

1. OBJECTIVE

This Policy lays out the ground rules and best practices when interacting with Public Officials and Private Companies, in an effort to strengthen our ethical and responsible conduct, as well as to prevent and deter Illicit Activities in all Alpargatas' businesses.

2. SCOPE

This Policy applies globally to Alpargatas (henceforth referred to as "Company", which includes Alpargatas S.A. and all its subsidiaries), its executive management (members of the Board and Executive Leadership), members of its committees, employees, as well as subcontractors hired by the Company and who may represent the Company in the activities herein described.

3. DEFINITIONS

3.1. Public Official: every natural person who exercises, even if temporarily, with or without remuneration, by election, appointment, designation, hiring or any other way of incumbency or relationship, a term of office, position, job, or function in governmental agencies and companies that are part of the direct and indirect government, including regulatory agencies, legislative, executive, or judicial authorities, in any country.

3.2. Antitrust Laws: a set of laws that protects the principles of free competition by limiting the concentration of economic power to prevent companies from reducing/eliminating competition and exerting excessive control over the market. These laws forbid individuals, companies (private or government-owned), and trade unions or associations from creating restrictions that may lead to an increase in prices and are detrimental to consumers and impose penalties for those who infringe them.

3.3. Illicit Activity: any action or omission that violates the legislation in force or the moral standards, for instance:

- **Money Laundering:** involves concealing or disguising the nature, origin, location, disposition, movement, or property of goods, values, or financial assets that derive from criminal activities or offenses to legally legitimate them for future use;

- **Terrorism Financing:** involves providing direct or indirect funds to terrorism or those who encourage, plan, or commit acts of terrorism, either in full or partially, including raising funds from lawful and unlawful sources when knowingly aware that they will be employed in terrorist activities or to support terrorist groups;

- **Corruption:** can be either active or passive. Active Corruption refers to any activity performed directly or through Third Parties that seeks to suggest, offer, encourage, or grant Undue Advantage. In Passive Corruption, the unlawful activity is committed by those who ask, request, demand, or receive an Undue Advantage. Bribery does not necessarily involve financial resources and may intend to compel an individual to either act or fail to act;

- **Bribery:** one of the most common forms of Corruption. It consists in giving, promising, or offering a sum of money or item of value in exchange for more favorable treatment for a company or individual. Bribery is not limited to the individual or company who makes the payment, but also to those who:

- Approve the payment of the bribe;
- Produce or accept fraudulent invoices;
- Reproduce instructions on to a Bribery payment;

- Conceal a Bribery;
- Knowingly assist with the Bribery payment.

- **Facilitation Payments:** refers to Bribes paid to facilitate or speed up a service or activity. These payments are improper and are made in order to produce or receive an Undue Advantage. Facilitation Payments are not limited to sums of money and can also be offered and received by alternative means. Some known alternatives are:

- Gifts;
- Entertainment, meals, travel, and hospitality;
- Contributions in cash and/or services;
- Business, employment, or investment opportunities;
- Free or discounted Alpargatas products;
- Donations, Sponsorships, and other community investments;
- Political contributions to parties, candidates, and their relatives or close associates.
- Other personal or professional benefits and advantages.

- **Fraud:** refers to an illicit advantage obtained at the expense of another party, misleading said party into making or repeating an error by means of deception, trickery, falsehoods, or any other fraudulent means;

- **Extortion:** refers to the use of violence or severe threat to coerce an individual into doing, tolerating, or forgoing an action that results in an Undue Advantage for the extortioner or Third Party.

- 3.4. Cartel:** refers to an arrangement between companies to, among other purposes, manipulate prices and production outputs, and split customers and markets in order to eliminate the competition, therefore harming customers, who become unable to choose between competing prices. If companies do not compete, there is no lower price.
- 3.5. Donations:** refers to any financial resource or goods freely given to an individual or legal entity, without the need for reciprocal gain to the donor.
- 3.6. Private Entity:** refers to any party that interacts with Alpargatas and does not fall under the definition of a Public Official.
- 3.7. Sponsorship:** refers to the financial support granted to projects conducted by Third Parties to promote cultural, sports, and social initiatives while, in return, raising awareness about the Company's operations. Sponsorship seeks to strengthen the Company's position, add value to the brand, boost sales, or foster brand awareness and a closer relationship with the Company's target audiences.
- 3.8. Relationship by Consanguinity or Affinity:** any two individuals in a lineal or collateral relationship up to the 3rd degree shall be considered relatives, regardless of whether this relationship is by consanguinity or affinity, such as spouses (including Common-Law marriages), parents, grandparents, uncles and aunts, siblings, children, grandchildren, nephews and nieces, cousins, parents-in-law, and children-in-law. Relationships by affinity also include friends and other close associates.
- 3.9. Third Party:** refers to an individual or Private Entity that interacts with Alpargatas and does not fall under the definition of a Public Official. A few examples are suppliers, consultants, business partners, franchisers, service providers, law firms, marketing agencies, etc.
- 3.10. Undue Advantage:** profits, gains, privileges, or benefits obtained by unlawful means or an ethical violation.

4. GUIDELINES TO COMBAT AND PREVENT CORRUPTION AND OTHER ILLICIT ACTIVITIES

- 4.1. Alpargatas shall not tolerate, accept, sanction, or authorize any form of Illicit Activity, regardless of the time, purpose, transaction, or place.
- 4.2. Any interaction with Public Officials or Private Entities must abide by the strictest ethical and moral standards, and must be guided by honesty, professionalism, and transparency, in full compliance with the laws and regulations in force.
- 4.3. The misuse of Alpargatas' resources and assets for any illicit or improper purpose is strictly forbidden.
- 4.4. Company executives, employees, and Third Parties must exercise due diligence and comply with the Company's **Code of Conduct and Ethics** when selecting Public Officials and Private Entities to interact.
- 4.5. In order to adopt the best compliance practices, the Company lays out strict standards in its policies and by-laws to prevent, detect, and respond to any acts of Corruption and other Illicit Activities. A few examples are the Company's **Gifts and Compliments Policy, Sponsorship Policy, Donations Policy, and Conflict of Interest Policy**.
- 4.6. Any agreements that Alpargatas enters into must contain an anti-corruption clause that (i) states how a party shall be held accountable for offenses against the public administration, either nationally or abroad; (ii) protects the Company against any violations of the law committed by the other party; and (iii) establishes penalties, compensation, and contract termination in cases of suspected acts of Corruption.
- 4.7. All initiatives and interactions carried out on behalf of Alpargatas must be guided by ethics and integrity. Company directors, C-Levels, employees, or Third Parties must use the Compliance Helpline to report any suspicious activity that may violate the conducts herein described as soon as they become aware of such practices. Failure to report an Illicit Activity will not be tolerated, given it is everyone's duty to prevent illicit gains from being achieved.

5. INTERACTIONS WITH PUBLIC OFFICIALS

- 5.1. Alpargatas' **Relationship with Public Officials Policy** establishes the most important rules when (i) participating in activities with government relations; and (ii) selling goods and services to government agencies or any company that is directly or indirectly owned by the government. This Policy was designed to prevent and combat Fraud or Corruption, encouraging all employees, C-Levels, and Third Parties, as applies, to conduct ethical and transparent operations.
- 5.2. Besides the Policy mentioned in the previous item, any interactions with Public Officials must comply with our **Code of Conduct and Ethics** and with all legislation aimed at combating and preventing Corruption.
- 5.3. The Company strictly forbids any attempts to interfere or hinder any oversight or investigation conducted by an enforcement or regulatory government agency.
- 5.4. Alpargatas shall not take part in any political activity and must show no bias toward any political party or ideology, focusing solely on advocating for the Company's legitimate interests. Any attempt to favor a particular candidate or political party, even if indirectly, is strictly forbidden.
- 5.5. During election periods, any gifts or compliments (as established in the Company's Gift and Compliments Policy) and contracts with Public Officials are effectively suspended.

- 5.6.** Alpargatas forbids all direct or indirect political contributions using corporate resources or assets, even those allowed by the local legislation.
- 5.7.** Alpargatas employees are free to support any political party of their choice and are free to vote and to run for office as they see fit. However, if an employee is elected to office, and/or if anyone associated with an employee by a Relationship by Consanguinity or Affinity is elected to office, this must be reported to People or Compliance teams.
- 5.8.** Employees who interact with government agencies in the exercise of their functions or who are related by consanguinity or affinity to a decision-making Public Official, even if said relative works in a government agency other than the one the employee interacts with, must disclose this information to the Compliance team.

6. INTERACTIONS WITH THIRD PARTIES

- 6.1.** Alpargatas' relationship with Private Entities must also be guided by ethics, integrity, honesty, morality, and fairness, as described in this Policy and in line with the Company's **Code of Conduct and Ethics**.
- 6.2.** Any agreements with Third Parties must first go through:
- A due diligence process in which the Compliance team runs a Background Check on said party.
 - In the case of mergers and acquisitions, a due diligence process to identify any evidence of Corruption; and
 - A supplier and service provider registration process to be conducted by the Suppliers Management and Development area, whenever required by the Company's Suppliers Policy.
- 6.3.** No strategic and/or sensitive information about a competitor shall ever be disclosed or received, including pricing information, even if shared informally. Failure to comply with this requirement may be interpreted as a violation of Antitrust Laws and as practice of Cartel. An employee must immediately report any contact with such information to the Ethics and Compliance Committee.
- 6.4.** If, during the course of Alpargatas' relationship with any Third Parties or Public Officials, rumors emerge that may tarnish their reputation and/or if there is any suspicion of illicit payments or any other Illicit Activities, these suspicions must be reported to the Compliance team.

7. COMPLIANCE HELPLINE

- 7.1.** Any doubts, suspicions or evidence of noncompliance with Alpargatas' Code of Conduct and Ethics, with this or any other Policy, must be reported directly to the specific channel for receipt of reports, by calling, in Brazil, 0800 770 7791 or through the website www.canaldedenuncia.com.br/alpargatas. Globally, reports can be made in English or Spanish, through the website www.compliancehelplinealpargatas.com.
- 7.2.** Compliance Helpline is an independent and impartial tool operated by an internationally renowned service provider. The whistleblowing can be made anonymously, being ensured, even for the identified denunciations, the most absolute confidentiality of the report and people involved. This helpline is also open to receive complaints from third parties.
- 7.3.** Any communication related to complaints should include as much information as possible, such as: (i) objective and impartial description of the fact; (ii) when and where the violation occurred or is occurring; (iii) the people and organizations involved; and (iv) any documents that help the



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analysis of the case and the development of any actions. Any and all information or evidence is important to ensure the accuracy of the investigation of the report.

7.4. Complaints may also be reported via email to compliance@alpargatas.com.

8. SANCTIONS

8.1. Any noncompliance with the provisions, including legal and regulatory, stated herein shall subject the offending party to the disciplinary measures established in the internal policies, without prejudice to administrative, civil and even criminal sanctions, among other applicable measures.
