Participates in Shareholders' Agreement	Controlling Shareholder	Last Amendment	
Foreign Shareholder	Name of Legal or Mandated Representative		Type of Entity	CPF/CNPJ	
Breakdown of shares					
Number of Common Shares	Common Shares %	Number of Preferred Shares	Preferred Shares %	Total Number of Shares	Total Shares %
Controller / Investor	Shareholder's CPF/CNPJ			Composition share capital	
RADAR GESTORA DE RECURSOS LTDA					
17.776.271/0001-36	Brazil	No	No	November 04, 2021	
No					
72,443,300	8.030	0	0.000	72,443,300	8.030
Class of shares	Quantity of shares	Shares (%)	(%) of shares by species	Shares (%) of the share capital	
Total	0	0.000			
TREASURY SHARES					
0	0.000	0	0.000	0	0.000
ALEXANDRE GRENDENE BARTELLE					
098.675.970-87	Brazil	Yes	Yes	March 31, 2024	
Yes	GELSON LUIS ROSTIROLLA		Individual	148.411.429-91	
376,328,607	41.714	0	0.000	376,328,608	41.714
Class of shares	Quantity of shares	Shares (%)	(%) of shares by species	Shares (%) of the share capital	
Total	0	0.000			

6.1/2 Shareholding position

CPF/CNPJ (Individual Taxpayer Registry / National Registry of Legal Entities)

CONTROLLER / INVESTOR					
SHAREHOLDER					
Shareholder's CPF/CNPJ	Nationality-State	Participates in Shareholders' Agreement	Controlling Shareholder	Last Amendment	
Foreign Shareholder	Name of Legal or Mandated Representative		Type of Entity	CPF/CNPJ	
Breakdown of shares					
Number of Common Shares	Common Shares %	Number of Preferred Shares	Preferred Shares %	Total Number of Shares	Total Shares %
Controller / Investor	Shareholder's CPF/CNPJ			Composition share capital	
ANDRE DE CAMARGO BARTELLE					
354.047.748-94	Brazil	Yes	Yes	March 31, 2024	
No			Individual		
29,201,277	3.237	0	0.000	29,201,277	3.237
Class of shares	Quantity of shares	Shares (%)	(%) of shares by species	Shares (%) of the share capital	
Total	0	0.000			
GABRIELLA DE CAMARGO BARTELLE					
370.718.138-33	Brazil	Yes	Yes	March 31, 2024	
No			Individual		
28,912,677	3.205	0	0.000	28,912,677	3.205
Class of shares	Quantity of shares	Shares (%)	(%) of shares by species	Shares (%) of the share capital	
Total	0	0.000			
GIOVANA BARTELLE VELLOSO					
685.957.780-00	Brazil	Yes	Yes	March 31, 2024	
No			Individual		
37,132,797	4.116	0	0.000	37,132,797	4.116
Class of shares	Quantity of shares	Shares (%)	(%) of shares by species	Shares (%) of the share capital	
Total	0	0.000			

6.1/2 Shareholding position

CPF/CNPJ (Individual Taxpayer Registry / National Registry of Legal Entities)

CONTROLLER / INVESTOR					
SHAREHOLDER					
Shareholder's CPF/CNPJ	Nationality-State	Participates in Shareholders' Agreement	Controlling Shareholder	Last Amendment	
Foreign Shareholder	Name of Legal or Mandated Representative		Type of Entity	CPF/CNPJ	
Breakdown of shares					
Number of Common Shares	Common Shares %	Number of Preferred Shares	Preferred Shares %	Total Number of Shares	Total Shares %
Controller / Investor	Shareholder's CPF/CNPJ			Composition share capital	
OTHER					
198,271,569	21.977	0	0.000	198,271,569	21.977
PEDRO BARTELLE					
685.957.430-53	Brazil	Yes	Yes	March 31, 2024	
No			Individual		
34,557,397	3.831	0	0.000	34,557,397	3.831
Class of shares	Quantity of shares	Shares (%)	(%) of shares by species	Shares (%) of the share capital	
Total	0	0.000			
PEDRO GRENDENE BARTELLE					
098.647.840-72	Brazil	Yes	Yes	March 31, 2024	
No			Individual		
125,312,376	13.890	0	0.000	125,312,376	713.890
Class of shares	Quantity of shares	Shares (%)	(%) of shares by species	Shares (%) of the share capital	
Total	0	0.000			
TOTAL					
902,160,000	100.000	0	0.000	902,160,000	100.000

6.3 Capital distribution

Date of last meeting / Date of last amendment	April 17, 2023
Number of individual shareholders	74,549
Number of corporate shareholders	261
Number of institutional investors	148

Outstanding Shares

Outstanding shares in circulation correspond to all shares of the issuer except those owned by the controller, individuals related to them, the company's administrators, and shares held in treasury.

Quantity of common shares	267,988,482	29.705%
Quantity of preferred shares	0	0.000%
Total	267,988,482	29.705%

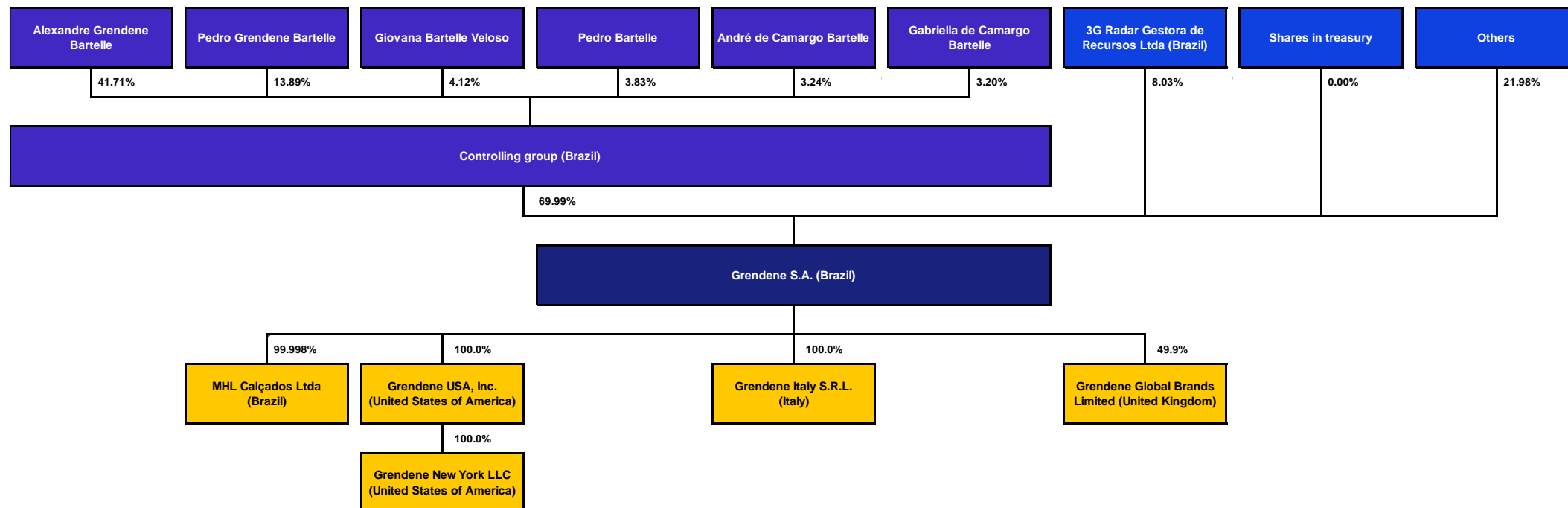
6.4 Stake in companies

Company Name	CNPJ (National Registry of Legal Entities)	Issuer's Participation (%)
MHL CALÇADOS LTDA	07.512.861/0001-06	99.999980
GRENDENE USA, INC	00.000.000/0000-00	100.000000
GRENDENE UK LIMITED	00.000.000/0000-00	100.000000
GRENDENE GLOBAL BRANDS LIMITED	00.000.000/0000-00	49.900000

6.5 Organizational chart of shareholders and economic group

ORGANIZATIONAL CHART OF SHAREHOLDERS AND ECONOMIC GROUP

Position on March 31, 2024



6.6 Other relevant information

On July 6, 2023, the board of Executive Officers of Grendene S.A. approved the dissolution and liquidation of its subsidiary, Grendene UK Limited. With the termination of Grendene UK Limited, Grendene Italy S.R.L. became directly controlled by Grendene S.A., starting from September 2023.

There is no other relevant information.

7.1 Main characteristics of the management bodies and the fiscal council

Describe the main characteristics of the issuer's management bodies and supervisory board, identifying:

The Board of Directors is the collegiate body responsible for establishing the general policies and long-term strategy of the organization.

The Fiscal Council is not permanent, and whenever it is installed, it will be composed of three members and an equal number of alternates. In accordance with the Corporations Law, the Fiscal Council may be established by the General Meeting upon the request of shareholders representing at least 3% of the common shares, with a term until the first subsequent ordinary general assembly after its installation. The same percentage of shares also has the right to separately elect a member of the Fiscal Council.

a. the main characteristics of the policies for appointing and filling positions, if any, and, if disclosed by the issuer, the Internet addresses where the document can be accessed.

The appointment of members to the Board of Directors, its Advisory Committees, and the Executive Officers of the Company shall comply with the provisions of the Policy for the Appointment of Members to the Board of Directors, its Advisory Committees, and the Statutory Executive Officers, as stated in the Bylaws of the Company, the internal regulations of the Board of Directors and its Advisory Committees, and the Regulations of the *Novo Mercado* of B3 S.A. – *Brasil, Bolsa, Balcão* (B3 Brazil Stock Exchange and Over-the-Counter Market) (Novo Mercado Regulations), Law No. 6,404, dated December 15, 1976, as amended (Brazilian Corporations Act), as well as other applicable laws and regulations.

Nominees for the Board of Directors, its Advisory Committees, and the Management should be highly qualified professionals with demonstrated technical, professional, or academic experience who are aligned with the Company's values and culture.

The composition of the Board of Directors, its Advisory Committees, and the Executive Board should be determined based on criteria such as diversity, complementarity of experiences, academic background, and availability of time to perform the function.

The full Policy for the Nomination of Members of the Board of Directors, its Advisory Committees, and Statutory Management, approved on March 12, 2020, is available for consultation on the Company's IR website.

Link: <https://ri.grendene.com.br/PT/Governanca-Corporativa/Estatuto-Politicas-Regimentos>

b. Whether performance evaluation mechanisms exist and, if so, what they are:

i. the frequency of evaluations and their scope

Board of Directors and Executive Board

With the aim of continuously improving the effectiveness of the Company's governance bodies, assisting the Directors in assessing their contributions, and establishing action plans for the ongoing enhancement of the Board, the Board of Directors will conduct, at least once during the term of the administration, an evaluation of its own performance as a collective body and of that of its advisory committees. Additionally, the Executive Directors will also be evaluated by the Board of Directors.

The process of evaluating the Board of Directors and the Executive Board is the responsibility of the Chairman of the Board. The use of specialized external advisory is optional. The consolidated results of the evaluations will be disclosed to the members of the Board of Directors.

Advisory Committees

In order to continuously increase their effectiveness, the Committees should carry out, at least once during the term of office of their members, their self-assessment and the evaluation of their functioning process.

The evaluation process is the responsibility of the Committee Coordinator. The consolidated results of the evaluations will be disclosed to the members of the Committee and the Board of Directors. The results of the individual assessments will be made available to the person concerned and to the Chairman of the Board of Directors of the Company.

7.1 Main characteristics of the management bodies and the fiscal council

ii. methodology adopted and the main criteria used in the evaluations.

Regarding the adopted methodology, the evaluation procedure includes the assessment of the Board of Directors and advisory committees as collegiate bodies. The evaluation process is structured taking into consideration the specific characteristics and responsibilities of the Board of Directors and advisory committees, aiming to achieve an elevated level of expertise during the assessment.

iii. whether external consulting or advisory services have been hired

An external consulting firm may be hired to assist with the evaluation process. As of the date of this Reference Form, no external advisory services had been contracted.

c. rules for identification and management of conflicts of interest

In the case of conflicting interest with the agenda item, according to Brazilian legislation, shareholders are prohibited from casting their vote. In this regard, in the Company, this rule applies, generally not allowing the vote of shareholders who have a conflict with the subject matter on the agenda.

d. By body:

i. total number of members, grouped by self-declared gender identity.

Self-declared gender identity					
Management Body	Female	Male	Non-binary	Other	Total number of members per body
Board of Directors	0	7	0	0	7
Executive Board	0	3	0	0	3
Fiscal Council	N. A.	N. A.	N. A.	N. A.	N. A.
Total number by gender	0	10	0	0	10

N.A. – Not applicable

ii. total number of members, grouped by self-declared racial or ethnic identity.

Self-declared racial or ethnic identity							
Management Body	White	Yellow	Black	Indigenous	Brown	Other	Total number of members per body
Board of Directors	7	0	0	0	0	0	7
Executive Board	3	0	0	0	0	0	3
Fiscal Council	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.	N. A.
Total number by race or ethnicity	10	0	0	0	0	0	10

N.A. – Not applicable

iii. total number of members grouped by other diversity attributes that the issuer considers relevant.

Not applicable

7.1 Main characteristics of the management bodies and the fiscal council

e. whether there are specific objectives of the issuer regarding gender, race, or other diversity attributes among the members of its administration bodies and its fiscal council.

There are no specific objectives of the issuer regarding gender, race, or other diversity attributes among the members of its administration bodies and its fiscal council.

At a minimum, the appointment of members to its administration bodies and fiscal council must adhere to the following criteria: a) having an impeccable reputation; b) being aligned and committed to the Company's values and culture; c) holding academic credentials from recognized Brazilian or international educational institutions; d) having a professional experience of at least ten years, working in strategic business management positions; e) being free of conflicts of interest with the Company; f) not holding a position in a company or entity that could be considered a competitor to the Company; and g) having a reasonable availability of time to adequately fulfill the assumed role and responsibility.

f. the role of the administration bodies in the assessment, management, and oversight of climate-related risks and opportunities.

Grendene's Sustainability Journey is driven by our Sustainable Development Policy. The document stipulates that the Company must contribute to the transformation of a better world through sustainable development applied in the socio-environmental management of its operations and products, as well as in the development of people and communities where it operates.

The Board of Directors is the body responsible for the approval and deliberation of the Policy. The Sustainability Development Division, which reports to the Supply Directorate, is responsible for the creation, execution, and evaluation of the company's results and actions. The team is composed of specialized professionals who are equipped to develop and monitor the social and environmental practices and impacts of the operations.

According to the document, all actions and initiatives within this agenda must be guided by three foundational pillars: valuing and respecting people, eco-friendly operations, and low-impact products.

Thus, the construction of our journey has been guided by process innovation through solutions that reduce waste, support product recycling, and prioritize the well-being of our employees and customers.

These transformations have resulted in a series of modifications to the factories' infrastructure over the past few years, ensuring our responsibility with regard to water, energy, and waste management. In addition, to engage our employees in this journey, since 2017 we have conducted training and qualification based on our revised Corporate Education Policy, which guides Grendene University's learning methodology.

These actions provide educational content aligned with business strategies and stimulate the professional practice-related learning process.

The trainings take place in all our units and are aimed at different areas and professional levels.

7.1D Description of the main characteristics of the management bodies and the fiscal council

Number of employees by gender declaration

	Female	Male	Non-binary	Other	Prefers not to answer
Executive Board	0	3	0	0	0
Board of Directors - Effective Members	0	7	0	0	0
Board of Directors - Alternate Members	N.A.	N.A.	N.A.	N.A.	N.A.
Fiscal Council - Effective Members	N.A.	N.A.	N.A.	N.A.	N.A.
Fiscal Council - Alternate Members	N.A.	N.A.	N.A.	N.A.	N.A.
TOTAL= 10	0	10	0	0	0

N.A. – Not applicable

Number of members by declaration of color or race

	Yellow	White	Black	Brown	Indigenous	Other	Prefers not to answer
Executive Board	0	3	0	0	0	0	0
Board of Directors - Effective Members	0	7	0	0	0	0	0
Board of Directors - Alternate Members	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fiscal Council - Effective Members	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fiscal Council - Alternate Members	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
TOTAL= 10	0	10	0	0	0	0	0

N.A. – Not applicable

7.2 Information related to the Board of Directors

a. permanent bodies and committees reporting to the Board of Directors.

The Board of Directors is the collegiate body responsible for establishing the general policies and long-term strategy of the organization.

Below we specify the non-statutory committees that report to the Board of Directors.

Stock Option Program Management Committee (Created on December 2, 2015)

This committee adheres to the guidelines established by Grendene's Stock Option Plan Regulation, which aims to establish rules for certain executives of the Company to acquire shares issued by the company in order to strengthen the levels of talent attraction, retention, and motivation, as well as to align the interests of executives with those of shareholders in order to generate results and sustainable value.

The activities of the Stock Option Program Management Committee are governed by the Regulations of the Stock Option Plan, which were approved by the Board of Directors at its meeting on March 13, 2008, and by amendments approved by the Board of Directors at its meetings on March 1, 2012, February 12, 2015, and August 1, 2019. This Regulation is available for consultation on the IR website (<https://ri.grendene.com.br>) and on the CVM and B3 websites.

Investment Committee (Created on May 27, 2019)

This committee, which has its own internal regulations approved by the Board of Directors, is responsible for evaluating proposals for financial investments offered to Grendene within the limits established by the Board of Directors, notably in various investments not backed by financial institutions and/or the federal government, as well as by the Company's bylaws, and making recommendations to the CEO of Grendene regarding the approval of the proposed operations.

Internal regulations for the Investment Committee were approved at the Board of Directors meeting on March 12, 2020, and amendments were authorized at the Board of Directors meeting on August 13, 2020. This Regulation is available for consultation on the IR website (<https://ri.grendene.com.br>) and on the CVM and B3 websites.

Related party Committee (Created on August 13, 2020)

This committee, which has its own internal regulations approved by the Board of Directors, is responsible for analyzing transactions between Related Parties and situations involving potential conflicts of interest in accordance with the provisions of the Policy for Transactions with Related Parties, ensuring equality and transparency, and assuring shareholders, investors, and other interested parties that the Company is in compliance with the best Corporate Governance practices.

The Related Parties Committee has Internal Regulations, approved at the Board of Directors' Meeting held on August 13, 2020. This Regulation is available for consultation on the IR website (<https://ri.grendene.com.br>) and on the CVM and B3 websites.

Ethics Committee (Created on April 29, 2021)

The Board of Directors has approved the internal rules of procedure of this committee. In addition to conducting its work in accordance with the Company's Code of Conduct and Grendene's mission, vision, values, and guidelines, the Ethics Committee shall adhere to the best corporate governance practices. The Ethics Committee must encourage respect and compliance with conduct aligned with the Company's internal rules in accordance with the laws and ethical standards of society, which also govern our internal and external relations as collaborators, employees, third parties, and managers of Grendene.

The Ethics Committee has internal regulations, approved at the Board of Directors' Meeting held on April 29, 2021. This Regulation is available for consultation on the IR website (<https://ri.grendene.com.br>) and on the CVM and B3 websites.

7.2 Information related to the Board of Directors

Audit Committee (Created on February 24, 2022)

The Audit Committee of Grendene is an internal, permanent, non-statutory advisory body that is directly linked to the Board of Directors and is subject to the applicable laws, regulations, and rules of its Regiment. The Audit Committee is responsible for, among other duties: a) an opinion on (i) the conditions for employing the independent auditor's services; and (ii) the hiring and firing of independent audit services. b) Ensure the independence of the independent auditors by receiving from them periodic information on any activity that might jeopardize that independence; c) receive regular reports from the independent auditor on issues and updates in accounting and auditing practices legislation in effect from time to time; d) receive annually from the independent auditor written confirmation of its independence vis-à-vis the Company, as well as information on any additional services of any kind; e) issue annually, prior to the issuance of the audit reports, a report on the independence of the independent auditor. This report shall address, in all cases, the provision of additional services mentioned in the previous paragraph; f) serve as a communication channel between the Board of Directors and the independent auditor, from whom the Committee will receive regular information on the audit plan and the results of its execution; g) evaluate the quarterly information, interim statements and financial statements; h) monitor the activities of the internal audit and the Company's internal controls, risk and compliance area; i) evaluate and monitor the Company's risk exposures, promoting their management, in accordance with Grendene's Risk Management Policy; j) evaluate, monitor, and recommend to management the correction or improvement of the Company's internal policies, including the policy of transactions between related parties; and k) have means for receiving and processing information about non-compliance with legal and normative provisions applicable to the company, in addition to internal regulations and codes, including the provision of specific procedures for the protection of the provider and the confidentiality of the information.

The Audit Committee has Internal Regulations, approved at the Board of Directors' Meeting held on February 24, 2022. This Regulation is available for consultation on the IR website (<https://ri.grendene.com.br>) and on the CVM and B3 websites.

b. how the board of directors reviews the independent auditor's performance, whether the issuer has a policy for contracting extra-audit services with the independent auditor, and, if the issuer discloses the policy, where the document may be viewed on the internet

Although the Company does not have an official policy for assessing extra-audit services with the independent auditor, the board of directors is responsible for selecting, evaluating, and dismissing these auditors. The board should make sure that an independent auditor with the necessary training and experience audits the financial statements because this is essential to their credibility.

c. channels developed for critical issues relating to ESG and compliance topics and procedures to be brought to the board of directors' attention, if any

The Company does not have its own channel for receiving criticism about ESG and compliance issues and practices, but it does have an Ethics Channel that is open 24 hours a day, seven days a week for managers, employees, third parties, beneficiaries, and anyone who is aware of or suspects a violation of laws, regulations, the Code of Conduct, or other policies.

The Ethics Channel (Whistleblowing Channel) is managed by a third-party organization that specializes in this segment. This company is responsible for receiving complaints and forwarding them to the Ethics Committee team. This provides greater transparency in the conduct of the investigation process.

Reports can be made via:

- i. Website: <http://www.linhaetica.com.br/etica/grendene>;
- ii. Email: grendene@linhaetica.com.br.
- iii. Telephone: Toll Free Direct Dialing: 0800-7011616, and
- iv. Post Office Box: 79518 - Zip Code 04711-904, São Paulo, SP.

The Ethics Channel ensures the confidentiality of information and protects the identities of the involved Employees.

The Ethics Committee, as defined in item (a), is in charge of reporting to the Board of Directors instances regarding ESG and compliance that could pose a risk to the Company's image, reputation, and assets.

7.3 Composition and professional experience of the Board of Directors and the Fiscal Council

Name:	ALCEU DEMARTINI DE ALBUQUERQUE			CPF:	955.578.490-68	Occupation:	Business Administrator	Date of birth:	Apr. 24, 1979
Professional Experience:	<p>Education: Master of Business Administration, University of Illinois, completion in July 2019. Postgraduate in International Relations. FGV, completion in 2004. Graduated in Accounting Sciences. Unip, completion in 2016. Graduated in Financial Administration and Foreign Trade. University of South Carolina, honorable mention, completion in 2002. Business Management in the Digital Era at Fundação Dom Cabral, 2018. In his previous experience, Mr. Alceu Albuquerque held the position of Corporate Finance Manager at Sicredi Cooperative Bank (2010 to 2019) and subsequently as Director of Banco Mercantil do Brasil S.A. (2019 to 2020). In April 2020, he took on the role of Investor Relations Director at Grendene S.A., and in March 2023, he also assumed the position of Chief Financial Officer. Mr. Alceu Demartini Albuquerque declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.</p>								
Administration bodies:									
Administration body	Election date	Mandate term	Elected position held	Description of other position/function	Inauguration date	Elected by the Controller	Start Date of First Term		
Executive board	Feb. 24, 2022	3 years	12 – Investor Relations Officer	Chief Administrative and Financial Officer, Member of the Investment Committee, Member of the Related Parties Committee and Member of the Ethic Committee	Feb. 24, 2022	Yes	Apr. 14, 2020		
Convictions:									
Type of conviction	Description of conviction								
N/A									

7.3 Composition and professional experience of the Board of Directors and the Fiscal Council

Name: ALEXANDRE GRENDENE BARTELLE **CPF:** 098.675.970-87 **Occupation:** Industrial **Date of birth:** Jan. 23, 1950

Professional Experience: Founder of the Company and Chairman of the Board of Directors since August 18, 2004. Education: Bachelor of Laws, University of Caxias do Sul/RS. Mr. Alexandre Grendene Bartelle was one of those responsible for the growth of the company through the development of innovative concepts, technology, products, and design. He held the position of CEO until April 25, 2013. Mr. Alexandre Grendene Bartelle declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.

Administration bodies:

Administration body	Election date	Mandate term	Elected position held	Description of other position/function	Inauguration date	Elected by the Controller	Start Date of First Term
Board of Directors – Effective Members	Apr. 25, 2022	2 years	20 – Chairman of the Board of Directors	Chairman of the Stock Option Program Management Committee and member of the Investment Committee.	Apr. 25, 2022	Yes	Aug. 18, 2004

Convictions:

Type of conviction	Description of conviction
N/A	

Name: BRUNO ALEXANDRE LICARIÃO ROCHA **CPF:** 278.107.688-08 **Occupation:** Advisor **Date of birth:** Feb. 18, 1979

Professional Experience: Attorney, graduated from the Law School of the University of São Paulo (USP) in 2002. – Independent member of the Too Seguros S.A. Board of Directors and founding partner of the Exes Group, which specializes in the administration of third-party resources as well as the planning and implementation of financial and capital market transactions. A trained attorney, he served as co-head of the BTG Pactual Group's Latin America Legal Department until June 2014. He joined the BTG Pactual Group in 1999 and was promoted to partner in 2009. In 2007 and 2008 he left BTG Pactual and worked as a Foreign Associate at the New York law firm Skadden, Arps, Slate, Meagher; Flom LLP. He is a member of the Brazilian Bar Association and authorized by the Brazilian Securities and Exchange Commission (CVM) to provide services as a Portfolio Manager for Securities. He is an independent director as per the criteria established in Article 16 of the New Market Regulation of B3 S.A. - Brasil, Bolsa, Balcão. – Mr. Bruno Alexandre Licarião Rocha declares that he is not guilty of any offense that prevents him from performing the activities of the position to which he has been appointed and that he does not hold positions in companies that may be considered competitors in the market with the Company and that it has no conflicting interests with the Company.

Administration bodies:

Administration body	Election date	Mandate term	Elected position held	Description of other position/function	Inauguration date	Elected by the Controller	Start Date of First Term
Board of Directors – Effective Members	Apr. 25, 2022	2 years	27 – Independent member of the Board of Directors (Effective member)	Member of the Audit Committee	Apr. 25, 2022	Yes	Jul. 6, 2020

Convictions:

Type of conviction	Description of conviction
N/A	

7.3 Composition and professional experience of the Board of Directors and the Fiscal Council

Name: GELSON LUIS ROSTIROLLA **CPF:** 148.411.429-91 **Occupation:** Business administrator **Date of birth:** Feb. 14, 1953

Professional Experience: Education: Business Administration (1977) and Accounting Sciences (1979) by the University of Western Santa Catarina (UNOESC), Chapecó, SC. He began his activities at Grendene S.A. in 1980 and, in recent years, has held various positions on the Company's Board of Directors: Chief Financial Officer and Investor Relations Officer from August 18, 2004, to April 28, 2005; Chief Administrative and Controlling Officer from April 29, 2005, to April 25, 2013; and Chief Financial Officer from May 10, 2007, to April 25, 2013. On April 25, 2013, Mr. Gelson Luis Rostirolla was elected Executive Vice-President. Gelson Luis Rostirolla declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.

Administration bodies:

Administration body	Election date	Mandate term	Elected position held	Description of other position/function	Inauguration date	Elected by the Controller	Start Date of First Term
Executive Board	Feb. 24, 2022	3 years	11 – Deputy Chief Executive Officer / Superintendent	Does not hold other positions in the issuer	Feb. 24, 2022	Yes	Aug. 18, 2004

Convictions:

Type of conviction

Description of conviction

N/A

Name: MAILSON FERREIRA DA NÓBREGA **CPF:** 043.025.837-20 **Occupation:** Economist **Date of birth:** May 14, 1942

Professional Experience: Member of the Board of Directors since August 18, 2004. Education: Economics by the University Center of Brasília (CEUB). Mr. Mailson Ferreira da Nóbrega began his career at Banco do Brasil S.A., where he headed the rural and industrial credit area of a branch in the state of Paraíba. After fourteen years at Banco do Brasil, he became head of the Coordination of Economic Affairs of the Ministry of Industry and Trade (1977) and later of the Coordination of Economic Affairs of the Ministry of Finance (1979). He served twice as Secretary-General of the Ministry of Finance and was Minister of Finance from 1988 to 1990, during which time he presided over a number of organizations, including the National Monetary Council (CMN), the National Private Insurance Council (CNSP), and the Finance Policy Council (Confaz). He is a member of the Board of Directors of a number of Brazilian companies and is involved in numerous social and business organizations. He also acted as a representative of the Brazilian government at various international events and bodies. He is the author of several books and articles on the Brazilian economy, published in Brazil and abroad. Mr. Mailson Ferreira da Nóbrega declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.

Administration bodies:

Administration body	Election date	Mandate term	Elected position held	Description of other position/function	Inauguration date	Elected by the Controller	Start Date of First Term
Board of Directors – Effective Members	Apr. 25, 2022	2 years	22 – Board of Directors (Effective member)	Does not hold other positions in the issuer	Apr. 25, 2022	Yes	Aug. 18, 2004

Convictions:

Type of conviction

Description of conviction

N/A

7.3 Composition and professional experience of the Board of Directors and the Fiscal Council

Name:	OSWALDO DE ASSIS FILHO			CPF:	761.798.778-15	Occupation:	Business Administrator and Economist	Date of birth:	Feb. 11, 1950
Professional Experience:	<p>Member of the Board of Directors since August 18, 2004. Education: Electronic Engineering from Technological Institute of Aeronautics (ITA) (1973). He holds a master's degree in economics from the School of Economics and Administration of the University of São Paulo. He was the director of Banco Mercantil de So Paulo from 1978 to 1983. He was a partner at Planibanc Corretora de Valores from 1984 to 1991, and then at Convenção Corretora de Valores from 1992 to 1994. In 1994, he became Vice-President of Banco Itamarati, a position he held until 1996. From 1996 to 1997, he served as vice president of Banco de Crédito Nacional (BCN), and from 1998 to 2006, he was a partner at Banco Pactual S.A. He held the position of Vice Chairman at UBS Pactual from 2006 to 2009. He is currently Partner and Executive Director of the BTG Pactual bank. Currently holds the position of Executive Director of FEBRABAN and Member of the Advisory Board of the Credit Guarantee Fund (FGC). Mr. Oswaldo de Assis Filho declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.</p>								
Administration bodies:									
Administration body	Election date	Mandate term	Elected position held	Description of other position/function	Inauguration date	Elected by the Controller	Start Date of First Term		
Board of Directors – Effective Members	Apr. 25, 2022	2 years	22 – Board of Directors (Effective member)	Does not hold other positions in the issuer	Apr. 25, 2022	Yes	Aug. 18, 2004		
Convictions:									
Type of conviction	Description of conviction								
N/A									

Name:	PEDRO GRENDENE BARTELLE			CPF:	098.647.840-72	Occupation:	Industrial	Date of birth:	Jan. 23, 1950
Professional Experience:	<p>Founder of the Company Vice Chairman of the Board of Directors since August 18, 2004. Education: Bachelor of Laws, University of Caxias do Sul/RS. Mr. Pedro Grendene Bartelle was one of those responsible for the growth of the company through the development of innovative concepts, technology, products, and design. He held the position of Vice-President until April 25, 2013. Mr. Pedro Grendene Bartelle declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.</p>								
Administration bodies:									
Administration body	Election date	Mandate term	Elected position held	Description of other position/function	Inauguration date	Elected by the Controller	Start Date of First Term		
Board of Directors – Effective Members	Apr. 25, 2022	2 years	21 – Vice Chairman of the Board of Directors	Member of the Stock Option Program Management Committee and member of the Investment Committee.	Apr. 25, 2022	Yes	Aug. 18, 2004		
Convictions:									
Type of conviction	Description of conviction								
N/A									

7.3 Composition and professional experience of the Board of Directors and the Fiscal Council

Name:	RENATO OCHMAN	CPF:	375.739.690-15	Occupation:	Attorney	Date of birth:	Feb. 21, 1960
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Professional Experience: Member of the Board of Directors since August 18, 2004. Education: Attorney, Bachelor of Laws from PUC/RS. Master's degree in Commercial Law from PUC/SP; Postgraduate degree in Commercial Law from PUC/SP; Partner of the law firm Ochman, Real Amadeo Advogados Associados with offices in São Paulo/SP and Porto Alegre/RS, a firm specialized in Corporate Law and Capital Markets; in the advisory area, corporate and civil litigation; IPO of companies; securities issues; structuring of family succession, among others. Guest professor of courses at GVLaw/Fundação Getúlio Vargas/SP. Member of the Board of the São Paulo Graded School and member of the Brazilian Bar Association - São Paulo and Rio Grande do Sul Section. Mr. Renato Ochman declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.

Administration bodies:

Administration body	Election date	Mandate term	Elected position held	Description of other position/function	Inauguration date	Elected by the Controller	Start Date of First Term
Board of Directors – Effective Members	Apr. 25, 2022	2 years	22 – Board of Directors (Effective member)	Member of the Stock Option Program Management Committee	Apr. 25, 2022	Yes	Aug. 18, 2004

Convictions:

Type of conviction	Description of conviction
N/A	

Name:	RUDIMAR DALL ONDER	CPF:	254.626.870-87	Occupation:	Mechanical Engineer	Date of birth:	Aug. 14, 1956
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Professional Experience: Education: Mechanical Engineering (1981) from the University of Caxias do Sul (UCS). He joined the Company in 1979, Education: Mechanical Engineering (1981) from the University of Caxias do Sul (UCS). He joined the Company in 1979 and held various positions until becoming Industrial and Commercial Director in 1987. On August 18, 2004, he was elected statutory Industrial and Commercial Director, and on April 25, 2013, he was elected Chief Executive Officer. He accumulated the function of Industrial and Commercial Director until April 7, 2014, when there was a reform of the Bylaws and the statutory position of Industrial and Commercial Director ceased to exist. In April 2020, in addition to being Chief Executive Officer, he held the position of Chief Financial Officer until March 2023. Mr. Rudimar Dall Onder declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.

Administration bodies:

Administration body	Election date	Mandate term	Elected position held	Description of other position/function	Inauguration date	Elected by the Controller	Start Date of First Term
Executive Board	Feb. 24, 2022	3 years	10 – Chief Executive Officer / Superintendent	Member of the Investment Committee and Member of the Related Parties Committee	Feb. 24, 2022	Yes	Aug. 18, 2004

Convictions:

Type of conviction	Description of conviction
N/A	

7.3 Composition and professional experience of the Board of Directors and the Fiscal Council

Name:	WALTER JANSSEN NETO	CPF:	248.808.509-00	Occupation:	Advisor	Date of birth:	Apr. 4, 1956
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Professional Experience: Member of the Board of Directors since December 18, 2006. Education: Economics and Accounting; Postgraduate Degree in Industrial Economics from the Federal University of Santa Catarina (UFSC); and an Executive MBA from the Wharton School of the University of Pennsylvania. He is certified as a Professional Counselor by the National Association of Corporate Directors (NACD) of the USA; he has a specialization in Corporate Governance from the Universities of Stanford Law School, Chicago Business School, and Wharton School; and he is a member of the Brazilian Institute of Corporate Governance (IBGC). He was an executive at WEG Group in Santa Catarina for 31 years, where he had the opportunity to hold several executive positions in the areas of Supplies, Finance, and Sales. He was Superintendent Director of a Business Unit, Director of HR, and Corporate Marketing, and more recently President of the WEG Group's operations in the USA, in addition to being a member of the Board of Directors of several Brazilian companies. Independent director according to the criteria established by Art. 16 of the *Novo Mercado* Regulation of B3 S.A. - Brasil, Bolsa, Balcão. – Mr. Walter Janssen Neto declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.

Administration bodies:

Administration body	Election date	Mandate term	Elected position held	Description of other position/function	Inauguration date	Elected by the Controller	Start Date of First Term
Board of Directors – Effective Members	Apr. 25, 2022	2 years	27 – Independent member of the Board of Directors (Effective member)	Does not hold other positions in the issuer	Apr. 25, 2022	Yes	Dec. 18, 2006

Convictions:

Type of conviction	Description of conviction
N/A	

7.4 Composition of the committees

Name: ALCEU DEMARTINI DE ALBUQUERQUE **CPF:** 955.578.490-68 **Occupation:** Business Administrator **Date of Birth:** Apr. 24, 1979

Professional Experience: Education: Master of Business Administration, University of Illinois, completion in July 2019. Postgraduate in International Relations. FGV, completion in 2004. Graduated in Accounting Sciences. Unip, completion in 2016. Graduated in Financial Administration and Foreign Trade. University of South Carolina, honorable mention, completion in 2002. Business Management in the Digital Era at Fundação Dom Cabral, 2018. In his previous experience, Mr. Alceu Albuquerque held the position of Corporate Finance Manager at Sicredi Cooperative Bank (2010 to 2019) and subsequently as Director of Banco Mercantil do Brasil S.A. (2019 to 2020). In April 2020, he took on the role of Investor Relations Director at Grendene S.A., and in March 2023, he also assumed the position of Chief Financial Officer. Mr. Alceu Demartini Albuquerque declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.

Committees:

Committee type	Audit committee type	Occupied position	Inauguration date	Term of mandate	Description of Other committees	Description of another position / function	Election date	Elected by the Controller	Start date of first term
Other Committees		Member of the Committee (Effective member)	Aug. 4, 2022	2 years	Related Parties Committee		Aug. 4, 2022	Yes	Aug. 13, 2020
Other Committees		Member of the Committee (Effective member)	Apr. 28, 2022	3 years	Investment Committee		Apr. 28, 2022	Yes	Aug. 13, 2020
Other Committees		Member of the Committee (Effective member)	Apr. 29, 2021	Undetermined	Ethics Committee		Apr. 29, 2021	Yes	Apr. 29, 2021

Convictions

Type of conviction	Description of conviction
N/A	

7.4 Composition of the committees

Name: ALEXANDRE GRENDENE BARTELLE **CPF:** 098.675.970-87 **Occupation:** Industrial **Date of Birth:** Jan. 23, 1950

Professional Experience: Founder of the Company and Chairman of the Board of Directors since August 18, 2004. Education: Bachelor of Laws, University of Caxias do Sul/RS. Mr. Alexandre Grendene Bartelle was one of those responsible for the growth of the company through the development of innovative concepts, technology, products, and design. He held the position of CEO until April 25, 2013. Mr. Alexandre Grendene Bartelle declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.

Committees:

Committee type	Audit committee type	Occupied position	Inauguration date	Term of mandate	Description of Other committees	Description of another position / function	Election date	Elected by the Controller	Start date of first term
Other Committees		Chairman of the Committee	Feb. 12, 2015	Undetermined	Stock Option Program Management Committee Investment Committee		Feb. 12, 2015	Yes	Feb. 12, 2015
Other Committees		Member of the Committee (Effective member)	Apr. 28, 2022	3 years			Apr. 28, 2022	Yes	May 27, 2019

Convictions

Type of conviction	Description of conviction
N/A	

Name: ANDRÉ DE CAMARGO BARTELLE **CPF:** 354.047.748-94 **Occupation:** Engineer **Date of Birth:** Nov. 4, 1987

Professional Experience: Mr. André de Camargo Bartelle graduated in Production Engineering from Escola Politécnica da USP in 2010. He began his career in the credit area of BTG Pactual. He is a member of the control block of Grendene S.A. and holds the position of 1st Vice President of the Board of Directors of Vulcabras|Azaleia S.A. (Since 2017).

Committees:

Committee type	Audit committee type	Occupied position	Inauguration date	Term of mandate	Description of Other committees	Description of another position / function	Election date	Elected by the Controller	Start date of first term
Other Committees		Member of the Committee (Effective member)	Apr. 28, 2022	3 years	Investment Committee		Apr. 28, 2022	Yes	May 27, 2019

Convictions

Type of conviction	Description of conviction
N/A	

7.4 Composition of the committees

Name:	ANDRE LUIS PINTO		CPF:	143.881.928-56	Occupation:	Business Administrator		Date of Birth:	Dec. 5, 1971
Professional Experience:	Graduation in Business Administration from the University Center of the Social Institute of Bahia (FSBA), completion in 2009. His professional performance in recent years has been as Manager of the Human Resources Department from 2016 to 2018. Human Resources Director from 2018 to 2020 and Human Resources Division Manager from 2018 to 2020. Mr. Andre Luis Pinto declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.								
Committees:									
<u>Committee type</u>	<u>Audit committee type</u>	<u>Occupied position</u>	<u>Inauguration date</u>	<u>Term of mandate</u>	<u>Description of Other committees</u>	<u>Description of another position / function</u>	<u>Election date</u>	<u>Elected by the Controller</u>	<u>Start date of first term</u>
Other Committees		Member of the Committee (Effective member)	Apr. 29, 2021	Undetermined	Ethics Committee		Apr. 29, 2021	Yes	Apr. 29, 2021
Convictions									
<u>Type of conviction</u>	<u>Description of conviction</u>								
N/A									

Name:	BRUNO ALEXANDRE LICARIÃO ROCHA		CPF:	278.107.688-08	Occupation:	Advisor		Date of Birth:	Feb. 18, 1979
Professional Experience:	Attorney graduated from the Law School of the University of São Paulo (USP) in 2002. – Independent member of the Too Seguros S.A. Board of Directors and founding partner of the Exes Group, which specializes in the administration of third-party resources as well as the planning and implementation of financial and capital market transactions. A trained attorney, he served as co-head of the BTG Pactual Group's Latin America Legal Department until June 2014. He joined the BTG Pactual Group in 1999 and was promoted to partner in 2009. In 2007 and 2008 he left BTG Pactual and worked as a Foreign Associate at the New York law firm Skadden, Arps, Slate, Meagher, Flom LLP. He is a member of the Brazilian Bar Association and authorized by the Brazilian Securities and Exchange Commission (CVM) to provide services as a Portfolio Manager for Securities. He is an independent director as per the criteria established in Article 16 of the New Market Regulation of B3 S.A. - Brasil, Bolsa, Balcão. – Mr. Bruno Alexandre Licarião Rocha declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.								
Committees:									
<u>Committee type</u>	<u>Audit committee type</u>	<u>Occupied position</u>	<u>Inauguration date</u>	<u>Term of mandate</u>	<u>Description of Other committees</u>	<u>Description of another position / function</u>	<u>Election date</u>	<u>Elected by the Controller</u>	<u>Start date of first term</u>
Audit Committee	Audit Committee Non-statutory	Member of the Committee (Effective member)	Apr. 28, 2022	2 years			Feb. 24, 2022	Yes	Feb. 24, 2022
Convictions									
<u>Type of conviction</u>	<u>Description of conviction</u>								
N/A									

7.4 Composition of the committees

Name:	HERCULANO ANÍBAL ALVES		CPF:	463.463.178-49	Occupation:	Economist	Date of Birth:	Feb. 27, 1953	
Professional Experience:	<p>Education: Bachelor of Economics from Pontifical Catholic University of São Paulo, Postgraduate degree in Financial Administration from São Paulo School of Business Administration of the Getúlio Vargas Foundation (EAESP/FGV), and Master of Finance and Investments from EAESP/FGV. Certifications: Financial Seminary Analyst (CFA), Anbima (CGA) and Portfolio Manager accredited by CVM. He is a variable income consultant at BRAM - Bradesco Asset Management S.A. DTVM, since May 2014 and director of BRAM US, since September 2011. He also served as Director of Variable Income at BRAM - Bradesco Asset Management S.A. DTVM (Jul/2001 to Apr/2014), Variable Income Manager at Bradesco Templeton Ltda (Jun/1998 to Jun/2001), Director of Variable Income at Banco ABN AMRO S.A. (Feb/1995 to Jun/1998) and Portfolio Manager at Banco Unibanco S.A. (Oct/92 to Jan/95). Mr. Herculano Anibal Alves declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.</p>								
Committees:									
Committee type	Audit committee type	Occupied position	Inauguration date	Term of mandate	Description of Other committees	Description of another position / function	Election date	Elected by the Controller	Start date of first term
Audit Committee	Audit Committee Non-statutory	Member of the Committee (Effective member)	Apr. 28, 2022	2 years			Feb. 24, 2022	Yes	Feb. 24, 2022
Other Committees		Member of the Committee (Effective member)	Apr. 28, 2022	3 years	Investment Committee		Apr. 28, 2022	Yes	Apr. 28, 2022
Convictions									
Type of conviction	Description of conviction								
N/A									

7.4 Composition of the committees

Name: JOÃO CARLOS SFREDDO **CPF:** 008.936.920-34 **Occupation:** Accountant **Date of Birth:** Sep. 23, 1946

Professional Experience: Education: Bachelor of Science in Accounting Sciences from the Pontifical Catholic University of Rio Grande do Sul with post-graduation, extension, and enhancement (external audit) from the Federal University of Rio Grande do Sul, in accordance with IAIB and IBMEC. Mr. João Carlos Sfreddo was elected Coordinator of the Audit Committee, at the Board of Directors Meeting on April 28, 2022. Professional with recognized experience in corporate accounting matters and more than 30 years of experience in the tax and audit areas, with clients in the retail, chemical and petrochemical, electricity, financial institutions, and manufacturing sectors. From 1982 to 2009, he worked as a Tax Partner at Ernst & Young (Tax Consulting). Mr. João Carlos is a member of the Junior Chamber, a founding member of the Brazilian Institute of Finance Executives (IBEF), and he was the Vice-President of the Association of Sales Managers of Brazil (ADVB) for two terms. Mr. João Carlos Sfreddo declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.

Committees:

Committee type	Audit committee type	Occupied position	Inauguration date	Term of mandate	Description of Other committees	Description of another position / function	Election date	Elected by the Controller	Start date of first term
Audit Committee	Audit Committee	Other	Apr. 28, 2022	2 years		Coordinator of the Audit Committee	Feb. 24, 2022	Yes	Feb. 24, 2022

Convictions

Type of conviction	Description of conviction
N/A	

Name: LUIZ CARLOS SCHNEIDER **CPF:** 429.255.920-15 **Occupation:** Accountant **Date of Birth:** Nov. 3, 1966

Professional Experience: Master's in accounting sciences with emphasis in Controllershship and Finance by Unisinos, completion in 2012. Specialization in Strategic Cost Management from the University of Caxias do Sul (UCS), completion in 2006. Graduation in Strategic Cost Management from the University of Caxias do Sul (UCS), completion in 2003. From 2006 to 2015, his professional performance was as an Accountant, and he currently occupies the position of Controller Division Manager. Mr. Luiz Carlos Schneider declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.

Committees:

Committee type	Audit committee type	Occupied position	Inauguration date	Term of mandate	Description of Other committees	Description of another position / function	Election date	Elected by the Controller	Start date of first term
Other Committees		Member of the Committee (Effective member)	Apr. 29, 2021	Undetermined	Ethics Committee		Apr. 29, 2021	Yes	Apr. 29, 2021

Convictions

Type of conviction	Description of conviction
N/A	

7.4 Composition of the committees

Name:	PEDRO GRENDENE BARTELLE		CPF:	098.647.840-72	Occupation:	Industrial	Date of Birth:	Jan. 23, 1950	
Professional Experience:	<p>Founder of the Company Vice Chairman of the Board of Directors since August 18, 2004. Education: Bachelor of Laws, University of Caxias do Sul/RS. Mr. Pedro Grendene Bartelle was one of those responsible for the growth of the company through the development of innovative concepts, technology, products, and design. He held the position of Vice-President until April 25, 2013. Mr. Pedro Grendene Bartelle declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.</p>								
Committees:									
	Audit committee type	Occupied position	Inauguration date	Term of mandate	Description of Other committees	Description of another position / function	Election date	Elected by the Controller	Start date of first term
Committee type									
Other Committees		Member of the Committee (Effective member)	Apr. 28, 2022	3 years	Investment Committee		Apr. 28, 2022	Yes	May 27, 2019
Other Committees		Member of the Committee (Effective member)	Feb. 12, 2015	Undetermined	Stock Option Program Management Committee		Feb. 12, 2015	Yes	Feb. 12, 2015
Convictions									
Type of conviction	Description of conviction								
N/A									

Name:	RAFAEL VIEIRA GRAZZIOTIN		CPF:	699.623.670-34	Occupation:	699.623.670-34	Date of Birth:	Mar. 3, 1975	
Professional Experience:	<p>Mr. Rafael Vieira Grazziotin is an attorney who graduated from the University of Caxias do Sul, he also holds a postgraduate degree in Public Law from the same University. University Professor of Business Law for over ten years. Practicing lawyer in the area of corporate law. Partner responsible for the corporate area of Casali, Grazziotin e Missaglia Advogados Associados since 1998. Member of the Special Committee on Corporate Advocacy of the Bar Association of the state of Rio Grande do Sul (OAB/RS). Mr. Luiz Carlos Schneider declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.</p>								
Committees:									
	Audit committee type	Occupied position	Inauguration date	Term of mandate	Description of Other committees	Description of another position / function	Election date	Elected by the Controller	Start date of first term
Committee type									
Other Committees		Member of the Committee (Effective member)	Aug. 4, 2022	2 years	Related Parties Committee		Aug. 4, 2022	Yes	Aug. 13, 2020
Convictions									
Type of conviction	Description of conviction								
N/A									

7.4 Composition of the committees

Name:	RALPH FONSECA MUNIZ DE MELO		CPF:	836.259.093-91	Occupation:	Business Administrator		Date of Birth:	Dec. 3, 1979
Professional Experience:	Education: Graduated in Business Administration from the State University of Ceará (UECE), holds an MBA in Controllershship and Finance from the Brazilian Institute of Capital Markets (IBMEC), and a Professional master's in administration from the University of Fortaleza (UNIFOR) focused in the area of Corporate Risk Management. Mr. Ralph Fonseca Muniz de Melo declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.								
Committees:									
<u>Committee type</u>	<u>Audit committee type</u>	<u>Occupied position</u>	<u>Inauguration date</u>	<u>Term of mandate</u>	<u>Description of Other committees</u>	<u>Description of another position / function</u>	<u>Election date</u>	<u>Elected by the Controller</u>	<u>Start date of first term</u>
Other Committees		Member of the Committee (Effective member)	Apr. 29, 2021	Undetermined	Ethics Committee		Apr. 29, 2021	Yes	Apr. 29, 2021
Convictions									
<u>Type of conviction</u>	<u>Description of conviction</u>								
N/A									

Name:	RENATO OCHMAN		CPF:	375.739.690-15	Occupation:	Attorney		Date of Birth:	Feb. 21,1960
Professional Experience:	Member of the Board of Directors since August 18, 2004. Education: Attorney, Bachelor of Laws from PUC/RS. Master's degree in Commercial Law from PUC/SP; Postgraduate degree in Commercial Law from PUC/SP; Partner of the law firm Ochman, Real Amadeo Advogados Associados with offices in São Paulo/SP and Porto Alegre/RS, a firm specialized in Corporate Law and Capital Markets; in the advisory area, corporate and civil litigation; IPO of companies; securities issues; structuring of family succession, among others. Guest professor of courses at GVLaw/Fundação Getúlio Vargas/SP. Member of the Board of the São Paulo Graded School and member of the Brazilian Bar Association - São Paulo and Rio Grande do Sul Section. Mr. Renato Ochman declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.								
Committees:									
<u>Committee type</u>	<u>Audit committee type</u>	<u>Occupied position</u>	<u>Inauguration date</u>	<u>Term of mandate</u>	<u>Description of Other committees</u>	<u>Description of another position / function</u>	<u>Election date</u>	<u>Elected by the Controller</u>	<u>Start date of first term</u>
Other Committees		Member of the Committee (Effective member)	Feb. 12, 2015	Undetermined	Stock Option Program Management Committee		Feb. 12, 2015	Yes	Feb. 12, 2015
Convictions									
<u>Type of conviction</u>	<u>Description of conviction</u>								
N/A									

7.4 Composition of the committees

Name:	RODRIGO GERALDI ARRUY		CPF:	250.333.968-97	Occupation:	Civil Engineer	Date of Birth:	Jun. 10, 1978	
Professional Experience:	Mr. Rodrigo Geraldi Arruy, director responsible for the administration of securities portfolios at Nova Milano, graduated in Civil Engineering from Fundação Álvares Penteado (FAAP) in December 2001 and completed an MBA in business management from Fundação Getúlio Vargas (FGVSP) in July 2008. He holds the ANBIMA Manager Certification (CGA), valid indefinitely. Mr. Rodrigo Geraldi Arruy was authorized by the CVM (Brazilian Securities and Exchange Commission) to provide services as a securities portfolio manager in March 2012, according to CVM Declaratory Act No. 12,191 dated March 2, 2012. Mr. Rodrigo Geraldi Arruy has been with Nova Milano since its inception in 2010, serving as its director responsible for securities portfolio management since March 2012. Furthermore, he participates in the investment committees of various funds managed by Nova Milano, as well as in the companies invested by these funds, such as Even Construtora e Incorporadora S.A. (Even), where he serves as a member of the Board of Directors since 2015, having been elected as a member of Even's Board of Directors on April 29, 2019, with a mandate until the Annual General Meeting of 2021.								
Committees:									
Committee type	Audit committee type	Occupied position	Inauguration date	Term of mandate	Description of Other committees	Description of another position / function	Election date	Elected by the Controller	Start date of first term
Other Committees		Member of the Committee (Effective member)	Apr. 28, 2022	3 years	Investment Committee		Apr. 28, 2022	Yes	May 27, 2019
Convictions									
Type of conviction	Description of conviction								
N/A									

Name:	RUDIMAR DALL ONDER		CPF:	254.626.870-87	Occupation:	Mechanical Engineer	Date of Birth:	Aug. 14, 1956	
Professional Experience:	Education: Mechanical Engineering (1981) from the University of Caxias do Sul (UCS). He joined the Company in 1979. Education: Mechanical Engineering (1981) from the University of Caxias do Sul (UCS). He joined the Company in 1979 and held various positions until becoming Industrial and Commercial Director in 1987. On August 18, 2004, he was elected statutory Industrial and Commercial Director, and on April 25, 2013, he was elected Chief Executive Officer. He accumulated the function of Industrial and Commercial Director until April 7, 2014, when there was a reform of the Bylaws and the statutory position of Industrial and Commercial Director ceased to exist. In April 2020, in addition to being Chief Executive Officer, he held the position of Chief Financial Officer until March 2023. Mr. Rudimar Dall Onder declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.								
Committees:									
Committee type	Audit committee type	Occupied position	Inauguration date	Term of mandate	Description of Other committees	Description of another position / function	Election date	Elected by the Controller	Start date of first term
Other Committees		Member of the Committee (Effective member)	Aug. 4, 2022	2 years	Related Parties Committee		Aug. 4, 2022	Yes	Aug. 13, 2020
Other Committees		Chairman of the Committee	Apr. 28, 2022	3 years	Investment Committee		Apr. 28, 2022	Yes	May 27, 2019
Convictions									
Type of conviction	Description of conviction								
N/A									

7.4 Composition of the committees

Name: SANDRO ALBERTO DOS SANTOS BRAIDO **CPF:** 583.026.110-34 **Occupation:** Administrator - Systems Analysis **Date of Birth:** Nov. 1, 1969

Professional Experience: Master of Business Administration in People Management and Leadership by Unisinos, completion in 2016. Master of Business Administration in Information Technology by Unisinos, completion 2012. Postgraduate degree in Business Management from CESF, completion in 2010. Graduation in Administration - Systems Analysis by CESF, completion in 2007. In recent years, he has held the positions of IT Systems Coordinator from 2003 to 2018, IT Coordinator from 2018 to 2019, IT Department Manager from 2019 to 2020, and IT Division Manager at the present time. Mr. Sandro Alberto Dos Santos Braido declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.

Committees:

Committee type	Audit committee type	Occupied position	Inauguration date	Term of mandate	Description of Other committees	Description of another position / function	Election date	Elected by the Controller	Start date of first term
Other Committees		Member of the Committee (Effective member)	Apr. 29, 2021	Undetermined	Ethics Committee		Apr. 29, 2021	Yes	Apr. 29, 2021

Convictions

Type of conviction	Description of conviction
N/A	

Name: TAISA SANDOLI ROSSETTO **CPF:** 048.484.099-18 **Occupation:** Environmental Engineer **Date of Birth:** Sep. 21, 1984

Professional Experience: Graduation in Environmental Engineering from the Federal University of Santa Catarina (UFSC), completion in 2012. In recent years, she has held the positions of Environment Specialist I from 2012 to 2014, Environment Specialist II from 2015 to 2020, and Sustainable Development Coordinator at the present time. Ms. Taisa Sandoli Rossetto declares that he is not involved in any offenses that would prevent him from performing the duties of the appointed position, that he does not hold positions in companies that could be deemed competitors in the market, and that he has no conflicting interests with the Company.

Committees:

Committee type	Audit committee type	Occupied position	Inauguration date	Term of mandate	Description of Other committees	Description of another position / function	Election date	Elected by the Controller	Start date of first term
Other Committees		Member of the Committee (Effective member)	Apr. 29, 2021	Undetermined	Ethics Committee		Apr. 29, 2021	Yes	Apr. 29, 2021

Convictions

Type of conviction	Description of conviction
N/A	

7.5 Family relations

Name Position	CPF	Corporate name of the issuer or subsidiary	CNPJ	Type of relationship with the issuer's administrator or subsidiary
<u>Administrator of the issuer or subsidiary</u>				
PEDRO GRENDENE BARTELLE Vice Chairman of the Board of Directors	098.647.840-72	GRENDENE S.A.	89.850.341/0001-60	
<u>Related party</u>				
ALEXANDRE GRENDENE BARTELLE Chairman of the Board of Directors	098.675.970-87	GRENDENE S.A.	89.850.341/0001-60	Brother or sister (1st degree by consanguinity)
<u>Note</u>				
<hr/>				
<u>Administrator of the issuer or subsidiary</u>				
PEDRO GRENDENE BARTELLE Vice Chairman of the Board of Directors	098.647.840-72	GRENDENE S.A.	89.850.341/0001-60	
<u>Related party</u>				
PEDRO BARTELLE Shareholder	685.957.430-53	GRENDENE S.A.	89.850.341/0001-60	Son or daughter (1st degree by consanguinity)
<u>Note</u>				
<hr/>				
<u>Administrator of the issuer or subsidiary</u>				
PEDRO GRENDENE BARTELLE Vice Chairman of the Board of Directors	098.647.840-72	GRENDENE S.A.	89.850.341/0001-60	
<u>Related party</u>				
GIOVANA BARTELLE VELLOSO Shareholder	685.957.780-00	GRENDENE S.A.	89.850.341/0001-60	Son or daughter (1st degree by consanguinity)
<u>Note</u>				
<hr/>				

7.5 Family relations

Name Position	CPF	Corporate name of the issuer or subsidiary	CNPJ	Type of relationship with the issuer's administrator or subsidiary
<u>Administrator of the issuer or subsidiary</u>				
PEDRO GRENDENE BARTELLE Vice Chairman of the Board of Directors	098.647.840-72	GRENDENE S.A.	89.850.341/0001-60	
<u>Related party</u>				
ANDRÉ DE CAMARGO BARTELLE Shareholder	354.047.748-94	GRENDENE S.A.	89.850.341/0001-60	Son or daughter (1st degree by consanguinity)
<u>Note</u>				
<hr/>				
<u>Administrator of the issuer or subsidiary</u>				
PEDRO GRENDENE BARTELLE Vice Chairman of the Board of Directors	098.647.840-72	GRENDENE S.A.	89.850.341/0001-60	
<u>Related party</u>				
GABRIELLA DE CAMARGO BARTELLE Shareholder	370.718.138-33	GRENDENE S.A.	89.850.341/0001-60	Son or daughter (1st degree by consanguinity)
<u>Note</u>				
<hr/>				
<u>Administrator of the issuer or subsidiary</u>				
ALEXANDRE GRENDENE BARTELLE Chairman of the Board of Directors	098.675.970-87	GRENDENE S.A.	89.850.341/0001-60	
<u>Related party</u>				
PEDRO GRENDENE BARTELLE Vice Chairman of the Board of Directors	098.647.840-72	GRENDENE S.A.	89.850.341/0001-60	Brother or sister (1st degree by consanguinity)
<u>Note</u>				
<hr/>				

7.6 Relations of subordination, provision of services or control

Identification	CPF / CNPJ	Type of relationship between the administrator and the related party	Type of related party
Position / Function	Passport	Nationality	
Fiscal year ending December 31, 2020			
<u>Administrator of the issuer</u>			
MAÍLSON FERREIRA DA NÓBREGA	043.025.837-20	Control	Supplier
Member of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
MAÍLSON DA NÓBREGA CONSULTORIA S/C LTDA	01.579.701/0001-90	Brazilian - Brazil	
Owner partner	N/A		
<u>Note</u>			
<u>Administrator of the issuer</u>			
ALEXANDRE GRENDENE BARTELLE	098.675.970-87	Control	Direct controller
Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
CASA DE PEDRA SECURITIZADORA DE CRÉDITOS S.A.	31.468.139/0001-98	Brazilian - Brazil	
Shareholder	N/A		
<u>Note</u>			
<u>Administrator of the issuer</u>			
ALEXANDRE GRENDENE BARTELLE	098.675.970-87	Control	Direct controller
Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
NOVA MILANO INVESTIMENTOS LTDA	12.263.316/0001-55	Brazilian - Brazil	
Chief Executive Officer	N/A		
<u>Note</u>			

7.6 Relations of subordination, provision of services or control

Identification	CPF / CNPJ	Type of relationship between the administrator and the related party	Type of related party
Position / Function	Passport	Nationality	
<u>Administrator of the issuer</u>			
ALEXANDRE GRENDENE BARTELLE	098.675.970-87	Control	Direct controller
Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
EVEN CONSTRUTORA E INCORPORADORA S.A.	43.470.988/0001-65	Brazilian - Brazil	
Shareholder	N/A		
<u>Note</u>			
<u>Administrator of the issuer</u>			
ALEXANDRE GRENDENE BARTELLE	098.675.970-87	Control	Direct controller
Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
VENEZA NEGÓCIOS E PARTICIPAÇÕES S.A.	11.408.973/0001-80	Brazilian - Brazil	
Chief Executive Officer	N/A		
<u>Note</u>			
<u>Administrator of the issuer</u>			
RENATO OCHMAN	375.739.690-15	Control	Supplier
Member of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
OCHMAN, REAL AMADEO ADVOGADOS ASSOCIADOS	62.447.131/0001-79	Brazilian - Brazil	
Owner partner	N/A		
<u>Note</u>			

7.6 Relations of subordination, provision of services or control

Identification	CPF / CNPJ	Type of relationship between the administrator and the related party	Type of related party
Position / Function	Passport	Nationality	
<u>Administrator of the issuer</u>			
PEDRO GRENDENE BARTELLE	098.647.840-72	Control	Direct controller
Vice Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
NOVA MILANO INVESTIMENTOS LTDA	12.263.316/0001-55	Brazilian - Brazil	
Deputy Chief Executive Officer	N/A		
<u>Note</u>			
<u>Administrator of the issuer</u>			
PEDRO GRENDENE BARTELLE	098.647.840-72	Control	Direct controller
Vice Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
VENEZA NEGÓCIOS E PARTICIPAÇÕES S.A.	11.408.973/0001-80	Brazilian - Brazil	
Deputy Chief Executive Officer	N/A		
<u>Note</u>			
<u>Administrator of the issuer</u>			
PEDRO GRENDENE BARTELLE	098.647.840-72	Control	Direct controller
Vice Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
VULCABRAS – CE, CALÇADOS E ARTIGOS ESPORTIVOS S.A.	00.954.394/0001-17	Brazilian - Brazil	
Shareholder	N/A		
<u>Note</u>			

7.6 Relations of subordination, provision of services or control

Identification	CPF / CNPJ	Type of relationship between the administrator and the related party	Type of related party
Position / Function	Passport	Nationality	
Fiscal year ending December 31, 2021			
<u>Administrator of the issuer</u>			
MAÍLSON FERREIRA DA NÓBREGA	043.025.837-20	Control	Supplier
Member of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
MAÍLSON DA NÓBREGA CONSULTORIA S/C LTDA	01.579.701/0001-90	Brazilian - Brazil	
Owner partner	N/A		
<u>Note</u>			
<u>Administrator of the issuer</u>			
RENATO OCHMAN	375.739.690-15	Control	Supplier
Member of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
OCHMAN, REAL AMADEO ADVOGADOS ASSOCIADOS	62.447.131/0001-79	Brazilian - Brazil	
Owner partner	N/A		
<u>Note</u>			
<u>Administrator of the issuer</u>			
ALEXANDRE GRENDENE BARTELLE	098.675.970-87	Control	Direct controller
Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
CASA DE PEDRA SECURITIZADORA DE CRÉDITOS S.A.	31.468.139/0001-98	Brazilian - Brazil	
Shareholder	N/A		
<u>Note</u>			

7.6 Relations of subordination, provision of services or control

Identification	CPF / CNPJ	Type of relationship between the administrator and the related party	Type of related party
Position / Function	Passport	Nationality	
<u>Administrator of the issuer</u>			
ALEXANDRE GRENDENE BARTELLE	098.675.970-87	Control	Direct controller
Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
NOVA MILANO INVESTIMENTOS LTDA	12.263.316/0001-55	Brazilian - Brazil	
Chief Executive Officer	N/A		
<u>Note</u>			
<u>Administrator of the issuer</u>			
ALEXANDRE GRENDENE BARTELLE	098.675.970-87	Control	Direct controller
Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
EVEN CONSTRUTORA E INCORPORADORA S.A.	43.470.988/0001-65	Brazilian - Brazil	
Shareholder	N/A		
<u>Note</u>			
<u>Administrator of the issuer</u>			
ALEXANDRE GRENDENE BARTELLE	098.675.970-87	Control	Direct controller
Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
VENEZA NEGÓCIOS E PARTICIPAÇÕES S.A.	11.408.973/0001-80	Brazilian - Brazil	
Chief Executive Officer	N/A		
<u>Note</u>			

7.6 Relations of subordination, provision of services or control

Identification	CPF / CNPJ	Type of relationship between the administrator and the related party	Type of related party
Position / Function	Passport	Nationality	
<u>Administrator of the issuer</u>			
PEDRO GRENDENE BARTELLE	098.647.840-72	Control	Direct controller
Vice Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
NOVA MILANO INVESTIMENTOS LTDA	12.263.316/0001-55		
Deputy Chief Executive Officer	N/A	Brazilian - Brazil	
<u>Note</u>			
<u>Administrator of the issuer</u>			
PEDRO GRENDENE BARTELLE	098.647.840-72	Control	Direct controller
Vice Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
VENEZA NEGÓCIOS E PARTICIPAÇÕES S.A.	11.408.973/0001-80		
Deputy Chief Executive Officer	N/A	Brazilian - Brazil	
<u>Note</u>			
<u>Administrator of the issuer</u>			
PEDRO GRENDENE BARTELLE	098.647.840-72	Control	Direct controller
Vice Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
VULCABRAS – CE, CALÇADOS E ARTIGOS ESPORTIVOS S.A.	00.954.394/0001-17		
Shareholder	N/A	Brazilian - Brazil	
<u>Note</u>			

7.6 Relations of subordination, provision of services or control

Identification	CPF / CNPJ	Type of relationship between the administrator and the related party	Type of related party
Position / Function	Passport	Nationality	
Fiscal year ending December 31, 2022			
<u>Administrator of the issuer</u>			
MAÍLSON FERREIRA DA NÓBREGA	043.025.837-20	Control	Supplier
Member of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
MAÍLSON DA NÓBREGA CONSULTORIA S/C LTDA	01.579.701/0001-90	Brazilian - Brazil	
Owner partner	N/A		
<u>Note</u>			
<u>Administrator of the issuer</u>			
RENATO OCHMAN	375.739.690-15	Control	Supplier
Member of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
OCHMAN, REAL AMADEO ADVOGADOS ASSOCIADOS	62.447.131/0001-79	Brazilian - Brazil	
Owner partner	N/A		
<u>Note</u>			
<u>Administrator of the issuer</u>			
ALEXANDRE GRENDENE BARTELLE	098.675.970-87	Control	Direct controller
Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
CASA DE PEDRA SECURITIZADORA DE CRÉDITOS S.A.	31.468.139/0001-98	Brazilian - Brazil	
Shareholder	N/A		
<u>Note</u>			

7.6 Relations of subordination, provision of services or control

Identification	CPF / CNPJ	Type of relationship between the administrator and the related party	Type of related party
Position / Function	Passport	Nationality	
<u>Administrator of the issuer</u>			
ALEXANDRE GRENDENE BARTELLE	098.675.970-87	Control	Direct controller
Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
NOVA MILANO INVESTIMENTOS LTDA	12.263.316/0001-55	Brazilian - Brazil	
Chief Executive Officer	N/A		
<u>Note</u>			
<u>Administrator of the issuer</u>			
ALEXANDRE GRENDENE BARTELLE	098.675.970-87	Control	Direct controller
Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
EVEN CONSTRUTORA E INCORPORADORA S.A.	43.470.988/0001-65	Brazilian - Brazil	
Shareholder	N/A		
<u>Note</u>			
<u>Administrator of the issuer</u>			
ALEXANDRE GRENDENE BARTELLE	098.675.970-87	Control	Direct controller
Chairman of the Board of Directors	N/A	Brazilian - Brazil	
<u>Related party</u>			
VENEZA NEGÓCIOS E PARTICIPAÇÕES S.A.	11.408.973/0001-80	Brazilian - Brazil	
Chief Executive Officer	N/A		
<u>Note</u>			

7.6 Relations of subordination, provision of services or control

Identification Position / Function	CPF / CNPJ Passport	Type of relationship between the administrator and the related party Nationality	Type of related party
<u>Administrator of the issuer</u> PEDRO GRENDENE BARTELLE Vice Chairman of the Board of Directors	098.647.840-72 N/A	Control Brazilian - Brazil	Direct controller
<u>Related party</u> NOVA MILANO INVESTIMENTOS LTDA Deputy Chief Executive Officer	12.263.316/0001-55 N/A	Brazilian - Brazil	
<u>Note</u>			
<u>Administrator of the issuer</u> PEDRO GRENDENE BARTELLE Vice Chairman of the Board of Directors	098.647.840-72 N/A	Control Brazilian - Brazil	Direct controller
<u>Related party</u> VENEZA NEGÓCIOS E PARTICIPAÇÕES S.A. Deputy Chief Executive Officer	11.408.973/0001-80 N/A	Brazilian - Brazil	
<u>Note</u>			
<u>Administrator of the issuer</u> PEDRO GRENDENE BARTELLE Vice Chairman of the Board of Directors	098.647.840-72 N/A	Control Brazilian - Brazil	Direct controller
<u>Related party</u> VULCABRAS – CE, CALÇADOS E ARTIGOS ESPORTIVOS S.A. Shareholder	00.954.394/0001-17 N/A	Brazilian - Brazil	
<u>Note</u>			
<u>Administrator of the issuer</u> PEDRO GRENDENE BARTELLE Vice Chairman of the Board of Directors	098.647.840-72 N/A	Control Brazilian - Brazil	Direct controller
<u>Related party</u> VULCABRAS – ba, CALÇADOS E ARTIGOS ESPORTIVOS S.A. Shareholder	00.733.658/0001-02 N/A	Brazilian - Brazil	
<u>Note</u>			

7.7 Administrator's agreements / insurance

There are no agreements, including insurance policies, that provide for the payment or reimbursement of expenses incurred by administrators as a result of the compensation of damages caused to third parties or the Company, penalties imposed by state agents, or agreements aimed at closing administrative or judicial proceedings as a result of the performance of their duties.

7.8 Other relevant information

All relevant and pertinent information on this topic has been disclosed in the previous items.

8.1 Remuneration policy or practice

- a. objectives of the remuneration policy or practice, indicating whether it has been formally approved by the responsible body, the date of approval, and the website url where the document can be seen, if the policy is publicly accessible.**

Grendene's Management Remuneration Policy, approved at the meeting of the Board of Directors on February 24, 2022, summarizes the main remuneration practices and principles, and aims to attract, retain, and compensate in a meritocratic manner the contributions made by the Company's executives.

Thus, the policy defines guidelines and rules for determining the remuneration and benefits awarded to officers, members of the Board of Directors and the Fiscal Council, when constituted, and members of the company's committees.

The primary goals of the Remuneration Policy are: (i) attract, reward, retain, and encourage Executives to conduct business in a sustainable manner, observing appropriate risk limits, and in line with the interests of shareholders. (ii) provide remuneration based on criteria that differentiate performance and also allow for the recognition and appreciation of individual performance; and (iii) ensure the maintenance of standards compatible with the responsibilities of each position and competitive with the benchmark labor market, establishing guidelines for setting any remuneration and benefits granted to Executives.

The Management Remuneration Policy is available for consultation on the CVM, B3 and IR (<https://ri.grendene.com.br>), websites.

- b. practices and procedures adopted by the board of directors to define the individual remuneration of the board of directors and the executive management, indicating:**

- i. the issuer's bodies and committees that participate in the decision-making process, identifying how they participate.**
- ii. criteria and methodology used for setting the individual remuneration, indicating whether studies are used to verify market practices and, if so, the comparison criteria and scope of such studies**
- iii. how frequently and precisely the board of directors analyzes the issuer's remuneration policy.**

The Board of Directors is the body that defines the individual remuneration of the members of the Board of Directors and the Statutory Officers. The criteria and methodology for determining remuneration take into account the experience required for the position and use market values as a point of reference. These market values are derived from research, articles in business-oriented newspapers and magazines on executive remuneration, and the economic and financial situation of the Company.

Annually, the Board of Directors shall examine the Remuneration Policy to ensure that it is aligned with the responsibilities of each Executive, the workload of the job, the business established by the Company, and its economic and financial state during the relevant fiscal year.

- c. Composition of remuneration, indicating:**

- i. description of the various elements making up the remuneration, including, for each one of them:**
 - **its objectives and alignment with the issuer's short, medium, and long-term interests**
 - **its total remuneration proportion in the last three fiscal years**
 - **its calculation and adjustment methodology**
 - **its main performance indicators considered, including, if applicable, indicators linked to ESG issues**

The remuneration of the Company's Executives may be composed as follows:

Board of Directors: Members of the Board of Directors earn only a fixed monthly remuneration for the fulfillment of their tasks; consequently, their remuneration consists solely of the aforementioned fixed monthly remuneration.

The amount of the fixed remuneration of the members of the Board of Directors is fixed annually by the Annual General Meeting ("AGM"), based on market values and the Company's economic and financial situation.

8.1 Remuneration policy or practice

Advisory Committees: Committee members may be eligible for fixed monthly remuneration, as defined by the Board of Directors.

Fiscal Council: The members of the Fiscal Council, when installed in conformity with the legislation and the Company's bylaws, get only a fixed monthly remuneration for the fulfillment of their functions; consequently, there are no other components to the members' remuneration outside the defined monthly remuneration.

The fixed remuneration of the Fiscal Council is approved by the AGM and respects the limits defined in Law No. 6,404, Article 162, Paragraph 3. The members of the Fiscal Council receive no other type of remuneration.

Statutory and Non-Statutory Executive Board members: The executive board's remuneration is composed of fixed and variable remuneration, being:

Fixed Remuneration: It refers to the fixed monthly salary that aims to remunerate executives under attractive conditions compared to the market in order to attract and retain skilled professionals.

The executive board remuneration is based on their experience and responsibilities. The executives' remuneration is set annually by the Board of Directors.

Variable Remuneration: Refers to share-based remuneration through stock option or stock subscription plans ("Plan"), by which members may invest up to one hundred percent (100%) of their variable remuneration in the acquisition of Company's shares. In summary, the plan consists of the granting of rights to purchase Company shares, subject to price and term rules previously approved at a general meeting, with the primary goal of encouraging and aligning the medium- and long-term interests of our shareholders with those of the executives, in order to maximize the creation of value for the Company through consistent and sustainable results over the medium- and long-term.

The share-based remuneration is regulated by a specific policy under the Stock Option Plan Regulation, duly made available in full on the Company's website (<https://ri.grendene.com.br>).

Other than the fixed and variable remuneration described above, the members of the statutory board receive no other form of remuneration.

The following table illustrates the proportion of each component of total remuneration for each management body:

Period	2020		2021		2022	
Management Body	Fixed Remuneration	Share-based remuneration	Fixed Remuneration	Share-based remuneration	Fixed Remuneration	Share-based remuneration
Board of Directors	100%	-	100%	-	100%	-
Fiscal Council	100%	-	100%	-	100%	-
Statutory Board of Executive Officers	88%	12%	98%	2%	84%	16%
Audit Committee	-	-	-	-	100%	-
Ethics Committee	-	-	-	-	-	-
Stock Option Program Management Committee	-	-	-	-	-	-
Investment Committee	-	-	-	-	-	-
Related Parties Committee	-	-	-	-	-	-

The primary indicators are the evolution of the company's EBIT relative to the evolution of the market; Grendene's "share" of total Brazilian footwear exports; Grendene's "share" of participation in perceived Brazilian footwear consumption; a qualitative evaluation of the products launched; and the satisfaction of the "trade (retail)". Fixed remuneration also takes into account market parameters, comparing the Company's practices with those practiced by companies of the same size for functions of the same complexity and responsibility and inflation in the previous year.

8.1 Remuneration policy or practice

ii. justifications for the remuneration's composition

Fixed remuneration is compared to the values practiced in other companies of the same size. The share-based remuneration reflects the Company's value, resulting from the market's assessment of the Company's performance and the Stock Option Committee's assessment of the evolution of the indicators.

iii. the existence of members not remunerated by the issuer and the reason for that.

Except for the members of the Audit Committee, who receive the salary specified by the Board of Directors, the members of the other committees do not receive any remuneration for their duties, as defined in the Company's bylaws.

d. Existence of remuneration supported by subsidiaries, controlled companies or direct or indirect controlling shareholders.

There is no form of remuneration for members of the Board of Directors or Officers supported by subsidiaries, controlled companies or direct or indirect controlling shareholders.

e. Existence of any remuneration or benefit linked to the occurrence of a certain corporate event, such as the sale of the issuer's corporate control.

There is no remuneration or benefit linked to the occurrence of corporate events, however, in the event of dissolution, merger, incorporation, spin-off or liquidation of the Company, the Beneficiaries of the Stock Option or Subscription Plan may exercise their Options that may already be exercised (i.e., with the vesting period already elapsed) in the period between the date of convening the general meeting of shareholders whose purpose is to resolve on the dissolution, merger, incorporation, spin-off or liquidation of the Company and the date of the same. Otherwise, the Options will be terminated, in the same way as the Grant Plan Regulation and the respective Adhesion Agreements.

8.2 Total remuneration by body

Total remuneration expected for the current fiscal year of December 31, 2023 - Annual Values				
	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	Total
Total number of members	7.00	3.00	0.00	10.00
Number of remunerated members	7.00	3.00	0.00	10.00
Annual fixed remuneration				
Salary or pro-labore	2,100,000.00	5,800,000.00	0.00	7,900,000.00
Direct and indirect benefits	0.00	0.00	0.00	0.00
Committee Memberships	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Description of other fixed remuneration	Not applicable	Not applicable	Fiscal Council not established	
Variable Remuneration				
Bonus	0.00	0.00	0.00	0.00
Profit sharing	0.00	0.00	0.00	0.00
Participation in meetings	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Description of other variable remuneration	Not applicable	Not applicable	Not applicable	
Post-employment	0.00	0.00	0.00	0.00
End of position	0.00	0.00	0.00	0.00
Share-based (including options)	0.00	600,000.00	0.00	600,000.00
Note	Not applicable		Not applicable	
Total remuneration	2,100,000.00	6,400,000.00	0.00	8,500,000.00

8.2 Total remuneration by body

Total remuneration of the fiscal year ending on December 31, 2022 - Annual Values				
	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	Total
Total number of members	7.00	3.00	3.00	13.00
Number of remunerated members	7.00	3.00	3.00	13.00
Annual fixed remuneration				
Salary or pro-labore	1,675,520.00	5,083,080.00	157,140.00	6,915,740.00
Direct and indirect benefits	0.00	0.00	0.00	0.00
Committee Memberships	117,120.00	0.00	0.00	117,120.00
Other	0.00	0.00	0.00	0.00
Description of other fixed remuneration				
Variable Remuneration				
Bonus	0.00	0.00	0.00	0.00
Profit sharing	0.00	0.00	0.00	0.00
Participation in meetings	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Description of other variable remuneration	Not applicable		Not applicable	
Post-employment	0.00	0.00	0.00	0.00
End of position	0.00	0.00	0.00	0.00
Share-based (including options)	0.00	955,606.00	0.00	955,606.00
Note	Not applicable		Not applicable	
Total remuneration	1,792,640.00	6,038,686.00	157,140.00	7,988,466.00

8.2 Total remuneration by body

Total remuneration of the fiscal year ending on December 31, 2021 - Annual Values				
	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	Total
Total number of members	7.00	3.00	3.00	13.00
Number of remunerated members	7.00	3.00	3.00	13.00
Annual fixed remuneration				
Salary or pro-labore	1,520,400.00	4,574,160.00	460,917.00	6,555,477.00
Direct and indirect benefits	0.00	0.00	0.00	0.00
Committee Memberships	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Description of other fixed remuneration				
Variable Remuneration				
Bonus	0.00	0.00	0.00	0.00
Profit sharing	0.00	0.00	0.00	0.00
Participation in meetings	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Description of other variable remuneration				
Post-employment	0.00	0.00	0.00	0.00
End of position	0.00	0.00	0.00	0.00
Share-based (including options)	0.00	116,974.00	0.00	116,974.00
Note				
Total remuneration	1,520,400.00	4,691,134.00	460,917.00	6,672,451.00

8.2 Total remuneration by body

Total remuneration of the fiscal year ending on December 31, 2020 - Annual Values				
	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	Total
Total number of members	6.50	3.00	3.00	12.50
Number of remunerated members	6.50	3.00	3.00	12.50
Annual fixed remuneration				
Salary or pro-labore	1,336,200.00	4,246,920.00	434,196.00	6,017,316.00
Direct and indirect benefits	0.00	0.00	0.00	0.00
Committee Memberships	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Description of other fixed remuneration				
Variable Remuneration				
Bonus	0.00	0.00	0.00	0.00
Profit sharing	0.00	0.00	0.00	0.00
Participation in meetings	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Description of other variable remuneration				
Post-employment	0.00	0.00	0.00	0.00
End of position	0.00	0.00	0.00	0.00
Share-based (including options)	0.00	502,847.00	0.00	502,847.00
Note				
Total remuneration	1,336,200.00	4,749,767.00	434,196.00	6,520,163.00

8.3 Variable remuneration

Justification for not filling out the chart:

Grendene S.A.'s remuneration policy does not contemplate variable remuneration programs for members of the Board of Directors, Fiscal Council and Statutory Board.

8.4 Share-based remuneration plan

a. general terms and conditions:

The Program Regulations establish the rules relating to the GRENDENE S.A. Share Purchase Option or Share Subscription Program. and its subsidiaries ("Company"), established under the Company's Stock Option or Subscription Plan ("Plan"), submitted to the Company's Extraordinary Shareholders' Meeting on April 14, 2008. The Plan and Regulation currently in force were recommended by the Board of Directors, at a meeting held on March 13, 2008, with amendments approved at the Board of Directors' meeting, at a meeting held on March 1, 2012, February 12, 2015, and August 1, 2019.

Definitions established in the Plan:

For purposes of the REGULATION for the Granting of Options to Purchase or Subscribe for Shares currently in effect, the following definitions shall apply to the terminology used below:

- i) Shareholder: individual or legal entity holding a Company share.
- ii) Shares: registered common shares that will be or have already been issued by the Company.
- iii) Beneficiary: The Eligible Employee to whom the Option is effectively granted.
- iv) Eligible Employees: executives at the levels of Administrators, Board of Executive Officers, and Management, except for those who are part of the Shareholding Control, able to participate in the Stock Option or Share Subscription Plan, as indicated in the aforementioned Regulation.
- v) Company: the company GRENDENE S.A. and its subsidiaries.
- vi) Adhesion Agreement: The Private Instrument for the Grant of Option to Purchase or Subscription of Shares, entered into between the Company and the Eligible Employee, through which the latter becomes a participant in the Option to Purchase or Subscription of Shares.
- vii) Grant Date: the date of signature of the Adhesion Agreement, which will formalize the granting of the Options to the Beneficiaries.
- viii) Termination: means any act or fact that, justified or not, puts an end to the Beneficiary's legal relationship with the Company, except in cases of retirement, permanent disability, or death. Termination also covers the cases of dismissal, replacement, or non-reelection of the Beneficiary as administrator and termination of the employment contract.
- ix) Exercise of Options: the effective purchase or subscription, by the Beneficiary, of shares related to the options granted to him by the Adhesion Agreement.
- x) Option or Options: the possibility for the Beneficiaries to acquire or subscribe to the Company's shares at a previously fixed price, during a certain period of time, in compliance with the conditions established in the Regulation.
- xi) Exercisable Option(s): the Option(s) that met the conditions set out for the exercise of the right to purchase or subscribe for the Shares (reserve of rights rules), therefore subject to be exercised.
- xii) Option(s) not exercisable: the Option(s) that did not meet the conditions defined for the exercise of the right to purchase or subscribe for the Shares.
- xiii) Option Exercise Period: period between the date on which it is possible to buy or subscribe for shares and the deadline for the purchase or subscription.
- xiv) Regulation: the aforementioned Instrument, duly approved by the Board of Directors and by the Company's General Meeting.
- xv) Option Exercise Price: amount determined to be paid by the Beneficiary for the purchase or subscription of the shares object of the option granted to him or her.
- xvi) Reservation of Right (Vesting): period established by the Company that precedes the period for the exercise of the option to purchase or subscribe for shares by the Beneficiary.

8.4 Share-based remuneration plan

b. approval date and responsible body

The Program Regulations establish the rules relating to the Grendene S.A. Share Purchase Option or Share Subscription Program. and its subsidiaries ("Company"), established under the Company's Stock Option or Subscription Plan ("Plan"), submitted to the Company's Extraordinary Shareholders' Meeting on April 14, 2008. The Plan and Regulation currently in force were recommended by the Board of Directors, at a meeting held on March 13, 2008, with amendments approved at the Board of Directors' meeting, at a meeting held on March 1, 2012, February 12, 2015, and August 1, 2019.

The full Regulation of the Stock Option Plan is available for consultation on the Company's Investor Relations website. (<https://ri.grendene.com.br>)

c. Maximum number of shares covered.

The stock options granted pursuant to the Stock Option Plan and the Regulation in force will have a total limit of five percent (5%) of the Company's share capital. The shares resulting from the exercise of the option will be issued as a result of a decision on a capital increase, by the Board of Directors, within the limits of the Company's authorized capital or use of treasury shares, within the legal limits. The current shareholders will not have preference in the granting or in the exercise of the stock option, provided for in the aforementioned Regulation, as provided in Article 171, Paragraph 3 of Law No. 6,404/76.

In the event that the number, type and/or class of shares issued by the Company are changed due to splits, bonuses, groupings or conversions, the Board of Directors shall make the adjustment corresponding to the number, type and/or class of shares subject matter of each Option in force and its respective acquisition or subscription price, as the case may be, informing the Beneficiaries in writing.

d. Maximum number of options to be granted.

The criteria are the same as in the previous item. The company always provides for the granting and an option to purchase a share according to the criteria defined in the Plan.

e. Share acquisition conditions

After the vesting period provided for in the regulation has ended, the beneficiary may exercise his stock options, after the disclosure of the annual and/or quarterly results, as decided by the Board of Directors. The Exercise of the Option will consist of the purchase of shares at the established exercise price, after the "Vesting period" has elapsed. The Beneficiary, therefore, must formally express the exercise of the options to the Company, through a Notification of Exercise, within a period of up to fifteen (15) days following the meeting of the Company's Board of Directors that approved the Balance of the Previous Year, respecting the limits foreseen by the vesting period. In addition, at its sole discretion, the Board of Directors may authorize the exercise of options with the right already acquired, within a period of up to fifteen (15) days following the disclosure of quarterly results, respecting the limits established for the vesting period. The options may be exercised in whole or in part, subject to the terms and conditions established by the Board of Directors, the Committee (if applicable), the Regulation (especially, but not limited to the limits provided for the vesting period) and the Adhesion Agreements. The portion of the Option not exercised by the date provided for in the regulation will be considered automatically extinguished, without any right to indemnification. The exercise of the Option may only occur as long as the Beneficiary's relationship with the Company or its subsidiaries is verified, until the date of the effective exercise of the Option. The Exercise Notice may only be issued by the Beneficiary, after the disclosure of the annual and/or quarterly results, as decided by the Board of Directors. In the Exercise Notice, the Beneficiary must indicate the number of shares he wishes to acquire, pursuant to the communication model to be disclosed by the Board of Directors or the Committee, as the case may be.

Once the issuance of shares or transfer of treasury shares is approved, as the case may be and the resolution of the Board of Directors, the shares resulting from the Option Exercises will be transferred or launched in the name of the respective Beneficiary, who shall pay the Company the Issue Price in up to five days after registration or transfer.

8.4 Share-based remuneration plan

f. Criteria for fixing the acquisition or exercise price.

The Option Exercise Price will be based on the volume-weighted average of the share price in the month prior to the grant and adjusted for inflation (IPCA) until the Option Exercise, established, therefore, as a criterion for setting the issue price, Article 170, Paragraph 1, III, of Law No. 6,404/76. The Board of Directors, at its sole discretion, but without disrespecting the aforementioned legal limits, may apply a discount of up to 50% on the average result referred to in this item. The application of the referred discount does not create an acquired right, in favor of the same or other Beneficiaries, to similar discounts on other share issues.

g. Criteria for fixing the term of acquisition or exercise.

As provided for in the Regulation, the Options will have a total grace period of three years, and may be exercised as follows: (i) up to 1/3 after one (01) year from the grant date; (ii) plus 1/3 after 2 years from the grant date, totaling the limit of 2/3; (iii) 1/3 remaining after 3 years from the grant date. The options will have a term of six (06) years, counted from the grant date.

Deadlines were set to generate long-term incentives.

h. Option Exercise payment

The payment of the Option Exercise price shall be on the date determined by the Company, in local currency, by means of (i) a check payable to the Company; (ii) bank transfer to the account indicated by the Company; or (iii) any other form of payment expressly permitted by the Company and previously communicated to the Beneficiary, in writing.

i. Restrictions on the transfer of shares

The shares acquired by the beneficiaries under this plan do not have any transfer restrictions, however, as provided for in the Regulation, the Board of Directors or Committee (as the case may be), may impose terms and/or conditions prior to the exercise of the option and impose restrictions on the transfer of shares acquired with the exercise of the Option, and may also reserve repurchase options or preemptive rights for the Company in the event of disposal by the Beneficiary of these same shares, until the end of the term and/or compliance with the established conditions. The Adhesion Agreements will be individually prepared for each Beneficiary, and the Board of Directors or the Committee (as the case may be) may establish different terms and conditions for each Adhesion Agreement, without the need to apply any rule of isonomy or analogy between the Beneficiaries, even if they find themselves in similar or identical situations.

j. Criteria and events that, when verified, will cause the suspension, change or termination of the plan.

The "PLAN" and the REGULATION entered into force on the date of their approval by the Company's General Meeting and may be terminated at any time, by decision of the General Meeting. The expiration of the term will respect the acquired rights, not affecting the effectiveness of the Options still in force, granted based on it.

Without prejudice to any provision to the contrary provided for in the Regulation or in the Adhesion Agreement, the options granted will be automatically extinguished, with all their effects ceasing by operation of law, in the following cases: (a) through its full exercise; (b) after the expiration of the term of the option; (c) upon termination of the Adhesion Agreement; or (d) if the Company is dissolved, liquidated or has its bankruptcy decreed. However, in the event of dissolution, merger, incorporation, spin-off or liquidation of the Company, the Beneficiaries may exercise their Options that can already be exercised (that is, with the "vesting period" already elapsed) in the period between the date of the call of the general shareholders' meeting whose purpose is to resolve on the dissolution, merger, incorporation, spin-off or liquidation of the Company and the date of the same. Otherwise, the Options will be extinguished, in the same way as the Regulation and the respective Adhesion Agreements.

The Regulation will not prevent the carrying out of any corporate reorganization operations, such as transformation, incorporation, merger, and spin-off. The Company's Board of Directors and the Companies involved in such operations may, at their discretion, determine, without prejudice to other measures that they decide in equity: (a) the replacement of the shares object of the Options for shares of the Company's successor company; (b) the anticipation of the acquisition of the right to exercise the Option to acquire the Shares, in order to ensure the inclusion of the corresponding shares in the transaction in question; and/or (c) the cash payment of the amount to which the Beneficiary would be entitled under the Plan.

8.4 Share-based remuneration plan

k. Effects of the administrator's departure from the issuer's bodies on his rights provided for in the share-based compensation plan.

In the event of dismissal of the Beneficiary due to resignation or termination of the respective contract, if there is, with or without just cause, resignation or dismissal from the position, retirement, permanent disability or death, the rights conferred on him in accordance with the REGULATION, may be extinguished or modified, subject to the provisions of item 6.2 of the Regulation, transcribed below.

“... 6.2. 6.2. If, at any time during the term of the Plan, the Beneficiary: a) leaves the Company of their own volition, resigning from their job, terminating the respective contract, if any, or resigning from their position as manager: (i) the Non-Exercisable Options on the date of their termination will automatically become extinct, by operation of law, regardless of prior notice or indemnity; and (ii) the Exercisable Options may be exercised within a period of up to thirty (30) days, after which they will be automatically extinguished, regardless of notice, notification or subpoena; b) is dismissed from the Company at its will, upon resignation or termination of the respective contract, if any, for just cause or removal from its position for violating the duties and attributions of an administrator, all rights already exercisable or not yet exercisable in accordance with the respective Adhesion Agreement, on the date of its termination, will be automatically extinguished, by operation of law, regardless of prior notice or indemnity; c) is dismissed from the Company at its will, upon dismissal or termination of the respective contract, if any, without just cause or dismissal from its position without violating the duties and attributions of an administrator: (i) the Non-Exercisable Options in accordance with the respective Adhesion Agreement, on the date of their withdrawal, will be automatically canceled, regardless of prior notice, notification or indemnification; (ii) the Exercisable Options must be exercised without extension within thirty (30) days from the notice of termination, after which they will be automatically canceled, regardless of prior notice, notification or indemnification; d) leave the Company due to retirement or permanent disability: (i) The Non-Exercisable Options under the Adhesion Contract on the date of the resignation will be exercised in the terms duly established in the Adhesion Agreement, even after the termination of the legal and/or labor relationship with the Company; and (ii) the Exercisable Options under the Adhesion Agreement on the date of the resignation will remain unchanged and may be exercised normally under the terms of the Agreement; d.1) In both cases mentioned in letter "d" above, the Committee that manages the Stock Option Plan is hereby authorized to take all decisions and measures applicable as described in items (i) and (ii) above. d.2) The Committee shall independently evaluate the work provided by the Beneficiary for his or her succession to the Company, starting twelve (12) months before the effective date of his or her Resignation. The Beneficiary must choose his successor at least six (6) months before to his or her termination from the Company, as well as fully train and prepare him or her to accept his or her position. Throughout the Succession Period and training, the successor must demonstrate that he or she can perform the job's tasks and responding positively to all obligations and responsibilities inherent to the position. d.3) For the purposes of these RULES, Succession Period refers to the time elapsed between the date on which the Beneficiary expressly displays his or her willingness to resign from the Company and the date on which his or her dismissal is formalized. e) resignation from the Company on the grounds of death: (i) the Non-Exercisable Options according to the respective Adhesion Agreement, on the date of his or her death, will become automatically exercisable, anticipating the grace period, and the Beneficiary's legal heirs and successors may exercise the respective Option within up to twelve (12) months from the date of death, after which such rights will be automatically extinct, by operation of law, regardless of prior notice or indemnification; and (ii) the Exercisable Options pursuant to the respective Adhesion Agreement, on the date of his or her death, may be exercised by the Beneficiary's legal heirs and successors, provided that they do so within twelve (12) months of the date of death, after which such rights will be automatically extinguished by operation of law, regardless of prior notice, notification, or indemnification. ...

Items 6.3 and 6.4 of the Regulations state:

6.3. In the case of dismissals without just cause that take place in the period of 12 months after a change of control, in accordance with the law, all the options become exercisable.

6.4. The Board of Directors shall have freedom and autonomy to decide on exceptional cases and/or change the rules specified above, without prejudice to rights already exercised and/or acquired prior to their decision.”

8.5 Share-based remuneration (Stock options)

Fiscal Year: December 31, 2023

	Board of Directors	Statutory Board of Executive Officers	Fiscal Council
Total number of members		3	
Number of remunerated members		3	
Potential dilution in the event of the exercise of all options granted		0.05	
WEIGHTED AVERAGE EXERCISE PRICE OF EACH OF THE FOLLOWING OPTION GROUPS			
Outstanding at the beginning of the fiscal year		4.50	
Options lost or expired during the fiscal year		0.00	
Exercised during the fiscal year		4.50	

Fiscal Year: December 31, 2022

	Board of Directors	Statutory Board of Executive Officers	Fiscal Council
Total number of members		3	
Number of remunerated members		3	
Potential dilution in the event of the exercise of all options granted		0.01	
WEIGHTED AVERAGE EXERCISE PRICE OF EACH OF THE FOLLOWING OPTION GROUPS			
Outstanding at the beginning of the fiscal year		4.68	
Options lost or expired during the fiscal year		0.00	
Exercised during the fiscal year		4.68	

Fiscal Year: December 31, 2021

	Board of Directors	Statutory Board of Executive Officers	Fiscal Council
Total number of members		3	
Number of remunerated members		3	
Potential dilution in the event of the exercise of all options granted		0.01	
WEIGHTED AVERAGE EXERCISE PRICE OF EACH OF THE FOLLOWING OPTION GROUPS			
Outstanding at the beginning of the fiscal year		4.93	
Options lost or expired during the fiscal year		0.00	
Exercised during the fiscal year		5.01	

Fiscal Year: December 31, 2020

	Board of Directors	Statutory Board of Executive Officers	Fiscal Council
Total number of members		3	
Number of remunerated members		3	
Potential dilution in the event of the exercise of all options granted		0.01	
WEIGHTED AVERAGE EXERCISE PRICE OF EACH OF THE FOLLOWING OPTION GROUPS			
Outstanding at the beginning of the fiscal year		4.51	
Options lost or expired during the fiscal year		0.00	
Exercised during the fiscal year		4.25	

8.6 Granting of Stock options

Grants made in the year ending December 31, 2022	Board of Directors	Statutory Board of Executive Officers
Stock option grants	Not Applicable	15th Plan
Total number of members	-	3.00
Number of remunerated members	-	3.00
Grant date	-	February 24, 2022
Number of options granted	-	449,994
Term for options to become exercisable	-	As foreseen in the Plan: The Options will have a total grace period of three years and may be exercised as follows: up to 1/3 after one (1) year from the date of grant; an additional 1/3 after two (2) years from the date of grant, totaling a maximum of 2/3; and the remaining 1/3 after three (3) years from the date of grant.
Deadline for exercising the options	-	February 23, 2028
Restriction period for the transfer of shares	-	There is no restriction
Fair value of options on the grant date	-	R\$ 3.79
Multiplication of the number of shares granted by the fair value of the options on the grant date	-	R\$1,705,477.26

No stock options were granted in the fiscal years ended December 31, 20/2020, December 31, 2021, and December 31, 2023.

8.7 Other possible options

Options outstanding at the end of the fiscal year ending December 31, 2022

Body	Board of Directors	Statutory Board of Executive Officers
Total number of members	7.00	3.00
Number of remunerated members	-	3.00
Options not yet exercisable	-	15th Plan (2022)
i. Quantity	-	449,994
ii. Date on which they will become exercisable	-	February 24, 2023 – 149,998 February 24, 2024 – 149,998 February 24, 2025 – 149,998
iii. Deadline for exercising the options	-	February 24, 2028
iv. Restriction period for the transfer of shares	-	There is no restriction
v. Weighted average fiscal year price	-	R\$4,50
vi. Fair value of options on the grant date	-	R\$4,31
Exercisable options	-	There were no exercisable options on December 31, 2022
i. Quantity	-	-
ii. Deadline for exercising the options	-	-
iii. Restriction period for the transfer of shares	-	-
iv. Weighted average fiscal year price	-	-
v. Fair value of options on the grant date	-	-
Fair value of options on the last day of the fiscal year	-	R\$1,939,474.14

8.8 Options exercised and share surrendered

Options exercised in the year ending December 31, 2022		
Body	Board of Directors	Statutory Board of Executive Officers
Total number of members	7.00	3.00
Number of remunerated members	-	3.00
Number of shares	-	65,128
Weighted average fiscal year price	-	R\$ 5.23
Average market price of shares related to options exercised	-	R\$ 7.38
Total amount of the difference between the weighted average exercise price and the weighted average market price of the shares related to the options exercised	-	(R\$140,025.20)

Options exercised in the year ending December 31, 2021		
Body	Board of Directors	Statutory Board of Executive Officers
Total number of members	7.00	3.00
Number of remunerated members	-	2.00
Number of shares	-	212,116
Weighted average fiscal year price	-	R\$ 5.18
Average market price of shares related to options exercised	-	R\$ 8.92
Total amount of the difference between the weighted average exercise price and the weighted average market price of the shares related to the options exercised	-	(R\$793,313.84)

Options exercised in the year ending December 31, 2020		
Body	Board of Directors	Statutory Board of Executive Officers
Total number of members	6.50	3.00
Number of remunerated members	-	3.00
Number of shares	-	469,660
Weighted average fiscal year price	-	R\$ 4.26
Average market price of shares related to options exercised	-	R\$ 10.02
Total amount of the difference between the weighted average exercise price and the weighted average market price of the shares related to the options exercised	-	(R\$2,705,241.60)

8.9 Potential dilution from granting of shares

Share-based remuneration expected for the current fiscal year (2023)

Body	Board of Directors	Statutory Board of Executive Officers
Total number of members	7.00	3.00
Number of remunerated members	-	3.00
Potential dilution in case all shares are granted to beneficiaries	-	0.05%

Share-based remuneration for the fiscal year ending on December 31, 2022

Body	Board of Directors	Statutory Board of Executive Officers
Total number of members	7.00	3.00
Number of remunerated members	-	3.00
Potential dilution in case all shares are granted to beneficiaries	-	0.01%

Share-based remuneration for the fiscal year ending on December 31, 2021

Body	Board of Directors	Statutory Board of Executive Officers
Total number of members	7.00	3.00
Number of remunerated members	-	3.00
Potential dilution in case all shares are granted to beneficiaries	-	0.01%

Share-based remuneration for the fiscal year ending on December 31, 2020

Body	Board of Directors	Statutory Board of Executive Officers
Total number of members	6.50	3.00
Number of remunerated members	-	3.00
Potential dilution in case all shares are granted to beneficiaries	-	0.03%

8.10 Granting of shares

Grants made in the year ending December 31, 2022	Board of Directors	Statutory Board of Executive Officers
Total number of members	7.00	3.00
Number of remunerated members	7.00	3.00
Grant date	-	February 24, 2022
Number of options granted	-	449,994
Deadline for delivery of shares	-	6 years
Restriction period for the transfer of shares	-	Not Applicable
Fair value of options on the grant date	-	3.79
Multiplication of the number of shares granted by the fair value of the options on the grant date	-	1,705,477.26

No stock options were granted in the fiscal years ended December 31, 2020, December 31, 2021, and December 31, 2022.

8.11 Shares delivered

Fiscal Year: December 31, 2023

	Board of Directors	Statutory Board	Fiscal Council
Total number of members		3.00	
Number of remunerated members		3.00	
Number of shares		149,998	
Weighted average of acquisition price		4.36	
Weighted average market price of the acquired shares		7.39	
Multiplication of the total shares acquired by the difference between the weighted average acquisition price and the weighted average market price of the shares acquired		-454,493.94	

Fiscal Year: December 31, 2022

	Board of Directors	Statutory Board	Fiscal Council
Total number of members		3.00	
Number of remunerated members		3.00	
Number of shares		65,128	
Weighted average of acquisition price		5.23	
Weighted average market price of the acquired shares		8.92	
Multiplication of the total shares acquired by the difference between the weighted average acquisition price and the weighted average market price of the shares acquired		-240,322.32	

Fiscal Year: December 31, 2021

	Board of Directors	Statutory Board	Fiscal Council
Total number of members		3.00	
Number of remunerated members		3.00	
Number of shares		212,116	
Weighted average of acquisition price		5.18	
Weighted average market price of the acquired shares		7.52	
Multiplication of the total shares acquired by the difference between the weighted average acquisition price and the weighted average market price of the shares acquired		-496,351.44	

Fiscal Year: December 31, 2020

	Board of Directors	Statutory Board	Fiscal Council
Total number of members		3.00	
Number of remunerated members		3.00	
Number of shares		469,660	
Weighted average of acquisition price		4.26	
Weighted average market price of the acquired shares		11.43	
Multiplication of the total shares acquired by the difference between the weighted average acquisition price and the weighted average market price of the shares acquired		-3,367,462.20	

8.12 Pricing of shares / options

a. Pricing Model

	15th Plan (2022)
Pricing Model	Black and Scholes

b. Data and assumptions used in the pricing model, including the weighted average share price, strike price, expected volatility, option life, expected dividends, and the risk-free interest rate.

	15th Plan (2022)
Grant date	February 24, 2022
Total purchase options granted	449,994
Exercise price	4.50
Expected volatility	25.95%
Expected dividend on shares ^(*)	5%
Weighted average risk-free interest rate ^(**)	12,25%
Maximum Maturity	6 years
Average Maturity	2.5 years
Fair value at grant date	3.79

* Expected dividends were obtained based on the average dividend payments per share in relation to the market value of the shares in the last 12 months.

** The Company uses the projected average Selic rate, published by the Central Bank (BACEN) as a risk-free interest rate.

c. Method used and assumptions made to incorporate the expected effects of early exercise.

	15th Plan (2022)
Method and assumptions	For the calculation of the fair value of the options, we use the expected life value of the options. We do not consider turnover as it is considered negligible at the level of the board of Grendene S.A. The average maturity until the exercise of each option was estimated at 2.5 years according to the history observed by the company.

d. Method of determining expected volatility

	15th Plan (2022)
Expected Volatility	Volatility was calculated based on the historical average fluctuation of the share price in the last 18 months prior to the grant date.

e. If any other feature of the option was incorporated in the measurement of its fair value.

	15th Plan (2022)
Whether any other feature of the option was incorporated in the measurement of its fair value:	No

8.13 Holdings by organization / body

Shares or quotas directly or indirectly held, in Brazil or abroad, and other securities convertible into shares or quotas, issued by the Company, its direct or indirect controllers, companies controlled or under common control, by members of the board of directors, the executive board statutory or audit committee, grouped by body, on the closing date of the last fiscal year.

Notes:

(*) The controlling shareholders and other shareholders bound by the Company's shareholders' agreement are included.

(**) Fiscal Council is not installed.

Shareholders	December 31, 2022	
	Number of shares	% of participation in total share capital
Members of the Board of Directors (*)	631,470,212	69.995368%
Members of the Statutory Executive Board	2,494,506	0.276504%
Members of the Fiscal Council (**)	-	-
Total of shares	633,964,718	70.271872%

Shareholders	December 31, 2021	
	Number of shares	% of participation in total share capital
Members of the Board of Directors (*)	630,777,412	69.918575%
Members of the Statutory Executive Board	2,872,808	0.318437%
Members of the Fiscal Council	150,000	0.016627%
Total of shares	633,800,220	70.253638%

Shareholders	December 31, 2020	
	Number of shares	% of participation in total share capital
Members of the Board of Directors (*)	628,947,312	69.715718%
Members of the Statutory Executive Board	2,402,092	0.266260%
Members of the Fiscal Council	150,000	0.016627%
Total of shares	631,499,404	69.998605%

8.14 Pensions plans

The Company does not maintain Pension Plans for its management.

8.15 Minimum, average, and maximus remuneration

Annual Values

	Statutory Board of Executive Officers			Board of Directors			Fiscal Council		
	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2022	December 31, 2021	December 31, 2020
Number of members	3	3	3	7	7	7	3	3	3
Number of remunerated members	3	3	3	7	7	7	3	3	3
Value of the highest remuneration BRL	2,602,945.00	1,822,800.00	2,058,753.00	356,480.00	217,200.00	205,400.00	52,380.00	153,639.00	144,732.00
Value of the lowest remuneration BRL	1,358,429.00	1,136,000.00	756,000.00	239,360.00	217,200.00	103,800.00	52,380.00	153,639.00	144,732.00
Average value of the remuneration BRL	2,012,895.33	1,524,720.00	1,583,255.67	256,091.43	217,200.00	205,569.23	52,380.00	153,639.00	144,732.00

Note

Statutory Board

Board of directors

Fiscal CouncilStatutory Board

December 31, 2022

There was no request for the installation of Fiscal Council at the AGM / EGM of April 25, 2022.

8.16 Remuneration / indemnification mechanisms

There are no contractual arrangements, insurance policies or other instruments that structure remuneration or indemnification mechanisms for managers in the event of removal from office or retirement.

8.17 Percentage of related parties in remuneration

Financial year ended on:	Board of Directors	Fiscal Council	Statutory Board of Executive Officers
December 31, 2020	20.5%	6.7%	72.8%
December 31, 2021	22.8%	6.9%	70.3%
December 31, 2022	22.4%	2.0%	75.6%
December 31, 2023	24.7%	0.0%	75.3%

8.18 Remuneration – Other functions

There are no amounts recognized in the Company's results as remuneration for members of the Board of Directors, the Statutory Executive Board, or the Fiscal Council for any reason other than their function.

8.19 Recognized remuneration of the controlling company / subsidiary

There are no amounts recognized in the results of direct or indirect Controlling companies, companies under common control, or the issuer's subsidiaries, as remuneration for members of the Board of Directors, the Statutory Board, or the Fiscal Council.

8.20 Other relevant information

We hereby inform that the entirety of the Regulations for the Granting of Stock Options or Subscription Plans, approved at the Annual General and Extraordinary Meetings of April 14, 2008 and the amendments approved at the Board of Directors' Meeting of March 1, 2012, March 12, February 2015 and August 1, 2019, is available for consultation on the websites of the SEC, B3 and on the Company's investor relations website.

Comissão de Valores Mobiliários (Brazilian Securities and Exchange Commission) – <http://www.cvm.gov.br>

B3 S.A. – Brasil, Bolsa, Balcão (Brazil Stock Exchange and Over-the-Counter Market) – <http://www.b3.com.br>

Grendene – Investor Relations – <https://ri.grendene.com.br/PT/Governanca-Corporativa/Stock-Options>

Stock options plan

The information contained in the previous items refers only to the Officers. However, it is necessary to clarify that the stock option plan, managed by the Board of Directors, includes executives at the levels of Administrators as beneficiaries, in addition to the above officers, it also includes the main managers. For greater transparency, we transcribe below the explanatory note No. 21 of the financial statements.

Stock option or stock subscription plan

The Stock Option or Subscription Plan, approved by the Company's shareholders at the Extraordinary General Meeting on April 14, 2008, grants directors and managers, except controlling directors, the right to acquire shares of the Company, in the form and conditions described on the plan.

The stock options can be exercised up to six years from the grant date, with a vesting period of three years, with release of 33% from the first anniversary, 66% from the second anniversary and 100% from the third anniversary.

To comply with the stock option exercise plans, 464,424 shares were acquired in 2022 (205,522 in 2021), at an average cost of R\$7.38 (R\$8.92 in 2021), totaling R\$3,429 (R\$1,832 in 2021).

In the first quarter of 2022, 202,296 shares were exercised at an average price of R\$5.23, for a total of R\$1,058 million.

Since plan options are settled with equity instruments, the difference between the average exercise price of the options and the average cost of the shares bought to meet the exercise of stock options resulted in a gain of R\$ 98 in shareholders' equity.

a. Assumptions for recognition of share compensation expenses

The shares are measured at fair value on the grant date, and the expense is recognized in the result as "personnel expenses" over the period in which the right to exercise the option is acquired, with a corresponding entry to equity.

The fair value of the options granted was estimated using the "Black-Scholes" option pricing model. The economic assumptions considered were: (i) expected dividends obtained based on the average dividend payments per share in relation to the market value of the shares in the last 12 months; (ii) volatility based on the historical average fluctuation of the share price in the last 18 months prior to the grant date; (iii) the risk-free interest rate at the projected average Selic rate, published by the Central Bank (BACEN). In the following table we present the details of this information:

	11th Plan	12th Plan	15th Plan
Grant date	February 22, 2018	February 14, 2019	February 24, 2022
Total purchase options granted	1,524,825	695,892	1,402,950
Exercise price	5.16	4.68	4.50
Expected volatility	15.58%	17.11%	25.95%
Expected dividend on shares	4%	4%	5%
Weighted average risk-free interest rate	6.75%	6.50%	12.25%
Maximum Maturity	6 years	6 years	6 years
Average Maturity	2.5 years	2.5 years	2.5 years
Fair value at grant date	4.43	4.12	3.79

The Company has no obligation to repurchase the shares acquired by the beneficiaries.

8.20 Other relevant information

b. Movement of stock options or stock subscriptions

The movements resulting from the purchase or subscription of shares are shown below:

	10th Plan	11th Plan	12th Plan	15th Plan	Closing Balance
Balance on December 31, 2019	611,127	945,186	628,185	-	2,184,498
Granted shares	-	-	-	-	-
Exercised	(611,127)	(497,091)	(209,395)	-	(1,317,613)
Cancelled	-	-	-	-	-
Balance on December 31, 2020	-	448,095	418,790	-	866,885
Granted shares	-	-	-	-	-
Exercised	-	(448,095)	(209,395)	-	(657,490)
Cancelled	-	-	(3,873)	-	(3,873)
Balance on December 31, 2021	-	-	205,522	-	205,522
Granted shares	-	-	-	1,402,950	1,402,950
Exercised	-	-	(202,296)	-	(202,296)
Cancelled	-	-	(3,226)	(8,013)	(11,239)
Balance on December 31, 2022	-	-	-	1,394,937	1,394,937
Options exercisable in 2023	-	-	-	464,979	464,979
Options exercisable in 2024	-	-	-	464,979	464,979
Options exercisable in 2025	-	-	-	464,979	464,979
Sum	-	-	-	1,394,937	1,394,937
Result of options granted, recognized on December 31, 2020	(1,877)	(2,205)	(875)	-	(4,957)
Result of options granted, recognized on December 31, 2021	-	(1,961)	(874)	-	(2,835)
Result of options granted, recognized on December 31, 2022	-	-	(832)	(11)	(843)
Personnel expenses as of December 31, 2020	(51)	(736)	(787)	-	(1,574)
Personnel expenses as of December 31, 2021	-	(55)	(314)	-	(369)
Personnel expenses as of December 31, 2022	-	-	(23)	(2,951)	(2,974)

9.1 / 9.2 Identification and Remuneration

Auditor's CVM Code	004715	
Company name	Type of Auditor	CPF/CNPJ (Individual Taxpayer Registry / National Registry of Legal Entities)
ERNST AMP; YOUNG AUDITORES INDEPENDENTES S/S	Legal	61.366.936/0011-05
Date of contracting the service	Date of commencement of service provision	
January 01, 2017	January 01, 2017	
Description of services provided		
Ernst & Young Auditores Independentes S/S (EY) provided independent audit services for the special review of the quarterly financial information and the audit of the annual financial statements. EY also provided services related to fiscal and tax advisory services and incentives for technological innovation.		
Total compensation paid to independent auditors in the most recent fiscal year, broken down by services.		
For the year ending on December 31, 2021, audit services accounted for R\$ 540,181.38, while other services accounted for R\$ 230,132.60.		
Justification for replacement		
Replacement in compliance with Securities and Exchange Commission Instruction 308/99 (Art. 31), which determines the rotation of independent auditors.		
Reason given by the auditor in case of disagreement with the justification		
There was no disagreement.		

Auditor's CVM Code	002879	
Company name	Type of Auditor	CPF/CNPJ (Individual Taxpayer Registry / National Registry of Legal Entities)
PRICEWATERHOUSECOOPERS AUDITORES INDEPENDENTES	Legal	61562112 / 0006 - 35
Date of contracting the service	Date of commencement of service provision	
January 01, 2022	January 01, 2022	
Description of services provided		
Pricewaterhousecoopers Auditores Independentes (PWC) provided independent audit services for the special review of the quarterly financial information and the audit of the annual financial statements. PWC has also carried out services relating to other advisory services.		
Total compensation paid to independent auditors in the most recent fiscal year, broken down by services.		
For the year ending on December 31, 2022, audit services accounted for R\$ 452,249.32, while other services accounted for R\$ 115,400.00.		
Justification for replacement		
Not applicable		
Reason given by the auditor in case of disagreement with the justification		
Not applicable		

9.3 Auditor independence and conflicts of interest

In contracting with the independent auditor for services unrelated to the external audit, the Company adheres to the following principles to safeguard the auditor's independence: (a) the auditor must not audit their own work; (b) the auditor must not exercise managerial functions for their client; and (c) the auditor must not promote the interests of their client.

9.4 Other relevant information

There is no other information considered relevant.

10.1A Description of human resources

Number of employees by gender declaration

	Female	Male	Non-binary	Other	Prefers not to answer
Leadership	126	382	1	0	43
Non-leadership	5,203	8,049	23	18	1,236
Total (15,081)	5,329	8,431	24	18	1,279

Number of employees by declaration of color or race

	Yellow	White	Black	Brown	Indigenous	Other	Prefers not to answer
Leadership	13	307	21	167	3	0	41
Non-leadership	386	2,858	1,544	8,458	70	0	1,213
Total (15,081)	399	3,165	1,565	8,625	73	0	1,254

Number of employees by position and age group

	Under 30 years old	From 30 to 50 years old	Above 50 years old
Leadership	36	422	94
Non-leadership	5,540	7,563	1,426
Total (15,081)	5,576	7,985	1,520

Number of employees by position and geographical location

	North	Northeast	Center-West	Southeast	South	Overseas
Leadership	0	272	0	0	280	0
Non-leadership	0	12,755	0	0	1,774	0
Total (15,081)	0	13,027	0	0	2,054	0

Number of employees by geographical location and gender

	Female	Male	Non binary	Other	Prefers not to answer
North	0	0	0	0	0
Northeast	4,493	7,415	21	18	1,080
Center-West	0	0	0	0	0
Southeast	0	0	0	0	0
South	836	1,016	3	0	199
Overseas	0	0	0	0	0
Total (15,081)	5,329	8,431	24	18	1,279

Number of employees by geographical location, color, or race

	Yellow	White	Black	Brown	Indigenous	Other	Prefers not to answer
North	0	0	0	0	0	0	0
Northeast	383	1,758	1,479	8,275	69	0	1,063
Center-West	0	0	0	0	0	0	0
Southeast	0	0	0	0	0	0	0
South	16	1,407	86	350	4	0	191
Overseas	0	0	0	0	0	0	0
Total (15,081)	399	3,165	1,565	8,625	73	0	1,254

Number of employees by geographical location and age

	Under 30 years old	From 30 to 50 years old	Above 50 years old
North	0	0	0
Northeast	4,909	6,872	1,246
Center-West	0	0	0
Southeast	0	0	0
South	667	1,113	274
Overseas	0	0	0
Total (15,081)	5,576	7,985	1,520

10.1 Description of human resources

Human Resources

Describe the issuer's human resources, providing the following information:

- a. Number of employees, total and by groups, based on the activity performed, geographical location, and diversity indicators, which, within each hierarchical level of the issuer, cover: i. self-declared gender identity, ii. self-declared color or race identity, iii. age group, and iv. other diversity indicators that the issuer deems relevant.

We are showing the data below based on the Company's most recent self-reporting survey.

Data base: April 30, 2023

Number of employees by gender declaration

	Female	Male	Non-binary	Other	Prefers not to answer
Leadership	126	382	1	0	43
Non-leadership	5,203	8,049	23	18	1,236
Total (15,081)	5,329	8,431	24	18	1,279

Number of employees by declaration of color or race

	Yellow	White	Black	Brown	Indigenous	Other	Prefers not to answer
Leadership	13	307	21	167	3	0	41
Non-leadership	386	2,858	1,544	8,458	70	0	1,213
Total (15,081)	399	3,165	1,565	8,625	73	0	1,254

Number of employees by position and age group

	Under 30 years old	From 30 to 50 years old	Above 50 years old
Leadership	36	422	94
Non-leadership	5,540	7,563	1,426
Total (15,081)	5,576	7,985	1,520

Number of employees by position and geographical location

	North	Northeast	Center-West	Southeast	South	Overseas
Leadership	0	272	0	0	280	0
Non-leadership	0	12,755	0	0	1,774	0
Total (15,081)	0	13,027	0	0	2,054	0

Number of employees by geographical location and gender

	Female	Male	Non binary	Other	Prefers not to answer
North	0	0	0	0	0
Northeast	4,493	7,415	21	18	1,080
Center-West	0	0	0	0	0
Southeast	0	0	0	0	0
South	836	1,016	3	0	199
Overseas	0	0	0	0	0
Total (15,081)	5,329	8,431	24	18	1,279

10.1 Description of human resources

Number of employees by geographical location, color, or race

	Yellow	White	Black	Brown	Indigenous	Other	Prefers not to answer
North	0	0	0	0	0	0	0
Northeast	383	1,758	1,479	8,275	69	0	1,063
Center-West	0	0	0	0	0	0	0
Southeast	0	0	0	0	0	0	0
South	16	1,407	86	350	4	0	191
Overseas	0	0	0	0	0	0	0
Total (15,081)	399	3,165	1,565	8,625	73	0	1,254

Number of employees by geographical location and age

	Under 30 years old	From 30 to 50 years old	Above 50 years old
North	0	0	0
Northeast	4.909	6.872	1.246
Center-West	0	0	0
Southeast	0	0	0
South	667	1.113	274
Overseas	0	0	0
Total (15,081)	5.576	7.985	1.520

b. Number of outsourced employees (total and by groups, based on activity and geographical location)

We report below the number of outsourced employees of the Company, by group of activities performed and by geographical location:

	North	Northeast	Center-West	Southeast	South	Total
Activity	0	341	0	0	32	373
Provision of services	0	0	0	0	0	0
Self-employed payment slip	0	341	0	0	32	373

c. turnover rate

December 31, 2022
1.67%

10.2 Significant changes

There were no relevant changes.

10.3 Employee remuneration policies and practices

Grendene has career development and remuneration policies aligned with recognized market practices. The organization's People Management operating model is founded on Management by Results principles and supported by a competency model. This model links organizational human development and corporate education actions, in addition to career and compensation.

a. salary policy and variable remuneration Remuneration policy

In accordance with current labor law, the company's remuneration policy seeks to value human capital based on business requirements, individual contributions, and their impact on the collective, organizational, and market economic context.

The remuneration policy covers all areas and units of Grendene and is applied according to the following guidelines:

Career and development

Each employee is responsible for his or her own career development, and it is the responsibility of the employer to provide opportunities for advancement and to indicate pathways for self-improvement. Career advancement can occur in two ways:

- Vertical growth: the progression of an employee to a position with greater responsibilities and remuneration.
- Horizontal growth is an increase in the employee's remuneration within the same position, according to the level of maturity of the deliveries.

Evaluating people

Performance Management at Grendene is carried out using management tools: Experience Evaluation and Competencies + Results Evaluation.

Experience Evaluation:

The Experience Evaluation assesses the level of adherence of the employee to the company's culture and provides a moment of feedback between the employee and the evaluator to identify possible development actions.

Skills Assessment + Results

Its purpose is to steer organizational objectives by measuring individual employee performance and fostering continuous and timely feedback. Provide inputs for decision-making in training and development processes, internal selection, remuneration potential identification, career, and succession. As well as stipulating goals, measuring results, to identify the delivery of each employee.

Wages

Grendene's wage policy is in line with market practices. To accomplish this, the company conducts a survey every two years to compare its wages to that of representative and significant regional companies.

The company's wage system consists of six levels (A to F), and the average market compensation falls between levels C and D of Grendene's matrix.

Salaries are annually adjusted based on collective agreements for each location, using the National Consumer Price Index (INPC) as the indicator.

General or collective adjustments

These adjustments affect the salaries of all employees without distinction.

- **Conventions, Agreements, Collective Agreements:** On the base dates of collective bargaining agreements, wages are adjusted based on local negotiations.
- **Compulsory advances:** are granted in accordance with current legislation, conventions, agreements, and collective bargaining agreements, and are compensated on the category's base date and/or as mandated by law.

10.3 Employee remuneration policies and practices

Individual wage adjustments

They are adjustments made to the salaries of employees upon promotion to a higher-paying position (vertical growth), based on merit (horizontal growth), or by redefining the position based on market values. For the granting of individual adjustments, the dates specified in the policy and the limits of the job categories in the salary scale are considered.

Share-based remuneration policy

On April 14, 2008, the Stock Option Granting Plan or Subscription of Shares was approved for the Company, benefiting eligible executives based on the recommendations of the Committee to the Company's Board of Directors for approval. (See item 13.16 - Stock Option Granting Plan Regulation).

Reward Policy

This policy aims to strengthen the relationship between the manager and the company and reward them based on the goals achieved by the company.

The implementation of the Performance Bonus program for management positions is supported by the rule established by law 13.467 of 2017, in paragraphs 2 and 4 of Article 457 of the Consolidation of Labor Laws.

b. benefits policy

Grendene provides its employees with a benefits package designed to satisfy their fundamental needs and promote their physical and social well-being, thereby contributing to the maintenance of healthy and productive professionals. The benefits offered include:

- Subsidized food
- Agreements with pharmacies and opticians
- In-house medical, dental, and social assistance
- Monthly food basket distribution
- Life insurance
- Basket of chocolates at Easter and a bird at Christmas.
- Christmas party and toy distribution for employees' children aged up to 11 years and 11 months.
- Access to the Company's products in an easy and affordable manner.

In addition, Grendene participates in a variety of social initiatives, including assistance programs, blood donation campaigns, programs to combat drugs and violence, and programs to support sports associations.

* In 2020, 2021 and 2022 we did not carry out some actions due to COVID-19.

c. characteristics of share-based compensation plans for non-administrator employees, identifying:

- i. **beneficiary groups**
- ii. **Conditions for exercise**
- iii. **Exercise price**
- iv. **Exercise periods**
- v. **Number of shares committed by the plan.**

Refer to item 8.20 - Other relevant information The full plan for granting stock options or share subscription is available for consultation on the CVM, B3, and the Company's investor relations websites.

- Comissão de Valores Mobiliários (Brazilian Securities and Exchange Commission) – <http://www.cvm.gov.br>
- B3 S.A. Brasil, Bolsa, Balcão (B3 Brazil Stock Exchange and Over-the-Counter Market) – <http://www.b3.com.br>
- Grendene – Investor Relations – <https://ri.grendene.com.br/EN/Corporate-Governance/Stock-options>

10.3 Employee remuneration policies and practices

- d. **Ratio between (i) the highest individual remuneration (considering the composition of remuneration with all items described in item 8.2.d) recognized in the issuer's result in the last fiscal year, including the remuneration of statutory administrator, if applicable; and (ii) the median individual remuneration of the issuer's employees in Brazil, disregarding the highest individual remuneration, as recognized in its result in the last fiscal year.**

In the fiscal year ending December 31, 2022, the ratio of the highest individual compensation to the median individual compensation of the Company's employees was 92.78.

10.4 Relations between issuer and trade

Grendene respects free trade union associations, supporting the legitimate representation of workers through their unions, and employs a substantial number of individuals affiliated with these organizations.

The company participates in the employers' unions in the regions where it operates, encouraging collective bargaining in a responsible manner, fully complying with all the clauses established in the Convention, and maintaining a friendly and respectful relationship with the members of the unions' leadership.

The primary provisions of the Collective Agreement are disseminated via internal communication channels (bulletin board and e-mails) in an effort to reach all employees. In all units, space (bulletin boards) is provided for the workers' union to publicize its activities, as well as the union's actions.

There have been no strikes or work stoppages in the last three fiscal years.

10.5 Other relevant information

There is no other information considered relevant.

11.1 Rules, policies and practices

The company approved its Related Party Transaction Policy on August 13, 2020, as shown below:

Policy for transactions with related parties

Summary

1. **Objectives**
2. **Target Audience**
3. **Responsibilities**
4. **Rules**
 - 4.1. Related Parties Definition
 - 4.2. Definitions of Market Conditions, Significant Amount, Related Transactions and Ordinary Transactions
 - 4.3. Formalization of Related Party Transactions
 - 4.4. Governance Structure for Significant Related Party Transactions
 - 4.5. Impediment
 - 4.6. Disclosure Obligation
 - 4.7. Prohibited Transactions
5. **Code of Conduct**
6. **Penalties**
7. **Policy Update**

1. Objectives

This Policy for Transactions with Related Parties (the "Policy") is intended to establish guidelines and consolidate the practices that Grendene S.A. must follow. ("Grendene" or "Company") and its Administrators to ensure that decisions involving related parties and situations with potential conflicts of interest are made with complete independence and absolute transparency regarding Grendene's and its shareholders' best interests. This Policy was established based on the current legislation, practices and regulations of the Company, the Brazilian Securities and Exchange Commission (CVM) and B3 S.A. – Brasil, Bolsa, Balcão (B3 Brazil Stock Exchange and Over-the-Counter Market) (B3), especially Law No. 6,404/76, as amended (Brazilian Corporate Law).

2. Target audience

This Policy applies to Grendene and its subsidiaries, as well as all Company employees and administrators, the Related Parties Committee, and affiliated entities.

3. Responsibilities

This Policy defines the responsibilities assigned to Grendene's areas and bodies because of this Policy.

4. Rules

4.1. Related Parties Definition

Disclosures on Related Parties are governed by Technical Pronouncement CPC 05 and any subsequent revisions issued by the Accounting Pronouncements Committee and endorsed by CVM in Instruction 642 dated October 7, 2010.

For the purposes of this Policy, "**Related Parties**" are related to the Company:

- I. A person, or a close member of your family who:
 - i. has full or shared control of the Company.
 - ii. has major influence over the Company; or
 - iii. is a member of the key management personnel of the Company or its parent company.

11.1 Rules, policies and practices

II. An entity in any of the following situations:

- i. is a member of the same economic group as the Company.
- ii. the entity/Company is affiliated with or jointly controlled (joint venture) by the Company/entity or another entity in the same economic group.
- iii. the entity and the Company are under the joint control (joint ventures) of a third entity.
- iv. the entity and the Company are under the joint control (joint ventures) of a third entity.
- v. entity, and the company or entity is an affiliate of that third entity.
- vi. is wholly or jointly controlled by a person identified in letter (I); or
- vii. a person identified in (I)(i) has major influence over the entity, i.e., a member of the key management personnel of that entity.

4.1.1. **Close Family Members:** are those family members who can be expected to exercise influence or be influenced by the person in those members' business with the entity and include:

- i. the person's children, spouse, or partner.
- ii. the person's children, spouse, or partner; and
- iii. dependants of the person, their spouse or partner.

4.2. **Definitions of Market Conditions, Commutativity, Related Transactions, Ordinary Transactions, and Related Party Transactions.**

4.2.1. Market Conditions: are those conditions for which the principles of competitiveness (prices and conditions of services compatible with those practiced in the market); compliance (adherence of the services provided to the contractual terms and responsibilities practiced by the Company, as well as to adequate information security controls) were observed during the negotiation; fairness (establishment of mechanisms that prevent discrimination or privileges and practices that ensure the non-use of privileged information or business opportunities for individual or third-party benefit); and transparency (adequate reporting of the agreed conditions with due application, and also the reflections of these in the Company's financial statements). In the negotiation between Related Parties, the same principles and procedures that guide negotiations made by Grendene with independent parties must be observed.

4.2.2. Commutative Contracts: Commutative contracts are those with certain and determined obligations, in which the parties are aware of their future effects and can anticipate the advantages and sacrifices, usually balancing each other out, as they establish proportionality between the rights and duties of the contracting parties. Legal acts and transactions between Related Parties must be established under strictly commutative conditions, without disproportionately burdening the parties. Commutative contracts will be assessed by the Investor Relations Board by verifying the compatibility of the economic and financial clauses established in the respective legal instrument with other legal acts and businesses practiced in the market.

4.2.3. Correlated Transactions: are transactions that are similar and logically related to each other due to their subject or parts, such as:

- i. transactions of continuous duration comprising periodic benefits, provided that the amounts involved are already known at the time of conclusion of the contract; and
- ii. subsequent transactions arising from a first transaction already carried out, provided that the latter has set out its main conditions, including the amounts involved.

4.2.4. Ordinary Transactions: are those involving off-the-shelf products and/or services, i.e., those available to the Company's clients, with standardized pricing, respecting the trading margins granted to the commercial areas for clients of the same profile, provided that they are under market conditions, pursuant to item 4.2.1. Products customized or developed specifically for customers considered Related Parties will be evaluated under the terms of the legislation and the criteria of this and other Grendene policies.

11.1 Rules, policies and practices

4.2.5. The term "**Related Party Transactions**". Related Party Transactions are characterized by the transfer of resources, services, or obligations between Related Parties, regardless of whether or not there is a value allocated to the transaction or any type of payment.

4.3. Formalization of Related Party Transactions

4.3.1. In transactions involving Related Parties, as defined in this Policy, the following conditions must be observed:

- i. Transactions must be at Market Conditions and in accordance with the provisions of this Policy and also in line with the other practices used by the Company's Management, such as the guidelines set forth in the Company's Code of Conduct and other internal policies.
- ii. Transactions must be concluded in writing, specifying their main characteristics and conditions, such as, but not limited to, the name of the parties, global price, unit price, deadlines, guarantees, collection of taxes, payment of fees, obtaining licenses, and conditions for termination, among others. These characteristics should also expressly include the possibility of termination by the Company of any Transaction with a related party that is successive, under conditions equivalent to those available in contracts with unrelated parties.
- iii. Transactions should be clearly disclosed in Grendene's financial statements, according to the materiality criteria brought by the accounting standards.
- iv. Transactions for the continued provision of services must have a fixed term of no more than 3 (three) years and may be renewed after a new assessment of market conditions and supply alternatives by third parties that are considered unrelated parties.
- v. Transactions must be approved, in accordance with the requirements of this Policy and current legislation, in accordance with the bylaws, by the Chief Executive Officer or at a regular meeting of the Board of Executive Officers by majority vote abstaining from participating (opining, suggesting, influencing, or deliberating) with the director who may have characterized a probable conflict of interest, or by the Board of Directors in accordance with the limits provided for in the bylaws, as defined in this Policy and applicable legislation.
- vi. The transactions must be submitted in advance to the Company's Related Parties Committee, which was duly approved by the Company's Board of Directors on August 13, 2020, for analysis and recommendation of specific transactions that may involve Related Parties, but every operation will be approved by the Chief Executive Officer or at a board meeting or by the Board of Directors, in accordance with the limits set forth in the bylaws, and it is up to the officer(s) responsible for approval to identify the existence of related parties involved in the transaction and to take all measures to ensure that the operations are in accordance with the Law, the regulations of regulatory bodies, the company's bylaws and this policy.
- vii. According to article 156 of the Brazilian Corporation Law, the prevented administrator must document the nature and extent of his interest in the minutes if he is present at the meeting or notify the other directors in advance of his inability to attend due to his impediment.
- viii. In the event that there is no quorum at the board meeting, or the vote ends in a tie the decision shall be taken in accordance with 4.4.1 below.

4.4. Governance Structure and Responsibilities for Related Party Transactions.

4.4.1. In all Related Party Transactions with Grendene, the following rules shall be observed concurrently with the rules set forth in item 4.3 above, namely:

- i. the transaction must be submitted to the analysis and prior recommendation of the Related Parties Committee, which must verify the characteristics, conditions, and advantages of said transaction for Grendene, and then submit it to the approval of the competent management body (the Executive Board or Board of Directors, according to the limits established in the Company's Bylaws); and
- ii. the submission of transactions to the Related Parties Committee and the competent management bodies must be accompanied by:

11.1 Rules, policies and practices

- a. a comparative table of prices and conditions after technical equalization with other market quotations, whenever feasible, in order to comply with the provisions of item 4.3.1.(i).
 - b. reasons that ensure commutative conditions.
 - c. justification for entering into the transaction with the Related Party and not with a third party.
 - d. type of relationship with the Related Party.
 - e. information from any previously existing related transactions; and
 - f. benefits expected by the Company and the Related Party.
- iii. these transactions will be informed, on a consolidated basis, by the Controllershship Area to the Investor Relations Board, the Audit Committee (if installed), the Fiscal Council (if installed), and the Board of Directors of Grendene.
 - iv. the competent management body that approves the transaction is responsible for identifying the transaction as being with a Related Party and informing, in a timely manner, the Company's controlling area about the transaction, proving compliance with this Policy and current legislation.
- 4.4.2.** Resolutions may take place in face-to-face meetings, by teleconference or videoconference, or by electronic means (e-mail), always formalized in minutes with all supporting documents of the transaction filed with the Company.
- 4.4.3.** The rules set out in this item will not apply in the following cases:
- i. transactions carried out between the Company and its direct and indirect subsidiaries, except in cases where there is participation in the subsidiary's capital stock above 1% (one percent) by the direct or indirect controllers of the issuer, its administrators, or persons linked to them; and
 - ii. transactions between direct and indirect subsidiaries of the Company, except in cases where there is participation in the capital stock of the subsidiary above 1% (one percent) by the direct or indirect controllers of the issuer, its administrators, or persons linked to them.
 - iii. Ordinary Operating transactions of the company include, but are not limited to, expenses such as the payment of remuneration to administrators in accordance with total amounts already approved by the Board of Directors and/or the Annual General Meeting, as the case may be; advances for travel or small expenses of the Company to be proven later in the normal course of its business; reimbursement of small payments made by administrators from their own resources on behalf of the Company in the performance of their duties; payment of dividends to administrators who are also shareholders; or transactions relating to the Company's stock option program.
- 4.4.3.1.** For the purposes of section 4.4.3, "related person" means a natural or legal person who acts on behalf of the same interest as the person to whom they are related.
- 4.4.4.** Ordinary Transactions with Related Parties will be exempt from the procedures described in section 4.4.1, provided that Market Conditions are observed, as mentioned in section 4.3.2.
- 4.4.5.** As stipulated in its internal regulations, the Related Parties Committee may hire external consultants for assistance if it considers it necessary, ensuring the integrity and confidentiality of the work without abdicating its responsibilities. In all situations, it is forbidden to hire advisors, consultants, or intermediaries that generate a conflict of interest with the Company, the administrators, or the shareholders.
- 4.4.6.** If the amounts associated with transactions with a particular related party reach, individually or collectively, an amount equal to or greater than 1% (one percent) of the Company's net equity in a given year, the transaction must have been previously approved by the Board of Directors in accordance with article 21, item "p" of the Company's bylaws and disclosed in accordance with Annex 30-XXXIII of CVM Resolution No. 480/09, as amended.
- 4.5. Impediment**
- 4.5.1.** The Company's Management must respect the regular flow for negotiation, analysis, and approval of transactions within Grendene, and should not intervene in a manner that influences the contracting of Related Parties in a manner inconsistent with such flow.

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4.5.2. In situations where the Company's decision-making process requires the involvement of a person or entity characterized as a Related Party under the terms of this Policy for the approval, discussion, and/or deliberation of a specific transaction, that individual or entity must declare themselves as disqualified in writing, explaining their involvement in the transaction and providing details about the transaction and the involved parties, clearly and transparently identifying their potential conflict of interest. When applicable (see item 4.4.6), the information must be sufficient to comply with Article 247 of Law No. 6,404/76 and Annex 30-XXXIII of CVM Resolution No. 480/09. The impediment must be included in the document deciding on the transaction.

4.6. Disclosure Obligation

4.6.1. Pursuant to the provisions of article 247 of Law No. 6, 404/76, CVM Resolution No. 642/10, and Annex 30-XXXIII of CVM Resolution No. 480/09, as amended, the Company shall disclose the Related Party Transactions, providing sufficient details to identify the Related Parties, their relationship with the Company, the object and the main terms and conditions of the transaction, and any essential or not strictly commutative conditions inherent to the transactions in question, thus allowing the Company's shareholders the possibility to inspect and monitor Grendene's management acts.

4.6.2. In accordance with the applicable accounting principles, this information will be disclosed in a clear and precise manner in the notes to the Company's Financial Statements. In addition to this disclosure, the Company is obligated to promote the disclosure of Transactions with Related Parties to the market in accordance with the terms established in the Listing Regulations in the Novo Mercado de Governança Corporativa of B3, particularly with regard to the additional requirements of the periodic quarterly information (ITR's), also in the Reference Form in accordance with CVM Instruction 480/09 and CVM Resolution 642/10.

4.6.3. The transaction or set of Related Transactions with Related Parties whose value exceeds the lesser of the following:

- i. R\$ 50,000,000.00 (BRL 50 million)
- ii. 1% (one percent) of the Company's total assets

and that meets the requirements for disclosure in Annex 30-XXXIII of CVM Resolution No. 480/09 must be made public through an electronic system on the CVM website within seven business days of the event, as stated in the rule.

4.7. Prohibited Transactions

4.7.1. Transactions between Related Parties are prohibited in the following cases:

- i. carried out under conditions that are demonstrably not Market Conditions.
- ii. granting of loans, provision of sureties, guarantees or advances to controlling shareholders, administrators of the Company and other related parties as defined in this Policy.
- iii. involve agreements for the provision of services by the Company (as the contracted party) to Related Parties (as the contracting parties) that: (a) do not constitute services typically offered to the Company's clients, or (b) involve remuneration that is not justifiable or disproportionate in terms of generating value for the Company; or
- iv. corporate restructurings that do not ensure equitable treatment for all shareholders of the Company.

5. Code of Conduct

In addition to the rules set forth in this Policy, Grendene's employees and administrators, in any Transactions with Related Parties, must observe the guidelines set forth in the Code of Conduct and in the Company's other Corporate Policies.

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6. Penalties

Violations of the terms of this Policy will be examined by the Audit Committee (if installed), with the consequent submission to the Company's Board of Directors, which will adopt the appropriate measures, also warning that certain conduct may constitute a crime and subjecting those responsible to the penalties provided for in current legislation.

7. Policy Update

The Board of Directors of the Company shall revise this Policy whenever necessary as a consequence of statutory or legislative changes, particularly in the case of CVM and B3 regulations applicable to the Company's Corporate Governance Practices. Upon taking office, the Company's administrators must sign a document stating that they have received, read, and undertake to follow the Policy for Transactions with Related Parties and other situations involving Conflicts of Interest.

This Policy was approved by the Company's Board of Directors on February 13, 2020, and August 13, 2020.

Farroupilha, August 13, 2020.

Alexandre Grendene Bartelle
Chairman

Renato Ochman
Secretary

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Calçados Azaleia Peru S.A.	Dec. 31, 2021	R\$ 8,054,000.00	R\$ 2,141,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Calçados Azaleia Peru S.A. and the Company are interconnected companies, as Vulcabras CE controls Calçados Azaleia Peru S.A., and Vulcabras CE is controlled by Vulcabras S.A. The controlling shareholder of Vulcabras S.A., and therefore the indirect controlling shareholder of its Subsidiaries, is part of the controlling block of Grendene. Therefore, Grendene and Vulcabras, along with their Subsidiaries, are interconnected companies. Vulcabras - CE Calçados e Artigos Esportivos S.A. is a direct subsidiary of Vulcabras S.A., and Calçados Azaleia Peru S.A. is an indirect subsidiary of Vulcabras S.A.					
Object of contract	Sale of footwear to supply the market where it is based					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					
Calçados Azaleia Peru S.A.	Dec. 31, 2021	R\$ 3,643,000.00	R\$ 842,000.00	R\$ 0.00	Indefinite term	0,000000
Relationship with the issuer	Calçados Azaleia Peru S.A. and the Company are interconnected companies, as Vulcabras CE controls Calçados Azaleia Peru S.A., and Vulcabras CE is controlled by Vulcabras S.A. The controlling shareholder of Vulcabras S.A., and therefore the indirect controlling shareholder of its Subsidiaries, is part of the controlling block of Grendene. Therefore, Grendene and Vulcabras, along with their Subsidiaries, are interconnected companies. Vulcabras - CE Calçados e Artigos Esportivos S.A. is a direct subsidiary of Vulcabras S.A., and Calçados Azaleia Peru S.A. is an indirect subsidiary of Vulcabras S.A.					
Object of contract	Sale of footwear to supply the market where it is based.					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers.					
Issuer's contractual position	Debtor					
Dall'Onder Viagens & Turismo Ltda	Dec. 31, 2020	R\$ 65,000,00	R\$ 0.00	R\$ 0.00	Indefinite term	0,000000
Relationship with the issuer	Company owned by the family of one of the administrators					
Object of contract	Air travel advisory and agency services					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Dall'Onder Viagens & Turismo Ltda	Dec. 31, 2021	R\$ 41,000.00	R\$ 0.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Company owned by the family of one of the administrators					
Object of contract	Air travel advisory and agency services					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					
Dall'Onder Viagens & Turismo Ltda	Dec. 31, 2022	R\$ 286,000.00	R\$ 0.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Company owned by the family of one of the administrators					
Object of contract	Air travel advisory and agency services					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					
Even Construtora e Incorporadora S.A.	Dec. 31, 2021	R\$ 8,000,000.00	R\$ 5,386,000.00	R\$ 0.00	Up to 4 years	0.000000
Relationship with the issuer	Nova Milano Investimentos (Melpar) has invested in Even Construtora e Incorporadora S.A., holding a 46.88% stake in the company. Alexandre Grendene Bartelle (a related party) owns 31.63% of the shares in this company					
Object of contract	Guarantor of the obligations of the venture of SCP Pensilvânia, in which Valdepino Empreendimentos Imobiliários Ltda., a company invested by Even Construtora e Incorporadora S.A., acts as the ostensible partner.					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	The Company's administration believes that the transactions were in the best interest of the Company, complied with the commutative conditions, provided for adequate remuneration payment, were made under normal market conditions and within the scope of the Company's Financial Investments Policy, as well as in accordance with the Company's Related Party Transactions Policy, and that there was effective negotiation of the terms and conditions without the involvement of counterparties in the negotiation and decision-making process.					
Issuer's contractual position	Creditor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Even Construtora e Incorporadora S.A.	Dec. 31, 2021	R\$ 5,000,000.00	R\$ 5,681,000.00	R\$ 0.00	Up to 4 years	0,000000
Relationship with the issuer	Nova Milano Investimentos (Melpar) has invested in Even Construtora e Incorporadora S.A., holding a 46.88% stake in the company. Alexandre Grendene Bartelle (a related party) owns 31.63% of the shares in this company					
Object of contract	Guarantor of the obligations of the venture of SCP Venâncio, in which Pouliche Empreendimentos Imobiliários Ltda, a company invested by Even Construtora e Incorporadora S.A., acts as the ostensible partner.					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	The Company's administration believes that the transactions were in the best interest of the Company, complied with the commutative conditions, provided for adequate remuneration payment, were made under normal market conditions and within the scope of the Company's Financial Investments Policy, as well as in accordance with the Company's Related Party Transactions Policy, and that there was effective negotiation of the terms and conditions without the involvement of counterparties in the negotiation and decision-making process.					
Issuer's contractual position	Creditor					
Even Construtora e Incorporadora S.A.	Dec. 31, 2021	R\$ 5,000,000.00	R\$ 6,518,000.00	R\$ 0.00	Up to 4 years	0,000000
Relationship with the issuer	Nova Milano Investimentos (Melpar) has invested in Even Construtora e Incorporadora S.A., holding a 46.88% stake in the company. Alexandre Grendene Bartelle (a related party) owns 31.63% of the shares in this company					
Object of contract	Guarantor of the obligations of the venture of SCP Saioá, in which Arabica Empreendimentos Imobiliários Ltda, a company invested by Even Construtora e Incorporadora S.A., acts as the ostensible partner.					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	The Company's administration believes that the transactions were in the best interest of the Company, complied with the commutative conditions, provided for adequate remuneration payment, were made under normal market conditions and within the scope of the Company's Financial Investments Policy, as well as in accordance with the Company's Related Party Transactions Policy, and that there was effective negotiation of the terms and conditions without the involvement of counterparties in the negotiation and decision-making process.					
Issuer's contractual position	Creditor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Even Construtora e Incorporadora S.A.	Dec. 31, 2021	R\$ 7,000,000.00	R\$ 6,963,000.00	R\$ 0.00	Up to 4 years	0,000000
Relationship with the issuer	Nova Milano Investimentos (Melpar) has invested in Even Construtora e Incorporadora S.A., holding a 46.88% stake in the company. Alexandre Grendene Bartelle (a related party) owns 31.63% of the shares in this company					
Object of contract	Guarantor of the obligations of the venture of SCP Neto de Araújo, in which Remigio Empreendimentos Imobiliários Ltda, a company invested by Even Construtora e Incorporadora S.A., acts as the ostensible partner					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	The Company's administration believes that the transactions were in the best interest of the Company, complied with the commutative conditions, provided for adequate remuneration payment, were made under normal market conditions and within the scope of the Company's Financial Investments Policy, as well as in accordance with the Company's Related Party Transactions Policy, and that there was effective negotiation of the terms and conditions without the involvement of counterparties in the negotiation and decision-making process					
Issuer's contractual position	Creditor					
Even Construtora e Incorporadora S.A.	Dec. 31, 2021	R\$ 21,190,000.00	R\$ 16,690,000.00	R\$ 0.00	Up to 4 years	0.000000
Relationship with the issuer	Nova Milano Investimentos (Melpar) has invested in Even Construtora e Incorporadora S.A., holding a 46.88% stake in the company. Alexandre Grendene Bartelle (a related party) owns 31.63% of the shares in this company					
Object of contract	Guarantor of the obligations of the venture of SCP Mairinque, in which Icatu Empreendimentos Imobiliários Ltda, a company invested by Even Construtora e Incorporadora S.A., acts as the ostensible partner					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	The Company's administration believes that the transactions were in the best interest of the Company, complied with the commutative conditions, provided for adequate remuneration payment, were made under normal market conditions and within the scope of the Company's Financial Investments Policy, as well as in accordance with the Company's Related Party Transactions Policy, and that there was effective negotiation of the terms and conditions without the involvement of counterparties in the negotiation and decision-making process.					
Issuer's contractual position	Creditor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Even Construtora e Incorporadora S.A.	Dec. 31, 2021	R\$ 5,414,000.00	R\$ 6,128,000.00	R\$ 0.00	Up to 4 years	0.000000
Relationship with the issuer	Nova Milano Investimentos (Melpar) has invested in Even Construtora e Incorporadora S.A., holding a 46.88% stake in the company. Alexandre Grendene Bartelle (a related party) owns 31.63% of the shares in this company					
Object of contract	Guarantor of the obligations of the venture of SCP Jesuino Maciel, in which Jaracatiá Empreendimentos Imobiliários Ltda, a company invested by Even Construtora e Incorporadora S.A., acts as the ostensible partner					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	The Company's administration believes that the transactions were in the best interest of the Company, complied with the commutative conditions, provided for adequate remuneration payment, were made under normal market conditions and within the scope of the Company's Financial Investments Policy, as well as in accordance with the Company's Related Party Transactions Policy, and that there was effective negotiation of the terms and conditions without the involvement of counterparties in the negotiation and decision-making process.					
Issuer's contractual position	Creditor					
Grendene Italy SRL	Dec. 31, 2020	R\$ 2,251,000.00	R\$ 2,200,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Indirectly Controlled Company					
Object of contract	Sale of footwear to supply the market where it is based					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Creditor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Grendene Italy SRL	Dec. 31, 2021	R\$ 5,835,000.00	R\$ 4,841,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Indirectly Controlled Company					
Object of contract	Sale of footwear to supply the market where it is based					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Creditor					
Grendene Italy SRL	Dec. 31, 2022	R\$ 962,000.00	R\$ 281,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Indirectly Controlled Company					
Object of contract	Sale of footwear to supply the market where it is based					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Creditor					
Grendene UK Limited	Dec. 31, 2020	R\$ 1,430,000.00	R\$ 1,343,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Controlled Company					
Object of contract	Sale of footwear to supply the market where it is based					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Creditor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Grendene UK Limited	Dec. 31, 2021	R\$ 519,000.00	R\$ 222,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Controlled Company					
Object of contract	Sale of footwear to supply the market where it is based					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Creditor					
Grendene UK Limited	Dec. 31, 2022	R\$ 1,000.00	R\$ 0.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Controlled Company					
Object of contract	Sale of footwear to supply the market where it is based					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Creditor					
Grendene USA, Inc	Dec. 31, 2020	R\$ 9,716,000.00	R\$ 8,298,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Controlled Company					
Object of contract	Sale of footwear to supply the market where it is based					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Creditor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Grendene USA, Inc	Dec. 31, 2020	R\$ 493,000.00	R\$ 278,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Controlled Company					
Object of contract	Commercial representation services in the United States of America					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					
Grendene USA, Inc	Dec. 31, 2021	R\$ 737,000.00	R\$ 430,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Controlled Company					
Object of contract	Commercial representation services in the United States of America					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					
Grendene USA, Inc	Dec. 31, 2022	R\$ 1,447,000.00	R\$ 184,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Controlled Company					
Object of contract	Commercial representation services in the United States of America					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Grendene USA, Inc	Dec. 31, 2021	R\$ 41,357,000.00	R\$ 26,631,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Controlled Company					
Object of contract	Sale of footwear to supply the market where it is based					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Creditor					
Grendene USA, Inc	Dec. 31, 2022	R\$ 26,780,000.00	R\$ 6,566,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Controlled Company					
Object of contract	Sale of footwear to supply the market where it is based					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Creditor					
Mailson da Nóbrega Consultoria S/C Ltda	Dec. 31, 2020	R\$ 72,000.00	R\$ 0.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Company owned by a member of the Board of Directors					
Object of contract	Financial economic consultancy					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Mailson da Nóbrega Consultoria S/C Ltda	Dec. 31, 2021	R\$ 72,000.00	R\$ 0.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Company owned by a member of the Board of Directors					
Object of contract	Financial economic consultancy					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					
Mailson da Nóbrega Consultoria S/C Ltda	Dec. 31, 2022	R\$ 72,000.00	R\$ 0.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Company owned by a member of the Board of Directors					
Object of contract	Financial economic consultancy					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					
MHL Calçados Ltda	Dec. 31, 2020	R\$ 60,000.00	R\$ 60,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Controlled Company					
Object of contract	Sale of inputs					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Creditor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
MHL Calçados Ltda	Dec. 31, 2020	R\$ 1,177,000.00	R\$ 9,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Controlled Company					
Object of contract	Purchase of inputs					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					
MHL Calçados Ltda	Dec. 31, 2021	R\$ 60,000.00	R\$ 0.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Controlled Company					
Object of contract	Sale of inputs					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Creditor					
Ochman, Real Amadeo Advogados Associados	Dec. 31, 2020	R\$ 312,000.00	R\$ 0.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Company owned by a member of the Board of Directors					
Object of contract	Legal advice					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Ochman, Real Amadeo Advogados Associados	Dec. 31, 2021	R\$ 279,000.00	R\$ 0.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Company owned by a member of the Board of Directors					
Object of contract	Legal advice					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					
Ochman, Real Amadeo Advogados Associados	Dec. 31, 2022	R\$ 95,000.00	R\$ 0.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Company owned by a member of the Board of Directors					
Object of contract	Legal advice					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					
Vulcabras – BA, Calçados e Artigos Esportivos S.A.	Dec. 31, 2022	R\$ 67,000.00	R\$ 0.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Vulcabras - BA Calçados e Artigos Esportivos S.A. and the Company are interconnected companies, as Vulcabras CE controls Vulcabras - BA Calçados e Artigos Esportivos S.A., and Vulcabras CE is controlled by Vulcabras S.A. The controlling shareholder of Vulcabras S.A., and therefore the indirect controlling shareholder of its Subsidiaries, is part of the controlling block of Grendene. Therefore, Grendene and Vulcabras, along with their Subsidiaries, are interconnected companies. Vulcabras - CE Calçados e Artigos Esportivos S.A. is a direct subsidiary of Vulcabras S.A., and Vulcabras - BA Calçados e Artigos Esportivos S.A. is an indirect subsidiary of Vulcabras S.A.					
Object of contract	Sale of inputs					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Vulcabras – CE, Calçados e Artigos Esportivos S.A.	Sep. 24, 2020	R\$ 283,000.00	R\$ 0.00	R\$ 0.00	3 years	0.000000
Relationship with the issuer	Vulcabras - CE, Calçados e Artigos Esportivos S.A. and the Company are interconnected companies, as Vulcabras CE is controlled by Vulcabras S.A., and the controlling shareholder of Vulcabras S.A., and thus the indirect controlling shareholder of its Subsidiaries, is part of the Grendene controlling block. Therefore, Grendene and Vulcabras, along with their Subsidiaries, are interconnected companies. Vulcabras - CE Calçados e Artigos Esportivos S.A. is a direct subsidiary of Vulcabras S.A., and Vulcabras - BA Calçados e Artigos Esportivos S.A. is an indirect subsidiary of Vulcabras S.A.					
Object of contract	License Agreement for the "Azaleia" Brand by Vulcabras CE, Calçados e Artigos Esportivos S.A., in favor of the Company, for the production and marketing of women's footwear in general in Brazil and any other country worldwide, except Peru, Chile, and Colombia. The agreement was initially entered into for a term of 3 years, with the possibility of renewal for an additional period of another 3 years. In return for the licensing, Grendene S.A. will make monthly royalty payments to the Company, corresponding to certain percentages of the net operating revenue of the licensed products, under equitable conditions and in accordance with the standards practiced by the Company. Since the licensing agreement has variable compensation, the amount stated in the "value involved on business" field pertains to the total compensation incurred between the date of contract execution and December 31, 2021.					
Warranty and insurance	Not applicable					
Termination or extinction	The contract may be terminated in advance, by either party, through written extrajudicial notification, without prejudice to any sanctions provided for herein or by law, exclusively in the following cases: (i) in the event of a material breach by either party of any obligation assumed under this agreement, provided that such breach is not remedied within 30 (thirty) days from the date of receipt of the notification by the other party. (ii) by mutual agreement between the parties.					
Nature and reason for the operation	The licensing of the "Azaleia" brand by the Company, aimed at the production and marketing of women's footwear, brings mutual benefits. This strategy expands the range of brands available to Grendene's customers, enriching the company's portfolio. Furthermore, it allows for the utilization of the knowledge and experience of the companies involved in this specific niche. The resulting synergy will drive the quality and diversity of the products offered, enhancing competitiveness in the market. Customers benefit from more choices, while companies expand their presence and reach new audiences. This licensing represents a strategic partnership with the potential for shared growth and success.					
Issuer's contractual position	Debtor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Vulcabras – CE, Calçados e Artigos Esportivos S.A.	Sep. 24, 2020	R\$ 2,336,000.00	R\$ 773,000.00	R\$ 0.00	3 years	0.000000
Relationship with the issuer	Vulcabras - CE, Calçados e Artigos Esportivos S.A. and the Company are interconnected companies, as Vulcabras CE is controlled by Vulcabras S.A., and the controlling shareholder of Vulcabras S.A., and thus the indirect controlling shareholder of its Subsidiaries, is part of the Grendene controlling block. Therefore, Grendene and Vulcabras, along with their Subsidiaries, are interconnected companies. Vulcabras - CE Calçados e Artigos Esportivos S.A. is a direct subsidiary of Vulcabras S.A., and Vulcabras - BA Calçados e Artigos Esportivos S.A. is an indirect subsidiary of Vulcabras S.A.					
Object of contract	License Agreement for the "Azaleia" Brand by Vulcabras CE, Calçados e Artigos Esportivos S.A., in favor of the Company, for the production and marketing of women's footwear in general in Brazil and any other country worldwide, except Peru, Chile, and Colombia. The agreement was initially entered into for a term of 3 years, with the possibility of renewal for an additional period of another 3 years. In return for the licensing, Grendene S.A. will make monthly royalty payments to the Company, corresponding to certain percentages of the net operating revenue of the licensed products, under equitable conditions and in accordance with the standards practiced by the Company. Since the licensing agreement has variable compensation, the amount stated in the "value involved on business" field pertains to the total compensation incurred between the date of contract execution and December 31, 2022.					
Warranty and insurance	Not applicable					
Termination or extinction	The contract may be terminated in advance, by either party, through written extrajudicial notification, without prejudice to any sanctions provided for herein or by law, exclusively in the following cases: (i) in the event of a material breach by either party of any obligation assumed under this agreement, provided that such breach is not remedied within 30 (thirty) days from the date of receipt of the notification by the other party. (ii) by mutual agreement between the parties.					
Nature and reason for the operation	The licensing of the "Azaleia" brand by the Company, aimed at the production and marketing of women's footwear, brings mutual benefits. This strategy expands the range of brands available to Grendene's customers, enriching the company's portfolio. Furthermore, it allows for the utilization of the knowledge and experience of the companies involved in this specific niche. The resulting synergy will drive the quality and diversity of the products offered, enhancing competitiveness in the market. Customers benefit from more choices, while companies expand their presence and reach new audiences. This licensing represents a strategic partnership with the potential for shared growth and success.					
Issuer's contractual position	Debtor					
Vulcabras – CE, Calçados e Artigos Esportivos S.A.	Dec. 31, 2022	R\$ 260,000.00	R\$ 210,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Vulcabras - CE, Calçados e Artigos Esportivos S.A. and the Company are interconnected companies, as Vulcabras CE is controlled by Vulcabras S.A., and the controlling shareholder of Vulcabras S.A., and thus the indirect controlling shareholder of its Subsidiaries, is part of the Grendene controlling block. Therefore, Grendene and Vulcabras, along with their Subsidiaries, are interconnected companies. Vulcabras - CE Calçados e Artigos Esportivos S.A. is a direct subsidiary of Vulcabras S.A., and Vulcabras - BA Calçados e Artigos Esportivos S.A. is an indirect subsidiary of Vulcabras S.A.					
Object of contract	Purchase of footwear and inputs					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Vulcabras – CE, Calçados e Artigos Esportivos S.A.	Nov. 1, 2022	R\$ 133,000.00	R\$ 133,000.00	R\$ 0.00	2 years	0.000000
Relationship with the issuer	Vulcabras - CE, Calçados e Artigos Esportivos S.A. and the Company are interconnected companies, as Vulcabras CE is controlled by Vulcabras S.A., and the controlling shareholder of Vulcabras S.A., and thus the indirect controlling shareholder of its Subsidiaries, is part of the Grendene controlling block. Therefore, Grendene and Vulcabras, along with their Subsidiaries, are interconnected companies. Vulcabras - CE Calçados e Artigos Esportivos S.A. is a direct subsidiary of Vulcabras S.A., and Vulcabras - BA Calçados e Artigos Esportivos S.A. is an indirect subsidiary of Vulcabras S.A.					
Object of contract	Licensing, production, and marketing of sports footwear under the "Melissa" brand owned by Grendene, for Vulcabras' Subsidiaries, under the conditions stipulated in the licensing agreement ("Agreement"). The Agreement grants Vulcabras' Subsidiaries the right to market Melissa brand sports footwear in Brazil and, subject to prior approval from Grendene, in any other country. The Agreement was initially entered into for a term of 2 years, with the possibility of renewal by mutual agreement between the parties. In return for the licensing, Vulcabras' Subsidiaries are obligated to make monthly royalty payments to Grendene, corresponding to certain percentages of the net operating revenue of the licensed products. Such revenue is equivalent to the gross amount earned from the sale of the products, less any financial discounts, taxes on sales, and product returns. Since the Agreement involves variable compensation, the amount indicated in the "value involved on business" field pertains to the total compensation incurred between the date of the Agreement's execution and December 31, 2022.					
Warranty and insurance	Not applicable					
Termination or extinction	The Agreement may be terminated in advance by either party through written extrajudicial notification in cases of material breach of any obligation therein assumed or by mutual agreement between the parties.					
Nature and reason for the operation	The licensing of the "Melissa" brand to Vulcabras' Subsidiaries for the production of sports footwear and the collaboration between the companies may bring benefits to all parties involved, as it aims to expand the exposure of the "Melissa" brand, leveraging the expertise of the companies involved.					
Issuer's contractual position	Creditor					
Unicasa Indústria de Móveis S.A.	Dec. 31, 2022	R\$ 4,000.00	R\$ 0.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Unicasa Indústria de Móveis S.A. and the Company are interconnected companies, as the controlling shareholder of Unicasa is part of the controlling block of Grendene.					
Object of contract	Purchase of materials					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Debtor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Grendene Global Brands Ltd	Dec. 31, 2022	R\$ 36,896,000.00	R\$ 36,250,000.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Joint venture (JV). The JV is controlled and managed by 3G Radar, which holds 50.1% of the JV's share capital, while Grendene holds 49.9% of the JV's share capital.					
Object of contract	Distribution and marketing of Grendene products in certain international markets ("United States, Canada, China, and Hong Kong").					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Creditor					
Even Construtora e Incorporadora S.A.	Dec. 31, 2022	R\$ 15,000,000.00	R\$ 15,000,000.00	R\$ 0.00	Up to 4 years	0.000000
Relationship with the issuer	Nova Milano Investimentos (Melpar) has invested in Even Construtora e Incorporadora S.A., holding a 46.88% stake in the company. Alexandre Grendene Bartelle (a related party) owns 31.63% of the shares in this company					
Object of contract	Guarantor of the obligations of the venture of SCP Gouda Even II, in which Gouda Even Empreendimentos Imobiliários Ltda, a company invested by Even Construtora e Incorporadora S.A., acts as the ostensible partner					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	The Company's administration believes that the transactions were in the best interest of the Company, complied with the commutative conditions, provided for adequate remuneration payment, were made under normal market conditions and within the scope of the Company's Financial Investments Policy, as well as in accordance with the Company's Related Party Transactions Policy, and that there was effective negotiation of the terms and conditions without the involvement of counterparties in the negotiation and decision-making process.					
Issuer's contractual position	Creditor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Even Construtora e Incorporadora S.A.	Dec. 31, 2022	R\$ 5,414,000.00	R\$ 6,434,000.00	R\$ 0.00	Up to 4 years	0.000000
Relationship with the issuer	Nova Milano Investimentos (Melpar) has invested in Even Construtora e Incorporadora S.A., holding a 46.88% stake in the company. Alexandre Grendene Bartelle (a related party) owns 31.63% of the shares in this company					
Object of contract	Guarantor of the obligations of the venture of SCP Jesuino Maciel, in which Jaracatiá Empreendimentos Imobiliários Ltda, a company invested by Even Construtora e Incorporadora S.A., acts as the ostensible partner					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	The Company's administration believes that the transactions were in the best interest of the Company, complied with the commutative conditions, provided for adequate remuneration payment, were made under normal market conditions and within the scope of the Company's Financial Investments Policy, as well as in accordance with the Company's Related Party Transactions Policy, and that there was effective negotiation of the terms and conditions without the involvement of counterparties in the negotiation and decision-making process.					
Issuer's contractual position	Creditor					
Even Construtora e Incorporadora S.A.	Dec. 31, 2022	R\$ 21,190,000.00	R\$ 25,697,000.00	R\$ 0.00	Up to 4 years	0.000000
Relationship with the issuer	Nova Milano Investimentos (Melpar) has invested in Even Construtora e Incorporadora S.A., holding a 46.88% stake in the company. Alexandre Grendene Bartelle (a related party) owns 31.63% of the shares in this company					
Object of contract	Guarantor of the obligations of the venture of SCP Mairinque, in which Icatu Empreendimentos Imobiliários Ltda, a company invested by Even Construtora e Incorporadora S.A., acts as the ostensible partner					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	The Company's administration believes that the transactions were in the best interest of the Company, complied with the commutative conditions, provided for adequate remuneration payment, were made under normal market conditions and within the scope of the Company's Financial Investments Policy, as well as in accordance with the Company's Related Party Transactions Policy, and that there was effective negotiation of the terms and conditions without the involvement of counterparties in the negotiation and decision-making process.					
Issuer's contractual position	Creditor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Even Construtora e Incorporadora S.A.	Dec. 31, 2022	R\$ 7,000,000.00	R\$ 3,236,000.00	R\$ 0.00	Up to 4 years	0.000000
Relationship with the issuer	Nova Milano Investimentos (Melpar) has invested in Even Construtora e Incorporadora S.A., holding a 46.88% stake in the company. Alexandre Grendene Bartelle (a related party) owns 31.63% of the shares in this company					
Object of contract	Guarantor of the obligations of the venture of SCP Neto de Araújo, in which Remigio Empreendimentos Imobiliários Ltda, a company invested by Even Construtora e Incorporadora S.A., acts as the ostensible partner					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	The Company's administration believes that the transactions were in the best interest of the Company, complied with the commutative conditions, provided for adequate remuneration payment, were made under normal market conditions and within the scope of the Company's Financial Investments Policy, as well as in accordance with the Company's Related Party Transactions Policy, and that there was effective negotiation of the terms and conditions without the involvement of counterparties in the negotiation and decision-making process.					
Issuer's contractual position	Creditor					
Even Construtora e Incorporadora S.A.	Dec. 31, 2022	R\$ 8,000,000.00	R\$ 327,000.00	R\$ 0.00	Up to 4 years	0.000000
Relationship with the issuer	Nova Milano Investimentos (Melpar) has invested in Even Construtora e Incorporadora S.A., holding a 46.88% stake in the company. Alexandre Grendene Bartelle (a related party) owns 31.63% of the shares in this company					
Object of contract	Guarantor of the obligations of the venture of SCP Pensilvânia, in which Valdepino Empreendimentos Imobiliários Ltda, a company invested by Even Construtora e Incorporadora S.A., acts as the ostensible partner					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	The Company's administration believes that the transactions were in the best interest of the Company, complied with the commutative conditions, provided for adequate remuneration payment, were made under normal market conditions and within the scope of the Company's Financial Investments Policy, as well as in accordance with the Company's Related Party Transactions Policy, and that there was effective negotiation of the terms and conditions without the involvement of counterparties in the negotiation and decision-making process.					
Issuer's contractual position	Creditor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Even Construtora e Incorporadora S.A.	Dec. 31, 2022	R\$ 5,000,000.00	R\$ 7,354,000.00	R\$ 0.00	Up to 4 years	0.000000
Relationship with the issuer	Nova Milano Investimentos (Melpar) has invested in Even Construtora e Incorporadora S.A., holding a 46.88% stake in the company. Alexandre Grendene Bartelle (a related party) owns 31.63% of the shares in this company					
Object of contract	Guarantor of the obligations of the venture of SCP Saioá, in which Arabica Even Empreendimentos Imobiliários Ltda, a company invested by Even Construtora e Incorporadora S.A., acts as the ostensible partner					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	The Company's administration believes that the transactions were in the best interest of the Company, complied with the commutative conditions, provided for adequate remuneration payment, were made under normal market conditions and within the scope of the Company's Financial Investments Policy, as well as in accordance with the Company's Related Party Transactions Policy, and that there was effective negotiation of the terms and conditions without the involvement of counterparties in the negotiation and decision-making process.					
Issuer's contractual position	Creditor					
Even Construtora e Incorporadora S.A.	Dec. 31, 2022	R\$ 5,000,000.00	R\$ 5,327,000.00	R\$ 0.00	Up to 4 years	0.000000
Relationship with the issuer	Nova Milano Investimentos (Melpar) has invested in Even Construtora e Incorporadora S.A., holding a 46.88% stake in the company. Alexandre Grendene Bartelle (a related party) owns 31.63% of the shares in this company					
Object of contract	Guarantor of the obligations of the venture of SCP Venâncio, in which Pouliche Empreendimentos Imobiliários Ltda, a company invested by Even Construtora e Incorporadora S.A., acts as the ostensible partner					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	The Company's administration believes that the transactions were in the best interest of the Company, complied with the commutative conditions, provided for adequate remuneration payment, were made under normal market conditions and within the scope of the Company's Financial Investments Policy, as well as in accordance with the Company's Related Party Transactions Policy, and that there was effective negotiation of the terms and conditions without the involvement of counterparties in the negotiation and decision-making process.					
Issuer's contractual position	Creditor					

11.2 Transactions with related parties

Related party	Transaction date	Amount involved in the BRL business	Existing balance	Amount involved (BRL)	Duration	Interest rate charged
Vulcabras – CE, Calçados e Artigos Esportivos S.A.	Dec. 31, 2022	R\$ 3,000.00	R\$ 0.00	R\$ 0.00	Indefinite term	0.000000
Relationship with the issuer	Vulcabras - CE, Calçados e Artigos Esportivos S.A. and the Company are interconnected companies, as Vulcabras CE is controlled by Vulcabras S.A., and the controlling shareholder of Vulcabras S.A., and thus the indirect controlling shareholder of its Subsidiaries, is part of the Grendene controlling block. Therefore, Grendene and Vulcabras, along with their Subsidiaries, are interconnected companies. Vulcabras - CE Calçados e Artigos Esportivos S.A. is a direct subsidiary of Vulcabras S.A., and Vulcabras - BA Calçados e Artigos Esportivos S.A. is an indirect subsidiary of Vulcabras S.A.					
Object of contract	Sale of footwear manufacturing inputs.					
Warranty and insurance	Not applicable					
Termination or extinction	Termination of activities					
Nature and reason for the operation	Transactions carried out with related parties are made under commutative conditions and in accordance with the criteria for the evaluation and selection of suppliers and Customers					
Issuer's contractual position	Creditor					

11.2 Items “n” and “o”

With the exception of transactions that fall within the hypotheses of article 3, II, "a", "b", and "c" of annex 30-XXXIII, provide information regarding transactions with related parties that, according to accounting standards, must be disclosed in the individual or consolidated financial statements of the issuer and that were entered into in the preceding fiscal year or are in effect in the current fiscal year (ITEMS N/A).

n. measures taken to manage conflicts of interest.

The Company follows best governance practices; operations, particularly those involving related parties, are duly submitted to the Company's management bodies for resolution, in accordance with the powers described in the current Bylaws and in the Related Party Transactions Policy ("Policy"), approved on February 13, 2020, which aims to establish rules and consolidate the procedures to be followed by Grendene S.A. ("Grendene" or "Company") and its Administrators to ensure that decisions involving related parties and situations with potential conflicts of interest are made with complete independence and absolute transparency with regard to Grendene's and its shareholders' best interests. In addition, the Brazilian Corporation Law prohibits any member of the Company's Board of Directors from voting at any assembly or meeting of the Board or from participating in any operation or business in which he or she has competing interests with those of the Company. Transactions and business deals with related parties follow market standards and are supported by prior assessments of their conditions and the company's strict interest in carrying them out.

o. demonstration of the strictly commutative nature of the conditions agreed or adequate compensatory payment.

All transactions with related parties are rigorously commutative and accompanied by adequate compensation. The Related Party Transaction Policy can be found in item 11.1 of this Reference Form.

11.3 Other relevant information

RULES OF PROCEDURE OF THE RELATED PARTIES COMMITTEE

1. OBJECTIVES

The Related Parties Committee ("Committee") of Grendene S.A. ("Grendene" or "Company") is an auxiliary body to the Executive Board and the Board of Directors with regard to the matters described in item 2 of these Internal Regulations ("Regulations").

2. RESPONSIBILITIES

The Committee is responsible for analyzing transactions between Related Parties and situations involving a potential conflict of interest in accordance with the provisions of the Policy for Transactions with Related Parties ("Policy"), approved by the Board of Directors on February 13, 2020, ensuring equality and transparency, in order to assure shareholders, investors, and other interested parties that the Company is operating in accordance with the best Corporate Governance practices.

The duties of the Related Parties Committee are:

- (a) monitor compliance with the Policy, proposing its revision whenever necessary to the Board of Directors.
- (b) identify whether the investment proposals submitted by the Company's Investment Committee constitute Transactions with Related Parties, and if so, adopt all the procedures stated in the Policy, including ensuring that the transaction satisfies market conditions and other Transactions with Related Parties-specific requirements.
- (c) analyze, monitor, and recommend the process of selecting suppliers and service providers, as well as any form of contracting or assumption of responsibilities, debts, obligations, or any other type of investment by the Company and its subsidiaries for contracts involving Related Parties, while ensuring that market conditions are met, as specified in the Policy.
- (d) if necessary, recruit external consultants for assistance while protecting the integrity and confidentiality of the work and not abdicating the Committee's responsibilities.

3. OPERATION OF THE COMMITTEE

3.1. Composition and Mandate

The Committee will consist of a minimum of three and a maximum of five members, elected and removable by the Board of Directors for a term of two years and chosen from:

- (a) effective members of the Board of Directors; and
- (b) directors and other executives of the Company;

one of the members must be the Chairman of the Committee.

3.2. Candidate Replacement Procedure for Committee Member Vacancies

In the event of a permanent impediment of a committee member, the Board of Directors will appoint a substitute at its next board meeting.

3.3. Remuneration

The members of the Committee will not receive any kind of remuneration for their positions.

11.3 Other relevant information

3.4. Coordinator

The Investor Relations Director, who is a member of the Committee, will serve as the Committee's coordinator and will be responsible for calling meetings, defining the agenda, sending out documents, and providing the necessary information to Grendene's operational areas, using the financial administrative support outlined in item 5 below when necessary.

The duties of the Committee Coordinator are:

- (a) convene and conduct meetings of the Committee whenever there are Related Party Transactions to be analyzed.
- (b) ensure that the call for meetings and the agenda for the meetings are sent to the members of the Committee, together with any supporting material necessary for the analysis of Transactions with Related Parties within the period stipulated in these Rules of Procedure.
- (c) invite, when necessary, external consultants, members of administration, and members of Grendene to attend the meetings.
- (d) ensure that the proposed minutes of the meetings are distributed to the Committee members for review within seven working days of the meeting or prior to the implementation of any decision, whichever is shorter.

3.5. Decision-making process

3.5.1. Frequency of meetings

The Committee shall meet whenever necessary, when requested to do so by the Company's administration, for the purpose of analyzing transactions with Related Parties.

3.5.2. Calling of Meetings

Meetings of the Committee shall be convened in writing or electronically by the Coordinator of the Committee, making available to the other members all the documents necessary for analysis in the form of these Rules of Procedure.

3.5.3. Advisory services

The Committee may invite other participants, such as members of the administration and members of Grendene's other advisory committees (if any), as well as any other persons whose participation it deems necessary, such as legal advisors, for the purpose of providing clarifications of any nature.

3.5.4. Place

The Committee's meetings will preferably be held at the administrative headquarters of Grendene S. A., located at Av. Pedro Grendene, 131– Volta Grande neighborhood, Farroupilha, Rio Grande do Sul, Zip Code 95180-052, registered under the National Registry of Legal Entities (CNPJ) No. 89.850.341/0012-12.

Meetings may be held by teleconference or videoconference and may be recorded. This participation will count as personal attendance at the meeting. In this case, members of the Committee attending the meeting remotely may vote via letter or digitally certified email on the date of the meeting, which will be recorded in the meeting's minutes. The Meeting Minutes may also be digitally signed using each participant's personal certificate, which will be kept on file by the Company.

11.3 Other relevant information

3.5.5. Agenda

When convening a meeting of the Committee, the respective Agenda shall be published, which shall delimit the matters to be examined, discussed, and deliberated at the respective meeting and shall always be accompanied by all documents and information sufficient for detailed analysis and deliberation on the matters on the Agenda.

3.5.6. Installation Quorum

Committee meetings must be attended by all its members.

3.5.7. Decision-Making Quorum

The members of the Committee must make all decisions by unanimous vote, except for those who are legally prohibited from doing so.

In the event that certain Committee members participate remotely in the Committee meeting, Committee members shall subsequently sign the Minutes Book of Committee Meetings when requested by the Company or upon their presence at the corporate headquarters.

In the event of a tie resulting from a vacancy of a Committee member, as per item 3.2 of this Bylaws, the Committee Coordinator shall have the casting vote, as an exception.

3.5.8. Conflicts of Interest

Committee members shall declare any potential conflicts of interest at the beginning of each Committee meeting, indicating the agenda item(s) for which they have conflicts of interest. They shall abstain from voting on such item(s) due to the conflict of interest.

Any Committee member may raise the presence of a conflict of interest concerning another Committee member. In the event of no consensus regarding the existence of the conflict, the other Committee members (excluding the involved member and the concerned matter) will vote on whether the conflict exists or not, thereby determining the possibility of the involved member's participation in the discussion and deliberation of the respective matter.

Once a conflict of interest is disclosed or identified, the remaining Committee members may decide on prohibiting the participation of the conflicted member in discussions related to the subject matter of the conflict.

4. DUTIES OF COMMITTEE MEMBERS

The performance of the Committee members should be guided by the following premises:

- (a) ensure that decisions involving Related Parties and situations with potential conflicts of interest are made with complete independence and absolute transparency, considering the interests of Grendene and its stakeholders.
- (b) consider the impacts of Related Party Transactions, aiming for Grendene's sustainability and long-term value generation, as well as promoting transparency of information to shareholders and other stakeholders.
- (c) observe the duties of diligence, information provision, and loyalty inherent to the Company's directors as defined in Law No. 6,404/76.

11.3 Other relevant information

5. ADMINISTRATIVE SUPPORT

Grendene's Investor Relations department will assist with the compilation of minutes and the maintenance of the minutes book, the calling of meetings, the distribution of agendas, and other administrative tasks.

6. GENERAL PROVISIONS

Communications between the members of the Committee and other advisors, if any, must be conducted on a confidential basis.

In addition to the rules set out in these Regulations, the members of the Committee must comply with the guidelines set out in the Company's Code of Conduct and Corporate Policies.

This Regulations were approved by the Company's Board of Directors on February 13, 2020, and August 13, 2020.

All acts approved to date are hereby ratified.

Farroupilha, August 13, 2020.

Alexandre Grendene Bartelle
Chairman

Renato Ochman
Secretary

12.1 Information on share capital

Capital Type	Paid-up Capital	
Date of authorization or approval	Capital Contribution Deadline	Capital Amount
April 23, 2018		1,231,301,604.46
Number of common shares	Number of Preferred Shares	Total Number of Shares
902,160,000	0	902,160,000

Capital Type	Authorized Capital	
Date of authorization or approval	Capital Contribution Deadline	Capital Amount
April 23, 2018		0.00
Number of common shares	Number of Preferred Shares	Total Number of Shares
900,000,000	0	900,000,000

12.2 Foreign issuers – rights and rules

Not applicable. The Company is not a foreign issuer.

12.3 Other securities issued in Brazil

Justification for not filling out the chart:

The Company has no other securities issued.

12.4 Number of security holders

Justification for not filling out the chart:

Not applicable The Company has no other securities issued.

12.5 Trading markets in Brazil

The Company's shares are traded on B3 S.A. – Brasil, Bolsa, Balcão (Brazil Stock Exchange and Over-the-Counter Market) under the ticker “**GRND3**”.

12.6 Trading in foreign markets

Justification for not filling out the chart:

The Company does not have bonds issued abroad.

12.7 Securities issued abroad

Justification for not filling out the chart:

The Company does not have bonds issued abroad.

12.8 Allocation of funds from public offerings

The Company did not conduct any public offering of distribution in the last three fiscal years.

12.9 Other relevant information

There is no other information considered relevant.

13.0 Identification

Name of the person responsible for the content of the form	Rudimar Dall'Onder
Position of the responsible person	Chief Executive Officer

Name of the person responsible for the content of the form	Alceu Demartini de Albuquerque
Position of the responsible person	Chief Executive Officer

13.1 Statement by the Chief Executive Officer (CEO)

Name of the person responsible for the content of the form


Rudimar Dall'Onder

Position of the responsible person

Chief Executive Officer

the above qualified Chief Executive Officer, declares that:

- a. revised the reference form.
- b. the entirety of the form's information complies with the provisions of CVM Resolution No. 80/22, specifically Articles 15 to 20.
- c. the information contained therein is a true, accurate, and complete representation of the issuer's activities and of the risks inherent in them.



Rudimar Dall'Onder

13.2 Statement by the Investor Relations Officer

Name of the person responsible for the content of the form

Alceu Demartini de Albuquerque

Position of the responsible person

Investor Relations Officer

the above qualified Investor Relations Officer, declares that:

- a. revised the reference form.
- b. the entirety of the form's information complies with the provisions of CVM Resolution No. 80/22, specifically Articles 15 to 20.
- c. the information contained therein is a true, accurate, and complete representation of the issuer's activities and of the risks inherent in them.



Alceu Demartini de Albuquerque

13.3 Statement by the CEO / Investor Relations Officer

Given that the Chief Executive Officer and Investor Relations Officer have already supplied their individual statements in the preceding items, this item is not applicable.