

2024 ANNUAL SUSTAINABILITY REPORT



ALPARGATAS

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INSPIRE THE WORLD TO WALK A LIGHTER PATH

Welcome to the Alpargatas 2024 Annual Sustainability Report!

In this edition, we present the history of our company over the past year, with a special focus on how our vision, culture, and strategies have evolved, as well as our results.

Throughout this period, our teams worked in a collaborative and co-creative manner, keeping the consumer at the center of our decision making, and were essentially guided by two new strategic pillars: **Focus on Competitiveness** and **Sustainable Growth**.

We worked to align our operations and organizational culture with global challenges and opportunities and to simplify our structure. We prioritized strategic markets internationally and explored innovation based on emerging trends and the needs of clients and consumers. At the same time, we have increasingly integrated sustainability into our business strategy and our daily lives as a cross-cutting topic shared by everyone in all areas of Alpargatas.

That's how we advanced in 2024. Now we invite you to learn about some of our most important steps, achievements, and challenges, always seeking to **inspire the world to walk a lighter path**.

LETTER FROM THE PRESIDENT

GRI 2-22

A year of recovery and inspiration

We started 2024, my first year at the helm of Alpargatas, with a commitment to streamline processes, portfolio, and markets, seeking greater efficiency for our business. After a challenging 2023, both economically and operationally, we continued with our restructuring efforts, strengthening the foundations for a more competitive operation, and guided by our vision of **inspiring the world to walk a lighter path.**

Despite a 50% reduction in our portfolio, we saw an improvement in sales volume in Brazil, an increase in profitability, and a higher productivity margin, as well as indebtedness falling to zero. In every direction we look, we see positive results in terms of growth and stabilization, achieved through the implementation of actions aligned with the two pillars that guide our strategy: **focus on competitiveness** and **sustainable growth.**

It's true that we still face challenges in the international market, which accounts for 25% of the company's results, and we will continue to work consistently to make the coming years promising in this respect. We have focused on reorganizing our commercial structure and meeting the expectations of our consumers and clients served by our other business units: Europe, the United States, and Export Markets, including Asia, Africa, and part of Latin America.

In 2024, we also resumed our consistent investments in marketing and launched exclusive products in successful collabs, such as the one with Dolce & Gabbana, reinforcing the brand's potential as a product of desire and aspiration. The Havaianas campaign during the Paris Olympic and Paralympic Games was also a highlight, with the brand's presence on the uniforms of Brazilian athletes and the development of an inclusive flip-flop model for people with disabilities, in partnership with the Brazilian Paralympic Committee. As a pioneer in cause marketing, we are proud to celebrate 20 years of collaboration with the Institute for Ecological Research (IPÊ), which, among other developments, has enabled the planting of more than 8 million trees in the Atlantic Forest.

Through a combination of commercial restructuring, a focused portfolio, pricing, and communication, we improved the competitiveness and relevance of the Havaianas brand in the footwear segment and with strategic audiences. Despite the slowdown in the footwear sector and in the midst of our recovery process, we grew more than the category and gained market share.

Our journey has been guided by the pursuit of sustainable growth, as evidenced by the revision of our Sustainability Strategy. In recent years, we have refined our vision and strategic management of sustainability, and in 2024 we worked to restructure our commitments, seeking to strengthen their foundations, add clarity, and ensure relevant results for the environment, society, and the company. We have made progress in our governance with the revitalization of the Sustainability Commission and the internalization of

this issue throughout the company, in the management of climate risks, and in the development of our reverse logistics program, Havaianas reCYCLE.

The Alpargatas Institute, our social action organization, continues to be an important channel for development in the regions where we operate, especially in the Northeast of Brazil, where most of our operations are located. In the area of Inclusive and Quality Education alone, we have created more than 350,000 structural development opportunities in 500 schools in the states of Paraíba, Pernambuco, and Minas Gerais.

We see diversity, equity, and inclusion as opportunities to value unique talents and strengthen our teams with diverse perspectives, bringing us closer to our consumers. Our adherence to Mover (acronym for Movement for Racial Equity) and our other 2030 goals reflect this purpose.

In the midst of all this, ioasys and Rothy's, our other two companies, have been important sources of inspiration. The former for being a benchmark in technology and innovation, and the latter for its sustainable nature, with a portfolio of products made entirely from recycled PET.

I truly believe that the success of the companies of the future lies in the development of a complete ecosystem, involving partners, suppliers, startups, clients, and universities in the search for sustainable solutions. In 2025, we expect to continue on this path and to have even more stories to tell. Let's continue together!

Liel Miranda | CEO of Alpargatas

ABOUT THE REPORT

GRI 2-1, 2-2, 2-3, 2-5, 2-14

The 2024 Annual Sustainability Report consolidates our main actions and results for the period from January 1 to December 31, 2024. Both this report and the financial disclosures have an annual reporting period. While they have the same base and year, the sustainability report is published at a later date due to the need to collect information for the sustainability indicators.

The content is aligned with the ESG (Environmental, Social, and Governance) agenda and the United Nations Sustainable Development Goals (SDGs) from the United Nations (UN), taking into account the material topics addressed by Alpargatas and its Sustainability Strategy, which was revised in 2024. Currently, the highest body that analyzes and signs off on the company's Sustainability Report is the Executive Committee, composed of the Vice Presidents and the CEO.

This report also includes the financial results and performance indicators in accordance with the standards established by the Global Reporting Initiative (GRI) and by the Sustainability Accounting

Standards Board (SASB), also including references from the International Integrated Reporting Council (IIRC).

The information reported refers to Alpargatas S.A. (corporately*), the Havaianas brand, and ioasys – the Group's technology company – which is partially included in the scope of the report. The Rothy's brand, in which we hold a 49.2% stake, is only included contextually. The consolidated financial statements include Alpargatas, Havaianas, Rothy's, and ioasys. Alpargatas's 2024 Annual Sustainability Report has been externally assured by KPMG with a limited assurance level. [Click here](#) to access the full Independent Auditors' Limited Assurance Report. To learn more about our corporate structure and legal form, [click here](#).

**International operations are included in the report and are specifically noted when not covered in the report.*



To view Alpargatas's Annual Sustainability Reports from previous years, [click here](#).



Questions about the Annual Sustainability Report and its contents can be sent to sustentabilidade@alparqatas.com.



Materiality GRI 3-1, 3-2

The material topics guide our strategy and reflect the significant economic, environmental, and social impacts for the operation of a company. They form the basis of the GRI and SASB content that is reported and monitored annually. In each section of the Annual Sustainability Report, we show the relationship between materiality and the ESG pillars addressed by Alpargatas.

The materiality considered in this report is the same as in 2023 (date of the last review) and aligns with the topics relevant to the company's business from the perspective of our stakeholders. The process of building our materiality matrix can be found in the previously published accountability document. [See here](#).

Material topics GRI 3-2





WE ARE ALPA

GRI 2-1, 2-6

Alpargatas is a global company, founded and headquartered in Brazil for over 117 years. **We are committed to inspiring the world with incredible brands that bring lightness and joy to the daily lives of consumers.**

We own the **Havaianas** brand, known for its iconic flip-flops that have represented *Brazilianness*, comfort, and style since 1962.

With more than 11,000 employees*, we are a publicly traded company, with shares listed on the São Paulo Stock Exchange since 1913. Our operations are based and consolidated in Brazil, with four manufacturing plants, and we are also present in more than 100 countries, concentrating our efforts in 15 priority markets.

For more than 20 years, we have relied on the **Alpargatas Institute** as our social action organization, focusing on the local development of the regions where we operate (read more in the *Relationship with society* section).

ioasys is our digital native company, focused on technology and innovation solutions. We also have a 49.2% stake in **Rothy's**, a North American brand of sustainable footwear and accessories made from fibers from plastic waste.

*Alpargatas + ioasys



havaianas®

The Havaianas brand was created in 1962, in São Paulo, and the first model developed was inspired by the Japanese Zori sandal, and named Tradi. The product immediately captured the hearts of Brazilians. We are the official inventors of the rubber flip-flop (we even hold the patent) and for this reason our sandals are exclusive - supporting the slogan that says that "only Havaianas are Havaianas." Today, there are more than 1,300 exclusive Havaianas stores worldwide – 860 in Brazil and 444 abroad. Havaianas are sold in more than 100 countries, with more than 350,000 points of sale in Brazil alone, always in partnership with distributors and wholesalers. We work to ensure that our products give consumers a sense of freedom.

ioasys

A technology company specializing in innovative, agile and efficient solutions with a focus on user experience. The company has a history of more than 12 years and was acquired by Alpargatas in 2021. Its activities range from strategic design to the development, maintenance and continuous improvement of solutions, relying on multidisciplinary teams that actively participate in all phases. In addition to serving various clients in the national and international markets, ioasys is involved in the digital development of Alpargatas, using technology as a pillar for the company's growth.

ROTHY'S

Rothy's is a brand that uses textile fibers developed from PET bottles to create premium footwear, handbags, and accessories that offer consumers style, comfort, and sustainability. Headquartered in San Francisco, the company sells its products online and through its 26 brick-and-mortar stores.



GLOBAL PRESENCE

GRI 2-1, 2-6

United States

1 office – Los Angeles

Colombia

1 office – Bogotá

Brazil

- 1 office**
 - São Paulo, SP - Alpa headquarters
- 4 plants**
 - Carpina, PE
 - Campina Grande, PB
 - Santa Rita, PB
 - Montes Claros, MG
- 2 Distribution Centers**
 - DC in Extrema, MG
 - DC in Campina Grande, PB
- ioasys**
 - São Paulo, SP
 - Belo Horizonte, MG

Europe

- 6 offices**
 - Madrid, Spain
 - Dusseldorf, Germany
 - Paris, France
 - Bologna, Italy
 - Lisbon, Portugal
 - London, UK

United Arab Emirates

1 office – Dubai

China

1 office – Shanghai

Hong Kong

1 office – Hong Kong

The map includes both company offices and coworking spaces, which may not be exclusively owned by the company.

Manufactured CAPITAL

RESOURCES

- 4 factories
- 2 own Distribution Centers (DCs)
- 1 Innovation Center
- 12 offices worldwide
- 1,300 exclusive stores worldwide and more than 350,000 points of sale
- 137 Tier 1 suppliers (raw materials and finished goods)
- [ioasys - 2 offices](#)

RESULTS

- 226 million+ pairs of Havaianas sold worldwide
- Havaianas accessories and apparel portfolio
- New exclusive and innovative Havaianas models, such as the collab with Dolce&Gabbana and the inclusive product with the Brazilian Paralympic Committee
- [ioasys - projects with 38 clients](#)

Financial CAPITAL

RESOURCES

- Publicly traded corporation listed on B3
- R\$159 million of CAPEX at Alpargatas
- Havaianas: brand value estimated at more than \$700 million*

RESULTS

- R\$4.1 billion in consolidated net revenues (+10% vs. 2023)
- R\$575.2 million in adjusted EBTIDA (+64.7% vs. 2023)
- R\$157.9 million in adjusted net income

*BrandZ ranking, a survey of the most valuable brands in Brazil conducted by Kantar in 2024.

Intellectual CAPITAL

RESOURCES

- Research and development of new models at the Innovation Center and in partnership with universities
- Alpa Learning Universe (ALU), Alpargatas's corporate university
- Alpa Belt Experience Program: training of employees in agile methodologies and design thinking
- Investment of R\$1.4 million in reverse logistics and circular economy programs
- Implementation of the SAP S/4 HANA system

RESULTS

- Lines of research focused on sustainability, functionality, and business transformation
- Training paths offered in ALU
- 76 employees with Belt training certification
- Development of the rubber recycling chain and launch of waste products from the reCYCLE program at FEICON
- Optimization of the company's data governance, ensuring integrity

ALPARGATAS

Value Creation Model

An organization's ability to create value for itself is related to the value it creates for others. In this infographic, we show how Alpargatas, through its strategy, transforms its resources into results for its stakeholders in different aspects (the capitals).



VISION: Inspire the world to walk a lighter path

Global corporate STRATEGY:

- ▶ Focus and competitiveness
- ▶ Sustainable growth

Sustainability STRATEGY:

- ▶ Circular economy
- ▶ Responsible operations
- ▶ Diversity & Inclusion and Social Responsibility

Human CAPITAL

RESOURCES

- 10,948 employees, considering Alpargatas and ioasys
- Review of culture principles
- 'You' wellness program with body, mind, and soul pillars
- Safety as a non-negotiable value
- Commitments in the Sustainability Strategy in relation to D&I and Living Wage

RESULTS

- Adherence to the Movement for Racial Equity (MOVER)
- Launch of the Parenting Policy
- Improved process for identifying risks associated with workplace accidents
- Principles of Alpargatas culture: We walk together, We make things happen, and We are inspired by Consumers

Social and Relationship CAPITAL

RESOURCES

- More than R\$8.8 million invested in the social programs of the Alpargatas Institute
- Alpa Volunteers in Action platform for employees
- More than 3.7 thousand B2B clients who distribute our products
- Creation of the Corporate Affairs area
- Culture principle of being inspired by consumers
- Commitments in the Sustainability Strategy in relation to diversity and inclusion and local development

RESULTS

- R\$357,000 donated to the NGO All Out as a result of the sale of Havaianas Pride products
- Approximately 357,000 people impacted by social programs
- 77 corporate volunteering events with 530 volunteers
- Havaianas in 95% of Brazilian homes
- Improvement of the OTIF indicator, reaching a delivery accuracy of 70%
- Active engagement in over 10 associations

Natural CAPITAL

RESOURCES

- Environmental investments estimated at R\$ 8.5 million, in initiatives such as the reCYCLE reverse logistics program
- Products with prints from the Institute for Ecological Research (IPÊ) with the transfer of 7% of the proceeds
- Diagnosis of climate risks
- Commitments in the Sustainability Strategy in relation to the circular economy and responsible operations

RESULTS

- New waste center and 11 p.p. increase in industrial rubber waste sent for recycling
- 2% decrease in absolute greenhouse gas (GHG) emissions
- Expansion of Havaianas reCYCLE, available at more than 350 collection points, with 148,000 pairs collected worldwide in 2024
- More than R\$11 million transferred to IPÊ in 20 years of partnership for conservation projects in Brazilian biomes (R\$200,000 in 2024)
- Mapped climate risks



GOVERNANCE

ESG
ENVIRONMENTAL SOCIAL GOVERNANCE

Material topic covered in the section:

- Supplier management

SDG corresponding to this section:

Alpargatas is committed to **good corporate governance practices** because it understands the importance of this issue for the credibility and reputation of companies, as well as for creating a healthy and safe working environment. We are guided by the principles of transparency, ethics, and integrity in our daily business. Our commitment to responsible practices is a priority, both internally and in our relationships with our stakeholders.

That's why we are constantly improving our policies and processes in order to grow in an ethical and sustainable way. We are part of the group of Level 1 companies included in B3's Corporate Governance, which requires high standards of management and communication with the market.



GOVERNANCE FRAMEWORK

Board of Directors

GRI 2-9, 2-10, 2-11, 2-12, 2-17

The Board of Directors (BD) is the highest governance body. It is responsible for determining the long-term strategy of the company, nominating the members of the Executive Board, and deciding on matters relevant to the business and operations of Alpargatas. The Chairman of the Board of Directors does not hold an executive position in the company.

The members of the Board of Directors are elected by the General Meeting for a term of one year and may be removed from office at any time. The Annual General Meeting also selects a board member to represent the minority shareholders, also for a one-year term. The Advisory Committees of the Board of Directors are composed of board members and non-board members, executive or otherwise. Members are selected by the Board from among individuals with a high level of knowledge and experience in the areas covered by each committee – currently seven men and one woman, two of whom are independent.

Audit
Committee

Strategy
Committee

Finance
Committee

People,
Management, and
Sustainability
Committee

We now have a People, Management, and Sustainability Committee (CGGS) - formerly the People and Management Committee (CGG). With this change, strategic sustainability agendas are now discussed with the company's Board of Directors.

The criteria for appointing board members include a formal commitment to comply with the company's rules, policies, and Code of Conduct and Ethics, as well as those established by law.

The members of the Board of Directors meet regularly to evaluate, discuss and provide guidance on the performance and effectiveness of all processes of the organization. The Board reports on financial, social, and environmental performance through formal reports.

The Board of Directors was responsible for the approval of Alpargatas's sustainability strategy at the highest level of management, which represents the internalization of this issue in the company's strategic development in the medium and long term. In 2024, following a collective decision by the Brazilian Securities and Exchange Commission (CVM), one of our members was removed from office and no longer serves on the Board.



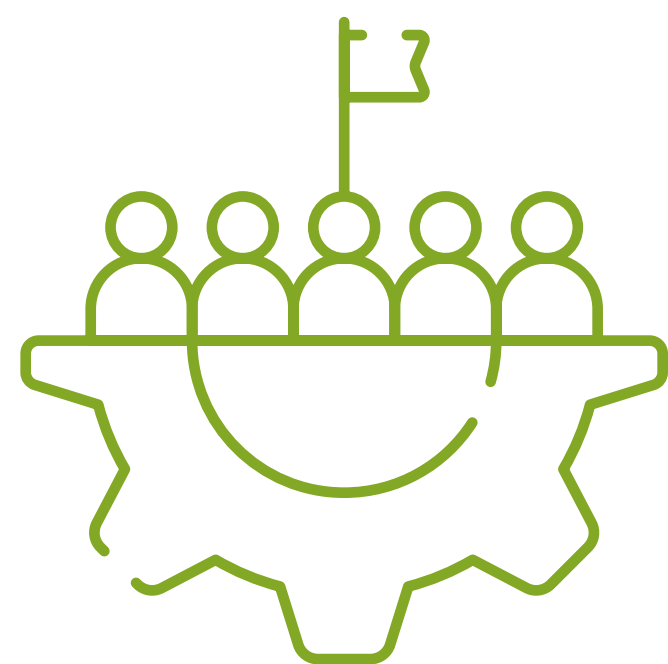
See the duties and composition of the Committees on the [Investor Relations page](#).

Executive Board/C-Suite

GRI 2-12, 2-13

It is responsible for managing the business and taking the necessary actions for the success of Alpargatas and for implementing the decisions of the Board of Directors. It is composed of 12 members, including a CEO and 11 Vice Presidents. Currently, the responsibility for managing the company's social and environmental impacts is divided among different areas of the company, mainly between the Sustainability Department and the Environmental Department.

As a result of the reorganization of areas and teams, some leadership changes were made in 2024. As announced in the previous report, Liel Miranda took over as CEO in February 2024.



Jorge Ramalho, then Vice President of Technology, left Alpargatas and was replaced by Mauro Alarcon on January 20, 2025. Fernando Rosa joined the company as Vice President of the Havaianas Brazil BU. Diane Bekhor, then Vice President of the United States BU, left the company, and Sandro Ribeiro, then Commercial Director NA&C (North America and Caribbean), took over as Vice President of that business unit. In March 2025, José Roberto Daniello also stepped down as Vice President of People, and Marcos Aurélio Vidal took over this position in May 2025.



See the composition of the Commissions on the [Investor Relations page](#).

Alpargatas's corporate governance framework also includes two committees:

Ethics and Compliance Commission

An independent body responsible for the Compliance Program and which has the Ethics and Compliance Commission Policy as its own charter.

Sustainability Commission

An independent body with its own internal charter, responsible for guiding and discussing progress on the sustainability agenda. The Commission, which was suspended in 2023, resumed operations in 2024 with a quarterly agenda. It is composed of the CEO and C-level executives from the Industrial, Supply Chain, People, Marketing, and Legal departments, as well as the Head of Sustainability. In 2024, the Commission addressed a range of important topics, including the review and approval of the Sustainability Strategy, the national and international social and environmental regulatory framework, and the governance of this issue.

REMUNERATION POLICY

GRI 2-19, 2-20

Our Remuneration Policy is managed by the Global Vice President of People, together with the CEO, and applies to all Alpargatas managers and employees. We engage independent external consultants to provide advisory services related to the identification, support, and guidance on remuneration practices. These consultants are selected based on their specific expertise and contracted individually according to the subject matter.

The objective is to provide a remuneration package that guarantees a competitive salary and encourages an entrepreneurial mindset and meritocracy through a system of short- and long-term incentives linked to performance and value creation.

The types of compensation established are fixed remuneration, variable pay, and benefits. Movements, including merit increases and promotions, take into account employee performance. Any proposed change – whether in salaries, fees, benefits, or changes to incentive

models – requires evaluation by the People, Management, and Sustainability Committee and subsequent approval by the Board of Directors. Our short-term incentive program is based on growth and value creation for the company. Its composition takes into account financial indicators and individual goals linked to the business strategy, such as innovation, waste reduction, and new technologies. Variable pay is also designed to reward employees for achieving and exceeding both corporate and individual goals in line with the company's strategic plan. The remuneration of employees in our operations is now based on the Living Wage, with a target of 20% above the level suggested by the methodology.

The members of the Board of Directors and of the Advisory Committees receive fixed monthly fees. Independent members who serve on the Board and coordinate one of the advisory committees also participate in the company's long-term incentive program.

RISK MANAGEMENT

GRI 2-12, 2-13

Risk management and control is based on the Institute of Internal Auditors (IIA) model, which aims to identify structures and processes that help us achieve our strategic objectives and enable us to manage and control risks.

The company's risk management process has been reformulated to include not only Alpargatas's 2024 corporate strategies, but also financial, regulatory, operational, image, information security, and sustainability aspects. Alpargatas's top executives participated in the identification, analysis, and prioritization of risks in order to bring the risk management process closer to the company's decision makers. **A specific process for mapping risks and opportunities related to climate change was also initiated in 2024, and the new matrix is currently being validated for compliance with IFRS S1 and S2.**

The company's established processes are in place across all operations, particularly in areas such as Mergers and Acquisitions (M&A), supply chain, and industrial operations.

We also conducted risk assessments at Alpargatas in the UK, Italy, Greece and France, completing the compliance risk assessments for Alpargatas Europe with the compilation of self-assessment reports for all international areas in Europe. In this way, we complied with the requirements of local regulations on the subject and prepared material for the start of the Alpargatas Compliance Risk Assessment in 2025.

From 2022 to 2024, we communicated five material concerns to the Board each year. In 2024, the concerns were related to financial, operational, reputational, technological and/or regulatory risks. GRI 2-16

While ioasys is not directly exposed to technology disruptions, any impact on its clients could affect the services provided. For this reason, we invest in team training to ensure resilience and support the continuity of our clients' critical operations.

SASB TC-SI-550a.2

DATA PRIVACY AND SECURITY

GRI 3-3 (Material topic: Technology and innovation)

All our activities in Brazil comply with the Brazilian General Data Protection Law (GDPL) and related laws, and our units abroad operate in accordance with local regulations. This topic is constantly reviewed and communicated internally through training courses and specific tools. We have an **Information Security Master Plan** that guides our actions and initiatives, ensuring governance and control of this issue and focusing efforts on the most critical points for the protection of the business, people, and consumers.

In addition to legal requirements, information security and privacy initiatives follow the premises set forth in our internal policies, with well-defined processes controlled by operational and risk indicators. This plan is overseen by senior management, which provides active and direct support for requirements.

In 2024, we implemented rigorous control processes that focus on detection, prevention, continuous monitoring, and immediate response to attacks, ensuring effective management of security risks and building a solid foundation for a digital future where awareness and information security are part of the corporate culture.

CyberOT (industrial security)

One of the major advances of 2024 was CyberOT. The project is an industrial security initiative that focuses on protecting operating systems and operational technology. The project aims to ensure the integrity and availability of industrial systems and **prevent cyber-attacks that could compromise the operation and security of industrial facilities.** Through advanced security measures and continuous monitoring, CyberOT works to mitigate risks and ensure the continuity of Alpargatas's industrial processes.

Adoption of Generative AI

Artificial intelligence (AI) is considered a risk factor in terms of information security and privacy, as well as ethics and compliance. We are mindful of international laws, local laws and regulations applicable to our industry, including antitrust standards and internal policies. We have implemented comprehensive cybersecurity and data protection programs based on technical and scientific knowledge, with information curation and monitoring of usage indicators.

We conducted a general assessment of the state of AI adoption, trained our technology team, and defined a responsible use policy.

We determined that its use is contingent upon formal compliance with our Terms of Acceptance, which consist of clear guidelines for its ethical and safe use.



ioasys's investments in cloud computing to modernize operations and mitigate risks

1,351

licenses or subscriptions

100%

hosted or operating on a computing platform or cloud*

*Same percentage as in 2022 and 2023, although the number of licenses or subscriptions was 548 and 1,448, respectively. SASB TC-SI-000.A

ETHICS AND COMPLIANCE

GRI 2-24

Our Compliance Program establishes procedures for better control and management of the company, promoting the creation of an ethical and corruption-free environment. This is one of the ways to ensure honesty, integrity, and respect for people, society and the law and which must guide the behavior of all those who work for and interact with Alpargatas. The Program consolidates the guidelines established by Brazilian legislation and the main international laws on the fight against corruption and other illegal acts.



Learn about our **Compliance Program**.



Ethics and compliance in 2024

GRI 2-9, 2-23, 2-24, 2-25, 2-26, 2-27

Alpargatas is committed to remediating any identified adverse impacts and implementing measures to prevent future compliance damage. As a tool for this identification, we have an independent reporting channel and conduct Compliance Risk Assessments on a recurring basis.

Training: 1,200 employees have received in-person¹ or online compliance training at different levels and on different topics, such as Anti-Corruption Practices, Reporting Channel, Abusive Behavior, and Conflicts of Interest.

Communication: Conversation Circles were held in Montes Claros, MG (with the participation of 81 operators from different sectors, shifts, lengths of service, genders, and sexual orientations); four corporate emails were sent on the following topics: 2023 Reporting Channel Indicators; 2024 Municipal Elections; How to Use the Reporting Channel; and Gifts and Inducements. Beginning in

¹In-person training was conducted at all of the company's manufacturing sites and covered all management and production support areas, excluding operators, who make up the majority of the workforce.

September 2024, Daily Safety Dialogues have been sent once a month on compliance-related topics such as Municipal Elections, Bullying, Sexual Harassment, and Discrimination.

Internal Controls: The Code of Conduct and Ethics, the Compliance Program, and the Reporting Channel are presented to new employees as part of their onboarding process. New employees also complete questionnaires on Politically Exposed Persons (PEPs) and conflicts of interest. In addition, all employees sign an acknowledgement of the Code of Conduct and Ethics when they are hired.



Total number of significant instances of non-compliance with laws and regulations

GRI 2-27

	2022	2023	2024
Number of instances for which non-monetary sanctions were incurred	0	1	0
Total number and the monetary amount of fines for instances of noncompliance with laws and regulations	0	1	1
Total monetary amount of fines for instances of noncompliance with laws and regulations (R\$)	0	146,000	222,000

Note: Significant fines are those that individually exceed R\$50,000.00. Only in cases of non-compliance with tax laws and regulations was a materiality threshold of R\$ 60 million applied, due to the specific nature and scale of such occurrences.



Conflict of interest

GRI 2-15

Board members responsible for approving the Conflicts of Interest Policy, as well as the advisory committees are required to complete questionnaires on related parties and links with Politically Exposed Persons (PEP). If the Compliance area is notified of any potential or existing conflict of interest, either by the person involved or by a third party, the case will be escalated to the Ethics and Compliance Commission. This Commission will analyze and decide on the action to be taken to eliminate

such conflict in accordance with the guidelines set forth in this policy.

In 2024, a single case of related party conflict of interest was discussed by the Commission and deemed to be unfounded and therefore not escalated to the Audit Committee (see more below).



[Learn about our Conflict of Interest Policy.](#)

Code of Conduct and Ethics

GRI 2-23

Our Code of Conduct and Ethics establishes the guidelines and principles that must be followed by all employees, including board members and managers, service providers, suppliers, and clients, as well as shareholders and other stakeholders. The document summarizes our way of being and provides guidance on how everyone associated with the company should act to always make the right decision. Respect for the rules of the Code is stipulated in Alpargatas's contracts with third parties, and the document, along with the Anti-Corruption and Good Practices Handbook, must also be signed must be signed when a supplier is registered.

Alpargatas is a member of the United Nations Global Compact, and its ten principles related to human rights, labor, the environment, and anti-corruption are reflected in its publicly available policies. These policies are also in line with the three pillars of action of the UN Guiding Principles on Business and Human Rights, which are specifically aimed at ensuring human rights (protect, respect, remedy) at the business level and throughout the value chain.



[Learn about our Code of Conduct and Ethics.](#)



Reporting Channel

GRI 2-25, 2-26

Suspicious behavior or situations that do not comply with our Code of Conduct and Ethics can be reported through the Reporting Channel. The channel is managed by an independent and internationally recognized company that receives reports, either anonymously or by name. It is available to all employees and third parties, even if they have no direct relationship with Alpargatas. There are no territorial or subject restrictions, and reports can be made in Portuguese, English, or Spanish.

Reports are submitted every quarter to the Ethics and Compliance Commission, which monitors the issues reported and, where necessary, proposes actions to reduce or eliminate compliance risks. The entire process ensures confidentiality and protects data and identities, and guarantees that there will be no retaliation against whistleblowers or those involved.

Compliance conducts outreach to promote and encourage use of the channel through internal communications and the Daily Safety Dialogues mentioned above. We also have Compliance Ambassadors, who are senior professionals from each site who can assist with internal investigations related to the Reporting Channel. Suppliers can access the channel through the institutional websites, and all of them are informed in their contracts of the means to access and report any behavior or conduct that violates the principles of the Alpargatas Code of Conduct and Ethics.

In 2024, a total of 32 requests for advice and 608 concerns were registered regarding responsible business conduct in the organization's operations and business relationships. As in previous years, all cases will be investigated and those found to be substantiated may result in warnings, suspension, dismissal, termination of employment, or changes to the company's internal procedures.

Reporting Channel numbers in 2024

Concerns/grievances received via the Reporting Channel

	2022	2023	2024
Number of concerns received	402	492	608
Percentage of concerns that were addressed, resolved, or found to be unsubstantiated	100%	100%	100%

Note: percentage of concerns that have been addressed, resolved, or found to be unsubstantiated from 2023 has been adjusted, as the outstanding cases have been duly addressed. GRI 2-4



Official reporting channels:



Website www.canalconfidencial.com.br/alpargatas for reports in Portuguese and www.compliancehelplinealpargatas.com for reports in English and Spanish



Telephone 0800 770 7791 (available only in Brazil)

Incidents of discrimination

GRI 406-1

We are committed to fighting all forms of discrimination, and to this end we have strengthened the dissemination of our Reporting Channel. In 2024, we recorded 172 incidents of discrimination, a decrease from the previous year, reflecting the strengthening

of preventive measures and the more effective identification of abusive behavior. These initiatives include training provided by Compliance and People, as well as support from Internal Communications. The Reporting Channel continues to be widely promoted to ensure a safer and more inclusive environment. No incidents of discrimination were recorded at ioasys during the reporting period.

Total number and status of incidents of discrimination

GRI 406-1

	2022		2023		2024	
	Alpargatas	ioasys	Alpargatas	ioasys	Alpargatas	ioasys
Remediation plans being implemented	0	0	32	0	9	0
Incident no longer subject to action	132	0	146	0	163	0
Total	132	0	178	0	172	0

Note: we consider the following behaviors to be discrimination: physical aggression, mobbing, sexual harassment, sexual assault, insults, and discrimination based on race, nationality, age, gender, sexual orientation, among others. In 2024, there were 172 incidents at Alpargatas, of which 161 were instances of harassment and 11 of discrimination. A remediation plan is currently being implemented in 9 of these cases. The other 163 cases have already been addressed and resolved.

HOW TO REPORT AN INCIDENT:

1

Reporting an incident

- Through the reporting channel, by phone or online.
- Received and handled by a third party company that manages the channel.

2

Classification and escalation

- After initial processing, reports are classified and escalated to Compliance.
- If the information is vague or insufficient, the whistleblower is contacted through the platform to provide additional details.

3

Analysis and forwarding

- Compliance checks whether the report is within the scope of the Reporting Channel.
- If not, the report is forwarded to the appropriate area.

4

Investigation

- With sufficient information, Compliance defines the investigation process.
- If necessary, it can rely on the support of internal departments or specialized external companies.

5

Conclusion and action

- If the allegation is confirmed, action plans are developed.
- Measures may include adjustments to internal procedures or disciplinary sanctions for those involved.

Stakeholder engagement

GRI 2-29

We are committed to a transparent and proactive relationship with our stakeholders, and to this end we have a number of relationship channels, according to the characteristics of each audience, through which we provide information, respond to requests and maintain engagement and dialogue.



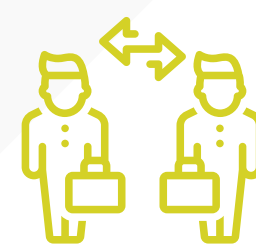
Audience

Purpose of engagement



Employees

We want to keep our employees engaged and motivated, increase their pride of belonging, take care of their well-being and productivity, and strengthen the desired culture.



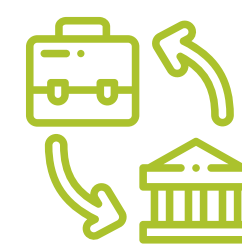
B2B clients and franchisees

We ensure that our B2B clients are properly served and that our products are available to consumers at the various points of sale where the brand is present.



Consumers

We want to inspire our consumers with differentiated brands and products that deliver high perceived value, while being socially and environmentally responsible.



Investors

All investors are treated equally, ensuring the broad and timely dissemination of information about the company's business, respecting the rules established by regulatory bodies and internal policies, and making Alpargatas an attractive investment.



General

We protect our reputation by monitoring and analyzing all points of exposure of our institutional brand and its spokespeople to ensure that the image and discourse reflect the positioning defined institutionally, in line with our strategic business vision and the principles of our culture.

Form of engagement

- Annual survey on employee engagement and journey
- Wellness programs and actions
- Endomarketing initiatives
- Communication channels broken down and customized by location/profile
- Initiatives and programs focused on pride in belonging and strengthening culture
- Volunteer activities
- Reporting Channel

- Order and management portals catering to franchisees
- Customer service department
- Trade departments focused on managing strategies with clients and points of sale
- Joint annual plans
- Team of sales executives and consultants for commercial service
- Recurring visits by commercial leaders
- Merchandising team (promoters)
- Investment management

- Marketing campaigns
- Interactions through company social media
- Availability of information on institutional and e-commerce websites
- Grievance and reporting channels
- Interest surveys
- Presence at corporate events
- Reverse logistics program (reCYCLE)

- Financial reports
- Reference and Registration Forms
- Management Proposal
- Annual General Meeting
- Notice to the Market and Material Fact
- Extraordinary General Meeting

- Reports published
- Events and meetings, in-person and online
- Calls
- Press office
- Updating and monitoring the reputational health of brands and of the company on social media, such as LinkedIn and Instagram

Membership associations

GRI 2-28

Alpargatas participates in the following associations:

- Brazilian Advertisers Association (ABA)
- Brazilian Association of Corporate Communication (ABERJE)
- Brazilian Association of Publicly-Held Companies (ABRASCA)
- Brand Protection Group (BPG)
- UN Global Compact
- Business Coalition for Racial and Gender Equity
- Amcham Brazil
- Movement for Racial Equity (MOVER)
- Brazilian Association of Wholesalers and Distributors of Industrialized Products (ABAD)
- Brazilian Franchising Association (ABF)
- International Trademark Association (INTA)

We also follow the standards of the Brazilian Textile Retail Association (ABVTEX).

Human rights

GRI 2-23, 2-24, 3-3 (Material topic: Supplier management), 407-1, 408-1, 409-1

Ensuring human rights is non-negotiable for Alpargatas. Within our own operations, we are committed to complying with global labor laws and to the well-being of our direct and indirect employees. This means that Alpa does not condone or accept any form of forced or compulsory labor (slave-like), or the use of child labor. We only hire employees between the ages of 16 and 18 who are enrolled in the federal government's Youth Apprenticeship Program. In addition to our internal safeguards, we recognize that our responsibility extends beyond the walls of our facility and into the supply chain from which our products originate.

The Supplier Management Department also conducts qualification and requalification audits of Tier 1 suppliers of raw materials and finished products, as well as qualification audits of selected Tier 2 suppliers, covering issues such as freedom of association and collective bargaining, child labor, exposure of young people to hazardous work, and forced and/or compulsory labor. No instances or risks of child labor, forced labor, or violations of the right to freedom of collective bargaining were identified in the qualification audits conducted by the Supplier Management area.

In addition to other issues already described, we have zero tolerance for illegal immigration into the country, any form of discrimination, harassment, corporal or mental punishment, physical or verbal coercion, or any behavior that is considered sexual, threatening, abusive, or exploitative. While there may be a risk of these situations occurring, our due diligence process is structured to prevent the approval of any supplier operating under these conditions.



See more in the [Supply chain management section \(page 41\)](#).



STRATEGIES AND RESULTS

ESG
ENVIRONMENTAL
SOCIAL
GOVERNANCE

Material topic covered in the section:

- Economic and financial performance

SDG corresponding to this section:



FINANCIAL RESULTS

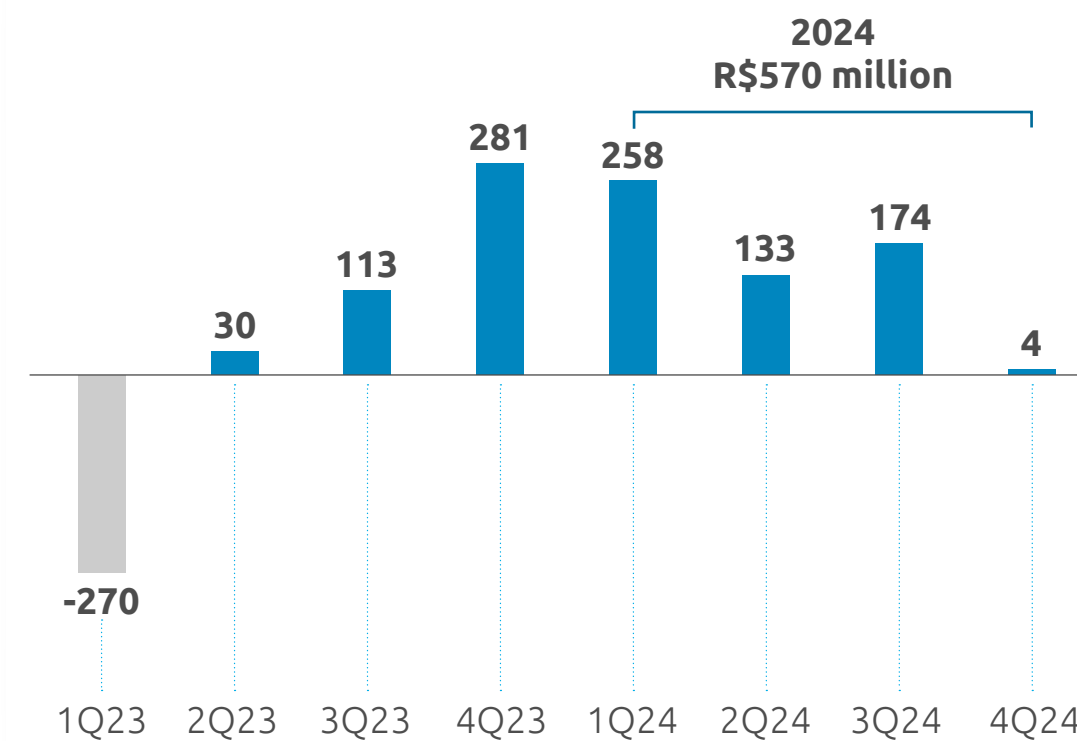
GRI 3-3 (Material topic: Economic and financial performance), 201-1

Even after 117 years, we are still a company in transformation. Throughout 2024, we continued the process started in 2023 to achieve financial discipline. We moved from a scenario of high working capital, overstocking, and large Capex investments to a shift toward adjusting and controlling expenses.

The company ended 2024 with a total **operating cash generation** of R\$570 million. This was the seventh consecutive quarter of positive net cash generation and a net operating generation of R\$1.1 billion since we reversed this trend in May 2023.

To achieve this result, we sought efficiencies on several fronts. In terms of structure, a major focus has been on centralization and optimization. Today, we have global areas, condensing a previously dispersed operating

Operating cash generation (R\$ million)



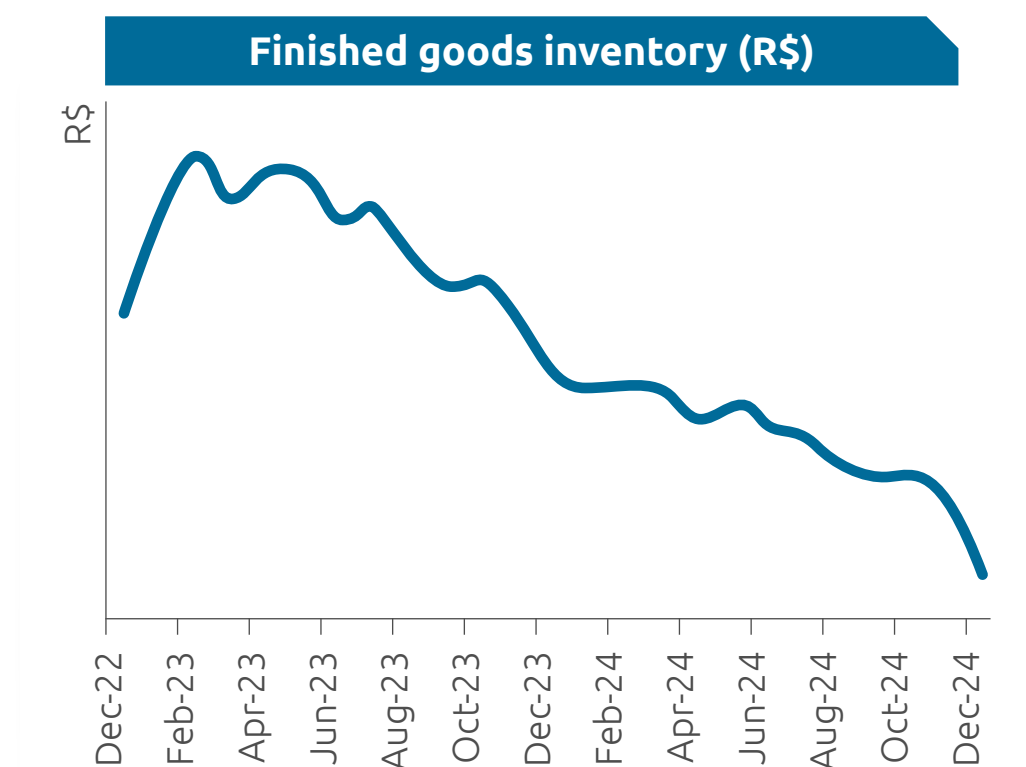
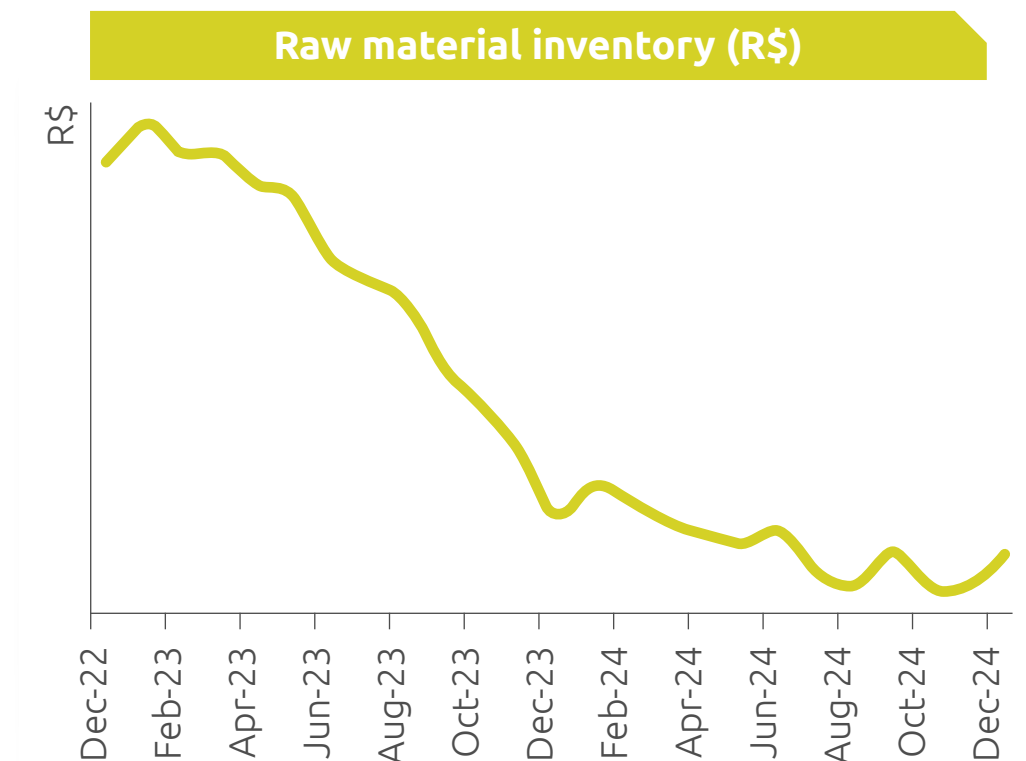
model, which has not only resulted in savings, but also more consistent standards for reporting numbers.

In addition, **the review of processes and the portfolio, which was reduced by 50% compared to the previous collection,** has contributed significantly to balancing the accounts and strengthening financial efficiency. In the fourth quarter of 2024, total expenditure on ZBB packages was 92% of the level recorded in the first quarter of 2023. Taking into account the effect of exchange

rate movements over the period, it is estimated that around 4 percentage points were added to this curve. Excluding this effect, real expenditure on fixed packages would have been approximately 82% in the fourth quarter of 2024.

In Brazil, the inventory reduction efforts that started in 2023 were effective, and we returned to projected sales levels in 2024 (see charts on the side).

With a significant increase in volume, we went from 184 million pairs to 204 million pairs. This was key to the operational recovery and the strengthening of profitability. The result for the quarter also reflects **the improvement in the delivery efficiency indicator (OTIF), which is still consolidated at levels close to 70%, even in a seasonal quarter.** The Black Friday campaign was key to maintaining our market leadership. The sales team continues to improve performance at points of sale, with more promoters and greater proximity to customers, ensuring a constant presence linked to the needs of each channel.



Our challenge remains in the international market, particularly in the United States and Europe, where volume growth has not yet been achieved. Actions are now underway to review the commercial structure and to invest heavily in marketing, not only in Europe but also in other regions. The brand activations during the Paris Olympics are an example of this. In Europe, there was a significant correction in the level of service in order to regain credibility with our customers, which we did by achieving an average OTIF of 55% (compared to 16% in 2023). This rate, although still far from ideal, shows a trend towards significant progress.

In our U.S. operation, we saw a 29% increase in the volume of pairs sold compared to the fourth quarter of 2023, which is still not enough to absorb the expenses in the region. We remain focused on finding alternatives and business models that will allow us not only to offset costs, but also to build a growth agenda in the North American market.

Given the track record of the last few years and our strategic turnaround, we expect to continue on a growth path in 2025.

Nearly
226.6 million
pairs of Havaianas
footwear sold worldwide
(up 9.5% from 2023)

R\$ 4.1 billion
in consolidated net revenue
(up 10% from 2023)

R\$ 575.2 million
adjusted EBITDA
(up 64.7% from 2023)

R\$ 157.9 million
adjusted net income

Net debt/recurring
adjusted EBITDA of
-0.3
(compared to 2.6 in 2023)

**ALPA
FIGURES
IN 2024**

Direct economic value generated and distributed (R\$ thousand)

GRI 201-1

	2022	2023	2024
Total revenues	4,437,755.87	3,849,040.58	4,275,232.18
Economic value distributed			
Operating costs	2,254,163.00	2,237,930.96	2,335,615.00
Employee wages and benefits	994,615.00	874,684.00	1,003,743.00
Payments to providers of capital	446,334.00	284,206.00	270,477.00
Payments to government	980,949.00	459,046.00	361,494.00
Community investments	5,839.00	12,684.09	8,534.74
Total	4,681,900.00	3,868,551.05	3,979,863.74
Economic value retained			
Direct economic value generated less economic value distributed	-244,144.13	-19,510.47	295,368.44

Note 1: the total revenue figures for 2022 and 2023 have been adjusted to include revenue from financial investments and asset sales, in addition to net sales. As a result, the economic value retained line has also been adjusted. GRI 2-4

Note 2: the economic value generated and distributed is presented on a consolidated basis, in line with the Financial Statements, as the most representative operations are concentrated in Brazil. The amounts for the other countries are not significant and are distributed in a dispersed manner.

Economic value distributed (%)

GRI 201-1

	2022	2023	2024
Operating costs	48.1%	57.8%	58.7%
Employee wages and benefits	21.2%	22.6%	25.2%
Payments to providers of capital	9.5%	7.3%	6.8%
Payments to government	21.0%	11.9%	9.1%
Community investments	0.1%	0.3%	0.2%



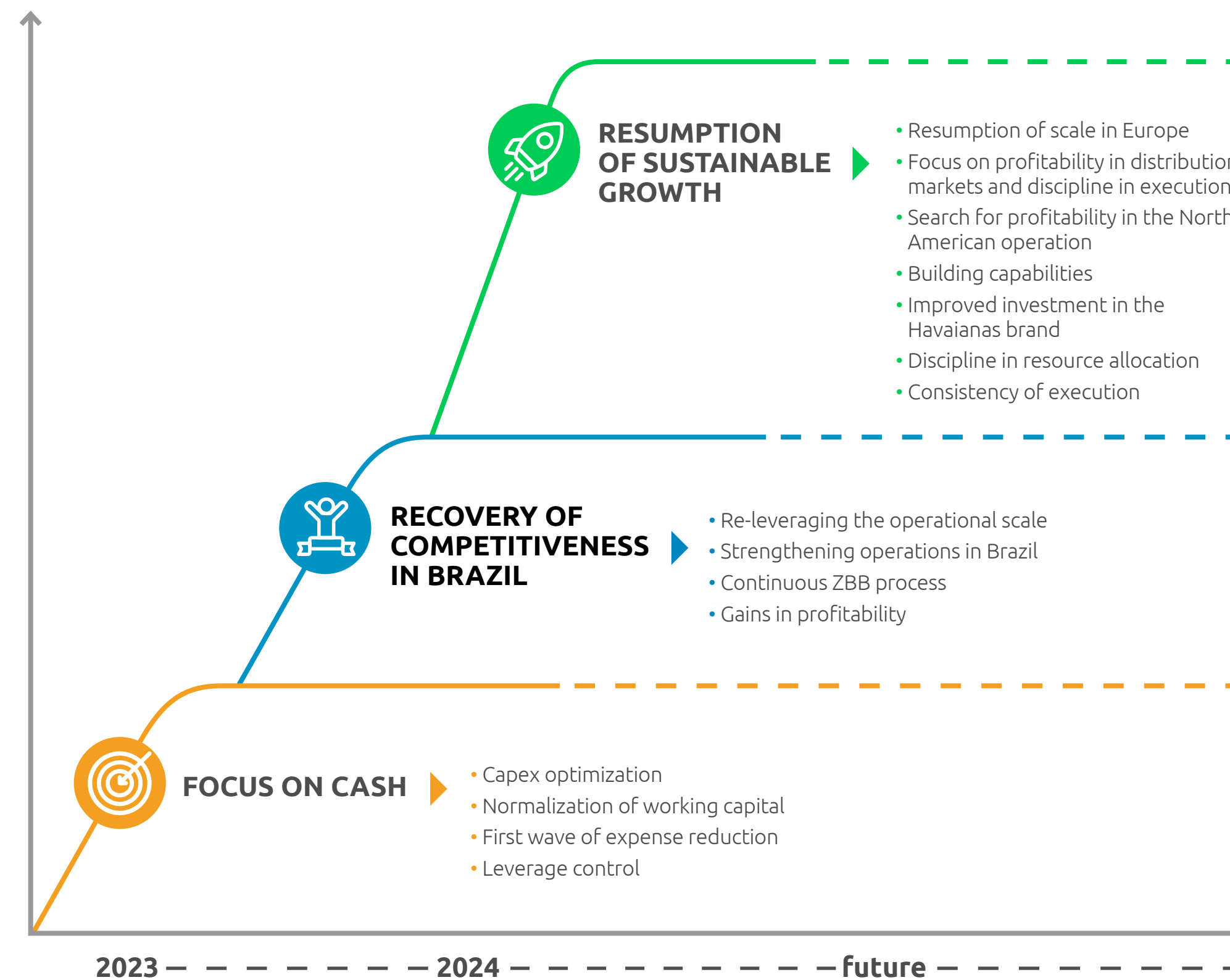
More financial information
can be obtained on our
[Investor Relations](#) page.

CORPORATE STRATEGY

In 2024, we initiated our recovery journey, seeking greater operating efficiency and strengthening our leadership in the Brazilian market, while focusing on expanding our presence in key international markets. The new paths have given concrete shape to the evolution of the organizational culture (read more in the Our people section), to the new growth strategies, and to the vision of the future – announced in the second half of the year.

After analyzing our strengths and seeking to reinforce our positioning as a company that promotes positive experiences for the future, we established a vision of **inspiring the world to walk a lighter path**, which should also reflect our international presence, brands, products, and organizational culture.

Along with this vision, we defined the new pillars of our global strategy: **Focus and Competitiveness**, and **Sustainable Growth**.



[Watch the official video of Alpargatas's corporate strategy.](#)

Inspire the world to walk a lighter path

This is our vision for the future.

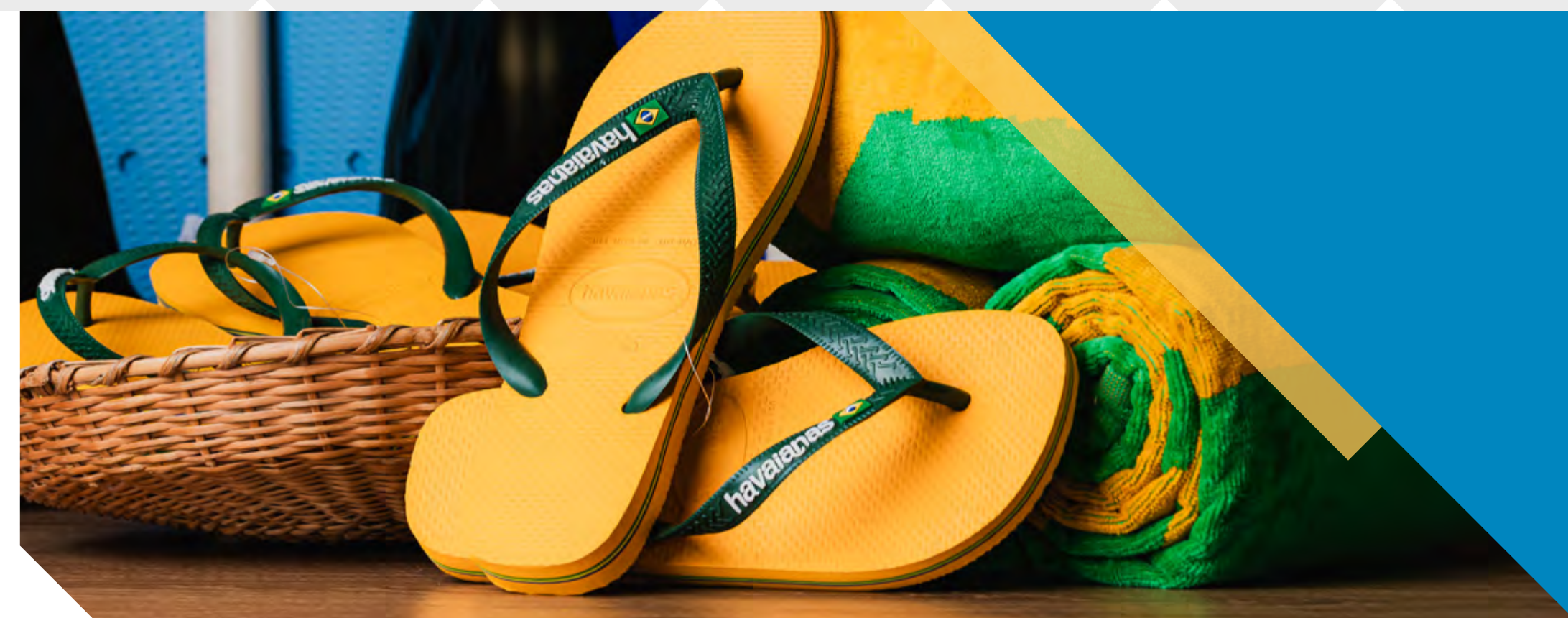
This phrase refers to our intention to be globally relevant and inspire consumers, clients, and partners, and reflects the core of our business, which is footwear, connecting to our collaborative and lighthearted work culture, always focusing on the social and environmental responsibility of our operations.

Focus and competitiveness and Sustainable growth

These are the pillars that guide our corporate strategy. The focus is on Havaianas, a universally-available brand, and its iconic products. Our growth model in Brazil is to strengthen our leadership in the food channels – retail, supermarkets – and in the women’s category. However, other channels are also important, such as the specialty channel – department stores, shoe stores – and other categories, such as men’s and children’s stores.

Internationally, we have prioritized 15 markets to ensure operational consistency across channels and geographies and to consolidate the brand globally. They are: Italy, the United Kingdom, France, Spain, the Philippines, Indonesia, Thailand, Taiwan, Australia, Colombia, Argentina, South Africa, Angola, Israel, and the United States, where we are also looking to accelerate Rothy’s.

We will focus on the emerging needs of clients and consumers, with a disciplined use of resources to ensure adequate returns. New flip-flop formats and new materials, as well as collaborations with other brands, continue to be essential for Havaianas to remain connected to trends and a relevant brand in different markets, without neglecting the growth of our other companies – ioasys and Rothy’s – in their respective segments.



Focus and competitiveness

Growth model - Brazil	Portfolio strategy	Simplification	Development of skills
Protect our leadership position in the Brazilian market. In 2024: <ul style="list-style-type: none"> • 1.7 p.p. gain in market share compared to 4Q23 • Adjusted EBIDTA margin of 26% (in line with the best 4Qs of the last decade) 	Focus on the strength of our democratic brand and iconic products. In 2024: <ul style="list-style-type: none"> • 2nd most admired brand in Brazil • Normalization of post write-off stock, consisting of 90% flip-flops and 90% of items from the last two collections 	Maximize gains in operational efficiency through simplification. In 2024: <ul style="list-style-type: none"> • ZBB culture, down 8% over 1Q23 • Continued diligence in relation to the reductions achieved 	Enhance the ability to deliver an exceptional experience for clients and consumers In 2024: <ul style="list-style-type: none"> • Structural improvement in OTIF, consolidated at 70% • Greater manufacturing and logistics efficiency, with a 10% reduction in cost/pair, consolidated YoY

Sustainable growth

Growth model - International	Capturing trends	Allocation of resources	Development of skills
Concentrate efforts on priority markets, ensuring consistency in operations and brand development. In 2024: <ul style="list-style-type: none"> • Recovering competitiveness in Europe • Profitability adjustment in countries operated by distributors 	Capture emerging trends. Innovate based on the needs of clients and consumers. In 2024: <ul style="list-style-type: none"> • Performance at the point of sale, with standardization and an increase in the number of displays 	Strict and disciplined capital allocation in order to achieve desired levels of return. In 2024: <ul style="list-style-type: none"> • Evolution of the net cash position • Rothy’s reaches EBITDA of US\$17.7 million in 2024 	Develop the skills needed to advance in the channels and audiences with the greatest opportunities. In 2024: <ul style="list-style-type: none"> • Organize Black Friday events, with gains in share • 21% growth in sales of the men’s collection in Brazil



Sustainability Strategy

GRI 2-12, 2-13, 2-24

For Alpargatas, sustainability is an enabler of the future and the markets, linked to the continuity of our business and closely related to our intention to leave a lighter footprint in the world. This is the way of doing things that we pursue and seek to inspire.

Back in 2022, the company published the first version of its Sustainability Strategy, linked to our business strategy, and structured its formal, cross-cutting governance process. In 2024, after two years working on the issue, this strategy underwent a comprehensive review process to ensure its soundness, strengthen its foundations and concepts, add clarity and accountability, and ensure relevant results.

Governance of the Sustainability Strategy is managed by Alpargatas's Sustainability area. Each commitment has the direct involvement of a multidisciplinary working group that acts strategically and operationally to ensure its planning and execution. These groups, known as Journeys, are comprised of a sponsor, an operational leader, and other members. In all, there are

close to 60 people involved, from 20 different areas of the company.

In line with the strategic management approach already in place at the company, the routine for internalizing the topic also includes twice-yearly meetings between leaders and the main related VPs, for reporting, discussion, and deliberations.

Other significant developments in management that took place in 2024 include the resumption of the Sustainability Commission and the integration of this topic into the highest level of governance, through the People, Management, and Sustainability Committee (read more in the Our governance section).

At the beginning of 2025, Sustainability became part of the Legal Vice Presidency, integrating a larger framework, Corporate Affairs, which aims to strengthen and strategically unite performance and positioning in terms of corporate sustainability, the Alpargatas Institute, government relations, and reputation.

Strategy review

Over the past two years, both the company and the market have undergone some very significant changes. Based on this reality and the maturation of our social and environmental management approach, we believe it is essential to reflect this new perspective in our Sustainability Strategy.

We have thoroughly evaluated our internal scenario – looking at mistakes and lessons learned, risks and opportunities, perspectives, values, challenges, etc. – and the external scenario – studying the reality of the different areas, audiences and markets, in addition to trends, references, concepts, and technical guidelines.

In a period of more than one year, we worked across the board with all of the multidisciplinary teams, leaders, and vice presidents involved to reorganize a strategy

that would reflect our corporate goals, while addressing the sensitive issues of our business, in a current, clear, scientifically-based and consistent manner, reflecting our commitment to excellence, the evolution of sustainability, and the longevity of our business.

The scenario to be presented included a technical revision of seven commitments (based on adjustments to calculations, concepts, scopes, ambition, etc.) and a strategic revision of two other commitments (based on a broader restructuring), and was approved by all corporate bodies, from tactical and operational to vice presidencies, the Sustainability Commission, and the People, Management, and Sustainability Committee.



ALPARGATAS'S SUSTAINABILITY STRATEGY | TARGETS 2030



CIRCULAR ECONOMY

Operate across our value chain according to the principles of the circular economy, from design to post-use

- Ensure a structured evolution of products with environmental attributes through the launch of open footwear lines
- Achieve 100% use of renewable and/or recycled raw materials in packaging
- Ensure the health of the Havaianas rubber recycling chain (industrial and post-consumer waste)
- Have 100% of monobrand stores with reverse logistics programs (by 2025)



RESPONSIBLE OPERATIONS

Reduce the impact of our operations by acting as a catalyst for a responsible value chain

- Have 100% of the electricity in the factories come from renewable sources
- Reduce energy intensity in the factories by 25% (total industrial energy mix)
- Reduce emissions (Scope 1 and 2) by 57% by 2030
- Evolve the vision of the value chain to set a target (Scope 3) – by 2026
- Have 100% of the suppliers of raw materials and finished products approved and monitored in accordance with Alpargatas's social and environmental criteria



DIVERSITY & INCLUSION AND SOCIAL RESPONSIBILITY

Act in the regions and environments where we operate, contributing to a more diverse, inclusive, and equitable society

- Ensure that 25% of management positions are held by underrepresented groups
- Ensure that 50% of leadership positions are held by women
- Promote 5 million development opportunities in the regions where we operate, through structural programs
- Ensure that all employees are paid 20% above the living wage

∞ CIRCULAR ECONOMY



[Click here](#) to learn more about the targets of our Sustainability Strategy.

PACKAGING

Achieve 100% use of renewable and/or recycled raw materials in packaging



What changed

We have evolved in the way we manage our packaging, always understanding the importance of this issue. We have therefore recalibrated our ambition to meet the challenge of having **all** our packaging (the packaging that comes with our products) made from **renewable and/or recycled sources** by 2030.

For the calculations, we adjusted our baseline by including new categories used in DTC (direct-to-consumer) and removing those that remain in the production process (handled by our waste management).

PRODUCT

Ensure a structured evolution of products with environmental attributes through the launch of open footwear lines

By 2030, the company is committed to a structured evolution of open footwear with environmental attributes. This will consider performance improvements over business as usual, including aspects related to raw materials, carbon footprint, water footprint, and/or end of life of the product. We have already started this process, and we will report on the progress made on a discretionary basis over the next few years.

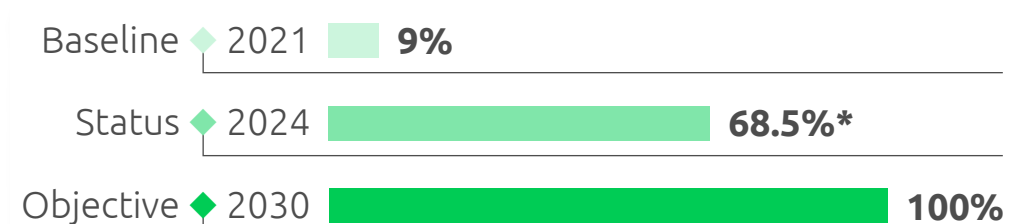
What changed

The commitment related to the evolution of our products has undergone a **structural change**. The previous indicator was based on an increase in the reuse of industrial waste in our formulations. However, this was no longer aligned with our environmental strategy, which was focused precisely on **reducing the generation of this waste**.

Therefore, to **materialize** the delivery of **effective environmental innovations** to consumers, the company is committed to launching product lines with superior environmental performance, enabling a gradual and structured **evolution that is sustainable in the long term and supports our journey of transition**.

RECYCLING CHAIN

Ensure the sustainability of the Havaianas rubber recycling chain (industrial and post-consumer waste)



What changed

The challenge of rubber circularity is quite **complex**, and for the last five years we have been committed to **structuring and sustaining it in the long term**.

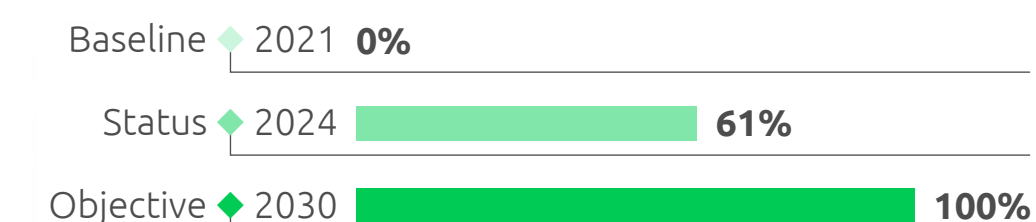
The initial commitment centered exclusively on the number of pairs collected during the first stage of the cycle, which **does not reflect the true challenge of creating a circular chain** – previously non-existent – consisting of many other stages and players. The volume collected **cannot be sustained if a subsequent destination (chain) is not viable or attractive**.

By restructuring this commitment, we are including **industrial rubber waste** in addition to post-consumer waste.

**Average between the rates of recycled uncontaminated vulcanized industrial rubber waste (65%) and rubber from flip-flop soles recovered through reverse logistics (72%).*

REVERSE LOGISTICS

Have 100% of monobrand stores with reverse logistics program implemented



What changed

We remain committed to implementing a reverse logistics program in all our monobrand stores. And because we understand the importance and urgency of having this infrastructure in place, **we will strive to achieve this target by the end of 2025**.



RESPONSIBLE OPERATIONS

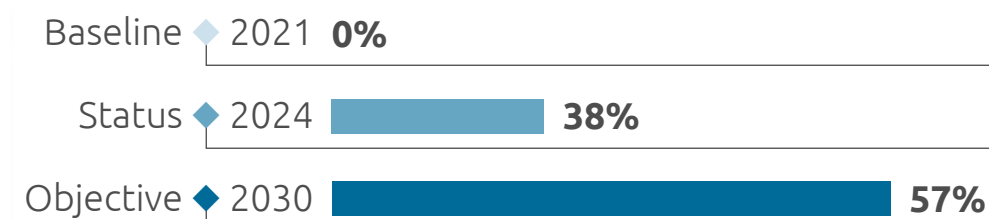


[Click here](#) to learn more about the targets of our Sustainability Strategy.

CLIMATE CHANGE

- Reduce 57% of emissions (Scopes 1 and 2) by 2030
- Evolve the vision of the value chain to set a target (Scope 3) - by 2026

Target - Scopes 1 and 2:



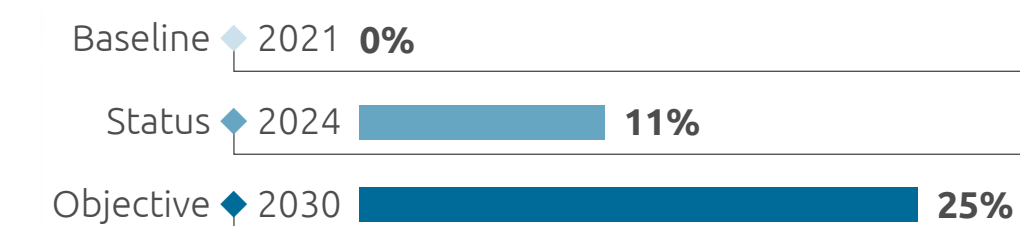
What changed

We have revised our emissions reduction targets, using the Science Based Targets initiative (SBTi) as a methodological reference. Consequently, in the proposed Scope 1 and 2 indicator, **we have increased our ambition of reducing absolute emissions by 57%** (maintaining the baseline year and target year).

For a responsible and effective commitment to reduce Scope 3 emissions, we recognize that we still have work to do and are committed to developing this process so that we can present it publicly in 2026.

ENERGY INTENSITY

- Reduce the energy intensity of the factories by 25%

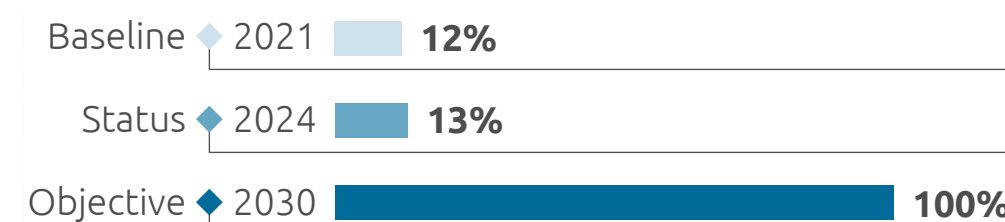


What changed

The energy intensity commitment has been revised to include not only electricity consumption, but also **the entire energy mix used in our industrial operations** (including fossil fuels, etc.), in line with our **decarbonization strategy**. Along with the expanded scope, we have also **increased our reduction ambition**.

RENEWABLE ENERGY

- Have 100% of electricity from renewable sources in the factories

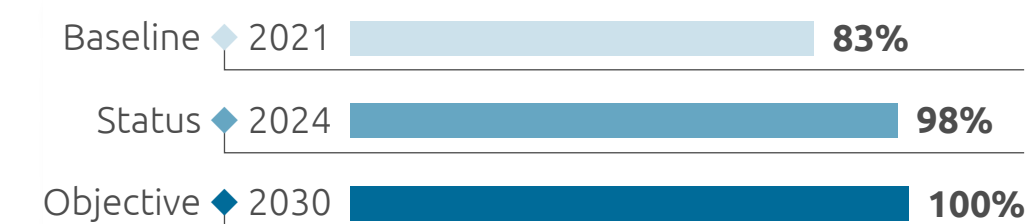


This target has not been revised and will be maintained and monitored as proposed in 2022.

This commitment considers renewable energy to be energy that has a proven origin, whether it is purchased (with government incentives, I-REC, etc.) or self-produced.

SUSTAINABLE SUPPLIERS

- Have 100% of raw material and finished product suppliers approved and monitored in accordance with Alpargatas's social and environmental criteria



What changed

The target was revised to include adapting the calculations to the updated methodology, as well as **focusing on suppliers of raw materials and finished products**. Sensitive suppliers, i.e., those requiring development, are monitored using specific procedures and criteria. For this reason, they have been excluded from the calculation. **Tier 3 will focus on footwear suppliers**, which are the most representative in the business.



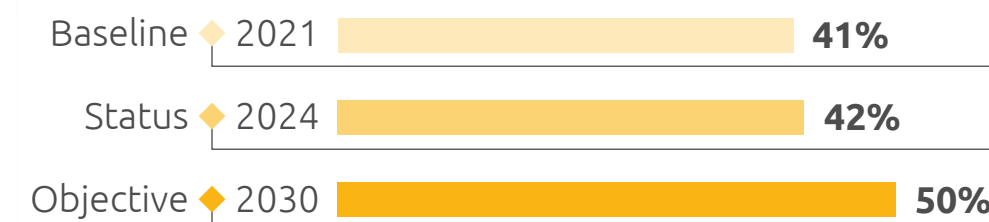
DIVERSITY & INCLUSION AND SOCIAL RESPONSIBILITY



[Click here](#) to learn more about the targets of our Sustainability Strategy.

WOMEN IN LEADERSHIP POSITIONS

Ensure that 50% of leadership positions are held by women



This target has not been revised and will be maintained and monitored as proposed in 2022. In this commitment, leadership is considered to be the classification of positions above grade 17, as defined by Hay Group's Points Methodology. This encompasses roles such as director and extends up to the CEO position. The process also includes actions to strengthen the female leadership pipeline, which will sustain the journey towards the target by 2030.

UNDERREPRESENTED GROUPS IN MANAGEMENT POSITIONS

Ensure that 25% of management positions are held by underrepresented groups

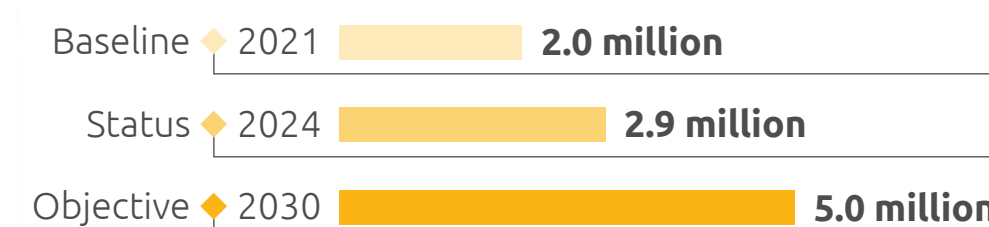


This target has not been revised and will be maintained and monitored as proposed in 2022. The target considers positions classified above grade 14 as management.

Although the indicator has been achieved, there is **still important work to be done** to support it and to develop it together with the **Business Movement for Racial Equity (Mover)**. The focus of this effort will be on race, with the aim of improving the management and quality of this topic.

LOCAL DEVELOPMENT

Promote 5 million development opportunities in the regions where we operate, through structural

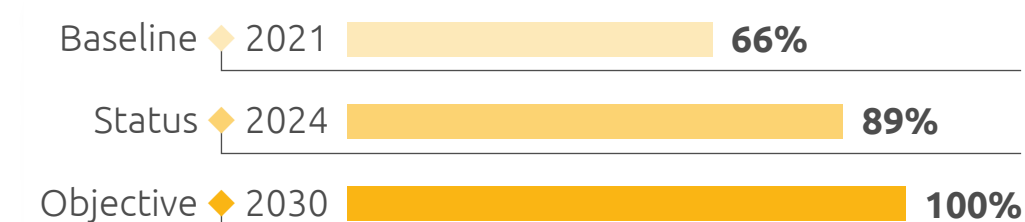


What changed

The local development target has been revised and now includes the **structural opportunities for development** created and promoted by the Alpargatas Institute in the regions where we operate. In addition, reflecting the potential of our actions, we have also recalibrated our ambitions, increasing the target.

LIVING WAGE

Ensure that all employees are paid 20% above the living wage



What changed

To reaffirm the company's commitment to fair remuneration for all employees, the target for this topic is now aligned with the internationally developed and accepted **concept of a living wage**. In this way, in addition to **following best practices** (and adding a voluntary percentage), the target is clearer in terms of its basis, calculation, and transparency.

AWARDS AND RECOGNITION



- International Franchise Seal from the Brazilian Franchising Association (ABF)

- *Merco Corporate Reputation Ranking*, Clothing, Footwear, and Accessories category, awarded by Merco

- *Ranking BranZ* – Most Valuable Brands in Brazil by Kantar

- *Most Valuable Brands in Brazil*, 20th place, by Interbrand



- *Most Valuable Brands in Brazil*, 35th place, by Consumidor Moderno

- *Carioca Brands*, categoria A Cara do Rio (The Face of Rio) category, by *O Globo*

- *Most Valuable Brands during the Olympic Games*, 4th place, by Datafolha

- *Caliber Reputation Ranking*, The 24 Best Companies in the Trust and Admiration Indicator, by Caliber and M&M



- *20 Brands Best Evaluated by Brazilians*, by the Ipsos ranking

- *Rio's Most Loved*, in the Sandals category, by *Veja Rio*

- *The Brands that Won Over Brazil*, 2nd place, by Meio & Mensagem

- *Experience Awards 2024*, Fashion category, by SoluCX



Fashion Transparency Index Brazil

The Fashion Transparency Index evaluates the disclosure of information related to ethical practices, environmental impact, and workplace conditions throughout the fashion production chain. In 2024, the methodology of the index was revised and Alpargatas actively participated in this restructuring process, proposing improvements and participating in an in-person event with a historical analysis of the social and environmental performance of more than 60 Brazilian fashion brands. We have been participating in the index since 2018, when it was first held in Brazil, **and in 2023, the last time we were evaluated in the index, the Havaianas brand was ranked 6th out of 60, making it one of the 10 most transparent Brazilian fashion brands in terms of social and environmental management.**



OUR PRODUCTS AND CAMPAIGNS

ESG
ENVIRONMENTAL SOCIAL GOVERNANCE

HAVAIANAS

GRI 2-6

Alpargatas's corporate strategy, grounded in focus and competitiveness, **has led to a 50% reduction in our product catalog compared to 2023. The portfolio has been streamlined and more organized, ending 2024 with growth in production and sales volume.** The strategic actions we implemented fueled our recovery in 2024 and have positioned us for an acceleration in 2025.



Investments in marketing have helped us regain a physical and emotional presence in the lives of our consumers. **We participated in major national and international events, such as Rock in Rio and the Olympic Games, and entered into iconic partnerships and collaborations with Dolce & Gabbana and the Brazilian Paralympic Committee (CPB).** We're making a strong comeback at retail points in international markets, we've simplified our portfolio and grown, and we're now better prepared to innovate. In 2025, we will also invest to further strengthen our position in the men's and children's categories. Here are some highlights from 2024:

Campaigns

Break the Rush

The campaign *Tira o pé, vai de Havaianas* (or "Break the Rush" outside of Brazil) reinforces our positioning of freedom, translated in another way – in this case, reminding us that the world has never been more hectic, but... why are people in such a rush? The insight is not to run. Havaianas aren't made for running, **so the invitation is to take a break, relax, and enjoy the time you have.**



Watch the *campaign video here.*



Watch the *campaign video here*



2024 Olympic and Paralympic Games

Havaianas was a sponsor of the Brazilian Olympic and Paralympic Committees at the Paris 2024 Olympic and Paralympic Games and **the official footwear of Team Brazil.** In addition to being on the feet of the athletes in the Brazilian delegation at the Opening Ceremony as they boarded a boat on the Seine, we offered brand experiences at Casa Brasil, a meeting place for Olympic fans, and at a pop-up store on the Champs Élysées. The campaign strengthened the brand's emotional connection with consumers and reinforced the message that Havaianas are the traditional official uniform of Brazilians, evoking national pride and the positive vibe of supporting Team Brazil anywhere in the world.

Highlights of new launches



Havaianas Slim Point

Point is a reinterpretation of the classic Havaianas Slim, incorporating a more sophisticated and modern touch. It has colored edges and sides that contrast with the pastel shades of the soles and the thin straps with the metallic logo, giving it a modern and colorful effect. With this collection, we reaffirm our commitment to combining comfort, quality, and style.



Havaianas <3 CPB

The Brazilian Paralympic Committee (CPB) played a central role in the development of the new flip-flop launched for the Paris Paralympic Games. The model was co-created with athletes and the CPB, reinforcing our commitment to inclusion and innovation in sport. **Designed to reach as many people as possible, with or without disabilities, the footwear is now part of the brand's permanent portfolio in Brazil. In addition, 7% of the proceeds from sales will be donated to the CPB.** The partnership between Havaianas and the Paralympic Committee began in 2020 with the sponsorship of the Tokyo Paralympic Games. In 2024, Havaianas were with the athletes as part of the official uniform of the Brazilian delegation, who wore the new flip-flops for the first time at the Opening Ceremony of the 2024 Paralympic Games. It was a very important launch because when we say "everyone wears Havaianas," it really means everyone.

Partnerships and collabs



Dolce & Gabbana

Over the years, Havaianas has established itself worldwide as an authentic symbol of Brazilian culture. The partnership with Italy's Dolce & Gabbana has strengthened our presence in the fashion world with a flip-flop that combines comfort and elegance. **This partnership has yielded a historic moment, with all pairs sold out in Brazil in less than 48 hours.** The limited edition collection not only captured the essence of Havaianas's laid-back and cheerful spirit, but also elevated it to a new level of sophistication and style.



Rock in Rio

Havaianas created a limited edition collection to celebrate the **40th anniversary of Rock in Rio in Brazil**. With two completely new prints, the products paid tribute to the biggest music festival in Latin America, with the idea of allowing fans to wear their Havaianas after the concerts and relive the festival all year round, remembering the incredible experience they had. The styles have been designed with prints that evoke the festival, reflecting its spirit and energy in the classic Havaianas Top.



Maison Kitsuné

Havaianas and Maison Kitsuné launched the first collaboration between the two brands, a blend of French-Japanese art de vivre and the best of the Brazilian lifestyle. Designed in France and created in the heart of Brazil, **four prints came to life to capture the authentic essence of summer.** The iconic Maison Kitsuné fox on the strap of the flip-flop is combined with a multicolored sole, making this collaboration an essential piece for the wardrobes of fashionistas and lovers of both brands.

Cause products

20 years of partnership with IPÊ

Our partnership with Instituto de Pesquisas Ecológicas - IPÊ (Institute for Ecological Research) completed 20 years in 2024. The initiative began with the goal of contributing to the conservation of Brazil's flora and fauna. IPÊ has been working on this mission for 30 years, **and 7% of the net sales of our Havaianas IPÊ line goes to the Institute.** The money raised is used to develop structural projects for the conservation of the Atlantic Forest, the Amazon, the Pantanal and the Cerrado biomes. Each year, a new collection is launched with information and prints of animals from the Brazilian wildlife and their habitats.

Since 2004, more than 50 Brazilian species have been featured on Havaianas IPÊ products, showcasing the richness of Brazilian biodiversity in more than 100 countries and raising awareness for the cause of environmental conservation. This was a revolutionary way to bring consumers closer to the cause through fashion, giving them the opportunity to engage with the mission through their purchasing choices. **In total, more than R\$11 million has been donated to the NGO over the 20 years of the partnership. In 2024, the amount donated was R\$202,688.**



Thanks to the partnership, IPÊ has been able to advance in social and environmental innovations, increase the number of professionals working for the cause, and expand the projects and their impact to several Brazilian biomes [...]. In addition, the partnership has opened doors for the Institute to become even better known to Brazilians and foreigners, as well as the native species of the country for which the organization works, and as an educational tool."

IPÊ's Business Unit



Pride

Since 2020, Havaianas has sought to give visibility to the LGBTQIAP+ cause through the Havaianas Pride line. With launches throughout the year, the full collection already has more than 20 products in Brazil and around the world. We donate 7% of Pride sales to the NGO All Out, a global movement that defends LGBTQIAP+ rights. **Over the course of the partnership, more than R\$5 million have been donated. In 2024, the amount donated was R\$357,077.**



Gerando Falcões

In 2022, Havaianas teamed up with the Gerando Falcões network to create a line of flip-flops, with 7% of the proceeds going to development projects in Brazilian favelas and city outskirts. The collection features prints by artists who grew up in these places, each representing through their art the idea of the favela of the future and its full potential. **In total, more than R\$1.3 million has been donated. In 2024, the amount donated was R\$339,345.**



INSTITUTO
DE PESQUISAS
ECOLÓGICAS

INSTITUTO
DE PESQUISAS
ECOLÓGICAS



IOASYS

GRI 2-6

ioasys is our digital solutions company that has revolutionized the user experience and the organizations it serves. The company's portfolio includes:

Digital products: we develop and manage products focused on digital efficiency, such as software.

Strategy & Acceleration: we drive and sustain businesses through solutions such as customer and business experience and strategy for the future.

Enterprise platforms: technology to streamline operations, maximize productivity, and optimize intelligence, such as cloud and customization on enterprise platforms.

Data & AI: we develop and manage data services to accelerate business reinvention, such as data-driven tools, data strategy and squads, and artificial intelligence.

Culture & Learning: we prepare teams and leaders to play a leading role in the transformation of organizations, with learning paths, change management, etc.



In 2024, ioasys had 38 active clients, and as part of a strategic orientation, ioasys has expanded its activities to support other companies in the market, in addition to developing solutions at Alpargatas, where the teams have been directly involved in practically all technology initiatives, leading important solutions. One of these solutions was the optimization of the sales portal into a more efficient tool for the sales team, **reducing by 70% the time a Havaianas sales manager spends entering orders**, among other improvements.



OUR OPERATION



Material topics covered in the section:

- Technology and innovation
- Circular economy and use of raw materials
 - Climate change
 - Supplier management

SDGs corresponding to this section:



OUR PRODUCTION PROCESS

The Alpargatas production process is carried out in two ways. The main one is the in-house production of our flip-flops: raw materials are received at the factories and transformed into finished products. We also receive finished products that are delivered directly to the factories or to the Distribution Centers. These centers store both the items produced in-house and those received as finished goods.

After being sold by the sales teams, the products reach the consumer in two ways: directly to the end customer through own stores and e-commerce, or through indirect channels such as franchises, local distributors, and retail chains (**see infographic on the next page**).

In addition, there is a post-consumer stage that is essential to Alpargatas's sustainability strategy, which has been perfected over the years. Reverse logistics in our Havaianas reCYCLE program allows discarded products to be recycled and reintroduced into other production chains, contributing to a more circular economy.

Each of these stages involves operational processes that are being streamlined to increase efficiency. This simplification ranges from reviewing the infrastructure to implementing systems that allow us to more accurately monitor environmental and operational indicators.



Our value chain

GRI 2-6

Phase 1. How it all starts

There are two main types of inputs in our chain:

Raw materials

~95% of our portfolio, including our rubber flip-flops, is produced in our own factories.

Primary raw materials: rubber, process aids, oils, paints, and pigments.

Finished products

~5% of our portfolio is manufactured by suppliers.

Principais produtos acabados: Main finished products: accessories, apparel, and some categories of footwear.

Campina Grande (PB)
45% of the production

Montes Claros (MG)
32% of the production

DC in Extrema (MG)
• Storage capacity of ~2 million pairs

DC in Campina Grande (PB)
• Storage capacity of ~29 million pairs

Santa Rita (PB)
3% of the production

Carpina (PE)
20% of the production

Mixing Center

Phase 2. Where we produce and store

The raw materials are sent to our 4 factories according to the type of production in each unit. The products, whether they are processed in-house or received as finished goods, are then sent to the Distribution Centers (DCs). These DCs can either be integrated into the factories or operate separately, as is the case in the cities of Extrema and Campina Grande.

Phase 3.

B2B clients relations

With dedicated teams in our offices and in the field, the sales team connects with clients in different regions to meet their specific needs.

- Offices in 12 countries
- Teams of executives, promoters, supervisors, and sales consultants

DTC

- Own stores
- Franchises
- Our e-commerce

Reverse Logistics
havaianas
recycle

Inspire the world to walk a lighter path

Phase 4.

How everything is distributed

Products reach our clients through various modes of transportation and two main types of channels. We focus on Brazil and 15 other priority countries:

- DTC channels (direct to consumer)
- B2B channel (from our business to another business)

B2B

- Distributors
- Wholesalers
- Retail chains

SOURCING

Raw materials

GRI 3-3 (Material topic: Supplier management), SASB CG-AA-440a.3

Every raw material used in our manufacturing process has environmental and social impacts that can become risks or opportunities for the business.

Risks related to:

- Climatic factors that affect production, sourcing, and prices (e.g., rubber and epoxidized soybean oil).
- Economic and geopolitical factors that can cause fluctuations in production, markets and prices (e.g., rubber, epoxidized soybean oil, paints and pigments, transfers, and pins).
- Lack of proper permits and certifications, as well as risks associated with labor practices or improper disposal of waste and effluent that could affect regulatory approvals (e.g., processing aids, rubber, paints, and pigments).
- Pressure on the market of products of fossil and animal origin (e.g., processing aids, oils and plasticizers, synthetic rubber).

Opportunities related to:

- Development of new domestic suppliers (e.g., rubber, epoxidized soybean oil).
- Development of new alternative raw materials from renewable sources (e.g. processing aids, oils and plasticizers, synthetic rubber, transfers, and pins).

The following table shows that **the largest raw material purchases in 2024 were rubber (24%) and kaolin (21%)**. In addition to raw materials purchased or used from our inventories, **we reincorporate part of the rubber waste from our production process.**



In 2024, 28% of the materials were made from recycled or reusable materials and 8% were from renewable sources.

Materials used to produce and package the main products and services and percentage renewable and recyclable and/or reused

GRI 301-1, 301-2, SASB CG-AA-440a.4

	2022			2023			2024		
	Total weight (kg)	Percentage of renewable materials	Percentage of recycled or reused materials	Total weight (kg)	Percentage of renewable materials	Percentage of recycled or reused materials	Total weight (kg)	Percentage of renewable materials	Percentage of recycled or reused materials
Raw materials acquired									
Rubber	30,181,530.30	1.1%	0%	14,390,950.38	0.3%	0%	20,689,221.01	0.1%	0%
Processing aid	703,840.00	60.0%	0%	486,820.00	60.0%	0%	599,700.00	60.0%	0%
Oils and plasticizers	9,020,678.00	0.0%	0%	5,777,988.84	0%	0%	7,376,128.09	0.0%	0%
Epoxidized soybean oil	580,780.00	80.0%	0%	607,300.00	80.0%	0%	1,313,610.00	80.0%	0%
Paints and pigments	625,235.00	0%	0%	337,205.50	0.0%	0%	389,384.78	0.0%	0%
Transfers and pins	384,981.00	0.0%	0%	6,091,273.34	0.0%	0%	280,941.96	54%	0.0%
Kaolin	21,790,815.00,	0%	0.0%	17,299,580.00	0%	0%	18,662,854.00	0.0%	0.0%
Other	23,475,462.26	1.5%	0.1%	14,804,003.58	0.9%	0.0%	22,762,964.42	0.8%	0.0%
Packaging	34,826,298.22	42.5%	23.8%	9,591,998.71	36.3%	47.5%	13,025,391.69	51.0%	37.1%
Reincorporated materials									
Rubber scrap from the production process	35,692,070.00	0.0%	100.0%	29,167,260.53	0.0%	100.0%	26,105,944.00	0.0%	100.0%

Note 1: "Other" includes various raw materials in other categories that are used in the production process but are not individually significant, such as sulfur, paraffin, and engage. We consider 100% of the waste from the process to be recycled, as it is pre-consumer waste that is fully reintroduced into production.

Note 2: The materials shown in the table are those acquired during the year, with the exception of the waste from the rubber production process, which are scraps left over from the pressing process. This means that not all raw materials shown are necessarily used in the same year, as they may be stockpiled as part of the company's strategy.

Note 3: Our rubber and 100% of all other materials are certified by ÁPICE, a Brazilian entity whose objective is to ensure the best national and international ESG practices, including social and environmental factors, as well as ethical compliance and transparency. Natural rubber is also COA certified.

Note 4: Purchases in this table refer only to raw materials used in our factories and do not include purchases of finished goods, which represent less than 5% of Alpargatas's portfolio in 2024.

Note 5: Each raw material supplier provides its own definition of what is considered renewable or recycled. For packaging, the combined percentage of renewable and recycled materials (88.1%) differs slightly from the commitment outlined in the sustainability strategy (89%), as the latter considers only packaging categories that accompany the final product.

Note 6: The 2024 data reflect the adoption of a new approach to calculating the waste recovery rate at our main manufacturing facility, based on direct measurements taken at production units. This adjustment improves traceability and data accuracy, and supports our broader material circularity efforts, even if it leads to variations compared to previous years.



See more details on rubber waste in the [Waste and the circular economy section \(page 48\)](#).

Contracted suppliers

GRI 2-6, 204-1, SASB CG-AA-000.A

In 2024, our supplier network played a key role in supplying the business. Taking into account only Tier 1 suppliers of raw materials and finished goods, we had **around 137 contracted partners, of which 119 were located in Brazil and 18 in our international operations**. These suppliers are divided into raw materials, packaging, and petrochemical products, as well as labor-intensive companies that produce ready-to-wear apparel and accessories for resale.

The 119 local suppliers accounted for 68% of the purchasing budget, reinforcing our commitment to local production. The reduction in domestic spending during the year reflected the more attractive opportunities offered by the global market.

Percentage of the procurement budget spent on suppliers local to that operation

GRI 204-1

2022			2023			2024		
Alpargatas	ioasys	Total	Alpargatas	ioasys	Total	Alpargatas	ioasys	Total
58%	n/d	58%	72%	93%	72%	67%	92%	68%

Note: For this indicator, national suppliers were considered local (Brazil). For Alpargatas, the production units refer to the units in the cities of Campina Grande, Santa Rita, Montes Claros, and Carpina, in addition to the unit in Extrema, which receives outsourced supplies. For ioasys, the two offices located in Brazil were considered material operational units.

Percentage of the procurement budget spent on suppliers local to that operation by significant locations of operation

GRI 204-1

	2022	2023	2024
Campina Grande	52%	60%	58%
Santa Rita	76%	89%	94%
Montes Claros	59%	80%	78%
Carpina	87%	96%	74%
Extrema	55%	93%	32%

Nota: for this indicator, national suppliers were considered local (Brazil).

Number of local suppliers (Tier 1 raw materials and finished goods)



Supply chain management

GRI 2-6, 3-3 (Material topic: Supplier management), 408-1, 409-1, SASB CG-AA-430b.3

In addition to contracted suppliers of raw materials and finished goods, we also approve and monitor suppliers classified as “indirect” (who supply other materials that are not directly used in the products, such as lubricating oil for an industrial machine) and suppliers classified as “sensitive” (recycling cooperatives in the reCYCLE program, associations, small producers, etc.). **This brings our active supplier base to 207 suppliers in 2024, of which 204 are Tier 1 and 3 are Tier 2.** This supplier base is managed through ongoing audits and development plans, which contribute to enhancing chain performance indicators. All our partners are required to adhere to our Supplier Policy, which encompasses compliance with legal aspects, processes and quality, health and safety, sustainability, social responsibility, traceability, use of controlled substances, and compliance.



Our management approach monitors up to the second level of the supply chain, evaluating not only our suppliers but also their suppliers. Any subcontractor that has direct contact with our products must undergo an approval process. We do not accept outsourcing delegation, ensuring that all parties involved adhere to the criteria established by Alpargatas.

GRI 407-1, 408-1, 409-1

The approval process begins with a detailed analysis, including document verification, such as records, payslips, and time clocks, as well as a visual inspection of the factory (plant tours) and interviews with employees. If opportunities for improvement are identified, the supplier has 10 days to rectify critical items and up to 30 days to submit certificates of compliance. All steps require substantiation through formal records and, where necessary, an action plan is created to support the supplier's progress. Audits are conducted exclusively by Alpargatas, which does not accept third-party certifications as a qualification criterion for its supplier base.

We take into account certain social and environmental criteria when selecting our suppliers. Among the social criteria, Alpargatas does not work with companies

that use or have a significant risk of using child labor, slave labor or forced labor. In addition, companies must formally hire their workers, pay their wages on time and into the workers' bank accounts, pay overtime, and have proof that their immigrant workers have legal status.

Regarding the environmental aspect, criteria such as certificates from the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) are taken into account, as well as documentation on waste disposal, natural resource consumption indicators,

effluent control, and air emissions, among others. Compliance with our Code of Conduct and Ethics is also mandatory for all our suppliers, service providers, and third parties, and is presented for approval at the time of supplier registration and attached to contracts.

In 2024, as reported in the previous two years, 100% of new suppliers (22) were engaged through our approval process, which includes environmental and social criteria.

GRI 308-1, 414-1



In 2023 and 2024, 100% of our Tier 1 suppliers' facilities were audited against a labor code of conduct. We evaluated aspects of current legislation, such as the CLT (Brazilian Consolidation of Labor Laws) and regulatory standards (NRs), and 98% of suppliers met or exceeded the compliance threshold. The remainder were required to implement corrective actions.

SASB CG-AA-430b.1, CG-AA-430b.2



We monitor our partners through data tracking, in a joint effort between the Compliance, Supplier Development Management (SDM), and Procurement areas. Risks within our value chain are closely monitored through the Supply and Supplier Risk Matrix, which is reviewed every six months.

If a supplier fails to meet our requirements, we put an action plan in place to ensure that corrective actions are taken and follow the process through to completion. In the case of critical non-conformities, purchases are suspended until corrections are made. If the corrective measures take longer than three years, a new approval is required for the supplier to work with Alpargatas again.



Alpargatas is committed to ensuring that 100% of its raw material and finished product suppliers are approved and adhere to compliance rules, including sustainability and environmental requirements. At present, 98% of suppliers are in compliance with this target.

Number of suppliers assessed for environmental and social impacts

GRI 308-2, 414-2

	2022		2023		2024	
	Environmental	Social	Environmental	Social	Environmental	Social
Number of suppliers assessed for environmental and social impacts.	609	609	234	234	207	207
Number of suppliers identified as having significant actual and potential negative impacts.	235	117	78	41	120	38
Number of suppliers with which improvements were agreed upon as a result of assessment	5	117	0	41	120	38
Percentage of suppliers with which improvements were agreed upon as a result of assessment	2%	100%	0%	100%	100%	100%
Number of suppliers identified with whom relationships were terminated as a result of assessment	0	0	0	0	0	0
Percentage of suppliers with which relationships were terminated as a result of assessment	0%	0%	0%	0%	0%	0%

Note 1: the number of suppliers identified as having significant actual or potential environmental or social impacts is equal to the number of suppliers that did not receive a maximum score in the Sustainability and Social Responsibility block of the audit. The criteria used to evaluate suppliers do not quantify impacts, but rather their ability to manage risks based on established criteria.

Note 2: environmental impacts may include irregularities related to waste management, wastewater generation, consumption of natural resources, etc. Social impacts may include irregularities related to Collective bargaining Agreement.

Sensitive suppliers

Alpargatas considers **sensitive suppliers** to be small producers, cooperatives, associations, institutes, artisans, and communities that need support, training, and development. The validation of these partners is a challenge, especially in agendas such as reverse logistics and new raw materials, where the application of traditional approval criteria is not always feasible, which is why we have focused our efforts on process reviews.

PRODUCTION

Industrial highlights

The industrial area made progress in several indicators in 2024 (see table below), **particularly in terms of the increase in our production, which rose from 202 million pairs in 2023 to 217 million pairs in 2024, an increase of 7.5%**. Another highlight was the historic record in OEE (Overall Equipment Effectiveness), an indicator that measures the efficiency of an industry's equipment, which increased by 5.8% between 2023 and 2024. See these and other key achievements below.

These indicators are incorporated into the Integrated Manufacturing System, an operational excellence program redesigned in 2023. One of the biggest challenges for Operations last year was training teams to use this system, which now provides data and a comprehensive view of opportunities for improvement in routine activities.

Continuous improvement

In 2024, the company made significant progress in incorporating the environment and energy efficiency pillars into the Integrated Manufacturing System, thereby establishing sustainability as a routine in industrial operations. The evolution of environmental indicators at the industrial operation was marked by an important strategic change: the segmentation of the Environmental area, which was previously integrated with the HSE area.

The creation of a dedicated Environmental structure, with a team focused exclusively on this topic, was a decisive step in driving results.

As a result, we recalibrated the five-year strategic plan (P5A), accelerating sustainable initiatives. **Over 90% of the goals set for 2025 were brought forward, amplifying the positive impacts** due to the transition from the Industrial and Logistics Excellence Program (ILEP), which ended in 2023, to a continuous improvement model.

These advances include Flexible Production Models and the overhaul of R&D, which has been integrated into the industrial area, thus strengthening sustainable innovation. With these initiatives, 2024 marks a period of consolidation and growth, with sustainability as the structuring factor of the industry.



Throughout the year, we had clear targets for volume, operational efficiency (OE), and industrial OTIF, and we managed to make significant progress on these indicators. The big challenge was to consolidate everything within the Integrated Manufacturing System and ensure that it remained robust and functional. To achieve this, it was essential to train the teams, develop a consistent methodology and, above all, engage people. We were able to make the factory understand the importance of this process, and once people understand the purpose, they embrace it and make it happen.”

Operational Excellence Area

Main indicators

Indicator	Variation 2024 compared to 2023
Production (pairs)	+7.5%
Operational OEE ¹ (%)	+5.8%
Production cost (R\$/pair)	-10.0%
MOD ² Efficiency (%)	+2.9%

Note 1: OEE (Overall Equipment Effectiveness) is the acronym for the indicator that measures equipment effectiveness.

Note 2: MOD Efficiency stands for direct labor efficiency (efficiency in terms of hours worked by employees).

ENVIRONMENTAL MANAGEMENT

We also strive to continuously improve our environmental management processes. In 2023, we improved governance by implementing a digital system for routine management of water, energy, and waste, generating greater efficiency, reliability and strategic vision in decision-making.

In 2024, we conducted a first exercise to quantify our main investments directly related to environmental benefits. **This amount was made up of the budgets of the areas dedicated to this issue (Corporate Sustainability, Environment, and Innovation in the Circular Economy), as well as two strategic projects related to waste and wastewater management in 2024.**

Environmental
investments
(R\$)

In 2024, we invested
R\$8,549,685
in solutions directly
aimed at generating
environmental gains.

Climate change

GRI 2-12, 3-3 (Material topic: Climate change), 201-2

The year 2024 represented an important evolution in the consolidation of the climate change topic at Alpargatas.

During this period, we made progress in engaging our value chain through targeted materials and questionnaires, with the goal of consolidating an increasingly robust information base that will allow us to propose and invest in solutions to reduce Scope 3 emissions.

In the area of climate risk management, we have strengthened the governance of the climate agenda, seeking alignment with the International Financial Reporting Standards (IFRS S2), with a strong focus on assessing, prioritizing, and managing the company's climate risks.

The entire process involved the following steps:



1. Identification of climate-related risks and opportunities, based on an assessment of how they apply to the business, in order to screen out the most significant climate-related risks and opportunities.



2. Assessing the impact, likelihood, and time horizon of the key risks and opportunities identified through internal stakeholder engagement using interviews and questionnaires.



3. Development of a heat map of risks and opportunities, using the impact and likelihood criteria defined by the Risk Management team.



4. Development of proposals for responding to the risks and opportunities and the associated methodology for either mitigating the impact of the risks or developing the strategy for exploiting the opportunities.

All these steps were taken in line with our internal risk management approach, which ensures that climate risks are integrated into the business strategy. In 2024, with the integration of social and environmental issues into the People, Management, and Sustainability Committee, the Board of Directors started to monitor this issue.



For 2025, we will maintain our commitment to improving management and governance in this area, focusing mainly on compliance with the other IFRS S2 recommendations. We will continue to focus on reducing Scope 1 and 2 emissions - with decarbonization projects – and on improving measurement, strengthening and engaging the value chain, targeting Scope 3 emissions.

Alpargatas has advanced its climate agenda in recent years. To reflect the progress of our commitments, in 2024 the company reviewed its climate change target, which previously included an overall reduction in Scope 1, 2 and 3 emissions, and now has a more detailed view and tracking by scope. Using the Science Based Target initiative's (SBTi) calculation methodologies, we have increased our ambition to reduce Scope 1 and 2 emissions. We aim to reduce these emissions by 57% between 2021 and 2030. On this commitment,

we have already reduced emissions by 38% from baseline. For Scope 3 emissions, however, we recognize that we still have some way to go, and we are committed to having a more in-depth view and better measurement of emissions from our value chain by 2026, so that we can make progress on the specific decarbonization strategy for indirect emissions.



On the road to a lower-emission fleet: in partnership with Luft Logistics, we introduced our first CNG truck, replacing a diesel vehicle on the route from Carpina, PE to Campina Grande, PB. This initiative reduces CO₂ emissions on this route by 16%, reinforcing our commitment to decarbonize logistics. GRI 305-5

Greenhouse gas (GHG) emissions (tCO₂e)

GRI 305-1, 305-2, 305-3

	2022	2023	2024
Scope 1	17,743.04	16,672.94	15,451.20
Scope 2	5,527.72	3,613.70	5,429.82
Scope 3	601,744.65	547,511.59	537,137.30
Total GHG emissions	625,015.41	567,798.23	558,018.33
Biogenic CO ₂ emissions - Scope 1	100.64	85.15	37.22
Biogenic CO ₂ emissions - Scope 3	31,558.55	49,139.58	53,866.25

In 2024, despite a 7% increase in production, we managed to reduce total GHG emissions by 2%.

The main contribution came from Scope 3 emissions, which decreased by 2%, driven by efficiencies in waste and downstream transportation. Scope 1 emissions decreased by 7% due to improvements such as the installation of the flash steam tank at Campina Grande, PB, and the decommissioning of the diesel power plant at Santa Rita, PB. Scope 2 emissions were higher, mainly due to the significant 41% increase in the emission factor for electricity from the National Interconnected System (SIN).

In 2024, due to changes in the scoring methodology of the CDP climate change questionnaire, some companies, such as

Alpargatas, received a D due to the inclusion of a new material criterion: board oversight. However, this decrease in the final score does not reflect the company's progress in this area, as it improved its performance in all sections of the questionnaire, scoring only B to C. Of particular note is the progress made in managing climate risks and opportunities, which scored a D in 2023 and a B in 2024.



Learn more about the commitment in the *Sustainability Strategy* section on page 26.

Breakdown of emissions:

Direct (Scope 1) GHG emissions, by type (tCO₂e)

GRI 305-1

	2022	2023	2024
Generation of electricity, heating, cooling, or steam	14,420.71	9,951.62	9,229.34
Physico-chemical processing	111.66	341.31	308.25
Transportation of materials, products, waste, employees, and passengers	480.38	281.92	279.86
Fugitive emissions	2,730.29	6,098.09	5,633.74
Total	17,743.04	16,672.94	15,451.20

Note 1: data refer to the consolidated operations of Alpargatas. The gases included in the above calculations are CO₂, CH₄, N₂O, SF₆, HFCs, and PFCs. CO₂ emissions from renewable sources are not included. For the choice of the base year (2021), we used as a reference the assumed public target for the topic. The consolidation approach used is an operational control approach.

Note 2: the source of the emission factors used is the Brazilian GHG Protocol Program. The consolidation approach chosen for emissions is operational control, while the standards, methodologies, and calculation assumptions adopted are from the GHG inventory monitored by the Climas platform and verified by a third party.

GHG emissions intensity (tCO₂e/1,000 pairs)

GRI 305-4

	2022	2023	2024
Scopes 1 and 2	0.09	0.10	0.10
Scopes 1, 2, and 3	2.35	2.81	2.58

Note 1: data refer to the consolidated operations of Alpargatas. The gases included in the above calculations are CO₂, CH₄, N₂O, SF₆, HFCs, and PFCs. CO₂ emissions from renewable sources are not included.

Note 2: the denominator used to calculate the intensity of greenhouse gas emissions is one thousand pairs produced in the reporting period.

Note 3: emissions from electricity, heating, cooling, or steam generation for 2023 were adjusted in this report, with no material variation.

In 2024, we reduced the GHG emissions intensity, achieving a 2% decrease in total emissions despite a 7% increase in production volume. As a result, CO₂e emissions per pair produced declined by 8% compared to 2023.

Energy indirect (Scope 2) GHG emissions from the acquisition of energy (tCO₂e)

GRI 305-2

	2022	2023	2024
Location-based calculations	5,527.72	3,613.70	5,429.82

Note 1: data refer to the consolidated operations of Alpargatas. The gases included in the above calculations are CO₂, CH₄, N₂O, SF₆, HFCs, and PFCs. CO₂ emissions from renewable sources are not included. For the choice of the base year (2021), we used as a reference the assumed public target for the topic. The consolidation approach used is an operational control approach.

Note 2: the source of the emission factors used is the Brazilian GHG Protocol Program. The consolidation approach chosen for emissions is operational control, while the standards, methodologies, and calculation assumptions adopted are from the GHG inventory monitored by the Climas platform and verified by a third party.

Other indirect (Scope 3) GHG emissions, by type (tCO₂e)

GRI 305-3

	2022	2023	2024
Upstream			
Purchased goods and services	232,639.53	111,890.54	151,656.60
Upstream transportation and distribution	28,543.85	39,398.70	33,925.57
Waste generated in operations	45,273.63	25,640.20	22,953.90
Business travel	896.54	224.29	237.80
Employee commuting	5,108.68	4,602.81	3,761.62
Subtotal	312,462.23	181,756.54	211,535.49
Downstream			
Downstream transportation and distribution	289,282.42	365,755.04	324,601.82
Subtotal	289,282.42	365,755.04	324,601.82
Total	601,744.65	547,511.58	537,137.30

Note 1: the gases included in the above calculations are CO₂, CH₄ and N₂O. For the choice of the base year (2021), we used as a reference the assumed public target for the topic. The consolidation approach used is an operational control approach.

Note 2: the source of the emission factors used is the Brazilian GHG Protocol Program. The consolidation approach chosen for emissions is operational control, while the standards, methodologies, and calculation assumptions adopted are from the GHG inventory monitored by the Climas platform and verified by a third party.

Waste and the circular economy

GRI 3-3 (Material topic: Circular economy and use of raw materials), 306-1, 306-2

Our approach to waste management covers two segments: the industrial segment, which deals with waste from operations, and the post-consumer segment, which deals with products that are discarded after their useful life.

Industrial waste

Industrial waste is controlled and monitored through the Climas platform, where its generation is recorded monthly by type and destination. The data is extracted from the Waste Transport Manifest System and supplemented by internal spreadsheets for daily and weekly monitoring. Waste is managed by Alpargatas and disposed of by specialized third-party companies that comply with contractual and legal obligations to ensure proper disposal.

In 2024, around 42,000 metric tons of waste were generated. **One of the most relevant types of waste for our business is rubber, which accounted for nearly 87% of our total waste.** This includes both the trimmings from the pressing process (which are partly reintroduced into production) and the remainder, which is disposed of offsite.

The increase in the volume of waste keeps pace with the increase in production, while practices such as oil re-refining, solvent recycling, and the physical-chemical treatment of oily water reduce disposal and help with the recovery of materials. The increase in rubber recycling, carried out with external partners (in a development driven by the Havaianas reCYCLE program), also contributes directly to minimizing environmental impacts and optimizing the use of resources.

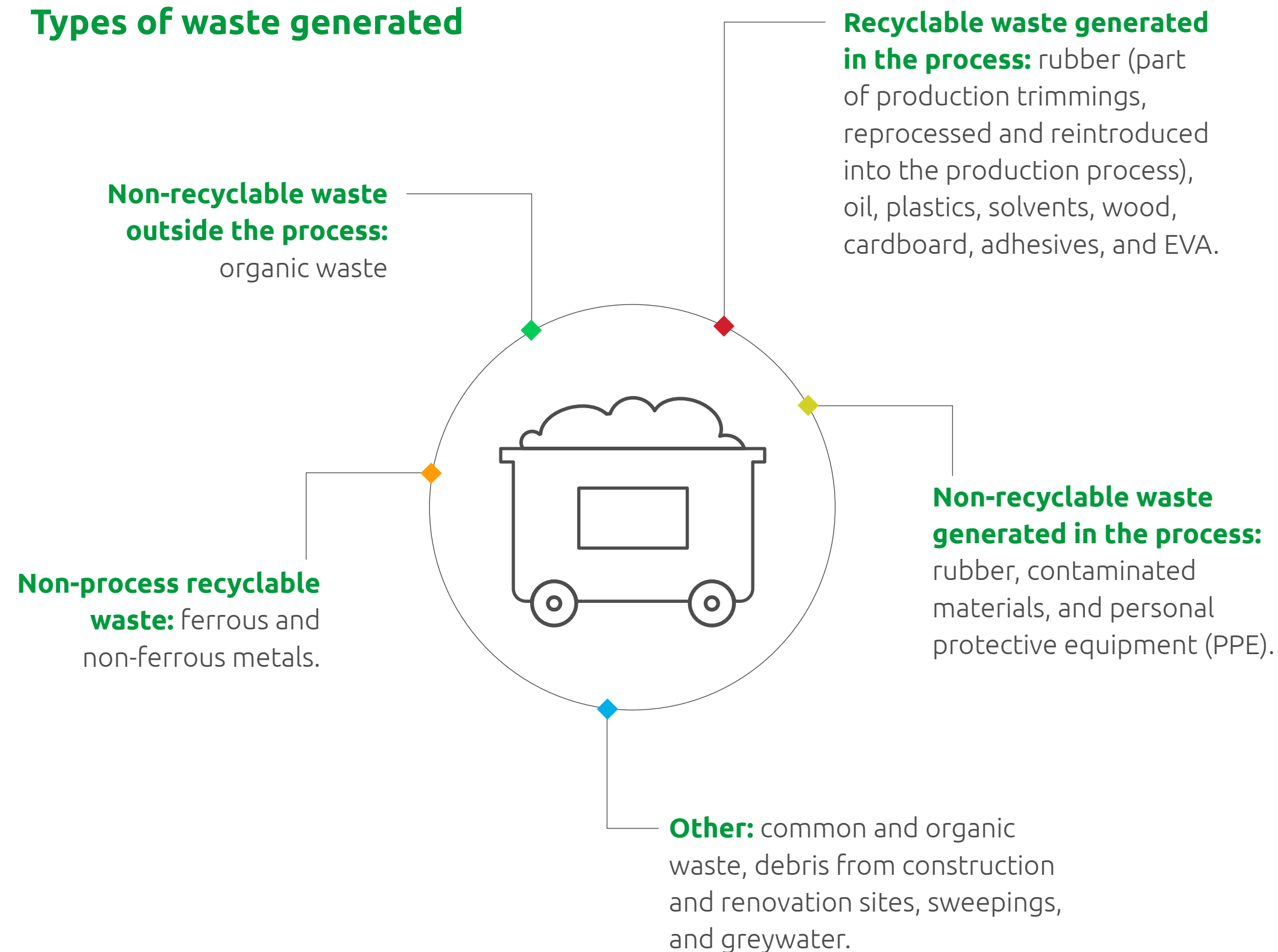
Only 4% of our factory waste was classified as hazardous. In 2024, 82% of the total waste was recovered. Each type of waste has a different disposal technology, always seeking the least impact on the environment and society.

Our factories in Campina Grande, PB, Carpina, PE, and Santa Rita, PB, are considered zero waste to landfill. This has been made possible by the use of other treatment technologies, mainly co-processing and recycling.

This waste is collected and sorted internally, where it is separated by type and properly stored before being sent to a final destination. We classify these materials as follows:



Types of waste generated



Waste by composition and disposal method (metric tons)

GRI 306-3

	2022	2023	2024
Waste recovered	44,049.60	35,795.23	34,466.03
Non-Hazardous	44,049.60	35,795.23	33,201.24
Hazardous	0.00	0.00	1,264.79
Waste directed to disposal	15,224.81	9,709.09	7,639.15
Non-Hazardous	13,594.85	7,563.04	7,139.88
Hazardous	1,629.96	2,146.05	499.27
Total waste generated	59,274.41	45,504.31	42,105.18
Non-Hazardous	57,644.45	43,358.27	40,341.12
Hazardous	1,629.96	2,146.05	1,764.06

Note 1: the figures in this table only include waste directed to disposal. They do not include waste stored at our facilities.

Note 2: the 2024 data reflect the adoption of a new approach to calculating the waste recovery rate at our main manufacturing facility, based on direct measurements taken at production units. This adjustment improves traceability and data accuracy, and supports our broader material circularity efforts, even if it leads to variations compared to previous years.

Waste recovered, by composition and recovery operation (metric tons)

GRI 306-4

	2022			2023			2024		
	Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total
Hazardous waste	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,264.79	1,264.79
Preparation for reuse (oil re-refining)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.75	31.75
Recycling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	42.30	42.30
Aerobic and anaerobic treatment (fertigation)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.40	16.40
Physico-chemical treatment (fertigation)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,174.34	1,174.34
Non-hazardous waste	35,692.07	8,357.53	44,049.60	29,167.26	6,627.97	35,795.23	26,105.94	7,095.30	33,201.24
Preparation for reuse	35,692.07	0.00	35,692.07	26,105.94	0.00	29,167.26	26,105.94	0.00	26,105.94
Recycling	0.00	8,357.53	8,357.53	0.00	6,627.97	6,627.97	0.00	7,095.30	7,095.30
Total waste recovered	35,692.07	8,357.53	44,049.60	29,167.26	6,627.97	35,795.23	26,105.94	8,360.09	34,466.03

Note: the 2024 data reflect the adoption of a new approach to calculating the waste recovery rate at our main manufacturing facility, based on direct measurements taken at production units. This adjustment improves traceability and data accuracy, and supports our broader material circularity efforts, even if it leads to variations compared to previous years.

Waste directed to disposal, by composition and disposal operation (metric tons)

GRI 306-5

	2022	2023	2024
Non-hazardous waste	13,594.85	7,563.04	7,103.29
Incineration (with energy recovery)	11,898.62	6,296.77	5,960.71
Incineration (without energy recovery)	909.25	267.64	598.51
Landfilling	276.68	577.28	283.38
Other disposal operations	510.30	421.35	260.69
Hazardous waste	1,629.96	2,146.05	499.27
Incineration (without energy recovery)			83.11
Total waste directed to disposal	1,629.96	2,146.05	416.16
Total de resíduos destinados para disposição final	15,224.81	9,709.09	7,602.56

Note: 100% of waste is disposed of offsite.

Rubber waste

GRI 3-3 (Material topic: The circular economy and use of raw materials)

Rubber waste from the production process

Rubber is our primary waste product. Given the absence of a proper process for reintroducing rubber into new products, it was necessary to invest in innovation, infrastructure, and a network of solid partnerships willing to explore this scenario.

In 2024, of all the rubber waste generated in our factories, **72% was reintroduced into the production process – up to 40% of the soles of Havaianas flip-flops are made up of rubber trimmings that are reintroduced into the process.** The remaining 28% is disposed of offsite.

As part of our efforts to move towards an increasingly circular model in our operations, we have reviewed our commitments and set a recycling goal that also includes industrial rubber waste, ensuring that 100% of the volume of vulcanized rubber (uncontaminated) is recycled by 2030. This goal includes trimmings from the pressing process and products scrapped during production, in addition to waste from sweepings and sieving, ensuring that these

materials are valued in the recycling chain. Currently, approximately 65% of the rubber generated in our factories is vulcanized, which is included in our commitment.

The remaining 35% is raw (unvulcanized) and contaminated rubber waste. We continue to evaluate the best solutions for this percentage, exploring new technologies and partnerships that could lead to more sustainable alternatives in the future.

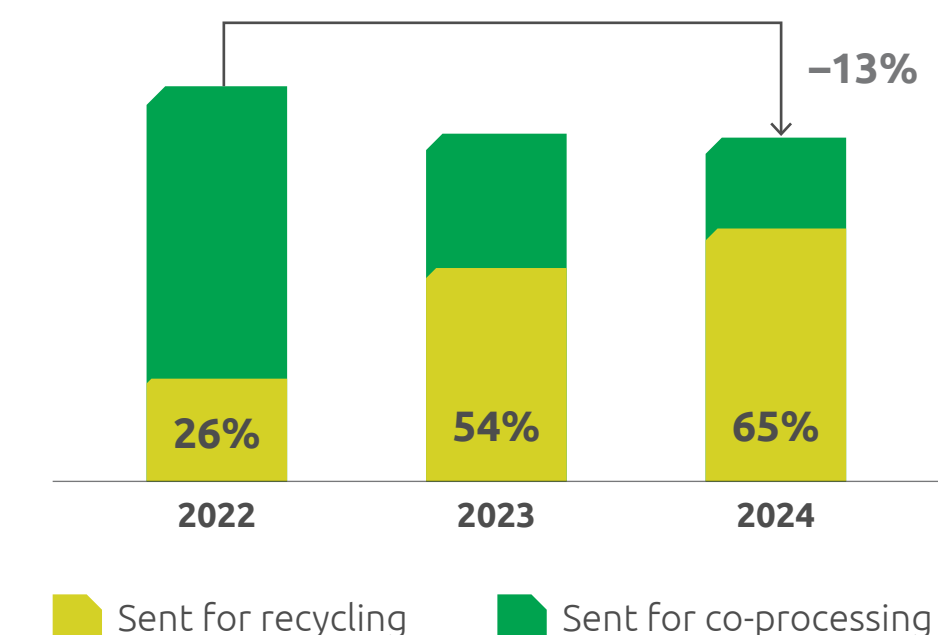
A first step in optimizing the management of industrial waste was the implementation of a waste center at the Campina Grande plant, which accounts for the majority of our production volume and waste. Centralizing waste improves the traceability and control of materials, ensuring greater efficiency in sorting for recycling and compliance with environmental regulations. In this sense, we believe that the impacts arising from this material topic are entirely positive in the way they are being structured by the company.

Since 2022, we have reduced our generation of uncontaminated vulcanized rubber waste per pair produced by 13% and increased its destination for recycling from 26% to 65%, with the commitment to reach 100% by 2030.



Learn more about our commitments in the [Sustainability Strategy section \(page 25\)](#).

Generation and destination of uncontaminated vulcanized rubber waste (g/pair produced)



Note 1: we have assumed that, on average, for all the years covered in the chart, the waste generated from uncontaminated vulcanized rubber accounts for 65% of the total industrial rubber waste.

Note 2: the assumptions in this chart have been adjusted from last year's report to align with our revised commitments in the Sustainability Strategy.



Rubber waste in product disposal

havaianas reCYCLE

GRI 301-3

Taking a close and responsible look at the post-consumer rubber waste that comes from discarded flip-flops, in 2020 we created Havaianas reCYCLE, our reverse logistics program, and we have continued to develop its implementation and strategy.

The Havaianas reCYCLE program promotes the transformation of Havaianas flip-flops discarded by consumers. It includes the following stages: collection, sorting, processing, and reintroduction of the materials into new production chains.



Stage 1 Disposal and collection

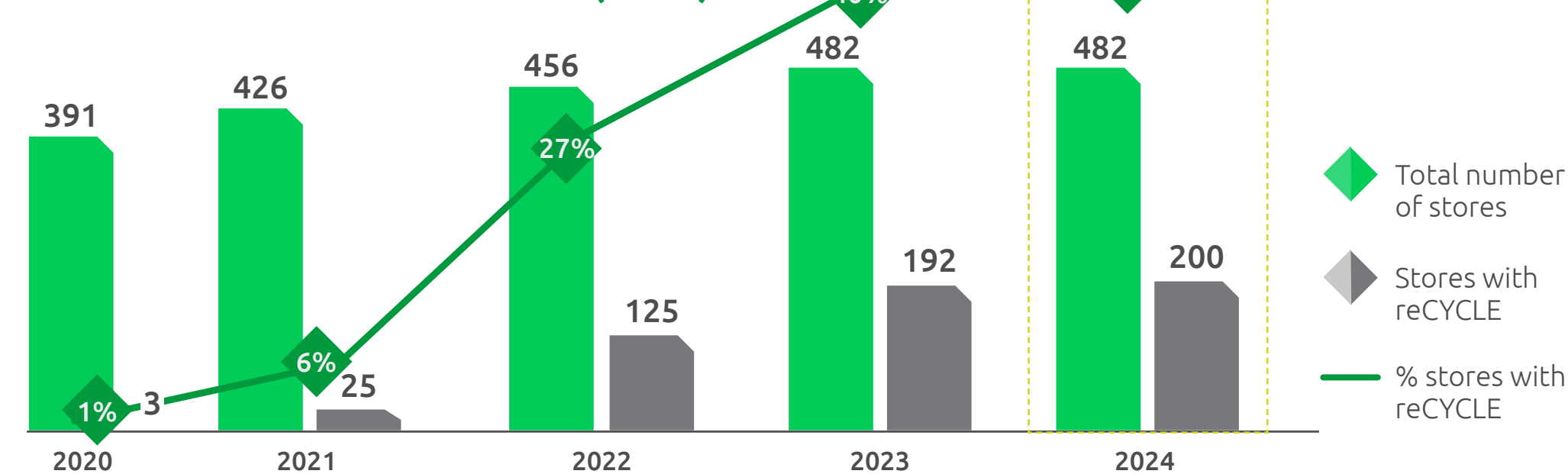
End consumers can take their Havaianas that are no longer in use to the program's participating stores and voluntarily deposit them in the Havaianas reCYCLE collection box.

The collection boxes are already available in our stores in more than 15 countries, encompassing operations in Brazil, NA&C (United States), EMEA (Portugal, Spain, Italy, France, United Kingdom, Greece, and Cyprus) and APAC (Australia, New Zealand, Philippines, Malaysia, Indonesia, Thailand, and Singapore).

Today, there are more than 350 collection sites. In 2024 alone, **147,854 pairs** were collected, 90% of them in Brazil. Overall, there was a 43% increase in products collected compared to the previous year. In Brazil, there was a 58% increase in the volume of flip-flops collected through the program.

In addition to in-store bins, flip-flops are also collected at other fronts such as cooperatives and ecoparks (technological centers for the sorting and destination of waste). In 2024, collection through in-store bins grew by 50%, followed by 28% in cooperatives and 46% in ecoparks.

Number of stores with reCYCLE X Total number of stores (Brazil)



Note: does not include kiosks and containers.

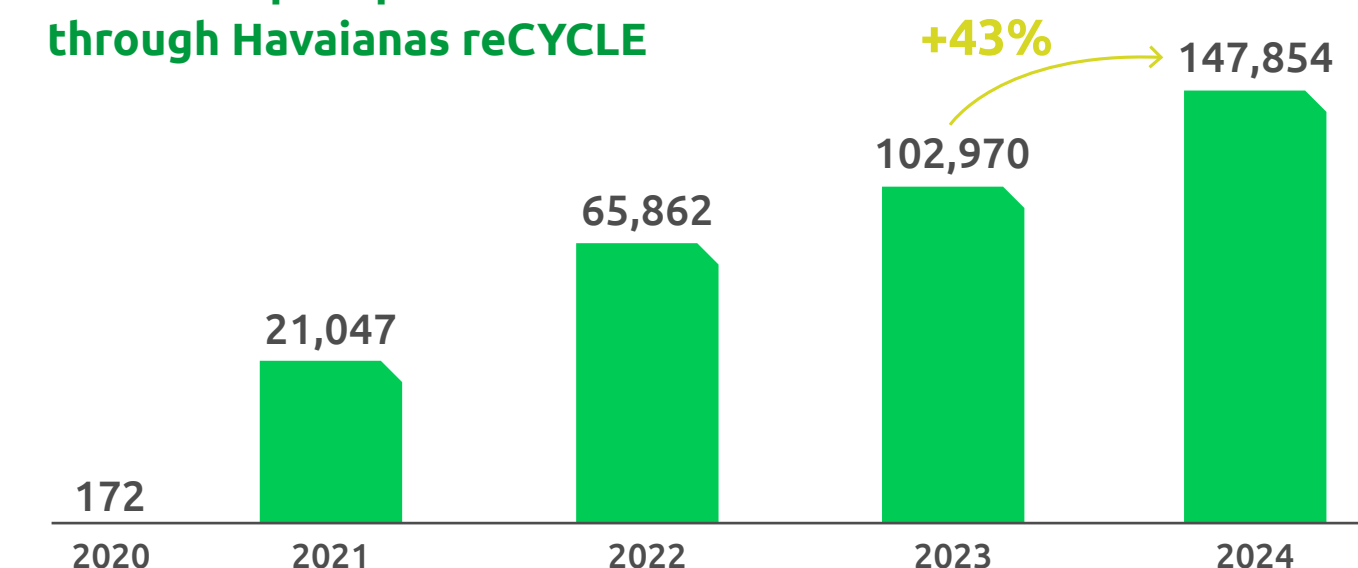
337,905

pairs of flip-flops were collected between 2020 and 2024, equivalent to

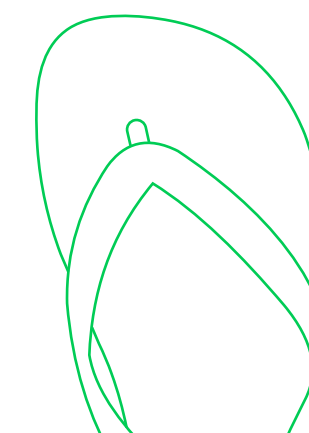
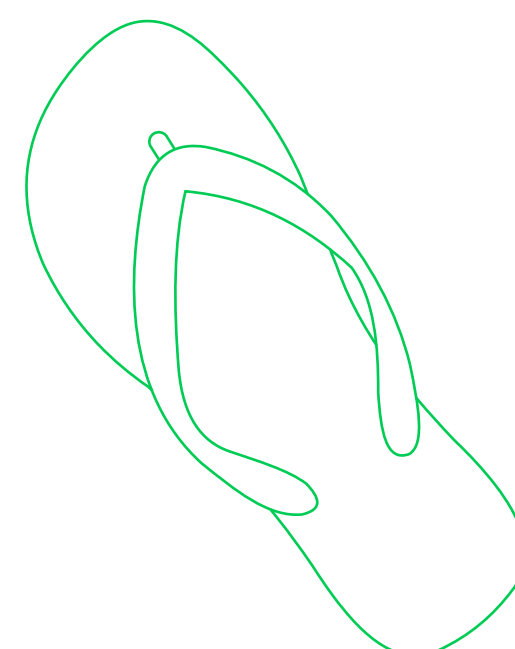
118,267

kilos of waste.

Pairs of flip-flops collected through Havaianas reCYCLE



Note: in 2024, we did not include the volume of flip-flops from Distribution Centers (DCs) and we adjusted the historical data reported.



Stage 2 Sorting and storage

In Brazil, we have **partnerships with more than 70 recycling cooperatives** throughout the country that are responsible for sorting post-consumer flip-flops through selective sorting. Some of these cooperatives also receive the waste in their stores and store it for a period of time until it is sent to their partners for processing.

Prior to the implementation of the Havaianas reverse logistics program, the rubber flip-flops received by the recycling cooperatives had no commercial value and were discarded as there was no interest in this waste in any established chain.

We have partnerships in more than 10 Brazilian states in the South, Southeast, Midwest, North, and Northeast Regions. And over the course of the program, recycling cooperatives have helped collect more than 200,000 pairs.

Socio-emotional development with cooperative members

In addition to the sorting and storage work, in partnership with FEPACOOORE (São Paulo Federation of Recycling Cooperatives), we developed and delivered training on Personal Financial Management, Emotional Intelligence, and Nonviolent Communication, taught by Alpargatas staff and volunteers, in response to needs identified by the cooperative members.



- **7** cooperatives served
- **200** cooperative members benefited
- **12** volunteers involved



Stage 3 Processing and transformation

Before recycling, rubber waste must be converted into raw material. A partnership with processors is critical to this process. Processors perform additional sorting of the waste coming from stores and recycling cooperatives. They ensure that only the soles of the rubber flip-flops are sent to the shredding stage, which produces smaller granules. In Brazil, we have three partners in the south, southeast, and northeast regions.

This new raw material is then sent for transformation, usually in molds, where it begins a new life cycle and is transformed into new products.

Today, we already have 5 transformation partners, responsible for creating infrastructure solutions such as rubber flooring and coverings, furniture and decorations, accessories, etc.



See the Havaianas reCYCLE infographic on [page 80 of the 2022 Annual Sustainability Report](#).

Launch of reCYCLE products

In 2024, FEICON, the largest construction trade show in Latin America, was the stage for the presentation of two new products developed from post-consumer waste collected by the Havaianas reCYCLE program. Our partners Grupo Force (PA) and Aubicon (MG) created products that are true examples of circularity.

Grupo Force launched a wheelbarrow tire made of 100% recycled rubber, offering high resistance and durability. Aubicon, which specializes in impact-absorbing flooring, developed a line of innovative flooring made from a blend of tire waste and Havaianas flip-flop waste. The result: products that combine sustainability, performance, and modern design.

Additionally, this year, a partnership with Tramontina expanded the reach of circular initiatives by enabling broader visibility and the commercialization of construction cart tires made from industrial waste by Grupo Force.



Revised commitments to the circular economy of rubber

GRI 3-3 (Material topic: Circular economy and use of raw materials)

Throughout these four years of the program, we have increased our knowledge on the subject and are constantly evolving, looking to expand and make the rubber recycling ecosystem more viable.

With a more mature, consolidated (post-industrial and post-consumer), and systemic vision, we are revising our commitment to the topic to reflect our real challenge and the value that is being created. The viability of this new chain involves the structuring of different stages and players, and is not solely supported by the volume of flip-flops collected (our focus in the previous commitment).

Today, we have two corporate goals directly linked to the circularity of rubber:

1. To have 100% of monobrand stores with Reverse Logistics Programs (2025)



2. To ensure the sustainability of the Havaianas rubber recycling chain (2030):



a. Post-consumer waste:

ensure that 100% of the volume of Havaianas flip-flops returned through the reverse logistics program is sent for recycling.

b. Industrial waste:

ensure that 100% of the volume of uncontaminated vulcanized rubber waste generated in the factories is sent for recycling.

CIRCULAR ECONOMY at Alpargatas



Alpargatas applies circular economy principles across all its processes. In the case of the rubber used in Havaianas flip-flops, this includes industrial waste from production and post-consumer waste collected through the brand's reverse logistics program, Havaianas reCYCLE. To structure and sustain a previously nonexistent recycling chain, the company invests in partnerships, research, and innovation –encompassing everything from material collection and sorting to the development and commercialization of end solutions.



7 Partner buyers/ End Clients

Partnerships are established with end clients to incorporate the solutions developed by our transformation partners, showcasing the high socio-environmental value embedded throughout the structuring of the entire circular rubber ecosystem – something that did not previously exist. The technologies developed today are drawing particular interest from the architecture and construction sectors.

Paraná and Rio Grande do Sul
Vases and planters

Paraíba and Rio Grande do Sul
Accessories

São Paulo and Minas Gerais
Rubberized flooring

Paraíba
Solid wheels for wheelbarrows and furniture items

Asia
Playground flooring

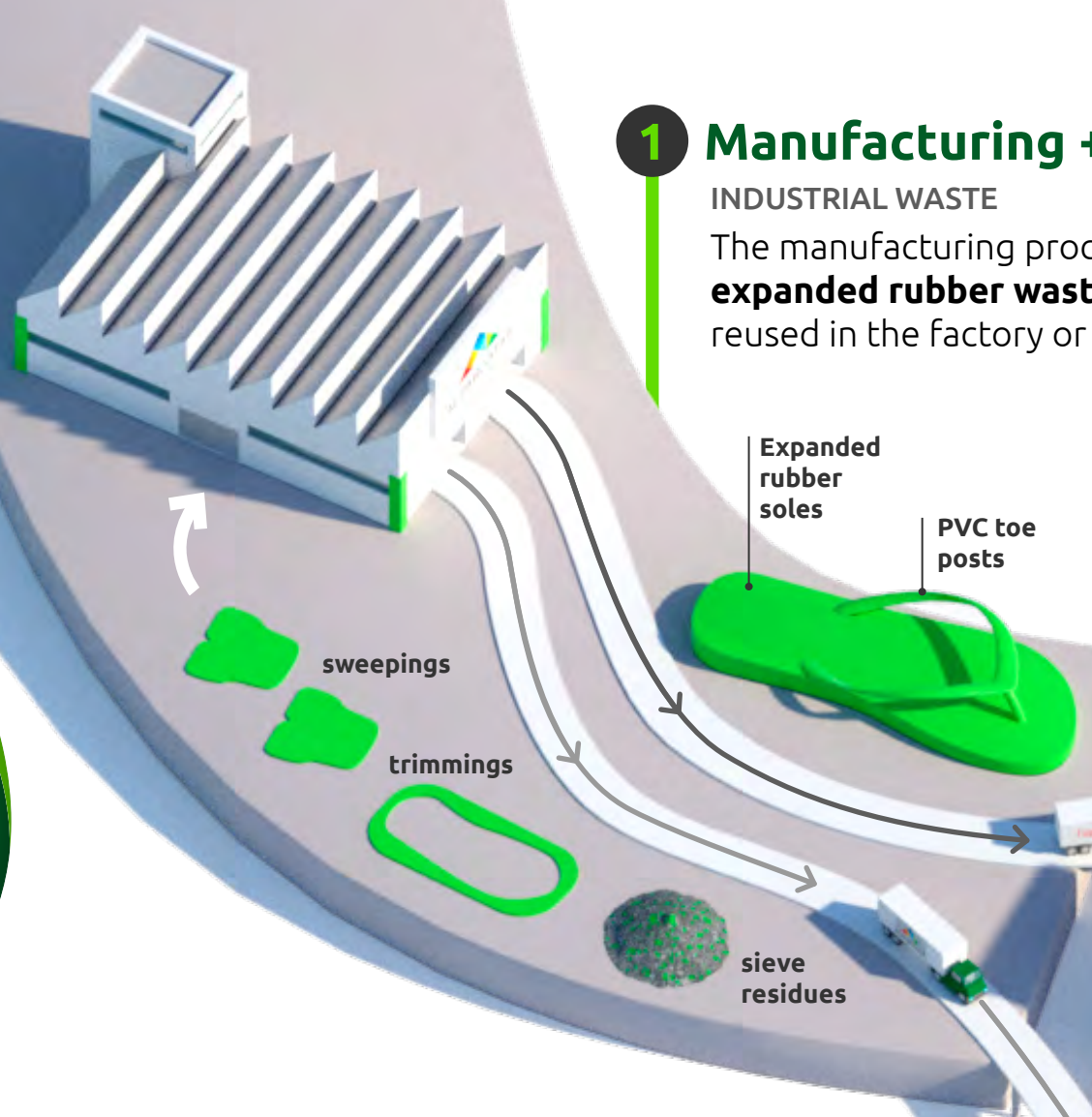
Europe
Yoga mats

INTERNATIONAL PRODUCTION

DOMESTIC PRODUCTION

1 Manufacturing + raw materials

INDUSTRIAL WASTE
The manufacturing process generates **expanded rubber waste**. The offcuts can be reused in the factory or sent for recycling.



PRODUCTION
Manufacturing of new flip-flops and redistribution to sales outlets

2 Sales

Havaianas are displayed and sold through the brand's sales channels: Havaianas Stores, E-commerce, Distributors, Wholesalers, and Retail Chains.

CONSUMPTION
New Flip-flops are purchased by the end consumer

3 In-Store collection

POST-CONSUMER WASTE
Used flip-flops are discarded at participating Havaianas stores.

COLLECTION
When Havaianas reach the end of their life cycle, they are discarded into collection bins for the Havaianas reCYCLE program

4 Collection via Recycling Cooperatives

POST-CONSUMER WASTE
Through the sorting of waste from Selective Collection, **partner cooperatives** of the program identify and separate Havaianas flip-flops. Before the program, this waste was not sorted.

5 Processing and creation of new raw materials

INDUSTRIAL AND POST-CONSUMER WASTE
Rubber waste from the factory and Havaianas flip-flops collected via reCYCLE are processed by partner facilities, which conduct additional sorting and transform the materials into new raw materials.

6 Raw material transformed into product

Industrial and post-consumer waste, now repurposed as **raw material**, is delivered to transformation partners, who use technology to create disruptive new products for the market.

SECONDARY PROCESSING

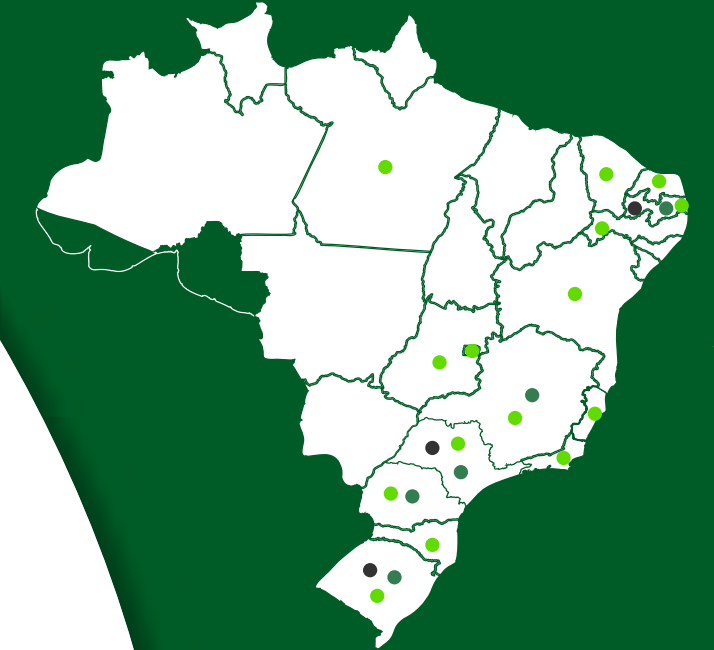
Technology that uses chemical processes to agglomerate the granules and create sheets, panels, or other materials that can be reintroduced into the value chain and later converted into new final products

PRIMARY PROCESSING

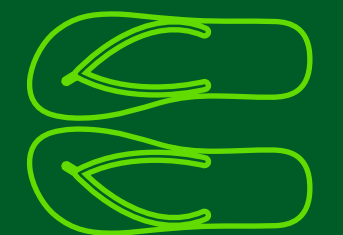
Additional sorting and cleaning of the waste to turn the processed rubber into granules

reCYCLE IN BRAZIL AND AROUND THE WORLD

The Havaianas reCYCLE program is present in over 15 countries and reaches nearly all Brazilian states.



- Havaianas Stores
- Cooperatives
- Processing Partners
- Transformation Partners



400,000+ pairs collected, totaling over **140 tons**



70+ recycling cooperatives in Brazil



3,500+ families positively impacted by the program

ENERGY

GRI 302-4

In 2024, **despite a 7% increase in production compared to 2023, we managed to maintain the same total energy consumption. As a result, the energy intensity of the operation fell by around 7%.** This reduction was mainly driven by strategic projects, such as the installation of a flash steam tank at the factory in Campina Grande, PB, which helped reduce natural gas consumption, and the shutdown of the power plant at the factory in Santa Rita, PB, which reduced the use of diesel. The estimate was made by calculating the difference between using the generators and just using current electricity consumption. In the aggregate, we reduced consumption by 4,878 GJ, a figure that doesn't necessarily include all the reduction efforts resulting from efficiency gains in the industrial routine.

These initiatives contributed to a 6% decrease in the consumption of energy from fossil fuels, thereby accelerating the transition to electrification of the energy mix. In addition to these projects, improvements in efficiency in the industrial routine played a pivotal role in the overall reduction in energy consumption.

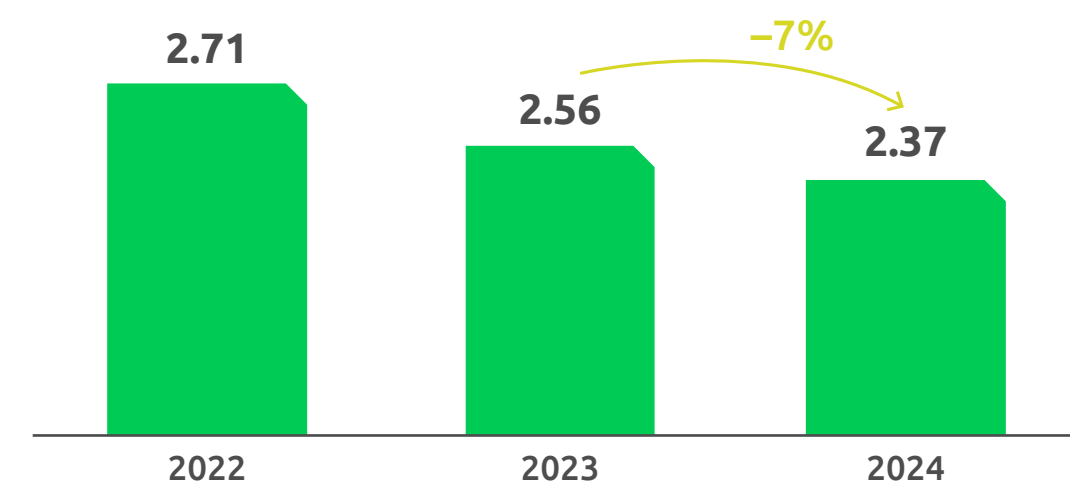
To strengthen our energy governance, we incorporated the energy efficiency pillar into the Integrated Manufacturing System, along with the

environmental pillar, enabling closer monitoring of energy consumption in partnership with the Operational Excellence team. We also reaffirmed our commitment to have 100% of the electricity used in our operations from renewable sources by 2030. In addition, the energy intensity target was revised. Based on the revision, we are committed to improving the energy intensity of our factories by considering the entire energy mix, rather than just electricity as in the past, thus expanding the scope of the target. We have also increased our ambition to reduce the energy intensity of our industrial operations by 25% by 2030 compared to 2021.

Note: the reduction in consumption was calculated based on an estimate using only theoretical consumption figures from the factories and actual consumption data from 2024.

Energy intensity within the organization (GJ/1,000 pairs)

GRI 302-3



Note 1: data is reported on a consolidated basis for the entire company and only includes energy consumption within the organization, from sources classified under Scopes 1 and 2.

Note 2: the intensity was calculated using the total energy consumed within the organization divided by the total production volume of 217.047 million pairs in 2024. In 2023, the number was 201.916 million pairs and, in 2022, 265.420 million pairs.

Energy consumption within the organization by fuel type (GJ)

GRI 302-1

	2022	2023	2024
Total energy consumption from non-renewable sources	254,005.81	176,370.58	165,774.76
Acetylene	33.95	33.14	27.98
Gasoline	443.46	624.52	344.24
Diesel	12,241.82	9,597.12	2,917.69
LPG	52,060.79	29,926.68	19,707.83
Natural gas	189,225.79	136,189.12	142,777.02
Total energy consumption from renewable sources	1,524.21	1,128.33	506.62
Anhydrous ethanol	164.01	168.62	127.32
Biodiesel	1,360.20	959.71	379.30
Electricity consumption	464,005.88	339,892.75	348,162.10
Total energy consumption	719,535.90	517,391.66	514,443.48

Note 1: energy consumption is monitored monthly at each unit via the internal system and reported on a consolidated basis for the entire company. Data considers energy consumption in sources classified under Scopes 1 and 2. We do not sell energy.

Note 2: the conversion of the units is done automatically by the system, which uses the GHG Protocol as a basis, and as such takes into account sources such as ANP 2012; ANTT 2012; ASHRAE 2010; BEN 2019; CETESB 2017; DEFRA 2019; IPCC 2006; IPCC 2007; MCTIC 2016; MMA 2011; SEESP 2011; USEPA 2007; and MC 2008.

Note 3: electricity is measured in MWh and then converted to GJ. Fuel is measured in m³, kg, and liters and then converted to GJ.

Note 4: the calculation of anhydrous ethanol and biodiesel was based on the average composition of gasoline and diesel, respectively. The amounts assumed were 13% for biodiesel in diesel, and 27% for ethanol in gasoline.

Note 5: Alpargatas does not consume energy for heating, cooling, or steam and does not sell any type of energy. The figures consolidate data from the company's manufacturing operations.



See more in the *Strategies and Results* section on page 20.

WATER MANAGEMENT

GRI 303-1, 303-2, 303-3

We manage our water and wastewater in compliance with applicable laws and regulations, as well as with internal optimization goals to achieve market best practices. The indicator for water has been managed within the Integrated Manufacturing System and, in 2024, we achieved a 2% reduction in withdrawal.

At Alpargatas, most of the water consumed is for human use due to our labor-intensive process with more than 10,000 employees. Only a fraction of the water is used indirectly in the production process, in cooling towers and steam generation. The units are supplied by licensed wells and local water utilities.

Consumption is monitored on a monthly basis using indicators and the results are presented at management meetings. Based on this assessment, potential risks are identified and action plans are established to mitigate and correct deviations.

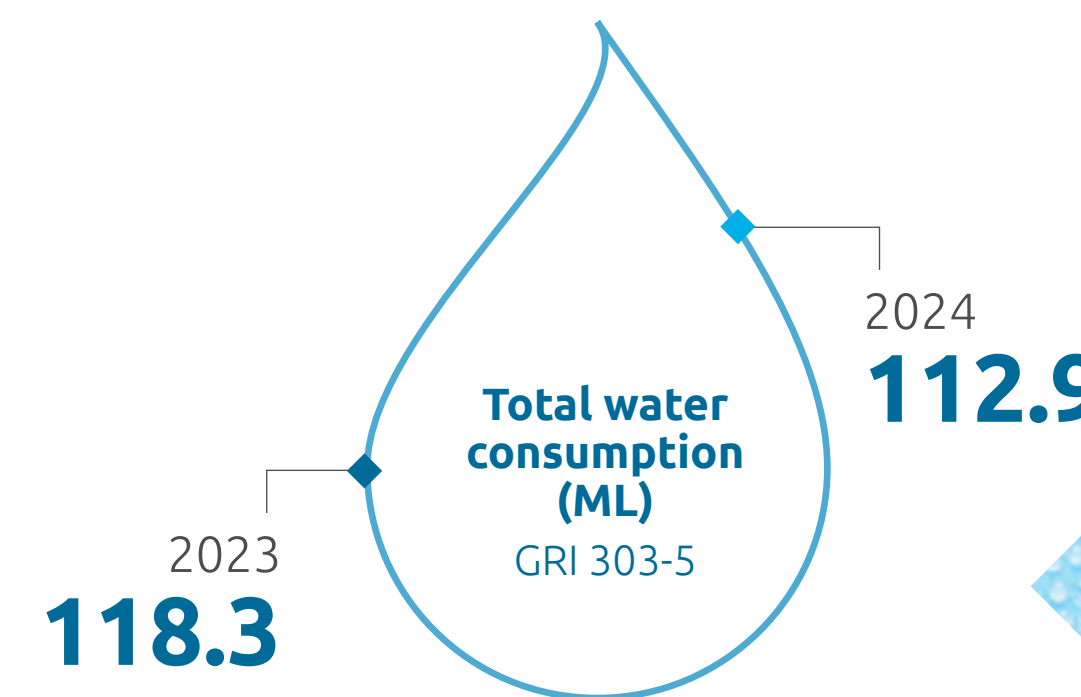
Wastewater from restaurants and restrooms and a small amount from the production process receives appropriate treatment. At the units in Montes Claros, MG, and Santa Rita, PB, wastewater is treated on site at the Wastewater Treatment Station, allowing for reuse without the need for off-site discharge. In the Campina Grande, PB and Carpina, PE units, wastewater is sent to the local water utility company for treatment.

All of Alpargatas’s manufacturing plants strictly comply with the parameters of the National Environmental Council (CONAMA). In the units that don’t have a Wastewater Treatment Station, the effluents are collected and analyzed annually by local water utility companies to ensure compliance. In units that have Wastewater Treatment Stations, the analyses are carried out in-house, in accordance with local legislation.

We also conduct regular assessments of the pipes and processes to identify any leaks or faults in the systems. In 2024, Alpargatas discharged 42.1 megaliters of water into the local sewage system.

We encourage conscious consumption and the reduction of waste through internal campaigns and reuse initiatives, such as the reuse of wastewater from the process to flush toilets at the Campina Grande factory. In the supply chain, we analyze the water management of partners through a rigorous document verification process, reinforcing our commitment to responsible use of resources.

In 2024, water withdrawn from third parties fell by 24% as a result of routine initiatives and, above all, the reduction in consumption at the factories in Campina Grande, PB, which depends entirely on this source, and in Montes Claros, MG, where the increase in the use of groundwater has reduced the need for external withdrawal.



Note 1: all factories have meters to record water withdrawal and consumption on a daily basis. All information is collected in m³ and converted to ML.
Note 2: consumption is calculated as total water withdrawal less total water discharge. The scope of the calculation has been revised in this report. Previously, water consumption was considered equal to water withdrawals. GRI 2-4
Note 3: there were no changes in water storage during the reporting period. All water used is fresh water.
Note 4: we used WRI’s Water Risk Atlas to assess water stress at the four Alpargatas factories in Brazil. No unit was identified as having a “high” or “extremely high” risk of water stress.

Total water discharge by destination (ML)

GRI 303-4



Note 1: no water is discharged into surface water, seawater, or groundwater. The entire volume is sent to third parties and all water discharged is fresh water. No substances of concern have been identified.
Note 2: only the volume from the Campina Grande unit was considered as discarded. The other units recycle water through fertigation, seepage pits, and internal ponds.
Note 3: all factories are equipped with flow meters to monitor water discharge on a daily basis. The information is collected in m³ and converted to ML.
Note 4: we used WRI’s Water Risk Atlas to assess water stress at the four Alpargatas factories in Brazil. No unit was identified as having a “high” or “extremely high” risk of water stress.

Total water withdrawal by source (ML)

GRI 303-3

	2022	2023	2024
Water withdrawal (groundwater)	89.52	69.58	87.73
Third-party water (surface water)	98.87	88.79	67.24
Total	188.39	158.37	154.97

Note 1: Alpargatas does not withdraw water from surface water sources, including wetlands, rivers and lakes; seawater; and produced water. All water withdrawn is fresh water ($\leq 1,000$ mg/L total dissolved solids).

Note 2: all factories are equipped with flow meters to monitor daily water withdrawal and consumption. Data is measured in m^3 and then converted to megaliters.

Note 3: starting in 2024, the Mixing Center operating unit has been included in the indicator.

Note 4: we use WRI's Water Risk Atlas to assess the water stress criterion at Alpargatas' four factories in Brazil. Three of them are located in "medium-high" risk areas and one in a "low-medium" risk area. Since only "high" or "extremely high" risk areas are considered water-stressed areas, no unit was classified as such.

Total water withdrawal per location of operation (ML)

GRI 303-3

	2022	2023	2024
Campina Grande, PB	98.87	66.73	51.74
Santa Rita, PB	24.07	26.94	26.03
Carpina, PE	18.65	17.48	19.19
Montes Claros, MG	45.48	46.73	48.15
Distribution Center in Extrema, MG	1.32	0.49	0.66
Mixing Center	n/d	n/d	9.20
Total water withdrawal	188.39	158.37	154.97

Note 1: all water withdrawn is fresh water ($\leq 1,000$ mg/L Total Dissolved Solids) and there is no withdrawal from areas of water stress.

Note 2: all factories are equipped with flow meters to monitor daily water withdrawal Data is measured in m^3 and converted into ML.

Note 3: starting in 2024, the Mixing Center operation has been included in the indicator. Historical data is not available.

Use of chemicals and chemical substances

GRI 417-1, SASB CG-AA-250a.1, CG-AA-250a.2

To manage the risks and hazards associated with the use of controlled chemical substances in products, which is a relevant issue in our industry, we employ various verification and testing processes to confirm that the materials used are compliant:

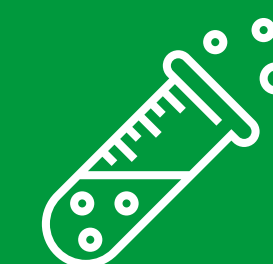
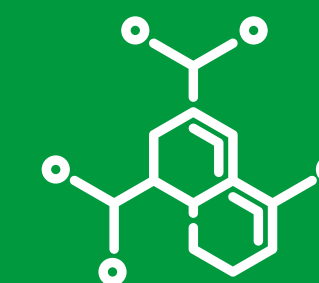
- Product inputs defined as component(s) of the finished product
- Third-party lab testing
- Frequency of testing during new product/project development
- Controlled Substances Handbook, which describes all regulations and specifications by substance type

The Controlled Substances Handbook has been developed to inform our suppliers of global laws and regulations that restrict or prohibit the presence of certain chemicals and substances used in the composition of our products. Each time the need to use a new chemical is identified, all analyses must be performed for approval. For chemicals already in use, an annual approval control is performed. The Handbook is not publicly available, but it may be provided upon request.

All use validations (based on the type of material being analyzed) are certified by specialized laboratories to ensure full compliance in all markets.

To ensure the safe use of inputs, we have implemented a Chemicals Management Program that internally evaluates all chemicals used by suppliers prior to approval. If a product fails, it is not released until it has been corrected and an action plan has been submitted, demonstrating our commitment to control and safety in the production chain.

Of the significant product categories, 100% have been covered and evaluated on the safe use of the product. The rules of use are defined internally, according to the specific characteristics of each product, providing instructions on proper use, proper washing, and exposure limits. All the information is provided to users on the product labels. For specific cases of labeling required by a particular market, we also include the required information on the labels.



DISTRIBUTION

Commercial strategy

In 2024, the commercial area of Havaianas Brazil was restructured to increase our focus on clients and consumers, with the aim of simplifying and clarifying the responsibilities of each department.

As part of this transformation, we established six strategic directions, each with its own initiatives and progress throughout the year:



Growth in the men's and children's categories

Recognizing the potential for expansion in these categories, we introduced new, innovative products in these segments to strengthen our presence and offer more options to this audience. **Our men's collection sales grew 21%.**



Gaining market share in modern self-service

Modern self-service, which gives clients total freedom in their shopping journey, was a strategic priority. As a result, we gained 0.6 percentage points of market share and **increased sales in this channel.**



Growth in the specialty channel

The footwear segment was strengthened in 2024, reflecting a 0.3% growth in this channel. This progress reflects the **consolidation of strategic partnerships and the expansion of the brand's presence in specialized points of sale.**



Channel management

We have enhanced our channel management through initiatives that have directly impacted our operational efficiency and the quality of our service. Among the highlights, we have improved our OTIF (On Time In Full) indicator with our clients, created a dedicated team for the specialty channel, and **expanded our omnichannel strategy in our own stores** to provide a more integrated shopping experience for consumers.



Pricing management

The strengthening of the pricing strategy led to a **growth of approximately 2.4% in revenue/pair in 2024 compared to 2023.** We also improved the implementation of price adjustments using advanced analytical tools that take into account new market variables. In addition, we centralized the Revenue Growth Management (RGM) team in Brazil and successfully implemented strategic plans for key commercial dates such as Black Friday.



Portfolio management

With a focus on efficiency and better serving different customer profiles, **we reduced the portfolio by 50% and defined a mandatory assortment per channel.** This optimization has led to greater clarity in the product offering, resulting in a more strategic portfolio in line with market needs.

Supply Chain

Supply Chain operations have been guided by four pillars: customer centricity, cost efficiency, resource optimization, and sustainability. In 2024, all these pillars were taken into account in the company's distribution operations and, together with simplification efforts, had an impact on increasing the quality of client and consumer services. See the highlights:



Customer centricity

In 2024, our OTIF indicator increased by 22.1 percentage points, reaching 70% in Brazil. We were able to provide the best service to meet our customers' needs. We implemented new weekly and daily governance processes and **created a customer service department – reporting directly to the Vice President of Supply Chain** – dedicated to answering questions and providing the best client and consumer experience.



Resource optimization

We worked to **reduce raw material and finished goods inventories by nearly 30%** compared to 2023 and focused on optimizing our portfolio, resulting in a 50% reduction.



Cost efficiency

We reduced freight costs in Brazil by 5% and increased trailer utilization by 6% compared to 2023, in an intelligent planning effort integrated with the optimization of transport boxes, supporting the sustainability pillar. We also returned seven external warehouses – 100% of them – significantly reducing warehousing costs.



Sustainability

One of our advances has been to invest in a greener fleet, with the **introduction of vehicles powered by compressed natural gas (CNG), which is less polluting, to replace diesel on the route between Carpina and Campina Grande**. The reduction in emissions was also driven by the packaging redesign project, which optimizes logistics space and therefore transports more with fewer vehicles.

Distribution Centers (DCs) Highlights



Record sales at the Mixing Center

In October 2024, the Mixing Center operation set a new sales record since its implementation in 2023. In 2024, 149 million pairs were loaded. The Mixing Center is the largest DC in the footwear industry in Brazil, with an area of 40,000 sqm, located in the city of Campina Grande, PB.



Record sales at the Extrema DC on Black Friday

We achieved record figures during the Black Friday promotion, increasing the number of pieces processed in November 2024 by 20% compared to the same period in the previous year.



Progress in the pairs per hour (PPH) indicator at the Mixing Center and Montes Claros operations

The DCs worked on reviewing workflows and processes to improve productivity and achieved progress over the 2023 results: the PPH indicator increased by 49% at the Mixing Center, PB, and 51% at the Distribution Center in Montes Claros, MG over the previous year.

DIGITALIZATION AND TECHNOLOGY

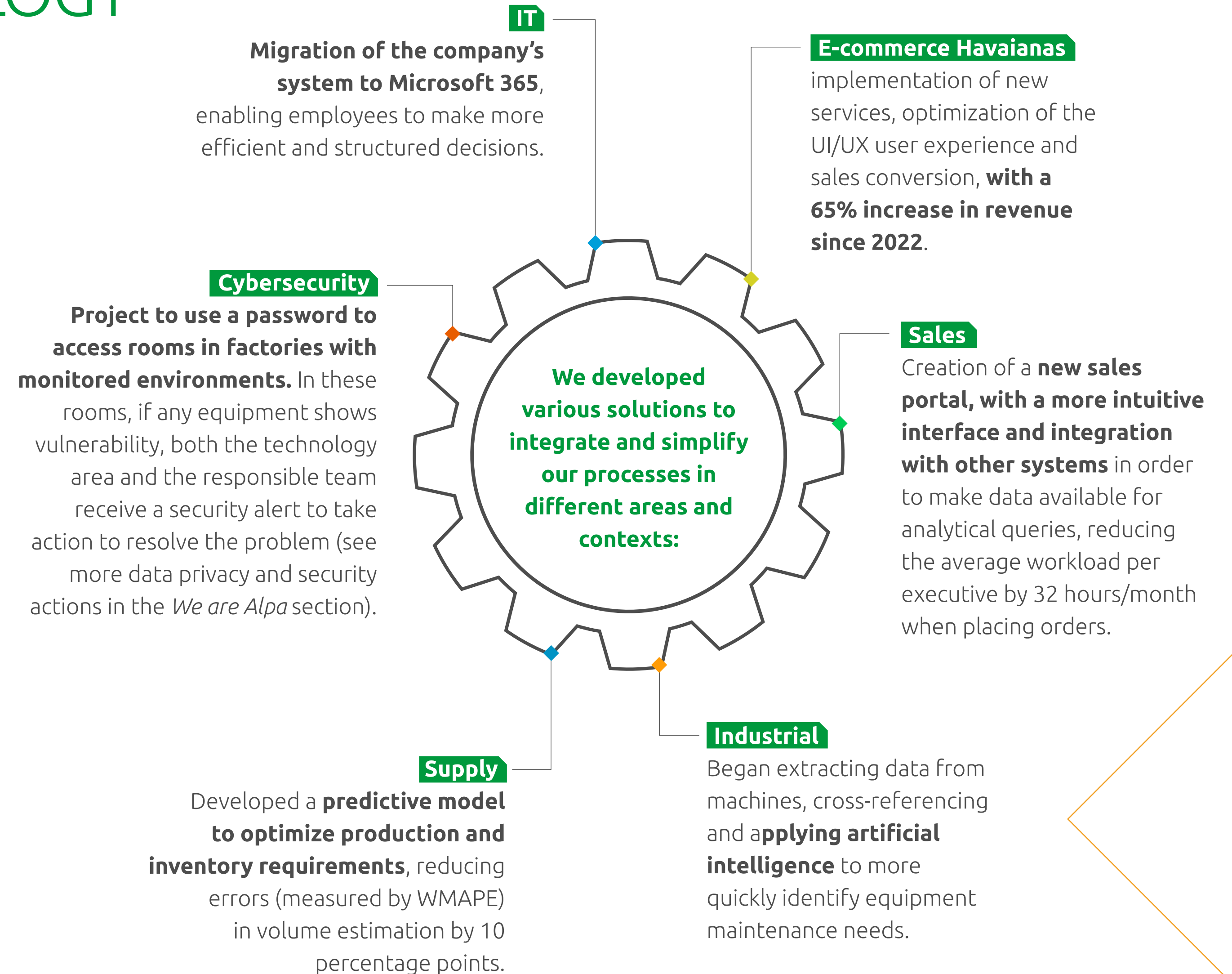
GRI 3-3 (Material topic: Technology and innovation)

Technology is an enabler. It automates, integrates, generates data, and creates solutions. Both technology and digitalization are cross-cutting topics at Alpargatas, as they are essential for the implementation of simplification and innovation strategies. In addition to our internal technology department, which develops and manages our digital systems, we rely on the expertise of ioasys for specific projects.

ioasys's approach to technology and innovation reflects a commitment to sustainable and responsible development. We achieve this by combining technological advances with a solid organizational culture, guided by the values of care, transformation, and continuous learning.

While our technology solutions are designed to have a positive impact, we recognize that they can also have a negative impact, such as increasing energy consumption, generating e-waste, and widening the digital divide. To mitigate these challenges, we adopt sustainable practices, promote digital inclusion, and strive to ensure that our innovations are accessible and beneficial to all stakeholders.

All projects implemented in 2024 were aimed at integration and simplification, always with a focus on cost reduction and the quality of our client and consumer experience. ioasys actively supports the implementation of our technology projects. Some of the highlights on this front in 2024 were the projects related to the business transformation journey: end-to-end planning, order management, registration, customer experience, and analytics and artificial intelligence (AI), offering support to our areas.





OUR PEOPLE



Material topic covered in the section:

- Labor practices

SDG corresponding to this section:



The new leadership

We began 2024 by ensuring the successful arrival of our new CEO, Liel Miranda. After a transition period, the teams got to know the new CEO, who is responsible for resuming Alpa's growth. As part of the onboarding process with the teams, the CEO made a series of visits to different locations and areas to get closer to the employees. In this effort to

get closer, the new CEO took the opportunity to answer employees' questions, responding to the desire for transparency expressed in the last engagement survey conducted at the beginning of 2024.

We also defined and presented our new strategies, vision, and culture to internal and external audiences. To this end, we invested in structured communication activities, team development, active listening, and engagement to ensure alignment and cohesion along our transformation journey.



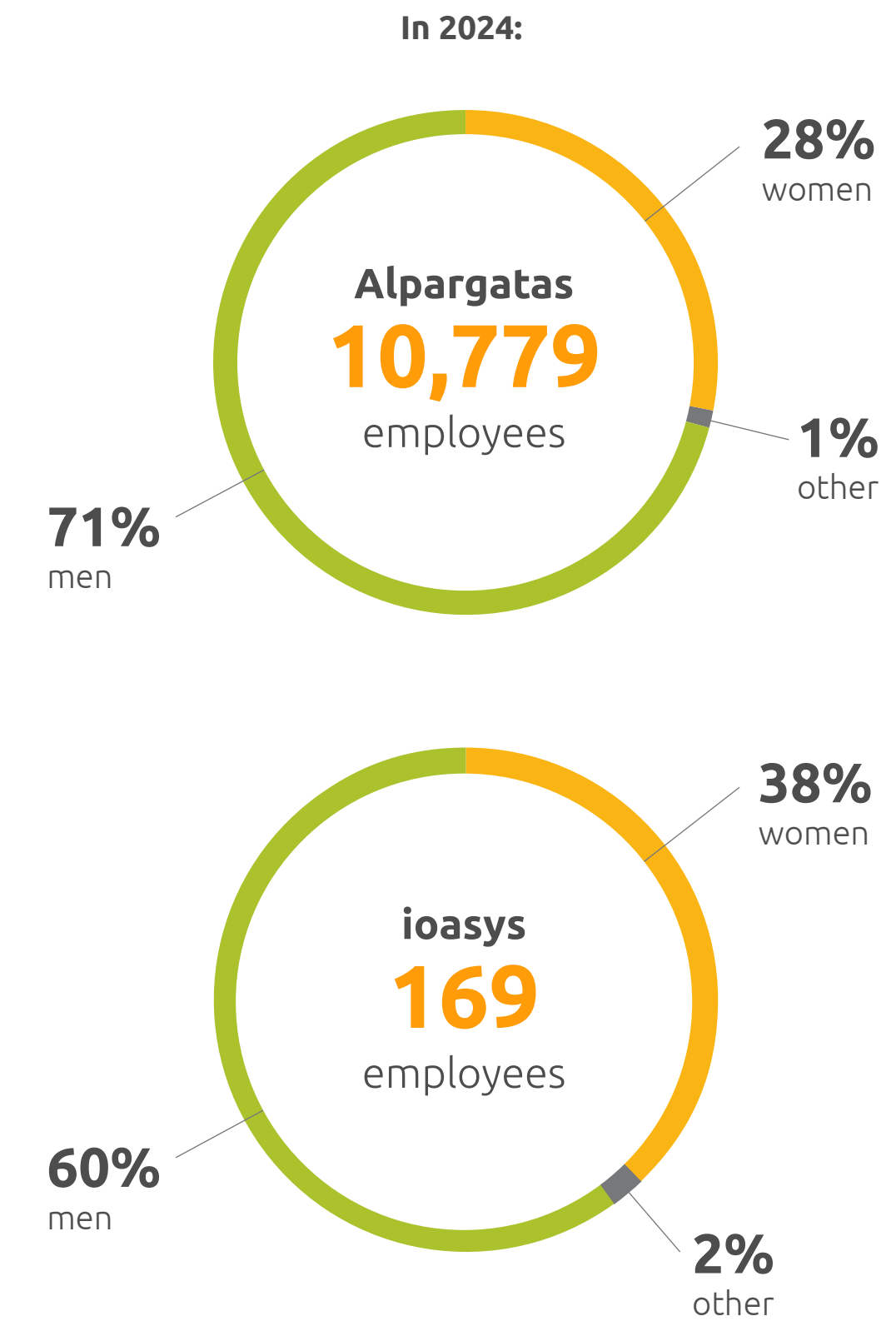
OUR EMPLOYEES

GRI 2-7, 2-8, 402-1

We ended 2024 with a workforce of 10,948 employees worldwide, including ioasys. The northeast region of Brazil accounts for 67% of our workforce, as three of our four factories are located there. In addition, 203 of our employees work in other countries. Alpargatas had 1,709 workers who are not employees whose work is controlled by the company. ioasys had a total of 138 service providers.

At Alpargatas, employees are consulted and informed on the subjects covered by collective bargaining agreements, but no minimum notice period has been set for major operational changes.

At ioasys, we have a minimum four-week notice period for operational changes, although employees are not covered by collective bargaining agreements and there is no formal notice period.



Number of employees, by gender

GRI 2-7

	2022					2023					2024					Total											
	Alpargatas					Alpargatas					ioasys						Total										
	Women	Men	Other	Not-disclosed	Subtotal	Women	Men	Other	Not-disclosed	Subtotal	Women	Men	Other	Not-disclosed	Subtotal												
Number of employees, by gender	4,165	11,676	n/d	n/d	15,841	3,307	8,390	54	0	11,751	85	186	2	4	277	12,028	3,031	7,626	122	0	10,779	65	101	1	2	169	10,948
Number of permanent employees	4,165	11,676	n/d	n/d	15,841	3,307	8,390	54	0	11,751	82	181	2	4	269	12,020	3,031	7,626	122	0	10,779	65	101	1	2	169	10,948
Number of temporary employees	0	0	n/d	n/d	0	0	0	0	0	0	3	5	0	0	8	8	0	0	0	0	0	0	0	0	0	0	0
Number of non-guaranteed hours employees	0	0	n/d	n/d	0	0	0	0	0	0	20	77	0	2	99	99	0	0	0	0	0	0	0	0	0	0	0
Number of full-time employees	4,165	11,676	n/d	n/d	15,841	3,307	8,390	54	0	11,751	62	104	2	2	170	11,921	3,031	7,626	122	0	10,779	65	101	1	2	169	10,948
Number of part-time employees	0	0	n/d	n/d	0	0	0	0	0	0	3	5	0	0	8	8	0	0	0	0	0	0	0	0	0	0	0

Note 1: the data reported refer to the total number of employees at the end of the reporting period (December of each year), including active employees and those laid off during the month. For gender classifications, we considered self-identification and, in the absence of this information, we considered the gender indicated on the employment registration form.

Note 2: at Alpargatas, we classify any employee with a workload of 220 hours as a full-time employee and any employee with a workload of less than 220 hours as a part-time employee. At ioasys, in addition to FTE employees, we also included employees hired as legal entities and partners, whereas in 2024 only FTE employees were considered, resulting in a decrease in the total number of employees reported. GRI 2-4 The gender classification "Other" has been reported since 2023. Therefore, there is no historical series.

Number of employees, by region

GRI 2-7

	2022							2023											2024																		
	Alpargatas							Alpargatas						ioasys					Total	Alpargatas						ioasys					Total						
	Other countries	North	Northeast	Midwest	Southeast	South	Total	Other countries	North	Northeast	Midwest	Southeast	South	Total	Other countries	North	Northeast	Midwest		Southeast	South	Total	Other countries	North	Northeast	Midwest	Southeast	South	Total								
Total number of employees	283	0	11,536	0	4,022	0	15,841	228	0	8,235	0	3,288	0	11,751	2	1	33	10	199	32	277	12,028	203	0	7,353	0	3,223	0	10,779	0	1	26	7	122	13	169	10,948
Number of permanent employees	283	0	11,536	0	4,022	0	15,841	228	0	8,235	0	3,288	0	11,751	2	1	31	10	193	32	269	12,020	203	0	7,353	0	3,223	0	10,779	0	1	26	7	122	13	169	10,948
Number of temporary employees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	6	0	8	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Number of non-guaranteed hours employees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	10	5	65	17	99	99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Number of full-time employees	283	0	11,536	0	4,022	0	15,841	228	0	8,235	0	3,288	0	11,751	0	1	21	5	128	15	170	11,921	203	0	7,353	0	3,223	0	10,779	0	1	26	7	122	13	169	10,948
Number of part-time employees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	6	0	8	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note: the data reported refer to the total number of employees at the end of the reporting period (December of each year), including active employees and those laid off during the month. At Alpargatas, we classify any employee with a workload of 220 hours as a full-time employee and any employee with a workload of less than 220 hours as a part-time employee. As of 2024, to align more closely with the GRI 2-8 standard, Alpargatas began classifying trainees as employees under this indicator—previously reported as non-employee workers. Conversely, young apprentices, formerly considered employees, are now reported as non-employee workers. At ioasys, in 2023, in addition to FTE employees, we also included employees hired as legal entities and partners, whereas in 2024 only FTE employees were considered, resulting in a decrease in the total number of employees reported. GRI 2-4

Number of workers who are not employees

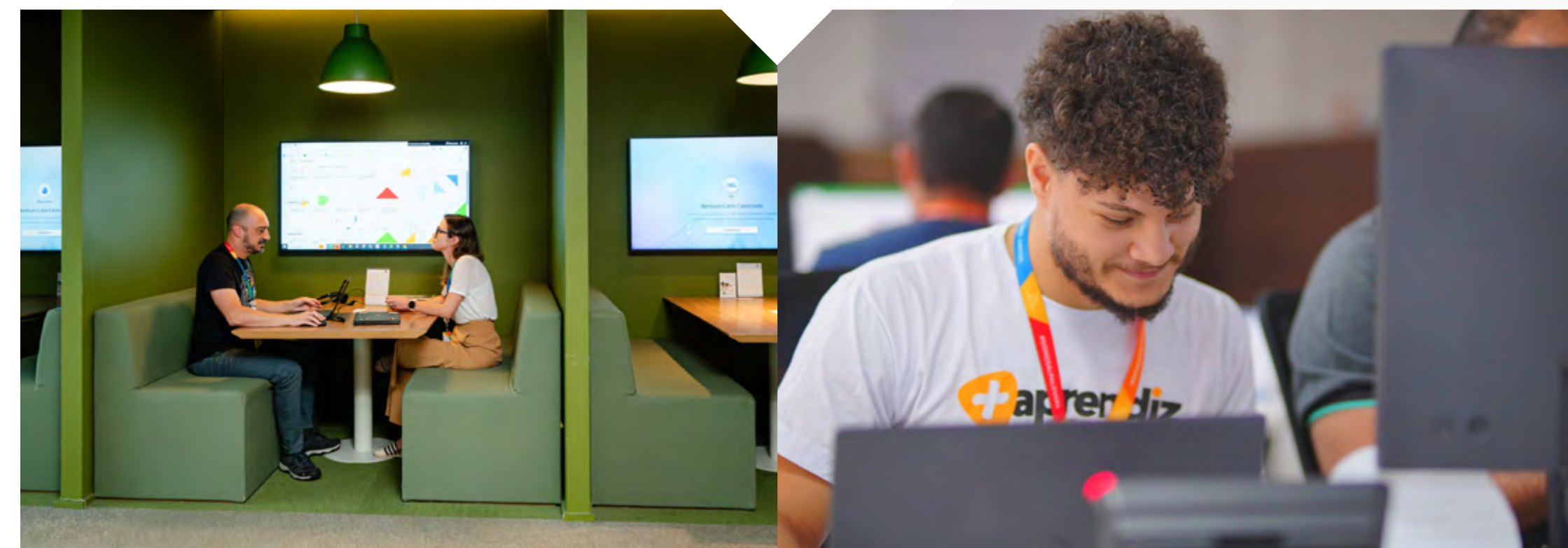
GRI 2-8

	2022		2023			2024		
	Alpargatas	Alpargatas	ioasys	Total	Alpargatas	ioasys	Total	
Interns and apprentices	57	41	8	49	461	20	481	
Service providers	707	950	99	1,049	1,248	118	1,366	
Total	764	991	107	1,098	1,709	138	1,847	

Note 1: the data reported refer to the total number of workers at the end of the reporting period (December of each year), including active workers and those laid off during the month.

Note 2: at ioasys, the main activities performed by workers are administration, technology, marketing, design, among others, while at Alpargatas, service providers perform tasks such as security, cleaning, maintenance, cafeteria activities, and interns and apprentices perform administrative activities.

Note 3: in 2022 and 2023, the 'Interns and Apprentices' category was considered 'Interns and Trainees.' As of 2024, in order to better align with the Standard, Alpargatas started to include the 'Apprentices' category and removed the 'Trainees' category, which is now classified as employees in GRI 2-7. GRI 2-4



Rate of new employee hires and employee turnover

GRI 401-1

Since 2022, the company has been undergoing an intensive organizational restructuring process focused on simplifying and optimizing its operations. As a result of this strategy, there was a significant reduction in the number of employees in 2023 compared to 2022. We have reinforced our commitment to organizational efficiency, ensuring that our team is aligned with the new principles of culture and business needs.

In 2024, we continued with a restructuring scenario, but with a more stable headcount, reducing the turnover rate from 0.22 to 0.17 and increasing the hiring rate from 0.14 to 0.18. The results are due to Alpargatas's Strategic Planning, which cascaded the goals towards reducing turnover, increasing labor efficiency, and improving gender balance.

As part of our gender equity efforts, we also implemented structured programs to attract, train, and retain women – particularly in functions historically held by men (e.g., forklift operations).

Total number of new employee hires

GRI 401-1

	2023			2024		
	Alpargatas	ioasys	Total	Alpargatas	ioasys	Total
Gender						
Women	853	11	864	789	16	805
Men	765	39	804	1,036	19	1,055
Other	11	1	12	86	0	86
Not disclosed	0	1	1	0	1	1
Total	1,629	52	1,681	1,911	36	1,947
Age group						
Under 30	1,112	32	1,144	1,217	19	1,236
30 to 50	501	20	521	675	17	692
Over 50	16	0	16	19	0	19
Total	1,629	52	1,681	1,911	36	1,947
Region						
North	0	1	1	0	0	0
Northeast	910	6	916	835	6	841
Midwest	0	3	3	0	2	2
Southeast	672	39	711	1,048	25	1,073
South	0	3	3	0	3	3
International	47	0	47	28	0	28
Total	1,629	52	1,681	1,911	36	1,947

Note: gender as self-identified by employees. As of 2024, the employee base considered for this indicator aligns with that reported under GRI 2-7, which includes FTE employees. GRI 2-4

Rate of new employee hires

GRI 401-1

	2023			2024		
	Alpargatas	ioasys	Total	Alpargatas	ioasys	Total
Gender						
Women	0.26	0.13	0.25	0.26	0.16	0.26
Men	0.09	0.21	0.10	0.14	0.09	0.13
Other	0.05	0.50	0.05	0.70	0.00	0.69
Not disclosed	0.00	0.25	0.25	0.00	0.17	0.17
Total	0.14	0.19	0.14	0.18	0.12	0.18
Age group						
Under 30	0.26	0.22	0.26	0.35	0.13	0.34
30 to 50	0.07	0.15	0.08	0.10	0.11	0.10
Over 50	0.02	0.00	0.02	0.03	0.00	0.03
Total	0.14	0.19	0.14	0.18	0.12	0.18
Region						
North	0.00	1.00	1.00	0.00	0.00	0.00
Northeast	0.11	0.18	0.11	0.11	0.15	0.11
Midwest	0.00	0.30	0.30	0.00	0.13	0.13
Southeast	0.20	0.20	0.20	0.33	0.11	0.31
South	0.00	0.09	0.09	0.00	0.10	0.10
International	0.20	0.00	0.20	0.14	0.00	0.14
Total	0.14	0.19	0.14	0.18	0.12	0.18

Nota 1: gender as self-identified by employees. As of 2024, the employee base considered for this indicator aligns with that reported under GRI 2-7, which includes FTE employees. GRI 2-4

Note 2: the rate of new hires was calculated as follows: number of employees hired / number of employees at the end of the reporting period.

Total number of employees terminated

GRI 401-1

	2023			2024		
	Alpargatas	ioasys	Total	Alpargatas	ioasys	Total
Gender						
Women	816	71	887	581	18	599
Men	1,490	192	1,682	1,203	27	1,230
Other	38	3	41	17	0	17
Not disclosed	0	2	2	0	1	1
Total	2,344	268	2,612	1,801	46	1,847
Age group						
Under 30	1,409	142	1,551	803	22	825
30 to 50	795	124	919	937	24	961
Over 50	140	2	142	61	0	61
Total	2,344	268	2,612	1,801	46	1,847
Region						
North	0	4	4	0	0	0
Northeast	1,361	47	1,408	851	3	854
Midwest	0	13	13	0	0	0
Southeast	946	175	1,121	894	36	930
South	0	26	26	0	7	7
International	37	3	40	56	0	56
Total	2,344	268	2,612	1,801	46	1,847

Note 1: gender as self-identified by employees. As of 2024, the employee base considered for this indicator aligns with that reported under GRI 2-7, which includes FTE employees. GRI 2-4

Note 2: in order to maintain historical comparisons and market benchmarking, adjustment layoffs (due to seasonal variations in production, aligning the workforce with market demand) or restructuring layoffs (positions with no planned replacement) have been taken into account. In 2023, these types of layoffs totaled 3,179, compared to 712 in 2024.

Turnover rate

GRI 401-1

	2023			2024		
	Alpargatas	ioasys	Total	Alpargatas	ioasys	Total
Gender						
Women	0.25	0.84	0.26	0.19	0.18	0.19
Men	0.18	1.03	0.20	0.16	0.13	0.16
Other	0.17	1.50	0.18	0.14	0.00	0.14
Not disclosed	0.00	0.50	0.50	0.00	0.17	0.17
Total	0.20	0.97	0.22	0.17	0.15	0.17
Age group						
Under 30	0.33	0.99	0.35	0.23	0.15	0.23
30 to 50	0.12	0.95	0.13	0.14	0.15	0.14
Over 50	0.20	0.67	0.20	0.08	0.00	0.08
Total	0.20	0.97	0.22	0.17	0.15	0.17
Region						
North	0.00	4.00	4.00	0.00	0.00	0.00
Northeast	0.16	1.42	0.17	0.12	0.08	0.12
Midwest	0.00	1.30	1.30	0.00	0.00	0.00
Southeast	0.28	0.88	0.32	0.28	0.16	0.27
South	0.00	0.81	0.81	0.00	0.23	0.23
International	0.16	1.50	0.17	0.28	0.00	0.27
Total	0,20	0.97	0.22	0.17	0.15	0.17

Note 1: gender as self-identified by employees. As of 2024, the employee base considered for this indicator aligns with that reported under GRI 2-7, which includes FTE employees. GRI 2-4

Note 2: the turnover rate was calculated as follows: number of employees who left the company / number of employees at the end of the reporting period.

Note 3: if adjustment layoffs (due to seasonal variations in production, aligning the workforce with market demand) or restructuring layoffs (job positions without planned replacement) had been taken into account, the 2024 rate would have been 23.3%.

Percentage of total employees covered by collective bargaining agreements

GRI 2-30

	2022			2023			2024		
	Alpargatas	Alpargatas	ioasys	Total	Alpargatas	ioasys	Total		
	98%	98%	0%	96%	98%	0%	97%		

Note: in the case of Alpargatas, the 2% difference refers to employees of international operations who follow the legislation in force in their respective countries. In Brazil 100% of the operation is covered by collective bargaining agreements. Only company employees were included. At ioasys, we comply with the provisions of the collective bargaining agreement for the entire Information Technology sector in the state of Minas Gerais.

ALPARGATAS CULTURE

The entire process of restructuring the company has shed light on the evolution of our organizational culture. After a collaborative reflection and definition process that involved many stages and teams, we arrived at the three fundamental pillars that make up our culture: *Inspired by consumers*, *Walk together*, and *Make it happen*.

These pillars are formed by nine expected behaviors (see the following chart):



Inspired by consumers

1. We place consumers at the center of our decision-making process, anticipating their desires and creating trends and memorable experiences through our brands.
2. We anticipate trends and innovate to stay ahead of the game.
3. We work with our clients to create the best experiences for consumers.



Walk together

4. We face our challenges head-on, with transparency. From start to finish.
5. We operate with excellence and efficiency.
6. We deliver sustainable results in the short and long term.



Make it happen

7. We work in an inclusive, collaborative, and co-creative way.
8. We attract and develop talent to create high performing teams.
9. We are focused and accountable.



In order for our employees to know, understand, and begin the process of integrating this new footprint, we are conducting numerous awareness-raising activities in our offices and factories, with the active support of our CEO and C-Suite. We respect the simplification aspect of our strategy and focus on meetings with leaders – called Culture Work Sessions, which inspired our employees, fun dissemination dynamics in the factories, and a global hybrid event. We also prepare internal and external communication materials that are published on our social media and in the press.

Development

GRI 3-3 (Material topic: Labor practices)

It is part of our culture to continually develop the potential of our employees and the people who make a difference in the day-to-day operations of our business. The company's corporate university, the Alpa Learning Universe (ALU), is responsible for organizing and supporting this process. Here, we compile a variety of training courses for teams, divided into different categories:

- **Future:** Training on key topics to prepare Alpargatas for the next 100 years, such as foreign languages, sustainability and diversity & inclusion.
- **Leadership:** Development of leadership skills for the company's current and future leaders.
- **Management System:** Critical tools and methods to achieve results.
- **Expertise:** Improving technical knowledge and the use of tools for functional skills.

One of ALU's highlights in 2024 was bringing the commercial and industrial areas closer together. We launched more functional training and business-oriented programs in line with Alpa's strategy, with a focus on improving both performance and efficiency in delivering results. Workshops were held to accelerate the processes of simplification, delivery and efficiency, and the leadership development program was continued. A program for the Executive Board is already being planned for 2025.

Check out the highlights:

The initiatives are based on ongoing engagement with employees through climate and satisfaction surveys and active listening through reporting channels. The company also acts in accordance with local regulators, with whom it maintains a technical dialogue to ensure compliance with labor standards.

Critical issues are addressed in regular PMO forums with the People Vice Presidency, where we discuss the strategy's developments and the monitoring of the commitments made.



New talents

We regularly run internship and trainee programs because we believe in the potential of new talent who need opportunities to develop.

2024 Trainee Program: 6th year of the global program and 4th year of the industrial program, which prepares young people for future leadership positions. In 2024, we had an innovation in the global program: an experience involving our commercial team in Brazil, from strategy to execution in the stores.

Alpargatas Internship 2024: 5th class of the program which aims to provide us with talent for future positions, and prepare them for the trainee selection process through a development program and performance practices.

	Diversity and Inclusion (D&I)	Alpa Leader Academy	Rubber Academy	Sales Academy
Description	ALU and Allpa, our area dedicated to D&I, join forces to carry out literacy, awareness-raising, and training activities.	The Alpa Management and Alpa Fundamentals programs are designed for different levels of learning and leadership and cover topics related to culture, results, and people management. Alpa Business is an executive training program developed in partnership with Insper and focused entirely on senior management..	Spreading knowledge about our processes, technologies and raw materials, transforming our team into true flip-flop experts.	Developing our people with the sales skills needed to meet the demands of the market: users, consumers, clients, and franchisees, to accelerate growth and support the transformation required by the business.
Results	<ul style="list-style-type: none"> • 112 classes on Gender Equality and Harassment Training in the factories • 7 classes on the Alpa Leader Academy – "Diversity, a look at yourself and beyond" module • 1 meeting and 3 mentoring sessions for middle and senior management on the inclusion of professionals with disabilities • Thematic dialogue meetings 	<ul style="list-style-type: none"> • 1 class Alpa Management Headquarters • 3 classes Alpa Fundamentals • 1 class Alpa International Management • 1 class Manager Training for Own Stores • 3 classes Alpa Plant Management 	<ul style="list-style-type: none"> • 60 participants in the Operational Specialist Training • 16 hours of training 	<ul style="list-style-type: none"> • 278 people trained • 1,000 hours of training



Diversity and inclusion

GRI 3-3 (Material topic: Labor practices)

To value diversity is to recognize that we are unique and that each person, with their different physical, personality, behavioral, sexual orientation, religious, and other characteristics, must be respected. At Alpargatas, we believe that we should not only surround ourselves with a diversity of voices, but also provide the means for them to be heard and respected.

Allpa, our Diversity & Inclusion (D&I) program, aims to create a diverse and inclusive work environment that respects individuality, provides equal opportunities and values differences, making the company the best place for everyone. The program is built around six dimensions.

6 dimensions

that are intersectionally addressed at Alpa in relation to issues of diversity and inclusion

#ParidadeAlpa (#AlpaParity)

Accelerating gender equity

Promote gender equality and break down prejudices and stereotypes to create the ideal conditions for equal opportunities for women and men.

#NaçãoAlpa (#AlpaNation)

Valuing cultural diversity

Value cultural beliefs and differences, both by fostering a connection to the local reality of our operations and by promoting a global, welcoming, and inclusive work environment.

#VistaSeuOrgulho (#WearYourPride)

Feel free to be who you are

Promote a safe and respectful work environment where people feel free to be who they are.

#GeraçõesConectadas (#ConnectedGenerations)

Building Alpa's future

Encourage the coexistence and exchange of experiences between the generations, develop measures to combat ageism and promote initiatives aimed at developing skills (hard and soft skills), taking into account emerging working models.

#TalentoSemLimites (#LimitlessTalent)

Differences without borders

Break down stereotypes and limit beliefs about people with disabilities, creating the conditions for them to have access to equal opportunities and to be able to develop professionally.

#RaçaEmFoco (#RaceInFocus)

Relearning to promote racial equity

Promote racial equity and disrupt the status quo that reproduces inequality in our society by creating opportunities for access and development for Black people and other underrepresented ethnic groups.

Some highlights
from our
D&I
approach:

PwD governance: In our *#TalentoSemLimites* dimension, we created multidisciplinary committees in São Paulo and Montes Claros to specifically address this issue. From there, we prioritized actions to promote the employability and retention of this population beyond what is required by law. For example, **we mapped the accessibility resources available in our work environments and ways to make the hybrid work model more flexible in specific situations.** We also provided leadership training and awareness-raising activities on the subject of empowerment.

Parenting policy: We approved our first parenting policy to provide **more flexibility for people with parental responsibilities**, both men and women, to gradually return to work, while also ensuring that same-sex couples, transsexuals, and single parents have access to our benefits policies in this area.

Gender balance: We are working to increase the employability of women in our factories. Some jobs, such as operating forklifts, have never been done by women, and we have developed **projects in partnership with SENAI to train and employ women in this and other positions at Alpargatas.** At the Campina Grande and Mixing Center plants, we gave 150 people face-to-face training on bullying and sexual harassment, and at the corporate office we talked about the role of men in achieving gender equality.

Conversation circles: In our *#RaçaEmFoco* dimension, we promoted an exclusive **conversation at our headquarters for Black people on future skills and career development.** In the *#VistaSeuOrgulho* dimension, we also held a **chat on LGBTI+ culture and its impact on society and business results, with the participation of experts and market leaders**, and participated in the LGBTI+ Rights Business Forum to access knowledge and increase our level of maturity on this issue.

Association to Mover: We joined the Business Movement for Racial Equity (*Mover*), which will help us address **the employability and racial equity challenge.** We now have access to *Mover's* talent recognition platform and will be able to intentionally attract and grow a more diverse workforce.

Women in leadership: We are part of movements such as *Elas Lideram* and *MM360*, which support our goal of **increasing female leadership at Alpa.**

Information for all: More than 9,000 people at Alpargatas work in operations and do not have access to a computer, making it difficult for them to receive information about the company. In order to find a solution to this problem, we organized two pilot projects involving nearly 30 people to understand and think together about **ways to ensure the effective participation of this audience in internal campaigns.**

Our commitments

We are making progress on our D&I targets of 50% women in leadership positions and 25% people from underrepresented groups in leadership positions. In 2025, we will resume mentoring programs for women to accelerate talent development and increase the presence of women in leadership. We will continue to strengthen inclusion through training for Attraction, HRBP, and Internal Communication, as well as courses through the Alpa Learning Universe. Throughout the year, we strengthened partnerships with companies specializing in the recruitment of Black professionals, such as *Indique uma Preta* and *MaisDiversidade*.

At ioasys, we have a quarterly goal of guaranteeing at least 35% of job openings to profiles belonging to minority groups based on gender (women and other genders), race/ethnicity (Black), sexual orientation (LGBTQIAP+ group), and people with disabilities.
SASB TC-SI-330a.3

Gender representation at ioasys

SASB TC-SI-330a.3

Of ioasys' 169 employees in 2024:

- 65 were women (38%¹)
- 25% of employees in executive management positions were women
- 46% of non-executive management positions were held by women
- 29% of employees in technical positions were female

Other diversity groups:

- 5 employees self-identified as having a disability (compared to 8 in 2023, 3% of total)
- 60 people self-identified as Black (compared to 91 in 2023, 36% of the total)
- 20 people (12%) self-identified as LGBTQIA+ (37 in 2023)

In non-executive management positions, Black and LGBTQIA+ people make up 31% and 15% of the category, respectively.



Note 1: this figure is higher than in 2023 (30%).

Note 2: reported from 2024 (baseline year); no historical data available.

Percentage of employees, by employment category and gender

GRI 405-1

	2022		2023				2024												
	Alpargatas		Alpargatas		ioasys		Alpargatas		ioasys										
	Women	Men	Women	Men	Other	Not-disclosed	Women	Men	Other	Not-disclosed	Women	Men	Other	Not-disclosed	Women	Men	Other	Not-disclosed	
Executives	29%	71%	33%	67%	0%	0%	0%	100%	0%	0%	9%	91%	0%	0%	0%	0%	0%	0%	0%
Executive Board	46%	54%	44%	56%	0%	0%	38%	63%	0%	0%	44%	54%	2%	0%	25%	75%	0%	0%	0%
Management	50%	50%	53%	47%	0%	0%	37%	63%	0%	0%	49%	48%	4%	0%	46%	54%	0%	0%	0%
Administrative	44%	56%	44%	55%	0%	0%	73%	23%	3%	0%	44%	54%	2%	0%	84%	12%	4%	0%	0%
Operational	24%	76%	25%	75%	0%	0%	23%	75%	1%	2%	25%	74%	1%	0%	29%	69%	0%	2%	0%
Interns	66%	34%	77%	23%	0%	0%	38%	63%	0%	0%	62%	38%	0%	0%	60%	40%	0%	0%	0%
Apprentices	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	60%	36%	4%	0%	0%	0%	0%	0%	0%
Total average	26%	74%	28%	71%	0%	0%	31%	67%	1%	1%	29%	69%	1%	0%	41%	58%	1%	1%	0%

Note: for gender classifications, we considered self-identification and, in the absence of this information, we considered the gender indicated on the employment registration form. Includes full-time employees, interns, and apprentices. Trainees were included in the 'Administrative' category.

Percentage of employees, by employee category and age group

GRI 405-1

	2022			2023						2024					
	Alpargatas			Alpargatas			ioasys			Alpargatas			ioasys		
	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50
Executives	0%	50%	50%	0%	67%	33%	0%	100%	0%	0%	55%	45%	0%	0%	0%
Executive Board	0%	78%	22%	0%	79%	21%	13%	88%	0%	1%	86%	13%	0%	100%	0%
Management	5%	87%	8%	7%	85%	8%	32%	66%	3%	4%	89%	7%	31%	69%	0%
Administrative	29%	66%	5%	29%	65%	6%	47%	53%	0%	30%	65%	5%	44%	56%	0%
Operational	29%	66%	5%	29%	65%	6%	57%	42%	1%	34%	60%	6%	58%	41%	1%
Interns	46%	50%	4%	38%	56%	6%	100%	0%	0%	100%	0%	0%	90%	10%	0%
Apprentices	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	100%	0%	0%	0%	0%	0%
Total average	43%	52%	4%	36%	58%	6%	52%	47%	1%	35%	59%	6%	57%	43%	1%

Percentage of employees, by employment category and race

GRI 405-1

	2022						2023						2024																	
	Alpargatas						Alpargatas						ioasys																	
	Asian	White	Indigenous	Black	Brown	Not disclosed	Asian	White	Indigenous	Black	Brown	Not disclosed	Asian	White	Indigenous	Black	Brown	Not disclosed	Asian	White	Indigenous	Black	Brown	Not disclosed	Asian	White	Indigenous	Black	Brown	Not disclosed
Executives	0.0%	71.0%	0.0%	0.0%	0.0%	29.0%	0.0%	88.9%	0.0%	0.0%	0.0%	11.1%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	72.7%	0.0%	0.0%	0.0%	27.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Executive Board	1.0%	71.0%	0.0%	0.0%	5.0%	24.0%	1.1%	73.6%	0.0%	0.0%	4.4%	20.9%	0.0%	75.0%	0.0%	0.0%	12.5%	12.5%	1.1%	69.0%	0.0%	0.0%	11.5%	18.4%	0.0%	75.0%	0.0%	0.0%	0.0%	25.0%
Management	2.0%	55.0%	0.0%	2.0%	17.0%	24.0%	1.4%	50.3%	0.0%	1.7%	19.9%	26.7%	2.6%	63.2%	0.0%	7.9%	26.3%	0.0%	1.9%	49.8%	0.0%	2.7%	21.5%	24.1%	7.7%	61.5%	0.0%	15.4%	15.4%	0.0%
Administrative	2.0%	36.0%	0.0%	4.0%	41.0%	17.0%	1.7%	35.8%	0.3%	5.1%	42.3%	14.9%	3.3%	53.3%	0.0%	6.7%	33.3%	3.3%	1.8%	36.5%	0.2%	5.1%	43.5%	12.9%	4.0%	40.0%	0.0%	12.0%	44.0%	0.0%
Operational	1.0%	15.0%	0.0%	7.0%	72.0%	4.0%	1.0%	15.0%	0.1%	7.3%	73.6%	2.9%	2.6%	61.3%	0.0%	6.8%	27.2%	2.1%	0.9%	14.7%	0.2%	7.7%	74.0%	2.5%	2.4%	62.2%	0.0%	8.7%	24.4%	2.4%
Interns	0.0%	62.0%	0.0%	3.0%	34.0%	0.0%	0.0%	69.2%	0.0%	15.4%	15.4%	0.0%	0.0%	87.5%	0.0%	0.0%	12.5%	0.0%	0.0%	61.5%	0.0%	0.0%	38.5%	0.0%	0.0%	75.0%	0.0%	5.0%	20.0%	0.0%
Apprentices	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	0.4%	24.8%	0.4%	10.0%	64.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total average	1.0%	19.0%	0.0%	7.0%	68.0%	6.0%	1.1%	19.0%	0.4%	6.9%	67.7%	5.1%	2.5%	62.1%	0.0%	6.5%	26.7%	2.2%	1.0%	19.1%	0.2%	7.3%	68.1%	4.3%	2.6%	60.8%	0.0%	9.0%	25.4%	2.1%

Note 1: this indicator includes full-time employees, interns, and apprentices. Trainees were included in the 'Administrative' category.

Note 2: some ioasys data for the "Administrative" and "Operational" categories for 2023 have been restated in this report due to a data recording error. There was no significant variation. GRI 2-4

Percentage of employees with disabilities (PwD), by employee category and gender

GRI 405-1

	2022		2023								2024							
	Alpargatas		Alpargatas				ioasys				Alpargatas				ioasys			
	Women	Men	Women	Men	Other	Not disclosed	Women	Men	Other	Not disclosed	Women	Men	Other	Not disclosed	Women	Men	Other	Not disclosed
Executives	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Executive Board	0%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Management	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Administrative	1%	1%	0%	0%	0%	0%	0%	12%	100%	0%	0%	0%	0%	0%	10%	0%	100%	0%
Operational	2%	3%	2%	3%	0%	0%	2%	2%	0%	0%	2%	3%	0%	0%	0%	1%	0%	50%
Interns	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Apprentices	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	0%	0%	0%	0%	0%	0%	0%	0%
Total average	1%	2%	2%	3%	0%	0%	2%	5%	50%	0%	2%	3%	0%	0%	3%	1%	100%	50%

Note 1: for gender classifications, we considered self-identification and, in the absence of this information, we considered the gender indicated on the employment registration form. Includes full-time employees, interns, and apprentices. Trainees were included in the 'Administrative' category.

Note 2: the total percentage of persons with disabilities identifying as male reported for Alpargatas in 2023 has been adjusted from 2% to 3% in this Report due to a typographical error. GRI 2-4

Percentage of individuals on the Board of Directors, by diversity category

GRI 405-1

		2022	2023	2024
		Gender	Women	13%
	Men	87%	87%	87%
Age group	Under 30	0%	0%	0%
	30 to 50	25%	25%	25%
	Over 50	75%	75%	75%
Race	Asian	n/d	0%	0%
	White	n/d	100%	100%
	Indigenous	n/d	0%	0%
	Brown	n/d	0%	0%
	Black	n/d	0%	0%
	Not disclosed	n/d	0%	0%
People with Disabilities	People with Disabilities	n/d	n/d	13%

Note: there are no board members in the "Other" and "Not disclosed" gender categories in 2023 and 2024. Data on diversity by race began to be reported in 2023, and the diversity category "Person with a disability" began to be reported in 2024, so we don't have a historical series.



Benefits and wellness

GRI 401-2, 403-6

YOU is our global wellness program that promotes a more relaxed and healthier environment for everyone. The initiatives focus on the three pillars recommended by the World Health Organization (WHO):



Soul

encourages employees to connect with who they are and to express themselves in an authentic way.

Body

includes activities that focus on physical health, with the goal of improving one's disposition, mood and self-esteem.

Mind

provides on care for emotional and mental health.

The program addresses health issues that go beyond the workplace, such as healthy habits, disease prevention, and quality of life. In 2024, several initiatives were carried out to reinforce our care for employees, such as: Health Week, with advice and assistance in the units; promotions offering discounts on medical check-ups during the colored health months, such as Pink October and Blue November; the DNA program, which brings employees' families to the workplace for a tour; sports competitions during the Olympic Games; the presence of nutritionists in the units; reduced working hours in the offices on Fridays during the height of summer; as well as the celebration of important dates and a special program in the month of each employee's birthday.

Note 1: only Alpargatas operations are included in this indicator.

Note 2: the São Paulo office also offers quick massage, acupuncture and psychological care.

Hybrid work model

Office-based employees have access to a hybrid work model with on-site work three times a week. The system is designed to strengthen and engage our culture in support of strategic goals.

Benefits

GRI 401-2

At Alpargatas, all employees receive the following benefits:

- Life insurance
- Health plan
- Parental leave
- Private pension/pension fund/benefits plan
- Dental plan
- Check-ups, this benefit is only available at the São Paulo, SP unit.
- Meal vouchers (this benefit is only available at the São Paulo, SP, Alpa Venda, and Havaianas units; the factory units have cafeteria services available)

- Pharmacy agreement (this benefit is available at the Montes Claros, MG, Extrema, MG, Campina Grande, PB, Santa Rita, PB, Carpina, PE, and at the Mixing Center)
- Wellness program: a partnership with marketplace for the use of gyms, nutritional support, and mental health

At ioasys, employee benefits* include health insurance and meal vouchers, in addition to legally required benefits such as transportation vouchers for those who work on-site, cost-of-living allowances for those who work remotely, maternity/paternity leave, daycare, and family allowances.

All employees, including service providers, have the following additional benefits:

- Opportunity to take 30 days off per year of service
- Access to English language training
- Partnership with marketplace to use gyms
- Access to Zenklub
- Birthday day off

Note 1: ioasys and Alpargatas have no temporary or part-time employees.

Note 2: at Alpargatas, we consider the following as significant locations of operation: São Paulo/SP; Montes Claros/MG; Extrema/MG; Campina Grande/PB; Santa Rita/PB; Carpina/PE; Mixing Center; Alpa Vendas; and Havaianas. At ioasys, we consider all of our units in São Paulo (SP) and Belo Horizonte (MG)



Health and Safety

GRI 403-9, 403-10

We believe that ongoing health and safety management training is essential to ensure safe behaviors, in addition to monitoring environments, machinery, and structures to ensure they always provide the highest level of safety.

Our safety culture is based on two main pillars:



The Golden Rules

These are non-negotiable rules that are reinforced in training and are a criterion in performance appraisals.



Leaders

Leaders must inspire and model safe behaviors and attitudes for their teams.

In 2024, a high-consequence work-related injury triggered a movement to review processes as a preventive measure, with the support of a committee dedicated to reviewing the governance of this issue and its main guidelines.



Hazards are identified through an investigative process analyzed by a multidisciplinary team in the units where the incidents occurred. Actions are also taken to eliminate other risks, such as



Inventory of 100% of cutting tools and elimination of 40% of tools.



Training/refresher courses on risk awareness.



Training/refresher courses on handling stabil trolleys/presses



Compliance with Regulatory Standard 12 for assembly plants



Adaptation/standardization of the die cutting knives (guards/pneumatic)

The main types of accidents during the year were blunt force trauma, crushing, contact with sharp objects, contact with hot objects, and projection of particles onto the body, among others. Accidents that occurred and were reported did not involve chemical products.



Main prevention measures

GRI 403-9, 403-10

We hold safety meetings on topics such as safety integration, improving the LOTO system (including training and tools), and targeted Health and Safety inspections as part of our routine. We have also increased the quality of proactive tools, such as Behavioral Observations for Supervisors and Leadership, and promoted Cross Inspections among leaders.

Based on this comprehensive review, we are committed to achieving the zero-accident mark, with zero first aid and zero risk tolerance. This updated model will be implemented company-wide in 2025. Concurrently, the company is in the process of revising its Defensive Driving Policy, which, upon approval, will be disseminated and incorporated into training.

Rates and numbers of work-related injuries for employees and workers who are not employees

GRI 403-9

	2022		2023				2024			
	Employees	Outsourced workers	Employees		Outsourced workers		Employees		Outsourced workers	
	Alpargatas		Alpargatas	ioasys	Alpargatas	ioasys	Alpargatas	ioasys	Alpargatas	ioasys
Number of fatalities	0	0	0	0	0	0	0	0	0	0
Rate of fatalities	0	0	0	0	0	0	0	0	0	0
Number of high-consequence work-related injuries	2	2	0	0	20	0	1	0	0	0
Rate of high-consequence work-related injuries	0.07	0.07	0	0	12.24	0	0.06	0	0	0
Number of recordable work-related injuries	23	23	22	0	0	0	21	0	0	0
Rate of recordable work-related injuries	0.84	0.84	1.3	0	0	0	1.23	0	0	0
Number of hours worked	n/d	n/d	16,802,905	399,000	1,707,300	257,032	17,112,523	329,472	1,669,140	210,824

Note 1: in the case of Alpargatas, the employee base used in the indicator includes only the industrial and DC Mixing Center employees. The data was entered and compiled on our SIS system platform. For ioasys, the data includes only FTE employees.

Note 2: the total number of hours worked by service providers for Alpargatas in 2023 has been revised to include units that were not previously considered. GRI 2-4

Note 3: in 2024, the main cause of the lost-time accident recorded was the operation of the trolley used in the presses to transport waste.

Work-related ill health

GRI 403-10

	2022	2023		2024	
	Alpargatas	Alpargatas	ioasys	Alpargatas	ioasys
Number of fatalities as a result of work-related ill health	0	0	0	0	0
Number of cases of recordable work-related ill health	106	68	0	57	0

Note 1: Alpargatas reported data on work-related ill health in previous years for service providers, but stopped reporting such data in 2024 due to unstructured data management. GRI 2-4

Note 2: hazards are identified through risk assessments, regular inspections by the Health and Safety department, including ergonomic analysis of workstations, and feedback from workers.

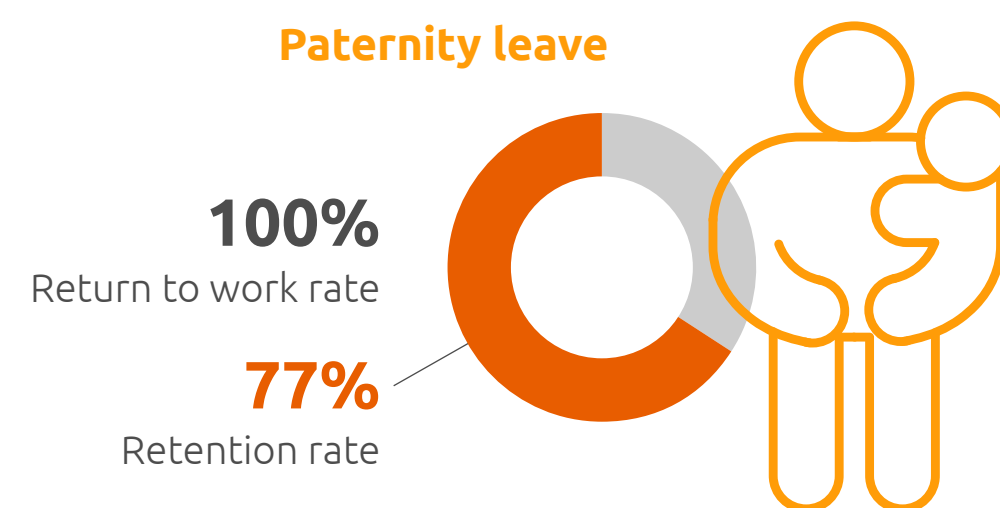
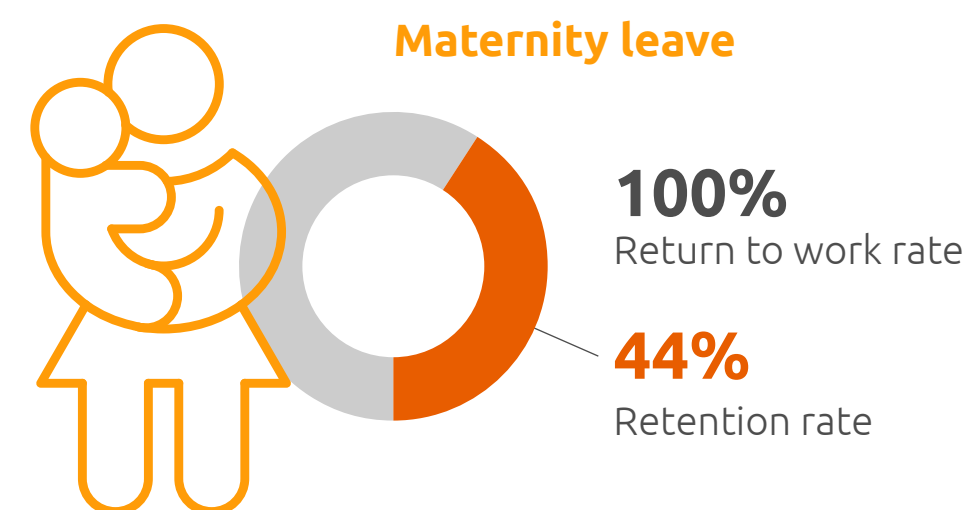
Note 3: in 2024, work-related ill health include musculoskeletal disorders (MSDs), repetitive strain injuries (RSI) and work-related musculoskeletal disorders (WMSDs) such as tendonitis, bursitis, and carpal tunnel syndrome. Hazards that pose a risk of these conditions include repetitive motions, lifting, motions with a risk of joint damage, poor posture, and others that are inherent in areas of the plant's production process that contribute to the conditions.

Parental leave

GRI 401-3

In 2024, the retention rate¹ of women returning from maternity leave at Alpargatas was 44%, while the return rate² was 100%. At ioasys, both rates were 100%. At Alpargatas, women are entitled to four months of maternity leave, followed by 15 days of breastfeeding time. Men are entitled to five days of paternity leave. At ioasys, the leave is 120 days and 15 days, respectively.

The company's restructuring has impacted our turnover rates, including the retention of women returning from maternity leave. To address this issue, in 2024 we launched our Parenting Policy, which makes working arrangements more flexible for people going through this period, following good market practices. This was a first step towards creating a more welcoming and sustainable environment.



Note 1: retention rate = Total number of employees retained 12 months after returning to work following a period of parental leave / Total number of employees returning from parental leave in the prior reporting period x 100

Note 2: return to work rate = Total number of employees that did return to work after parental leave / Total number of employees due to return to work after taking parental leave x 100

Parental leave

GRI 401-3

		2023			2024		
		Alpargatas	ioasys	Total	Alpargatas	ioasys	Total
Total number of employees who took parental leave	Women	180	2	182	139	1	140
	Men	379	4	383	308	3	311
Total number of employees who returned to work in the reporting period after parental leave ended	Women	195	2	197	148	1	149
	Men	382	4	386	309	3	312
Total number of employees who returned to work after parental leave ended that were still employed 12 months after their return to work	Women	78	1	79	86	1	87
	Men	354	2	356	296	3	299
Total number of employees due to return to work after taking parental leave in the reporting period	Women	196	n/d	196	148	1	149
	Men	383	n/d	383	309	2	311
Return to work rate	Women	99%	100%	100%	100%	100%	100%
	Men	100%	100%	100%	100%	100%	100%
Retention rate	Women	41%	n/d	n/d	44%	50%	44%
	Men	66%	n/d	n/d	77%	75%	77%

Note: all employees are entitled to parental leave. The indicator uses the same employee base as GRI 2-7, which includes FTE employees.





Gender pay ratios

GRI 405-2

Small variations in salary between men and women, both positive and negative, were identified for certain employee categories between 2023 and 2024. These variations may reflect a combination of two factors: 1) different responsibilities for the same employee category and 2) different contribution times (consequently, different salary increases) for the same employee category.

Ratio of the basic salary and remuneration of women to men for each employee category

GRI 405-2

	2022		2023		2024		
	Alpargatas	Alpargatas	ioasys	Alpargatas		ioasys	
	Basic salary	Basic salary	Basic salary	Basic salary	Basic salary	Basic salary	Remuneration
	Women	Women	Women	Women	Other	Women	
Executives	0.87	0.98	n/a	0.85	0.00	n/d	n/d
Executive Board	0.93	0.96	0.95	0.94	1.08	1.12	1.12
Management	0.97	0.98	1.06	0.96	0.96	1.08	1.08
Technical/supervision	1.27	1.16	1.29	1.10	1.41	0.86	0.86
Administrative	1.22	1.17	0.86	1.16	1.26	0.88	0.88
Operational	0.85	0.83	0.79	0.86	0.83	0.91	0.91
Trainees	n/d	n/d	n/d	0.94	0.67	n/d	n/d
Interns	1.05	0.96	0.78	1.29	0.00	1.00	1.07
Total	n/d	n/d	n/d	0.98	1.06	1.03	1.03

Note 1: at Alpargatas, the base salary is the employee’s nominal wage. The components of Alpargatas’s remuneration are not all available in a single ERP information system (SAP), which is why they are not reported. At ioasys, the base salary considered consisted of the employee’s nominal salary, and remuneration included gross salary and profit sharing. At ioasys, the gender classifications “Other” and “Not disclosed” have not been included, as reported in GRI 2-7 (Employees), because base salary and remuneration are recorded according to the employee register, which does not use the self-identification survey.

Note 2: the locations of operation are those in Brazil – due to their greater representativeness in terms of number of employees (98%) and payment in local currency (R\$), which makes the comparison meaningful – and ioasys, which has only one operation.

Note 3: The President’s salary has been excluded from the calculation of the average remuneration of the “Executive” category in order not to distort the comparison of the average between genders.

Note 4: some categories do not apply because there are no employees or people of that gender.

Ratios of standard entry level wage by gender compared to local minimum wage

GRI 202-1

	2022		2023		2024	
	Alpargatas	ioasys	Alpargatas	ioasys	Alpargatas	ioasys
Women	100%	100%	100%	100%	100%	100%
Men	100%	131%	100%	158%	100%	100%
Other	n/d	n/d	n/d	n/d	100%	n/d

Note 1: at Alpargatas, the lowest wage paid by the organization is the amount paid to a full-time employee (220 hours). At ioasys, there is no difference between the local minimum wage and the Brazilian minimum wage. Non-applicable data means that there are no employees in that gender category, while some data was not yet available for reporting in the proposed gender breakdown.

Note 2: the indicator uses the same employee base as GRI 2-7, which includes FTE employees. The decrease in the proportion of male employees at ioasys is due to a change in the 2024 calculation methodology, which began using the minimum wage set by specific collective bargaining agreements instead of the national minimum wage – aligning the indicator with the applicable salary practices for certain functions.



Read our latest Report on Transparency and Equal Pay for Women and Men.



RELATIONSHIP WITH SOCIETY

ESG
ENVIRONMENTAL SOCIAL GOVERNANCE

SDG corresponding to this section:



The social work of the Alpargatas Institute

Since the beginning of our history, we have been directly or indirectly involved in the daily lives of thousands of people around the world. This makes us an important agent of transformation and influence, especially in the places where we operate.

In alignment with the evolution of our business strategy and our mission and attentive to the needs and expectations of our audiences, we have examined the company's more than 20 years of social action, through the Alpargatas Institute, and have revisited the strategic directions of this practice.

Over the course of eight months, we worked with the Institute for the Development of Social Investment (IDIS), engaging in stakeholder interviews (both internal and external), document review, portfolio evaluation, and reference verification and, finally, defining the premises and connections that gave rise to our final framework.



Social investments (R\$)

	2022	2023	2024
Alpargatas Institute	5,942,598.30	13,208,419.61	8,882,768.68
Havaianas (cause products)	2,694,856.00	1,753,667.00	696,422.00
Total investments	8,637,454.30	14,962,086.61	9,579,190.68

Note: the reduction in investment in 2024 compared to the previous year is due to the discontinuation of a project with cash prizes for social entrepreneurs and the lower volume of products donated. Additionally, as of 2024, proceeds from certain cause products whose partners have a greater focus on environmental issues have been excluded from this indicator. The 2024 figure refers exclusively to proceeds from the Pride and Gerando Falcões lines (see page 34). As of 2024, the line referring to Corporate Social Responsibility investment was added to the investments line of the Alpargatas Institute.

STRATEGIC GOAL

To strengthen Alpargatas' social and environmental commitment by supporting the communities where we have influence, engaging our employees, and enhancing our reputation as a company committed to education and economic development, aligned with sustainability and social innovation.

BUILDING A LEGACY OF OPPORTUNITIES FOR OUR COMMUNITIES

We promote social innovation and sustainability to unlock the potential of the Brazilian people by providing inclusive education and creating opportunities.

Strategic focus areas

(learn more about them in the following pages)

GENERATING OPPORTUNITIES AND INCLUSIVE PRODUCTION

PROGRAM #1: Vocational Education

Strengthening partnerships with local government and sector organizations to provide training and mentoring to low-income entrepreneurs in the communities where Alpargatas operates.

- Alpa Transforms
- Fundamentals of Electricity
- Sustainable Carpentry
- Social Mentoring
- *Empreender Alpa*

4,159 opportunities offered
44 cities (PB / PE / SP)

INCLUSIVE AND QUALITY EDUCATION

PROGRAM #2: Education through Culture

Support for the inclusion of Afro-Brazilian and Indigenous History and Culture in the primary school curriculum

- Inclusive education
- Education through Culture
- Inclusive Capoeira
- Capoeira in School/*Capoeira Seminar*

PROGRAM #3: Education through Sustainability

Promotion of theoretical and practical learning in environmental education (Law No. 9,795/99 and 14,926/24), in line with the promotion of prototyping and territorialization of the SDGs, fulfilling the 2030 Agenda.

- Innovation and Educational Sustainability Laboratory
- *Muro Papão*
- Sustainable Library
- Environmental education (teacher training on + SDGs)

PROGRAM #4: Transformative Education Awards

Recognition of good educational practices in the public school system, valuing the ecosystem and the agents that transform the local reality

- Education Award (*Educador nota 10* and *Aluno nota 10*)
- National Education Seminar

352,750 opportunities
500 schools
19 cities (PB/PE/MG)

Cross-cutting focus area

VOLUNTEERING

Taekwondo School (traditional/heritage of the Alpargatas Institute); Dream Factory; Alpa Bem-Fazer; Campaigns and activities to celebrate special dates.

Focus area I

GENERATING OPPORTUNITIES AND INCLUSIVE PRODUCTION

The objective is to promote income generation and people's inclusive production within Alpargatas' areas of influence. The focus is on local entrepreneurship, sustainability, and, when feasible, the fashion value chain.

Here are some
highlights
from 2024 in

Program #1 Vocational Education:

Empreender Alpa: professional training to encourage entrepreneurship and increase the employability of participants, promoting inclusion and equal opportunities.

- **40** cities in Paraíba and **1** in Pernambuco
- **4,105** students trained (**7,348** spots offered)
- Partnerships with **SENAI**, **SESI** and **FUNAED**, as well as municipal Boards of Education and Social Assistance Agencies, and Casas do Empreendedor (Entrepreneur Houses)



Fundamentals of Electricity:

professional training program focused on enhancing electrical skills.

- **2** classes held in the city of Campina Grande
- **39** students trained
- Partnership with SENAI and **3** volunteers from the Corporate Volunteer Program (AVA)



Sustainable Carpentry:

theoretical and practical training in making furniture using pallets.

- **2** classes held in the city of Campina Grande
- **32** students trained
- Partnership with SENAI and **8** volunteers from the Corporate Volunteer Program (AVA)

Focus area II

INCLUSIVE AND QUALITY EDUCATION

The idea is to promote inclusive and quality public education by strengthening interdisciplinarity, supporting science, innovation, and Brazilian diversity, with a particular focus on including Afro-Brazilian and Indigenous history and culture in public schools.

Here are some
highlights
from 2024 in

Program #2 Education through Culture:



Inclusive Education: training for Educational Support Professionals (Caregivers).

This **70-hour** course was offered in partnership with Fundação Centro Integrado de Apoio à Pessoa com Deficiência (FUNAD). The objective of the course was to train educational support professionals (caregivers) in the theoretical, practical, and legislative knowledge necessary to provide services in the field of special education. The course is essential for promoting inclusion in schools in a broad and ensuring a welcoming and accessible environment for students with disabilities in 11 municipalities of Paraíba.*

* Itatuba, Ingá, Mogeiro, Cabaceiras, Caturité, Queimadas, Campina Grande, Lagoa Seca, Alagoa Nova, Guarabira, and Barra de Santana.



Education through Sports and Culture: promotion of quality education by reformulating school content and experiences. This includes adding topics that are not provided in traditional school curricula. The aim is to promote popular Brazilian culture through dance, music, and *capoeira*.

- **25** new schools for the two programs, for a total of **496** schools



Capoeira in Schools:

we expanded our activities to 100% of the school system in Campina Grande, PB: **106** schools, **12,000** children, and **27** teachers. We started new classes in Alagoa Nova, PB in 2024, in **16** schools, with **500** students and **4** teachers.

Program #3 Education for Sustainability:



Revira & Volta: an environmental education project that involves collecting recyclable waste and raising environmental awareness through interactive activities. The project is conducted by local cooperatives and waste pickers, who earn an income from the waste collected.

- Creation of **14 Muros Papões**, which are spaces intended for collecting recyclable material, including e-waste, in schools in **7** municipalities in Paraíba.

Program #4 Transformative Education Awards:

Educador Nota 10 (Outstanding Educator):

- **245** participating teachers
- **10** teachers awarded
- **51** projects presented at the International Physical Education Conference - FIEPS (**41** online and **10** in person)
- **51** new scientific projects published



Education Award: recognizes both students who excel in school and educators who develop innovative teaching practices, encouraging agents of transformation, social entrepreneurs, and people interested in developing and proposing impactful solutions in basic, professional, environmental, and inclusive education.

Alunos Nota 10 (Outstanding Students):

- **496** participating schools in **16** municipalities in Paraíba, Pernambuco, and Minas Gerais
- **5,187** students awarded



Laboratories for Educational Innovation and Sustainability (LISE):

these laboratories aim to encourage a culture of innovation in public elementary schools by creating an environment that empow

- **2** laboratories implemented (Queimadas, PB and Ingá, PB)
- **2** Grand Prix Masterclass events: This is an innovation project that challenges multidisciplinary teams of students to generate ideas, develop business concepts, and create prototypes to solve industry challenges, in partnership with SENAI.



Sustainable Libraries: these are small libraries installed in public spaces that promote access to education and reading. They are built with pallets discarded by local companies. People are encouraged to donate books.

- **17** libraries delivered in municipalities in Paraíba and
- **1** in Carpina, PE



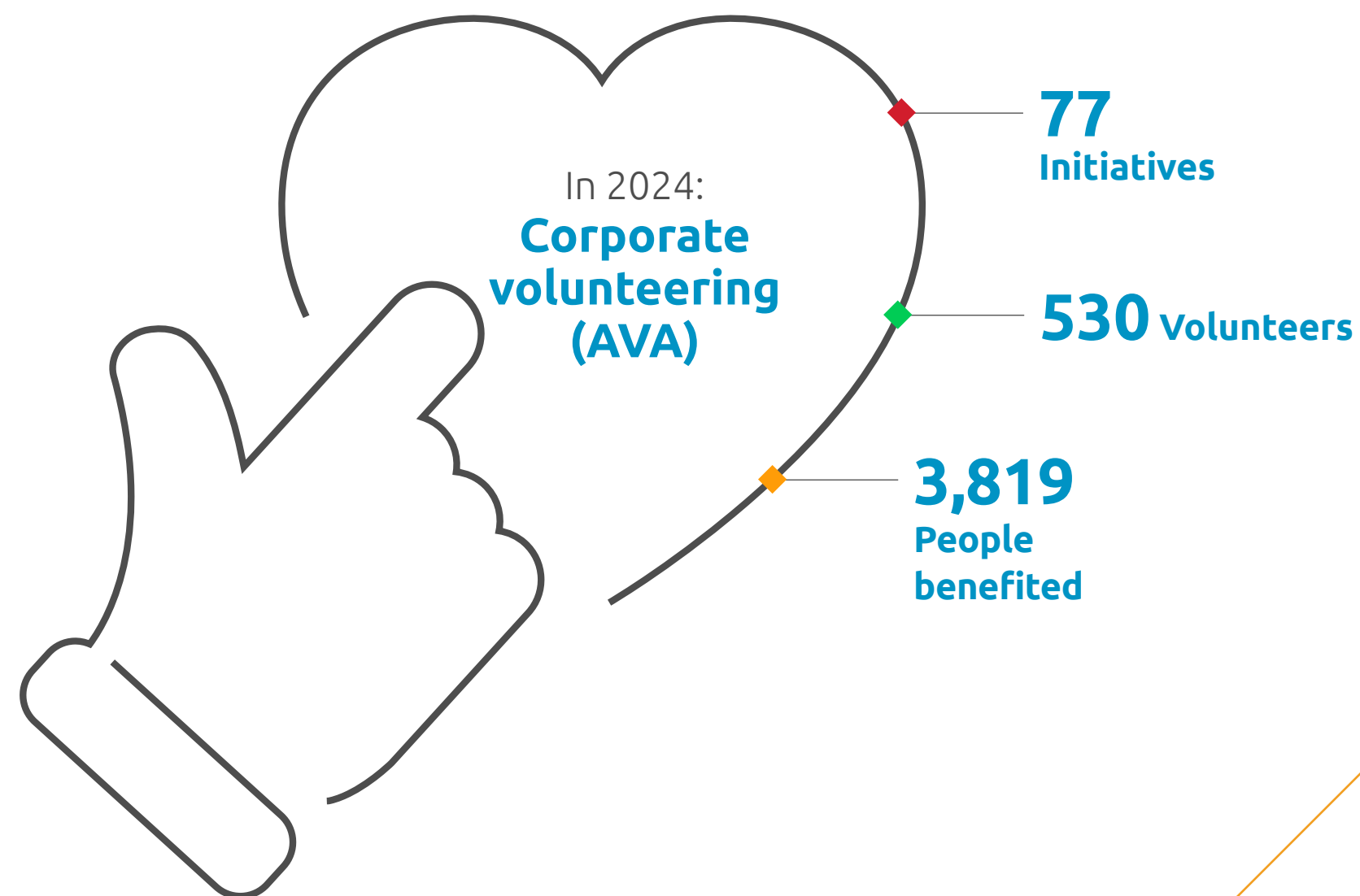
Cross-cutting focus area VOLUNTEERING

GRI 2-29

It is through *Alpa Voluntários em Ação (AVA)*, our corporate volunteer program, that we encourage the interaction and participation of our employees in community actions, since we believe in the power of cooperation for social change. In Brazil, the program is most active in the factories, with initiatives led by the Alpargatas Institute.



Social Mentoring: an initiative developed by the Alpargatas Institute in partnership with AVA and Ponto Social. It connects mentors, who are Alpargatas employees, with young people aged 16 to 22 who are socially vulnerable. This initiative is part of our strategy and goal of assisting 3 million people in the regions where we operate through local development programs. In 2024, groups and partner institutions from the cities of São Paulo, SP and Mogeiro, PB participated in Social Mentoring. At the conclusion of the program, mentees are better prepared to enter the job market and pursue opportunities with greater confidence, whether at Alpargatas or other companies.



Learn more about the Alpargatas Institute

The Institute is our main social action organization, focusing on the structural aspects of education and the creation of opportunities. For more than 20 years, it has been developing innovative and creative learning practices so teachers and students can play a leading role in the learning process.



See the infographic on the work of the Alpargatas Institute on *page 83 of the 2023 Sustainability Report*.

Click here to access the Alpargatas Institute's social media.

Percentage of operations with implemented local community engagement and relationship programs, by type of program

GRI 413-1

	2022		2023		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
Diversity & Inclusion Program	47	100%	61	100%	70	100%
Environmental impact assessments and ongoing monitoring	7	15%	6	10%	6	9%
Public disclosure of results of environmental and social impact assessments	47	100%	61	100%	70	100%
Local community development programs based on local communities' needs	12	26%	7	11%	7	10%
Stakeholder engagement plans based on stakeholder mapping	0	0%	0	0%	0	0%
Broad based local community consultation committees and processes that include vulnerable groups	28	60%	7	11%	7	10%
Works councils, occupational health and safety committees and other worker representation bodies to deal with impacts	17	36%	7	11%	7	10%
Formal local community grievance processes	47	100%	61	100%	70	100%

Note: the following locations of operation are included: 1 head office in São Paulo; 4 factories in Brazil; 1 Distribution Center in Extrema, 1 Distribution Center in Campina Grande; 1 office in Italy, 1 office in Spain, 1 office in England, 1 office in Portugal, 1 office in France, 1 office in the United States, 1 office in Colombia, 1 office in Greece, 1 office in Hong Kong, and 1 office in China; and 53 company-owned stores (EU 16 = Portugal: 5, Spain: 6, France: 2, Italy: 2, UK: 1; in Brazil: 7; and MEA: 30).

Number of people impacted by Alpargatas Institute's programs

	2023	2024
Education through Sports	140,581	158,200
Education through Culture	140,581	172,000
Digital School	671	647
Educational Rugby Project	16,578	16,587
Innovation and Educational Sustainability Laboratory	1,274	2,557
<i>Revira&Volta</i> Project - Environmental Education	1,936	2,759
Empreender Alpa	3,915	4,119
Pilot project - Social Mentoring	48	40
Total number of people impacted	305,584	356,909

Number of people impacted by Corporate Responsibility projects

	2023	2024
Pilot project - Training for reCYCLE cooperatives	19	402

Total number of people impacted by Corporate Responsibility projects and the Alpargatas Institute

2023	305,603
2024	357,311

ALPARGATAS INSTITUTE RECOGNITION 2024



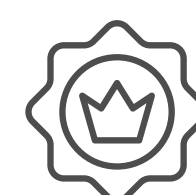
Rank Brasil – Records in Brazil: we were recognized for the largest Capoeira in School project.



Ser Humano Award: first place in the ESG category with the Revire & Volta Project (Muros Papões) case, awarded by the Brazilian Human Resources Association (ABRH).



Environmental Merit Award: given to Alpargatas via the Alpargatas Institute and presented to Professor Ivo Chagas. First place in the Industry category for the work developed by the Alpargatas Institute in education in 100% of the public schools in Montes Claros. This recognizes its commitment to environmental education, sustainability, and the SDGs.



SDG 18: the first institution invited to sign a memorandum of understanding with the SDG 18 Observatory – a partnership between the UN, the Brazilian Federal Government, and the Federal University of Southern Bahia – to partner in the construction and localization of SDG 18, on ethnic-racial equality.



FIEPS America Trophy: awarded by the International Federation of Physical Education and Sports (FIEPS). This is the first edition of the award, and we are included for our work in education and scientific publications in international conferences. In 2024, the Alpargatas Institute completed 373 scientific projects that were published in international conferences.

DONATIONS

Donating products to partners who are in line with our strategy is one of our pillars of social action. Last year, two logistics suppliers in our network, Luft Transportes and Unilog, helped us transport donated items efficiently and in accordance with Alpargatas's supplier standards. In 2024, we made changes to the governance and execution of product donations, a very traditional initiative in the company. **In total, we donated products equivalent to R\$3.1 million to nonprofit organizations and individuals supported by Instituto Alpargatas initiatives.**



Donation to Rio Grande do Sul

The floods that hit the state of Rio Grande do Sul at the beginning of 2024 had a big impact on us. Thanks to the teamwork and generosity of our network of people, we started a donation movement to help the affected families. Alpargatas promised to match the final amount through the Alpargatas Institute. The final donation was made in June, via a transfer to Movimento União BR. In addition, we allocated funds to provide essential hygiene items and more than **49,000 products**, including footwear, clothing, and towels.



GRI AND SASB CONTENT INDEX

Statement of use Alpargatas S.A. has reported in accordance with the GRI Standards for the period of January 1 to December 31, 2024.

GRI 1 used GRI 1: Foundation 2021

Applicable GRI Sector Standards –

GRI Standards/Other sources	Disclosure	Location/Response	Omission			Sustainable Development Goals (SDG)
			Requirement(s) omitted	Reason	Explanation	
GRI 2: General disclosures 2021	2-1 Organizational details	4, 6 e 7				
	2-2 Entities included in the organization's sustainability reporting	4				
	2-3 Reporting period, frequency and contact point	4				
	2-4 Restatements of information	Restated data are noted in the footnotes of the indicators throughout the report.				
	2-5 External assurance	The Annual Sustainability Report has been assured by KPMG for both the GRI and SASB indicators and the emissions inventory. The Independent Auditors' Limited Assurance Report is available on pages 4 and 99.				
	2-6 Activities, value chain and other business relationships	The Annual Sustainability Report has been assured by KPMG for both the GRI and SASB indicators and the emissions inventory. The Sustainability Report is approved at various levels up to the C-suite, with review and approval periods by Vice Presidents and Presidents and by the Board of Directors. The Independent Auditors' Limited Assurance Report is available at the end of this report.				
	2-7 Employees	62, 64				8.5, 10.3
	2-8 Workers who are not employees	62, 64				8.5
	2-9 Governance structure and composition	10, 14				5.5, 16.7
	2-10 Nomination and selection of the highest governance body	10				5.5, 16.7
	2-11 Chair of the highest governance body	10				16.6
	2-12 Role of the highest governance body in overseeing the management of impacts	10-12, 25, 45				16.7
	2-13 Delegation of responsibility for managing impacts	11, 12, 25				

GRI Standards/Other sources	Disclosure	Location/Response	Omission			Sustainable Development Goals (SDG)
			Requirement(s) omitted	Reason	Explanation	
GRI 2: General disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	The Board of Directors is not responsible for analyzing or approving the information reported. This process is evolving as we continue to mature in this area. The Board does, however, ratify the sustainability strategy and any relevant revisions.				
	2-25 Conflicts of Interest	15				16.6
	2-16 Communication of critical concerns	12				
	2-17 Collective knowledge of the highest governance body	10				
	2-28 Evaluation of the performance of the highest governance body	Alpargatas does not evaluate the performance of the members of the highest governance body.				
	2-19 Remuneration policies	12				
	2-20 Process to determine remuneration	We don't have stakeholder votes. However, there are discussions about the materials presented and recommendations for revisions if necessary.				
	2-21 Annual total compensation ratio		2-21 a./b./c	Restrictions on confidentiality	We do not disclose compensation ratio.	
	2-22 Statement on sustainable development strategy	3				
	2-23 Policy commitments	14, 15, 19				16.3
	2-24 Embedding policy commitments	14, 19, 25				
	2-25 Processes to remediate negative impacts	14, 16				
	2-26 Mechanisms for seeking advice and raising concerns	14, 16				16.3
	2-27 Compliance with laws and regulations	14				
2-28 Membership associations	18					

GRI Standards/Other sources	Disclosure	Location/Response	Omission			Sustainable Development Goals (SDG)
			Requirement(s) omitted	Reason	Explanation	
GRI 2: General disclosures 2021	2-29 Approach to stakeholder engagement	18, 85				
	2-30 Collective bargaining agreements	60				8.8
Material topics						
GRI 3: Material topics 2021	3-1 Process to determine material topics	4				
	3-2 List of material topics	4				
Economic and financial performance						
GRI 3: Material topics 2021	3-3 Management of material topics	21				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	21, 22				8.1, 8.2, 9.1, 9.4, 9.5
Climate change						
GRI 3: Material topics 2021	GRI 3: Material topics 2021	45, 46				
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	45, 55	201-2.a	Information not available	We have completed the first phase of the work to map and prioritize climate risks and opportunities, involving the areas of the company most affected by the issue. The continuation of the process, with quantification and the development of action plans, is scheduled to begin in 2025..	13.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization	45				7.2, 7.3, 8.4, 12.2, 13.1
	302-3 Energy intensity	45				7.3, 8.4, 12.2, 13.1
	302-4 Reduction of energy consumption	45				7.3, 8.4, 12.2, 13.1
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	46, 47				3.9, 12.4, 13.1, 14.3, 15.2
	305-2 Energy indirect (Scope 2) GHG emissions	46, 47				3.9, 12.4, 13.1, 14.3, 15.2
	305-3 Other indirect (Scope 3) GHG emissions	46, 47				3.9, 12.4, 13.1, 14.3, 15.2

GRI Standards/Other sources	Disclosure	Location/Response	Omission			Sustainable Development Goals (SDG)
			Requirement(s) omitted	Reason	Explanation	
GRI 305: Emissions 2016	305-4 GHG emissions intensity	46, 47				13.1, 14.3, 15.2
	305-5 Reduction of GHG emissions	46				13.1, 14.3, 15.2
Circular economy and use of raw materials						
GRI 3: Material topics 2021	3-3 Management of material topics	48, 50, 53				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	40				8.4, 12.2
	301-2 Recycled input materials used	40				8.4, 12.2, 12.5
	301-3 Reclaimed products and their packaging materials	In 2024, as in 2023, 0.06% of the Havaianas pairs sold during the year were recovered through Havaianas reCYCLE program, with over 148,000 pairs collected. In 2022, the percentage was 0.04%.				8.4, 12.2, 12.5
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	48				3.9, 6.3, 6.6, 11.6, 12.4, 12.5
	306-2 Management of significant waste-related impacts	48				3.9, 6.3, 8.4, 11.6, 12.4, 12.5
	306-3 Waste generated	49				3.9, 6.6, 11.6, 12.4, 12.5, 15.1
	306-4 Waste diverted from disposal	49				3.9, 11.6, 12.4, 12.5
	306-5 Waste directed to disposal	49				3.9, 6.6, 11.6, 12.4, 12.5, 15.1
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	The health and safety impacts of products are considered at all stages of a product's life cycle, from the development of the product concept to disposal, reuse or recycling, and are 100% assessed with the aim of driving improvements in health and safety impacts.				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	We did not identify any incidents of non-compliance concerning the health and safety impacts of Alpargatas's products and services. Fines of more than R\$50,000.00 were considered significant.				16.3

GRI Standards/Other sources	Disclosure	Location/Response	Omission			Sustainable Development Goals (SDG)
			Requirement(s) omitted	Reason	Explanation	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	57				12.8
	417-2 Incidents of non-compliance concerning product and service information and labeling	We have not identified any relevant legal or regulatory violations that have resulted in fines, penalties or warnings related to product and service labeling at Alpargatas.				16.3
	417-3 Incidents of non-compliance concerning marketing communications	We have not identified any relevant legal or regulatory violations that have resulted in fines, penalties or warnings related to marketing communications.				16.3
Own indicator	Environmental investments	45				
Labor practices						
GRI 3: Material topics 2021	3-3 Management of material topics	68, 69				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	78				1.2, 5.1, 8.5
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	65, 66				5.1, 8.5, 8.6, 10.3
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	47				3.2, 5.4, 8.5
	401-3 Parental leave	77				5.1, 5.4, 8.5
GRI 402: Labor Relations 2016	402-1 Minimum notice periods regarding operational changes	62				8.8
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	71, 72, 73				5.1, 5.5, 8.5
	405-2 Ratio of basic salary and remuneration of women to men	78				5.1, 8.5, 10.3

GRI Standards/Other sources	Disclosure	Location/Response	Omission			Sustainable Development Goals (SDG)
			Requirement(s) omitted	Reason	Explanation	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	17				5.1, 8.8
Supplier management						
GRI 3: Material topics 2021	3-3 Management of material topics	19, 39, 41	3-3.f	Information not available	The GDF area is undergoing restructuring.	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	41				8.3
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	42				
	308-2 Negative environmental impacts in the supply chain and actions taken	43				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	19, 42				8.8
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	19, 41, 42				5.2, 8.7, 16.2
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	19, 41, 42				5.2, 8.7
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	42				5.2, 8.8, 16.1
	414-2 Negative social impacts in the supply chain and actions taken	43				5.2, 8.8, 16.1
Technology and innovation						
GRI 3: Material topics 2021	3-3 Management of material topics	13, 60	3-3.a/b/e/f	Information not available	The data have been partially reported.	

Other non-material indicators	Disclosure	Location/Response
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	56
	303-2 Management of water discharge-related impacts	56
	303-4 Water withdrawal	56, 57
	303-4 Water discharge	56
	303-5 Water consumption	56, 57
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	74
	403-9 Work-related injuries	75, 76
	403-9 Work-related ill health	75, 76
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	85, 86
Own indicators	Results of the Alpargatas Institute	80-86
	Results of social investments	80-86



SASB TOPIC/Code	Accounting metric	Location/Response	Omission
SASB CG-AA Management of Chemicals in Products			
CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	57	
CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products.	57	
Environmental impacts in the supply chain			
CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreements.	Alpargatas has no control over wastewater discharge permits and/or contractual agreements. If applicable, the supplier audit will assess whether the supplier has a wastewater discharge permit, and this information will be included in the sustainability block of the audit to determine the supplier's final score. To learn more about the supplier audit process, go to page XX.	
CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Higg FEM assessment or an equivalent assessment	Alpargatas does not perform the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or equivalent assessment.	
Labor conditions in the supply chain			
CG-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor.	42	
CG-AA-430b.2	(1) Priority non-conformance rate and (2) associated corrective action rate for suppliers' labor code of conduct audits.	42	
CG-AA-430b.3	Description of (1) the greatest labor and (2) environmental, health and safety risks in the supply chain.	41	
Raw Materials Sourcing			
CG-AA-440a.3	(1) List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to threaten sourcing, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy for addressing business risks and opportunities	39	
CG-AA-440a.4	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental and/or social standard, by standard	40	
Activity metrics			
CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1.	41	

SASB TOPIC/Code	Accounting metric	Location/Response	Omission
SASB TC-SI Software & IT Services			
Environmental Footprint of Hardware Infrastructure			
TC-SI-130a.1	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	The total energy consumption of ioasys in 2024 is 255 gigajoules, 27% more than the 200 gigajoules consumed in 2023. All energy is supplied by the power grid. Energy consumption data is taken directly from ioasys' electricity bills, and there is no energy consumption from fuels and biofuels.	
TC-SI-130a.2	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	The indicator does not apply to the company's operations. ioasys does not directly consume water as described in the metric, as it does not have its own data center.	
TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	As ioasys does not operate its own data center, environmental considerations are not a part of its strategic planning. When selecting a data center, the company only considers technical aspects, not environmental ones.	
Data Privacy & Freedom of Expression			
TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	ioasys focuses on consulting services and system development and is not directly involved with behavioral advertising and the privacy of users of these systems; therefore, this indicator is not applicable.	
TC-SI-220a.2	Number of users whose information is used for secondary purposes	This indicator does not apply in the context of consulting, mainly because ioasys' service is to provide knowledge and consulting to develop solutions for our clients' scenarios.	
TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	ioasys has never recorded any legal proceedings related to user privacy.	
TC-SI-220a.4	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	ioasys has never recorded any law enforcement requests for user information.	
TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	ioasys does not have products and services that are blocked, monitored or applied differently in any country, mainly because our service is to provide knowledge and advice to develop solutions for our customers' scenarios.	
Data Security			
TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	ioasys has never recorded a data breach.	

SASB TOPIC/Code	Accounting metric	Location/Response	Omission
TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	We do not monitor this information, but will work on this data for the 2025 report.	
Recruiting & Managing a Global, Diverse & Skilled Workforce			
TC-SI-330a.1	Percentage of employees that are foreign nationals	ioasys has no history of employees requiring work visas.	
TC-SI-330a.2	Employee engagement as a percentage	In 2024, there was no structured employee engagement survey; however, we intend to conduct one next year.	
TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	70, 71	
Intellectual Property Protection & Competitive Behavior			
TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	In 2024, we did not record any monetary losses as a result of legal proceedings associated with anti-competitive regulations.	
Managing Systemic Risks from Technology Disruptions			
TC-SI-550a.1	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	This indicator does not apply as we do not currently have any software services maintained by ioasys.	
TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	12	
Activity metrics			
TC-SI-000.A	(1) Number of licences or subscriptions, (2) percentage cloud-based	13	
TC-SI-000.B	(1) Data processing capacity, (2) percentage outsourced	This indicator does not apply as ioasys does not have a physical data center. Consequently, our processing power varies according to the number of clients or projects we are working on in our public clouds.	
TC-SI-000.C	(1) Amount of data storage, (2) percentage outsourced	Our data storage in 2024 was 0.02 PB, fully (100%) stored by third parties. The history of the indicator is not available due to a platform limitation.	

INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

GRI 2-5



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Independent auditors' limited assurance report

(This is a free translation of the original report issued in Portuguese)

To the Board of Directors and Shareholders
Alpargatas S.A
São Paulo - SP

Limited assurance report on the Environmental, Social and Governance (ESG) information included in the 2024 Annual Sustainability Report of Alpargatas S.A.

Conclusion

We conducted a limited assurance engagement about the Environmental, Social and Governance (ESG) information included in the 2024 Annual Sustainability Report ("Report") of Alpargatas S.A. ("Company") for the year ended December 31, 2024, prepared in accordance with the *Global Reporting Initiative (GRI) - GRI Standards and the Sustainability Accounting Standard – Apparel, Accessories & Footwear and Software & IT Services*, of the *Sustainability Accounting Standards Board (SASB) ("Criteria")*.

According to the procedures applied and the evidence obtained by our team, we are not aware of any fact that leads us to believe that the Environmental, Social and Governance (ESG) information included in the 2024 Annual Sustainability Report of Alpargatas S.A. for the year ended December 31, 2024 has not been prepared, in all material respects, in accordance with the *Global Reporting Initiative (GRI) - GRI Standards and the Sustainability Accounting Standard – Apparel, Accessories & Footwear and Software & IT Services*, of the *Sustainability Accounting Standards Board (SASB)*.

Basis for conclusion

We conducted our engagement in accordance with *NBC TO 3000 (revised) - Assurance Engagements Other Than Audits or Reviews and International Standard on Assurance Engagements (ISAE) 3000 (Revised)*, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the Federal Association of Accountants (CFC) and *International Auditing and Assurance Standards Board (IAASB)* respectively. Our responsibilities under those standards are further described in the "Our Responsibilities" section of the report.

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We comply with the independence and other ethical requirements of the Accountant's Professional Code of Ethics and the Professional Standards (including the Independence Standards) issued by the Federal Association of Accountants (CFC) based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies NBC PA 01 Quality Management for Independent Auditors' Firms (Legal Entities and Individuals) and *International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by CFC and IAASB, respectively. These standards require the firm to design, implement and operate a quality management system, including policies or procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Company's Management for the Report

Management is responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the Report that are free from material misstatement, whether due to fraud or error;
- selecting the criteria as being adequate for the preparation of the Report and making the appropriate reference to the criteria used or describing those criteria; and
- adequate preparation and presentation of the information included in the Report in accordance with the Criteria.

Our responsibilities

We are responsible for:

- plan and carry out the engagement to obtain limited assurance about whether the information included in the Company's Report for the year ended December 31, 2024, prepared in accordance with the Criteria, is free from material misstatement, whether due to fraud or error;
- Draw an independent conclusion, according to the procedures applied and the evidence obtained; and
- report our conclusion to the Company's Board of Directors and Shareholders.

Summary of the work we carried out to support our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We have designed and performed our procedures to obtain sufficient and appropriate evidence about the information included in the Report that is sufficient and appropriate to provide a basis for our conclusion. Our selected procedures depend on our understanding of the information included in the Report and of other circumstances of the engagement, in addition to our consideration of the areas in which material misstatements are likely to arise. When carrying out the work, we perform the following procedures:

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- we have planned the engagement considering the materiality of the aspects for the Company's activities, the relevance of the information disclosed by the Company, the amount of quantitative and qualitative information and the operational systems and internal controls which supported the preparation of the information included in the Report;
- We obtained an understanding of the calculation method and of the procedures followed to develop indicators by inquiring and interviewing the managers in charge of gathering information;
- we applied analytical procedures to quantitative information and inquiries about qualitative information and its relation with the indicators disclosed in the information included in the Report; and
- we evaluated the procedures followed to prepare the Report, as well as its structure and contents, in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in terms of nature and timing, and their extent is limited (less extensive) than in a reasonable assurance engagement. Thus, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained if a reasonable assurance engagement had been performed.

São Paulo, June 20, 2025

KPMG Auditores Independentes Ltda.
CRC 2SP-014428/O-6
(Original report in Portuguese signed by)

Flavio Gozzoli Gonçalves
Accountant CRC 1SP290557/O-2

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**COORDINATION OF THE ANNUAL
SUSTAINABILITY REPORT**

DEBORAH SCARONE

FILIFE AUGUSTO RIBEIRO

GABRIEL BORBA GALVANI

MARIA AUGUSTA BOTTINO

SARAH BONADIO

**CONTENT, GRAPHIC DESIGN,
AND LAYOUT**

QUINTAL 22

**TECHNICAL CONSULTING
IN INDICATORS**

AVESSE SUSTENTABILIDADE

ASSURANCE

KPMG

