



# Grendene®

## SUSTAINABILITY REPORT 2022

melissa GRENDA ZAXY Ipanema Grendene kids  
rider CARTAGO PEGA FORTE

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# introduction



Rider Spaces Copan (SP) -  
Lavinea Soares Gomes

# ABOUT THE REPORT

GRI 2-3

Throughout our 52 years of history, we have walked hand in hand with transparency, focusing on our commitment to accessible and **sustainable fashion, conducted with creativity, while valuing relationships.**

To continue our journey of value generation, we presented our Sustainability Report for the **4th consecutive year**, confirming our responsibility with our stakeholders and transparent management.

In the document, we will provide an integrated presentation of the main social, environmental, financial and governance information of the business, from January 1st to December 31st, 2022. The data covers all of our operations and brands.

To select the contents addressed in the report, we based ourselves on sustainability reporting guidelines (learn more on page 5) and on the most important topics for our sustainability strategy, listed in our materiality survey (learn more on page 16).

**We wish you pleasant reading!**

Throughout the content, whenever we use the terms **"Grendene"** or **"Company"**, we refer to the Organization as a whole, covering all our brands and businesses.

When we refer to products or projects of a specific brand, we quote its name directly.

Melissa Showroom -  
Farroupilha Unit (RS)

# READING TOOLS AND REPORTING GUIDELINES



## Global Reporting Initiative

Throughout the report, the GRI XXX-X symbol appears next to the titles or subtitles of the chapters in which the indicator is reported. In the GRI content index, on page 100, we present a list with the description of each indicator and reference to the page on which it is reported.



## Sustainability Accounting Standards Board

For the 1st time, our report follows SASB guidelines, reporting indicators targeted at the retail and accessories, apparel and footwear sectors. The index is available on page 109, and the corresponding content is signaled, through the acronym SASB throughout the publication.



## Integrated Report

The map of Types of Capital on page 110 informs which pages contain the content corresponding to each of the types of capital of the Integrated Report. At the beginning of each chapter, we also indicate which types of capital are covered, with the following icons:



### Questions about the report

Please contact us to discuss questions or suggestions regarding this publication:  
[desenvolvimento.sustentavel@grendene.com.br](mailto:desenvolvimento.sustentavel@grendene.com.br)



## Sustainable Development Goals

To demonstrate the alignment of our business with the Sustainable Development Goals (SDGs) of the United Nations (UN) Organization and to explain the relationship between them and our business clearly, at the beginning of the chapters we indicate the SDGs that are related to that content. On page 111 you will find the SDG map, listing the pages of the content corresponding to the priority SDGs for our business.



Natural



Human



Social and Relationship



Intellectual



Financial



Manufactured

# MESSAGE FROM THE CEO

GRI 2-22

We took an important step in 2022 in our journey towards building an increasingly sustainable Company that generates value for our stakeholders. After all, it was during the year that we defined our Purpose – **To make affordable and sustainable fashion, with creativity, while valuing relationships** – which definitely places this topic in our business model. We also established the values (Integrity, Learning, Protagonism, Collaboration and Simplicity) and the strategic pillars (Profitability, Consumer, People, Sustainability and Innovation), which will guide our growth in the coming years.

In the external context, in 2022 we faced a challenging economic scenario in Brazil, in which political and economic uncertainties, together with the rising cost of living, discouraged consumption by the population, especially for non-essential products. In the international market, the business environment was not very different. In Latin America, the largest destination for our exports, global uncertainties, associated with local political events, also impacted the economy, inhibiting consumption.

Despite the challenging environment, we recorded good results, with gross revenue of BRL 3.1 billion, while the

number of pairs sold totaled 148 million. Gross revenue per pair grew 13.9%, due to the price adjustments made in the period and, to a lesser extent, the evolution in the mix of products sold. As a result, we also had an export revenue of BRL 740 million, with 33.8 million pairs exported.

We achieved these expressive results without losing sight of the sustainability of the business. We did this because we understood that, by manufacturing and selling shoes that are on the feet of people all over the world, we are a link in a much larger chain, with the capacity to impact the entire planet. Therefore, we know that our choices affect everyone and we seek to implement the best sustainability practices in our operations.

During the year, we launched collections with less environmental impacts and low carbon emissions, which rely on the use of biomaterials, such as sugarcane and rice husks. In addition, we implemented other strategies to reduce the impact of our footwear, such as increasing the percentage of recycled content in footwear and supporting the reverse logistics of our products.



When we look at our operations, we seek to increase the eco-efficiency of our factories. One of our goals is to reduce energy consumption from non-renewable sources by increasing the use of solar energy in our industries. We currently have a solar plant installed in Sobral (CE) and we announced the installation of new solar panels at the new unit in Crato (CE) this year. Meanwhile, we invest in the purchase of renewable energy through I-REC, a certificate that attests to the origin of the energy consumed. We focus on water resource management and invest in projects to reduce water consumption, such as the reuse of effluents.

As a result of our efforts towards the sustainability of our business, we became part of the 18th portfolio of the Corporate Sustainability Index (ISE B3), which is in force from January 2, 2023 to December 29, 2023 and brings together companies with recognized commitment to corporate sustainability.

These achievements are the result of the sum of all the people who walk with us on this journey towards sustainability. Our employees are fundamental to the Company's results and are always committed to doing their best. Our suppliers are great partners in our evolution. And satisfying our customers' needs is what drives us: it is for them that we are building more sustainable fashion.

We therefore thank all those who supported us throughout 2022 and helped us to be an increasingly innovative, simple and sustainable Grendene, ready for the challenges of today and tomorrow.

**Rudimar Dall'Onder**  
CEO of Grendene S.A.



# GRENDENE HIGHLIGHTS 2022

Obtaining I-REC  
**100% clean electricity**

Obtaining the GHG  
Protocol **Gold Seal**

**127 million** liters  
of reused effluents

**86% of water reuse**  
in all our operations

Reduction of **6%**  
in the **waste** per pair  
produced

**20% reduction**  
of **total emissions**

**Sustainable Origin  
Certification**  
(Diamond Level)

**39th ECO® Award**  
Amcham (Brasil)

**Top 5** Fashion  
Industry and Retainn of the  
100 Open Corps Ranking

**30.656 hours** of  
**training at** Universidade  
Grendene (UG)

Products with biobased  
content **certified by the**  
**USDA** (minimum 25%  
of composition)

**Inovyn Awards**  
(Germany)

Inclusion in the  
**B3 Business**  
**Sustainability Index**

Ipanema Algae Project  
with the use of **seweed**  
**based biomaterials**

Beginning of the  
**Grendha sustainability**  
**journey**

Opening of **Rider**  
**Spaces Copan**, the  
first Rider store



Wellington Douglas F. Martins –  
Crato (CE)

WE ARE

Grendene

Related SDGs:



Related types of capital:



# OUR JOURNEY

GRI 2-1 | 2-6

“WE DON'T HAVE ALL THE ANSWERS, BUT WE KNOW WHERE WE WANT TO GO: TOWARDS A MORE SUSTAINABLE FUTURE”

We are Grendene. We have a history, with more than five decades dedicated to the production of footwear for all audiences. We operate in the national and international market, as **one of the largest footwear producers in the world.**

Between proprietary and licensed brands, we have a portfolio of approximately 80 brands, a factor that drives our ability to offer products based on sustainability, design and comfort for our consumers.

Our main resource is valuing people and caring for the environment, to deliver sustainable and accessible fashion to everyone. We assume this commitment in our daily lives and continue our journey through eco-efficient operations, developing products with a lower impact,

focusing on the responsible use of plastic, and implementing actions that take care of people, whether they are employees, consumers or inhabitants of our surrounding communities.

All of our shoes are made in our own factories with a production capacity of over 250 million pairs per year. We have four industrial units and distribution logistics that reach from distributors to retailers, with reach throughout Brazil and abroad.

Farroupilha Unit (RS)

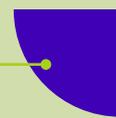


# PURPOSE AND VALUES

In 2022, in line with the constant evolution of our business, and honoring what brought us here, we renewed and updated our guidelines, which were approved in 2023 by the Board of Directors.

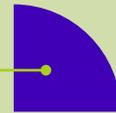
**PURPOSE: MAKE FASHION ACCESSIBLE AND SUSTAINABLE, WITH CREATIVITY, WHILE VALUING RELATIONSHIPS.**

STRATEGIC PILLARS:



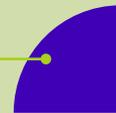
## INTEGRITY

Take responsibility for commitments made, building trust and credibility.



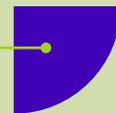
## LEARNING

Learning to evolve and teaching so that we can all learn together.



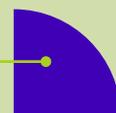
## PROTAGONISM

Take initiative, inspire others, collaborate and focus on the best solution.



## COLLABORATION

Build an environment where everyone can cooperate and learn together.

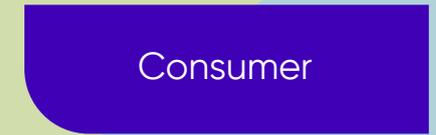


## SIMPLICITY

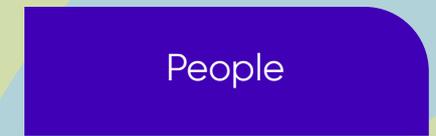
Make actions accessible, agile and effective in the search for practical solutions.



Profitability



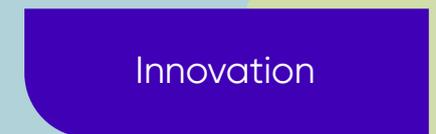
Consumer



People



Sustainability



Innovation

# OUR NUMBERS 2022

BRL **3.1** Billion  
of Gross Revenue

BRL **613** Million  
Recurring net income

**15,045** customers  
(including distributors, shoe  
stores, grocery stores,  
retail chain, etc.)

**16,735**  
active employees

**56** models  
of lower impact footwear  
launched since 2019, of  
which **32** were in 2022

**110**  
Thousand  
points of sale

**9**  
virtual  
stores

**93%** of contracts paid to  
local suppliers

More than BRL **66** Million  
in revenue from lower  
impact products

**1,806** new products  
launched in 2022

# FIVE DECADES OF VALUE GENERATION

 **1971**

## Beginning

Grendene begins its history in the city of Farroupilha (RS) producing plastic screens for wine jugs.

 **1976**

## The fashion vocation takes off

Beginning of manufacturing of plastic parts for agricultural machinery and implements, and then components for footwear, such as soles and heels.

 **1978**

## The pioneer

Creation of Nuar, the first Grendene sandal.

 **1979**

## An icon is born

Observing the strappy sandals of French Riviera fishermen, Pedro Grendene Bartelle – one of the company's founders – launched Melissa Aranha.

 **1984**

## Grendene Kids Line

Grendene wins girls' feet with the launch of Melissa. Since then, the company's line of children's products has not stopped growing.

 **1986**

## Launch of the Rider brand

It emerged as a men's brand, but due to its distinctive design and comfort, its flip-flops and slippers became a hit with all audiences.

 **1994**

## For all styles

Seeking to reach a new segment of the female audience, the Grendha brand is launched.

 **2001**

## The face of summer

Launch of the Ipanema brand with the first logo created by author and cartoonist Ziraldo.

 **2004**

## Grendene on the Stock Exchange

IPO of Grendene, which now has common shares traded on the Novo Mercado of B3 S.A. – Brazil, Stock Exchange, Counter.

 **2005**

## Melissa Exhibition

Galeria Melissa opens in São Paulo.

 **2008**

## Zaxy Brand

Launch of the Zaxy brand to reach a new segment of the public.

 **2009**

## Brand Launch for Cartago

The men's brand Cartago is launched.

 **2011**

## Sustainability

Beginning of the Grendene Sustainable Development structure.

 **2012**

## Melissa Expansion

Melissa launches its private label franchise, Clube Melissa, and opens Galeria Melissa in New York.

 **2017**

## Life Cycle Assessment

Conducting the Company's first Life Cycle Assessment (LCA) study.

 **2019**

## Vegan products

Start of registration of all footwear with the Vegan Society.

 **2020**

## Carbon emissions

Beginning of Grendene participation in the CDP (Carbon Disclosure Project).

 **2020**

## More innovation

Launch of Bergamotta Labs and the Gardene Digital Commerce Division.

 **2021**

## 100% clean electricity

Start of screening of renewable energy sources through I-REC certification (Renewable Energy Certificate).

 **2022**

## Year of achievements

Grendene's entry into B3's ISE and obtaining the Diamond-level Sustainable Origin seal.

# OUR BRANDS

Grendene has **recognized and successful brands in its portfolio, which allow us to reach a wide audience in Brazil and abroad.**

## Ipanema

Ipanema believes that freedom can be felt from head to toe. With a beachy and cosmopolitan soul, it accompanies and adapts to different lifestyles. Based on the pillars of fashion, music, art and well-being, Ipanema dresses the diversity of transforming women in their various situations and places.

## Rider

Created in 1986, Rider connects to different generations and the most relevant contemporary movements. **Recreating Futures, Together.** This is the race of Rider and those who make things happen. To make things happen being in constant movement, to gather and strengthen connections, to be in continuous evolution. Rider recreates futures, encouraging creative attitudes and strengthening cultural connections and expressions through design and fashion.

## melissa

Launched in 1979, Melissa was born from disruption through the pillars of fashion, art and design. Its first model, the Melissa Aranha, was inspired by sandals worn by fishermen from the French Riviera and soon won over national and global tastes. One of the first brands in the world to promote collabs, it has already worked with big names in the world such as Karl Lagerfeld, Vivienne Westwood, Viktor&Rolf and Jean Paul Gaultier.

## ZAXY

Since 2008, Zaxy has been inspired by a young lifestyle and connected with fashion trends. The brand presents several styles of sandals, flatforms, papetes and slides that make women feel even more self-confident.

## CARTAGO

Created in 2009, Cartago arrived to inspire and connect people through relationships, well-being and access to fashion, valuing comfort and sustainability through the casual universe.

## PEGA FORTE

The Pega Forte brand was launched aimed at workers who need footwear to protect their feet while exercising their professions.

An evolution of technology that increased Grendene's participation in the men's footwear market.

## Grendene kids

Grendene Kids is a hub with more than 30 licensed brands that develop shoes with children's favorite characters, delivering imagination for them and peace of mind for parents. We believe that the best part of childhood is imagination, that magical power we learn when we are young. And we want every child to be able to live in a world that is more fun, lighter, and happier, with comfort and safety when playing.

## GRENDA

With over 20 years of history, Grendha's purpose is to support women's freedom and independence, recognizing their strength. The brand delivers practical and versatile products, with the best cost-benefit ratio, combining beauty and safety with everyday life. **More than being close, Grendha is with them.**

# SUSTAINABILITY JOURNEY

GRI 2-4 | 2-13 | 2-22 | 2-23 | 2-29 | 3-1 | 3-2

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

The Board of Directors is the body responsible for approving and deliberating on the Policy. The Sustainable Development Division, which reports to the Supplies Department, is responsible for creating, executing and evaluating the Company's results and actions. The team is made up of specialist professionals, trained to develop and monitor practices and the socio-environmental impacts of operations.

According to the document, all actions and initiatives on this agenda must be guided by three structural pillars:

## PILLARS OF GRENDENE'S SUSTAINABILITY JOURNEY



**Valuing and Respecting People**



**Eco-efficient operations**



**Lower Impact Products**

In this way, the construction of our Journey has been based on innovation in processes based on solutions that reduce waste, support the recycling of products, and bring care to our employees and customers.

Over the last few years, these transformations have generated a series of adjustments in the infrastructure of the factories, to guarantee our responsibility regarding water, energy and waste (learn more on page 84).

To engage our teams on this journey, we carry out training and qualifications guided by the learning methodology of Universidade Grendene, in all our units, aimed at different areas and professional levels.



# MATERIALITY

Our sustainability strategy is based on the Company's materiality matrix, which lists the most important topics for our value generation according to stakeholders and the main market guidelines. We currently use the materiality study carried out in 2021 as a reference, which included the following steps:

- Identification of the best ESG (environmental, social and governance) practices according to our stakeholders and the main market guidelines;
- *Benchmark* of the sustainability guidelines of Grendene's main industry peers;
- Online consultation with our *stakeholders*, which collected 692 valid responses.

As a result, we arrived at 12 material topics for the business:

## GRENDENE'S MATERIAL TOPICS



E – Environmental / S – Social / G – Governance

To find out more information about the materiality study carried out in 2021, access our previous Sustainability Report:

[ACCESS HERE](#)

In 2022, we revisited material topics, updating the indicators monitored by our management and reported in this Report, seeking to bring the most relevant information to our stakeholders.

# COMMITMENT TO SDGs

Our Sustainable Development Policy also stipulates a commitment to the **Sustainable Development Goals (SDGs)** defined by the United Nations (UN) with the purpose of engaging organizations around the world in goals such as reducing inequalities, combating changes in the climate and the preservation of natural resources by 2030.

Grendene actively contributes to eight SDGs, which we call priorities in our strategy. From the materiality review, we concluded that we also contributed at different levels with 12 SDGs indicated by the initiative. The contribution by topic is indicated below, and in the SDG Map on page 111.

These SDGs guide the management and evolution of sustainability at Grendene and are related to our priority material topics.



# CERTIFICATIONS AND RECOGNITION

Over the years, our evolution towards sustainability has been recognized by a series of awards, rankings and ESG certifications:



## Certifications, audits and assessments

Our business is recurrently evaluated by international mechanisms and organizations that are a reference in sustainability, which bring credibility to our processes and products.



Registered with the **Vegan Society**, all our shoes are free of any component of animal origin, in addition to not carrying out tests on animals.



Paper packaging certified by the **FSC®**, which identifies responsible forest products from well-managed forests, promoting environmental, social and economic benefits.



**GHG Protocol Gold Seal**, the highest level of qualification granted to companies that demonstrate compliance with all transparency criteria in the publication of their Greenhouse Gas Inventory.



Since 2020, we have submitted our environmental practices to support the fight against climate change to the **Carbon Disclosure Project (CDP)**.



**Gold Seal from the Brazilian Association of Textile Retailers (ABVTEX)**, an audit that attests to good practices throughout our production chain.

Proud to be a **Sedex** Member

We are audited and certified by **SMETA** (Sedex Members Ethical Trade Audit), which recognizes the good socio-environmental management of companies around the world.

## CERTIFICATIONS AND RECOGNITION

We were recognized with the **Diamond Level of the Sustainable Origin Program**, the only sustainability certification in the world aimed at footwear and shoe sector input producers, promoted by Abicalçados (Brazilian Footwear Industries Association) and Assintecal (Brazilian Association of Components for Leather, Footwear and Artifacts)



**From left to right:** Gerson Luis Berwanger (Assintecal CEO), Rudimar Dall'Onder (Grendene CEO) and Haroldo Ferreira (Abicalçados CEO).

## Sustainability awards and recognition

### INEOS Inovyn

Grendene was highlighted at the Inovyn Awards, in the Circular Economy category, with the 100% recycled Melissa Flox case. In Germany, we received an award for **manufacturing 3,900 pairs of Melissa Flox M Edition sandals, made entirely from post-consumer recycled materials in 2020**. The award seeks to support innovation initiatives involving sustainable practices.

### ewo Prêmio Eco Brasil

We were winners of the Amcham ECO® Award in the category of Sustainability Practices, Category Products and Services for Large Companies, with the Rider case. The R4 Program products, launched between 2019 and 2021, **resulted in an estimated reduction of 16.7 tons of CO<sub>2</sub>eq in the atmosphere**. The award is an initiative to value the main Brazilian companies committed to sustainability in Brazil.



We won the 3rd Plástico Sul Award with the Grendha+ case, in the injection category. The shoes in the brand's first less impact collection were produced using an **innovative injection step** and laser texturing, which replaces chemical processes.



We won the 2nd Plástico Sul Award, with the 100% recycled Melissa case, in the Recycled Content - Transformer category.

The award is an initiative to value the innovative and sustainable actions of plastic manufacturing companies in the southern region of the country.

**Above:** Inovyn Awards Ceremony.

**Below, from left to right:** Carlos André Carvalho (Sustainable Development Division Manager) and Luciano Mantovani (Supplies Director)



## Market Indices

We have been a publicly traded company since 2004 and are committed to transparency. This responsibility is evaluated by our participation in important indices for corporate sustainability.

### S&P

Since 2021 we have participated in the S&P Corporate Sustainability Assessment (CSA). The result is aimed at investors who assess risks and make decisions considering the performance of organizations in ESG practices. The assessment considers the dimensions: General, Governance, Environmental and Social.

### ISEB3

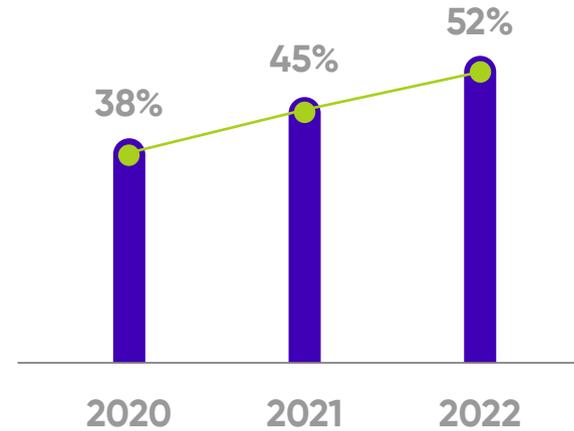
Since 2022, Grendene has been part of the B3 Corporate Sustainability Index (ISE) portfolio, which gathers the shares of companies with recognized commitment to corporate sustainability.

### FASHION REVOLUTION

Since 2020, we have participated in the Fashion Transparency Index in Brazil with the presence of the Ipanema and Melissa brands. The brands over the years have made advances that have contributed to strengthening Grendene's presence in the Index.

The index aims to analyze the availability of public information on fashion companies with national operations, based on socio-environmental criteria.

#### EVOLUTION OF THE IPANEMA AND MELISSA BRANDS IN ITMB



### Índice de Ações com Governança Corporativa Diferenciada IGC

Grendene also participates in other B3 indices, including the IGC NM (Novo Mercado Corporate Governance Index, which is considered the highest level of B3 Governance).

# PRESENCE AND BUSINESS MODEL

GRI 2-2 | 2-6

Grendene is present in more than **100 countries**,  
and is one of the largest footwear companies in Latin America.

The Company has **110,000** points of sale around the world. We sell our products through internal sellers, commercial representatives, distributors, direct exports, subsidiaries, and a joint-venture.

Our operations are distributed across four units, consisting of **11 footwear factories** and a development and molds unit, with production logistics that reach customers throughout the national territory and abroad. In 2022, we registered 15,045 B2B customers, which represents a 6% growth compared to 2021. In our own *e-commerces* (B2C), we registered 490,650 consumers, a 90% growth compared to 2021.

To support long-term business sustainability, in 2022 we are working on building a new factory in the municipality of Crato (CE), which will be inaugurated in 2023. With investments of BRL 30 million and the generation of more than a thousand jobs, the new factory will have the capacity to produce half a million pairs of shoes per month, in addition to having a significant part of solar energy in its operations.

Sobral Unit  
(CE)



## SUSTAINABILITY PARTNERSHIPS

GRI 2-28

So that our expansion is always in line with our commitment to society, we participate in various associations and interest groups. During the year, we expanded our participation in important networks, such as IBPVC and Amcham.

In this sense, we highlight our participation in:

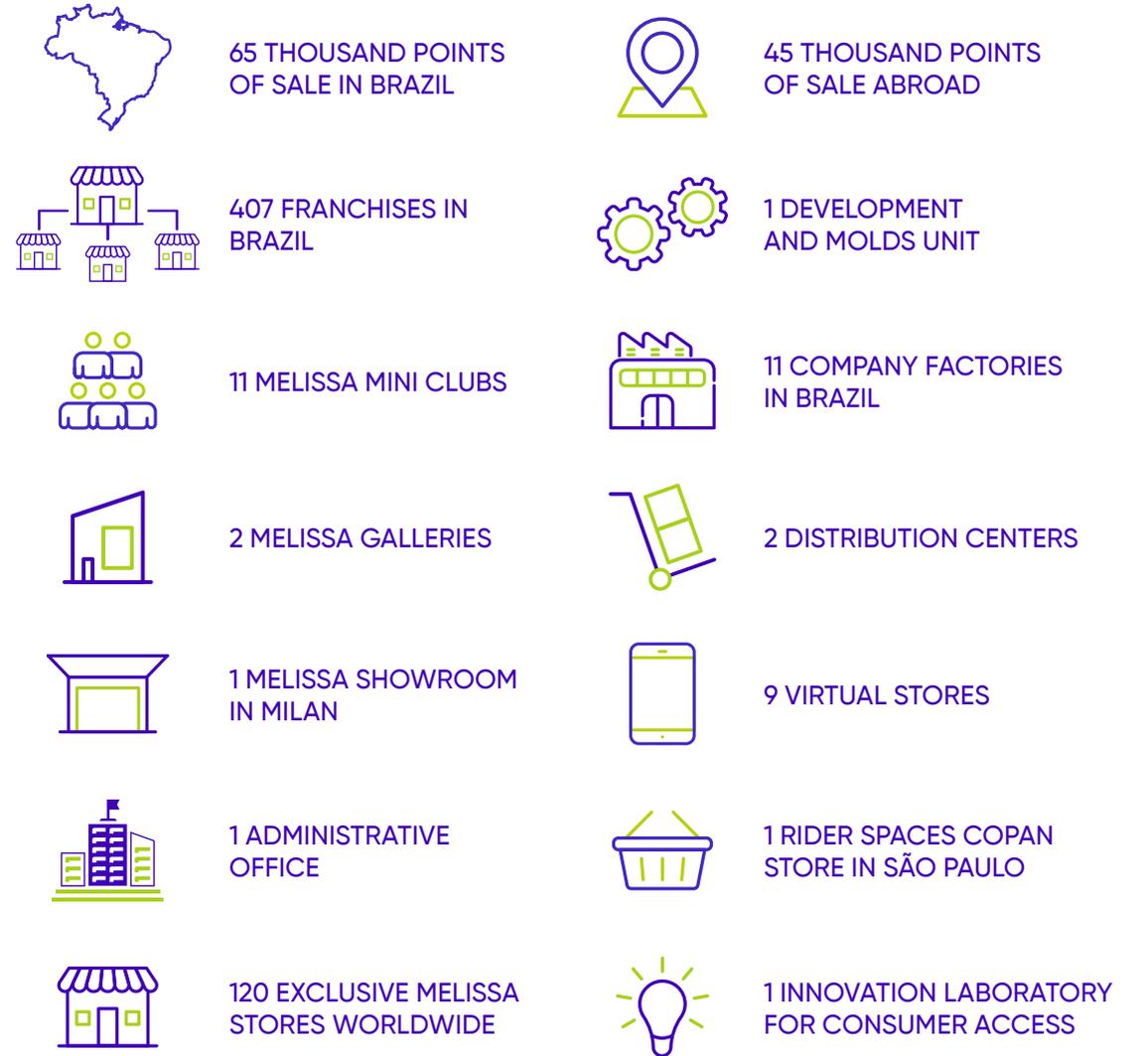
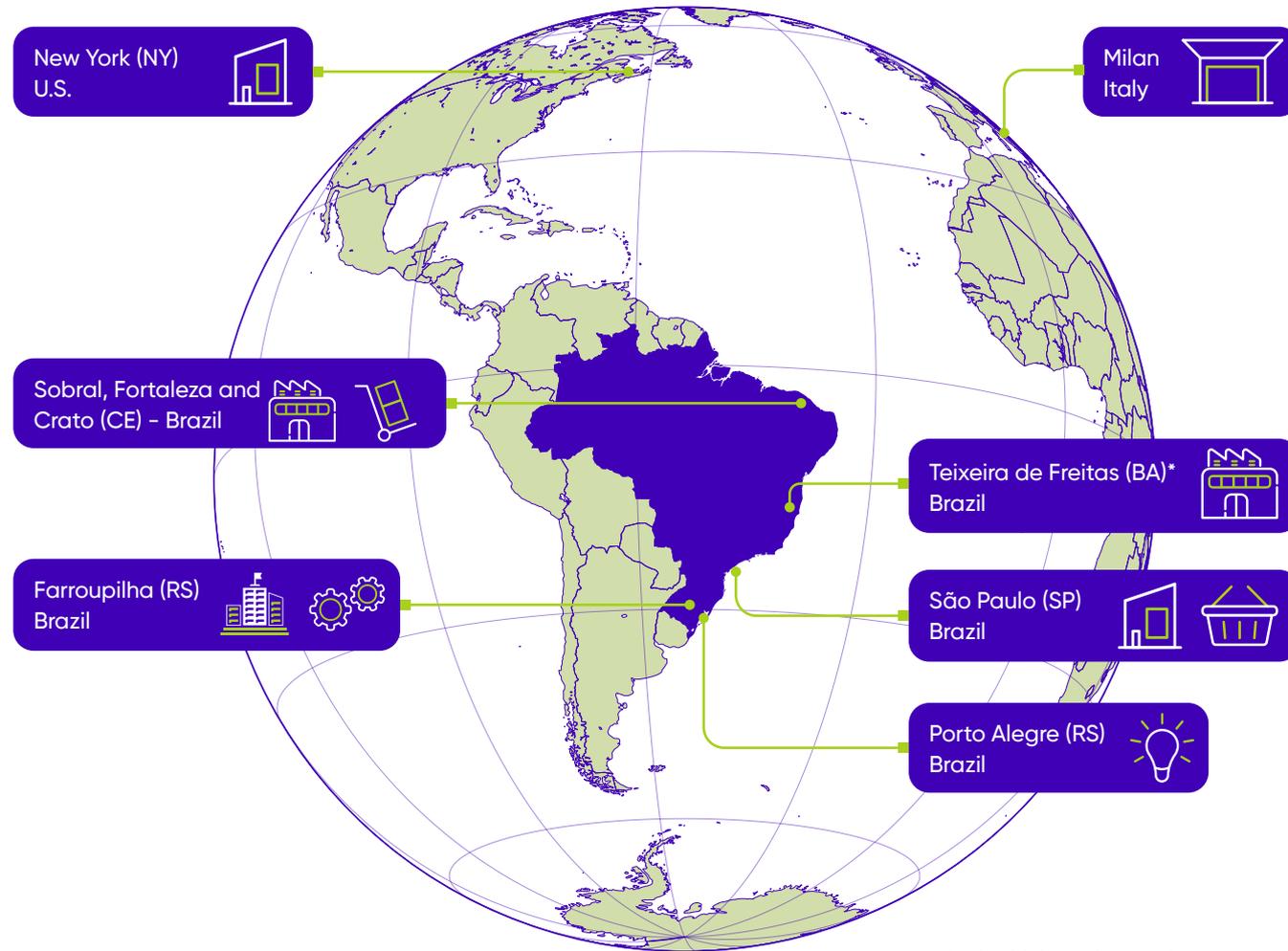
- Instituto Brasileiro do PVC (IBPVC);
- Amcham Brasil (American Chamber of Commerce for Brazil);
- Associação Brasileira das Indústrias de Calçados (Abicalçados);
- Associação Brasileira de Empresas de Componentes para Couro, Calçados e Artefatos (Assintencal);
- Associação do Parque Estadual Sítio Fundão em Crato (CE);
- Instituto Brasileiro de Tecnologia do Couro, Calçado e Artefatos (IBTeC);
- Sindicato da Indústria de Calçados, Bolsas, Cintos, Luvas e Material de Segurança e Medicina do Trabalho (Sincal) de Sobral (CE);
- Sindicato das Indústrias de Calçados e Artefatos de Farroupilha;
- Serviço Social da Indústria (SESI);
- Serviço Nacional de Aprendizagem (SENAI) do Rio Grande do Sul.



**Renata Segtowick and Tai Silva** – Artists who worked in collaboration with the Grendha brand.

# OUR GLOBAL CHANNELS

We are present in over 100 countries bringing innovation and efficiency to our operations.



# OUR VALUE GENERATION IN 2022

## TYPES OF CAPITAL



### Manufactured

- 1 Administrative Office
- 11 factories
- 2 distribution centers



### Intellectual

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



### Human

- 16,735 employees
- 3,061 new hires
- Average of 9.9 hours of training for male employees and 6.3 for female employees



### Natural

- 384,035.14 GJ of consumed energy, of which 0.0026 GJ/pair is produced
- 99.28 megaliters of water consumed
- 62.6 MI kg of PVC input (composite)



### Social and Relationship

- 4,342 direct suppliers
- 15,045 customers (B2B) and 490,650 end consumers (B2C) in e-commerce
- 9 virtual stores, 2 of which are for retail



### Financial

- BRL 3.1 BI of Gross Revenue
- BRL 2.5 BI of Net Revenue



MAKE FASHION ACCESSIBLE AND SUSTAINABLE, WITH CREATIVITY, WHILE VALUING RELATIONSHIPS.

## VALUE GENERATED



### Manufactured

- 110 thousand points of sale
- 407 Clube Melissa franchises
- 2 Melissa Galleries
- 2 distribution centers
- 148.2 million pairs sold
- 1,806 products launched



### Intellectual

- 32 lower impact products launched in 2022
- BRL 66 million in revenue from lower impact products since 2019



### Human

- BRL 632.8 million distributed in salaries and benefits
- 100% of employees covered by collective bargaining agreements



### Natural

- 21,518.5 tons of recycled or recovered waste
- 86% of the water was reused (internal reuse)
- 377,533.43 GJ of use of renewable energy, which corresponds to 98% of the volume of total energy consumed (fuels + electricity)
- on average 30% of recycled content in the composition materials used in production are of renewable origin (total and partial)
- + 9 thousand pairs collected in reverse logistics programs
- Reduction of 6% of waste/pair produced
- 14% reduction in CO<sub>2</sub>eq/pair emissions



### Social and Relationship

- BRL 213.4 MI paid in taxes
- BRL 1.29 BI paid in contracts with suppliers (local + import)



### Financial

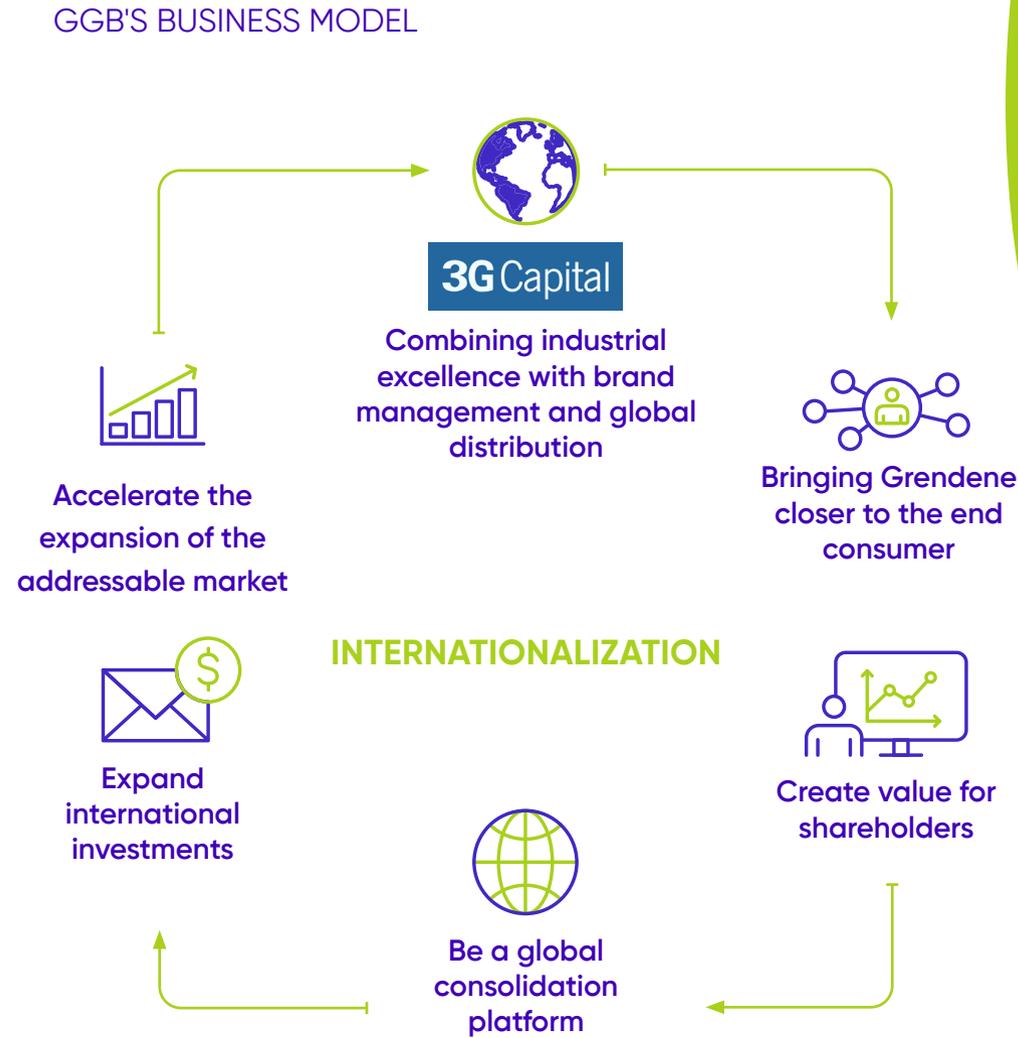
- BRL 2.7 billion in distributed economic value
- BRL 613.1 MI Recurring Net Income
- BRL 2.4 BI of Internal Market Revenue

# GRENDENE GLOBAL BRANDS

The Company's internationalization is a fundamental pillar for the expansion and sustainability of our business in the long term.

In order to reinforce our internationalization agenda, in 2021 we created **Grendene Global Brands Limited (GGB)**, based on a joint venture between Grendene and 3G Capital. We combine our excellence in footwear production with 3G Radar's global expertise in business management, brands and distribution.

Headquartered in the **United Kingdom**, GGB operates with a focus on the American and Asian markets, in countries such as the United States, Canada, China and Hong Kong, and is responsible for direct distribution to consumers, in addition to distributors and retailers that already worked with Grendene in these markets.



Melissa NY Gallery.

Throughout 2022, we will focus our efforts on building the culture and infrastructure necessary to capture the opportunities we envision in the global footwear market, focusing on three pillars:

- **People:** we form a high-performance team, with more than 100 employees with extensive experience. At the end of the year, the teams in the United States, China and Brazil were integrated, structured and with well-established goals.

- **Governance:** we structure GGB's governance by defining processes, policies and approval levels, with the establishment of Internal Committees. With regard to processes, we concluded the transition of GGB's logistics operation, starting to operate in the *dropshipping* modality.
- **Brands:** we implemented actions to strengthen Grendene in these markets, including high repercussion communication campaigns with local artists, both in the United States and in China.

As a result, we recorded significant growth in our international operations. We expanded our distribution in the United States, where it is already possible to find our products on the shelves of large retailers, where we had not had a presence until then.

Among the main numbers of the international operation in 2022 we highlight:

**BRL 740 million**  
Revenue from exports

**33.8 million**  
Volume of exported pairs

Online channel penetration for sales to the domestic market reached **2.9%**



# FINANCIAL PERFORMANCE

GRI 2-6 | 201-1

The macroeconomic scenario in 2022 remained challenging both in Brazil and abroad. The confluence of factors such as high inflation, high interest rates, political uncertainties and high levels of indebtedness resulted in reduced consumer confidence and, consequently, a decline in retail sales. In the domestic market, we noticed greater hesitation from customers, due to the contraction in sales and below-average temperatures in the South and Southeast of the country.

## FINANCIAL HIGHLIGHTS

BRL **3.1** BI  
Gross Revenue

BRL **213.4** MI  
Total spent on taxes

BRL **613.1** MI  
Recurring  
Net Profit

BRL **284.9** MI  
Recurring EBIT

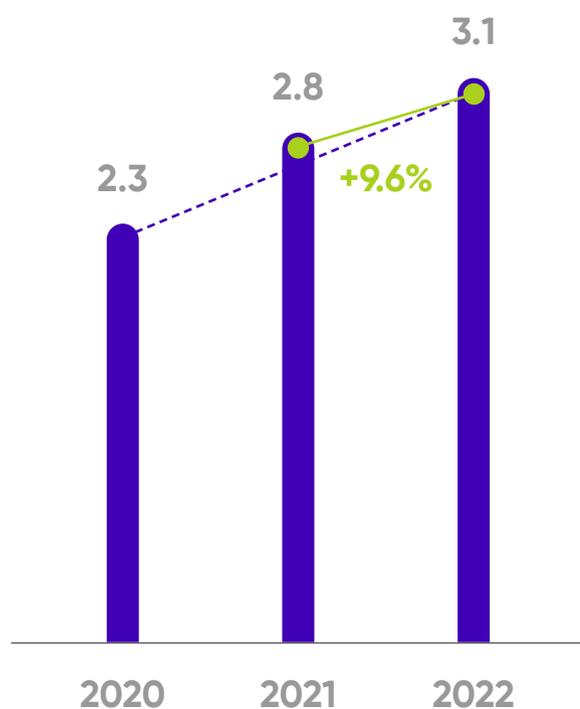
BRL **568.0** MI  
Net Profit

BRL **2.7** BI  
Distributed Economic  
Value

BRL **740.4** MI  
Gross Revenue from  
Exports

BRL **2.4** BI  
Gross Revenue  
Domestic Market

## TOTAL GROSS REVENUE (BRL IN BILLION)



In the accumulated result for the year, reported gross revenue was BRL 3.1 billion, an increase of 9.6% over 2021. Of this amount, 76.3% came from the domestic market and 23.7% from exports. As a result, we recorded recurring net income of BRL 613.1 million, up 13.2% over the previous year.

In 2022, we sold more than 148.2 million pairs, with a decrease of 3.8% compared to 2021. Of this amount, 114.4 million were sold in the domestic market and 33.8 million in the international market.

Part of the good results can be explained by the performance of the Ipanema line and the women's brands (Grendha, Zaxy and Azaleia).

## PERFORMANCE HIGHLIGHTS

(BRL million)	2020	2021	2022
Gross Revenue	2,334.8	2,847.2	3,119.9
Recurring EBIT	372.2	415.6	284.9
Recurring Net Profit	468.6	541.8	613.1
Recurring net margin	24.7%	23.1%	24.4%

## DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

(BRL million)	2020	2021	2022
Net revenue	1,896.8	2,342.5	2,512.7
Distributed economic value	2,225.1	2,478.7	2,720.9
Salary and benefit expenses	488.5	586.7	632.8
Total expent on taxes	234.8	122.5	213.4
Third-part capital remuneration*	243.4	338.3*	203.2
Retained economic value*	-71.6	189.4	137.2

\*The 2021 Report did not include remuneration on third-party capital and retained economic value. The values were listed in this Report for comparison purposes.

# RESPONSIBLE

# governance

Related SDGs:



Related types of capital:



Nadilva Emer –  
Farroupilha (RS)



# RESPONSIBLE GOVERNANCE

GRI 2-2 | 2-9 | 2-15 | 2-16 | 2-29 | 3-3

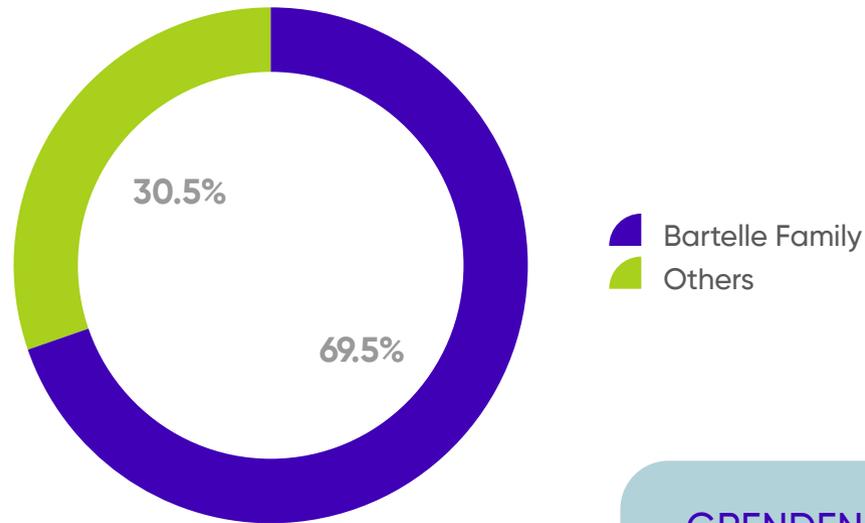
Grendene has been a publicly traded company since October 2004, with shares listed on the Stock Exchange's Novo Mercado (B3), a segment that requires companies to adopt good corporate governance practices.

In this regard, we are committed to adopting the highest standards of Corporate Governance, based on ethics and transparency with our stakeholders, in compliance with moral and legal standards, and with **respect for human rights and diversity**.

In 2022, we maintained solid governance with ethical and transparent action, constantly adapting to keep up with the evolutions and growth of the business portfolio.

Grendene is based on the corporate structure shown in the organization chart on the side:

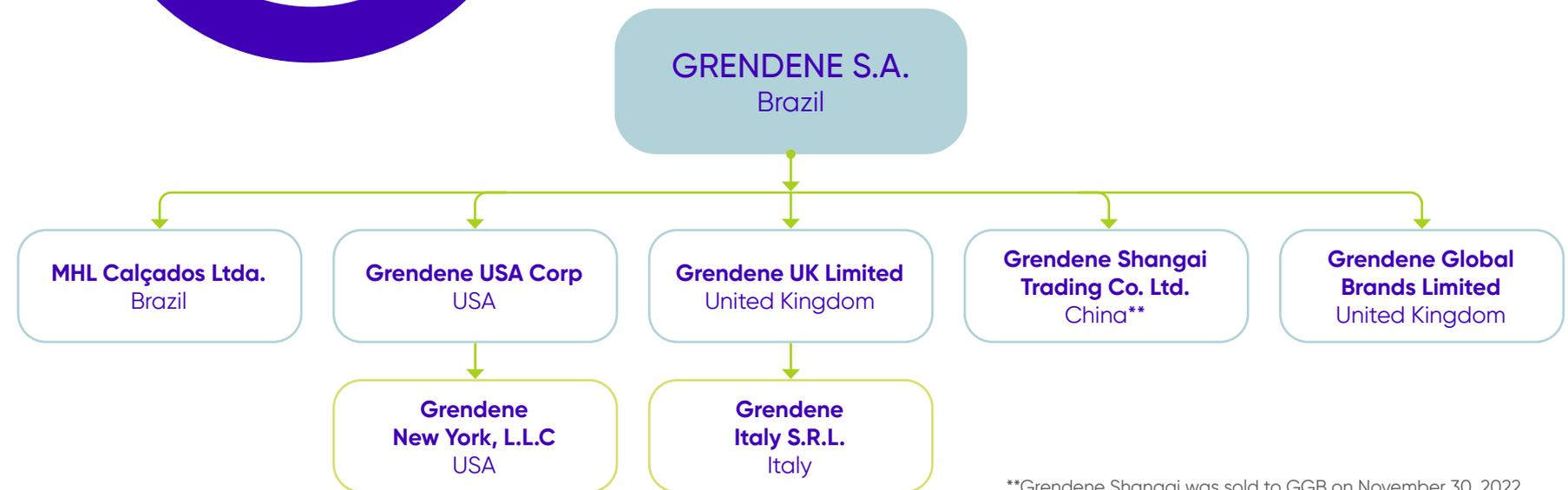
## SHAREHOLDER MAKE-UP



**+371.7%**

Share appreciation since 2004\*

\*Considers the reinvestment of dividends since the IPO on October 28, 2004.



\*\*Grendene Shangai was sold to GGB on November 30, 2022.

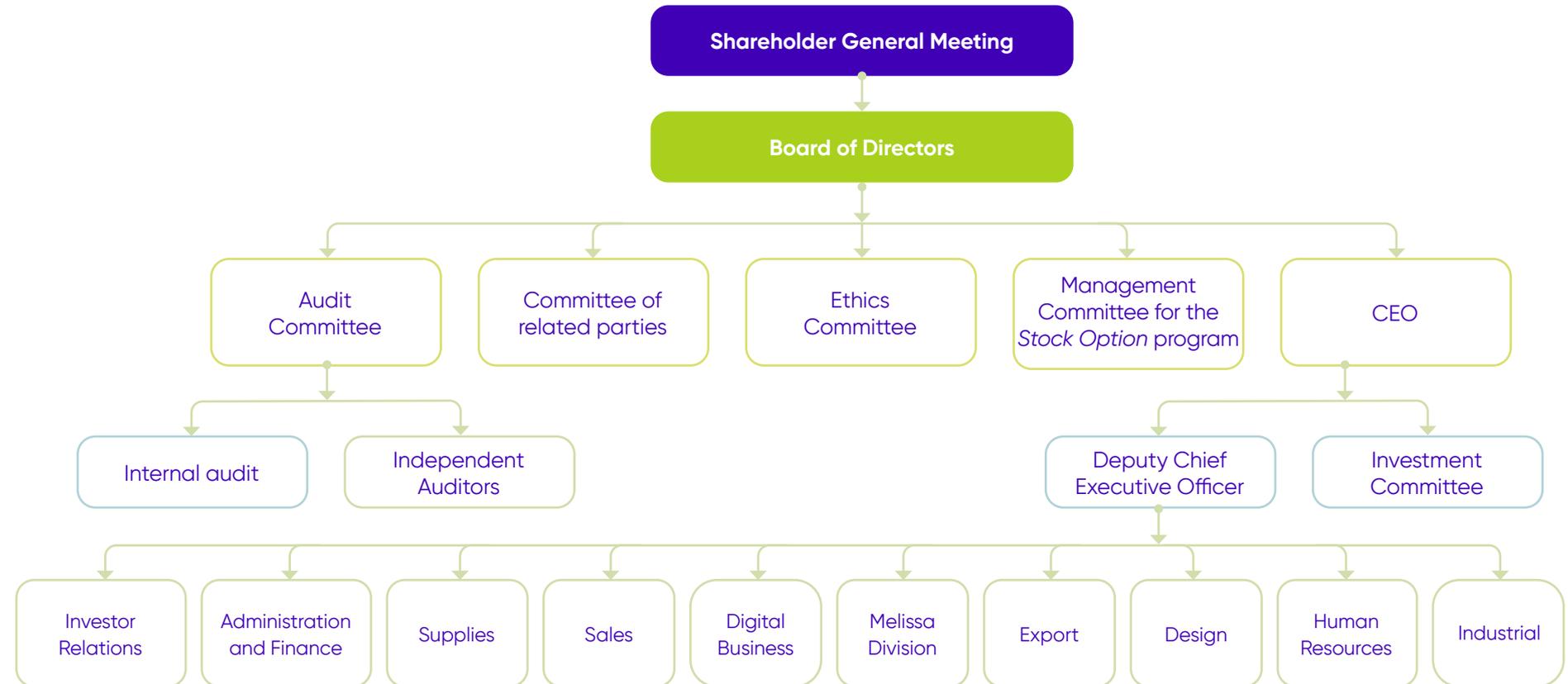
# GOVERNANCE STRUCTURE

GRI 2-9 | 2-10

Reputation and credibility are the most important assets for generating value for the Company, and the ethical principles that guide our actions contribute to maintaining the image of Grendene S.A. as a solid and reliable entity before all our stakeholders.

The Company is managed by the Board of Directors and by the Boards\*, in accordance with the laws in force in Brazil and Grendene's Bylaws. Our board members are elected at the General Meeting, and the Executives are elected by the Board of Directors.

The roles and responsibilities of each body of the governance structure are defined in the Bylaws and guided by the respective Internal Regulations. Other policies and norms also govern the performance of board members and executives, who are evaluated annually.



\* The Company's Audit Board is a non-permanent body, installed by the General Meeting, at the request of shareholders representing at least 3% of the common shares. In 2022, there was no request for the installation of the Audit Board at the General Shareholders' Meeting.

# COMPOSITION OF THE BOARDS AND COMMITTEES

GRI 2-10 | 2-11 | 2-12

The Composition of the Boards and Committees is governed by the Policy for nominating the members of the Board of Directors, Advisory Committees and Statutory Board of Executive Officers.

The Ethics Committee and the Related Parties Committee, supported by our Code of Conduct and the Policy for Transactions with Related Parties, are the bodies responsible for monitoring compliance with these rules and evaluating procedures in situations of possible conflicts of interest.

**All our operations with Related Parties are disclosed in the explanatory note ("Related Parties") in our financial statements and in item 11.2. of the Reference Form.**

**ACCESS HERE**

In 2022, in addition to the existing Committees, Grendene created specific Committees for the Company's internal areas:

- **Investment Committee:** Evaluate and issue recommendations on proposals for direct financial investments based on the Company's Bylaws.
- **Related Parties Committee:** They analyze transactions between Related Parties and situations with potential conflict of interest.
- **Ethics Committee:** It acts in accordance with Grendene's Purpose, values and strategic pillars and carries out work following good corporate governance practices in line with the Company's Code of Conduct.
- **Audit Committee:** Created in 2022, it is an internal, permanent and non-statutory advisory body directly linked to the Board of Directors, subject to applicable legislation and regulations and the rules of its Bylaws.

## Board of Directors

GRI 2-9

The Board of Directors is the collegiate decision-making body, responsible for establishing general business policies, including the long-term strategy. It is also responsible, among other attributions, for supervising the directors' management.

Grendene's Bylaws establish that the Board of Directors is composed of a minimum of five and a maximum of seven effective members, of which at least 20% must be Independent Board Members. The term of office of board members is unified, with a maximum stay of two years, reelection being permitted, each member may be removed by the shareholders gathered in a general meeting.

The decisions of the Board of Directors are taken by the majority of the votes of the members present in meetings that take place ordinarily, four times a year, and, extraordinarily, whenever called by the Chairman or Vice-Chairman, or by resolution of the majority of its members or, also at the request of Executive Management. In April 2022 the Board was elected for a two-year term, lasting until April 2024.

Currently, our Board of Directors consists of seven members:

## BOARD OF DIRECTORS

Name	Position	Term	Meeting attendance
Alexandre Grendene Bartelle	Chairman	April/22 – April/24	100%
Pedro Grendene Bartelle	Vice-Chairman	April/22 – April/24	100%
Maílson Ferreira da Nóbrega	Board Member	April/22 – April/24	100%
Oswaldo de Assis Filho	Board Member	April/22 – April/24	100%
Renato Ochman	Board Member	April/22 – April/24	100%
Walter Janssen Neto	Independent Board Member	April/22 – April/24	100%
Bruno Alexandre Licarião Rocha	Independent Board Member	April/22 – April/24	100%

Lern about the experience of each of our board members in detail here.

[ACCESS HERE](#)

## Statutory Board

The executives are the legal representatives, mainly responsible for the day-to-day administration of the Company and for the execution of the general policies and guidelines established by the Board of Directors. The Executive Officers are elected by the Board of Directors for a term of three years, and may, at any time, be dismissed.

According to the Brazilian Corporate Law, the members of the Board of Executive Officers must be residents in Brazil, and may or may not be shareholders. In addition, up to a maximum of one third of the positions on the Board of Directors may be filled by members of the Board of Executive Officers.

Currently, our Board of Directors consists of three members:

## STATUARY BOARD

Name	Position	Term	Meeting attendance
Rudimar Dall'Onder	Chief Executive Officer	Feb./22 – Feb./25	100%
Gelson Luís Rostirolla	Deputy Chief Executive Officer	Feb./22 – Feb./25	100%
Alceu Demartini de Albuquerque	CFO and Head of Investor Relations	Feb./22 – Feb./25	100%

In February 2022 the executive officers were elected for a three-year term. In March 2023, Mr. Alceu was elected CFO, with a term of office until February 2025, like the other Executives.

# COMPENSATION

GRI 2-19 | 2-20 | 2-21

Grendene has a compensation model aimed at promoting the creation of value based on strategic goals and the best Corporate Governance practices.

Members of the Board of Directors and Audit Board receive only fixed monthly compensation for the performance of their duties. The compensation of the statutory executives is fixed annually by the Board of Directors and is composed of:

- **Fixed Compensation:** fixed monthly salary that aims to compensate executives in attractive conditions compared to the market, aiming at attracting and retaining good professionals. The fixed compensation of the statutory board considers the experience and responsibilities for exercising the position.
- **Variable Compensation:** share-based compensation plan, through which statutory directors can invest up to 100% of their variable compensation in the purchase of Company shares, subject to price and term rules. Its main objective is to align the medium and long-term interests of our shareholders with those of executives, in order to maximize value creation for the Company.

The definition of compensation takes place at a meeting of the Board of Directors and has the following main objectives:

- **Attract, reward, retain and encourage Executives** in conducting the business;
- Provide compensation **based on criteria that differentiate performance** and allow recognition of individual performance;
- **Ensure the maintenance of standards compatible with the responsibilities of each position and competitive with the benchmark** labor market.



Antonia Gabrielly Gregorio  
Siqueira – Sobral (CE)

# ETHICS

GRI 2-23 | 2-24 | 2-26 | 205-2

GRENDENE HAS ETHICS, INTEGRITY, RESPECT AND TRANSPARENCY AS FUNDAMENTAL VALUES.

We operate in accordance with socio-environmental aspects, that is, rules, regulations and legislation in force. When conducting business and choosing our partners, we always consider socio-environmental factors, such as the protection of human and labor rights, prevention of corruption, health and safety of employees and third parties, and care for the environment.

Our Ethics Committee aims to manage and ensure compliance with the Code of Conduct, analyzing all queries and reports received and deliberating on cases of infringement (learn more on page 33). In addition, the management and evolution of the topic at the Company is the responsibility of the Governance, Risks and Compliance (GRC) and Human Resources (HR) areas.



# CORPORATE POLICIES

The Code of Conduct establishes the ethical principles and rules of conduct that guide our internal and external relations with Grendene employees and managers. The document is approved by the Board of Directors and applies to all the Company's employees and stakeholders.

To ensure that these ethical standards are present in the activities of our suppliers, **the Code of Conduct and the Ethics Channel are mentioned in the Suppliers Manual**, which, together with the Third Party Hiring Policy, regulates our relationship with third parties.

Among the main policies that guide our responsible conduct, we highlight:

## HUMAN RESOURCES POLICY

[ACCESS](#)

## SUPPLIER MANUAL

[ACCESS](#)

## RELATED PARTY TRANSACTION POLICY

[ACCESS](#)

## POLICY OF COMBATING FRAUD AND CORRUPTION

[ACCESS](#)

## SUSTAINABLE DEVELOPMENT POLICY

[ACCESS](#)

## POLICY FOR HIREING THIRD PARTIES

[ACCESS](#)

## REPORTING AND CONSEQUENCE MANAGEMENT POLICY

[ACCESS](#)

In line with our evolution on the subject, the following policies were approved and disclosed in 2022: Anti-Fraud and Corruption Policy; Third Party Hiring Policy; Reporting and Consequences Management Policy.

**We have a Corporate Policy for the Protection of Personal Data, to guarantee standards of information security and ethics in the treatment of data of our stakeholders.**

[ACCESS HERE](#)

# TRAINING AND COMMUNICATION

Eduardo Florio da Rosa  
e João Pedro Gasperin -  
Farroupilha (RS)

The Human Resources sector is responsible for engaging employees in the topic and disseminating the Code of Conduct and other corporate policies. Throughout 2022, communications were made via email and electronic bulletin board to all employees on topics such as the Code of Conduct, the International Day to Combat Corruption, Conflict of Interests and Gifts and Presents.

Through Universidade Grendene (UG), we develop training on the Code of Conduct and topics related to ethics and transparency during the integration of new employees, interns, apprentices and third parties who work on Grendene premises. In the process, all participants receive a copy of the document and sign a term of commitment.

In 2022, we held the following training sessions:

Training	Number of participations	
	Southern Region	Northeastern Region
Reporting and Consequence Management Policy	109	172
Corporate Risk Management Policy	62	36
Code of Conduct Review	416	3706

All policies and documents guiding the Company's ethical management are available on Grendene's IR website and on the Company's Intranet.



## ETHICS CHANNEL

GRI 2-25 | 2-26

In the first half of 2022, we approved the Reporting and Consequences Management Policy and the creation of our Audit Committee. In parallel with this Policy, we implemented our Ethics Channel.

The channel is independent, managed by a specialized outsourced company, guaranteeing the anonymity and confidentiality of the information received.

Upon receipt of the report, the outsourced company carries out a preliminary analysis, classifies and forwards the report to Grendene's Ethics Committee. The Ethics Committee supervises or checks all protocols registered in the Ethics Channel. Once the occurrence is confirmed, the company takes the necessary measures to stop the irregularity, applying the appropriate disciplinary measures, in addition to providing prevention and improvement actions.

In 2022, we registered 170 reports in our channel, with an average response/ resolution time of 27 days. Of the investigated reports, 39% were considered valid or partially valid.

Reports can be made by employees or interested parties anonymously or identified, using the following means:

- Website: <https://www.linhaetica.com.br/etica/grendene>
- E-mail: [grendene@linhaetica.com.br](mailto:grendene@linhaetica.com.br)
- Telephone: 0800 208 0048
- Address: Caixa Postal (PO Box): 79518 CEP 04711-904, São Paulo – SP

## RISK MANAGEMENT

GRI 201-2

Grendene has a Risk Management and Internal Controls Policy that establishes principles, guidelines and Responsibilities to be observed in the risk management process and internal controls inherent to business activities.

The Risk Management and Internal Controls Policy applies to the Company, all its subsidiaries and all organizational levels of Grendene S.A. in Brazil and abroad.

We used as a parameter the guidelines established by the Committee of Sponsoring Organizations of the *Treadway* Commission (COSO) to define the operational structure for managing risks and opportunities. The process established by the Company includes the identification, assessment, treatment and monitoring of Risks, in line with the established objectives and the Company's mission, being present in all of Grendene's business processes.

**In 2022, our Risk Management Policy was approved by Grendene's Board of Directors and is available at the link.**

**ACCESS HERE**



# VALUING AND RESPECTING *people*



Related SDGs:



Related types of capital:



Employee team - Sobral (CE)

# EMPLOYEES

GRI 2-23 | 3-3

It is through the commitment and dedication of our people that our products reach the feet of our consumers.

Our relationship with employees is guided by the guarantee of rights, based on valuing human beings, trust, mutual respect, a sense of justice, transparency and sharing of responsibilities.

So that our teams are always integrated, delivering good results, we foster a collaborative and respectful work environment.

## HUMAN RESOURCES POLICY



Aligned with the principles of the Code of Conduct



Compliance with labor legislation (CLT and CCT) of the categories



Commitment to Diversity and Inclusion



Freedom of Union Association and Collective Bargaining



Ensuring and fostering an ethical and respectful work environment

Our Human Resources Policy guides managers and employees in people management practices, in all locations where we operate. To guide the corporate organizational development strategy, the Policy mainly addresses the following aspects:



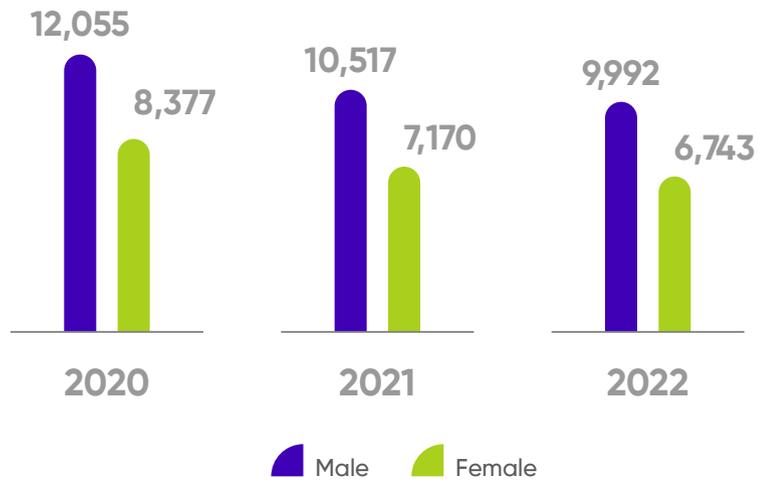
Monica Cavalcante Pontes – Sobral (CE)

# OUR TEAM

GRI 2-7 | 2-8 | 2-30 | 401-1

In 2022, we had 16,735 employees, including 6,743 females and 9,992 males. The number is 5% lower than the previous year, due to a drop in production resulting from the macroeconomic context.

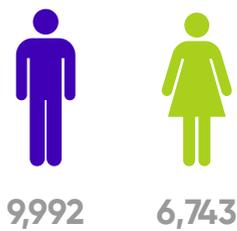
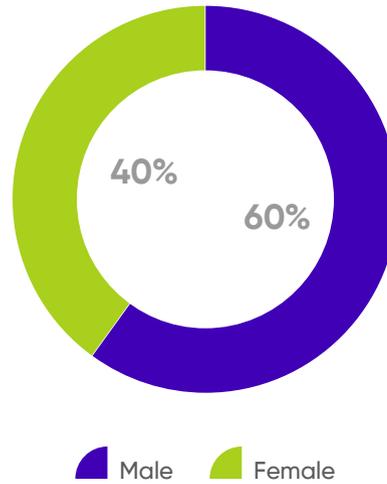
## EMPLOYEES BY GENDER IN THE LAST THREE YEARS



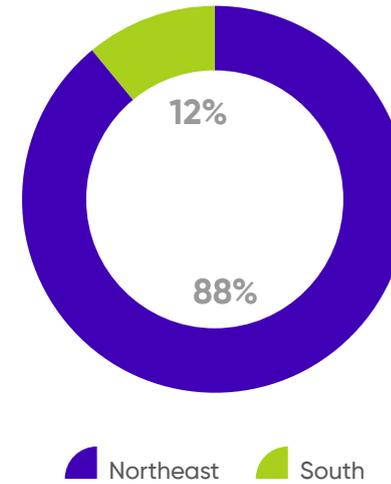
With regard to geographic location, 14,659 employees of our team are located in the Northeast region of Brazil, supporting income generation and contributing to local and territorial development.

## EMPLOYEE PROFILE\*

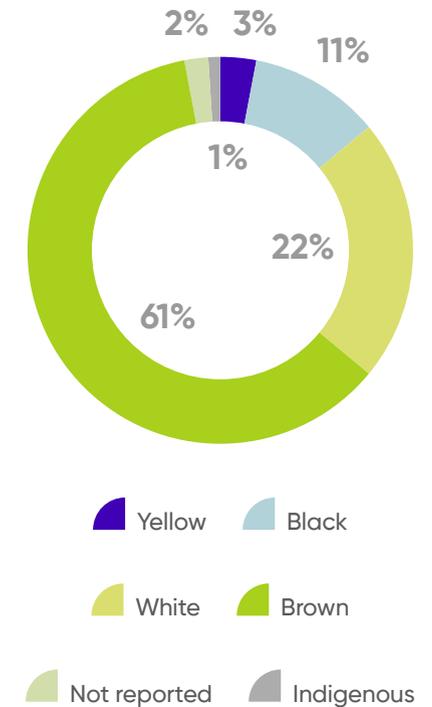
### BY GENDER



### BY REGION



### BY COLOR/RACE\*\*



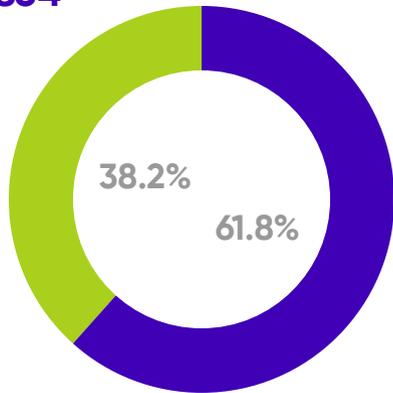
THE **16,735** EMPLOYEES WORK FULL TIME AND ARE COVERED BY COLLECTIVE BARGAINING AGREEMENTS.

\* Percentages in graphs have been rounded.

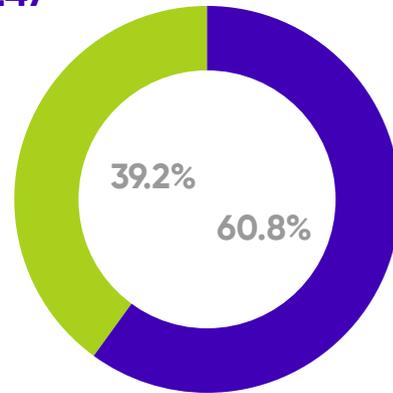
\*\* Color/race data were collected in the census survey, carried out anonymously, with the participation of 87% of employees.

EMPLOYEES BY GENDER AND UNIT

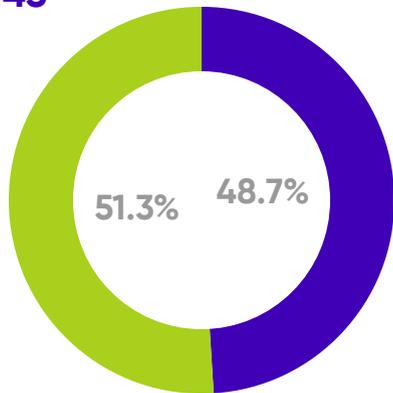
**SOBRAL**  
13,834



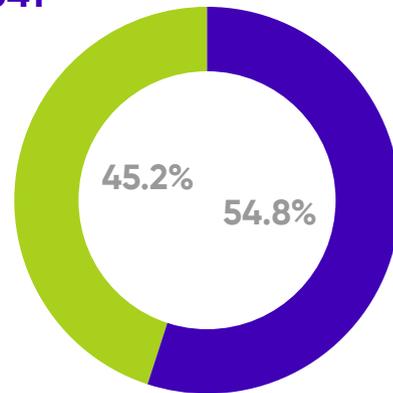
**CRATO**  
2,247



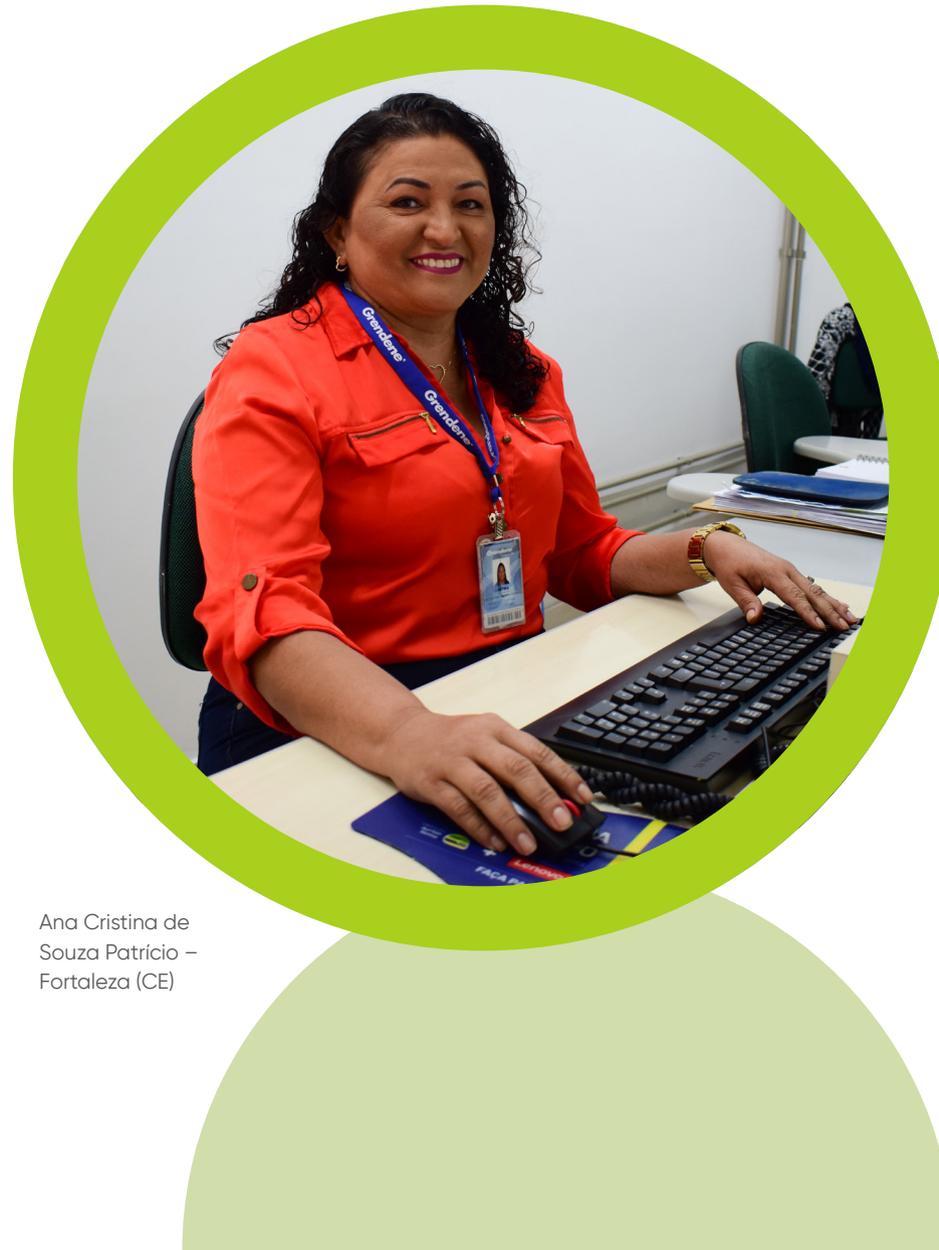
**FORTALEZA**  
2,043



**FARROUPILHA**  
2,641



Male Female

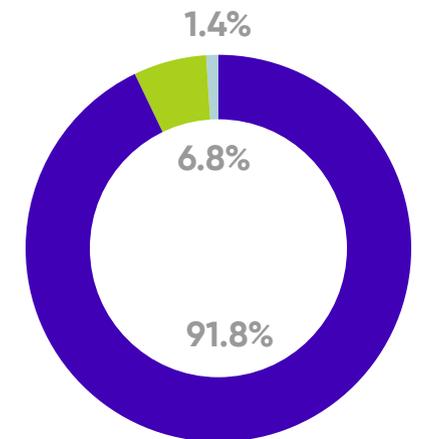


Ana Cristina de Souza Patrício – Fortaleza (CE)

**Outsourced collaborators**

In 2022, we had 210 collaborators from outsourced companies who worked in our operations, and we are responsible for managing their activities, including health and safety aspects.

OUTSOURCED COLLABORATORS BY SERVICE CATEGORY



Food Security Transportation

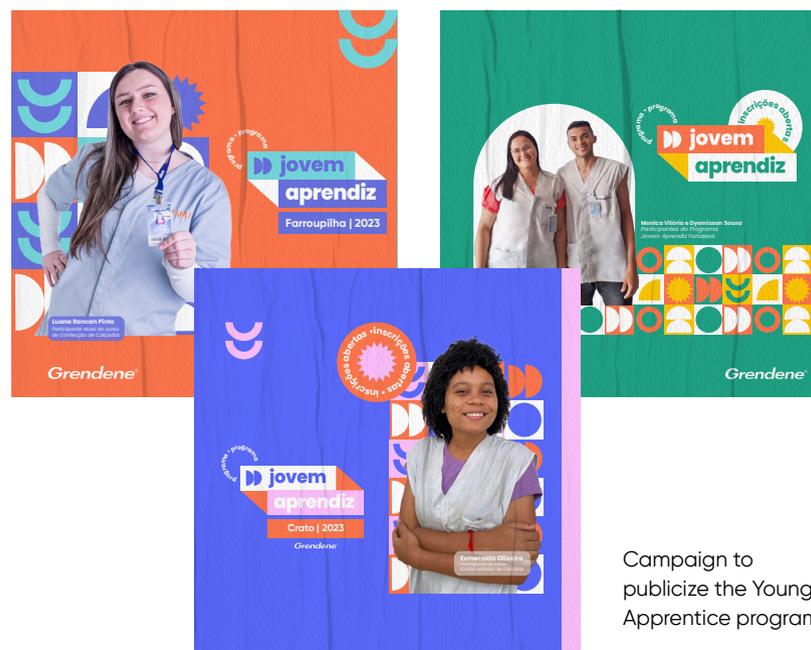
## ATTRACTION AND SELECTION

In order to form an increasingly engaged, diverse and qualified team, we have an Attraction and Selection Area dedicated to recruiting new professionals. The mission of the area is to attract and identify profiles with greater adherence to the Company's Culture and Values.

In 2022, we hired 3,061 people to compose our teams. In the same period, 4,030 people left the Company.

### NUMBER OF HIRES AND TURNOVER

Age group	Hiring number	Number of dismissals
Less than 30 years old	2,379	2,087
Between 30 and 50 years old	642	1,719
Over 50 years old	40	224
<b>Gender</b>		
Male	1,831	2,360
Female	1,230	1,670
<b>Region</b>		
Northeast	2,372	3,465
South	689	565



Campaign to publicize the Young Apprentice program.

Age group	Hiring rate*	Turnover rate*
Less than 30 years old	33%	29%
Between 30 and 50 years old	8%	20%
Over 50 years old	4%	20%
<b>Gender</b>		
Male	18%	24%
Female	18%	25%
<b>Region</b>		
Northeast	16%	24%
South	33%	27%

\*The hiring and turnover rate considers the average of hires and dismissals per total number of employees at the end of the period in the same category.

A highlight of our attraction are the programs aimed at starting positions in the Company:

- In partnership with the National Industrial Apprenticeship Service (SENAI), we developed the **Young Apprentice Program**, which aims to prepare young people aged 14 to 24 for their first professional experience in the job market.
- The **Intern Program** is aimed at attracting and developing interns, providing practical experience to young people in training. The program's journey aims to attract and develop young talents with higher education in progress and with values adhering to Grendene's DNA, through behavioral training and practical experiences at the company.

## BENEFITS

GRI 401-2

At Grendene, we grant benefits to our employees in order to provide a healthy work environment that is conducive to professional growth.

In all units we have cafeterias, with nutritious and healthy food, medical and dental care, agreements with partner companies and Clube Grendene, a program of discounts on purchases of shoes from our brands, with an exclusive e-commerce platform to serve our employees.

On commemorative dates, such as Easter and Christmas, our employees also receive an Easter basket and a Christmas basket, among other commemorative benefits. In addition, gifts are also given to employees' children aged up to 11 years and 11 months.

For employees at the unit in Farroupilha (RS), in addition to the aforementioned benefits, we offer a health insurance plan, life insurance and chartered transportation. **For all units we offer a basic food basket.**



Kellen Magnaguagno and  
Fabiane Antunes de Oliveira –  
Farroupilha (RS)

# MATERNITY AND PATERNITY LEAVE

GRI 401-3

We guarantee the right to maternity and paternity leave for our teams, as well as monitoring the return of employees to work activities. We follow the CLT Policy that guarantees maternity leave of 120 days and paternity leave of five days, a benefit that also extends in cases of adoption.

## MATERNITY AND PATERNITY LEAVE

	Maternity	Paternity
Total employees who took leave in 2022	257	197
Total employees who should have returned to work after leave in 2022	302	196
Total employees who effectively returned to work after leave in 2022	302	196
Rate of return to work of employees who should return in 2022*	100%	
Total employees who took leave, returned and would complete twelve months since their return this year	292	369
Total employees who effectively completed the twelve months after returning from leave still working at the Company	162	263
Retention rate of employees who left on leave in 2021 and stayed 12 months or more after returning**	55%	71%



Silvana Zanchet – Farroupilha (RS)

\*To calculate the rate of return to work, we consider the number of employees who actually returned to work after maternity and paternity leave in 2022, divided by the number of employees who should return to work after maternity and paternity leave in 2022, multiplied by 100.

\*\*To calculate the retention rate, we consider the number of employees retained after returning from leave until December 2021, divided by the number of employees who returned from leave until December 2021 multiplied by 100. Exit periods in 2020 were considered due to expected returns for 2021.

# PROTECTION OF HUMAN RIGHTS

GRI 3-3 | 2-23 | 2-24 | 406-1 | 410-1 | 414-1

The protection of Human Rights is a non-negotiable premise for Grendene. We are committed to acting proactively in their defense, both by preventing possible violations and promoting actions in our operations and in our relationships.

Human rights management at the Company is guided by the following policies:

Sustainable  
Development Policy

Supplier Manual

Human Resources Policy

Focusing on this topic, the Human Resources area has the mission of contributing to the business strategy, through integrated and competitive actions in the relationship of people management, ensuring that our values are known and lived by the entire team. In this sense, all of our employees are formally hired, following current labor legislation (learn more on page 41) and our leadership is responsible for guaranteeing these rights, with fair wages and appreciation of our teams, as well as responsibility in our value chain.

Members of the Ethics Committee undergo training on Ethics and violation of Human Rights with specialized companies to support the dissemination of our Code of Conduct and the alignment of the Committee's work with high standards of Corporate ethics.

In addition, all of our outsourced workers, including those responsible for security activities, undergo human rights training in their onboarding process.

We are regularly evaluated in human rights management through audits such as  that attest to our good practices throughout the production chain, confirming our commitment to ethics and social responsibility.



**100%** of operations  
audited regarding  
human rights



Grendene+

Diversity

# GRENDENE+ PROGRAM

At Grendene, we seek to be recognized as a company that promotes and values diversity and inclusion, contributing to a culture of respect and equity wherever it operates.

We believe that diversity and inclusion value our business by encouraging new perspectives and innovation, in addition to promoting a collaborative organizational climate that values others, creating psychologically safe environments that encourage our talents to reach their potential.

With that in mind, in 2021 we created Grendene +, our Diversity and Inclusion Program. The Program operates with a focus on five transversal drivers:

Gender Equity

LGBTI+

People with  
Disabilities

Race

Generations

Regionality and  
Other Cultures

As part of the Program, throughout 2022, we held monthly meetings with the teams, with the aim of focusing on building cross-cutting actions that address all topics, and on individual initiatives, through affirmative actions.

Each initiative is based on the strategic guidelines designed for the program. In 2022, our focus was Culture of Respect, and we have the following actions:

- Asynchronous D&I content accessible to 100% of employees;
- Specific training for human resources teams on Inclusive Communication, and Attraction and Selection in the light of Diversity and Inclusion (D&I);
- Leadership development in relation to Inclusive Leadership;
- Educational and awareness actions on relevant dates for each topic;
- Census on D&I, with adherence of 87% of employees.

**Grendene complies with the legislation regarding the hiring of People with Disabilities (Federal Law 8213/91), as well as carrying out the Young Apprentice Program, governed by Law 10,097/2000.**

**To combat any form of discrimination in our operations, our Code of Conduct and Ethics does not allow any practice that could be considered as disrespect, segregation, discrimination or prejudice of any kind, establishing procedures for reporting, investigating and punishing proven cases.**

Paulo G. Simão Kick – Farroupilha (RS)

# DEVELOPMENT

GRI 404-1 | 404-2

AT GRENDENE, WE PROMOTE REGULAR INTERNAL TRAINING TO DEVELOP THE TECHNICAL AND BEHAVIORAL SKILLS OF OUR EMPLOYEES.

## Universidade Grendene

Our Corporate Education area works with a focus on promoting employee training, with a view to improving everyone's organizational and human skills.

Based on the business strategy, and through learning methodologies, Universidade Grendene offers educational solutions that provide technical and behavioral knowledge and learning, linked to professional practice.

In addition, we have an online course platform available to all employees, which can be accessed both via a computer and via the mobile *app*.

The architecture of Universidade Grendene has Schools and Educational Solutions that establish the great centers of knowledge in the Company, such as the School of Leadership and Management, School of Business, Industrial School and Institutional Solutions.

## UNIVERSIDADE GRENDENE NUMBERS

### Synchronous Courses

Year	Hours of training generated	Investments (in millions of BRL)
2020	1,851	1.605
2021	2,528	2.307
2022	5,966	2.802

### Asynchronous Courses

Year	Course Quantity	Investments (in thousands of BRL)
2021	87	-
2022	138	138.656

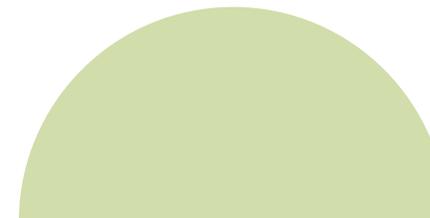
In 2022, we recorded an increase in the average hours of training received by employees, both in the strategic, operational and tactical areas. This is explained by the resumption of face-to-face training, hampered in previous years due to the pandemic.

**17,982**  
participations  
in 2022

**5,966**  
training hours

**21,166**  
participations  
in 2022

**24,690**  
training hours





Training at the Universidade Grendene – Sobral (CE)

## TRAINING CARRIED OUT IN 2022 FOCUSING ON ESG

### Education for Sustainability

TOPICS COVERED:

- Sustainability Journey (operational public and potential programs);
- ESG meetings with the UG Board.

**3,596**  
participations

**1,120**  
hours

### Diversity and Inclusion

TOPICS COVERED:

- Inclusive leadership;
- Attraction and Selection in the Light of D&I;
- Inclusive Communication;
- Plural Journey.

**674**  
participations

**54**  
hours

### BY GENDER

Gender	Average training hours (TH)*
Male	9.9
Female	6.3

### BY REGION

Region	Average training hours (TH)*
Sobral	17.9
Crato	20.1
Farroupilha	9.5
Fortaleza	7.8

### BY JOB CATEGORY

Gender	Average training hours (TH)*
Strategic	0.4
Tactical	5.1
Operational	10.7

\*The average hours of training (TH) is calculated by the sum of all hours of training performed/average of the staff per year. As the calculation method has changed, the data cannot be compared with the previous year.

## Potential Program

A highlight of our training is the Potential Program, aimed at developing Grendene's leaders, from initial positions to those of strategic action:

- Internships: Internship Programs (learn more on page 44);
- 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.

## Leadership training

Grendene believes that investing in qualified professionals in leadership positions is one of the fundamental pillars of the Company's success. For this reason, we have leadership development programs that seek to identify professionals with the potential to occupy new positions within the Company and develop their skills through the programs.

Through our School of Leadership and Management, we trained **1,362** employees in topics such as:

- Infinity Academy;
- XBA;
- Exponential Leadership;
- Leading yourself;
- Team Leader.



# HEALTH, SAFETY AND WELL-BEING

GRI 403-1 | 403-2 | 403-3

For Grendene, the health and safety of our employees comes first.

To this end, we have a Corporate Occupational Health and Safety Policy in line with the Company's values.

The topic is managed through the internal OSH (Occupational Health and Safety) Management system, designed and implemented based on the ABNT NBR ISO 45001:2018 - Occupational Health and Safety Management System. Our System complies with the occupational health and safety legislation and follows reference standards of best OSH management practices.

The locations evaluated and covered by the OSH Management System cover all areas of our operations, including: administrative, commercial, supply, human resources and other areas of the Company.



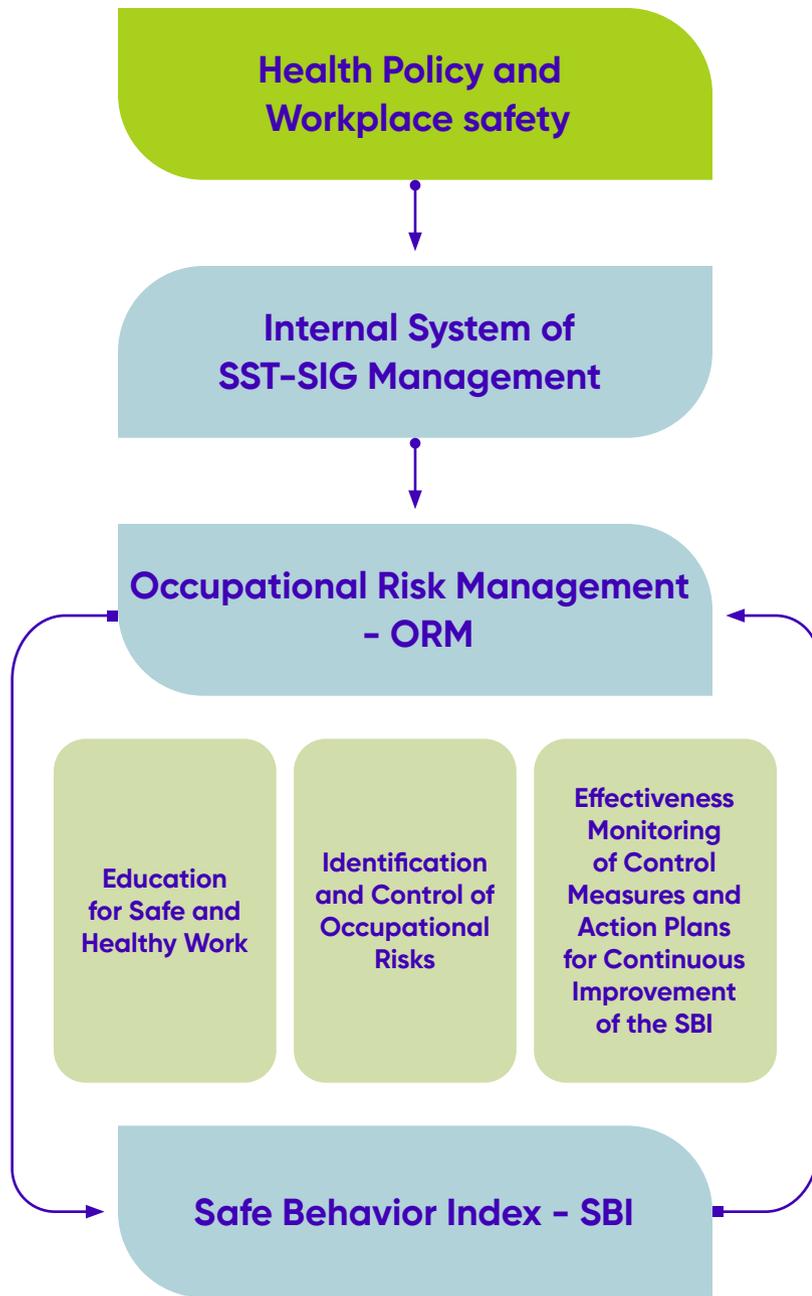
All of the Company's activities are covered by the Health and Safety Policy, and our Internal Management System (SIG) interacts with all of the company's units and sectors.

We have OSH Management indicators to monitor accident frequency and severity rates, as well as the Safe Behavior Index (SBI prevention indicator) for constant performance assessment of each area of the Company.

One of the components of the index is the "Safe Talk", which seeks to involve employees in prevention practices, through Health and Safety guidelines passed on by Occupational Safety managers and professionals. In addition, we involve area managers to promote engagement in prevention actions and in the preparation of action plans that promote the continuous improvement of SIG.



**Occupational Nursing Techniques:**  
Carla Fatima Richter and Kelin Turella  
– Farroupilha (RS)



Grendene does not allow serious and imminent risk situations to exist in its activities. Any possible work situation that may fit this condition will be paralyzed until the risk is mitigated.

We periodically carry out assessments and inspections to identify and manage incident risks in our operations. In 2022, we had the evaluation of 960 Homogeneous Exposure Groups (GHE) and 3,128 inspections carried out via checklist in all units.

Opportunities for improvement and risk control identified are presented to the areas' managers and directors, in order to enable investments and action plans, with goals and priorities.

A Risk Management Program (RMP) is prepared annually, containing a schedule of goals and priorities. At the end of each cycle, we carry out a global analysis of our performance in OSH, in order to evaluate the actions implemented based on the established goals.

Based on this, we defined new goals, promoting a process of continuous improvement, which we call the PDCA Cycle\*.

To safeguard the prevention routines established in the SIG, we maintain Specialized Occupational Health and Safety Services. Our Lead Occupational Physician is responsible for preparing the Occupational Health Medical Control Program (PCMSO) and for coordinating the actions provided for in the program.

In addition, the Company maintains the Grendene Healthy People Program, which addresses topics such as mental health, prevention of Work-related Musculoskeletal Disorders (WMSDs), health education, identification and control of chronic non-communicable diseases, among others.

**Zeal and care with health data**

All personal information related to the health of our employees is managed by the Company's health professionals, who operate in accordance with the confidentiality standards established by the professional councils of these professionals.

The computerized OSH management system complies with the General Data Protection Law (LGPD) and the occupational medicine module has restricted access, being managed by the leading occupational physician.

\* PDCA is a management method used for continuous improvement of processes, based on four steps: *plan, do, check and act*.

In order for health care to be comprehensive, we have specific services provided by specialized professionals, with a focus on ensuring the health and well-being of our employees in accordance with the demands of daily work. These services are shown below:



#### **Occupational Health - Medicine**

Health assessment of workers upon admission, periodically each year, in activities with changing occupational risks, on return from leave of more than 30 days and on dismissal.



#### **Occupational Health - Audiometry**

Admission, periodic, risk change and dismissal audiometric tests of workers exposed to noise who are above the action level.



#### **Occupational Health - Ergonomics**

We have an ergonomics program in each unit under the management of the Ergonomics Committee, which is corporately led by an Ergonomist.



#### **Occupational Health - Prevention of Risk Activities**

Employees who work at heights, in confined spaces, operate cargo handling equipment or perform electrical maintenance, are subject to specific complementary exams.



#### **Healthcare and emergency care**

The Company maintains in its units, during work shifts, outpatient clinics and wards to assist employees in any urgent and emergency situations.



#### **Healthcare - Dental care**

The Company maintains a dental care service at its units in emergency cases or schedules focused on the oral health of its employees.



#### **Psychosocial Assistance**

We carry out psychosocial support, meeting the needs of employees who seek this channel and helping with the necessary referrals to resolve their vulnerabilities.

# SUPPLIERS

GRI 2-6 | 3-3 | 204-1 | SASB CG-AA-430a.1

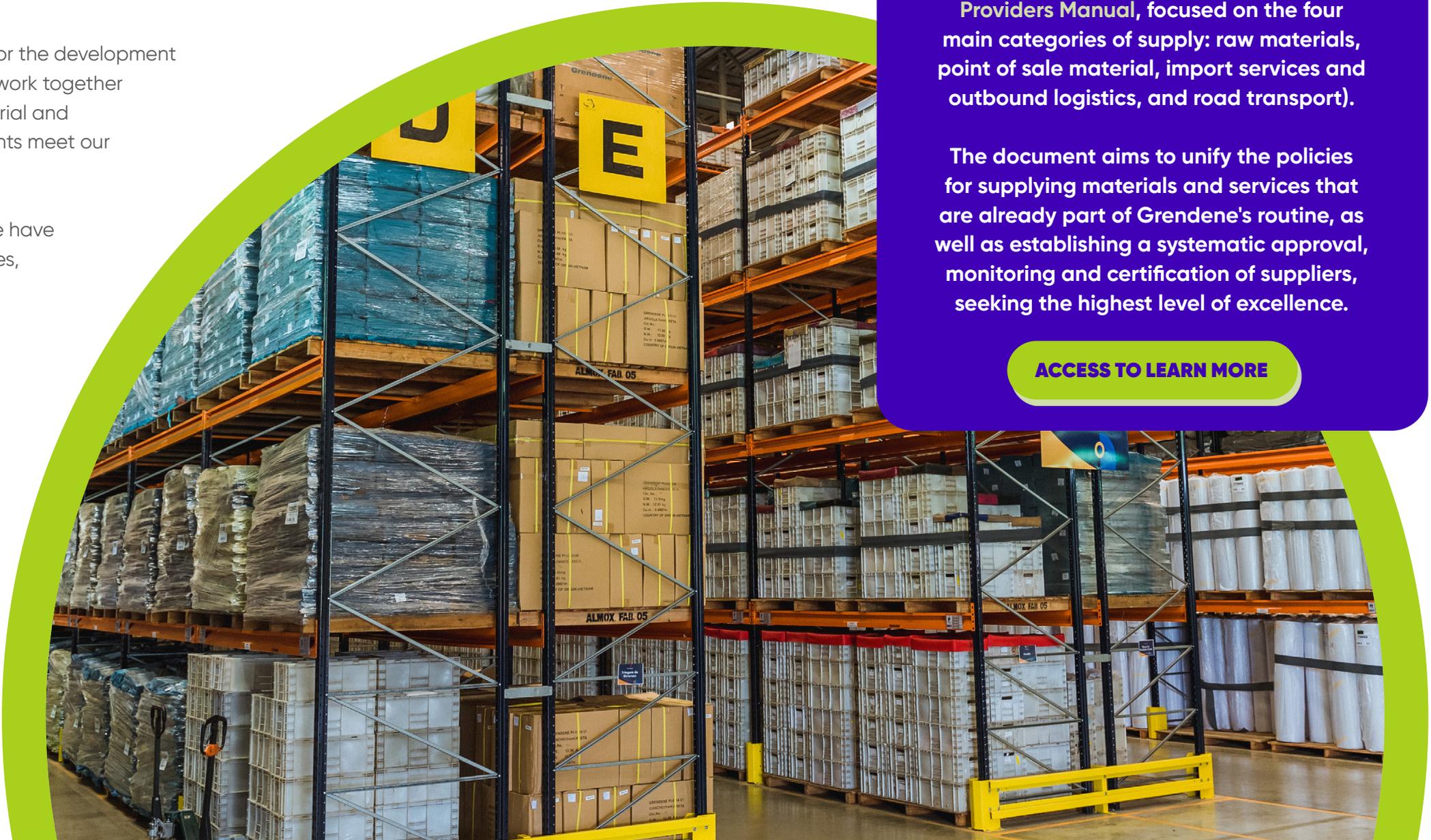
Our suppliers are strategic partners for the development and strengthening of Grendene. We work together and closely, checking each raw material and ensuring quality so that all components meet our requirements.

To ensure agility in our operations, we have suppliers located close to the factories, improving production efficiency and supporting local development:

To optimize the management of the supply chain, we have the **Suppliers and Service Providers Manual**, focused on the four main categories of supply: raw materials, point of sale material, import services and outbound logistics, and road transport).

The document aims to unify the policies for supplying materials and services that are already part of Grendene's routine, as well as establishing a systematic approval, monitoring and certification of suppliers, seeking the highest level of excellence.

[ACCESS TO LEARN MORE](#)



## GRENDENE LOCAL SUPPLY CHAIN PROFILE

**4,342**

Direct suppliers  
(tier1)

**211**

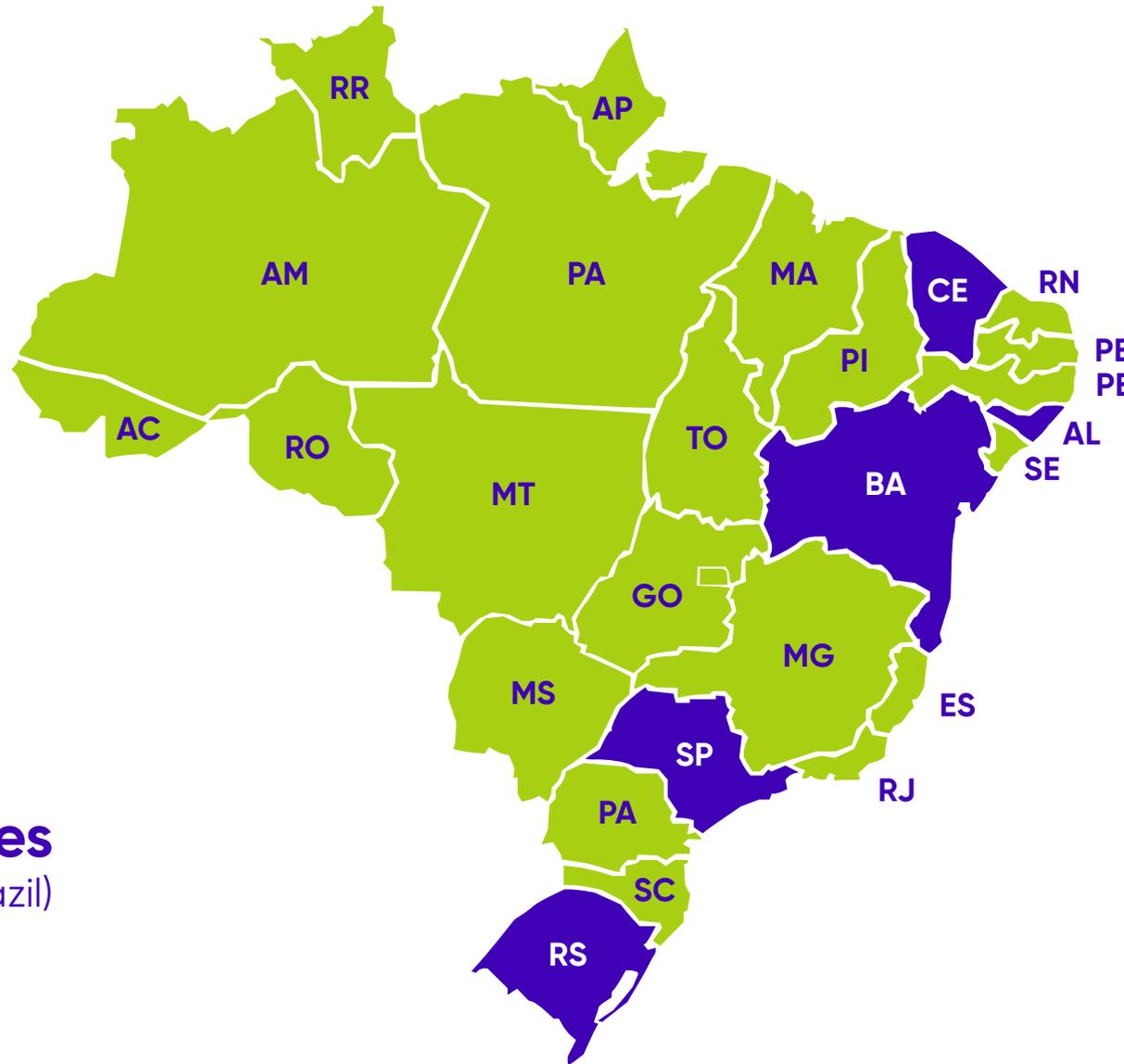
Raw material suppliers

**BRL 1.29 billion**

paid to suppliers

**93% of expenses**

with local suppliers (Brazil)



### 5 MAIN SUPPLIER STATES

Location	Total Amount (BRL)	%	Amount of suppliers
SP	351,486,495.78	27.24%	1,505
CE	266,263,782.85	20.64%	582
AL	187,202,519.09	14.51%	14
RS	166,709,900.28	12.92%	1,384
EX*	90,518,284.49	7.02%	54
Bahia	74,712,109.14	5.79%	73

\*Regarding suppliers abroad

# COMPLIANCE

GRI 308-1 | 308-2 | 407-1 | 408-1 | 409-1 | 414-1 | 414-2 | SASB CG-AA-430b.1 | CG-AA-430b.3

Our Suppliers and Service Providers Manual requires a series of commitments related to work safety, social responsibility, environment, ethics and transparency and quality management. Thus, we guarantee a more responsible supply chain.

Thus, our relationships with suppliers are based on seven pillars:



To make it easier for suppliers to learn about our policy and guidelines, we maintain the [“Suppliers” page on the institutional website and the Suppliers Portal, an environment restricted to partners, which gathers documents for evaluations.](#)

In order to mitigate the main environmental compliance risks in our supply chain, in 2022 we started to systematize the supplier approval process, which includes aspects such as:

- Current fire safety permit;
- Environmental licensing, including license restrictions;
- Origin of raw materials and inputs;
- Control and use of restricted substances;
- Waste management, recycling and adequate final destination;
- Management of water use and treatment of liquid effluents;
- Energy consumption;
- Atmospheric emissions (carbon emissions); and
- Biodiversity and conservation.

The assessment also includes labor issues such as the

formal hiring of workers, with all labor charges properly paid (wages and benefits, working hours and rest breaks, compensation and overtime pay); compliance with the Risk Management Program (PGR) and the Occupational Health Medical Control Program (PCMSO). Other social issues are also included, such as ethics, discrimination, forced and slave labor, child labor, harassment and violence, the right to organize and collective bargaining.

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

# RESTRICTED SUBSTANCES

SASB CG-AA-250a.1 | CG-AA-250a.2

To engage suppliers in the sustainability issue, we maintain a Restricted Substances Program, which has training and awareness events, aimed at the legal and safe origin of our raw materials.

In this sense, the Manual of Suppliers and Service Providers is forwarded to all new suppliers, who must agree, comply and certify that the direct materials supplied meet the criteria defined in the Restricted Substances List (RSL) presented.

The RSL was built and is routinely reviewed based on national and international guidelines for the production of footwear, accessories and their packaging, as well as existing customer requirements in the countries where the Company operates.

RSL updates are made available on Grendene's website and it is the supplier's responsibility to work with the latest version available. The control and monitoring of compliance with the requirements must occur through semi-annual reports sent by the suppliers.

The RSL consists of seven booklets, for each of the following groups:

- **Group 1 - Upper Construction:** PVC, PU, TPU and mixed synthetic laminates with textile backing, non-woven backing; fabrics, meshes, foams; resins and inputs for composting;
- **Group 2 - Lower construction:** soles, counterheels, insoles, midsole, resins and inputs for composting;
- **Group 3 - Chemical products:** finishes, paints, adhesives, pigments, plastisol, metallization;
- **Group 4 - Embellishments:** metallic, plastic, stones, glitter;
- **Group 5 - Trims:** thread, elastics, etc.;
- **Group 6 - Packaging:** boxes, pairs, collective box, ribbons, hangers, plastics, etc.;
- **Group 7 - Extras:** toys and accessories, socks, bags, t-shirts, toys, LED.

In 2022, 58 suppliers participated in the launch event for groups 2, 3 and 4 restricted substance booklets, in March, and 50 suppliers participated in the launch of group 5, 6 and 7 restricted substance booklets, in the month of November.



In 2022, our score on the SER (Supplier Engagement Rating), an additional module of the CDP Climate Change Questionnaire that assesses supplier engagement actions, was above the world average (grade B).



# CUSTOMERS

GRI 2-6

It is our customers who bridge the gap between our factories and the final consumer, allowing our products to bring comfort and beauty to people.

We work dedicated to ensuring dialogue and customer satisfaction, focused on the delivery of our products and on strategic partnerships, mainly for the launch of new collections.

IN 2022, WE SERVED 15,045 CUSTOMERS, INCLUDING RETAILERS, WHOLESALERS AND DISTRIBUTORS, WHO TOOK OUR PRODUCTS TO THE FINAL CONSUMER. WE ALSO SERVE 490,650 CONSUMERS ON OUR E-COMMERCE PLATFORMS.



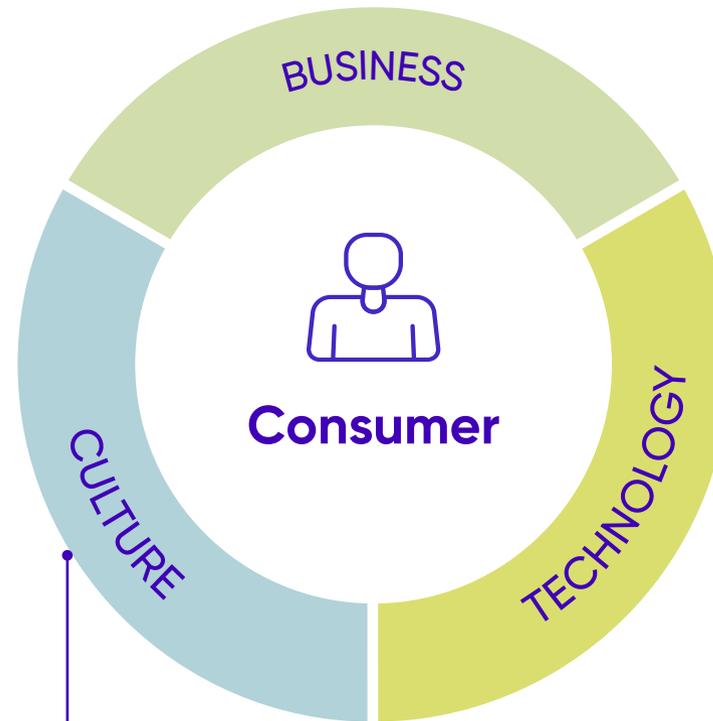
# DIGITAL TRANSFORMATION

In line with consumer behavior and the main trends in the global market, our brands have proprietary *e-commerce* platforms.

We currently have nine virtual stores for our brands, seven in Brazil and two Melissa stores abroad, one in the United States and the other in Europe. Two of the Brazilian platforms are B2B, aimed at small retailers for sales in large *e-commerce* businesses.

In this sense, Digital Transformation is one of Grendene's strategic guidelines and is guided by the following pillars:

## DIGITAL TRANSFORMATION PILLARS



FOR THE DIGITAL TRANSFORMATION TO BE EFFECTIVE, WE INVEST IN CHANGES IN OUR CULTURE.

The year 2022 was marked by the stabilization of Grendene's online operations, after completing the process of migrating the external partner's online stores to the Company's own management. We recorded a GMV (Gross Merchandise Volume) 80% higher than in 2021, with an 86% increase in pairs sold through our platforms.

Among the main results of our digital platforms in 2022, we highlight:

**810,665** pairs of footwear sold **+86%** in comparison to 2021

Revenue of BRL **69.3** million **+80%** in comparison to 2021

**453,065** Orders **+88%** in comparison to 2021

More than **64 MI** accesses **+73%** in comparison to 2021



Increase of **15%** in the number of cities addressed

Another important step forward was the integration with large retailers so that we can sell through their marketplace.

Despite significant growth, digital channels are still very recent, representing only 2.5% of total sales in the domestic market. Our plan is that, over the medium term, they will expand their penetration to a level close to 10%.

### Digital facilitators

To impact our employees and transform our Culture, we rely on the support of the **Digital Facilitators**, a multidisciplinary group responsible for disseminating digital transformation within the Company.

In 2022, Grendene had 200 employees from different areas acting as Facilitators to support our digital transformation.

### Marketplace

During 2022, we carried out the integration with six retail *players* on the *Marketplace*. Our intention with this movement is to bring even more capillarity to our products, significantly increasing accessibility to the final consumer.

For the year 2023, we remain confident in creating new partnerships that will provide us with greater visibility with major platforms. Our perspective is that the revenue generated in this channel represents 5% of the total sold during the current period.

### Logistic agility in e-commerce

In 2022, we inaugurated in Fortaleza (CE), a second exclusive Distribution Center for online sales, complementary to the first, located in Sobral (CE). Together, the two centers occupy an area of more than 1.8 thousand m<sup>2</sup>, have a storage capacity of 175 thousand pairs of shoes and support the generation of value in our business.

Fortaleza Unit (CE)





### Bergamotta Labs Grendene

Bergamotta Labs is Grendene's laboratory that expands access to end consumers and aims to test and create innovative solutions that bring people and businesses closer together in a sustainable way, generating learning for the entire Company.

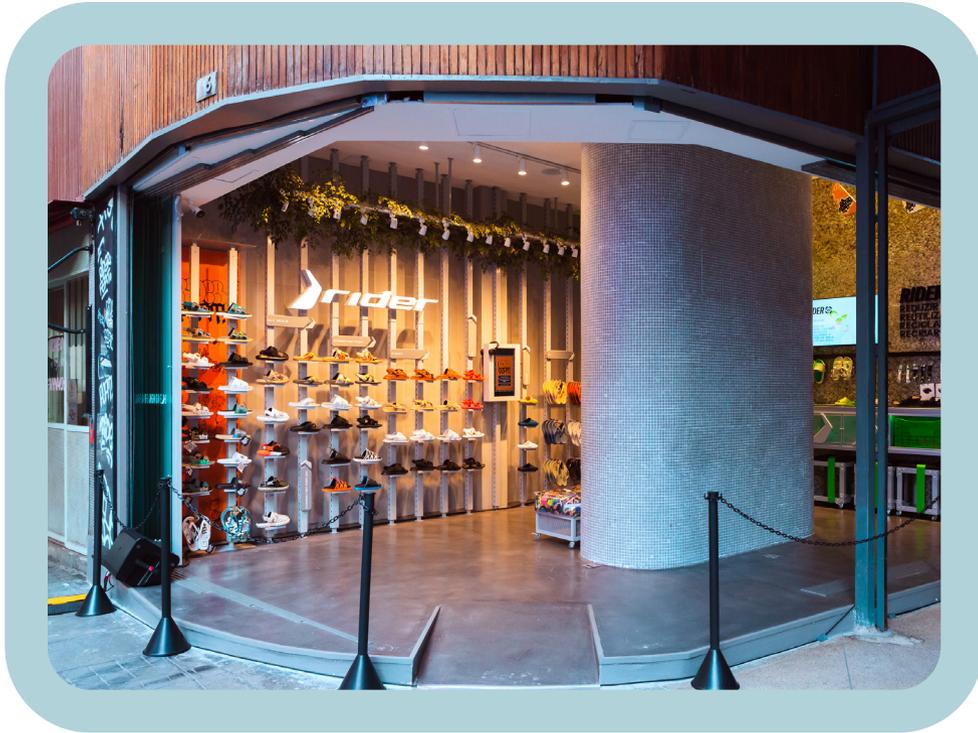
Bergamotta Labs is part of the Instituto Caldeira, an *innovation hub* founded by 42 companies from Rio Grande do Sul, which connects people and initiatives in order to drive positive transformations in the region by fostering innovation and the ecosystem of the new economy.

Currently, the laboratory has **21 employees**, from different areas such as data and technology, research and trends, new materials and user experience, among others.

ONE OF BERGAMOTTA'S MAIN FOCUSES IS THE DEVELOPMENT OF INNOVATIVE BUSINESSES, CREATING STRATEGIES FOR DIRECT ACCESS TO THE FINAL CONSUMER.

Daniel Gandolfi de Araujo  
and Aline Cereja Ramos  
– Porto Alegre (RS)





## RIDER SPACES COPAN

Opening of the first exclusive physical retail store for the Rider brand with several aspects of sustainability. Among them are: educational reverse logistics collector, wall coverings made with recycled waste and seat cushions made with obsolete fabrics. In addition to the project that ensures greater energy efficiency.

IDEALIZED BY

 bergamotta labs



# COMMUNITIES

OUR SUSTAINABLE DEVELOPMENT POLICY PUBLICLY CONFIRMS OUR COMMITMENT TO CREATING VALUE IN THE COMMUNITIES SURROUNDING OUR UNITS.

In order to put this commitment into practice, we seek to positively influence the communities and territories where we operate by supporting social initiatives and projects.

Below are the main supported projects:



Artesanato Remes

## Donations

### Remes

The Sustainable Women Entrepreneurs Network is an NGO from Fortaleza (CE) that contributes to the socioeconomic development of women in situations of social vulnerability through the creative economy and environmental awareness. We have supported the Network since 2018, through the donation of textile materials for the manufacture of rugs, blankets, bags and other products. In the year 2022, we donated the equivalent of 50,478 meters of materials (including *coverline*, thread, fabric, etc).



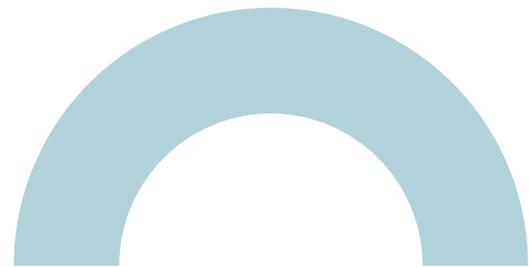
### Pense Rosa Project:

Grandson Adaias Batista; Lorena Sofia dos Santos Andrade; Mirna Hallay; Maria Luisa Rezende.

### Grendha: focus on women's health

#### Pense Rosa Project

The Grendha brand develops partnerships to promote female health and well-being. Since 2017, we have supported the Think Pense Rosa, by the NGO Orienta Vida, which promotes awareness about the early diagnosis of breast cancer and donates mammograms to women in situations of social vulnerability. In 2022, we donated around 150 diagnostic packages (mammograms and complementary exams) through the partnership.



### Rider: projects to recreate the future

The Rider brand entered into a partnership with Instituto ITI, which operates in projects aimed at residents of Itabira (MG), with the aim of strengthening the creative economy and fostering autonomy for people in vulnerable situations through professional qualification, culture and education.

In 2022, Rider donated 16,616 meters of textiles to support technical training in sustainable fashion, impacting 3,000 people.



Instituto ITI.

## Environmental Education

In June, as part of the Environment Month, we carried out an agenda of environmental education actions:

### At all Grendene units

Online lecture organized by Universidade Grendene with the topic "Solar Energy: present scenario and visions of the future". The livestream was facilitated by the Professor of Administration at UFRGS (Federal University of Rio Grande do Sul) with the participation of more than 180 simultaneous accesses.

At the units in the Northeast, through interventions and theater productions, we carried out interactions between employees at the factories and the characters of the "Waste Villains" project, raising awareness about the waste of natural and material resources.

### Crato

We highlight the project **Exchange of food for seedlings**, carried out in partnership with Sítio Fundão State Park, which encouraged the commitment to reforestation and native flora. The focus of the initiative is to **promote planting actions and food donations to the community**.

Grendene employees engaged in the project and each seedling was exchanged for a kilogram of non-perishable food. In the end, we obtained the donation of around 500 seedlings of native flora in exchange for 600 kilos of food,

donated to the Specialized Reference Center for Social Assistance (CREAS) in Crato (CE).

### Sobral

The city was also the stage for the projects "Vilões do Desperdício" and "Exchange of Food for Seedlings", with 820 seedlings and 147 kilos of food donated in partnership with the Environmental Authority (AMA).

In addition, we carried out the *livestream* "A Pretty City is a clean city: what is the best destination for our waste?", conducted by the Integrated Waste Management Coordinator of Sobral.

### Farroupilha

In Farroupilha (RS), to raise awareness and engage our employees in sustainability issues, we held an exhibition of lesser impact and obsolete products at the exit of the Unit's cafeteria. In addition, the action also included *Test drive* in electric cars.

### Fortaleza

In Fortaleza (CE), we carried out educational initiatives and visits to the community of Genipapu, in the municipality of Caucaia (CE), where snacks were distributed to the population.



**In 2022, Remes was invited to be part of Grendene's Environment Month program. We organized a craft fair for employees within the Fortaleza (CE) unit.**



# LOWER IMPACT *products*

Related SDGs:

- 6 CLEAN WATER AND SANITATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 14 LIFE BELOW WATER

Related types of capital:

- Human Capital
- Technological Capital

# LOWER IMPACT PRODUCTS

GRI 3-3

We understand that one of the main ways to reduce the environmental impact of our business is to focus on more sustainable innovations with the increased use of biomaterials and recycled content.

In this sense, environmental concern is present throughout our value chain, from product design, the choice of safe raw materials and the adoption of more efficient processes, to attention to the end of the product life cycle, to facilitate circularity.

In the reporting period, we sold 807,565 pairs, which represented approximately BRL 50.4 million in revenues from less impact products alone.

**Lower Impact Products**  
Today, all of our shoes have lower impact attributes as they are produced in factories that use 100% clean electrical energy and are registered with the Vegan Society. However, we have some products especially focused on the topic, with a higher percentage of recycled material or biomaterials.





# LOWER IMPACT DESIGN

So that our products cause the least possible environmental impact, they are developed prioritizing the sustainable use of each material used, seeking to reduce the impact from the beginning to the end of their life cycle.

The choice of materials starts from their development, respecting the international lists of restricted substances in footwear and accessories.

To know the List of Restricted Substances  
access the Link

[ACCESS HERE](#)

# 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, with a high potential for reuse and circularity.

With the objective of reducing the impacts of the material, the PVC we use in our shoes contains, on average, **30% of pre-consumer recycled material** - that is, leftovers, shavings and burrs from the production process itself.

In addition, we invest in the increasing use of biomaterials and recycled content, contributing to the reduction of carbon in the atmosphere.

Learn more about innovations in more sustainable materials on the following pages:



**The products composed of EVA Biobased and PVC Biobased have been certified by the United States Department of Agriculture (USDA). With a formulation composed of at least 25% renewable carbon, it results in a decrease of around 30% in CO<sub>2</sub>eq emissions into the atmosphere per pair of product, compared to the conventional version (non-renewable origin).**



# BIOMATERIALS



## Rice Husks

Agro-industrial waste that is difficult to eliminate, it is used to increase the proportion of natural and renewable raw materials in the composition of products.



## Coconut Fibers

Agroindustrial waste with low added value and difficult disposal. With high resistance, it is also used to increase the proportion of natural and renewable raw materials in the composition of products.



## EVA Sugar Cane

A portion of the EVA used in products consists of at least 25% of sugarcane components, originating from renewable sources. It has USDA certification.



## Seaweed Pigment

In partnership with BLOOM™, a sustainable materials company, we increased the renewable content of products with freshwater algae that were overproliferating, causing environmental imbalances.



## Vegetal Origin PVC

A portion of the PVC used in our products consists of at least 25% of plant components, originating from renewable sources. It has USDA certification.



## RECYCLE AND REUSE

### Pre-consumer recycled PVC

Pre-consumer recycled PVC is a material produced from machine leftovers, shavings, pigtails and burrs. These components are ground and classified according to color and shoe model and, depending on availability, can be used in different concentrations together with virgin PVC.

At Grendene, all PVC footwear contains around 30% pre-consumer recycled material.



### Post-consumer recycled PVC

Post-consumer recycled PVC is a material that contributes to the reduction of environmental impacts as it reduces dependence on the extraction of natural resources to manufacture virgin raw materials.

It is produced from Grendene shoes that are no longer suitable for use and are returned to reverse logistics collectors at Clubes Melissa, Galerias Melissa, Rider Spaces Copan and other partner stores.

### Upcycling

Upcycling is a practice that aims to creatively recreate the use of materials left over from old collections, extending the life cycle of materials. The technique ensures that these items, such as fabrics, pigments and ribbons, will be used in creative and innovative ways instead of simply being directed to the correct disposal.



# LOWER IMPACT COLLECTIONS

Our brands have several lines, collections and products with sustainable attributes. We have been constantly working to improve our operations and invest in innovation, seeking to reduce impacts on the planet.

**IN 2022, WE LAUNCHED 32 NEW LOWER-IMPACT SHOES, CONTRIBUTING TO THE COMPANY'S VALUE CREATION.**

Among the main brands and collections with less impact launched in 2022, we highlight:

## **Grendha+: First lower impact Grendha collection**

We developed and launched Grendha's first low-impact collection, which represents the beginning of the brand's journey towards sustainability, in pursuit of its commitment to more accessible and responsible fashion.



Grendha+ is a flat made with vegan and pre-consumer recycled material. With handmade clothing, the sandal features a design inspired by leather wefts to form the straps, with laser texturing and less use of chemicals. The sole gained a differentiated look, created from the addition of coconut fibers in the composition.



## **Biobased Melflex®**

In 2022 we launched a new version of the iconic Melissa Possession using plant-based material. The model's Melflex, Melissa's raw material known for its plasticity and tutti-frutti fragrance, is made up of 25% biobased PVC of plant origin (learn more on page 71).

### Grendene Kids' first less impact collection

Grendene Kids, in partnership with Manual do Mundo (the largest science and education channel in Portuguese on YouTube), created its first collection with less environmental impact. As part of the partnership, the channel recorded a video inside our factories, explaining the sandal production process in all its stages.

Among the products launched are sandals made from less impact material whose soles have 30% recycled material and rice husk residues, as well as other footwear with 30% recycled materials in the soles, coconut fiber and recycled PET trim.

The shoes in this line come with an informative tag, made with seed paper that can be planted, making it a fun and educational experience for children.

To learn more, visit:



## Rider: recreating the future

In 2022, through the **Fazedores do Futuro** campaign and collection, the Rider brand invited fashion and sustainability references to recreate tomorrow, collaboratively and with social impact. The project recreates brand icons through the lens of sustainability, exploring sustainable design practices.

Discover the projects invited for the campaign:

- **Ponto Firme Project, by stylist Gustavo Silvestre:** Voluntary initiative that promotes the rehabilitation of people from the Prison system of Guarulhos (SP), through crochet techniques. The works have already been part of the official calendar of São Paulo Fashion Week, Pinacoteca de São Paulo at SP-Arte and in New York.
- **ITI Institute:** It strengthens the creative economy and the autonomy of vulnerable people through professional training, culture and education for residents of Itabira (MG). The project was carried out through technical training in Sewing, Fashion and Crafts, in collaboration with Grendene, responsible for guiding the development of products using obsolete materials.



Gustavo Silvestre -  
Projeto Ponto Firme

- **Singa:** founded by designer and creative director Lucas Verissimo, one of its objectives is to reduce the environmental impact of fashion productions. The *collab* recreated models of papete RX inspired by the Californian *hiking* tribes of the 1970s, with a low environmental impact and a sustainable design.



## Ipanema Algae

In partnership with Bergamotta Labs, we launched a model of Ipanema sandals produced with seaweed pigment in three different colors (learn more on page 71). In addition, the line is still manufactured with PVC of vegetable origin, combining style, minimalism and sustainability.

IDEALIZED BY

bergamotta labs

Plastic with at least  
25% of the composition  
of vegetable origin

Colored strips and  
soletes with seaweed  
based biomaterial

USDA biobased content  
certification

80% recycled sole and  
100% recyclable sandal

Registration with the  
Vegan Society

**Series  
#SustainableForAll  
of Ipanema**

It is a series of videos that show in practice, at the Sobral unit, what are the main sustainability arguments of the brand, in a light, transparent, educational and uncomplicated way. The campaign also features some of the women involved in the production of Ipanema sandals.



**Participants:**

(1) Taisa Sandolli Rossetto; (2) Larisse Lopes Pereira Catunda; (3) Elise Fuhr Marchesini; (4) Alana Rocha Gomes Lopes; (5) Maria Lizonete Pereira de Sousa; (6) Eva Maria Morais de Azevedo; (7) Claudia Maria de Sousa; (8) Maria de Fátima Araújo Brito; (9) Denismara de Aquino Lima; (10) Michele Faria de Oliveira; (11) Talyta Angelo Cruz; (12) Maria Helenice Etelvino Matias; (13) Samile Lopes Mendes de Paula; (14) Francisca Oscarina dos Santos; (15) Josiclea de Souza de Freitas; (16) Maria Cleonice Silva Ripardo; (17) Mônica Cavalcante Pontes; (18) Yohanna Maria Menezes do Nascimento; (19) Maria Lucelia Tomaz

# CIRCULARITY

THE CIRCULARITY OF PLASTIC IS A WAY TO BUILD A MORE SUSTAINABLE FUTURE.

We apply circular economy concepts to our production model, aiming to extend the useful life of products and facilitate their reuse or recycling at the end of their life cycle. This way we avoid waste and waste generation.

In the vast majority of our shoes, we use a material that is 100% recyclable (learn more on page 71) and we have technology to reuse our waste at the factories. What we are not able to recycle internally is sent to approved recycling companies.



## Product life cycle

In order to identify opportunities for improvement in our production activities, we invest in research and studies to understand the environmental effects associated with our main products.

Since 2021, we have adopted the Life Cycle Assessment (LCA) method to understand the environmental effects associated with our production and expand the circularity of our products. This is a study of the product's environmental impacts, which assesses its production and supply cycle from the extraction of raw materials, through its manufacture, to shipment.

Among the advantages we can highlight:

To learn more about the Life Cycle Assessment (LCA) methodology, see our 2021 Sustainability Report, on pages 72 and 73.

[ACCESS HERE](#)

**Cost reduction by optimizing the use of materials and energy**

**Process efficiency**

**Stimulating innovation and creativity**

**Reduction in waste disposal**

**Risk reduction**



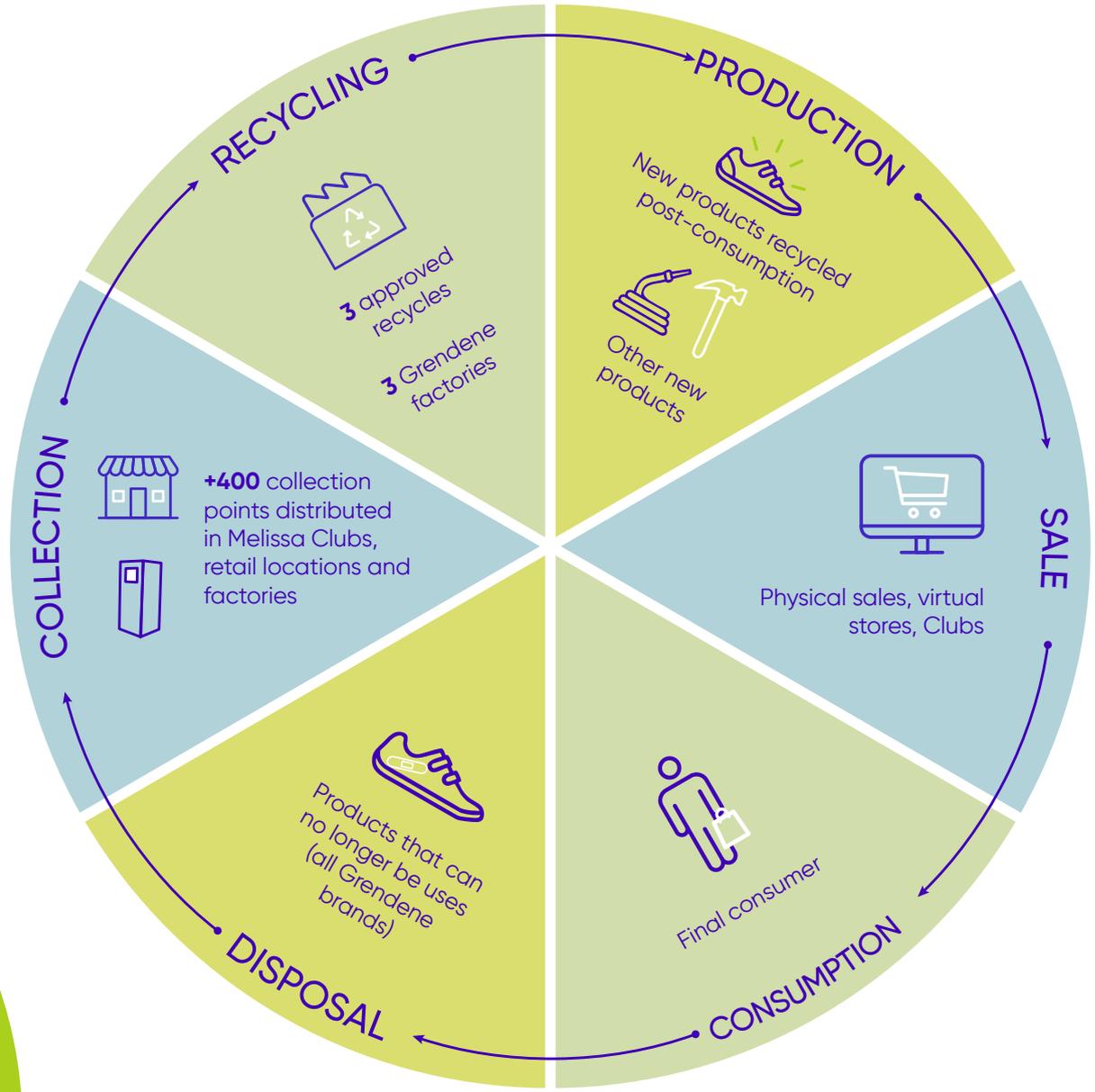
## Reverse Logistics

We have a Reverse Logistics Program, through which customers can correctly dispose of unused shoes from all **brands in the Grendene universe**. Thus, products can be recycled and their materials reused in new products.

WE CURRENTLY HAVE MORE THAN 400 REVERSE LOGISTICS COLLECTORS SPREAD THROUGHOUT BRAZIL AND ABROAD. POINTS ARE DISTRIBUTED AT MELISSA CLUBS AND GALLERIES, RIDER SPACES COPAN (SP) AND PARTNER RETAIL CHAINS.

All pairs of shoes collected at collection points are sent for dismantling and recycling.

Over 9,000 pairs have been collected by our reverse logistics program since launch.



# PACKAGING

Our concern with the environmental impact of our products even extends to the materials used in our packaging.

Therefore, 98% of our paper packaging is certified by the FSC® (Forest Stewardship Council), coming from well-managed forests, promoting environmental, social and economic benefits.

In addition, all of our suppliers are certified that the raw materials of the papers we use are responsibly managed.



A marca do manejo florestal responsável



Packaging- Fortaleza Unit (CE)

### Honeycomb Box

In order to optimize the use of paper in packaging and the space used in transport, we maintain the Honeycomb Box project, aimed at increasing the use of collective, rather than individual, boxes for transporting shoes. In addition, the project facilitates replacement and display at points of sale and contributes to a reduction in waste production.

**IN 2022, WE REDUCED THE WEIGHT OF PACKAGES BY 1,406 TONS AND ACHIEVED GREATER FREIGHT EFFICIENCY, WITH A REDUCTION OF 75 TCO<sub>2</sub> IN EMISSIONS.**



Honeycomb Box

### E-commerce packaging

For e-commerce purchases, we started using single bags, with 80% of recycled raw material. After use, it is 100% recyclable.

**80% to 90% of packaging material was recovered from our supplier's waste**

**10% to 20% additives: process auxiliary pigments and desiccants**

# ECO-EFFICIENT *operations*

Related SDGs:



Related types of capital:



Rainwater collection tank - Crato Unit (CE)



# COMBATING CLIMATE CHANGE

GRI 3-3

GRENDENE IS COMMITTED TO A SUSTAINABLE FUTURE AND TO GLOBAL ACTION AGAINST CLIMATE CHANGE.

As a way of reinforcing this commitment in our day-to-day activities, we monitor key indicators in our operation, which indicate our performance in the use of natural resources:

Generation of residue/par

Water consumption/par

power consumption/par

Reuse of effluents/par

Emission intensity  
gCO<sub>2</sub>e/par

Sobal (CE) Unit



OUR TARGETS FOR REDUCING EMISSIONS PROVE OUR COMMITMENT TO COMBATING CLIMATE CHANGE

**100%**

of use of Renewable Electric Energy with I-REC certification (Renewable Energy Certificate)

**-6%**

Reduction in annual energy consumption in 2022 (includes factors other than energy efficiency projects)

**3.500 PANELS**

Photovoltaic plant at the Sobral unit (CE) with a generation capacity of 1.14 MWp

**-20%**

Reduction of total emissions compared to the years 2021 and 2022

**ZERO**

Industrial waste destined for landfills

**5.166 GJ**

Energy saving in 2022 (from projects focused on energy efficiency)



For the third consecutive year, we answered the CDP's Climate Change and Water Security questionnaires. In Climate Change, we obtained a C classification and, in Water Security, we increased our score from C to -B. In addition, we answered the Forests questionnaire for the first time, focused on wood products commodities, as we fit into the chain of large packaging buyers, and we achieved a C classification.

# ENERGY

GRI 302-1 | 302-3 | 302-4

At Grendene, we consider the reduction of energy consumption and the use of energy from renewable sources a responsibility and a challenge, in which we seek to surpass ourselves year after year.

In this sense, we developed projects and actions for industrial energy efficiency, which included process redesign, adaptation of equipment and operational management.

More than 25,000 tubular fluorescent lamps were replaced by LED lamps and more than 4,000 metallic vapor reflectors were replaced by LED reflectors.

**In total, we achieved savings of 5,166 GJ in 2022 from the projects implemented at the units.**

In 2022, total energy consumption dropped by 6%. This reduction mainly reflects the drop in production registered in the year, since the amount of energy consumed per pair of footwear produced remained the same.

Solar Paint – Sobral  
Unit (CE) Unit



## ENERGY CONSUMPTION BY SOURCE (GJ)

	2020	2021	2022
<b>Fuels from non-renewable sources</b>			
Diesel	1,729.94	3,431.82	3,036.81
Regular Gasoline	344.21	605.72	559.98
Aviation Gasoline	131.50	-	391.93
Liquefied Petroleum Gas (LPG)	2,544.20	2,630.64	2,435.21
Natural Vehicular Gas (NVG)	117.96	107.68	57.78
<b>Total</b>	<b>4,867.81</b>	<b>6,775.86</b>	<b>6,481.71</b>
<b>Fuels from-renewable sources</b>			
Ethanol	40.86	-	-
Firewood	23,990.10	26,769.90	19,521.94
<b>Total</b>	<b>24,030.96</b>	<b>26,770</b>	<b>19,522</b>
<b>Other consumption sources</b>			
Non-renewable electricity**	326,824.78	-	-
Renewable electricity**	4,448.36	374,881.18	358,031.49
Total	331,273.72	374,881.18	358,031.49
<b>Total energy consumed</b>	<b>360,172</b>	<b>408,433*</b>	<b>384,035</b>

\*The energy consumption table published in the 2021 Sustainability Report did not consider the sum of electricity in the total. The value is corrected in the table above.

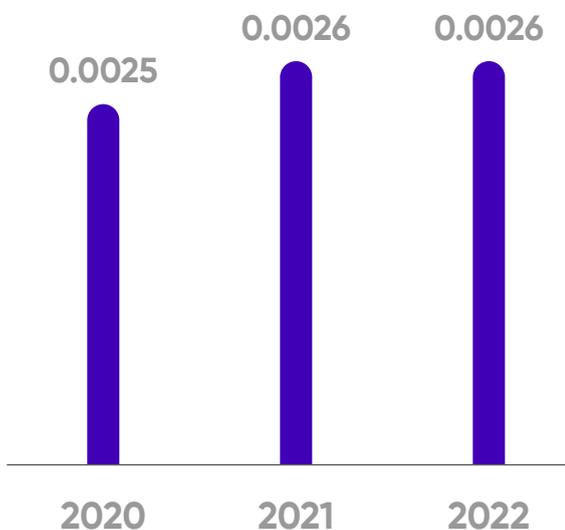
### Do you know the difference?

\*\*Non-renewable electrical energy is energy produced from finite resources such as oil, natural gas or nuclear power. Renewable electrical energy is energy produced from renewable sources such as hydro, solar and wind.

	2020	2021	2022
Total energy consumed	360,172	408,427	384,035
Pairs Produced	142,552,956	159,664,121	147,875,469
GJ/ Par	0.0025	0.0026	0.0026

Our Energy consumption data is collected in a computerized system. Of the total volume of electricity consumed, 4,682.79 GJ came from self-generation of photovoltaic solar energy by the plant installed at the Sobral Unit (CE), which has 3,500 panels and a generation capacity of 1,137 MWp.

## ENERGY INTENSITY (GJ/PAIR OF SHOES)



Since 2021, Grendene has had the I-REC (Renewable Energy Certificate) certification, which proves that 100% of the electricity consumed in operations comes from a renewable source.

[CLICK HERE TO KNOW MORE](#)

# EMISSIONS

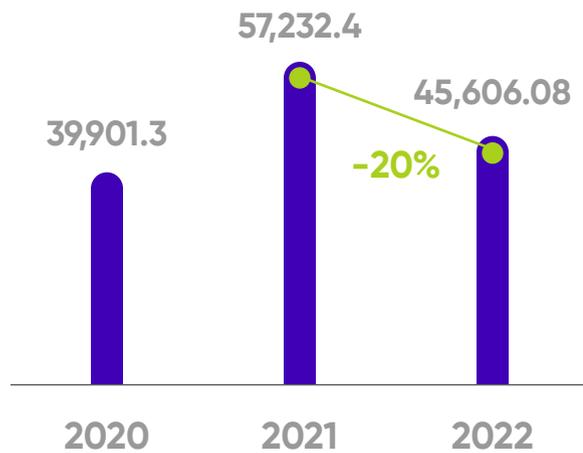
GRI 305-1 | 305-2 | 305-3 | 305-4 | 305-5

Grendene annually publishes its greenhouse gas emissions inventory, in line with the GHG Protocol methodology. Through it, we are able to assess and monitor emissions from our manufacturing units and propose improvements and initiatives to combat climate change.

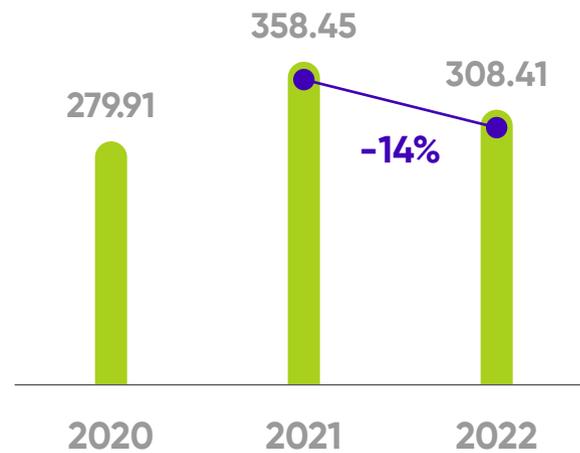
In 2022, we reduced our total emissions by 20% compared to 2021 and recorded a 14% drop in emissions intensity.

**To reduce the impact of its value chain, Grendene works with a logistics provider that uses electric cars. In 2022, approximately 4,000 kilometers were traveled using these cars on the routes between Farroupilha and Porto Alegre.**

TOTAL EMISSIONS (TCO<sub>2</sub>e)



EMISSION INTENSITY GCO<sub>2</sub>e/PAR



## GHG EMISSION SOURCE (tCO<sub>2</sub>e)

	2020	2021	2022
<b>Emissions Scope 1</b>			
Mobile combustion	298.90	390.53	418.09
Stationary Combustion	52.57	92.97	26.63
Effluents	122.51	100.34	626.82
Emissions escape	966.19	833.72	1,261.19
<b>Total Scope 1</b>	<b>1,440.17</b>	<b>1,417.56</b>	<b>2,332.72</b>
<b>Emissions Scope 2</b>			
Location approach	5,608.04	13,002.81	4,274.62
Purchase choice approach	-	0.00	0.00
<b>Total Scope 2</b>	<b>5,608.04</b>	<b>13,002.81</b>	<b>4,274.62</b>
<b>Emissions Scope 3</b>			
Transport and distribution ( <i>upstream</i> )	3,377.03	2,897.19	3,602.99
Transport and distribution ( <i>downstream</i> )	24,647.12	33,416.60	30,594.62
Generated waste	230.46	211.27	5.69
Business trips	84.64	158.62	350.32
Employee transportation (home-work)	4,513.84	6,128.30	4,445.12
<b>Total Scope 3</b>	<b>32,853.09</b>	<b>42,811.98</b>	<b>38,998.74</b>
<b>Total emissions (Scope 1, 2 and 3)</b>	<b>39,901.3</b>	<b>57,232.4</b>	<b>45,606.08</b>

## EMISSION INTENSITY

	2020	2021	2022
Total emissions	39,901.30	57,232.35	45,606.08
Pairs Produced	142,552,956	159,664,121	147,875,469
<b>gCO<sub>2</sub>e/par</b>	<b>279.91</b>	<b>358.45</b>	<b>308.41</b>

## BIOGENIC EMISSIONS

	2020	2021	2022
Scope 1 and 3	5,585.64	5,623.97	4,518.48

Note 1: Gases included in the scope: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and HFCs.

Note 2: Data obtained from the GHG Protocol tool

Note 3: To calculate Scope 2 emissions, we use two approaches. 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 only considers an emission factor, which corresponds to the source generation chosen for purchase by Grendene.

To learn more about the management of our emissions, access the documents:

GHG EMISSION INVENTORY

[ACCESS HERE](#)

# MATERIALS

GRI 3-3 | 301-1 | 301-2 | 301-3

The main raw material used to manufacture our shoes is PVC for continuous use and 100% recyclable. The manufacturing process is internalized at Grendene, and we have the technical capacity to generate composite PVC, which includes resin, plasticizer and additives.

The main materials used in 2022 were:

Type of material	Weight (kg) or Volume (m³) total	
	2021	2022
ABS	59,431	116,132
Packaging	15,329,823	24,720,202
EVA (resin)	1,107,212	1,551,687
Polyamide	129,351	160,507
Polypropylene	1,270,030	858,906
PVC (compost)	50,097,429	62,640,493
Solvent	1,211,906	808,549
Fabrics + <i>coverline</i>	1,426,276	412,001
Paint	1,548,081	1,382,090

We also have the technology to incorporate materials from recycling, such as reusing all the PVC waste generated in the manufacturing process in new products, resulting in lower-impact footwear. The percentage of recycled materials used is described below:

## MATERIALS FROM RECYCLING AND RENEWABLE ORIGIN

Type of material	% from recycling	
	2021	2022
<b>Non-renewable materials</b>		
Laces	5.60%	36.00%
Cord	0.00%	2.00%
Synthetic laminate ( <i>coverline</i> )	0.70%	44.90%
Embroidered labels	3.00%	3.30%
Ribbons	1.30%	3.10%
Flakes	0.00%	11.80%
Polypropylene	44.00%	35.90%
Fabric	0.60%	0.50%
Ground PVC	27%	25.83%
<b>Renewable materials</b>		
<b>Biobased</b> Plasticizer	27.35%	40.20%
<b>Biobased</b> EVA Resins	3.13%	10.46%
<b>Water based</b> paint	0.00%	0.03%
<b>Water based</b> Adhesive	0.00%	1.40%

## PACKAGING AND ACCESSORIES FROM RECYCLING

Type of material	% from recycling
Collective boxes*	20%
Individual packages**	37%
Hangers***	100%

\* Vendor information.

\*\* Percentage obtained from the average of all packages used.

\*\*\* Produced in-house. All material used comes from pre-consumer recycled PP/HDPE.



# WASTE MANAGEMENT

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

The identification of potential impacts caused by the generation of waste in our operation is carried out through the Survey of Environmental Aspects and Impacts.

We mitigate and eliminate these impacts through programs and initiatives focused on reducing waste, through investments in process and equipment innovation and in internal recycling and reuse alternatives.

For waste where this is not possible, we guarantee its proper disposal through partner approval procedures and legal controls, prioritizing external recycling and recovery through energy recovery.

Among our actions in this area, we highlight:

- Solid Waste Management Plan;

- Selective Collection Program;
- Use of recyclable raw materials (learn more on page 71);
- Investment in technology to increase the eco-efficiency of raw materials and inputs in the production process;
- Education program for sustainable development focused on reducing waste.

As we own manufacturing, we have complete control and management of all waste generated in the operation, both in the administrative and industrial sectors, classified by type, area, activity and process.

Waste is collected daily in the company's generating areas, weighed, recorded in a system with information on date, weight, description and generating process, with the aim of generating data and indicators for managers.

AS A RESULT OF ALL THESE INITIATIVES, IN 2022, WE GENERATED AROUND 24,089 TONS OF WASTE, 4% HAZARDOUS AND 96% NON-HAZARDOUS. OF THIS TOTAL, 90% WERE RECYCLED.

Grendene has internal KPIs, by area, whose objective is to reduce waste generation, with weekly monitoring and monthly critical analysis meetings.



The result represents a 6% reduction in waste generated per pair produced. One point that contributed to the result was the relaxation of Covid-19 prevention decrees, which made it possible to return to the use of hand dryers, reducing the use of paper towels.

Another important point for the result was the significant growth in the use of recycled EVA from leftovers from the EVA injection process.

There was also a 24% reduction in the absolute volume of non-recyclable common waste, and a drop in waste destined for co-processing, provided by actions to deepen the management of industrial waste and the use of more efficient inputs.

In all of our waste management stages, we carry out codified controls. Waste is collected daily in the company's generating areas, weighed, recorded with information on date, weight, description and generating process, and temporarily stored in the company's waste deposit.

## HAZARDOUS WASTE GENERATED IN 2022

Types of Hazardous Waste	Weight (tons)
Waste from the removal of paints and varnishes containing organic solvents or other hazardous substances	204.49
Other waste (including mixtures of materials) from mechanical waste treatment containing hazardous substances	195.43
Aqueous liquid waste containing hazardous substances	153.27
Absorbents, filtering materials, cleaning cloths and protective clothing contaminated by hazardous substances	113.46
Paints, adhesives, glues and resins containing hazardous substances	77.01
Other hydraulic oils	49.97
Waste paints and varnishes containing organic solvents or other hazardous substances	49.58
Other emulsions and mixtures	40.51
Used or contaminated engine, transmission and lubrication oils	37.03
Packaging containing or contaminated by residues of hazardous substances	16.89
Solid waste from gas treatment	13.11
Glass, plastic and wood, containing or contaminated with hazardous substances	11.16
Sludge from septic tanks	10.00

Types of Hazardous Waste	Weight (tons)
Synthetic hydraulic oils	5.51
Synthetic cutting and machining oils	4.39
Glue or sealant residues containing organic solvents or other hazardous substances	4.21
Disused electrical and electronic products and their components containing hazardous components	3.47
Other engine, transmission and lubricating oils	2.60
Pesticides	1.08
Containers and materials resulting from the health care process, which do not contain blood or body fluids in free form	0.42
Waste resulting from the health care of individuals or animals, with suspected or certain biological contamination by agents with high individual risk and high risk to the community	0.30
Fluorescent, sodium and mercury vapor and mixed light lamps	0.12
Health Services Waste	0.12
Cultures and stocks of microorganisms	0.09
Other products considered dangerous	0.03
Batteries and accumulators	0.02
Sharp or scarifying materials	0.02
<b>Total</b>	<b>994.29</b>

## NON-HAZARDOUS WASTE GENERATED IN 2022

Types of Non-Hazardous Waste	Weight (tons)
Plastic waste and scrap	18,098.29
Non-ferrous metal shavings and filings	842.14
Mixtures of cement, bricks, tiles, tiles and ceramic materials	696.40
Paper and cardboard	514.35
Metals	495.26
Other waste not previously specified	483.83
Iron and Steel	433.50
Other fractions not previously specified	347.02
Wood	246.22
Plastics	180.81
Waste from sweeping, cleaning public areas and roads and other biodegradable urban cleaning services	179.32
Other urban and similar waste, including mixed waste	86.25
Textiles	80.57
Bricks	70.48
Reusable or recyclable waste as aggregates, such as: a) construction, demolition, renovations and repairs to paving and other infrastructure works, including soil from earthworks; b) construction, demolition, renovations and repairs of buildings; c) manufacturing process and/or demolition of precast concrete parts produced at construction sites.	67.53
Mixtures of fats and oils, water/oil separation, containing only edible oils and fats	64.50
Sludge from local effluent treatment	33.09

Types of Non-Hazardous Waste	Weight (tons)
Other waste (including mixtures of materials) from mechanical waste treatment	23.95
Plastic shavings	20.43
Boiler ash	16.82
Food vegetable oils and fats	15.00
Biodegradable waste from kitchens and canteens	14.55
Copper, bronze and brass	10.97
Scrap/used car tires	9.91
Waste removed from the screening phase	9.12
Non-ferrous metals	7.36
Waste from textile materials (impregnated textiles, elastomers, plastomers)	6.19
Processed textile fiber waste	5.93
Recyclable waste for other destinations such as plastics, paper, cardboard, metals, glass, wood, empty packaging of architectural paints and plaster.	5.32
Sludge from other industrial effluent treatments	5.16
Paints, adhesives, glues and resins	4.89
Plastic packaging	4.56
Mixture of construction and demolition waste	4.40
Equipment out of use	2.76
Textile packaging	2.71
Glass	1.91
Waste of polishing materials	1.38
Sludge from biological treatment of industrial effluents	0.63

Types of Non-Hazardous Waste	Weight (tons)
Absorbents, filter materials, cleaning cloths and protective clothing	0.60
Vitrified waste	0.47
Aluminum	0.28
Containers for pressurized liquid gas	0.16
Scrap/used bicycles tires	0.03
<b>Total</b>	<b>23,095.03</b>



## WASTE DISPOSED OF BY RECOVERY OPERATION (TONS)

	2020	2021	2022
<b>Hazardous waste</b>			
Preparation for reuse	-	-	30.92
Recycling	243.98	347.99	444.21
Other recovery operations	839.25	662.87	461.19
<b>Total</b>	<b>1,083.2</b>	<b>1,010.9</b>	<b>936.3</b>
<b>Non-hazardous waste</b>			
Preparation for reuse	3.25	9.42	66.92
Recycling	20,036.64	22,715.10	20,881.76
Other recovery operations	481.89	593.17	569.82
<b>Total</b>	<b>20,521.8</b>	<b>23,317.7</b>	<b>21,518.5</b>

## WASTE DISPOSED OF BY DISPOSAL OPERATION (TONS)

	2020	2021	2022
<b>Hazardous waste</b>			
Incineration (without energy recovery)	1.18	2.33	0.98
Other forms of disposal	5.20	2.20	57.00
<b>Total</b>	<b>6.4</b>	<b>4.5</b>	<b>58.0</b>
<b>Non-hazardous waste</b>			
Incineration (without energy recovery)	0.05	0.03	0.00
Placed in landfills	640.83	1,332.80	1,576.52
Other forms of disposal	56.35	0.00	0.00
<b>Total</b>	<b>697.2</b>	<b>1,332.8</b>	<b>1,576.5</b>

### Zero landfill

As for the destination of our waste, in 2022, we maintained the commitment of zero waste to industrial landfills, focusing on reducing generation, reuse, recycling and energy recovery.

# WATER RESOURCES

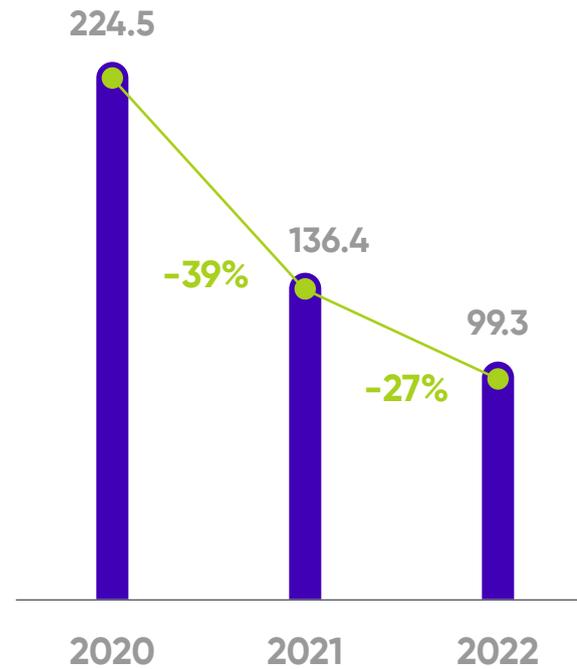
GRI 3-3 | 303-1 | 303-2 | 303-3 | 303-4 | 303-5

Our industrial operations are located in the Brazilian semi-arid region, which reinforces the need to act to reduce the impact of our water consumption. Of our four industrial units, two are located in areas at risk of water stress – Crato (CE) and Fortaleza (CE) – according to the WRI (World Resources Institute) Aqueduct Water Risk Atlas tool. Therefore, we invest in a series of water efficiency and water reuse initiatives.

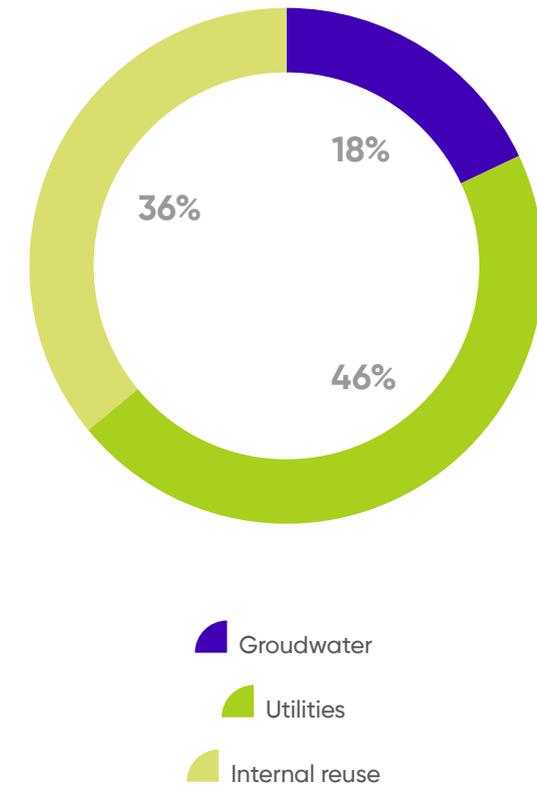
In 2022, we reused more than 127 million liters of treated effluents. Reuse water is used to flush toilets, irrigate the company's green areas and gardens, and in gas washing systems.

In total, we reduced water consumption by 27% in our operations. A total of 99.277 megaliters were consumed, considering the sum of the water taken from the environment and the reuse water, subtracted by the water discarded at the end of the production process.

### WATER CONSUMPTION (IN MEGALITERS)



### SOURCE OF WATER RESOURCES 2022



## TOTAL WATER WITHDRAWAL VOLUME BY SOURCE (IN MEGALITERS)

	2020		2021		2022	
	All of the areas	Areas with water stress	All of the areas	Areas with water stress	All of the areas	Areas with water stress
Groundwater	55.0	29.5	67.1	30.1	63.3	44.3
Third party water	193.6	4.7	115.2	7.9	163.7	10.0
<b>Total water withdrawal</b>	<b>248.6</b>	<b>34.1</b>	<b>182.3</b>	<b>38.0</b>	<b>227.0</b>	<b>54.3</b>

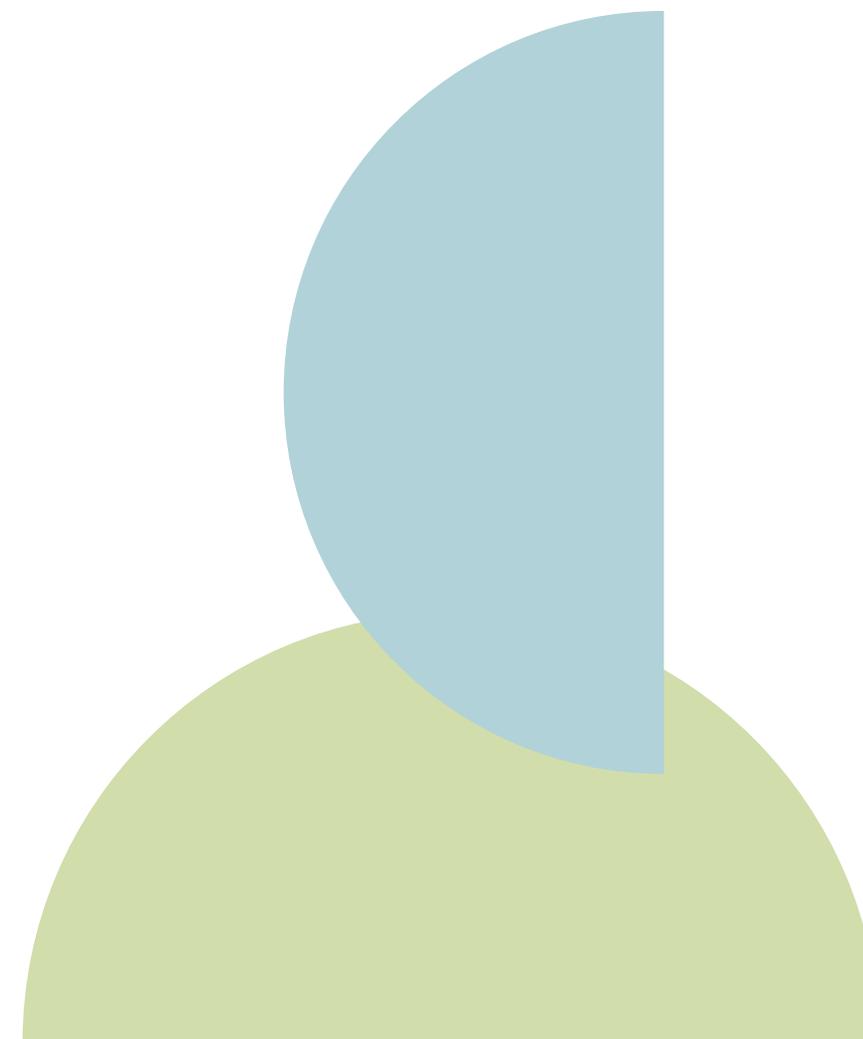
## TOTAL WATER WITHDRAWAL VOLUME BY SOURCE (IN MEGALITERS)

	2020		2021		2022	
	All of the areas	Areas with water stress	All of the areas	Areas with water stress	All of the areas	Areas with water stress
Surface water	18.1	0.0	25.8	0.0	23.6	0.0
Water sent to third parties	6.0	6.0	20.1	4.0	0.0	0.0
<b>Total water disposal</b>	<b>24.1</b>	<b>6.0</b>	<b>45.9</b>	<b>4.0</b>	<b>23.6</b>	<b>0.0</b>

## WATER CONSUMPTION (IN MEGALITERS)

<b>2020</b>	224.5
<b>2021</b>	136.4
<b>2022</b>	99.3

With regard to the water efficiency of the operation, we had a 3% increase in the result of the indicator of liters per pair produced. One explanation is the fact that we faced three large hidden leaks at the Farroupilha (RS), Crato (CE) and Fortaleza (CE) units.



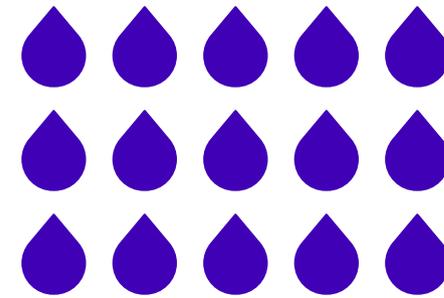


Rainwater collection tank - Crato Unit (CE)

## Reuse and rainwater

Since 2022, we have maintained projects to reuse rainwater in our plants. The first project was installed at our unit in Crato (CE), in an unused diesel oil tank, which underwent renovation and was transformed into a work of art by the hands of artist Fabiano Dias.

In 2023, we completed another rainwater reuse project, in Farroupilha (RS).



**127**  
million liters  
of water and  
effluents treated  
and reused in 2022



What is equivalent  
approximately  
**32**  
Olympic pools

\*For the calculation, we consider that an Olympic swimming pool has a volume of 4,000 m<sup>3</sup>.

# Appendices



# GRI INDEX

Universal Standards		Reference (p.) / direct answer
<b>The organization and its reporting practices</b>		
2-1	Organization details	Page 10
2-2	Entities included in the organization's sustainability reports	Grendene S.A and its subsidiaries: MHL Calçados Ltda Brazil; Grendene Corp; Grendene New York, L.L.C. (through Grendene USA); Grendene UK Limite, Grendene Italy, S.R.L. (through Grendene UK Limited.), Grendene Shanghai Trading Co, Ltd. And Grendene Global Brands Limited.
2-3	Reporting period, frequency and point of contact	The frequency of publication of the Sustainability Report is annual.
2-4	Restatements of information	Page 15
2-5	External verification	The report is not externally verified.
<b>Activities and employment</b>		
2-6	Activities, value chain and other business relationships	Pages 10, 22, 28, 56 and 60
2-7	Employees	Page 42
2-8	Workers who are not employees	Page 42
<b>Governance</b>		
2-9	Governance structure and composition	For more information access the <a href="#">Reference Form</a> . The self-declaration terms have not yet been applied to the members of the Board of Directors, Executive Board and Advisory Committees of the Board of Directors.
2-10	Appointment and selection of the highest governance body	See Policy for the appointment of members of the Board of Directors, its Advisory Committees and Statutory Board of Directors, available on the <a href="#">Investor Relations Website</a> .
2-11	President of the highest governance body	The chairman of the Board of Directors does not exercise executive functions at the Company.

<b>Universal Standards</b>		<b>Reference (p.) / direct answer</b>
2-12	Role of the highest governance body in overseeing the management of impacts	Page 33
2-13	Delegation of responsibility for managing impacts	Page 15
2-14	Role played by the highest governance body in sustainability reporting	The President is responsible for approving the sustainability report before publication.
2-15	Conflicts of interest	Page 31
2-16	Communication and crucial concerns	Page 31
2-17	Collective knowledge of the highest governance body	<p>During the fiscal year, the Board participated in three meetings focused on the ESG agenda, in May, June and October. Among the topics covered, we mention:</p> <ul style="list-style-type: none"> <li>• ESG and its main performance indicators</li> <li>• ESG from a financial perspective</li> <li>• Conscious capitalism</li> <li>• Transformation with purpose</li> </ul> <p>We also have a board (comprised of the president and directors) to discuss ESG together with the company's strategic direction (purpose, values and pillars) for the coming years. As a result of the meetings, we plan to establish new indicators, monitoring and targets.</p>
2-18	Performance evaluation of the highest governance body	Currently, the Company does not have a formal performance evaluation process.
2-19	Compensation policies	Page 35
2-20	Compensation determination process	Page 35
2-21	Proportion of total annual compensation	The Company will not report the data this year. Omission for confidentiality.
<b>Strategy, policies and practices</b>		
2-22	Statement on sustainable development a strategy	Pages 6 and 15
2-23	Commitments Policy	Pages 15, 36, 41 and 47
2-24	Incorporating commitment policies	Pages 36 and 47
2-25	Processes to remediate negative impacts	Page 39

Universal Standards		Reference (p.) / direct answer
2-26	Mechanism to seek guidance and expose concerns	Pages 36 and 39
2-27	Compliance with laws and regulations	We did not record significant cases of non-compliance with laws and regulations during the period covered by the report.
2-28	Participation in associations	<ul style="list-style-type: none"> <li>• <b>Instituto Brasileiro do PVC</b></li> <li>• IBPVC Comitê Técnico</li> <li>• PVC/Communication Promotion Committee</li> <li>• Governance/Statutory Committee</li> <li>• Comitê de Advocacy</li> <li>• <b>AMCHAM</b></li> <li>• <b>Amcham Brasil</b></li> <li>• Sales Commitee - Paulo Henrique Barth</li> <li>• Industrial Committee - Givago Roberto Goss de Oliveira</li> <li>• Legal Committee - Rafael Vieira Grazziotin</li> <li>• Leaders Meeting - Rudimar Dall'Onder</li> <li>• Sustainability Committee - Carlos Carvalho</li> <li>• Human Resources Committee - André Luis Pinto</li> <li>• Digital Transformation Committee - Paulo Pedro</li> <li>• Logistics Group - Douglas Giacomini</li> <li>• Logistics Group - Luciano Mantovani</li> <li>• Diversity Group - Graciane Koche</li> <li>• <b>Associação Brasileira das Indústrias de Calçados - Abicalçados</b></li> <li>• Board of Directors 2022/2025</li> <li>• Brazilian Footwear Project</li> <li>• <b>Associação Brasileira de Empresas de Componentes para Couro, Calçados e Artefatos</b> – Assintencal Board 2021/2023</li> <li>• Parque Estadual Sítio Fundão - Crato/CE</li> <li>• Advisory Board</li> <li>• <b>Instituto Brasileiro de Tecnologia do Couro, Calçado e Artefatos</b> - IBTeC Advisory Board of Directors 2021/2023</li> <li>• Sincal - Sobral/CE President</li> <li>• Sincalf - Fortaleza/CE President</li> <li>• Sindicato das Indústrias de Calçados e Artefatos de Farroupilha/RS</li> <li>• President Sesi e Senai – RS- Regional Board</li> </ul>
Stakeholder engagement		
2-29	Approach for stakeholder engagement	Pages 15 and 31
2-30	Collective bargaining agreements	Page 42

Universal Standards		Reference (p.) / direct answer		
<b>Material topics</b>				
3-1	Processes to determine material topics	Page 15		
3-2	List of material topics	Page 15		
3-3	Management of material topics	Page 31 31, 41, 47, 56, 69, 85, 91, 92 and 96		
<b>Specific Standards</b>				
<b>Economic Performance</b>				
201-1	Direct economic value generated and distributed	Page 28		
201-2	Financial implications and other risks and opportunities arising from climate change	Page 39		
202-1	Ratio between the lowest wage and the local minimum wage, broken down by gender	<b>Local minimum wage</b>	<b>Lowest salary in the Company: man</b>	<b>Lowest salary in the Company: woman</b>
		1,305.56	1,625.8	1,625.8
		Local minimum wage	Lowest salary in the Company: man	Lowest salary in the Company: woman
		1,212	1,256.52	1,256.52
<b>Purchasing practices</b>				
204-1	Percentage of expenditure with local suppliers	Page 56		
<b>Fight Against Corruption</b>				
205-1	Operations evaluated for risks related to Corruption	In the year 2022, the Company prepared and approved, by the Board of Directors, its first version of the Corporate Risk Matrix. Of the company's 15 macro areas/processes, in 10 areas corporate risk surveys and assessments were carried out (including risks related to corruption), according to the prioritization defined by Grendene's Audit Committee.		

<b>Specific Standards</b>		<b>Reference (p.) / direct answer</b>
205-2	Communication and training in anti-corruption policies and procedures	Page 36
205-3	Confirmed incidents of corruption and actions taken	During the year 2022, no cases of corruption were confirmed. Not applicable.

<b>Environmental Content</b>		<b>Reference (p.) / direct answer</b>
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<b>Materials</b>		
301-1	Materials used, listed by weight or volume	Page 91
301-2	Raw materials or recycled materials used	Page 91
301-3	Recovered products and packaging	Page 91

<b>Energy</b>		
302-1	Energy consumption in the organization	Page 87
302-3	Energy intensity	Page 87
302-4	Energy consumption reduction	Page 87

<b>Water and effluents</b>		
303-1	Interactions with water as a shared resource	Page 96
303-2	Management of impacts related to water disposal	Page 96
303-3	Water withdrawal	Page 96
303-4	Water disposal	Page 96
303-5	Water consumption	Page 96

Environmental Content		Reference (p.) / direct answer
<b>Emissions</b>		
305-1	Direct emissions of green house gases (GHG) (Scope 1)	Page 89
305-2	Indirect emissions (Scope 2) of greenhouse gases (GHG) from the purchase of energy	Page 89
305-3	Other emission of greenhouse gases (GHG) (Scope 3)	Page 89
305-4	Intensity of Emission of Green House Gases (GHG)	Page 89
305-5	Reduction of Emission of Green House Gases (GHG)	Page 89
<b>Waste</b>		
306-1	Waste generation and significant waste related impacts	Page 92
306-2	Management of significant waste related impacts	<p>Page 92</p> <p>The company also has a specific structure and sectors for recycling and reuse of inputs and raw materials, such as:</p> <ol style="list-style-type: none"> <li>1) The main raw material of the products is PVC – 100% recyclable. All leftovers, trimmings from processes and losses are recycled internally and return to the composition of the products;</li> <li>2) The company also uses EVA as raw material – both shaped and injected;</li> <li>3) Other polymers used at the factory, such as Polypropylene and Polyethylene, are also recyclable and recycled at the company;</li> <li>4) The solvent used in the cleaning processes of tools and painting utensils is recycled internally at the company's distillery and returns to the same activity from which it originated;</li> <li>5) Serigraphic inks and spray inks that are undergoing obsolescence are used internally through recycling and pigmentation processes;</li> <li>6) Obsolete pigments are returned to the supplier for recycling and return to the company;</li> <li>7) The PVC synthetic laminate shavings are reused in the PVC injection process;</li> <li>8) The company produces its inputs used for internal processes such as the manufacture of plastisol labels, which enables the recycling of leftover materials and burrs generated in the process itself;</li> <li>9) Development of efficient cleaning cloths for painting processes, with the aim of reducing the consumption of solvents;</li> <li>10) Investments in technologies such as automatic laminate cutting machines, which calculate the best way to cut for maximum use of parts, and digital printing machines.</li> </ol>
306-3	Generated waste	Page 92
306-4	Waste not sent to final disposal destination	Page 92

<b>Environmental Content</b>		<b>Reference (p.) / direct answer</b>
306-5	Waste sent to final disposal destination	Page 92
<b>Environmental assessment of suppliers</b>		
308-1	New suppliers selected based on environmental criteria	Page 58 The exact number of suppliers that went through the homologation process in 2022 is confidential.
308-2	Negative environmental impacts in the supply chain and measures taken	Page 58 During the approval process, we identified the risk of actual and/or potential impacts. In the scenario we have mapped, we do not have any risk identified. The exact number of suppliers that went through the process in 2022 is confidential.
<b>Social Content</b>		<b>Reference (p.) / direct answer</b>
<b>Employment</b>		
401-1	New hires and employee turnover	Page 42
401-2	Benefits offered to full-time employees that are not offered to temporary or part time employees	Page 45
401-3	Maternity/paternity leave	Page 46
<b>Occupational Health and Safety</b>		
403-1	Occupational health and safety management system	Page 53
403-2	Identification of hazards, risk assessment and incident investigation	Page 53
403-3	Occupational health services	Page 53
<b>Training and Education</b>		
404-1	Average hours of training per year, per employee	Page 50

<b>Social Content</b>		<b>Reference (p.) / direct answer</b>
404-2	Programs for improving employee skills and career transition assistance	Page 50 All investment in employee education is carried out through the Universidade Grendene or in other professional updating courses, with investment by the company. Grendene does not operate with educational assistance policies for undergraduate and graduate courses.
404-3	Percentage of employees receiving regular performance and career development assessments	The performance management process in 2022 was carried out only with the group of Trainers, a specific position in the industrial area. The focus of the assessment was to assess behavioral and technical skills. The evaluations were made by the immediate manager about his leader.
<b>Non-Discrimination</b>		
406-1	Cases of discrimination and corrective measures taken	In 2022, we had a case of a discriminatory comment, which, after being proven, led to immediate action with the person accused, as well as the carrying out of preventive actions.
<b>Freedom for labor unions and collective bargaining.</b>		
407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	Page 58
<b>Child Labor</b>		
408-1	Operations and suppliers with a significant risk of child labor cases	Page 58 We did not identify significant risks of occurrence of cases of child labor in operations and suppliers. The subject is part of our approval process.
<b>Forced or Slave Labor</b>		
409-1	Operations and suppliers with a significant risk of cases of forced or compulsory labor	Page 58 We did not identify significant risks of incidents of forced or compulsory labor in operations and suppliers. The topic is part of our approval process.
410-1	Security personnel trained in human rights policies or procedures	Page 47

<b>Social Content</b>	<b>Reference (p.) / direct answer</b>
<b>Social Evaluation of Suppliers</b>	
414-1	<p data-bbox="378 300 893 328">New suppliers selected based in social criteria</p> <p data-bbox="1122 284 2152 344">Pages 47 and 58 The exact number of suppliers that went through the approval process in 2022 is confidential.</p>
414-2	<p data-bbox="378 427 1077 456">Negative social impacts in the supply chain and measures taken</p> <p data-bbox="1122 379 2624 504">Page 58 During the homologation process, we identified the risk of actual and/or potential impacts. In the scenario we have mapped, we do not have any risk identified. In the scenario we have mapped, we do not have any risk identified.</p>

# SASB INDEX

## [CG-AA-250a.1](#)

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## [CG-AA-250a.2](#)

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Each new chemical product used in the manufacturing process undergoes a complete analysis, which assesses whether the product meets technical specifications and quality criteria. In parallel, the Safety Data Sheets for Chemical Products and declarations are requested to assess their composition, verifying restricted substances, origin (Vegan), and risks associated with work safety.

## [CG-AA-430a.1](#)

All supplier installations comply with applicable legislation. On-site assessments and audits are in the process of being implemented to collect data from 2023.

## [CG-AA-430a.2](#)

We have not surveyed this information

## [CG-AA-430b.1](#)

Page 58

Currently, supplier approval audits are conducted by Grendene, but we have not yet carried out a mapping of the number of suppliers that undergo the process. As of 2023, audits will be carried out by an external auditor.

## [CG-AA-430b.3](#)

Page 58

## [CG-AA-440a.3](#)

Priority raw materials come from fossil sources, such as resins and plasticizers. Raw materials of mineral origin, such as carbonate, talc and pigment are also relevant to the business.

A portion of plant source or post-consumer recycled represents the minority among the three sources (plasticizer and EVA resin). On average, 30% of the PVC compound (fossil and mineral) comes from factory waste (pre-consumer recycled).

More information about raw material supply:

Page 69 - Lower Impact Products / Lower Impact Collections

Page 71 - Raw material + Sustainable

Page 70 - Practices for Low Impact Design

Page 80 - Life Cycle Assessment (LCA) of Products

Page 79 - Circular Economy

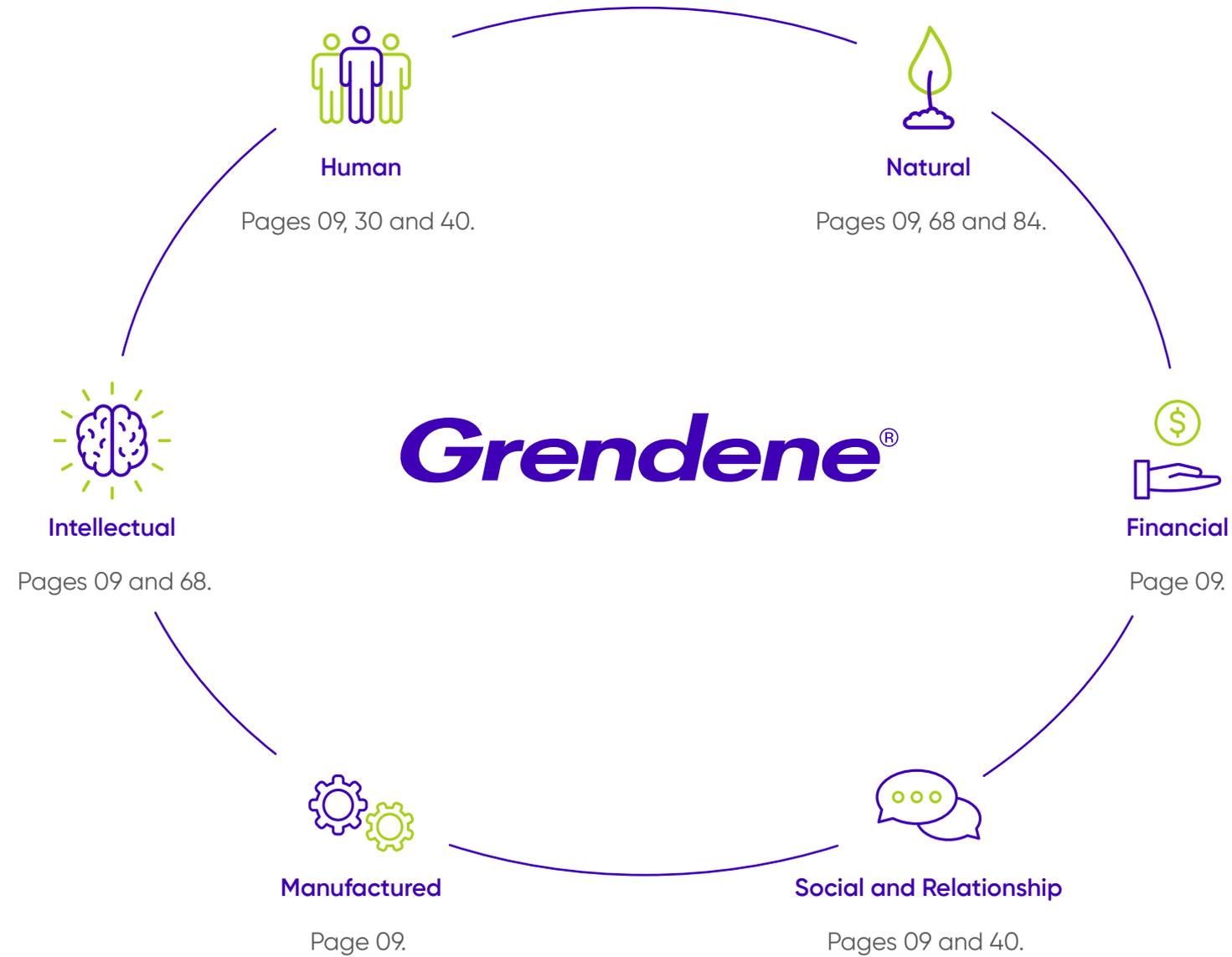
Page 82 - Packaging

Page 74 - Other fronts developed in 2022

Page 72 - Menu of materials with less impact

# TYPES OF CAPITAL

Discover, on the listed pages, the types of capital of the Integrated Report addressed in the document:



# SDG MAP

See the impacted SDGs on the listed pages below:

## PRIORITY SDG



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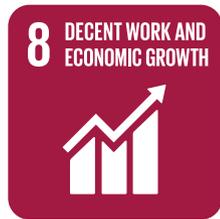
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## OTHER IMPACTED SDGS



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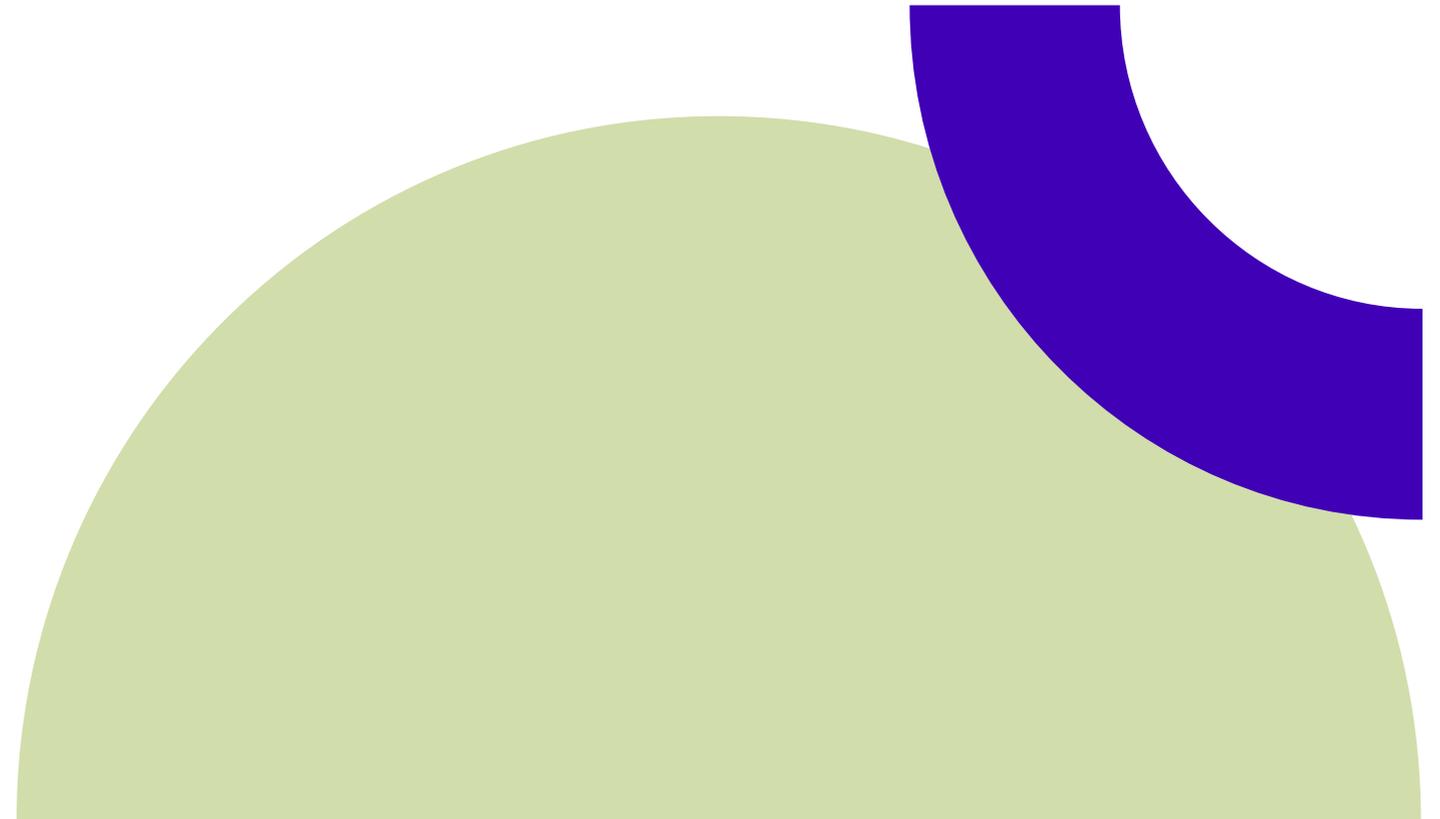
## To learn more:

Detailed results commented by management

[Financial Statements](#)

General outlook o relevant business aspects

[Annual Management Report](#)



The image features a repeating pattern of overlapping circles in two shades of blue on a dark blue background. A large, semi-transparent circle is centered in the image, containing the Grendene logo. The logo consists of the word "Grendene" in a white, italicized, sans-serif font, followed by a registered trademark symbol (®).

***Grendene***®