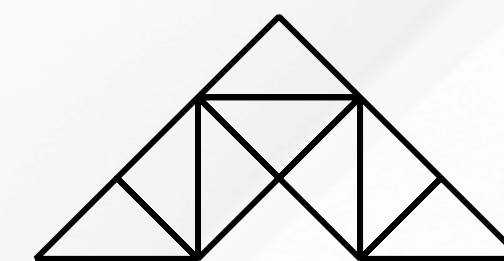


Compliance

PROGRAM




ALPARGATAS

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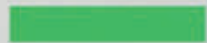
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CONCLUSION

As a result of its culture of ethics and integrity, Alpargatas presented and received the full support of its Management to structure its Compliance Program, widely discussed at all levels of Management and approved by the Board of Directors on December 3rd, 2021, as it translates the Corporation's values and practices.

Pedro Moreira Salles

Chairman of the Board of Directors





Alpargatas is publicly committed to maintaining **ethics and integrity as a guide and as non-negotiable values** in all its relationships, under any circumstances.

This commitment is part of Alpargatas' culture.

Honesty, integrity, dignity, respect for people, in all their diversity, respect for the Corporation, for society and for the laws must guide the behavior of everyone who works at Alpargatas, regardless of position or function. This behavior must be shown in the **Compliance program, which also consolidates the guidelines established by Brazilian legislation** and the main international anti-corruption legislations, reinforcing the high standards of integrity, ethics and transparency contained in the Code of Conduct and Ethics and in the Corporation's Anti-Corruption Manual.

For some years Alpargatas has worked on various fields related to the Compliance Program, but in 2020 it decided to dedicate an area exclusively for this purpose, with a view to building a structured Compliance Program to enhance the culture of ethics and integrity.

Alpargatas' Compliance Program represents the efforts of senior Management to establish, at Alpargatas and its national and international subsidiaries, procedures that ensure greater control and corporate management over unethical behavior associated with crimes and legal contraventions, favoring a more ethical, truthful and corruption-free environment.

The Program has a **structure based on nine pillars for the prevention, detection and response to compliance risks**. Such risks are associated with the occurrence of contraventions or crimes, such as: moral harassment, sexual harassment, fraud, corruption, racism, and the risk of unethical behavior. The work developed in every pillar is detailed below.



Pillar “Senior Management Support”

The first pillar of the program is the commitment of Senior Management to ensure that the activities of the pillar of prevention, detection and response to irregularities and illegalities are carried out both in Brazil and in all the countries where the Corporation operates directly or indirectly, including its subsidiaries.

The pillar “Senior Management Support” can be observed in all aspects, with support for the creation of structures focused solely on ethics and integrity issues, such as the Compliance area and the **Ethics and Compliance Committee**, composed of Corporation officers, among them C-Levels and Directors.

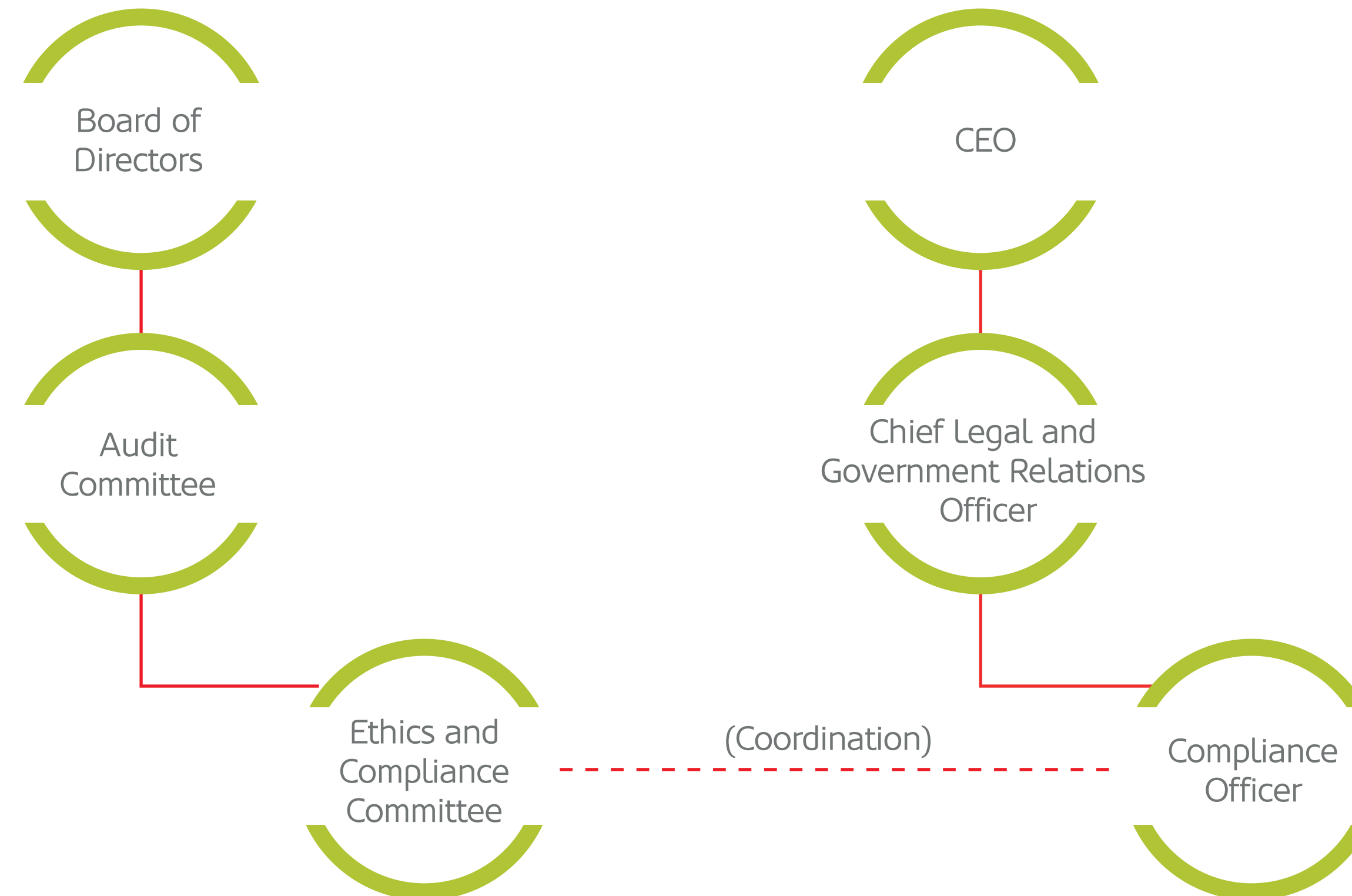
This pillar guarantees the designation of a qualified professional exclusively dedicated to the program’s activities, a budget for its implementation, maintenance or improvement, and coordination of the meetings of the Ethics and Compliance Committee.

The ongoing commitment of Senior Management to make widely known the principles of the Program, in their actions, behavior and speech, ensures the dissemination of ethical behavior and integrity, setting an example of conduct at all levels of the Corporation. Whether by getting involved in training and qualification related to the theme, or by sharing with the Board of Directors, on an annual basis, the work developed in the Program.

As an example of Senior Management support to the pillars of the Program, Alpargatas became a member of the United Nations Global Compact, strengthening globally recognized commitments to promote corporate environments that are increasingly more ethical and free, through actions associated with the protection of human rights, labor, the environment and anti-corruption.

The **governance** of the Compliance Program is carried out by the Ethics and Compliance Committee, an advisory body to the Audit Committee, and the Compliance and Government Relations area, which reports to the Relations Department of Global Legal and Government Relations department, is responsible for managing, coordinating, monitoring and updating the Program, and must report quarterly on the work done to the Ethics and Compliance Committee, whose responsibility and composition are defined in the Ethics and Compliance Committee Policy.

ORGANIZATIONAL CHART:



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Pillar “Risk Assessment”

Didactically classified as pillar of **prevention of unethical and illicit behavior, the pillar “Risk Assessment” promotes the mapping of compliance risks**, implemented in the Risk Assessment Report, through the following methodology:

1. Identifying the types of report obtained in the Whistleblowing Channel in the two years preceding the mapping of compliance risks;
2. Preparing a list with the name and position of the people qualified to answer the compliance questionnaire, approved by the Ethics and Compliance Committee;
3. Sending a questionnaire to gather information about the importance of the risk pointed out and the level of confidence in the solutions proposed by Alpargatas;
4. Carrying out interviews to clarify specific topics of the questionnaire;

5. Identifying the risks that require more attention, based on their classification by probability of occurrence and by their impact on the Corporation, if any;
6. Preparing the risk map or heat chart, where the probability x impact of its occurrence is plotted;
7. Preparing a risk mitigation plan.



The measures suggested for risk mitigation must be validated by the Ethics and Compliance Committee, and their execution is coordinated by the Compliance area.



Pillar “Code of Conduct and Policies”

In this pillar of risk prevention, an effort is made to **ensure that the Corporation’s main regulations, including the Code of Conduct and Ethics, the Anti-Corruption Manual and its policies are prepared in clear and simple language, facilitating everyone’s understanding of the expected conduct and behavior.**

Alpargatas’ Code of Conduct and Ethics and Anti-Corruption Manual are public documents, available for everyone to access on the Corporation’s website. They are also shared with all those who start their professional relationship at Alpargatas, whether employees or co-workers, regardless of their position or function, including directors and managers, service providers and suppliers. They must have a version in Portuguese and another in English, so that they can be understood in any country where Alpargatas operates.

All internal regulations must **respect the legislation of the locations** in which they were conceived, establishing a deadline for their revision and updating so that they reflect the best practices, within the Corporation's principles and values.

The Corporate Governance Policy must establish the **duties of the Board of Directors** to approve the following regulations, and the Compliance area is responsible for alerting the C-Levels about the need to update or revise them:

- > Code of Conduct and Ethics
- > Anti-Corruption Manual
- > Conflict of Interest Policy
- > Independent Auditor Engagement Policy
- > Allocation of Profits Policy
- > Disclosure of Material Event or Fact Policy
- > Risk Management Policy
- > Corporate Governance Policy
- > Securities Trading Policy
- > Relationship with Public Officials Policy
- > Transactions with Related Parties Policy

This list is an example, after all, the Board of Directors is in charge of approving new policies that impact the Corporation's strategy, results or shareholders. All policies submitted for approval by the Board of Directors must have been previously approved by the Audit Committee.

The C-Levels, Committee or Advisory Commissions are in charge of approving any other Alpargatas' policies, and the Compliance area is responsible for recommending the preparation, review or updating of the following policies, which will be forwarded to the Ethics and Compliance Committee:

- > Gifts and Compliments Policy
- > Donations and Gifts Policy
- > Consequences Management and Disciplinary Measures Policy
- > Sponsorship Policy
- > Receiving and Handling Complaints Policy
- > Respect for Diversity Policy
- > Ethics and Compliance Committee Policy

All policies approved by the Ethics and Compliance Committee must also be approved by the Audit Committee.



Pillar “Internal Controls”

The third pillar for the prevention of unethical and illegal conduct is associated with “Internal Controls”. At Alpargatas, there is a specific area for risk control and monitoring, within the Finance, Strategy and Investor Relations Department. **The Internal Controls area, besides carrying out frequent surveys for the purpose of identifying the risks to which the Corporation is exposed, is also responsible for evaluating the probability of their occurrence and their impact.**

After the risks are identified and assessed, a mapping is made of which controls should be developed or improved, to minimize their occurrence and avoid negative exposure of the Corporation.

Improvements in processes or documents, such as policies and procedures, are shared with the Compliance area, **always with the ultimate goal of reducing the chance of risks.**

The Internal Controls area allows for an organization and understanding of the risks to which the Corporation may be exposed, playing an important role to the Compliance area in its compliance risk analysis.

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Pillar “Training & Communication”

After identifying the compliance risks, that is, risks of illicit and unethical behavior, and preparing the processes and documents for their mitigation, **it is essential that the Corporation acts in the disclosure of the rules, conducts and behaviors that it wishes to emphasize because they are aligned with its culture and principles.**

The importance of this last pillar of risk prevention is, therefore, associated to trainings and communications, disseminating, orienting, instructing and unifying the important knowledge and concepts of compliance.

This pillar is continuously reinforced by the People Department, specifically the **Organizational Development area and the Communication and Engagement area.** This important partnership allows the Compliance Program to be effectively disseminated throughout the organization and in all countries where the Corporation operates.

To this end, posts on Currents, a Google platform for corporate communication, lectures, workshops (in person or online), videos, quizzes, games or training in distance learning format may be used, guaranteeing the spreading and sharing of knowledge, in a democratic way and at all levels of the Corporation.

Alpargatas has a streaming platform, ALUFLIX, to share educational content, in a simple, assertive and personalized way, and its easy access encourages viewing at various times and occasions.

The main themes, the strategies for dissemination of policies, processes, and any other actions for sharing Compliance topics should be defined in the Ethics and Compliance Committee.

Through this pillar, **the program ensures that training and communications are able to take knowledge widely and democratically to all employees and officers of the Corporation.**



Pillar “Third Party Management”

In the first pillar of risk detection, known as “Third Party Management”, **it is possible to know who the Corporation hires and what are the reputational risks related to such hiring.** Remember that all hiring must always be conducted impersonally, without favoritism or unjustified preferences.

The Compliance area, through its background check tool, generates dossiers, or also called analytical reports, with data from public sources on individuals or companies that the Corporation is interested in hiring. This procedure must be carried out at the time of the quotation, before any contract is signed and executed.

With the analysis of the results brought by the dossier, using public sources such as environmental and tax certificates, registrations in public entities, news and results in search engines, the Compliance area classifies the risk of the third party between low, medium and high risk, and may approve, disapprove or even recommend actions to mitigate risks that may occur during the hiring process.

In continuous partnership with the area of Management and Development of Suppliers, of the Supply Chain Department, and other areas that deal directly with the engagement of third parties, **the Compliance area provides data and information that must be validated during the third party approval process.**

If an irregularity is diagnosed with a new partnership and it cannot be corrected or eliminated, for example, the absence of some document, the hiring must be discussed in the Risk Committee. A deviation form will be prepared and its approval will be submitted to the Compliance area or to the Ethics and Compliance Committee, depending on the degree of risk. The approval flow for the deviation form is as follows:

LOW RISK - DOES NOT OFFER RISK DIRECTLY TO THE BRAND



HIGH RISK - OFFERS DIRECT RISK TO THE BRAND



The Ethics and Compliance Committee can be triggered, regardless of the existence of a prior deviation form, that is, every time there is a reputational risk diagnosed by the Compliance area in the Corporation's partners.

Pillar “Compliance Helpline”

Representing an important pillar of risk detection, **the “Compliance Helpline”, as is known Alpargatas’s whistleblowing channel, is a tool through which employees and third parties can anonymously report suspected illicit and unethical behavior, or any conduct that violates the guidelines set out in the Corporation’s Code of Conduct and Ethics and related internal policies.**

An **independent third party company** that guarantees the **confidentiality** and **secrecy** of the information provided by whistleblowers manages the “Compliance Helpline”. The identity of those involved must be preserved in order **to avoid retaliation**. Anonymity is a whistleblower’s choice and this decision will be fully protected and guaranteed.

The “Compliance Helpline” can be accessed, in Brazil, through the number 0800 770 7791, and on the website **www.canaldedenuncia.com.br/alpargatas**. Globally, the reports can be made on the website **www.compliancehelplinealpargatas.com**.

The platform for receiving reports can be accessed in Portuguese, Spanish and English.

The guidelines for receiving, investigating and handling all reports received are described in the Policy for Receiving and Handling Complaints.

On a quarterly or extraordinary basis, the Compliance area will inform the Ethics and Compliance Committee of the results of the investigations of the complaints received, the disciplinary measures adopted, or take more serious cases for resolution. The general rules and requirements for decision making involving disciplinary measures are provided for in the Consequences Management and Disciplinary Measures Policy.

On a quarterly basis, the Compliance area will inform the Internal Controls area, responsible for risk management, of the data obtained from the “Compliance Helpline”, omitting the names of whistleblowers and accused parties, so that the confidentiality of the facts is always preserved.

In addition to the function of identifying possible misconduct and unethical activities, **the “Compliance Helpline” also works as a measuring instrument for the Compliance area to develop its program,** designing training and other activities to remedy undesirable conducts from the most in the reports received.



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Pillar “Internal Investigation”

Known as a response pillar, “Internal Investigations” allows for **the verification of the truth of the facts reported in complaints, as well as suspicions of irregularities**, but not implemented by means of the “Compliance Helpline”.

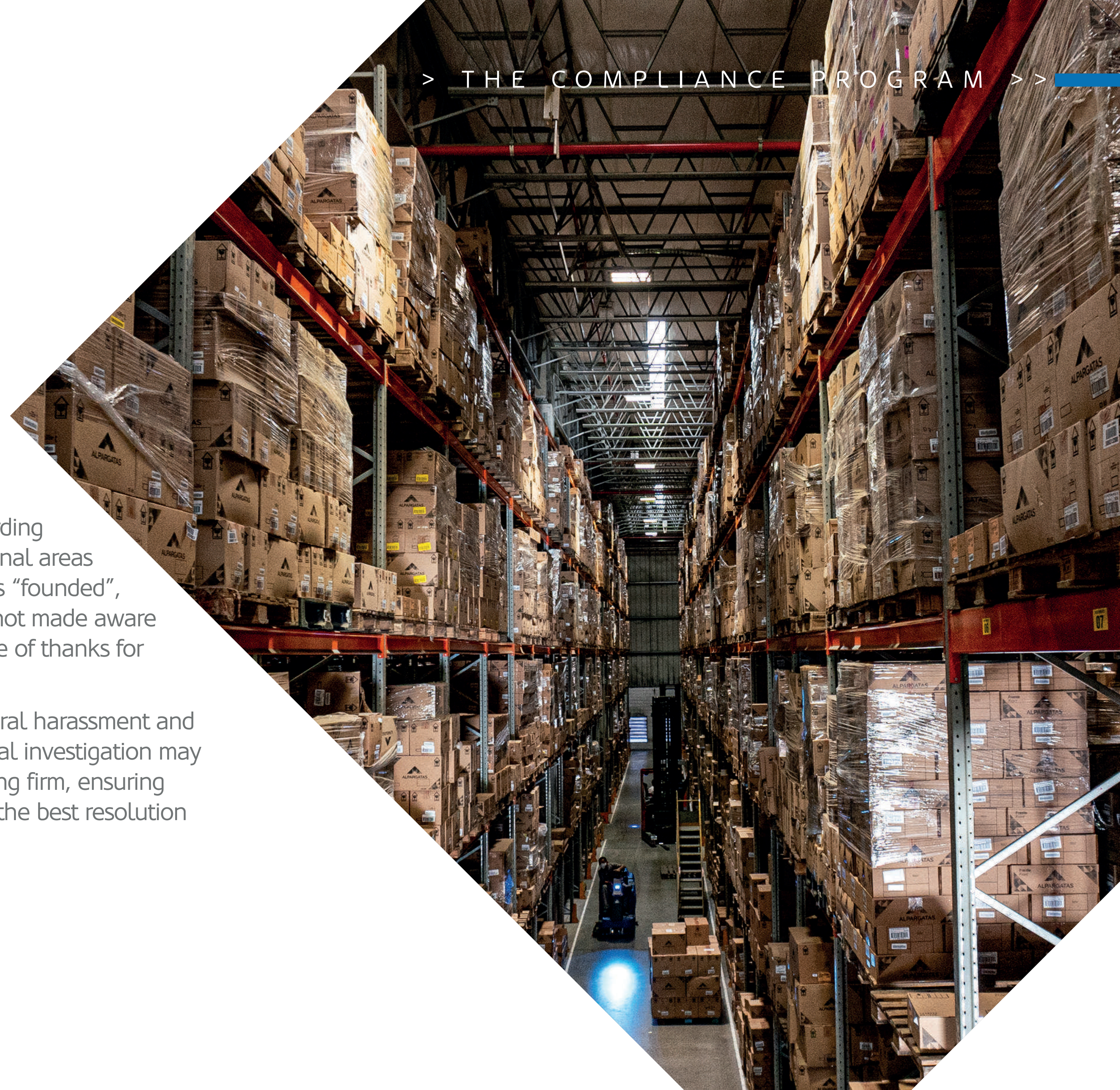
The reports and complaints received by the Compliance area undergo an analysis of their content to find out whether or not the topic reported is associated with a violation of Alpargatas’ Code of Conduct and Ethics, whether or not it is illicit or unethical conduct. If not, the complaint is finalized as “out of scope”, but will certainly be forwarded to the area responsible for analyzing the report in more depth.

The Compliance area, through the “Compliance Helpline” platform, can request further information from the whistleblowers, **whenever it is important in the investigative process, conducted by the Compliance area in partnership with the Compliance Ambassadors.**

They are professionals with seniority, maturity, discernment, critical sense, and great sensitivity in dealing with facts and people. They assist in internal investigations because they are close to the facts, know the local problems better, and are able to provide faster responses, conducting a neutral investigation, devoid of any pre-judgment, prejudices, or advance decisions.

Once within the scope, the Compliance area sends, according to the theme of the complaint, to the corresponding internal areas and manages their feedback, to finalize the complaints as “founded”, “partially founded” or “unfounded”. Whistleblowers are not made aware of the conclusion of the reports, receiving only a message of thanks for trusting the “Compliance Helpline”.

For the cases within the theme of sexual harassment, moral harassment and financial fraud, depending on their complexity, the internal investigation may be conducted by an independent and renowned consulting firm, ensuring independence and specific technique on the theme, and the best resolution for the reported problem.





Pillar “Monitoring & Audit”

The last response pillar, “Monitoring & Audit”, is present during and after the implementation of the Program and **is executed jointly with the Internal Controls area and the Internal Audit area. It shows the importance of ongoing evaluation, revitalization, and continuous improvement of the Compliance Program.**

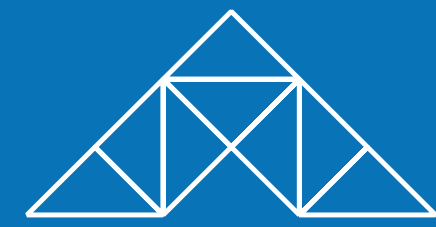
Among the controls monitored by the Compliance area, the highlights are the signature of the acceptance of the Code of Conduct and Ethics, compliance with Training and the annual verification of Managers, Directors, C-Levels and Board Members identified as Politically Exposed Persons (PEP) in the Corporation’s global staff, in accordance with Brazilian legislation.

Internal Audit is an independent and objective evaluation and consulting activity. It was created to add value and improve operations and internal controls, helping the Corporation to achieve its objectives by applying a systematic and disciplined approach to assessing and improving the efficiency of risk management processes, considering current and potential future risks, controls and governance. The scope of Internal Audit also includes assessing the effectiveness of policies, the reliability, effectiveness and integrity of processes and management information systems, and adherence to standards, processes and procedures, as well as applicable regulations. That is why the work of internal auditors is so important and complementary to the work of the Compliance area.



// The Compliance Program is managed by the Compliance area, but it is a construction by all of us towards a corporation that is increasingly ethical and with integrity, that adapts quickly when correcting its routes, that faces its failures with honesty and transparency, and that promotes the freedom to be and think, by respecting our differences and particularities. Therefore, I invite you to join me in fighting those behaviors that are not in line with our Alpargatas way of working. //

Andréa Vitor Santos
Compliance Officer



ALPARGATAS