

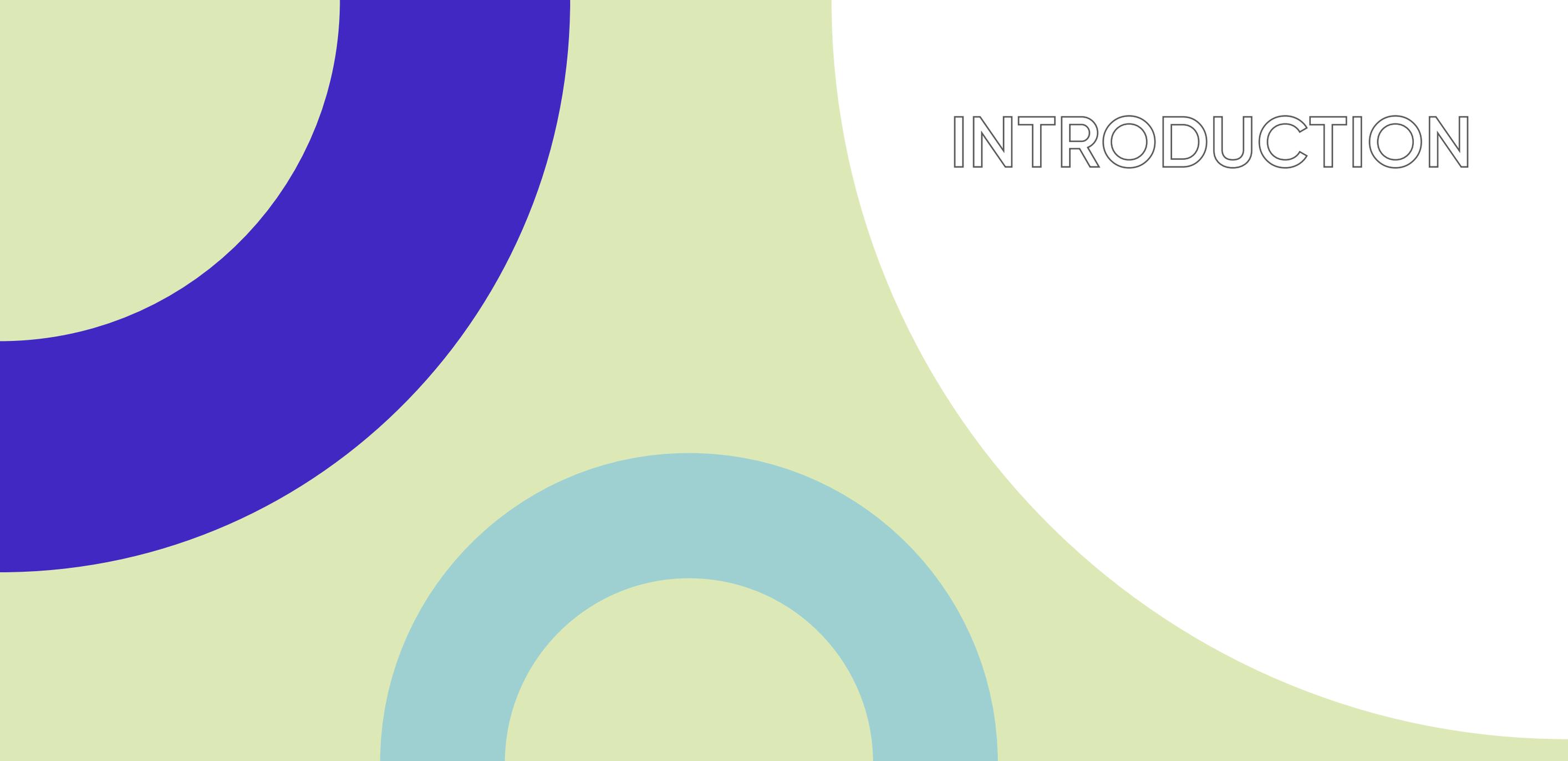
SUSTAINABILITY REPORT 2021

Grendene[®]



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INTRODUCTION

ABOUT THE REPORT

GRI 2-3

Our history is made by people. We work by moving creativity to join fashion and innovation, guided by ethics, trust and collaboration. These attributes help us strengthen our sustainability strategy year after year.

Our commitments and our path to support sustainable development will be laid out throughout this report, published for the 3rd consecutive year, to reinforce our commitment to our stakeholders and to transparent management, offering information on the highlights of the year, our value generation and key results between January 1st and December 31, 2021.

Enjoy reading!

PAY ATTENTION!

Throughout the report, whenever we use the terms “Grendene” or “Company”, we refer to the Organization as a whole, encompassing all our brands and business.

When we refer to a product or project referring to a specific brand, we will mention its name (e.g., Nuar, Melissa, Rider, Ipanema, Zaxy, Cartago, Pega Forte, Grendene Kids and Grendha).

READING TOOLS

This report was built based on the main international sustainability reporting and management guidelines.

Integrated Report (Capitals)

The capital map on page 90 informs on which pages to find the content corresponding to each of the Integrated Report capitals. At the beginning of each chapter, we also indicate which capitals are covered there, with the following icons:



 *For more information.*
<https://relatointegradobrasil.com.br/>

Global Reporting Initiative (GRI)

Throughout the report, the GRI symbol XXX-X appears next to the headers or subheads of the chapters in which the indicator is reported. You can also find a complete list of indicators in the GRI Content Index, on page 82, with the description of each indicator and reference to the page on which it is reported.

 *For more information.*
<https://www.globalreporting.org/>

Sustainable Development Goals (SDGs)

We also reinforce the Company's commitment to the United Nations (UN) Sustainable Development Goals. To explain the relationship between the SDGs and our business more clearly, at the beginning of the chapters we signal the SDGs that are related to the content. And on page 91 you can find the SDG map, informing the pages of content corresponding to the most critical SDGs for our business.

 *For more information.*
<https://brasil.un.org/pt-br/sdgs>

Questions about the report?

Please contact us to discuss questions or suggestions regarding this publication:
desenvolvimento.sustentavel@grendene.com.br

LETTER FROM THE CEO

GRI 2-9 • GRI 2-22

We had a great milestone in 2021: the celebration of Grendene's 50th anniversary. All of the Company's achievements throughout this history would not have been possible without our people. Our evolution is the result of the values that we have fostered in these five decades, merging ethics, trust and collaboration, paying close attention to world trends, to offer innovative products and ensure the sustainable growth of our business.

Even in the face of a challenging economic scenario and a domestic market downturn, we ended the year with good results, focusing our work on foreign market opportunities and the development of products. Thus, we grew compared to the last few years, both in terms of our gross revenue, which reached BRL 2.85 billion, and the number of pairs sold, which reached the 154 million mark. Our commitment, and the efforts of our teams to overcome the challenges allowed us to end the year with an increase in our positivization and with a rise in the number of customers who purchased our products.

Another major milestone in 2021 was the establishment of Grendene Global Brands, the joint venture we formed,

uniting our talents with the 3G teams, in a collaborative and close-knit effort to expand our operations in the global footwear market, aiming for medium and long term results.

We believe that Grendene's future depends on the people who are with us, and on their performance in line with our ambition.

For this reason, we have combined the expertise of our teams and our industrial excellence in the footwear industry with the 3G teams' history of distribution and management of global brands to consolidate ourselves as a global platform in the future.

This year, we also completed a decade of our Sustainability Journey, created to contribute to the sustainability of the business in the long term and for a more responsible future, which prioritizes attention to the impacts that our processes generate on the Planet. Grendene's greatest strategic tool to overcoming obstacles and achieving goals is focus on products. In this sense, accurate choices were critical to our financial solidity. Thus, we combine sustainability with business strategy and, supported by an eco-efficient production



model, we invest in the launch of products with less environmental impact, carefully choosing the ideal raw material and assessing the life cycle of our products.

We believe that continuous investments in innovation increase our value generation and promote a culture of sustainability for our audiences. Under that light, we can highlight in 2021 the launch of collections with lower environmental impact and low carbon emissions, which rely on the use of biomaterials, such as sugarcane and rice husks from renewable sources, in addition to other strategies, such as increasing the percentage of recycled content in shoes and post-consumer recycled materials. The launches of our brands confirm our commitment to the Planet and to a more responsible future.

Our path has always been marked by our connection with the future, and our digital transformation process has made great strides this year.

The creation of the Digital Facilitators Group to promote cultural transformation within Grendene, to foster and support knowledge on innovation among

all our collaborators, it was a big step. We also had the migration of our online stores to proprietary e-commerce management, a change that generated growth in the channel, since the beginning of its implementation (in the second half of 2021), expressed in the maturation of our sales and increased visits to our virtual stores.

Grendene reaches its 50th anniversary thanks to all the people who walked and are walking this path. Our employees are our priority and our strength. Our Company thinks beyond results and also contributes for the future of society. With that in mind, in 2021 we started the Grendene+ Program, to promote the respect for diversity as a whole, fostering a diverse and innovative work environment, in which employees can feel safe and satisfied.

We ended another year with solid results and good opportunities, uniting people, technology and environmental responsibility, so we can continue to be proud of our deliveries, working in an ethical, fair and sustainable way.

I close my message by thanking everyone who made and make this story happen, supporting our path over these 50 years.

Thank you very much. I hope you enjoy reading it!

Rudimar Dall'Onder
Chief Executive Officer of Grendene S.A.

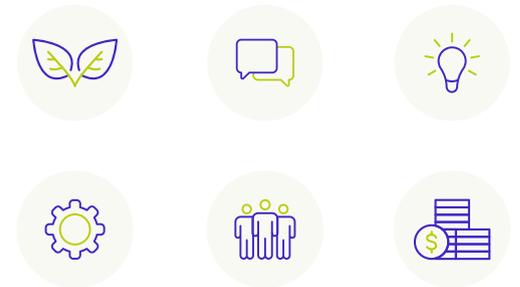


GRENDENE

Related SDGs:



Related capitals:



WHO WE ARE

GRI 2-1 • GRI 2-6

For 50 years on the feet and in the hearts of all Brazilians, taking plastic to unexpected places.

We are Grendene – one of the largest footwear manufacturers in the world. We operate in the national and international market, selling products to different audiences, of all age groups. Throughout our history, we have achieved the efficiency of producing shoes with lower impact materials, we have created stores to guarantee new consumption experiences, caring for both people and the environment, to deliver sustainable fashion to our consumers.

Among our own and licensed brands, our portfolio includes approximately 80 brands, and all our shoes are made in our own factories, with a production capacity of over 250 million pairs per year. Our history is marked by learning, protagonism and innovation, attributes that have guided us towards the future for 50 years.

GRENDENE IN NUMBERS – 2021



BRL 2.85 BI
GROSS REVENUE



BRL 13 MM
REVENUE WITH LOWER
IMPACT PRODUCTS



391
MELISSA CLUB
FRANCHISES IN
BRAZIL



154 MM
PAIRS SOLD
(domestic and external
market)



17.687
EMPLOYEES



110.000
POINTS OF SALE
(Brazil and abroad)



26 LOWER IMPACT
PRODUCTS
(released since 2020)



14.086
CLIENTS
(who sell our products
in stores, supermarkets,
wholesalers etc.)



12 ONLINE
STORES



1.784
NEW PRODUCTS

OUR VALUES

PROFIT

Essential and irreplaceable for Grendene's existence and to maintain jobs.

INNOVATION AND AGILITY

Anticipate difficulties, innovate and do it better than before.

COMPETITIVENESS

Increasing productivity – costs and expenses in constant examination and reduction.

ETHICS

Integrity, respect and transparency – to think, speak and act.

OUR BRANDS

Our vast portfolio allows Grendene to continually reach different clients.

Our Sustainable Development Policy guides the actions, strategies and positioning of brands, according to their priority audiences.

Each of them has the autonomy to launch new products, social initiatives and communication actions, with appropriate and customized language for each brand.

OWN BRANDS

Ipanema

rider

melissa

zaxy

CARTAGO

PEGA FORTÉ

Grendene kids

GRENDA

nuar

PRESENCE AND BUSINESS MODEL

GRI 2-2 • 2-6

Our professional management, with talented teams that research trends to translate and launch fashion at a global level, guarantee the sustainability of our business.

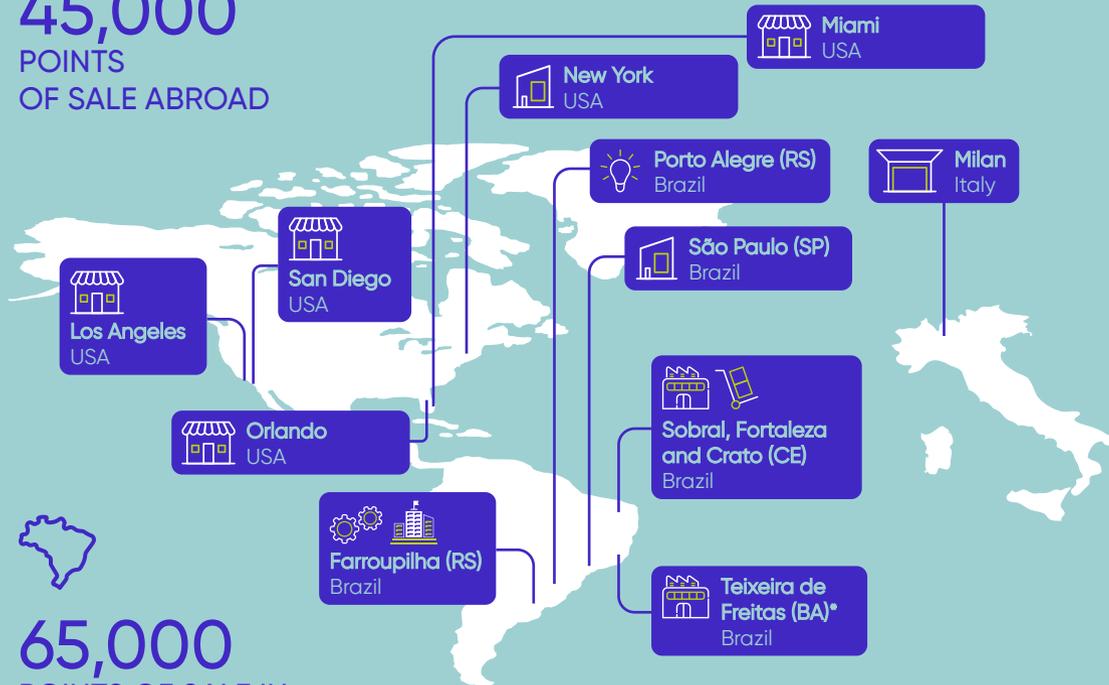
Grendene has four units in operation, comprising 11 footwear factories and a development and dies unit, with production logistics that reach customers throughout national territory and abroad. We sell our products through internal sellers, sales representatives, distributors, direct exports and through our subsidiary Grendene USA, Inc. (USA).

More than 14,000 of our customers are partners, who buy our products and sell them to end consumers, through different types of channels, such as shoe stores, mixed stores (clothing and shoes), large department stores that are our main access channels to consumers. In addition to a distribution chain that sells to wholesalers and distributors who sell our products to customers that we do not access directly.

OUR CHANNELS



45,000
POINTS
OF SALE ABROAD



65,000
POINTS OF SALE IN
BRAZIL



391 MELISSA CLUB
FRANCHISES IN BRAZIL



5 MELISSA CLUB STORES
IN THE UNITED STATES



2 MELISSA GALLERIES



1 MELISSA SHOWROOM IN
MILAN



1 ADMINISTRATIVE
HEADQUARTERS



1 DEVELOPMENT AND DIE-
MAKING UNIT



11 OWN
FACTORIES IN BRAZIL



2 DISTRIBUTION
CENTERS



1 GRENDENE
INNOVATION SYSTEM

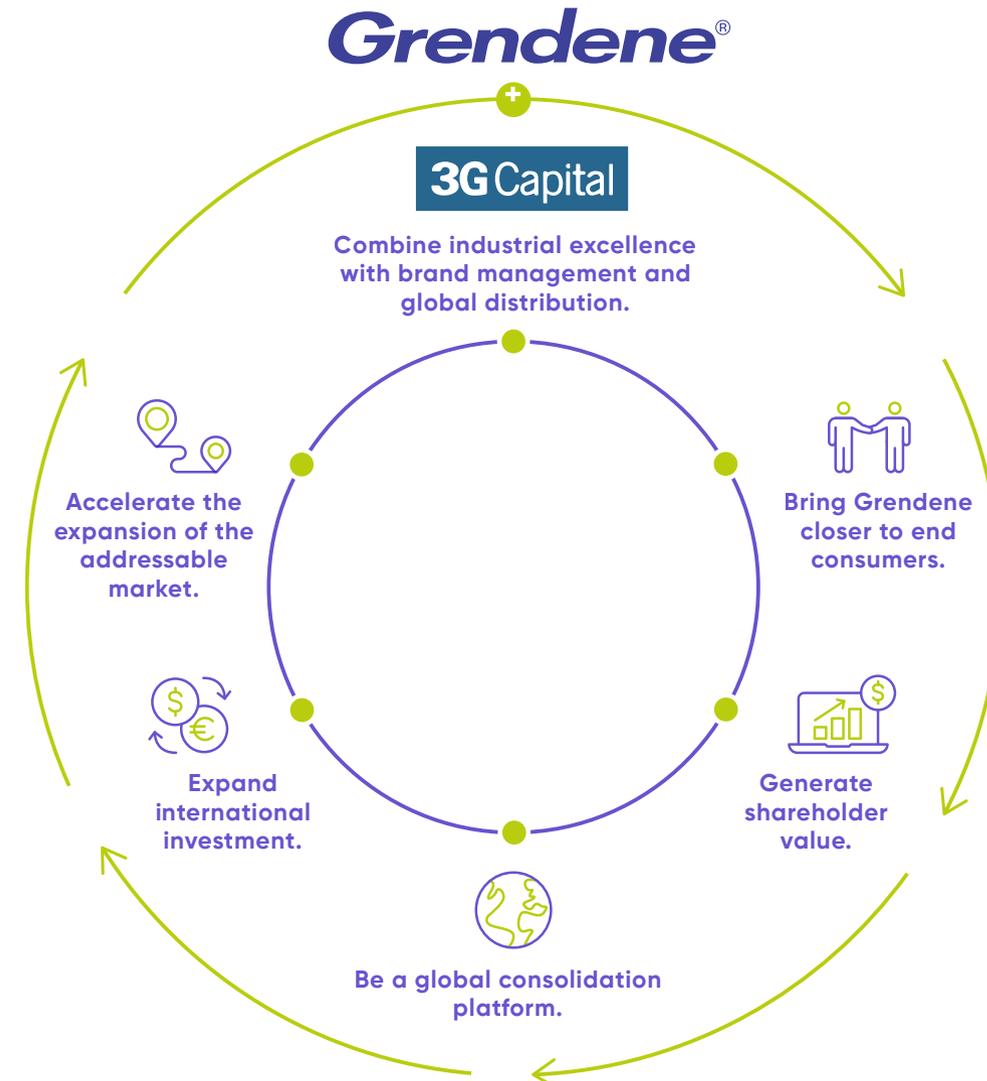
*unit out of operation.

3G RADAR – Internationalization

In October 2021, the partnership between Grendene and 3G Radar, associated with 3G Capital, gave rise to **Grendene Global Brands Limited**.

The joint venture (a partnership to carry out a specific undertaking) will support the expansion of the Company's internationalization agenda, in order to intensify its share in strategic markets.

Grendene Global Brands Limited will operate in countries such as the United States, Canada, China and Hong Kong. In addition to assuming responsibility for direct distribution to consumers, online sales, Melissa stores abroad, distributors and retailers that already work with Grendene in these markets.



USD 50 million

INVESTED (3G+GRENDENE)



50.1% 3G

49.9% Grendene

SHARE CONTROL

GRENDENE 50TH ANNIVERSARY

BOLDNESS TO CO-CREATE PATHS AND TRANSFORM LIVES.

The positive results we have reaped throughout our history are the product of a collective construction, based on respect for people, innovation, effort and dedication. Over these 50 years, we have invested in expanding our production capacity, in proprietary technologies and in communicating with our consumers. This work made it possible for us to stand out in the market, to become one of the world's largest footwear manufacturers.

The First Steps

In February 1971, twin brothers Alexandre and Pedro Grendene Bartelle started the Company, with the creation of Plásticos Grendene Ltda. in the city of Farroupilha (RS). Since its opening, innovation was already in the business' DNA, as the factory produced plastic packaging to protect wine bottles that, until then, were packed with wicker, creating a trend in its industry.

Further on, Plásticos Grendene Ltda. started to produce other industrial items, which opened new horizons for the Company, which started to manufacture components for the footwear industries (soles and heels) for the prosperous region of Vale dos Sinos (RS).

Pathways to Innovation

THE CHALLENGING SPIRIT TRANSFORMED THE COMPANY

The Company's approach to the footwear industry generated the idea that it was possible to have its own production, since making plastic footwear would be much faster and more competitive than producing conventional shoes. After much experimentation, in 1978 the first plastic sandal was launched by Grendene, the **Nuar**.

Based on a brand design study, marketing planning and market orientation, to add the necessary value to the product, the sandal the Company's first step onto the plastic footwear industry.

In 1979, inspired by the shoes of fishermen in the coastal strip of the South of France, on the French Riviera, Pedro created the **Melissa** Aranha model, an icon that inaugurated shoe merchandising in soap operas in Brazil, with the character Júlia, played by Sonia Braga in the soap opera Dancin' Days.

IN THE FIRST TEN MONTHS,
OVER FIVE MILLION PAIRS
WERE SOLD, TAKING
MELISSA TO THE FEET AND
HEARTS OF BRAZILIAN
WOMEN.

A History of Achievements

Two fronts were critical to ensure the success of Grendene's products: partnerships with big names in design and fashion to sign new shoe lines, and investment in television marketing professionals. The Melissinha models with fanny pack and watch, for children, were success cases that enabled the creation of a Special Products Department at the Company, which was later transformed into a Research Division.

In 1986, with a careful analysis of the market guided by this new department, a new brand was developed, focused on the male audience, **Rider**.

"Put your feet on vacation"

The large production capacity led Rider to many achievements, both in Brazil and abroad, being very well received by new consumers. Melissa's consolidated marketing strategy was adapted to the

new brand, which featured campaigns starring established athletes and renowned actors.

EXPANDING OUR BUSINESS CAPACITY

In order to grow and generate new jobs, in 1990, the first manufacturing unit in the State of Ceará was opened in Fortaleza, with an annual production capacity of 5 million pairs of shoes. Years later, in 1993, we opened another factory in the state, in the city of Sobral.

The focus on expansion led Grendene to put new products on the market, such as the **Pega Forte** boot, aimed at heavy duty workers.

New Brands

WE INCREASED PRODUCTION AND EXPANDED OUR KNOWLEDGE OF FASHION, CREATING A PROFESSIONAL ENVIRONMENT WHERE TRUST AMONG ALL EMPLOYEES HAS ALWAYS BEEN CRITICAL TO BUSINESS.

The new manufacturing units increased production capacity and many launches were made to stun audiences. This evolution allowed the construction of the second factory in Sobral (CE) and the opening of the factory in Crato (CE) in 1996.

In 1994, **Grendha** was launched, a Rider brand line, which later took on a life of its own. In its debut, the "Superwoman Rider" had its campaign starring actors Dean Cain and Teri Hatcher, Superman and Louis Lane from the American TV series of the same name. Since 2002, Grendha has had the singer Ivete Sangalo as its commercial godmother and, over the years, many famous actresses and models have starred in its campaigns.

In 1999, the Company's line of children's shoes was named **Grendene Kids**. Its aim is to be associated with names and brands of celebrities and children's characters known nationally and internationally.

Connection with the Present

"GRENDENE'S FUTURE DEPENDS ON THE PEOPLE WHO ARE IN IT AND HOW THEY WILL DO BUSINESS FROM NOW ON, ACCORDING TO THEIR AMBITION AND THE TRUST THEY GENERATE."

Rudimar Dall'Onder

Grendene's exports were the result of the success of the national industry. It all started with Melissa. Grendene realized that it had a revolutionary product, and established a partnership with television to reach consumers. From then on, the Company began to be sought after by international buyers.

The **Ipanema** brand emerged in mid-2001 to inaugurate the Grendene beach footwear line, being launched with the first logo designed by writer and cartoonist Ziraldo, inspired by the famous Rio neighborhood. Its debut featured top model Gisele Bündchen, the face of the brand; the campaign showed the model walking through the streets of Los Angeles, California (USA).

Subsequently, in 2003, Melissa expanded its marketing strategy around the world, being featured in concept stores, such as Colette, in Paris (France), and Dover Street Market, in London (England). That is when Grendene's corporate restructuring began, to enter the São Paulo Stock Exchange.

B3 - a new catwalk

IPO
(2004)

[B]³ BRASIL
BOLSA
BALCÃO

MARKET VALUE
(2004)

BRL 3.1 BI

MARKET VALUE
(DEC/2021)

BRL 7.8 BI

Grendene was the 5th company to have its shares listed on B3's Novo Mercado.

As of 2005, Melissa Galleries started a new concept and shopping experience for the brand's consumers, a format that has expanded throughout the world.

THE MELISSA GALLERY



Melissa launches trends and establishes itself as a global fashion icon brand.

*In 2021, due to the impacts of the pandemic, the Melissa Gallery's physical store in London closed its activities. Today, it only operates via e-commerce.

ZAXY AND CARTAGO

In 2008, Grendene launched **Zaxy**, a feminine and young brand, with products inspired by the main world fashion trends.

A new step and market positioning was also taken, with the launch of the men's brand **Cartago**, in 2009.

The future

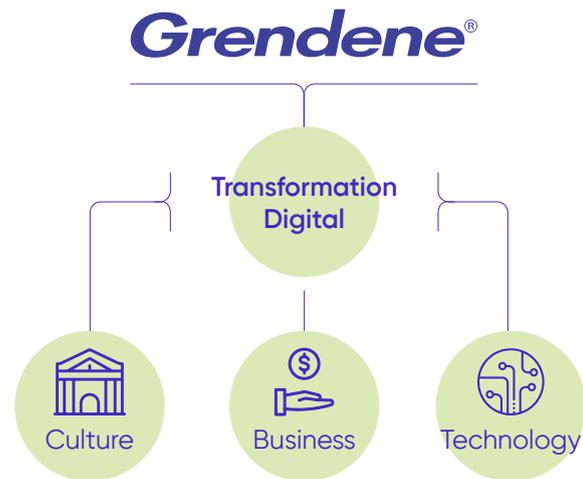
GRENDENE PREPARES FOR THE FUTURE THROUGH THREE PILLARS: DIGITAL TRANSFORMATION, INNOVATION AND SUSTAINABILITY.

Since 2001, Grendene had *e-commerce* channels operated by third parties, but in 2019, the Company advanced in its digital transformation, focusing on bringing digital platforms “into the house”.

Melissa was the pioneer in our virtual stores and, in 2020, due to the pandemic, we launched ten stores in ten months, with seven channels for our brands and two B2B platforms in Brazil, and one Melissa store in the USA. In 2021, Grendene also opened Melissa's virtual store in Italy and launched the Nuar *marketplace* (learn more on page 77).

Our digital transformation process is guided by three pillars:

This plan was materialized through three distinct and interdependent projects:



Digital Facilitators Group and Digital Transformation Trail, *E-commerce* Digital Division and Bergamotta Labs, all critical for Grendene to follow its history, aligned with future trends.

Grendene Digital *e-commerce*

This project, guided by the “business” and “technology” pillars, offers a unique

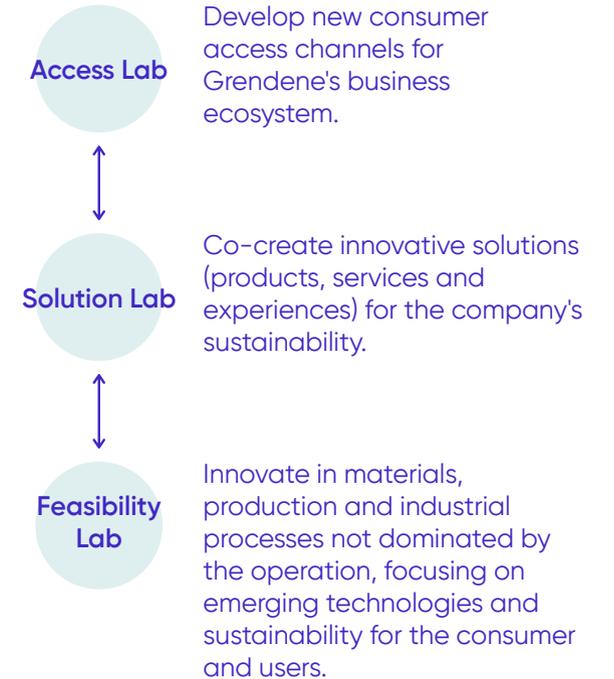
and integrated shopping experience, and favors the Company's relationship with its end consumer.

Bergamotta Labs

Created under the name Bergamotta Works, to promote new channels of consumer access through innovation, Bergamotta Labs, which was designed as a laboratory, is currently an innovation system within the Company, including fronts for open innovation programs.

Our *lab* is comprised of three interdependent laboratories, which focus on testing and promoting innovative solutions that bring people and businesses together in a sustainable way, generating learning based on experimentation.

DISCOVER THE LABORATORIES



MADE BY PEOPLE TO PEOPLE, MADE BY PEOPLE TO THE PLANET

Sustainability has been part of Grendene for over a decade.

In 2011, with the implementation of the Sustainable Development area, we assumed these commitments in our daily lives.

We believe that a company can create products that contribute to reducing its impact on the environment, keeping people and the Planet safe.

Today, most products are made from 100% recyclable PVC. In 2017, all ingredients of animal origin were excluded and, currently, all Grendene products are vegan and registered with the Vegan Society, that is, they do not contain animal-derived components and are not tested on animals. They are also free of toxic or allergenic substances.

In line with the future, we have developed product lines with a lower impact, such as Melissa Flox M, Rider R4, Ipanema Recria and Cartago Tauá. Also, we have over 400 reverse logistics points in Brazil.

In these 50 years of history, with our eco-efficient operations, we have reinforced our commitment to sustaining the business in the long term, generating value for the communities where we operate, and reducing impacts on the environment.



**OUR COMPANY
REACHED ITS 50TH
ANNIVERSARY**
PROUD OF OFFERING
CREATIVE FASHION
WITH TECHNOLOGY,
SUSTAINABILITY AND
INNOVATION, **IN BRAZIL
AND WORLDWIDE!**

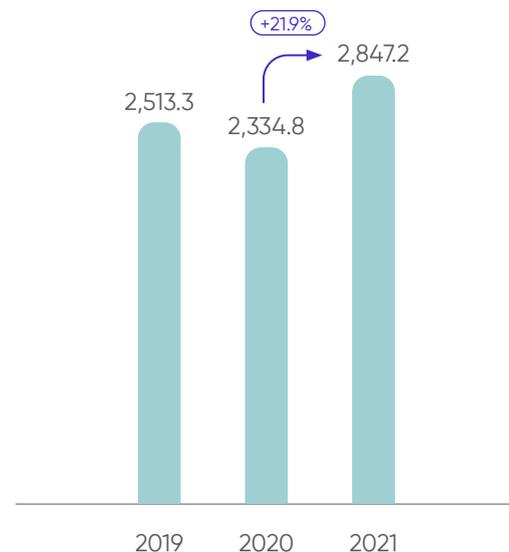
FINANCIAL RESULTS

GRI 201-1

2021 was marked by great challenges in the domestic market, and good opportunities in relation to the foreign market. The inflationary scenario in Brazil, mainly affecting access to basic resources (such as food, electricity and fuel), together with high interest rates and unemployment, slowed down consumption.

Thus, in order to maintain the financial health of the business, we explore opportunities in the foreign market, given the resumption of economic activities. The exchange rate devaluation in this context favored Grendene, allowing us to have positive margins. The foreign market strategy of diversifying its supplier base and reducing exposure to China brought great opportunities for the Company. Our competitiveness, in terms of price and quality of our product, also allowed us to end the period with positive results.

**TOTAL GROSS REVENUE
(MILLION BRL)**



FINANCIAL HIGHLIGHTS

**WE ENDED 2021
WITH A 21.9% GROWTH IN
GROSS REVENUE.**

In a year marked by an adverse scenario, we managed to finish it with excellent performance.

BRL 2.85 BI
GROSS REVENUE

BRL 2.16 BI
DOMESTIC MARKET
GROSS REVENUE

BRL 686.3 MI
GROSS
EXPORT REVENUE

BRL 601 MI
NET PROFIT

BRL 541.8 MI
RECURRING NET PROFIT

BRL 415.6 MI
RECURRING EBIT

Pairs sold

121.1 MI
DOMESTIC MARKET

32.9 MI
EXPORT

PERFORMANCE HIGHLIGHTS

(BRL million)	2019	2020	2021
Gross Revenue	2,513.3	2,334.8	2,847.2
Recurring EBIT	335.6	372.2	415.6
Recurring net profit	478.8	468.6	541.8
Margins (%)			
Net margin	39.6%	21.4%	25.7%

In 2021, we sold more than 154 million pairs, achieved more than BRL 2.8 billion in gross revenue and BRL 415.6 million in recurring EBIT, with a 11.7% growth compared to 2020, and we achieved a recurring net profit of BRL 541.8 million, a 15.6% increase over the previous year.

VOLUME OF PAIRS SOLD (IN MILLIONS)

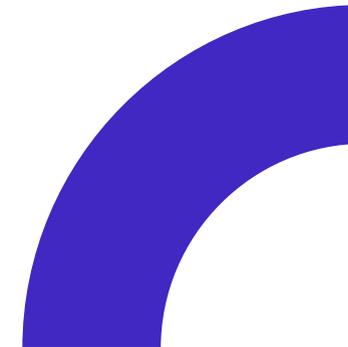


Our strategy to face the crisis is to focus on the product, our precise choices in this regard increased the sales volume by 5.9%.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

(BRL million)	2020	2021
Net Revenue	1,896.8	2,342.5
Distributed economic value	2,225.1	2,478.9
Salary and benefit expenses	488.5	586.7
Total spent on taxes	234.8	122.5
Third-party capital remuneration	243.4	114.2
Retained economic value	(71.6)	189.2

Also, in 2021, we reached BRL 2.5 billion in distributed economic value. Among the items that comprise it, it is worth noting that BRL 122.5 million were allocated to society in the form of taxes, BRL 586.7 million as payments to our employees and BRL 114.2 million in compensation of third-party capital.





Gilson da Silva Oliveira – Effluent Treatment Station Operator – Sobral Unit (CE)

WE REACHED 50 YEARS OF A SOLID HISTORY, THANKS TO HARD WORK, FOCUSED ON AWARENESS OF THE RESPONSIBILITY WE HAVE WITH PEOPLE, THE PLANET AND THE FUTURE.

VALUE GENERATION

GRI 2-4 • GRI 2-22 • GRI 2-23 • GRI 2-29 • GRI 3-1 • GRI 3-2

Sustainability Journey

10 years ago we started our Sustainability Journey and, from there, we implemented a Sustainable Development area at the Company, comprised of specialized professionals, trained to develop and monitor the socio-environmental practices and impacts of Grendene's operations.

Also, to ensure the sustainability of the business and the generation of long-term value, we have a Sustainable Development Policy that guides all our actions, based on three pillars: **Valuing and respecting people, Environmentally efficient operations and Lower impact products.**

To maintain the continuous advancement of our management and improve our performance, we revisited our sustainability strategy in 2021, updating the materiality matrix prepared in 2019. We carried out a study to identify priority material topics for the Company in the coming years, and defined relevant metrics to monitor and present the performance of our topics in 2021.

The methodology of our review was carried out in the following steps:

1. Identification of **priority stakeholders**, based on the Power Vs. Interest matrix, which ranks audiences based on the power of influence and interest of each one in the business. Stakeholders were prioritized considering the entire value chain: supply chain, own operation and after-sales.
2. Identification of **best ESG practices** from the perspective of investors, based on a survey that considers the main capital market rates and the main international guidelines (frameworks) for monitoring corporate sustainability performance.
3. **Sector benchmark** of best sustainability practices being developed by our peers in the industry.
4. **Consultation with stakeholders**, prioritized in step 1, to assess the relevance of topics through an online survey. In all, 692 valid responses were obtained.

5. Construction of **materiality**, based on the definition of material topics, that is, selecting those with a relevance index greater than or equal to 77%, according to the assessment of stakeholders and the strategic scenario (investors and peers in the sector). Thus, 11 material themes were identified. The Water and Effluents topic, despite having recorded a slightly lower score, was identified as a priority by the Company's sustainability area, due to the relevance of the topic to the main area of operation (Northeast Brazil).

Thus, the matrix below highlights the themes incorporated in our 2021 materiality.

Our material themes

- 1 Good labor practices in the operation (learn more on pages 36 and 45);
- 2 Good labor practices in the supply chain (learn more on page 45);
- 3 Waste management (learn more on page 64);
- 4 Management of the use of materials in products and packaging (learn more on pages 63 and 71);
- 5 Fighting climate change (learn more on page 58);
- 6 Environmental assessment of suppliers (learn more on page 51);
- 7 Management of impacts on Human Rights (learn more on page 45);
- 8 Training and education (learn more on page 39);
- 9 Governance structure for compliance and integrity/ profile of shares and corporate structure (learn more on page 26);

MATERIAL THEME MATRIX



- 10 Diversity, equality and non-discrimination (learn more on page 47);
- 11 Freedom of Association and Collective Bargaining (learn more on page 36);
- 12 Water and effluent management (learn more on page 68).

Based on the study presented, we defined our new materiality, in line with the Sustainable Development Goals (SDGs) that guide our performance, to ensure progress in sustainability management at Grendene by 2024.

Partnerships for Sustainability

GRI 2-28

To promote a sustainable, ethical, accessible and transparent fashion market, we have the gold seal of the Brazilian Textile Retail Association (ABVTEX), granted to companies that are part of the Association's program.

We are regularly audited and recognized with the program's top grade since 2020. The result of ABVTEX's assessments, in all our factories, attests to our good practices, respect and guarantee of decent working conditions for all Grendene employees.

Also, we are audited by SMETA (Sedex Members Ethical Trade Audit), a globally recognized organization that evaluates operations for ethical performance and social responsibility. The satisfactory results of these assessments attest to Grendene's commitment to sustainable development.

We also participate in several associations to support the sustainable development of the Company and our industry, by aligning our purposes with market demands and forming collective commitments towards responsible business operation.

We have significant participation in the following associations: Brazilian Institute of PVC (IBPVC), Amcham Brasil, Brazilian Association of Footwear Industries (Abicalçados), Brazilian Association of Component Manufacturers for Leather, Footwear and Artifacts (Assintencal), Association of Sítio Fundão State Park in Crato (CE), Brazilian Institute for Leather, Footwear and Artifacts Technology (IBTeC), Union of the Footwear, Bags, Belts, Gloves Industry and Safety Material and Occupational Medicine (Sincal) of Sobral (CE), Union of Footwear and Artifacts Industries of Farroupilha, Social Service of

Industry (SESI) and National Service of Apprenticeship (SENAI) of Rio Grande do Sul.

For more details on the type of participation in each of them, read the full description in the GRI Summary on p. 84.



Benedito Paula Luca –
Gardener – Sobral Unit (CE)

WE ARE

Grendene[®]

AND WE PRODUCE
SUSTAINABLE AND
AFFORDABLE FASHION.

OUR VALUE GENERATION IN 2021

CAPITALS

- 1 administrative headquarters.
- 11 factories.
- 2 distribution centers.

- Investment in the innovation structure.
- Investment focused on research and development of lower impact products.

- 17,687 employees.
- 3,295 new hires.
- 59 Man/Training Hours (MTH) accumulated in the year.

- 33.3 million GJ of energy consumed.
- 182.3 megaliters of water consumed.
- 50.1 MI kg of PVC input (composite).

- 3,159 direct suppliers.
- 14,000+ retail/wholesalers and distributors customers.
- 223,000+ **e-commerce customers.**

- BRL 2.85 BI Gross Revenue.
- BRL 2.34 BI Net Revenue.



MANUFACTURED



INTELLECTUAL



HUMAN



NATURAL



SOCIAL AND RELATIONSHIP



FINANCIAL

- 110,000 points of sale.
- 391 Melissa Club franchises in Brazil.
- 5 Melissa Clubs in the USA.
- 2 Melissa Galleries.
- 154 MI of pairs sold.
- 1,784 new products

- 26 lower impact products launched since 2020.
- BRL 13 MI in revenue from lower impact products.

- 586.7 MI distributed as salaries and benefits.
- 100% of employees covered by collective bargaining agreements.

- 90% of the waste generated was recycled.
- 87% of the water was reused (internal reuse).
- 374,887 GJ of renewable electricity use.
- 22% of the materials used in production come from renewable sources (total and partial).
- 3,400+ pairs collected in reverse logistics programs since 2019.

- BRL 122.5 MI paid in taxes.
- BRL 1.3 BI paid in contracts with suppliers.

- BRL 2.5 BI in economic value distributed.
- BRL 376.7 MI distributed in dividends to shareholders (Dividends + Interest on Equity).
- BRL 601 MI Net Profit.

VALUE GENERATED

ETHICAL AND RESPONSIBLE MANAGEMENT

Related SDGs:



Related Capitals:



RESPONSIBLE GOVERNANCE

GRI 2-2 • GRI 2-15 • GRI 2-16 • GRI 2-29 • GRI 3-3

For a Company to act responsibly, inspiring confidence in its investors, it is essential that it has robust management, made up of boards and committees, and tools that guarantee business integrity. This structure and its policies and rules make up the so-called **Corporate Governance**.

Grendene has been a publicly traded company since October 2004, with shares listed on the Novo Mercado of the Stock Exchange (B3), a segment that requires companies to adopt good corporate governance practices.

To ensure sustainable development for our business, our Governance model is built to improve Grendene's performance, protect stakeholders, maintain a transparent performance with equal treatment among shareholders and ensure accountability.

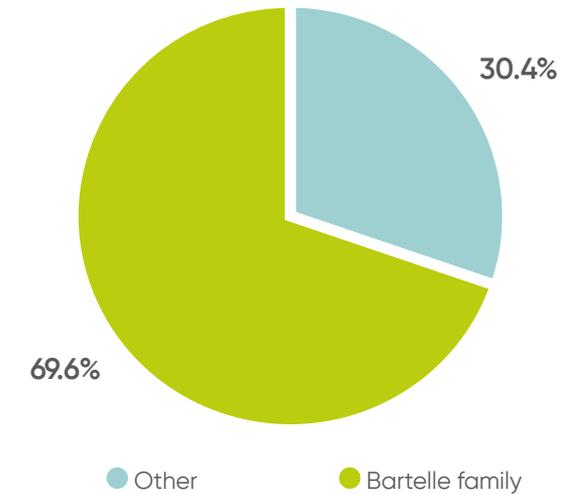
We have an Ethics Committee and a Related Parties Committee, guided by our Code of Conduct, approved in April 2021 (learn more on page 33) and by the Related Parties Transaction Policy, a regiment in place since 2020. These Committees are responsible for monitoring and preventing conflicts of interest in the Company, ensuring that decisions involving related parties and situations with potential conflict of interest are taken with full independence and transparency, prioritizing corporate interests.

The Company's current capital stock is represented by 902,160,000 common, registered, book-entry shares with no par value.

 Over **553.4%**
Share valorization since 2004*

*Considers the reinvestment of dividends since IPO on 10/28/2004.

SHAREHOLDER MAKE-UP

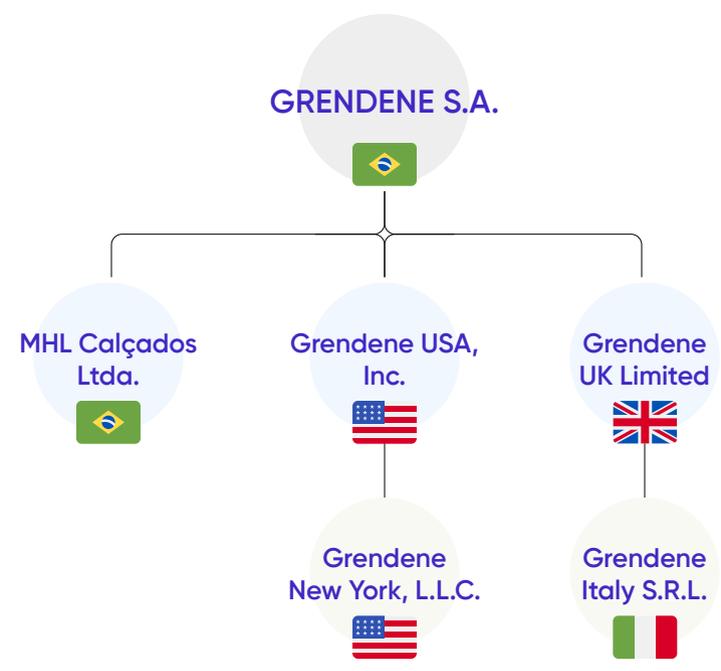


The Company is managed by the Board of Directors, the Audit Committee and the Executive Board, in accordance with the laws in force in the country and Grendene's Articles of Incorporation. Our directors are elected by the General Meeting, and executive officers are elected by the Board of Directors. To improve our Corporate Governance, in 2021 we created the Ethics and Audit Committees.

The Board of Directors, its Advisory Committees and the Executive Board are made up of highly qualified professionals with proven technical, professional or academic experience, aligned with the Company's values and culture.

Criteria such as complementarity, professional experiences aligned with the strategic performance of the business and availability of time to perform the function are also considered.

The consolidated financial statements presented in this report include the operations of the Company and its subsidiaries. Grendene's corporate structure is shown in the organizational chart below:



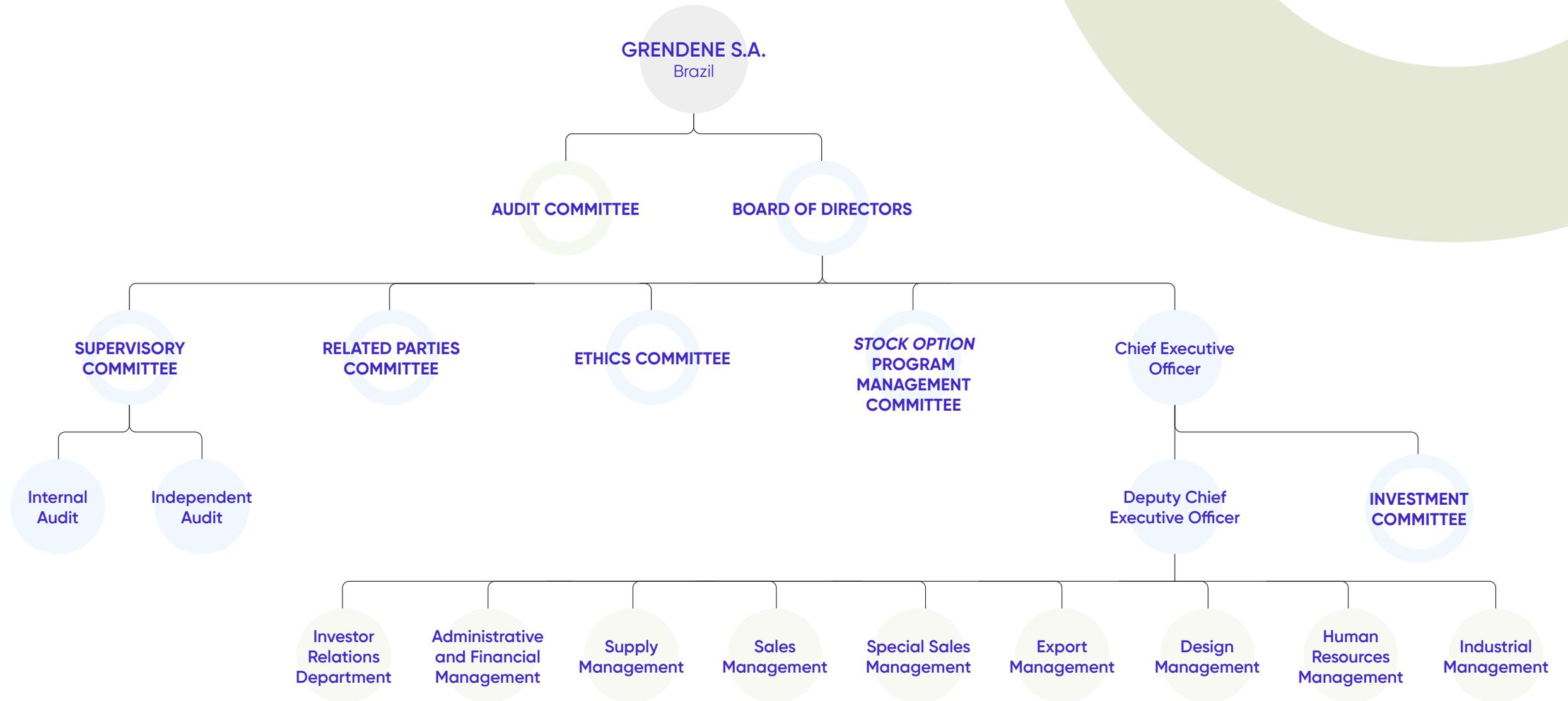
Note: Grendene Shanghai Trading Co., Ltd, was incorporated on June 1, 2021, but as of December 31, 2021, it had not started its operating activities.



Farroupilha Unit (RS)

Governance Organization Chart

GRI 2-9 • GRI 2-10



COMPOSITION OF BOARDS AND COMMITTEES

GRI 2-9, 2-10, 2-11

Grendene has an Appointment Policy for members of the Board of Directors, its Advisory Committees and Statutory Board, which establishes the criteria and procedures for the composition of the groups that manage Corporate Governance.

Board of Directors

The Board of Directors is comprised of a minimum of five and a maximum of seven members, all elected and removable by the General Meeting, with a unified term of office of a maximum of two years, with reelection being allowed. Of the members of the Board of Directors, at least two or 20%, whichever is greater, must be independent directors. The positions of Chairman of the Board of Directors and CEO cannot be held by the same person.

COMPOSITION OF THE BOARD OF DIRECTORS:

Name	Position	Term of office	Frequency of meetings
Alexandre Grendene Bartelle	Chairman	Jul./20 - Jul./22	● 100%
Pedro Grendene Bartelle	Vice-Chairman	Jul./20 - Jul./22	● 100%
Mailson Ferreira da Nóbrega	Director	Jul./20 - Jul./22	● 100%
Oswaldo de Assis Filho	Director	Jul./20 - Jul./22	● 100%
Renato Ochman	Director	Jul./20 - Jul./22	● 100%
Walter Janssen Neto	Independent advisor	Jul./20 - Jul./22	● 100%
Bruno Alexandre Licarião Rocha	Independent advisor	Jul./20 - Jul./22	● 100%

The Committees presented in our organizational chart (learn more on page 28) advise the Board of Directors on decision-making and are elected by the Board itself, in accordance with its internal regulations.

Statutory Board

The officers are the legal representatives, mainly responsible for the day-to-day management of the Company and for the execution of the general policies and guidelines established by the Board of Directors.

The Executive Board is made up of at least three members and at most four effective members, shareholders or not, and residing in Brazil, with a term of office of three years, with reelection being allowed.

COMPOSITION OF THE STATUTORY BOARD

Name	Position	Term of office	Frequency of meetings
Rudimar Dall'Onder	Chief Executive Officer and Chief Financial Officer	Feb./19 - Feb./22	● 100%
Gelson Luis Rostirolla	Deputy Chief Executive Officer	Feb./19 - Feb./22	● 100%
Alceu Demartini de Albuquerque	Investor Relations Officer	Feb./19 - Feb./22	● 100%

Audit Committee

The Audit Committee is an independent body from the Company's Management and External Audit. Its primary responsibility is to review management activities and financial statements, reporting its observations to shareholders. The Board is made up of three members and an equal number of alternates.

COMPOSITION OF THE AUDIT COMMITTEE

Name	Position	Term of office	Frequency of meetings
Eduardo Cozza Magrisso	Director	Apr./21-Apr./22	● 100%
João Carlos Sfredo	Director	Apr./21-Apr./22	● 100%
Herculano Aníbal Alves	Director	Apr./21-Apr./22	● 100%

Discover the detailed experience of each member of our boards [here](#).

Compensation Policy

GRI 2-19 • GRI 2-20

In order to maximize the Company's value generation, through consistent results, our compensation policies are aligned with market competitiveness practices, aiming to maintain – in our staff – professionals who are important for Grendene's strategic development. Compensations are defined as follows:

- **Board of Directors and Audit Committee**
 - fixed monthly compensation for the performance of their duties.
- **Statutory Board of Executive Officers**
 - fixed monthly compensation under attractive conditions and variable compensation based on shares, through the granting of share purchase rights, in which executive officers can invest up to 100% of their variable compensation in the purchase of Grendene shares, aligning medium and long-term interests of our shareholders to the Executives.

To define the compensation of Senior Management, we hold Board of Directors meetings focused on rewarding, retaining and encouraging Executives in conducting business, observing adequate risk limits, aligned with the interests of our shareholders.

We provide compensation based on criteria that appreciate performance, and that also allow for the recognition and appreciation of individual performance, compatible with the market, establishing guidelines for setting any compensation and benefits granted to Executives.

Risk Management

GRI 2-13

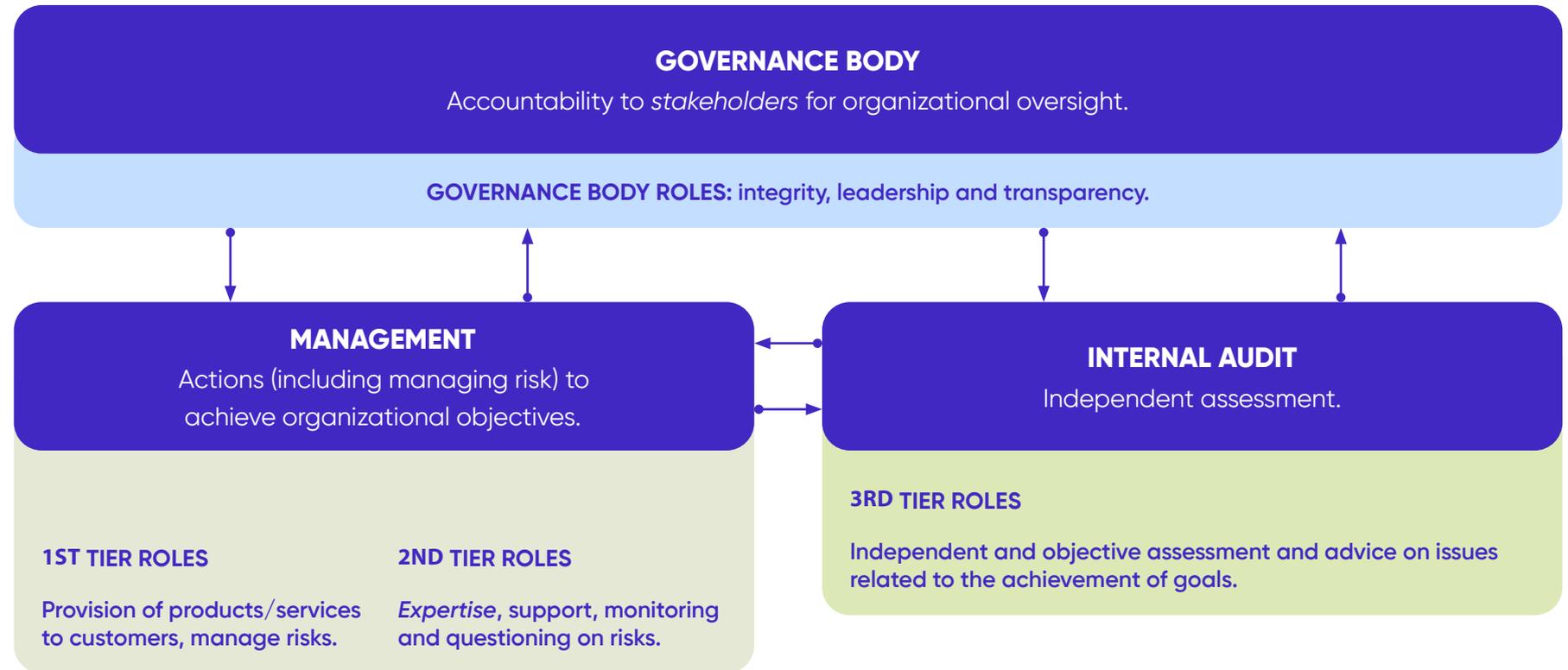
The commitment to effective management to ensure the long-term sustainability of the Company's business has always been present in our daily activities. In 2021, to improve this management, we took a big step in the institutionalization of these practices, with the implementation of Grendene's Risk Management and Compliance Area.

As a result, we launched our Corporate Risk Management Policy to guide the identification, assessment, prioritization and treatment of the risks that permeate the Company.

The Policy applies to all organizational levels of Grendene S.A. in Brazil and abroad, considering all subsidiaries, their managers and employees.

Our risk management follows the IIA's (*The Institute of Internal Auditors*) Three Lines Model, presented alongside:

EXTERNAL ASSESSMENT PROVIDERS



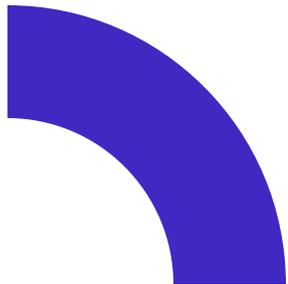
In 2022, as of the date of this publication, the policy was approved by the Grendene Board of Directors and is available [here](#).

ETHICS

GRI 2-16 • GRI 2-23 • GRI 2-24

The ethical principles that guide our work contribute to maintaining Grendene's image, in these 50 years of history, as a company of integrity and trust for our stakeholders.

In 2021, we revised our Code of Conduct, as part of the action plan to improve our management on the subject. We created the Ethics Committee – to propose actions related to the dissemination, training, review and compliance with Grendene's Code of Conduct. We implemented the Ethics Channel – to investigate any irregularities – and launched the Supplier Manual. These actions and tools are critical for the management of ethics among all the Company's stakeholders.



Main policies that guide the responsible conduct of our business:



Grendene Code of Conduct

[Access the Code](#)



Human Resources Policy

[Click here to read](#)



Sustainable Development Policy

[Access the Policy](#)



Supplier Manual

[Click here to read](#)

Our Code of Conduct applies to all employees and stakeholders of the Company. The document is approved by our Board of Directors and the communication about its content is carried out annually through training aimed at all employees, communicated to the internal public and commercial partners and in the process of integrating new hires and outsourced teams that work on Grendene's premises.

To maintain proximity and a good relationship with our suppliers, we also disclose our Code of Conduct and the Ethics Channel at specific events with our partners. Within the Suppliers Manual, we also mention the existence of these tools.

Ethics Channel

GRI 2-25 • GRI 2-26

Grendene's Code of Conduct and the Internal Regulations of the Ethics Committee are the main documents that guide the Company's management of any negative impact that our operations may generate. In order for our stakeholders to report any violation of the guidelines of these Policies, current legislation and regulations applicable to Grendene, in 2021 we implemented our Ethics Channel.

The Channel is independent, operated by a specialized outsourced company, guaranteeing the anonymity and confidentiality of the information received. Complaints can be made by employees or interested parties.

The complainant can enter and update information, as well as follow the status of the complaint, even if anonymous, through the protocol number provided at the time of registration. After receiving the incident, the outsourced company performs a preliminary analysis, classifies and forwards the complaint to Grendene's Ethics Committee, which will work with integrity, discretion, secrecy, impartiality and respect, taking the appropriate measures.

In 2021, we registered 67 different complaints in our channel, 64 of which were resolved in the reporting period. The average response/resolution time for each complaint is 20 days.

Grendene Ethics Channel



Website

www.linhaetica.com.br/etica/grendene



Email

grendene@linhaetica.com.br



Phone number

0800 208 0048



P.O. Box

79518 - CEP 04711-904,
São Paulo (SP)

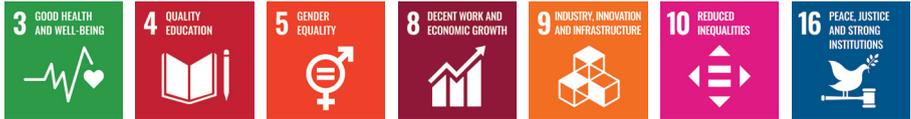
INFORMATION SECURITY AND PRIVACY

In January 2021, we launched our Information Security Corporate Policy to establish guidelines and guide all areas and employees of the Company on information management and protection within the Company. The Policy's guidelines cover **Protection, Accountability, Compliance, Awareness, Continuous Improvement and Ethics**.

Also, we have a Corporate Policy for the Protection of Personal Data, to maintain our management in high standards of information security and ethics in the treatment of personal data of our audiences.

WE ARE MADE BY PEOPLE

Related SDGs:



Related capitals:



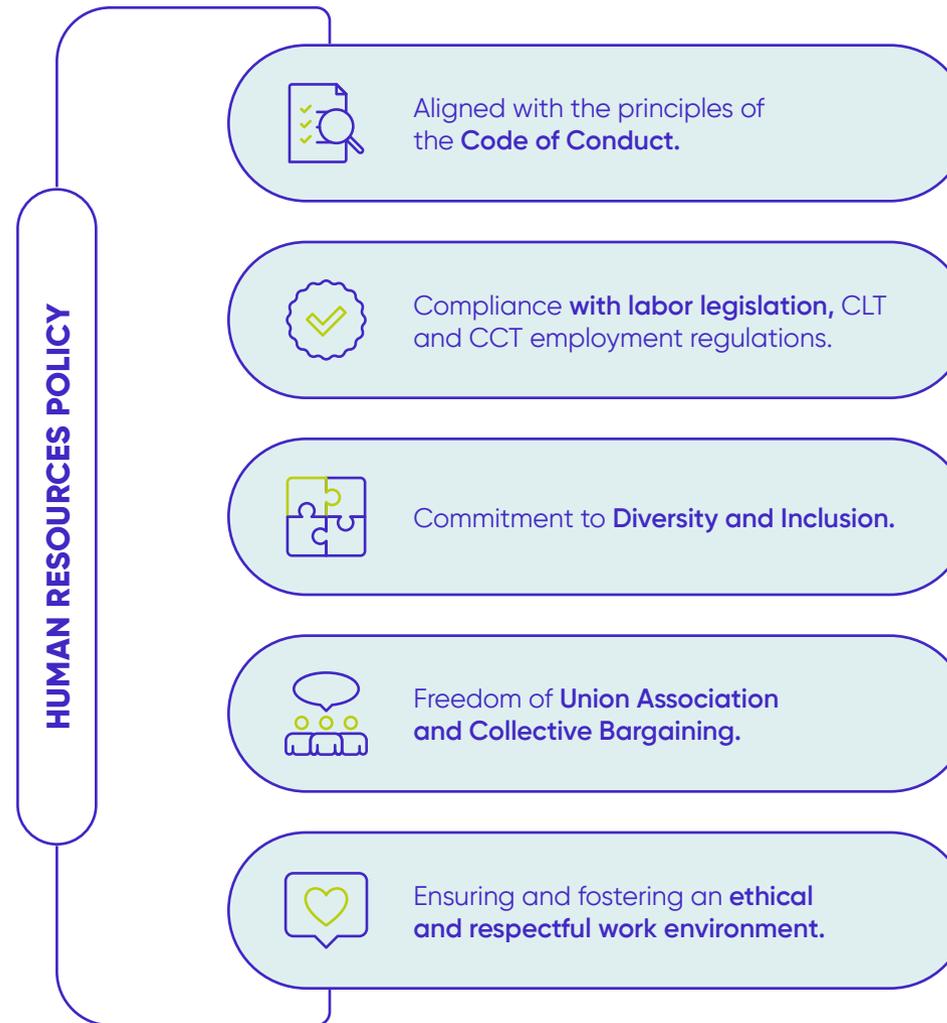
EMPLOYEES

GRI 2-23 • GRI 3-3 • GRI 407-11 • GRI 2-30

People are more than a pillar supporting Grendene's purpose: here they are our priority and our strength lies within them.

To ensure responsible conduct, active listening and the development of our teams, we have a Human Resources Department and teams specialized in Personnel Management in all of our units.

To guide our corporate organizational development strategy, we have a Human Resources Policy that mainly addresses the following aspects:



100%

OF EMPLOYEES ARE COVERED BY COLLECTIVE BARGAINING AGREEMENTS.

Who constitutes Grendene?

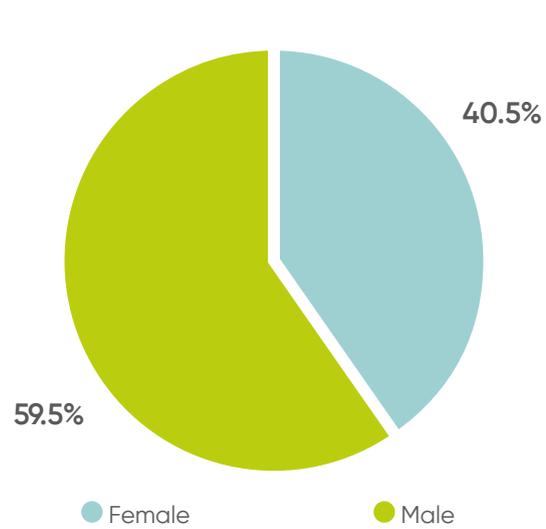
GRI 2-7 • GRI 2-8 • GRI 401-1

In 2021, our team had 17,687 employees, of whom 7,170 are female and 10,517 are male, 89.1% of which are located in the Northeast region of Brazil, supporting income generation and local development.

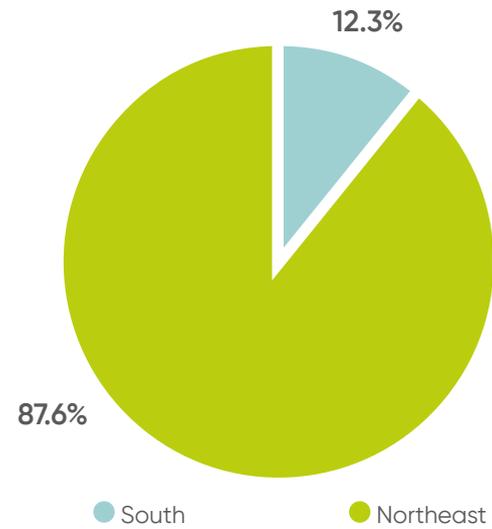


Cícera da Silva and Gilsom Jacinto dos Santos - Production Assistants - Crato Unit (CE)

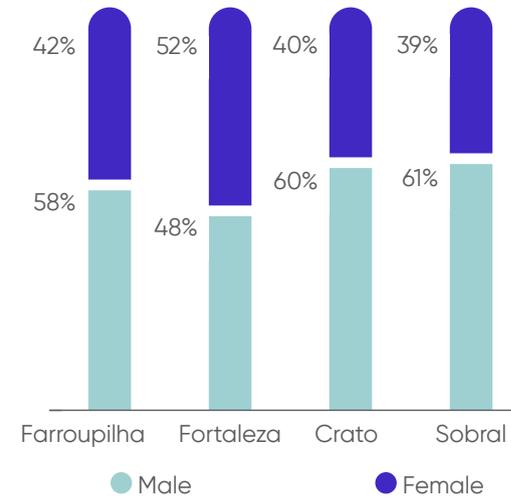
EMPLOYEES BY GENDER



EMPLOYEES BY REGION



EMPLOYEES BY GENDER AND UNIT

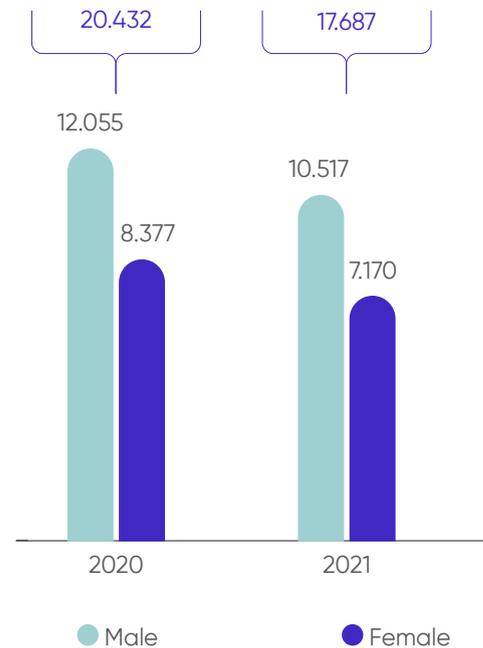


We have 191 direct outsourced employees from companies that provide catering, surveillance, medical care and transportation services to Grendene.

In 2021, we hired 3,295 people to compose our teams and 6,057 people left the Company in the period.

Due to the Covid-19 pandemic, at the end of 2020 we made an emergency hiring of 3,000 employees, on a temporary basis, to meet the orders dammed by the shutdown of factories and commerce. In the first quarter of 2021, orders normalized and no extension of temporary contracts was necessary. Due to this scenario, in 2021, we had a reduction of 13.4% in our workforce.

EMPLOYEES BY GENDER IN THE LAST TWO YEARS



HIRING AND TURNOVER RATES

Age bracket	Number of hires	Hiring rate	Number of terminations	Turnover rate ¹
under 30	2,649	33.9	3,895	58.9 ²
Between 30 and 50	632	7.1	2,025	18.7
over 50	14	1.2	137	7.5
Gender				
Male	1,914	18.1	3,458	34.6
Female	1,381	19.2	2,599	37.4
Region				
Northeast	2,749	17.4	5,582	35.2
South	546	28.0	475	40.2

¹ The turnover rate considers the average number of hires and terminations per total number of employees at the end of the period in the same category.

² Of the temporary contracts that ended in 2021, most were under the age of 30.

Benefits

GRI 401-2

At Grendene, we grant benefits to our employees that aim to provide a healthy work environment that leads to professional growth.

In all units we have cafeterias, with nutritious and healthy food, and medical and dental care on our sites (learn more about the health care and well-being of our team on page 43). We also offer agreements with partner companies and the **Grendene Club**, a discount program for the purchase of shoes from our brands, with an exclusive *e-commerce platform* for our employees.

Employees of the unit in Farroupilha (RS), in addition to the aforementioned benefits, have a health plan, life insurance and chartered transport.

On special dates, such as Easter and Christmas, our employees also receive an Easter basket, a Christmas basket, Christmas turkeys, among other commemorative benefits.

Progress

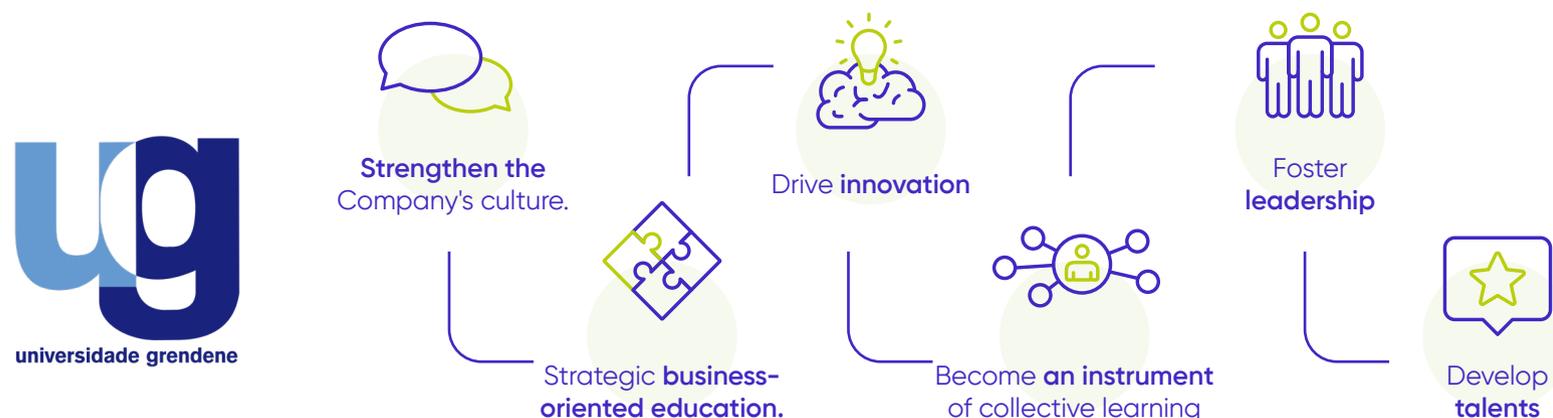
GRI 404-1 • GRI 205-2

We guide and inspire our talents to develop their skills. Each individual growth drives the expansion of Grendene as a whole.

To promote the constant training of our employees, we have a Corporate Education area, focused on improving the organizational and human skills of everyone who makes Grendene happen.

Since 2017, we have implemented our Corporate

Education Policy, revised in 2019, which guides the learning methodology of the Grendene University. This front is very important to support the career development of our people, to offer educational content aligned with business strategies and stimulate the learning process linked to professional practice.



The Grendene University is focused on the purpose of “learning to evolve”, with several fronts, such as the School of Leadership and Management, Business School and Industrial School.

In addition, we have indicators to monitor and map the hours of training in each of our units, in order to promote continuous training for our employees. In this way, we ended the year 2021 with an accumulated **59.4 hours of training**, a total 13% lower than in 2020.

TRAINING HOURS PER EMPLOYEE AND UNIT

Unit	Hours/employee
Sobral (CE)	11h54
Crato (CE)	22h58
Fortaleza (CE)	10h53
Farroupilha (RS)	13h52

In the last two years, this indicator was impacted by the Covid-19 pandemic, which made us temporarily interrupt several face-to-face training that we carried out. The expectation is to resume face-to-face training in the next fiscal year.

To promote Grendene's ethical conduct, in 2021, we carried out frequent communications and training on our Ethics Channel and the Code of Conduct, which also address topics related to the fight against corruption. Also, members of the Ethics Committee carried out

training with KPMG (audit consultants that supported us in the implementation of the Committee and the Channel) on the subject. At the end of the period, we had over 16 hours of training.

TRAINING PROGRAMS TO FIGHT CORRUPTION

Job Title	Region	Attendees	Class load
Leadership	Sobral (CE), Crato (CE), Fortaleza (CE) and Farroupilha (RS)	91	3h
Leadership	Sobral (CE), Crato (CE), Fortaleza (CE)	63	1h30
Leadership	Farroupilha (RS)	115	4h30
Assistants and Analysts	Sobral (CE), Crato (CE), Fortaleza (CE) and Farroupilha (RS)	759	4h30
Members of the Ethics Committee	Northeast and Rio Grande do Sul	8	3h



Grendene University Events Center – Sobral Unit (CE)

PRESS PLAY ON YOUR FUTURE

YOUNG TALENTS

At Grendene we also have programs focused on young talents:

- › The **Young Apprentice Program** is developed in partnership with the National Service for Industrial Learning (SENAI) and aims at preparing young people aged 14 to 24 for their first professional experience in the job market.
- › The **Estagiari Program** is our internship program that seeks to provide practical experience to young people in training, enabling them to apply the knowledge acquired in academic life in professional practice.

Clara Baratto Sant
Ana – Internal
Communications
Intern 2021 –
Farroupilha Unit (RS)



Potential Development

To ensure a bank of talents and leaders necessary for the continuity of the business, we carry out behavioral assessment and interviews to identify professionals with the potential to occupy new positions within the Company. The process assesses the readiness level of each candidate, and the points to be developed, through the following development programs:

- › Estagiari: Internship Programs;
- › Training of New Process Preparations;
- › Training of New Technical Leaders;
- › Training of New Analysts;
- › Training of New Leaders (Supervision and Specialists);
- › Training of New Operations Coordinators and Supervisors;
- › Training of New Department Managers.

Career Development and Female Representation at Grendene

One of Grendene's unique corporate culture advantages is the proximity we maintain with our employees and the constant appreciation of the performance of each person who makes Grendene happen.

In Brazil, women occupy only 38% of management and board positions in companies¹. When assessing senior leadership positions, 10.4% of women hold positions on boards, with only 4.4% acting in the presidency, and 1.2% of women hold the position of CEO in the country².

Our commitment to diversity and social responsibility makes us want to contribute to improving this data, supporting the career development of Grendene employees. From 2017 to 2021, we recorded a 225% growth in managerial positions held by women.

To illustrate how this happens in practice, we will introduce you to **Schana Cenci**. Schana began her career at Grendene in the 2000s, as a composition designer for the men's footwear group (Rider and Cartago). After a period, she became a product designer, and within the Company she embraced every opportunity to become, increasingly, a multidisciplinary professional. She worked as Coordinator of the Ipanema

brand, Department Manager of the brand and Divisional Design Manager, being responsible for all Grendene brands, until reaching the position of Grendene Design Director, responsible for the company's creative department and for all the Company's brands.

For her, holding the position of Director at one of the largest companies in the country represents the achievement and realization of a history of dedication, commitment, energy, resilience, joy and courage.

"I FEEL HAPPY TO BE WHERE I AM (...) AND TO BE WHO I AM."

For her, the courses and training offered by the Company helped and boosted her development. She also considers the Grendene University to be a great differential in this regard, but highlights, above all, the autonomy and encouragement that Grendene made possible for it to develop in several aspects. Freedom in

decision-making and in conducting the projects in which she was involved, in an innovative way, were critical.

Schana represents the development of leaders through autonomy, self-determination and passion for what they do, critical attributes to build a solid posture. With a lot of energy, courage, resilience and creativity, she is considered an inspiration, and today she is recognized as an innovation enthusiast within the Company, qualities that boosted her professional progress, in these 22 years of Grendene.



¹ Data takes into account women in management and board positions in the public and private sector. Source: Gender Statistics - Social indicators of women in Brazil. IBGE, 2019. Available at: <https://bit.ly/3wUac2n>.

² Progress at a snail's pace. Women in the boardroom: A global perspective. Deloitte, 2021. Available at: <https://bit.ly/3lEq7k>.

Occupational Safety and Health

GRI 403-1 • GRI 403-2 • GRI 403-3

To care for the health and well-being of our employees, we have an Occupational Safety and Health Policy and an Occupational Safety and Health Management System prepared internally, and our operations also follow the Regulatory Standards in force.

The Internal Management System (SIG) was designed and implemented based on ABNT NBR ISO 45001:2018, this international standard is a reference in the best practices of Occupational Safety and Health (OSH) management. Thus, we seek to guarantee quality in the protection of employees.

All the Company's direct and indirect activities are covered by the policy and our SIG interacts with all the company's units and sectors. In 2021, we improved our assessment and added the "behavioral deviations" indicator to the safe behavior index in our operations. In

this way, managers can identify, correct and measure behaviors that may lead to incidents or accidents.

In order to closely monitor the management of safety risks, we carry out periodic visits with a representative of the OSH area, together with the leadership of the monitored area, in order to identify and correct possible behavioral deviations, as well as any structural and/or organizational conditions capable of exposing employees to risks.



Abner Carvalho Souza and Wydayana Oliveira do Nascimento – Occupational Safety Technicians – Sobral Unit (CE)

INCIDENT RISK MANAGEMENT MODEL AT GRENDENE

SAFE BEHAVIOR INDEX

Quantifies the effectiveness of the OSH Management System.

ACTION PLAN

Goals to be met and guidelines for safe work.

MONITORING

Periodic inspections, checklists, audits, involving management and coordination of the area.

ZERO ACCIDENTS

Baseline indicator for operational performance.

All risk management results are presented to the Managements and Boards of Directors of the areas, so that adherence to goals and possible investments are evaluated and implemented. Our Ethics Channel is also available to employees if they wish to report something that could put them in danger, guaranteeing absolute confidentiality for the reporting process.

Collected data is translated into indicators and periodically assessed. Thus, we update the goals established for the prevention and control of risks and hazards, promoting continuous improvement of the system. We have also advanced in the safety of machines and equipment, in the control of environmental agents and in the awareness of our employees.

We have an area specialized in Safety Engineering and Occupational Medicine (SESMT) responsible for ensuring compliance with the policy and prevention routines established in the SIG, as well as for investigating accidents, using the Occupational Accident Investigation Manual as a reference, NBR 14,280 and Law 8,213/91, to guarantee high standards of care in relation to the prevention of accidents at work.

In addition, we have the following services for occupational health:



› **Occupational exams
(clinical and complementary)**

› **Occupational epidemiological
studies**

THEY MONITOR THE HEALTH OF WORKERS
DURING THEIR WORKING LIFE AT GRENDENE.



› **Ergonomic analysis**

THEY MONITOR THE HEALTH OF WORKERS
DURING THEIR WORKING LIFE AT GRENDENE.

Our Lead Occupational Physician establishes the standards to be followed during the examinations that are included in the annual calendar, which include all employees, in addition to all other demands related to occupational health. This professional holds meetings periodically with the other doctors at Grendene, to guide and update the teams.

All health care services provided, including emergency services, are available during work shifts, at the facilities located within the Company.

Human Rights Impact Management

GRI 2-23 • GRI 2-24 • GRI 3-3 • GRI 412-1 • GRI 406-1 • GRI 412-1.

People are our Company's greatest asset. Having a verticalized production is a competitive advantage for Grendene, essential to maintain integrity and respect for Human Rights in our operations.

Our employees are formally hired, in compliance with current labor legislation (learn more on page 36), and our leadership is responsible for guaranteeing these rights, fair wages and valuing our teams, as well as responsibility in our value chain.

To support Human Rights management at Grendene, we have the following Policies:

- › **Sustainable Development Policy**
in which there is a specific section on "Appreciating and Respecting People".
- › **Human Resources Policy**
with guidelines on the prohibition of forced labor, slave-like labor and child labor.
- › **Supplier Manual**
to foster ethical conduct throughout the chain (learn more on page 49).

In addition, we made great progress on this front in 2021, with the creation of the Grendene Diversity Committee (learn more on page 47), implementation of the Ethics Channel to monitor any violation of Human Rights in our operations, and training with a specialized company, aimed at the members of our Ethics Committee, to support the dissemination of our Code of Conduct, and the alignment of the Committee's work with high standards of business ethics.

MONITORING OF HUMAN RIGHTS MANAGEMENT



100%
OF OPERATIONS
AUDITED ON HUMAN RIGHTS.

In 2021, we underwent **SMETA** and **ABVTEX** audits and were also audited by our clients **DISNEY**, **C&A**, **UNIVERSAL** and **RIACHUELO**. We obtained excellent results in the assessed requirements.

HIGHLIGHTS



The **Brazilian Textile Retail Association** (ABVTEX) promotes constant evaluations in the fashion retail value chain, ensuring business ethics, decent working conditions for employees and care for the environment. In the 2021 audit, Grendene achieved the highest score, earning the **ABVTEX Gold** seal.

Check the approval certificates [here](#).

Proud to be a
Sedex⁷
Member

SMETA (Sedex Members Ethical Trade Audit), one of the most recognized audits worldwide on ethical management and social responsibility, has ensured, for another year, social responsibility in the conduct of our business and Grendene's commitment to sustainable development. This year, a total of 166 employees from our three units in Ceará were interviewed. We recorded excellent results, meeting 100% of the requirements in Sobral (CE) and Crato (CE) and 99.5% in Fortaleza (CE).

Check out the full reports [here](#).



Fernanda Aurilene Martins Evangelista
- Quality Control Inspector of Customer
Service (SAC) - Fortaleza Unit (CE)

Diversity

We believe that, through diversity and inclusion, we can go beyond our results and contribute to the future of society.

Our teams are made up of people who work with dedication and enthusiasm. Respect for diversity within Grendene is critical to achieve that.

The diversity of brands in our portfolio shows the openness we have to interact with different audiences, and this has intensified within Grendene and its brands. In 2021, we advanced in our management of the topic, with the creation of the **Grendene+ Program**.

The Program brought a new way of looking at this theme within the Company, it is an initiative to welcome and respect diversity, with themes that increase the value of the Grendene brand and our business as a whole, aiming at offering a diverse and innovative work environment to employees.



STRUCTURE AND PARTICIPATION

The Program is made up of:

- **Diversity and Inclusion Committee:** 15 members.
- **Strategic Board:** 10 members.
- **Working Groups:** 153 members. (among leaders, co-leaders and volunteers) + 122 supporters.

ASPIRATION

To be recognized as a company that fosters and appreciates diversity and inclusion, contributing to a culture of respect and equity wherever we operate.

CROSS-SECTIONAL ENABLERS

- **Gender equality**
- **Generations**
- **LGBTI+**
- **Disabled people**
- **Race**
- **Regionalities and Cultures**

Maternity and Paternity Leave

GRI 401-3

Our human resources management values the well-being of our employees and their families. For this reason, Grendene guarantees the right to maternity and paternity leave for its teams, as well as accompanying and monitoring the return of employees on leave to their activities.

At Grendene, the policy follows the Brazilian Labor Law (CLT), which guarantees maternity leave of 120 days, paternity leave of five days, and the benefit also extends in cases of adoption.

Although the number of women is lower than that of men in our workforce, more women took maternity leave in the period, totaling 411 women and 341 men. In 2021, our return to work rate was 93% and the retention rate was 81%.

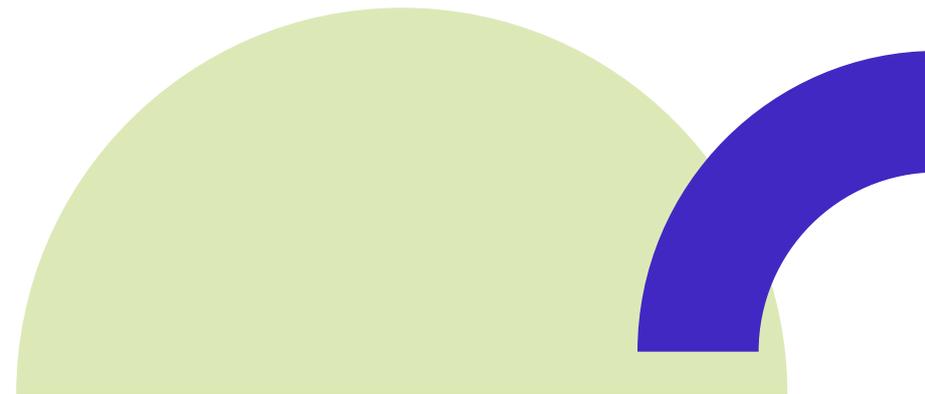
At the time the data was released, in March 2022, of the 411 employees who were on maternity leave in 2021, 66 will still return to work in 2022 and 53 are still on maternity leave.

MATERNITY AND PATERNITY LEAVE

	Maternity	Paternity
Total employees who took leave in 2021	411	341
Total employees who should have returned to work after leave in 2021	292	341
Total employees who actually returned to work after leave in 2021	245	341
Rate of return to work of employees who took leave in 2021 ¹	93%	
Retention rate of employees who went on leave in 2020 and stayed 12 months or more after returning ²	81%	

¹ To calculate the return to work rate, we consider the number of employees who actually returned to work after maternity and paternity leave in 2021, divided by the number of employees who should return to work after maternity and paternity leave in 2021, multiplied by 100.

² To calculate the retention rate, we consider the number of employees retained after returning from leave until December 2020, divided by the number of employees returning from leave until December 2020 multiplied by 100. A number of leave periods in 2019 were considered due to the expected returns for 2020.



SUPPLIERS

GRI 2-6 • GRI 3-3 • GRI 204-1

Faced with the crisis generated by the pandemic, the long-standing partnership with our suppliers was essential for us to continue generating value.

Our Supply Area was one of the most affected by the Covid-19 pandemic in 2021. The unbalanced global chain brought challenges to Brazilian companies and our relationship of proximity and trust with our partners was critical to face this crisis.

We have strategic suppliers located close to the factories to improve production efficiency. Our chain has suppliers of materials that include thermoplastic resins and plasticizers, paints and pigments, fabrics and decoration items, synthetic laminates and packaging. To support our operations, we rely on machinery and equipment companies, and transport companies, among others.

In 2021, our supply chain consisted of 3,159 direct suppliers, of which 224 are suppliers of raw materials for the manufacture of shoes, 2,627 suppliers of assorted materials, 280 intermediary suppliers and 28 suppliers of resale goods.



In all, BRL 1.3 billion was spent on contracts with direct suppliers, 89% of which was spent with national suppliers.

Jefferson da Silva Santos – Production Assistant – Crato Unit (CE)



3.159

DIRECT SUPPLIERS (TIER 1)



1.3 BI

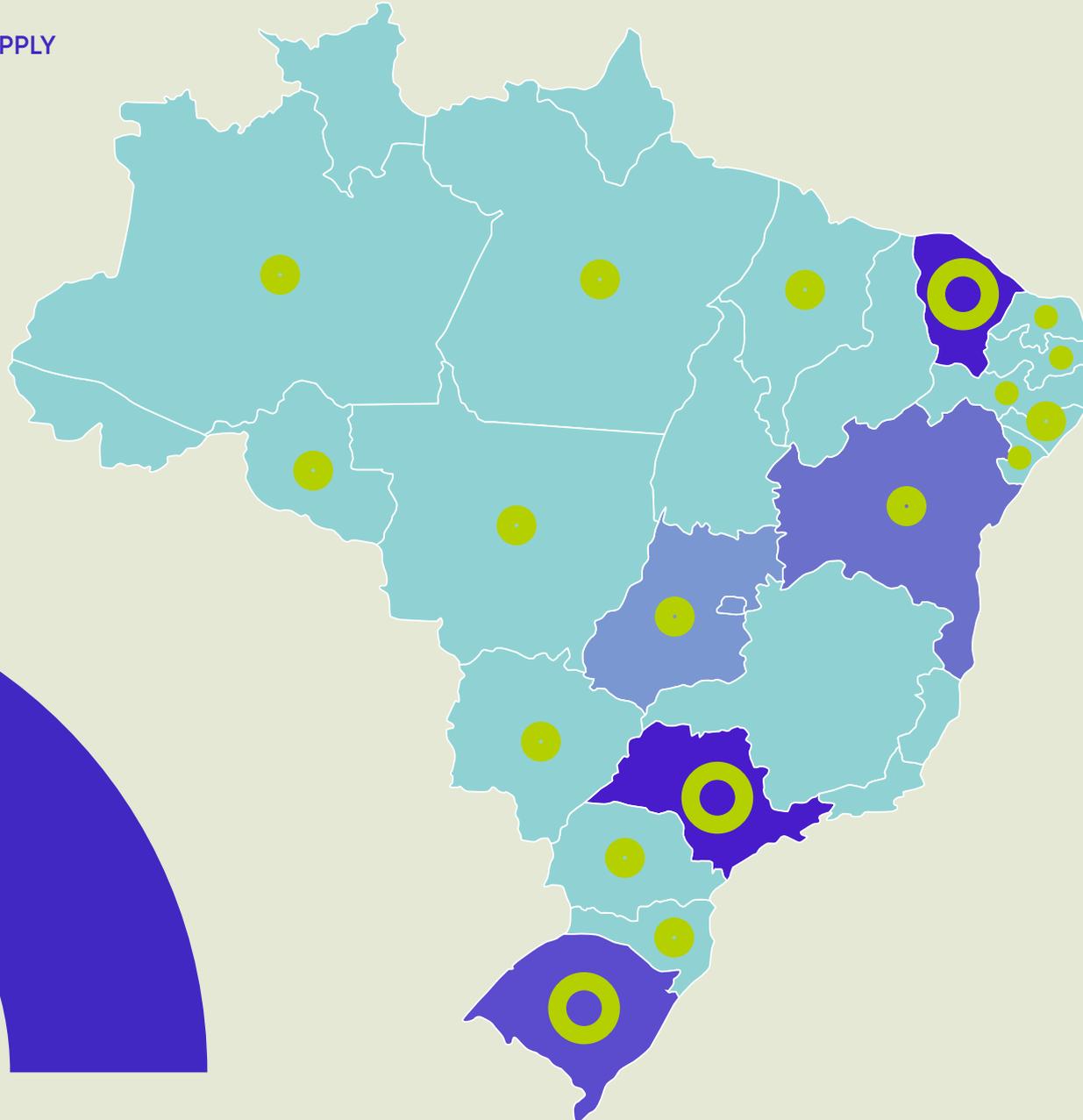
PAID IN CONTRACTS WITH SUPPLIERS



89%

OF EXPENSES WERE WITH LOCAL SUPPLIERS (BRAZIL) IN 2021.

GRENDENE'S LOCAL SUPPLY CHAIN PROFILE



NUMBER OF LOCAL SUPPLIERS (BRAZIL)



1.35 thousand ~ 1

PROPORTION OF NATIONAL SPENDING BY COLOR EXPRESSION



BRL 290.25 MI ~
BRL 2.72 Thousand

FIVE PRIORITY STATES IN TERMS OF SUPPLY

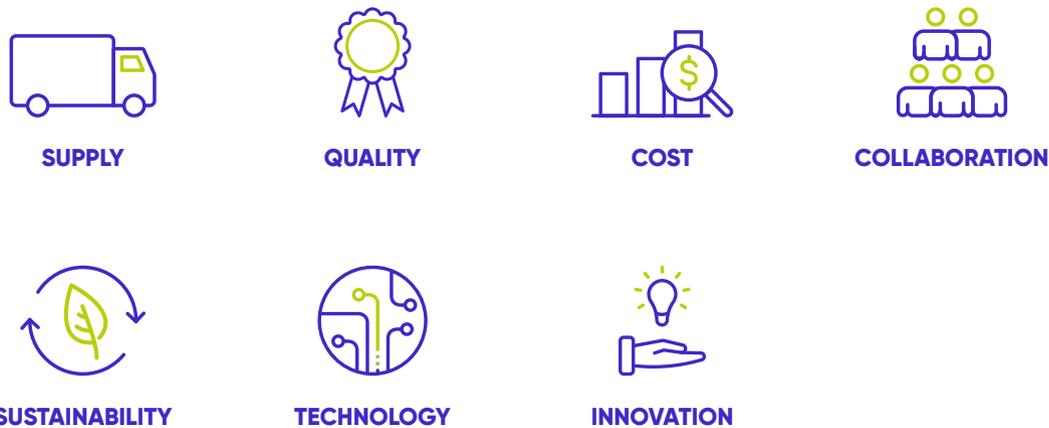
	Total spent	Number of suppliers	% national purchases
São Paulo	BRL 290 MI	1,352	22%
Ceará	BRL 245 MI	609	19%
Alagoas	BRL 232 MI	5	18%
Rio Grande do Sul	BRL 150 MI	1,290	12%
Bahia	BRL 99 MI	50	8%

Compliance

GRI 308-1 • GRI 414-1

At the end of 2021, we launched the [Suppliers and Service Providers Manual](#) for greater efficiency and optimization in supply chain management. The Manual addresses ESG issues, including commitments to quality and environment management, occupational health and safety, social and ethical responsibility and transparency. In the description of these items, occupational health and safety programs and measures to eradicate discrimination, forced and slave-like labor and child labor, among others, are required.

Pillars of Grendene's relationship with suppliers:



RESPONSIBILITY WITH PARTNERS

GRI 407-1 • 408-1 • 409-1

All our suppliers are free to participate in associations and collective bargaining and, most of them are already part of the association through unions.

Also, we have policies that prohibit child labor or slave-like labor, we comply with current legislation, we evaluate the supply chain and we also monitor our operations in this regard.

On our corporate website, we have a page dedicated to Suppliers, where all documents that characterize our chain are available, such as supply guidelines, the list of suppliers, the List of Restricted Substances, among others. [Visit that page here.](#)

We improved our **Supplier Portal** to systematize and computerize the approval process, focusing on supplier selection and evaluation. In it, suppliers have access to the documents necessary for their alignment with the compliance of Grendene's operations.

To improve this management, our updated Code of Conduct also included changes with regard to the relationship with suppliers. As of 2022, the approval processes, which were previously carried out on a case-by-case basis, will be carried out with all suppliers in a systematic way, with environmental assessments, and monitoring of the updating of licenses, certificates and relevant documents.

Also, we will monitor the performance of our supply chain through the Portal. Our expectation, for the coming years, is to publish the list with the ranking of each supplier and ensure that new ones can also register in our base, to be part of our chain.

Engagement

During 2021, in partnership with the Brazilian Institute of Technology for Leather, Footwear and Artifacts (IBTeC), we launched the Grendene Restricted Substances Program, with a series of events with the participation of our suppliers, which include awareness-raising meetings, training and delivery of Restricted Substance Lists, broken down by supply categories. Lasting 15 months, the program had the participation of our raw material suppliers.

Also in November of this fiscal year, the Supplier Manual was launched, with the participation of more than 200 suppliers.

Based on these events, with the goal of supporting the Company's internationalization and training our partners on the technical requirements for suppliers of exporting industries, we carried out intensive work to qualify our supply chain.



SUPPLIER ENGAGEMENT RATING

We received the SER (*Supplier Engagement Rating*) ranking, with an evolution of the grade in the last year to B. The SER is an additional module of the CDP Climate Change Questionnaire that aims at assessing and stimulating engagement actions with the supply chain in relation to climate issues. In 2021, **our score was above the world average (B-)**, the average in Latin America (B-) and the average for the textile sector (B-), and the result demonstrates our efforts to promote sustainability in our chain.

CUSTOMERS

GRI 2-6

Appreciating its relationships is very important to Grendene. Our work focused on the product, with strategic partnerships for the launch of new collections, aims at guaranteeing customer satisfaction and offering products with greater added value to our audiences.

IN 2021, 14,086 CUSTOMERS WERE SERVED – INCLUDING RETAILERS, WHOLESALERS AND DISTRIBUTORS, TAKING OUR PRODUCTS TO END CONSUMERS – AND 223,583 CUSTOMERS ON OUR E-COMMERCE PLATFORMS.

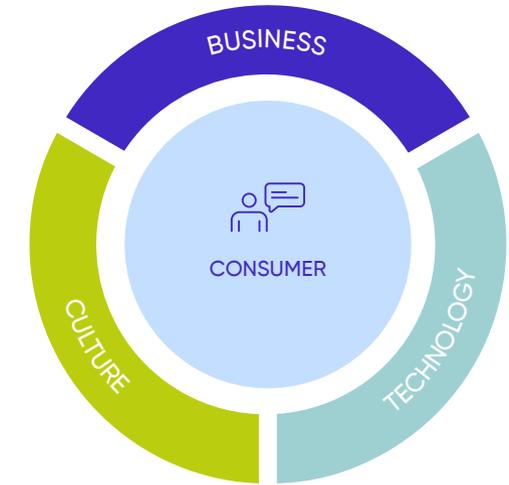
Digital Transformation

The pandemic accelerated transformations in the world and in relationships. In order to be ever closer to its customers, Grendene has also streamlined its digital transformation.

Since 2001, Grendene has already relied on e-commerce as a sales channel and, in 2019, the Company began to invest in its digital transformation, with people and the end customer as the central point of this equation. Melissa was the pioneer in having a virtual store in Brazil, but the platform was operated by an outsourced company.

We decided to internalize our online stores and the beginning of the pandemic, in 2020, accelerated this digital transformation. In August 2021, we started the implementation of internalization and launched ten stores in ten months, seven of them of our brands in Brazil, two Melissa stores, one in the USA and one in Italy, two B2B platforms (sales to our commercial partners) for the national market and the Nuar marketplace (learn more on page 77).

PILLARS




**MORE THAN
35.7 MI**
VISITS
IN ALL STORES
IN 2021


205.767
DIRECT CONSUMER


17.816
OMNI CUSTOMERS

Digital Facilitators

To support the digital transformation at Grendene, our Digital Business area, in partnership with the Grendene University, implemented, in April 2021, the **Digital Facilitators Group** and the Digital Transformation Trail. The multidisciplinary Group, made up of 115 people, is responsible for fostering and disseminating digital transformation within the Company, with the purpose of inserting and aligning all employees with innovation.

To this end, we held an event to present the project, raise awareness and promote cultural transformation within the Company. This process is based on three dimensions: educational, behavioral and attitudinal, and will support change at Grendene through innovative initiatives.

Bergamotta Labs

Bergamotta Labs, one of the pillars of the Digital Transformation at Grendene, is an innovation system that develops projects to support the implementation of new ways of reaching our consumers, both for the Company's brands and for new business opportunities.

Also, it contributes to the formation of an innovation-oriented mindset for our internal audience and other entrepreneurs. Launched in 2020, with a team of four people, in 2021 it already had 23 professionals specialized in areas such as data and technology, research and trends, new materials, user experience, among others.

The area is responsible for developing unique projects that include:

- › The **Nuar marketplace** platform aimed at people who seek to rethink their forms of consumption, with sustainable, transparent and circular solutions;
- › Programs such as **Alugue Melissa** and **Melissa Circular**, which strengthen the concept and actions of the circular economy, contributing to the reuse and correct destination of the brand's shoes.

Currently, projects related to the metaverse, games and NFTs are also part of the initiatives discussed in our Lab.

Daniel Gandolfi de Araujo and Aline Cereja Ramos – Head of Innovation and Product Innovation Specialist – Bergamotta Labs – Porto Alegre Office (RS)



Bergamotta Labs is part of **Instituto Caldeira**, an innovation *hub* founded by 42 companies from Rio Grande do Sul, which connects people and initiatives in order to drive positive transformations in the region, by fostering innovation and the new economy ecosystem.



SOCIAL CONTRIBUTION

At Grendene, we are committed to expanding our generation of value to local communities. In 2021, despite the impacts of the Covid-19 pandemic, which made it difficult to carry out various actions, we continued to support social initiatives and projects with which we maintain links, in order to expand our contribution to entities that assist in social causes, in the regions where we operate, as well as contributing to raising sustainability awareness both inside and outside the Company.

Find out below:

Donations

Sustainable Women Entrepreneur Network

The Sustainable Women Entrepreneur Network is an NGO that seeks to contribute to the socioeconomic development of women in situations of social vulnerability in Fortaleza (CE),

through environmental awareness and creative economy. In 2021, we donated 462 kg of unused textile materials for the production of bags, blankets, rugs, among others, by the Network's seamstresses.

Christmas Without Hunger

Christmas without Hunger is Grendene's food donation program. Through it, we collect non-perishable food inside our factories that are donated to social institutions in the Northeast region of the country. In 2021, our employees made it possible to collect 22 tons of food that were destined for 30 social institutions.

Environmental Education Waste Villains

Our social actions also seek to promote awareness of sustainability and care for the environment. Through the Waste Villains project, we provide educational material on the subject in schools and local institutions, with a focus on the circular economy and the fight against waste. In 2021, 5,750 magazines were distributed in the cities of Fortaleza (CE), Sobral (CE), Crato (CE) and Farroupilha (RS).

In addition, this year, while celebrating World Environment Day, our employees from all units were invited to fight the "waste villains". The villains are characters (Gula Gulosa, Lixo Papão, Megera Aquática, Irmãos Esbanjão and Watt Vilão) who represent important themes – such as reducing food waste, waste generation and water and energy consumption – and who visit our factories in order to make everyone

aware of the conscious use of natural resources.

Tree Day

To encourage environmental conservation and solidarity with our employees at the units in Fortaleza (CE), Sobral (CE) and Crato (CE), in 2021, we carried out an action to collect food on Tree Day. Employees who donated food received plant seedlings in exchange to celebrate this very special day. In all, 1,445 kg of food were collected, which were donated to local social institutions, and 1,413 plant seedlings were donated.

ENVIROMENTAL IMPACT ON PLANET

Related SDGs:



Related Capitals:



ECO-EFFICIENT OPERATIONS

At Grendene, we are truly committed to a more sustainable future, built with responsibility and care for the Planet.

We know that, in order to be successful in our Sustainability Journey, we need the support of the people who make up Grendene. Therefore, investment in training and engagement continues to be a priority.

We work responsibly, we seek to monitor key indicators of water consumption, energy, waste generation and Greenhouse Gas (GHG) emissions, in order to propose actions to fight waste and reduce pollution associated with our activities.

Over the last ten years, we have made important transformations to reduce the externalities of our operation to the environment and people. The main actions include:

- › the installation of Effluent Treatment Stations in the factories that, today, allow the reuse of 87% of water, which represents 145 million liters reused in 2021;
- › the installation of a Solar Power Plant at the Sobral (CE) unit, which produces 1.14 MWp of clean energy and reduces annual energy consumption by an average of 2.5% and several projects to improve energy efficiency in the operation;
- › reverse product logistics, which since 2019 has received more than 3,400 pairs of shoes (learn more on page 78).

Acknowledgments

Being a sustainable business is a long-term journey. For Grendene, this journey started ten years ago, but the results and accolades have marked our path year after year. In 2021, we were certified and awarded by important organizations, which demonstrates our success:

- › We won the **ABVTEX Gold** seal (learn more on page 46), which also considers environmental aspects, and we were audited, once again, by SMETA, assuring our commitment to sustainable development (learn more on page 46).
- › We earned the **Silver Seal** of the Brazilian **GHG Protocol** Program – the main tool for identifying, controlling and managing GHG emissions – for the first publication of an inventory in the Public Registry of Greenhouse

Gas Emissions, demonstrating the completeness and transparency of the information published.

- › 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, facilitating business opportunities – for the questionnaires of the Water Security and Climate Change programs.





FIGHTING CLIMATE CHANGE

GRI 3-3

Global climate change is one of the main challenges of our time, and its effects are increasingly worrying, as they have caused major imbalances in the environment and in people's lives.

At Grendene, we work to resolve complex issues. Therefore, we seek to contribute to the fight against climate change, through combined actions that prioritize the improvement of energy efficiency, the use of renewable energy and the reduction of the impacts of emissions in our operations.

Energy

GRI 302-1 • GRI 302-3

To increase energy efficiency, the Company continuously monitors energy consumption and energy intensity indicators. Also, we have advanced in efficiency projects that cover high consumption equipment – from injection molding machines, boilers and ovens to industrial utilities, compressed air and chilled water – in order to implement improvements that allow reducing the impact of the intensive use of this resource on the operation.

IN 2021, 33.3 MILLION GJ WERE CONSUMED AND THE ENERGY INTENSITY WAS 0.209 GJ PER PAIR OF SHOES PRODUCED.



See the certificate here

In order to increase our energy consumption from renewable sources, we have a Photovoltaic Plant at the Sobral (CE) unit, with 3,500 panels and a generation capacity of 1.14 MWp.

Also, we track electricity use through the I-REC (Renewable Energy Certificate), which **proves that 100% of the electricity consumed in our operations comes from a renewable source.**



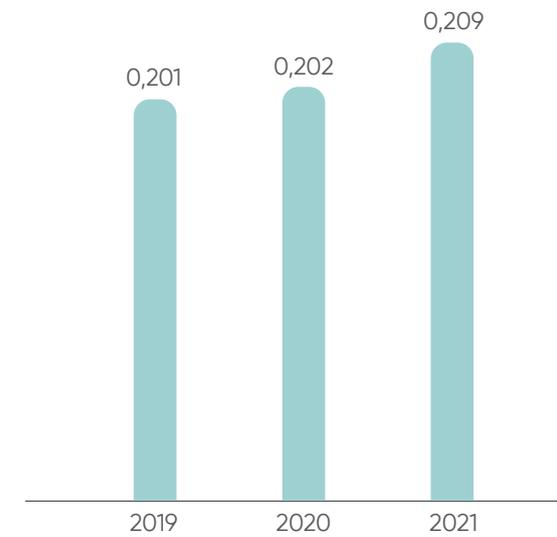
Antônio Fernando Vieira Franca – Industrial Maintenance Electrician – Sobral (CE)

ENERGY CONSUMPTION BY SOURCE (GJ)

	2019	2020	2021
Fuels from non-renewable sources			
Diesel	2,295,367	1,729,946	3,431,823
Regular gasoline	351,547	344,208	605,719
Liquefied Petroleum Gas (LPG)	3,651,599	2,544,201	2,630,645
Compressed Natural Gas (CNG)	261.281	117.963	107.682
Total	6,208,598	4,392,455	6,170,754
Fuels from renewable sources			
Ethanol	22.554	40.857	0
Firewood	23,590,273	23,990,102	26,769,900
Total	23,612,827	24,030,959	26,769,900
Other sources of consumption			
Non-renewable electrical energy	357.131	327.212	0*
Renewable electrical energy	5.592	4.448	374.887
Total	362.723	331.660	374.887
Total power consumed	30,184,148	28,755,074	33,315,542

Note: In 2021, we tracked energy consumption by the I-REC, which proved that all electrical energy consumed was from a renewable source.

ENERGY INTENSITY (GJ/pair of shoes)



Note: Input data are obtained in kWh. To obtain data in joules, the Company uses a conversion factor of $3.6 \cdot 10^6$.

ENERGY FORUM

For the first time, we held the Energy Forum, a meeting with production managers to discuss the main challenges to increase the energy efficiency of our operations and reduce energy costs. At the end of the meeting, we designed an action plan with mapped opportunities, including reduction targets, actions to improve efficiency, among others.

Emissions

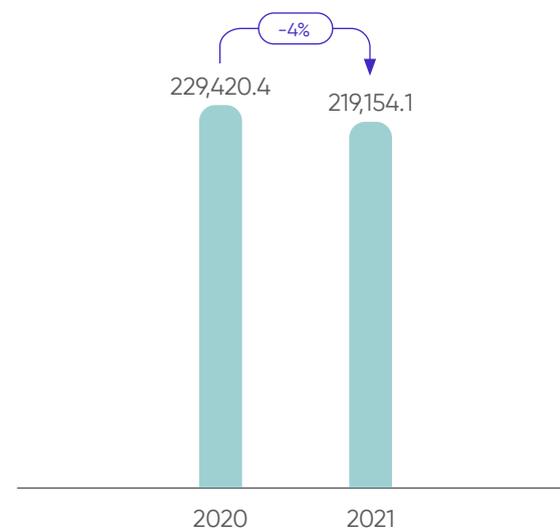
GRI 305-1 • GRI 305-2 • GRI 305-3 • GRI 305-4 • GRI 305-5

Since 2020, Grendene has been monitoring its greenhouse gas emissions and publishing its Emissions Inventory, based on the GHG Protocol methodology.

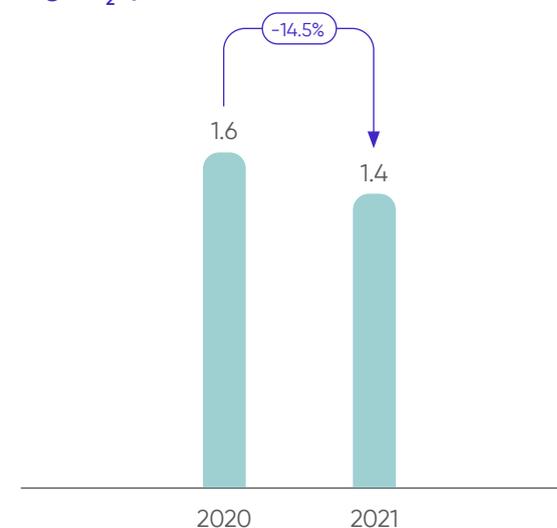
In 2021, we reduced our total emissions by 4% compared to 2020 and recorded an emission intensity of 1.4 kgCO₂ e per pair of footwear produced (-14.5% vs. 2020).

The main factor that impacted total emissions was the 100% reduction in scope 2 emissions, as the source of electricity consumption was 100% renewable, as evidenced by the I-REC (*Renewable Energy Certificate*) obtained in the period.

TOTAL EMISSIONS (tCO₂e)



EMISSIONS INTENSITY (kgCO₂/pair)



CARBON DISCLOSURE PROJECT (CDP)

Since 2020, we have submitted information to the CDP Climate Change program questionnaire, earning a C grade (awareness) in the last two years.



More efficient ovens



Effluent Treatment Station – Crato Unit (CE)

GHG emission source (tCO ₂ e)	2020	2021
Scope 1 emissions		
Mobile combustion	298.8	393.8
Stationary combustion	52.6	93.0
Solid waste and effluents	122.5	100.3
Fugitive emissions	966.2	833.7
Total scope 1	1,440.1	1,420.8
Biogenic emission		
Biogenic CO ₂ (scope 1 and 3)	27,278.3	23,223.1
Scope 2 emissions		
Acquisition of electricity (location)	5,610.3	-
Acquisition of electricity (purchase choice)	-	0
Total scope 2	5,610.3	0
Scope 3 emissions		
Transport and distribution (<i>upstream</i>)	217,587.7	205,816.5
Waste generated in the operation	183.9	211.3
Business trips	84.6	158.6
Displacement of employees (home-work)	4,513.8	11,546.9
Total scope 3	222,370.0	217,733.3
Total emissions (scope 1, 2 and 3)	229,420.4	219,154.1

Note 1: Gases included in the scope: CO₂, CH₄, N₂O and HFCs.

Note 2: Data were obtained using the GHG Protocol tool.

Note 3: To calculate Scope 2 emissions, we use two approaches: the location method and the purchase choice method. The location method uses an emission factor that is the average of the emission factors of the different energy sources that make up the National Interconnected System (SIN), while the purchase choice factor considers only one emission factor, which corresponds to the source generation chosen for purchase by Grendene. In 2021, we calculate our Scope 2 emissions using the purchase choice method.

MATERIALS

GRI 301-1 • GRI 301-2

We use a variety of materials and resources in our production process, with PVC being the main input in terms of volume.

In 2021, the main materials used were:

Material type	Unit	Quantity
ABS	Kg	59,431
Packaging	Units	134,943,341
EVA (composite)	Kg	1,640
Polyamide	Kg	129,351
Polypropylene	Kg	1,270,030
PVC (composite)	Kg	50,097,429
Solvent	Liter	1,211,906
Fabric	Meter	1,426,276
Paint	Kg	1,548,081



22% OF THE MATERIALS USED IN OUR PRODUCTION ARE FROM RENEWABLE SOURCES (PARTIAL OR TOTAL).

(Target for 2022: expand to 25%.)

Also, we have our own structure for recycling PVC within our factories and we also have external partners (recyclers).

In 2021, 27% of the PVC used came from recycling. We use other materials that come from recycling processes and seek to expand their application in our products.

See the table below.

Material type	% from recycling	Goal
Shoelace	5.6%	7%
Coverline	0.7%	2%
Tags	3.0%	5%
Ribbon	1.3%	2%
Fabric	0.6%	1%
PVC	27.0%	30%



EVA blocks from renewable sources, sugarcane

WASTE

GRI 3-3 • GRI 306-1 • GRI 306-2 • GRI 306-3 • GRI 306-4 • GRI 306-5

The waste generated in our operation comes mainly from leftover materials used in production. To mitigate and reduce impacts, we have a Solid Waste Management Plan and a Selective Collection Program in each of our units. Plans and programs guide and establish guidelines on the environmentally appropriate storage, transport and disposal of waste.

In 2021, we generated 25,700 tons of waste, 4% of which were hazardous and 96% non-hazardous. Of this total, 90% were recycled, 5% were recovered through other reuse processes and 5% were sent to disposal operations.

It is worth mentioning that we do not send industrial waste to landfills.



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

- › recycling of polymer waste, process scraps and PVC losses;
- › recycling and reincorporation of conformal EVA waste;
- › internal recycling of solvents for cleaning printing screens and containers that return to the same activity in which they originated;
- › reverse logistics of obsolete pigments.

Also, we invest in industrial technologies, such as machinery and equipment, which increase our efficiency in the use of materials in order to reduce waste. An example is the automated laminate cutting machine that, through an intelligent system, performs cuts aiming at the maximum reduction of leftovers.



Synthetic laminate shavings for recycling

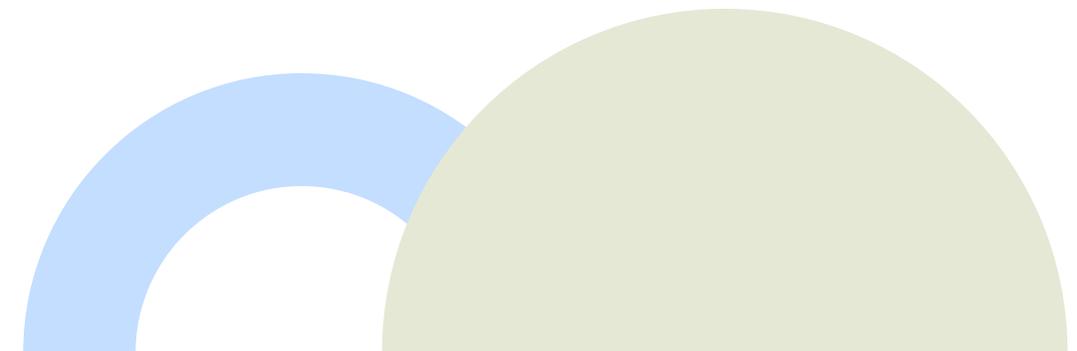
Performance

In the following tables, we present the composition and detailed disposal of waste.

Waste broken down by composition	2020	2021
Hazardous waste	Tons	Tons
Absorbents, filter materials, cleaning cloths and protective clothing contaminated by substances	95.9	86.5
Water with oily emulsion and oily sludge	142.6	149.5
Lead-based electric batteries and accumulators and their waste	4.5	5.4
Used activated carbon	0	0.6
Packaging contaminated by residues of hazardous substances	5.4	11.2
Unused equipment containing hazardous components	4.3	22.2
Tape contaminated with ink, cotton with ink and solvent, cloths with ink, grinding sludge	451.6	241.4
Sharps or scarifying materials	0.04	0.03
Synthetic hydraulic oils	1.3	1.4
Synthetic cutting and machining oils	31.8	54.5
Other hydraulic oils	77.5	71.3
Containers and materials resulting from the health care process, which do not contain blood or free body fluids	1.0	1.6
Expired drug residue	0.1	0.04
Pesticides and related waste (agrochemicals) containing hazardous substances	0	0.7
Residues from removing paints and varnishes containing organic solvents or other hazardous substances	137.4	198.6
Waste paint and varnish containing organic solvents or other hazardous substances	65.1	72.3
Finishing residues, containing organic or contaminated solvents	2.3	3.8
Paints, adhesives, glues and resins containing hazardous substances	41.6	52.6
Glass, plastic and wood, mixed or not, containing or contaminated with hazardous substances	27.2	41.6
Total	1,089.6	1,015.4

Waste broken down by composition	2020	2021
Non-hazardous waste	Tons	Tons
Absorbents, filter materials, cleaning cloths and protective clothing	0.4	0.9
Synthetic laminate shavings	134.4	106.2
Plastic scraps	38.6	20.7
Ferrous metal shavings and chips	72.6	68.1
Boiler ash	34.0	23.3
Shoe components and accessories	103.9	829.1
Waste water	10.0	19.0
Packs made of paper and carton	67.5	28.4
Plastic packaging	1.3	4.0
Packaging	127.4	162.8
Metal structures, metal scraps, rods and cables	0	7.6
Copper wire	5.5	12.2
Used photoliths	0.02	0
Sludge from other industrial effluent treatments	6.0	16.9
Mixtures of cement, bricks, tiles and other ceramic materials	245.2	705.8
Mixtures of fats and oils, from oil/water separation	7.0	43.5
Pallets and package material	256.8	299.1
Paper contaminated with powder resin	0.5	7.6
Paper and cardboard	493.0	544.0
Used car tires	1.0	0.8
Metallized sandblasting residue	3.1	3.4
PVC cleaning residue, PU resin	2.7	1.1
Emery stone waste	0.3	1.6
Pruning residue	71.8	181.3
Tile residue	2.3	0

Waste broken down by composition	2020	2021
Non-hazardous waste	Tons	Tons
Static sieve organic residue	31.7	5.7
Processed textile fiber waste	5.8	6.2
Plaster waste	40.7	10.9
Textile waste materials	7.7	11.6
Polyurethane waste, recycled EVA, synthetic laminate shavings dubbed with other polymers	917.4	1,119.5
Plastic waste and refuse	17,662.3	19,185.6
Flex bag scrap	4.0	7.8
Glass scrap	346.0	483.0
Refrigerant gas cylinder scrap	0.1	0.3
Iron and steel scraps	438.5	653.1
Textiles	77.4	77.5
Paints, adhesives, glues and resins	2.3	1.7
Other waste	0	0.03
Total	21,219.0	24,650.5



Waste destined per recovery operation (tons)	2020	2021
Hazardous waste		
Recyclability	244.0	348.0
Other recovery operations	839.2	662.9
Total	1,083.2	1,010.9
Non-hazardous waste		
Preparation for reuse	3.2	9.4
Recyclability	20,036.6	22,715.1
Other recovery operations	481.9	593.2
Total	20,521.8	23,317.7

Waste destined per disposal operation (tons)	2020	2021
Hazardous waste		
Incinerated (no energy recovery)	1.2	2.3
Other disposal operations	5.2	2.2
Total	6.4	4.5
Non-hazardous waste		
Incinerated (with energy recovery)	0.1	0.03
Confinement in landfills	640.8	1,332.8
Other disposal operations	56.3	0
Total	697.2	1,332.8

Leftovers and scraps from production for transformation into recycled content (pre-consumption)

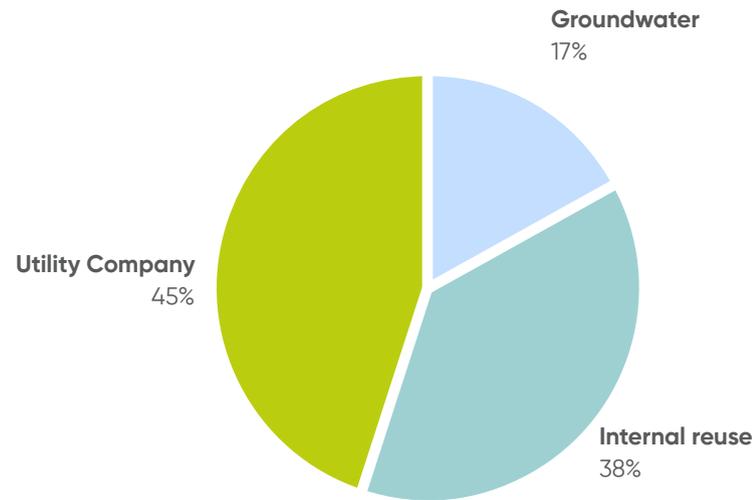


WATER RESOURCES

GRI 3-3 • GRI 303-1 • GRI 303-2 • GRI 303-5

We have one of the smallest water footprints in the footwear industry, with 70% of our water consumption destined for human, non-industrial use.

Our supply system is diversified, and the water that supplies our operations comes from three sources:



- › **Local utility company:** corresponds to 45% of the total water withdrawn and is acquired through the municipal utility company. In Sobral (CE), 100% of the water withdrawn comes from public supply, in Fortaleza (CE) it is equivalent to 57%, and in Farroupilha (RS) it corresponds to 9%.
- › **Groundwater:** corresponds to 17% of the total water withdrawn, being captured in underground wells, and the units have an environmental operating license and grant for water collection. In Crato (CE), 100% of the water comes from wells, in Farroupilha (RS) 91% and in Fortaleza (CE) 43%.
- › **Internal reuse:** corresponds to 38% of the total water consumed.

Our factories are concentrated in the northeast of Brazil, a semi-arid region with less water availability and, also for this reason, we seek to act responsibly in our management. Of our four industrial units, two are located

in an area at risk of water stress – Crato (CE) and Fortaleza (CE) – according to the *WRI Aqueduct Water Risk Atlas* system.

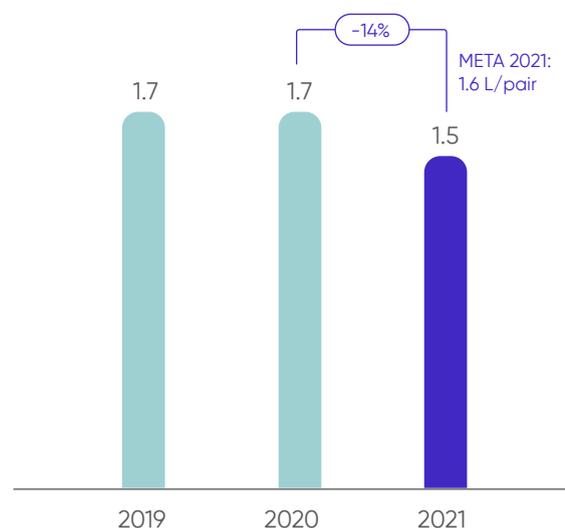
In order to reduce the impacts of water use in our operations, we have adopted efficient and cycle-closing technologies, such as rainwater harvesting, water reuse and the use of efficient hydro-sanitary equipment, in order to avoid new extractions.

In 2021, we consumed 182.3 megaliters of water, of which only 21% were in areas of water stress. The two main activities responsible for consumption were:

- › **Industrial activities:** which correspond to 30% and are linked to the production of shoes;
- › **Other activities:** corresponds to 70% and refers to restaurant activities, cleaning of units, drinking fountains and restrooms.

This year, we also improved our conscious consumption program, in order to ensure the reduction of our water footprint in operations. Based on the actions carried out in the period, we were able to reduce our water consumption per pair of shoes produced by 14%, exceeding the target set for the year of 1.6 L/pair.

WATER FOOTPRINT Liters/pairs of shoes produced



Note 1: for the calculation of the water footprint, we consider water consumption as the total amount of water withdrawn in the year.

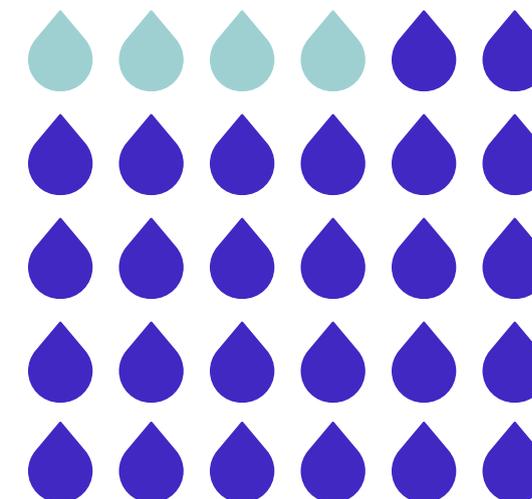
Water reuse

To ensure the treatment of effluents, we have five Biological Effluent Treatment Plants (ETEBs) in each of our units, and all ETEBs meet the requirements determined by CONAMA Resolutions 357/2005 and 430/2011, CONSEMA 355/2017, COEMA 2/2017 and SEMACE Ordinance No. 151/2002 that establish the classification of water bodies, the rules for monitoring liquid effluents and the standards and conditions for the release of effluents.

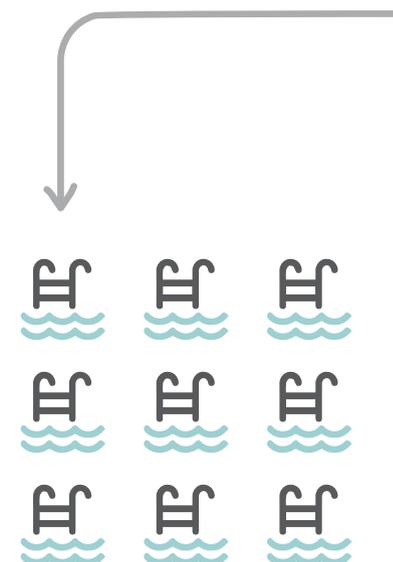
All our units have a water reuse system in place with the capacity to consume 100% of the treated effluent. In 2021, 87% of all effluent generated and treated was reused, which represents 145 million liters, with the Crato (CE) and Fortaleza (CE) units reused 100% of their effluents and Sobral (CE) 95%. The reused water is used to flush toilets, irrigate green areas and gardens and supply the lake at the Sobral unit (CE).

100%
OF EFFLUENT
WAS TREATED

87%
WAS REUSED



● Treated effluent ● Reused treated effluent



**87% OF THE EFFLUENT REUSED
= 145 MILLION LITERS**
OF WATER THAT WERE REUSED IN 2021.

ENOUGH VOLUME TO SUPPLY **37**
OLYMPIC SWIMMING POOLS*

*For the calculation, we consider that an Olympic swimming pool has a volume of 4,000 m³ and that 1,000 liters of water correspond to 1 m³.

Performance

GRI 303-3 • GRI 303-4

Lake supplied with reuse water –
Sobral Unit (CE)

TOTAL VOLUME OF WATER WITHDRAWN BY SOURCE (IN MEGALITERS)

	2020		2021	
	All areas	Areas with water stress	All areas	Areas with water stress
Groundwater	55.0	29.5	67.1	30.1
Third-party water	193.6	4.7	115.2	7.9
Total water withdrawn	248.6	34.1	182.3	38.0

Note 2: For the company, water consumption is equal to the total amount of water withdrawn in the year.

TOTAL VOLUME OF WATER DISPOSED OF (IN MEGALITERS)

	2020		2021	
	All areas	Areas with water stress	All areas	Areas with water stress
Surface water	18.1	0	25.8	0
Water sent to third parties	6.0	6.0	20.1	4.0
Total water disposal	24.1	6.0	45.9	4.0

Note 3: The Company does not dispose of water with Total Dissolved Solids above 1,000 mg/l.

CARBON DISCLOSURE PROJECT (CDP)

Since 2020, we have responded to the CDP Water Security program questionnaire. In the last year, we have evolved our performance to a C grade (awareness).



LOW IMPACT PRODUCTS

GRI 3-3

We develop durable, quality products that bring accessibility to fashion.

We understand that, in order to build a more responsible future, we must act on several fronts and, therefore, we are working to build an offer of products with less impact on our customers.

To be successful, we must develop a chain with a more sustainable model, which starts with the choice of safe raw materials, the adoption of more efficient processes until the end of the product life cycle, facilitating circularity.

More Sustainable Raw Material

The main raw material used in the production of shoes is PVC, a type of plastic that is 100% recyclable and can be used continuously. Continuous-use plastic allows use and reuse for many years, as it is durable and has a high potential for circularity.

The PVC used, in addition to being 100% recyclable, contains an average of 30% recycled material (pre-consumption) and, in some special projects, its composition can reach up to 100% recycled material.

We take special care with material choices. That's why our shoes are non-toxic, free of hazardous substances, respecting world standards for restricted substances in shoes and accessories.

In 2017, we began the process of removing animal-based ingredients and ensuring that our products were not tested on animals, with the support of our suppliers who continually help us find formulations to replace animal-based inputs in our shoes. Today, **all of our shoes are vegan, registered with the Vegan Society.**



Nuar sandal

The **Vegan Society**, a UK-based institution, is one of the leading certifiers of vegan products in the world. Since 2019, Grendene has been registered with the Vegan Society, which certifies that all our shoes are free of any component of animal origin, in addition to not testing on animals.

Practices for Lower Impact Design

Our products are created to be less impactful. From product development, our multidisciplinary research, development and materials quality team works to implement design practices that allow us to reduce the impact of the product from the beginning to the end of its life cycle, such as prioritizing the development of shoes and accessories as single material and fitted, instead of applying gluing processes, facilitating recycling.

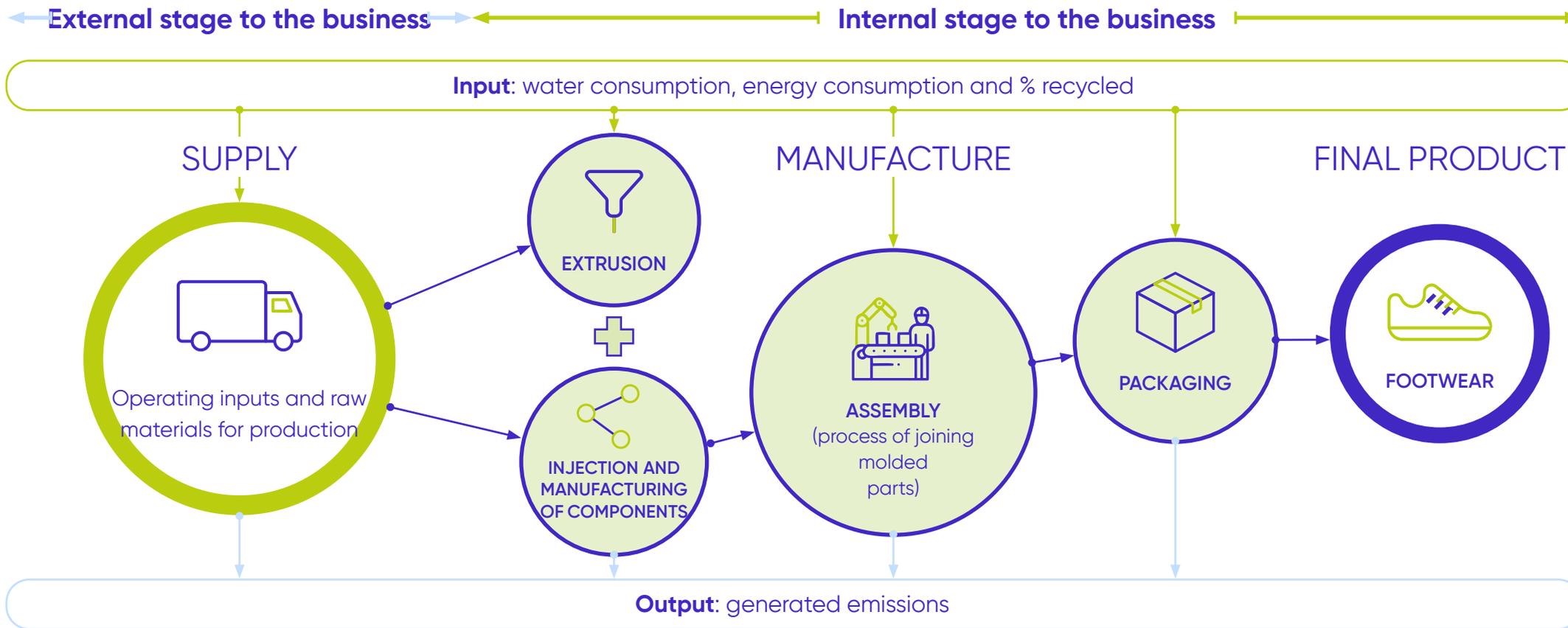
To support this process, in 2021 we created a physical mural so that all our designers have access to different low-impact materials for their productions.

Product Life Cycle Assessment

To identify opportunities for improvement in our production activities, in 2017 we started a series of studies to better understand the environmental effects associated with our main products. As of 2021, studies have been carried out by a Brazilian university and based on the Life Cycle Assessment (LCA) methodology, which evaluates the production cycle and supply of a product, from the extraction of raw material, manufacture up until shipment.

The results indicated that Grendene has better environmental performance on water consumption, GHG emissions, electricity consumption and waste generation in the manufacturing process, when compared to other footwear manufacturers, under the same evaluated conditions. With regard to post-consumption, our products are easier to dismantle, due to the smaller number of components, which facilitates the process of sorting and separating different materials, benefiting the recycling process.





Evaluated impact categories:

- Water Footprint (m³)
- Water Footprint (CO₂eq.)
- Consumption of Energy Resources (MJ)

IMPACT OF RIDER AND IPANEMA PRODUCTS¹



Rider R4 Slide
Made with 82% pre-consumer recycled PVC. The result proves a lower carbon emission (0.1 kg CO₂ eq/pair) and lower water consumption for production (0.2 m³/pair).



Ipanema Flip-Flop
Made with 30% pre-consumer recycled PVC. The result proves a low carbon emission (0.3 kg CO₂ eq/pair) and lower water consumption for production (0.4 m³/pair).

Our lower impact footwear performs better in terms of consumption of environmental resources and emissions, when compared to equivalents in the footwear market.

¹The data presented for the Rider and Ipanema products are the result of the Life Cycle Assessment (LCA), which considers the production cycle and product supply, from raw material extraction, through its manufacture, to shipment. The study was conducted by a third party (university) and is based on ISO 14040.

Lower Impact Collections

We have several product lines for each of our brands, and all of them carry the sustainability attributes presented in the previous subchapters. To increase our generation of value to customers, we have continually invested in product innovation, in order to launch more and more innovative and less impactful products. **Discover the collections launched in 2021 below:**

Ipanema
RE♻️cria

LOWER IMPACT ON
THE PLANET, MORE
ACCESSIBLE FOR ALL.

Ipanema Recria is a collection of our Ipanema brand made up of lower impact sandals. The vegan and non-toxic products, made with 60% recycled plastic, were manufactured without losing the essence of the brand, which is to offer affordable fashion for all women. The three models available use rice husk residue, material that would be discarded and that has a renewable (biobased) origin.

*learn more
here.*





learn more
here.

melissa

MELFREE IS MORE
THAN STYLE: IT'S
EXPRESSION, IT'S
ADVENTURE.

This year, Melissa, with its “cloud slippers”, innovated once again with the launch of **MelFree**. The footwear that presents in its identity a sustainable advantage – it features 20% of biobased EVA, a material of renewable origin – sugar cane³.

³Carbon from renewable sources that allows a 20% reduction in CO₂ emissions when compared to the same product made from fossil sources.

2021 ACCOLADES

- › Melissa received the *Unis vers le beau responsable* seal (whose French translation means “united for responsible beauty”) from Printemps, a French store that identifies brands concerned with creating products that value people, ethics, nature and circular and sustainable economy. It also gained space in the *7ème ciel*, a floor dedicated to circularity.
- › Melissa and Ipanema were the brands that presented one of the five biggest leaps in performance (compared to 2020) in the **2021 Fashion Transparency Index (ITM)**, which analyzes the 50 major brands in the Brazilian retail sector in relation to policies, practices and socio-environmental impacts, and Grendene ranked 8th with the best score, among the 50 assessed.



RECREATING FUTURES TOGETHER.

Since 2020, we have maintained **Rider R4**, Rider's sustainable development program, which offers products with a lower impact, developed based on the concept of the 4Rs (Reduce, Reuse, Recycle and Recreate). In 2021, we present the Rider R4 II collection, with shoes that contain material from a renewable source (*biobased*) in their composition, original from sugar cane, textile fibers from recycled PET bottles and up to 82% recycled PVC and lower emission of carbon.

In addition, in 2021, Rider celebrated its 35th anniversary, celebrating the past, present and future of the brand. Its classic slides have been recreated for a lower impact version: the **Rider Smooth**, with 100% *biobased* EVA, and the **Rider R35th**, which has 35% recycled PVC, 30% *biobased* EVA and 25% recycled PET (0.5 /pair).



EXPO 2020 DUBAI

In November 2021, Grendene was selected by Abicalçados to participate in Expo 2020 Dubai, a universal exhibition of innovations, ideas and scientific and technological advances, held every five years. In it, we present our Sustainability Journey and our lower impact products – Rider R4 and Melissa Free – reinforcing our commitment to sustainable development to the world. Sustainability was one of the main themes of the edition.





CARTAGO

TAUÁ, EXPLORE BEYOND THE WALLS.

Created in its essence to reconnect its public with nature, **Cartago Tauá** is the line of footwear with the lowest impact of the Cartago brand. The slipper and sandal from the Tauá collection are made from an EVA lining, a textile finger strap, an EVA insole (*biobased*) – made from sugar cane – and recycled PET bottle fabric⁵. These shoes ensure greater comfort, lightness and personality.

learn more here.

⁵ For the manufacture of flip-flops, the equivalent of half a PET bottle per pair was used, while the sandals used one PET bottle per pair. 500 ml PET bottles are considered for comparison.

nuar

A MARKETPLACE WITH SUSTAINABLE BRANDS THAT STRIVE FOR A BETTER TOMORROW.

Nuar is a platform that creates products and content and curates brands and solutions that transform daily routines into better actions for the Planet. Its purpose is to promote knowledge on sustainability, create a channel of access to more sustainable products and suppliers and involve more and more people in the debate on the subject.

It has its own shoe line, Nuar, with 100% recyclable vegan sandals, which contain 38% of pre-consumer recycled materials, do not contain volatile organic materials or compounds and are produced with low-impact, water-based glue. Also, it takes PVC with rice husk in its composition, material from renewable (*biobased*) sources and high durability TPU.

learn more here.

Circular economy

GRI 3-3

Circularity is one of the main ways to build a sustainable business. Its concepts aim at prolonging the useful life of the materials and resources used, avoiding waste and the generation of residues that exceed the planet's processing and regeneration capacity.

At Grendene, we practice circularity, based on the adoption of solutions that prioritize the maximum use of raw materials, avoiding waste and the generation of waste, and that expand the reinsertion of materials into the production cycle, through reverse logistics.



Reverse logistics collector – Melissa Club

Reverse logistics

One of the main challenges of the fashion industry is to extend the life cycle of products and significantly reduce the generation of waste and the demand for extraction of virgin raw materials.

At Grendene, we maintain a **Reverse Logistics Program**, whereby customers can discard shoes from all our brands, which are sent for recycling, both internally and externally. We have partnerships with three recyclers who do the external recycling of part of the shoes.

Currently, we have 19 indoor shoe collectors, distributed in units in the northeast of the country, in the city of Farroupilha (RS) and in Bergamotta Labs for the reverse logistics of shoes from our employees. In 2021, 234 pairs of shoes were collected.

Also, the **Melissa** brand collects its customers' post-consumer shoes, both from its own brand and from all of the Grendene universe, in its 396 Clubs and two Melissa Galleries. In all, more than 3,400 pairs have been collected since 2019.

3.4 THOUSAND

PAIRS DISCARDED BY CONSUMERS SINCE 2019



OF THAT TOTAL, **3.9 THOUSAND** MELISSA FLOX M EDITION SANDALS WERE PRODUCED

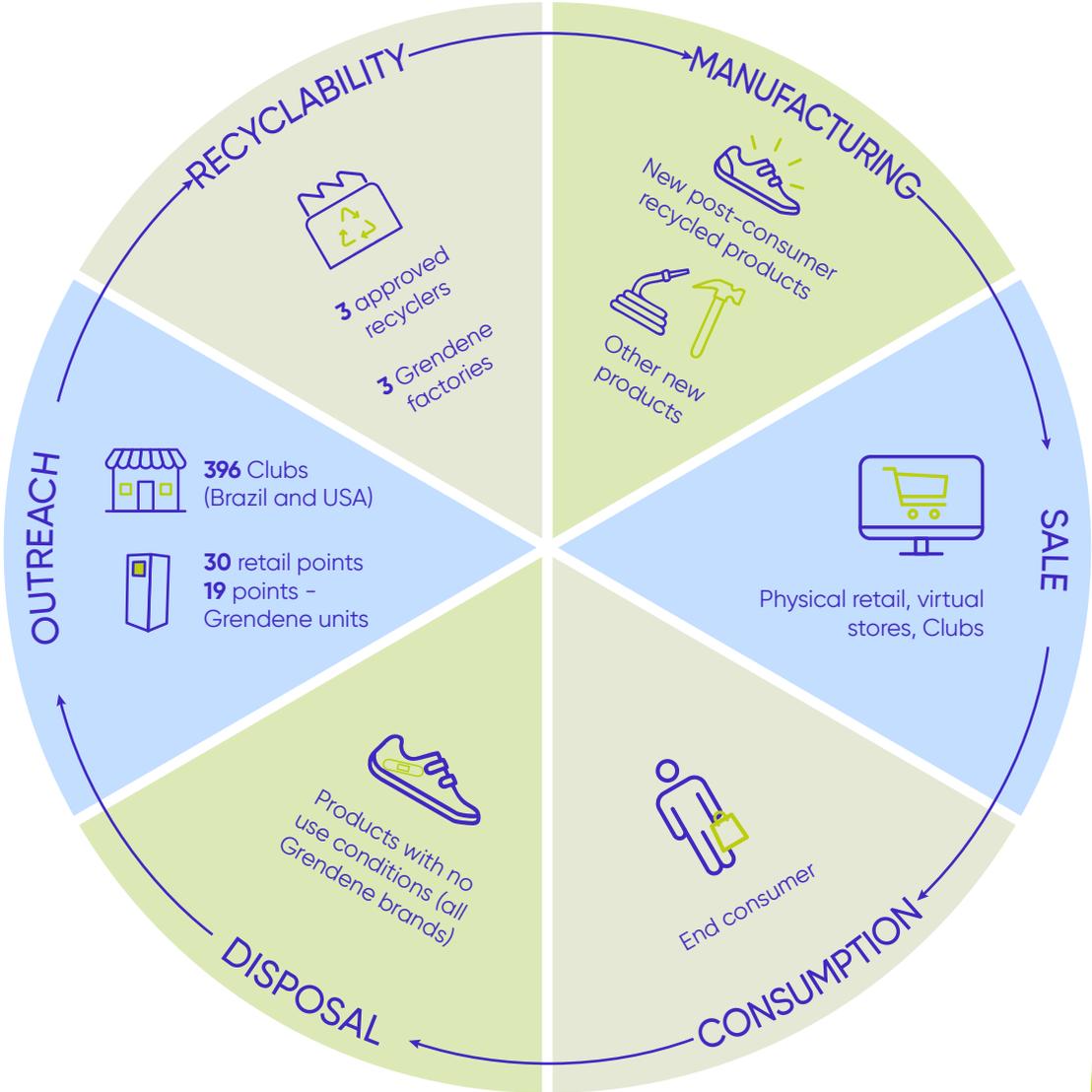


GRENDENE REVERSE LOGISTICS

AWARD

This year, Grendene received the **Plástico Sul Innovation & Sustainability Award**, in the Transformative Recycled Content category, for Melissa Flox M Edition, a 100% recycled sandal, produced from shoes collected by the reverse logistics program at the brand's stores. The Award recognizes innovative and sustainable actions by companies in the plastics segment in the southern region of the country.

In 2021, as part of the Ipanema Recria campaign, the brand partnered with C&A to make collection bins available in the retailer's stores in the states of Alagoas, Bahia, Espírito Santo, Minas Gerais, Pará, Paraíba, Pernambuco, Rio de Janeiro, Rio Grande do Norte and Sergipe.



Packaging

Grendene is committed to forests and responsible management. To communicate this commitment to the consumer, we have the FSC® brand license. In 2021, 98% of our packaging was FSC® certified. The 2% lower coverage than in 2020 is the result of the shortage of raw materials suffered throughout the fiscal year, due to the impacts of the pandemic. However, our expectation is to increase to 100% of certified packaging, again, in 2022.



Also in 2021, Melissa launched a project for packaging. The new **lower-impact Melissa box** is free of single-use plastics, 100% recyclable, which, in addition to being more valuable to the recycler, also has greater recyclability potential. The amount of paint used was also reduced, the glue was replaced by one based on starch and water, free of solvents, and the metallic eyelets were eliminated. The packaging impacts on GHG emissions, since it emits 68% less CO₂ for its production when compared to the previous packaging.

We seek to bring innovative solutions that also support retail customers and allow us to expand our generation of sustainable value throughout our chain. That's why, in partnership with the sales team, we created, still in 2010, the **Honeycomb Box Project**. With the adoption of the honeycomb box, we optimized the packaging, using only the material that is necessary to protect the products, eliminating excesses, and the shoes are accompanied by hangers, made with 100% recycled materials, for display at points of sale, bringing greater agility in the replacement of products in stores by the customer.

In addition to the aforementioned benefits, **honeycomb boxes** allow the use of lighter materials, which contribute to reducing energy consumption in the transport of products, and less use of space in customers' inventories. In 2021 alone, the project enabled the use of 89 tons of paper to be avoided – due to the reduction in packaging weight – and 85.5 tCO₂ to be avoided due to the reduction in the number of transport trucks necessary for the shipping.



Lower impact Melissa box – Fortaleza Unit (CE)

POSITIVE IMPACT OF HONEYCOMB BOXES



Reduction in packaging weight

= **89** TONS LESS PAPER USED



Reduction of usable space in boxes
+ Greater freight efficiency

= **85.5** tCO₂e ARE NO LONGER EMITTED

ANNEXES

GRI INDEX

UNIVERSAL STANDARDS

REFERENCE (PG.) / DIRECT RESPONSE

General Contents

The organization and its reporting practices

2-1	Organization details	Page 9
2-2	Entities included in the organization's sustainability reports	Grendene S.A. and its subsidiaries: MHL Calçados Ltda; Grendene USA, Inc.; Grendene UK Limited.; Grendene New York, L.L.C. (through Grendene USA, Inc.); Grendene Italy, S.R.L. (through Grendene UK Limited.). Find out more on pp. 11 and 27.
2-3	Reporting period, frequency and point of contact	Page 4. The frequency of publication of the Sustainability Report and the Financial Report is annual. The Audited Financial Report is available at https://bit.ly/3vHoHYc and was published on 02/24/2022.
2-4	Information reformulations	Page 20
2-5	External verification	In 2021, our report did not have external verification, as our main focus for the year was to improve our management of Governance for Sustainability internally.

Activities and employees

2-6	Activities, value chain and other business relationships	Page 9, 11, 49 and 53
2-7	Employees	Page 37
2-8	Workers who are not employees	Of the 191 employees of outsourced companies, 181 work for the company that provides food services, six employees of the surveillance company, a doctor and three drivers. Find out more on p. 37

UNIVERSAL STANDARDS
REFERENCE (PG.) / DIRECT RESPONSE

Governance		
2-9	Governance structure and composition	Page 6, 28 and 29
2-10	Appointment and selection of the senior governance body	Page 28 and 29
2-11	Chairman of the highest governance body	Page 29
2-12	Role of the highest governance body in overseeing impact management	The General Shareholders' Meeting is empowered to decide on all business related to the Company's purpose and to take all the resolutions it deems convenient for its defense and development. The Board of Directors, for the purpose of performing its duties, follows what is established in Law No. 6,404/76, in the applicable regulatory provisions, in the Articles of Incorporation and in its Internal Regulations. The Audit Committee, when installed, for the purpose of performing its duties, follows what is established in Law No. 6,404/76, in the applicable regulatory provisions, in the Articles of Incorporation and in its Internal Regulations. The Executive Board, to perform its functions, follows what is established in Law No. 6,404/76, in the applicable regulatory provisions, in the Articles of Incorporation and what is established by the Board of Directors. In addition, the Investor Relations Department is responsible for forwarding sustainability-related matters to the Board of Directors.
2-13	Delegation of responsibility for impact management	Page 32
2-14	Role played by the highest governance body in sustainability reporting	The CEO is responsible for approving the sustainability report prior to publication.
2-15	Conflicts of interest	Page 26
2-16	Communicating critical concerns	Pages 26 and 33
2-17	Collective knowledge of the highest governance body	In 2021, the Company did not carry out a formal process to promote collective knowledge, skills and experience of the Board of Directors in sustainable development.
2-18	Assessment of the performance of the highest governance body	Currently, the Company does not have a formal process for assessing the performance of the Board of Directors.
2-19	Compensation policies	Page 31

UNIVERSAL STANDARDS		REFERENCE (PG.) / DIRECT RESPONSE
2-20	Process for determining compensation	Page 31
2-21	Proportion of total annual compensation	Omission. Reason for omission: there are confidentiality restrictions.
Strategy, policies and practices		
2-22	Statement on the sustainable development strategy	Pages 6 and 20
2-23	Commitment policies	Pages 20, 33, 36 and 45
2-24	Incorporating commitment policies	Pages 33 and 45
2-25	Processes to remedy negative impacts	Page 33
2-26	Mechanisms for seeking guidance and raising concerns	Page 33
2-27	Compliance with laws and regulations	We did not record significant cases of non-compliance with laws and regulations during the reporting period.
2-28	Participation in associations	<ul style="list-style-type: none"> › Brazilian PVC Institute (IBPVC) - Technical Committee/Advocacy › PVC Promotion Committee Communication › Governance/Statutory Committee. Amcham Brasil - Amcham Leaders Meeting (CEOs) › Strategic Human Resources Committee › Strategic Industrial Management Committee › Strategic Sustainability Committee › Legal Strategic Committee › Strategic Committee for Digital Transformation › Strategic Sales Committee › Power Group › Logistics Group. Brazilian Association of Footwear Industries (Abicalçados) - Deliberative Council 2019/2022 › Brazilian Footwear Project. Brazilian Association of Component Manufacturers for Leather, Footwear and Artifacts (Assintencal) - Deliberative Council 2021/2023. Sitio Fundação State Park Association in Crato - CE: Advisory Board Brazilian Institute of Technology for Leather, Footwear and Artifacts (IBTeC)-Deliberative Council 2021/2023. Union of the Footwear, Bags, Belts, Gloves Industry and Safety Material and Occupational Medicine (Sinca) of Sobral -CE: President. Social Service for Industry (SESI) and National Service for Industrial Learning (SENAI) of Rio Grande do Sul - Regional Council. Find out more on p. 23

UNIVERSAL STANDARDS		REFERENCE (PG.) / DIRECT RESPONSE
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	Pages 20 and 26
2-30	Collective bargaining agreements	Page 36
Material topics		
3-1	Process for determining material topics	Page 20
3-2	List of material topics	Page 21
3-3	Material topic management	<ul style="list-style-type: none"> › Responsible Governance - pp. 26 › Employees - p. 36 › Protection of Human Rights - p. 45 › Suppliers - p. 49 › Fighting climate change - p. 58 › Water Resources - pg. 68 › Impact Reduction (Circularity and Lower Impact Products) - p. 71
SPECIFIC NORMS		REFERENCE (P.) / DIRECT ANSWER
Economic Contents		
Economic Performance		
201-1	Direct economic value generated and distributed	Page 18
Purchasing Practices		
204-1	Proportion of spending on local suppliers	Criteria for defining "important operational units" are the 4 Grendene manufacturing units: Headquarters in Sobral - CE and branches in Fortaleza - CE, Crato - CE and Farroupilha - RS. Find out more on p. 49.

SPECIFIC NORMS		REFERENCE (P.) / DIRECT ANSWER
Fight against corruption		
205-1	Operations evaluated for risks related to corruption	In 2021, we implemented our Internal Audit and Compliance Area and the Ethics Channel to improve management in relation to the topic. In 2021, our Ethics Channel did not receive corruption reports.
205-2	Communication and training in anti-corruption policies and procedures	Page 39
205-3	Confirmed cases of corruption and actions taken	In 2021, there were no reports of complaints related to corruption in our Ethics Channel.
Environmental Contents		
Material		
301-1	Materials used, broken down by weight or volume	Page 63
301-2	Raw materials or recycled materials used	Page 63
Energy		
302-1	Energy consumption within the organization	Page 60
302-3	Energy intensity	Page 60
Water and Effluents		
303-1	Interactions with water as a shared resource	Pages 68 and 69
303-2	Management of impacts related to water disposal	Pages 68 and 69
303-3	Water collection	Page 70
303-4	Water disposal	Page 70

SPECIFIC NORMS		REFERENCE (P.) / DIRECT ANSWER												
303-5	Water consumption	<p>Page 68. The company considers water consumption equal to the volume of water withdrawn (303-1). To meet the indicator, consumption was calculated considering that the water consumed = (water withdrawn - water discarded) and the results were:</p> <table border="1"> <thead> <tr> <th colspan="3">Water consumption (in megaliters)</th> </tr> <tr> <th></th> <th>All areas</th> <th>Water stress areas</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>224.5</td> <td>28.1</td> </tr> <tr> <td>2021</td> <td>136.4</td> <td>34.0</td> </tr> </tbody> </table>	Water consumption (in megaliters)				All areas	Water stress areas	2020	224.5	28.1	2021	136.4	34.0
Water consumption (in megaliters)														
	All areas	Water stress areas												
2020	224.5	28.1												
2021	136.4	34.0												
Emissions														
305-1	Direct emissions (Scope 1) of greenhouse gases (GHG)	Page 62												
305-2	Indirect emissions (Scope 2) of greenhouse gases (GHG) from energy acquisition	Page 62												
305-3	Other indirect emissions (Scope 3) of greenhouse gases (GHG)	Page 62												
305-4	Intensity of greenhouse gas (GHG) emissions	Page 61												
305-5	Reduction of greenhouse gas (GHG) emissions	Page 61												
Residue														
306-1	Waste generation and significant waste-related impacts	Page 64												
306-2	Management of significant impacts related to waste	Page 64												
306-3	Generated waste	Pages 65 and 66												
306-4	Waste not intended for final disposal	Page 67												
306-5	Waste destined for final disposal	Page 67												
Environmental Compliance														
307-1	Non-compliance with environmental laws and regulations	There were no records of non-compliance with environmental laws and regulations in 2021.												
Environmental Assessment of Suppliers														
308-1	New suppliers selected based on environmental criteria	Page 51												

SPECIFIC NORMS**REFERENCE (P.) / DIRECT ANSWER****Social Content****Employment**

401-1	New hires and employee turnover	Page 38
401-2	Benefits offered to full-time employees that are not offered to temporary or part-time employees	Page 39
401-3	Maternity/paternity leave	Page 48

Occupational Safety and Health

403-1	Occupational health and safety management system	Page 43
403-2	Hazard identification, risk assessment and incident investigation	Page 43
403-3	Occupational health services	Page 43

Training and Education

404-1	Average hours of training per year, per employee	Page 40
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Non-Discrimination

406-1	Discrimination cases and corrective measures taken	Page 45
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Freedom of Association and Collective Bargaining

407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	Page 51
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Child labor

408-1	Operations and suppliers with significant risk of child labor cases	Page 51
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Forced or Slave-like Labor

409-1	Operations and suppliers with significant risk of cases of forced or compulsory labor	Page 51
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SPECIFIC NORMS**REFERENCE (P.) / DIRECT ANSWER****Human Rights Assessment****412-1**

Operations subject to human rights or human rights impact assessments

Page 45

Social Assessment of Suppliers**414-1**

New suppliers selected based on social criteria

Page 51

NATURAL
Capital:
Pages 8 and 56.



INTELLECTUAL
Capital:
Pages 8 and 56.



SOCIAL
AND RELATIONSHIP
CAPITAL:
Pages 8 and 35.



CAPITAL MAP

Get to know, on the listed pages, the capitals of the Integrated Report covered in the document:

FINANCIAL
Capital:
Page 8.



HUMAN
Capital:
Pages 8, 25 and 35.



MANUFACTURED
Capital:
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SDG MAP

Grendene's Sustainable Development Policy is based on the United Nations (UN) Sustainable Development Goals and on goals connected to the evolution of global standards of quality of life and productive activity until 2030. Discover, on the pages listed, the SDGs that we actively impact:

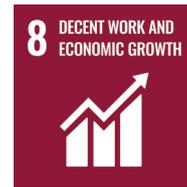


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22 and 56.



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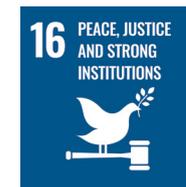
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