

VICUNHA
jeansidentity

Annual Sustainability
Report

2021

Summary

03

37

- Water and effluents 41
- Materials and waste 44
- Emissions 50
- Energy 51

06

09

- Highlights of the Year 10
- Profile 12
- Sustainable strategy 15
- Governance 23
- Ethics and conduct 26

53

- Clients 54
- Suppliers 56
- Our people 57
- Communities 79

28

- Innovation and more sustainable products 31
- Financial performance 36

83

- Materiality process 84

86

91

Presentation



Leadership *and pioneering in the jeans wear market*

We are the largest producer of denim and denim color in Brazil and Latin America, a global reference in jeans wear solutions. With a long history of innovation and sustainability, our leadership position is the result of actions that impact the entire chain, from cotton production to consumer behavior. With this vision, we develop our strategy seeking to add value to the segment in which we operate.

We believe that sustainability can only be achieved if it is rooted in our values and long-term commitments. In this sense, we have advanced in managing this topic, seeking to evolve both internally and externally, as agents that induce responsible practices. We focus our efforts to measure the impacts of our activity and, thus, define metrics to reduce it. Releasing our first Sustainability Report proves our commitment to ESG transparency, as well as materializing our engagement with the topics presented.

“ We believe that sustainability can only be **achieved** if it is **rooted in our values** and long-term commitments

Transparent content

Inspired by the guidelines of the Global Reporting Initiative (GRI), this document meets our commitment to the United Nations (UN) Global Compact by systematizing our policies, procedures and activities in line with the initiative. To define the content to be reported, we have considered the premises established in our policies, the Global Compact principles and its Sustainable Development Goals (SDGs), as well as the results of the materiality process carried out with our stakeholders. The prioritized themes are presented throughout the report's chapters and are referenced in the summary at the end of the document.

Relevant topics

- | | |
|---|---|
|  Water and Energy |  Biodiversity |
|  Human Rights |  Economic Performance |
|  Professional Training/
Education |  Diversity and
Inclusion |
|  GHG Emissions |  Corporate Ethics |
|  Solid Waste
and Effluents |  Occupational
Health and Safety |



Click on the image
and learn more about
the topics



Message from the Management



A year of records and overcoming > GRI 2-22

This decade has changed the way we see the world, how we do business and the way we think about our future. This context of transformation and uncertainties reinforced our confidence in Vicunha's strategy and business model, which proved to be resilient and flexible to adapt to the market and the different scenarios brought about in each period.

The year 2021 represented a milestone in our history. Faced with the instabilities caused by the global economic deterioration and the effects of the health crisis, we diversified risks and captured opportunities even in adverse situations. Faced with the challenges still imposed by Covid-19, we ensured the rigidity of our protocols to preserve our people, strengthened our health, safety and quality of life initiatives and offered psychological and social care to our employees.

In 2021, we kept our plants operating at full capacity with the aim of increasing our share of the Brazilian market and strengthening our international presence. The size of our operations, the construction of a geographically diversified supply network and the maintenance of the production volume gave us competitive advantages in the face of rising raw material costs. We seek to pass on price increases in a fair and sustainable manner, maintaining quality and care in our business relationships.

As a result, we reached historical records in the main financial indicators, highlighting the higher net revenue, EBITDA, net income and the expressive reduction in indebtedness

and leverage. For the first time, the international market represented 48% of our total sales in the year, with emphasis on the performance obtained in Latin America, especially Argentina, Ecuador, Colombia, Peru and Mexico, and in Europe. This performance solidifies our business and serves the development of the communities in which we operate.

It was also a year of organizational advances, with the strengthening of the governance structure, through the creation of new policies and advisory committees to the Board of Directors, as well as the strengthening of our administrative body and the dissemination of our cultural evolution, with a view to operational excellence and the consolidation of the professionalized management model. We kept the focus on what really matters to the clients, with the premise of one-stop shop, investing in innovation to offer integrated and customized solutions that meet the needs of our buyers.

We know that the continuity of our business fundamentally depends on the relationships we establish, the resources we use and the value generated through our products. Thus, pursuing sustainability is the basis of all our operations, both in favor of operational efficiency and for managing the impacts of our business. This stance was confirmed in 2020 with our adherence to the United Nations (UN) Global Compact and our commitment to the Sustainable Development Goals.

In this way, we work to develop the industry, working collectively with business partners, clients, communities, and public authorities to develop more sustainable practices, focusing on environmental and human rights issues. The welfare of individuals and the preservation of natural resources are fundamental. In the last year, we have become even more demanding in relation to the health and safety of our employees. We have strengthened our Golden Rules and we have encouraged our employees to engage in risk perception and prevention.

We have a historic and structured effort to reduce our impacts on the environment, with special attention to the raw materials used and the use of water in our processes. In 2021, we intensified our work with SouABR (Responsible Brazilian Cotton) Program, which provides information on the origin of raw materials and the production process of items purchased by consumers. We also maintained our commitment to taking care of water through improvements in our plants and technologies that allow for less use of the resource. This effort is evident in our Vicunha Water Footprint project, a fundamental tool for mitigating impacts in our segment.

All these advances have taken us to a new business level - even more robust - and lead us to define the path for growth, in a continuous process of evolution in governance, sustainability and social issues. This is all thanks to the engagement and dedication of our employees, as well as the trust placed in us by our shareholders, clients,

“**The welfare of individuals and the preservation of natural resources are fundamental**

suppliers and sponsors, whom we highly appreciate. They are also the basis of the actions that we are developing in 2022 and that we will expand over the next few years by reviewing our strategic planning to promote the sustainable development of Vicunha and the markets in which we operate.

Marcos Antonio De Marchi
CEO



1. *Vicunha*

- Highlights of the Year
- Profile
- Sustainable strategy
- Governance
- Ethics and conduct

Highlights of the Year

1. Vicunha



Approximately
6,500
Vicunha
employees in all
3 Continents in
which it operates



7 thousand
tons/year of
recycled cotton



83 million
liters/year of
saved water



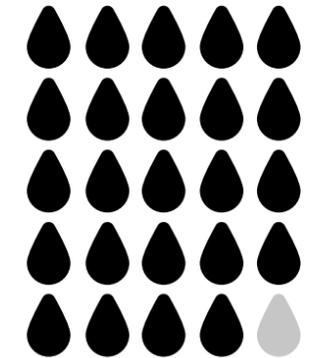
11 thousand
MWh/year of
saved energy



30 thousand
tons/year of
compensated CO₂

95%

less water and chemicals
on various items



BRL
2.6 billion

in net revenue -
growth of **71.5%** YTD

BRL
654 million

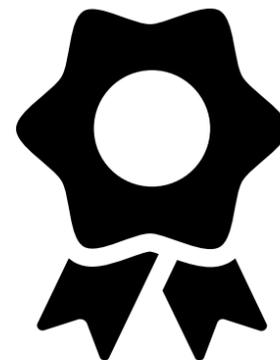
in gross profit - growth
of **162.6%** YTD

BRL
483 million

EBITDA, with a
margin of **19%**

814

young people trained on
technical activities and
personal development



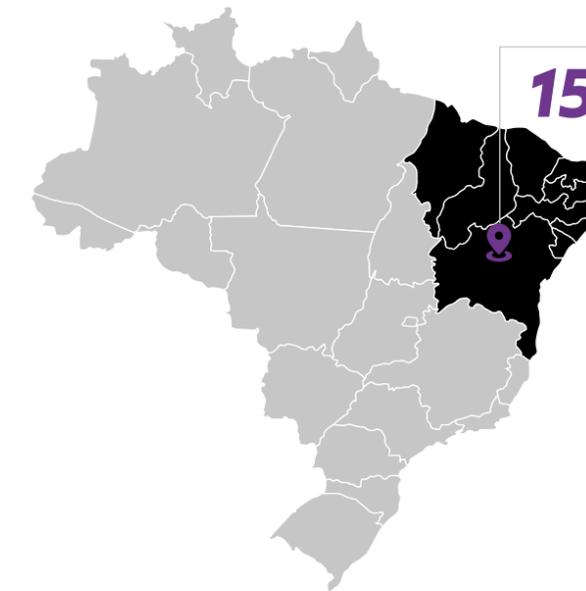
433

consultations at **PraSer Humano**, a psychological and social service channel focused on the mental health of our employees



Donation of a **15m³**
oxygen plant to
Raimundo Célio
Rodrigues Municipal
Hospital in the city of
Pacatuba, State of Ceará

Reduction of
BRL
239 million
in net debt



BRL
155,000

invested
in social
development,
culture and
sports projects,
impacting
positively
5,350 people
from local
communities in
northeastern
Brazil

1. Vicunha

*The face of our
jeans is the face
of our people*

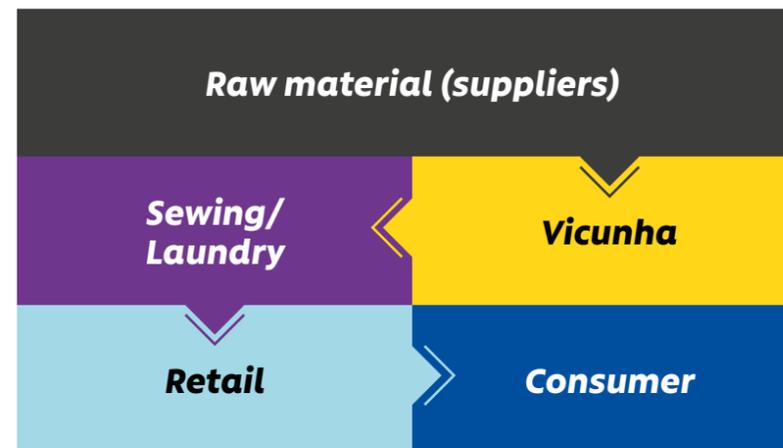


Profile > GRI 2-1, 2-6

1. Vicunha

We are Vicunha Têxtil S. A., a Brazilian multinational, recognized as a world reference in jeanswear solutions. We are a privately held company that operates in the production and sale of denim and denim color. Our clients can rely on our broad portfolio of products and services. Founded in 1967, Vicunha has been a protagonist in the dissemination of the jeans culture in Brazil, with the creation of the pioneering project for the manufacture of denim in the Brazilian Northeast Region. We expanded jeans in the Brazilian territory and made the country to outstand internationally in terms of jeanswear.

Our headquarters are in Maracanaú (Ceará), and we have a corporate center in the city of São Paulo, with manufacturing plants located in Brazil (in the states of Ceará and Rio Grande do Norte), Ecuador, and Argentina. We have commercial branches in South America (Brazil, Argentina, Ecuador, Colombia, Peru and Mexico), Europe (Netherlands, Spain and Switzerland) and Asia (Bangladesh and Sri Lanka), in addition to several distribution centers in the three continents where we operate. Combining our experience and intelligence, we have one-stop shop showrooms, which provide complete consultation to clients not only regarding products and solutions, but also regarding industry-related topics, from washing and modeling techniques to fashion trends and sustainability issues. We also interact with hubs, universities, social institutions, certification bodies and verifiers.



We have around 6,500 employees in 11 countries, as well as partnership with numerous suppliers operating in cotton and yarn production, chemicals, office supplies, tools and machinery industries, as well as providers of cleaning services, laboratory analysis, food preparation, waste transport, property security, pest and vector control. Our more than 4,500 clients are in more than 20 countries, and they are brands, major retailers, clothing manufacturers, and laundries.

In addition to being the largest denim producers in Latin America, we are among the three largest companies in the world operating in this industry. Our portfolio offers more than 300 products, which reinforce our commitment to innovation and sustainability – two inseparable aspects of our trajectory and performance –, including the first anti covid jeans.



Our portfolio offers more than **300 products**

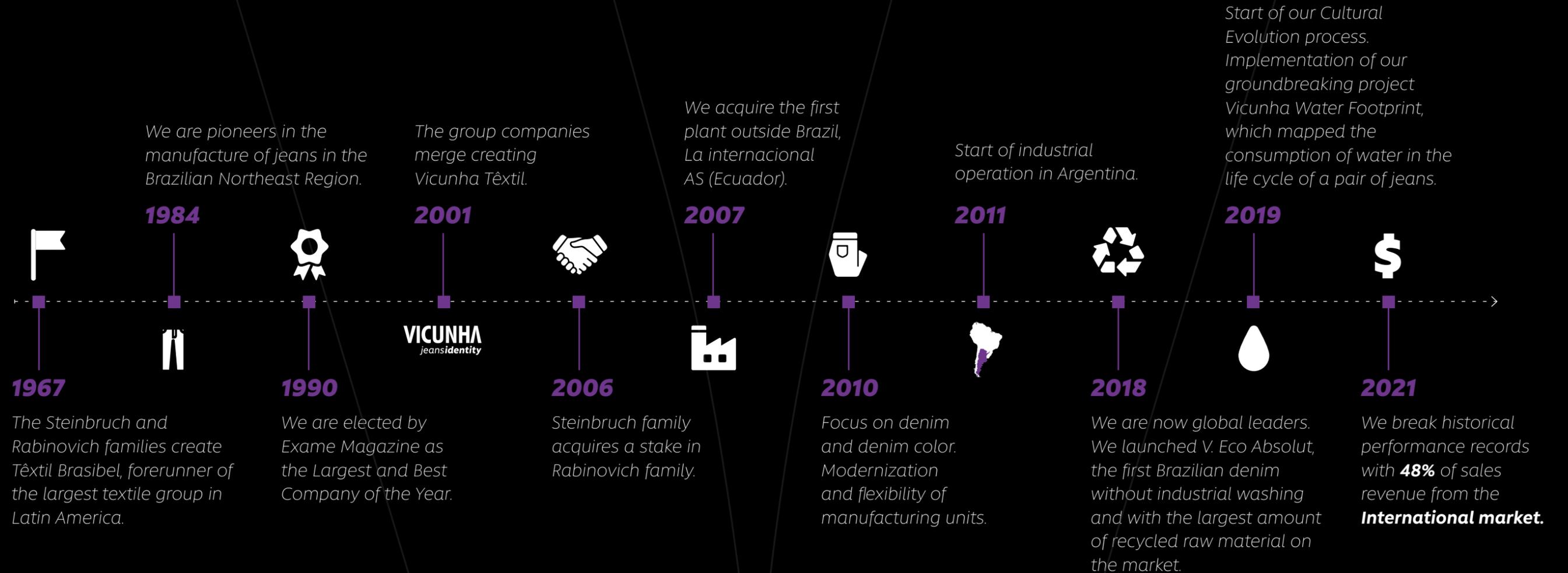
4,500 clients are in more than 20 countries



In the market for **55 years**, we are a global reference in jeanswear solutions

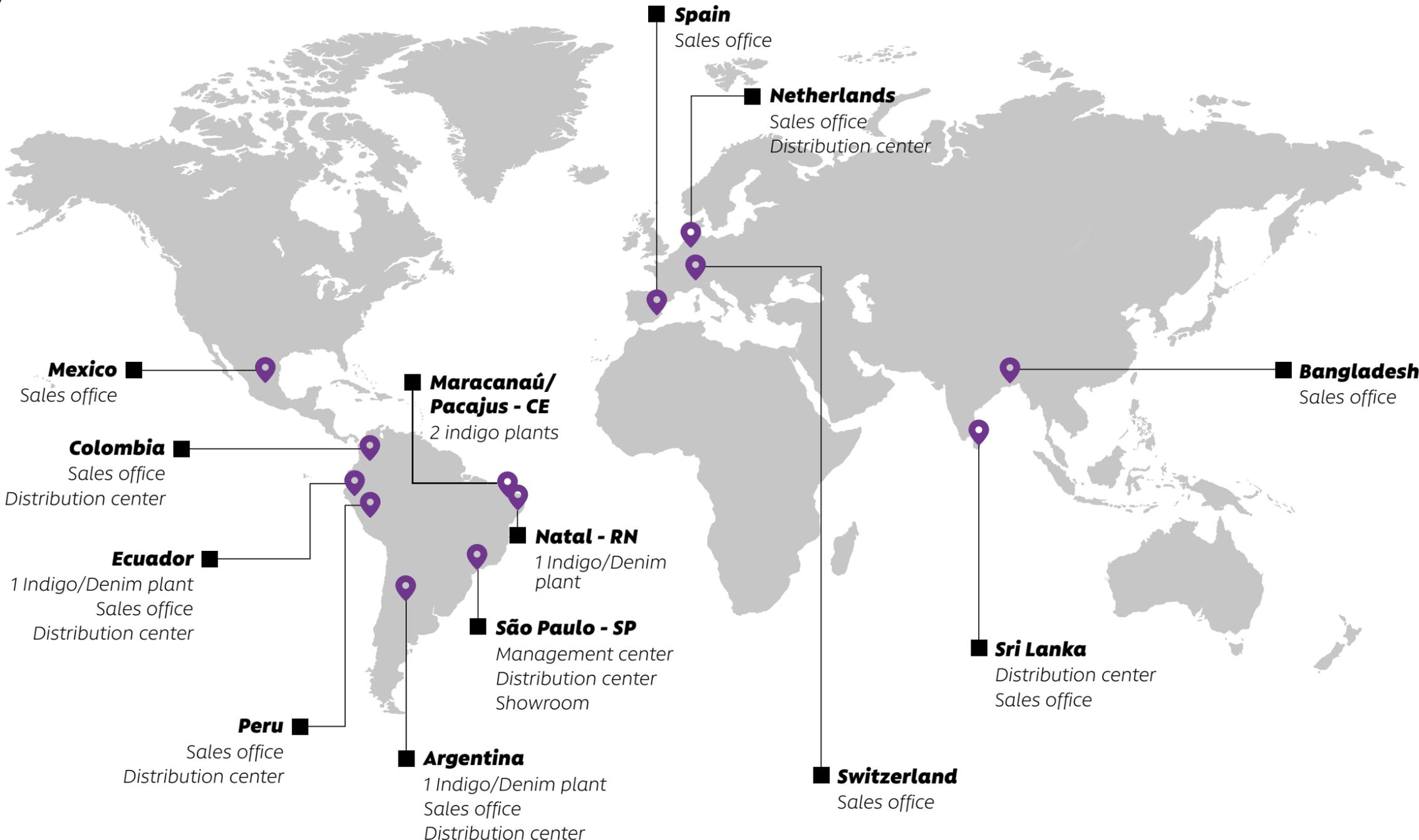
Trajectory of pioneering and sustainability

1. Vicunha



Action map

1. Vicunha



Sustainable strategy

> GRI 2-23, 2-28, 2-29

1. Vicunha

Belief:

Style is knowing who you are, translating that identity into the way you dress and live.

Purpose:

Boosting the jeans wear culture with solutions that allow each individual in the world to find their jeansidentity.

Inspiring Innovation:

To be a reference in the art of dressing the body and soul of jeans wear.

Principles:

Integrity and lasting relationships: To lead by example, doing what is right and complying with any and all covenants respectfully so as to allows us to mitigate risks and build sustainable relationships.

Autonomy and knowledge: Confidence and work autonomy are achieved with competence, shared knowledge and sense of ownership to take care of the company's affairs as if they were your own.

People and open dialogue: Providing a workplace that respects and values people, diversity and open dialogue creates better conditions to develop talent and deliver consistent results.

Client-focused results: The result that creates sustainable value is the result of joint construction, enriched by the perspective of our (internal and external) clients.

Innovation and excellence: Fostering the bringing together of different ideas and the acceptance of mistakes as a learning process are essential to innovate and overcome the challenges of seeking excellence in everything we do.

Agility and simplicity: Having clarity and intimacy with what is relevant allows us to improve and simplify processes and decisions to be increasingly efficient and fast.

“We assumed a **new purpose** that served as an inspiring guide for our business decisions”

With a long history in the Brazilian industry, we base our growth on process innovation. In 2019, with the availability of increasingly accessible technology, greater connectivity, speed and transparency in relationships, we matured our vision of the spirit of the age, and our thinking

about fashion, design and their social functions, defining our belief. From there, we see a greater potential for Vicunha to capture even more value in our market and positively impact society. Thus, we assumed a new purpose that served as an inspiring guide for our business decisions, and started Vicunha Culture Evolution.

We started to see ourselves as a commercial company that also produces, adopting a more proactive and dynamic behavior, which is a characteristic of the fashion market, to react and innovate with greater efficiency and agility. We strategically define ourselves as a one-stop shop, in which the entire global textile chain, from supplier to consumer, can find the latest trends

and practices in their markets, with innovative solutions, improving the competitiveness of our clients, with ever more quality, agility and sustainability.

This model guided by our principles, supported by employees, as well as the search for more agile, quality processes will allow the chain to have more assertiveness and speed; thus, avoiding waste and leftovers in the production chain. Communication with the chain allows us to develop our fabrics with greater time synchronization and alignment of relevant characteristics for brands and the consumer. To support this process, we improved our governance structure to reflect the demands of the global market and ensure the compliance of our operations ([see more in Governance](#)). 🍷



2019

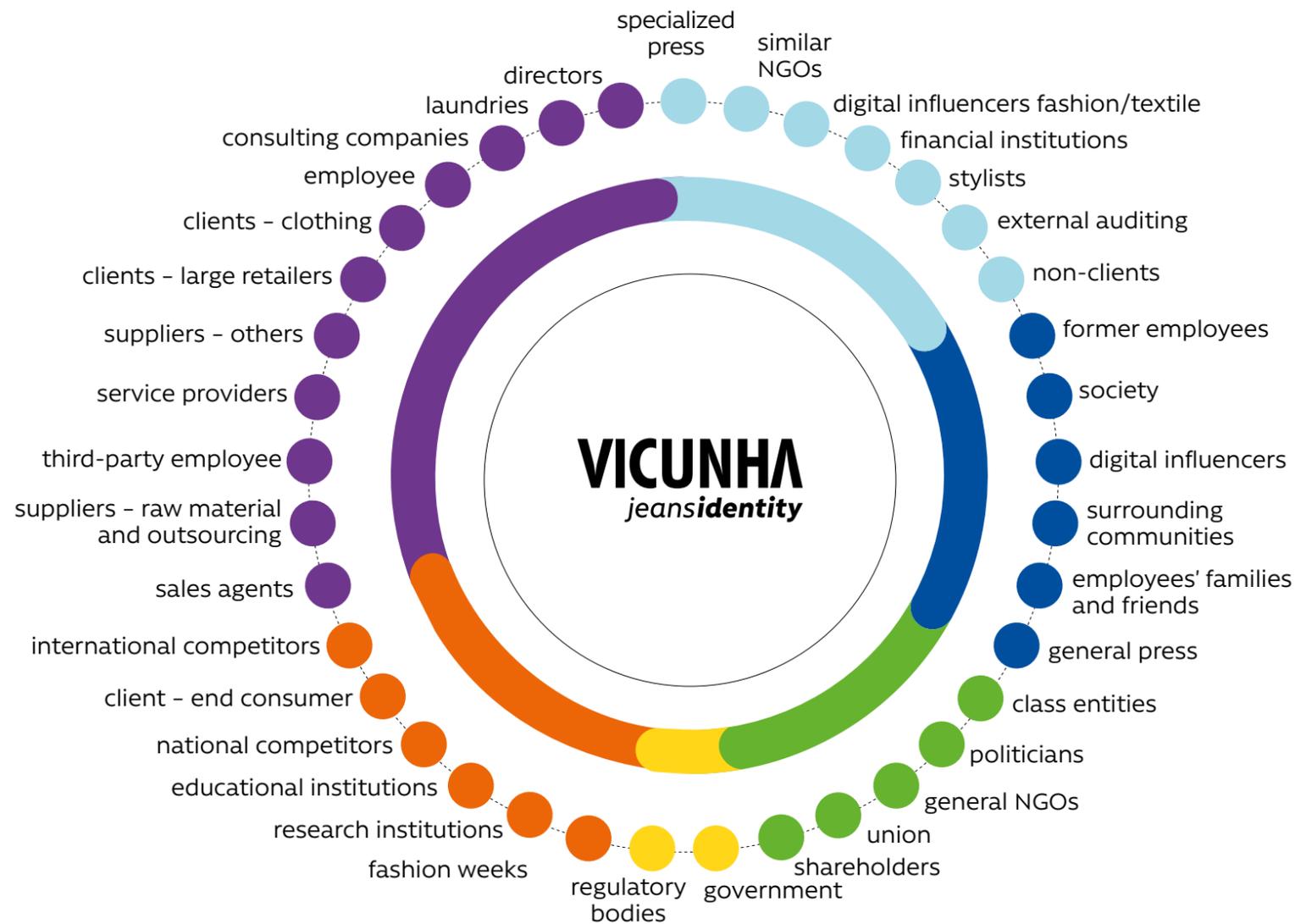
We defined our beliefs based on a better view of fashion trends, design and the social functions of fashion

■ **Vicunha Ecosystem** > **GRI 2-29**

Through our relationship map, we manage relationships with greater precision and efficiency, guiding the planning of actions and communication, taking into account the role and interests of each audience. Our (internal and external) integrated and multi-channel strategic communication plan is connected with the business strategy and is related to our purpose of boosting the jeans wear culture with solutions that allow each individual to find their jeansidentity.

In Argentina, we encourage students and employees' families to visit our facilities and promote technical meetings with industry professionals.

- constructors
- opinion leaders - experts
- opinion leaders
- interest representatives
- regulators
- references



Participations and associations

We work actively towards a responsible and transparent fashion chain, which is why we are member of some associations to contribute to the sustainable development of the textile industry. We are members of Better Cotton Initiative (BCI), a global initiative for more sustainable cotton cultivation, since 2011; signatories of the United Nations (UN) Global Compact in Brazil since 2020; members of the Brazilian Association of Textile and Clothing Industry (Abit) We also participate actively in the Brazilian Association of Cotton Producers (Abrapa), the Federation of Industries of the State of São Paulo (Fiesp) and the textile industry unions in the regions where we operate. In Argentina, we are members of the Argentina Federation of Textile Industries (Fita), the Argentine Industrial Union (UIA), the San Juan Industrial Union, and the Argentine Association of Dye and Textile Chemicals (AACQT). > **GRI 2-23, 2-28**

1. Vicunha



In **2011** we became members of the Better Cotton Initiative (BCI). An organization that promotes best practices in the cotton chain around the world

Over the last three years, we have invested and intensified our efforts for greater integration in our operations around the world, and we have started a new wave of plant modernization, allowing for a more agile management of our production and inventories. Clients who are more sensitive to social changes seek to improve their competitiveness and market differentiation through compliance and time-to-market, going beyond cost efficiency and product quality.

In general, customers who are more sensitive to social transformations aim to improve their competitiveness and differentiation in the market through compliance and time-to-market, going beyond cost efficiency and product quality. Understanding this need, over the past three years, we have invested and intensified our efforts towards greater integration in our operations around the world and started a new wave of modernization of factories, allowing for more agile management of our production and inventories ([see more in Our people](#)). 🖱

Sustainability framework

Sustainability and social responsibility have been part of our business since day one. We are a company that invests in groundbreaking technologies and processes that reduce the impact on the environment and help fostering the social and economic growth the communities where we operate, making a difference in the lives of our employees, clients, partners, suppliers, and society. Consumers and our clients are increasingly well-informed and aware of their responsibilities in terms of social and environmental impact, so they demand better products and seek to know the good practices of all parties involved in their consumption chain - raw materials, producers, and retailers.

We created our sustainability framework, which defines how we see this issue within the company and in the chain. Like a great umbrella, we strive to make sustainability an issue that is present throughout the life cycle of our products.

1. Vicunha

■ We chose a comprehensive, dynamic and evolving platform.

Supported by the world of seals and certifications. Where stories can be told and evolution incorporated.



■ A platform that brings positive impacts.



We also understand that certifications and seals are essential to give credibility to the consumer.

These certifications and seals are long-term commitments and guide all our processes. And those that we have conquered along our trajectory, involve raw materials, processes, quality, for specific brands and retailers, are always aligned with the interests of our clients and the values in which we believe.

Our commitment to influence the chain through our products, certifications and seals also serve to align people, values, behaviors and practices within the organization. A natural evolution of Vicunha's way of acting.

Thus, we created six pillars of action: World, People, Resources, Management, Culture and Innovation. Our management strategy classifies and records our positive practices, which our projects and actions generate, within these pillars. Thus, we have the history of sustainable growth solutions, registered in a dynamic and cyclical concept.

These are the strategic drivers that guide our daily operations. Vicunha's sustainability framework helps to outline, record and monitor all our actions that significantly impact the chain, people, behaviors, values, services and products. We can also direct efforts to continue to invest in groundbreaking technologies and processes that provide us with efficient and responsible results.

“ We are committed to influencing **our chain through our products, certifications and seals** ”

In 2021, we not only continued to improve our processes and product lines with more sustainable characteristics but also reforce our commitment to the agenda in Brazil by signing the United Nations (UN) Global Compact by setting goals for the adoption of responsibility policies corporate social and sustainability by 2030. We initially prioritized two Sustainable Development Goals (SDGs): 6 - Clean Water and Sanitation, which aims to ensure the availability and sustainable management of water and sanitation for all, and 12 - Responsible Consumption and Production, which ensures sustainable production and consumption standards.

In addition to improving our management and governance, we expanded the way we disclose information on sustainability to society, bringing transparency to our operations and introducing our way of thinking and making jeans to our ecosystem. This Sustainability Report is a rendering of accounts and our public commitment to add value to the entire textile chain so as to build a wide network of sustainable businesses.

Vicunha ambitions for each SDG



Clean Water and Sanitation - Vicunha is committed to increase, by 2030, the water efficiency use in two ways: reducing water consumption and zeroing water consumption from surface springs in Ceará.



Responsible Consumption and Production - The company is also committed to increase, by 2030, the production of sustainable fabrics (recycled fibers, lower consumption of water, chemicals and energy) and reducing waste sent to landfills.

Certifications, programs and seals > GRI 2-23

Certifications



The Recycled Claim Standard (RCS) and the Global Recycled Standard (GRS) are international and voluntary standards aimed at increasing the use of recycled materials. A Vicunha holds this certification.



ISO 9001 and ISO 14001 certify our quality management system and our environmental management system. Vicunha holds this certification.



The OEKO-TEX Standard 100 label certifies that all product components have been tested for harmful substances. Vicunha holds this certification.



Find more information at: Our Journey Sustainable: [Vicunha website](#)

Seals



Seal of environmental responsibility with the aim of protecting forests from irregular pulp extraction. Vicunha values the stakeholders who have this seal.



The Better Cotton Initiative (BCI) seal attests to the socio-environmental and labor responsibility of cotton producers. Vicunha values the stakeholders who have this seal.



Present in several items in our collection, the stamps reaffirm our commitment to more rational and sustainable processes. The stamps are issued by Vicunha for some of its products.



Programs



The Zero Discharge of Hazardous Chemicals (ZDHC) Roadmap to Zero Program guides the value chain toward safer use of chemicals. Vicunha is oriented and audited against the standards of this Program.



The Higg Index is a program that measures the company's sustainability performance. An apparel and footwear industry self-assessment standard for assessing environmental and social sustainability across the entire supply chain. Vicunha is oriented and audited against the standards of this Program.



The Responsible Brazilian Cotton (ABR) program unifies the sustainability certification protocol in cotton production in Brazil. A Vicunha values the stakeholders who have this seal.



Fashion Revolution is a movement that promotes society's engagement in the search for fairer, more dignified and transparent fashion. Vicunha participates in the promotion of this movement.



SMETA is a social audit methodology for companies to assess their factories and suppliers on supply chain working conditions. Vicunha uses this methodology in its activities.



The Sustainable Development Goals (SDGs) are a UN global agenda composed of goals and targets to be achieved by companies and countries by 2030. Vicunha guides its activities based on the SDGs.



Integrated Management System

1. Vicunha

“ Our strategy, policies and practices are part of our **Integrated System of Management** and are monitored and updated periodically

Our Health, Safety and Environment (HSE) and Quality policies are implemented in our Integrated Management System (IMS), which was developed based on the requirements of the management standards of ABNT NBR ISO 9001:2015 - Quality Management System and ABNT NBR ISO 14001:2015 - Environmental Management System.

Through this tool, we identify relevant and determining stakeholders and requirements, legal and other requirements, as well as their way of communicating and monitoring. In it, our macro process is unfolded and detailed, with all the documents related and necessary for its management. The IMS is supported by the definition of responsibilities and authorities assigned in the stakeholder matrix and by the methodology for determining risks and opportunities.

Our senior management monitors and critically analyzes information related to these issues at scheduled intervals, and we conduct internal audits to ensure the effectiveness and application of the IMS, as well as its alignment with the requirements of the external and internal management standards that gave rise to it and consistency with management policies.

■ Integrated Management System Policy Health, Safety, Quality and Environment

Vicunha, a global reference in jeans wear solutions, is committed to:



Ensure the satisfaction

of our clients through the quality of our products and services.

Promote continuous improvement

and technological updating of processes, increasing environmental performance and quality.



Add value

to the capital invested by shareholders.



Meet the legislation

and other requirements relevant to the organization and stakeholders.



Protect the environment

committed to pollution prevention and sustainability.



Train our employees

to carry out their activities with quality, safety, health and environmental awareness.

Governance

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

Our governance framework is composed of the Shareholders' Meeting, the Board of Directors (BoD) and its support committees, the Steering Committee and the thematic committees. The activities of these bodies are guided by the Bylaws, our internal policies and Code of Ethics, as well as the legislation in force.

With a long-term vision – and following the cultural evolution started in 2019 –, we strengthened, in 2021, our administrative body and established new mechanisms to strengthen our governance. In a new management cycle, we established greater strategic and operational alignment between the teams, with structured forums and plurality, to discuss various topics, such as sustainability, digital innovation, raw materials and finance.

Our executive board committees receive representatives from different areas in order to present and discuss their priorities and collectively decide how to proceed strategically. We also intensified the flow of transversal processes in the company, connecting people and areas, as in sales processes or people management, which depend on many interconnected areas and need synergy and cooperation.

The BoD is responsible for approving and monitoring our Strategic Plan. It is responsible for approving the company's mission, vision and purpose, investment dossiers, as well as approving and ensuring compliance with our policies. The BoD is also responsible for monitoring our goals related to

sustainable development and identifies and manages the organization's impacts on the economy, environment and people, with a thorough assessment of projects or actions that may have a negative impact on the company and our stakeholders. The committees are used to analyze the effectiveness of processes and the main challenges faced by the company. The most relevant topics are discussed with the BoD at regular meetings that take place quarterly or, if necessary, at any time, on an extraordinary basis.

With weekly meetings, our Steering Committee develops the Strategic Plan, leading and ensuring the execution of initiatives, defining and ensuring compliance with existing policies and monitoring indicators, projects and improvement actions related to sustainable development, through of the Sustainability Committee. Every two months, each of the company's managers attends the Steering Committee's meetings, analyzing their own indicators and action plan, bringing up the most relevant topics that require deliberation.

In 2021, three new executives joined our steering committee, along with Marcel Imaizumi and German Silva: Marcos De Marchi, as CEO; Pedro Teixeira, as CFO; and Dawid Wajs, as Officer for Raw Materials and Supply Chain. We developed five new policies, highlighting some practices already adopted in the company and establishing new practices so as to improve governance, security and business continuity. Additionally, in February 2022, four committees were created to support the BoD to monitor compliance with

these policies ([see chart](#)). Consisting of two members of the BoD, the CEO and officers of the areas relevant to the topic (with terms of office associated with their respective functions), the committees prepare the resolutions that are adopted by the BoD.

The members of the Board of Directors, our officers and the members of the supporting committees are appointed and elected by the BoD. The members are selected based on the criteria of expertise and relevant experience in the textile industry, technical knowledge and training, independence and shareholder representation, specifically for the levels of chairperson and vice chairperson of the BoD. The chairperson of the Board is a shareholder of the controlling family group and is not an executive of the organization.

Our Board of Directors is made up of two women (40%) and three men (60%), but the gender criterion is not formally pre-established in the process of defining the members of the BoD. Women participate in the support committees of the BoD and the thematic committees, whose members are also black and brown individuals. We do not segregate or discriminate against LGBTQIA+ individuals, or based on religious beliefs or social class in our governance bodies. Our directors and executives, as well as all company employees, are periodically evaluated according to the skills consistent with our Cultural Evolution Program: commitment with the client; seek for learning; effective execution; collaborative work; commitment to results; personnel management and strategic vision.

1. Vicunha

**We take care of
our people to grow
as a responsible
and sustainable
company**

Board of Directors of Vicunha Têxtil*

- **Ricardo Steinbruch** (CEO)
- **Elisabeth Steinbruch** (VP)
- **Anna Maria Kuntz** (Director) - independent
- **Vicente Donini** (Director) - independent
- **Ricardo Weiss** (Director) - independent

Steering Committee**

- **Marcos Antonio De Marchi** (CEO) - executive and independent
- **Marcel Imaizumi** (COO) - executive and independent
- **Pedro Teixeira** (CFO) - executive and independent
- **German Silva** (CCO) - executive and independent
- **Alexandre Ferreira** (Corporate HR Officer) - independent
- **Dawid Wajs** (Officer, Raw Materials and Supply Chain) - independent

* All with term of office effective until 11/03/2024.

** Executives' term of office is effective until 04/29/2025.

Thematic committees created in 2021 to support the decisions of the Board of Directors

- **Financial and Risk Management Committee:** Responsible for monitoring the Financial Policy, covering topics such as minimum cash, financial investments, funding strategy and foreign exchange exposure, as well as monitoring the Risk Map and evaluating dividend distributions within the limits established in the Dividend Policy. Coordinated by the chairperson of the BoD, its members include director Elisabeth Steinbruch, as well as the CEO, and CFO.
- **Innovation and Investment Committee:** Responsible for monitoring the Investment Policy, focusing on investments that add value and growth, as well as those linked to innovation. Coordinated by the chairperson of the BoD, its members include independent director Vicente Donini, the CEO, CFO, CCO and COO.
- **Commercial and Cotton Committee:** Responsible for monitoring commercial management and the Cotton Policy. Coordinated by the Chairperson of the BoD, its members include independent director Anna Maria Kuntz, the CCO and officer for Raw Materials and Supply Chain.
- **Personnel and Remuneration Committee:** Responsible for monitoring the organizational culture, occupational safety, development and other issues related to personnel. Coordinated by independent director Ricardo Weiss, its members include the chairperson the BoD, the CEO and corporate Human Resources officer.

Governance policies created in 2021

- **Financial Policy:** Establishes parameters to be observed in terms of cash and liquidity; fundraising and exchange risk management.
- **Dividend Policy:** Establishes parameters to be observed for the distribution of dividends and/or interest on Vicunha's equity.
- **Cotton Risk Management Policy:** Concepts, criteria and delegation limits for decisions involving the purchase of physical cotton; contracting of cotton derivative instruments and commodity risk management.
- **Investment Policy:** Principles and criteria to be observed in the process of evaluation, selection, approval, monitoring and control of Vicunha's investments.
- **Related Party Transactions Policy:** Rules and procedures to be observed to ensure that all transactions are carried out under market conditions, in the best interest of Vicunha and in accordance with the best practices regarding ethics and corporate governance.

Ethics and conduct

> GRI 2-23, 410-1, 412-2, 412-3, Global Compact 1 and 2

The certifications we obtain prove how serious we are and the extent to which we comply with legal standards in the different regions where we operate. We encourage dialogue and dedication at work to gain the admiration of employees, clients and partners. We always act honestly with our partners, clients, suppliers and public authorities and place respect above any and all strategies.

Our Code of Ethics and Conduct highlights was prepared in 2017 and outlines the practices that we have historically followed. In 2022, its review process began, and the code is expected to be released again in 2023. The document covers everyone involved in our business: employees and different audiences that interact with us. The assumptions in the code are communicated in training sessions and on the company's website.

All employees who join Vicunha receive training in the "Dissemination of Culture" and "Code of Ethics", which also take into account aspects related to human rights. The "Good Labor Practices" training was offered to managers from all areas at the Brazilian units in 2021. In the year, we dedicated 9,154 hours to this training in the country, training 95.4% of employees; in Argentina, we invested 156 hours of training, training 8.26% of employees; finally, in Ecuador, we had 400 training hours and 31.39% trained employees.

In 2021, 75%, that is, three of our four significant investment contracts (above BRL 30 million) included provisions related

“ We always act **honestly** with our **partners, clients, suppliers and public authorities** and **place respect**

to the protection of human rights. During the year, 37% of the security personnel (own employees and third parties) received training in policies and procedures related to human rights, totaling 80 individuals trained, whether internally or by service providers.

We also have a conduct channel, an exclusive service center to report complaints or suspicions of misconduct in the company in disagreement with the Code, without persecution or retaliation because all information is kept confidential. In addition to the standard flow (see flowchart), the channel has different flows for complaints involving members of the Ethics Committee or Internal Audit.

 **37%**
of the security personnel (own employees and third parties) received training in policies and procedures related to human rights, totaling 80 individuals trained

 we promoted **9.710**
hours of training for our employees addressing topics related to human rights

75%
that is, three of our four significant investment contracts (above BRL 30 million) included provisions related to the protection of human rights 

Conduct channel

The service is available to our employees, interns, trainees, young apprentices, temporary workers, suppliers and providers of goods and services, as well as any and all individuals who wish to report a complaint or misconduct identified in Vicunha. The report can be anonymous, but the more data the reporting person provides, the better the direction for investigation. Contacts can be registered via the website, telephone or email and are received by an outsourced company



Website

www.canaldecondutavicunha.com.br



Phone

0800 377 8034

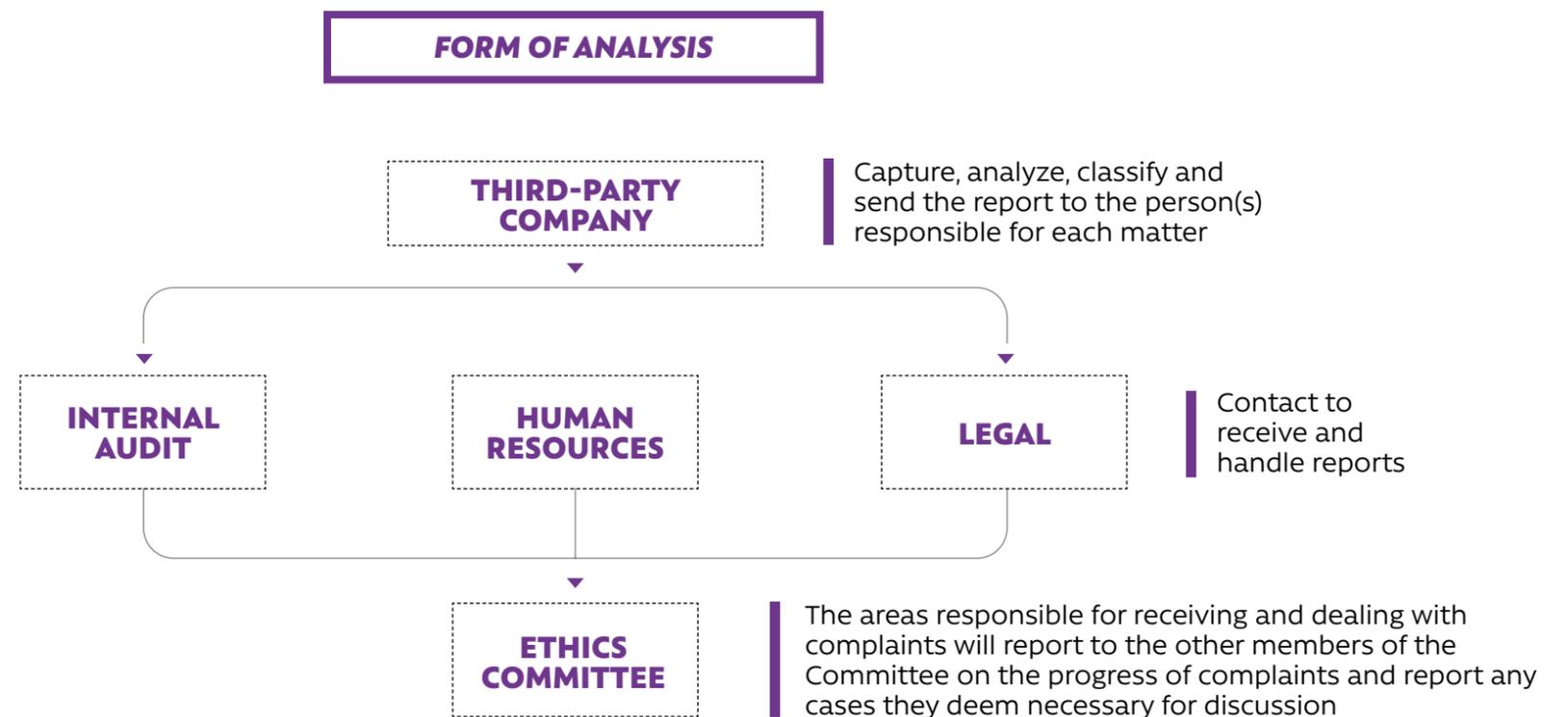


Email

vicunha@canaldeconduta.com.br

1. Vicunha

■ Ombudsman channel analysis flow



THE AUDIT WILL PRESENT AT EACH MEETING THE GENERAL NUMBERS OF THE ETHICS CHANNEL:

- Reports received in the last month;
- Open reports;
- Numbers per unit, types of report, severity, etc.

2. *Our operations*

- Innovation and more sustainable products
- Financial performance

At Vicunha, we evolve every day to develop pioneering and sustainable technologies and processes, as well as to expand our portfolio of products and services according to the demands of our market. We have industrial parks located in Brazil (States of Ceará and Rio Grande do Norte), Ecuador and Argentina, and we offer differentiated solutions to our clients, working continuously to understand their needs.

We have a vertically integrated business model, which ranges from yarn production – around 80% of our yarns are produced in-house –, going through the manufacture and dyeing of denim and denim color –, which reach 125 different colors each month –, to advice on trends and laundry services for our clients.

“**Jeans are for everything and for everyone. It is democratic and exclusive at the same time. You can wear it at work and the in clubs**”

We work on a production process that follows commercial demands to define the products to be industrialized, without losing sight of the medium and long term. Our Client Focused Result principle allows us to understand client challenges, developing customized solutions in an efficient and agile way.

We use automated processes and systems to maintain production levels. We also invest in education and training of professionals to have efficient and competent teams in the management of processes, considering weather variations affect our raw materials and the human evaluation of these variables is crucial to promote the quality of our products.

We use the Lean Manufacturing concept to reduce losses and ensure sustainability, with a management model that permeates all plants to promote organizational alignment. We have also been working on the modernization of our industrial park, with new facilities and process automation, in addition to having an integrated management model between production and maintenance.

In 2021, we reaped the rewards of our strategy, which showed resilience in the face of the challenges seen in 2020 due to the health crisis. We guaranteed our production volumes and were prepared for the market heating that took place in the second phase of the pandemic. Due to the thorny logistical issues during the period, we gained competitive advantages over Asian competition, especially in countries such as Ecuador, Argentina, Colombia, Peru, and Mexico.

We are also growing in the European market and opening up new perspectives in the United States, especially because of our innovation and sustainability differentials. With growing climate challenges and the need to establish smarter chains, with less impact on transport and logistics, our products lead in the Americas, showing that in addition to price and quality, we offer more responsible production with strict process management standards internally and in the chain.

Our showroom

Based on the one-stop shop model, our showroom in São Paulo demonstrates our value proposition to the market, bringing together our experience. It provides tailored service for each client, regardless of their size. The team is prepared to provide complete advice on topics from fashion trends and finishes to sustainability issues, and the client can obtain the products and solutions they need, from the fabric itself to washing and modeling techniques, not to mention information about the production chain and raw materials.



700
employees in
Ecuador

Vicunha Ecuador

Vicunha Ecuador, our first industrial operation outside Brazil, acquired in 2007, operates with a vertical model, from yarn production to the commercial management of clients in the region. After facing challenges in the previous two years, which demonstrated the resilience of the operation, our Ecuadorian subsidiary recorded very positive results in 2021, reestablishing production levels and strengthening teams.

Faced with higher-than-expected demand, the unit showed its agility and maturity – the result of excellence in management and a century-old operation – in the purchase of raw materials and the reheating of the manufacturing activity. We also built relationship with the countries in the region, opening markets and continuing the evolution of Vicunha as a whole.

The unit has very marked management models, with solid control of the plant and the commercial area. The efficiency of organizational controls is confirmed by the credit operation, renewed during the year, that Vicunha Ecuador has entered into with the Inter-American Development Bank (IDB), an entity that has strict criteria for granting financing.

With 700 employees, we are the only denim and denim color producers in the country, accounting for approximately 38% of the national market share in 2021. With operation, office and showroom, our local marketing department is focused on highlighting the added value of the product, with technical assistance and clothing design consultancy, to assist clients in their market and product strategies.



527
employees in
Argentina

Vicunha Argentina

Founded in 2011, our unit in Argentina focuses on the domestic market, producing denim and denim color from purchased yarn. During this decade, we went from producing 80 thousand meters/month to 2 million meters/month, making us the largest producer of woven fabric in the country.

Our unit is a model in the province of San Juan. It receives technical visits due to its advanced processes and environmental practices, and we are one of the ten largest employers in the region, with 527 employees.

In 2021, given the scenario of a closed economy in the Argentine market, there was a significant increase in demand due to the absence of external competitors. As the situation is exceptional, we maintain our strategy considering different scenarios for the future market.

Innovation

and more sustainable products > Global Compact 9

We are known for our leading role and pioneering role in the Brazilian and global market. Our innovation efforts are aimed at meeting client needs efficiently and offering a broad portfolio of increasingly sustainable products and services. It is our duty, as one of the largest jeans wear manufacturers in the world to test new industry technologies that allow for a cleaner and more conscious production, in addition to anticipating market trends.

Over the past decade, several initiatives have marked our progress in this regard. We were pioneers in the use of biomass as a fuel to generate steam in the production of jeans. In 2019, we used an innovative method to measure the water impact in the life cycle of a pair of jeans, from cotton planting to the end consumer, through the Vicunha Water Footprint Project ([see more in Our environmental management](#)), which has become a reference for the segment.

We developed our lines based on the behavior of society and the macro trends in the industry, which have brought diversity, sustainability and comfort as highlights. Therefore, we continually re-evaluate our production process. From the development to the sales of our products and the offer of services to the market, we act persistently, questioning processes to improve and diversify our portfolio and our way of working. We produced the first denim without the need for industrial washing, the V. Absolut Eco, made without virgin cotton, totally originated from recycled fibers, in a partner-

“Jeans are everlasting. Is sustainable, like us. It renews itself

■ Vicunha Statement

ship with Lenzing, with a reduction of up to 95% in water consumption and up to 90% in chemicals consumption. In 2020, faced with the obstacles of the pandemic, we created jeans that neutralize different types of viruses, bacteria, and fungi.

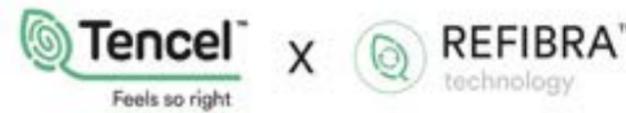


2021 Highlights

Sustainable collection

In 2021, we launched a totally sustainable collection, with articles, solutions and technologies that reduce impacts on production. The project was born from the evolution of the V. Absolut Eco line, bringing a new generation of products developed through the union of our internal knowledge with partners such as Lycra®, Lenzing® and Archroma® in order to prioritize sustainable inputs. The differentiators include, among other things:

- the use of recycled and recovered cotton from our process;
- Lyocell yarn made from Tencel™ LioceL REFIBRA™ fibers, which involves mixing wood pulp from reforestation with cellulose pulp from the recycling of pre-consumer cotton leftovers, post-consumer clothes;
- LYCRA® EcoMade yarn, produced with 20% pre-consumer recycled material;
- post-consumer recycled polyester yarn from PET bottles; and;
- the dyes produced from Archroma's patented EarthColors® technology, which uses natural, inedible waste from other agricultural industries.



DENIM

- **Zat Black Sat** features recycled cotton and super intense black dyeing and a vintage look, with a marked diagonal;
- **Zatar** is made with recycled cotton and a super intense pure indigo dye. It provides comfort and maintains shape throughout the day;
- **Taiga** is dyed double denim in intense pure indigo blue. It results from the combination of more sustainable raw materials with techniques that save water in its production process. It uses pre-consumer recycled cotton, which reuses all waste from the production process of Vicunha, Lyocell, Tencel™ REFIBRA™ and LYCRA® EcoMade yarn;
- **Eco Forest** has pre-consumer recycled cotton, post-consumer recycled polyester, from PET bottles, Lyocell, Tencel™ REFIBRA™ and LYCRA® EcoMade yarn.

DENIM COLOR

- **Renzo** is produced with 30% of raw material recovered before consumption, which reuses all raw material waste from the Vicunha spinning process;
- **Astra** is produced with 30% of raw material recovered before consumption, which reuses all raw material waste from the Vicunha spinning process, in addition to consuming less chemicals;
- **Pantanal** brings the innovation of EarthColors® dyeing, using on raw materials from renewable sources' natural waste;
- **Amazônia** also has EarthColors® dyeing, in addition to recycled cotton and fibers.

Hemp jeans

We develop fabrics in denim and serge made from hemp fibers, one of the most sustainable fibers in the world, making us the first Brazilian textile company to invest in the manufacture of jeans with this input in the country. Among the novelties with the mixture between cotton and hemp, we launched four products: Hemp and Hemp Light (denim) and Itacaré and Maragogi (serge).

Hemp is a high-yield crop and produces much more fiber per acre compared to other raw materials. It also requires less water and less land to grow. Besides, it is a fast-growing plant that adapts to different types of soil and weather conditions. Hemp is also one of the least aggressive crops for the environment and the safest in terms of planting. That's because it is naturally resistant to most insects and diseases.

In addition to being an environmentally safe fiber, hemp gives garments a texture similar to linen, as well as making them softer with each use and wash. With high tensile strength, it is one of the strongest and most durable of all natural fibers, as well as being breathable, antibacterial, biodegradable and hypoallergenic.

Anti odor jeans

In partnership with the Swedish company Polygiene®, we launched odor-blocking jeans, the result of antimicrobial technology - which inhibits the growth of bacteria that cause bad odors - and Odor Crunch technology, which removes any environmental odors, such as smoke from cooking, cigarette smoke or body odor. A first for Latin America, in addition to providing effective odor control, this combination also reduces the number of times a product needs to be washed, saving energy, time and money - and extending the life of the garment. By washing less, the shape, fit and colors of jeans are preserved, making them a more durable product.



Odor Crunch

is a technology developed in partnership with the company Polygiene® that blocks the odor



V. Laundry

The company's new service innovation center for the jeans market at the Maracanaú plant, in Ceará, is under construction and is expected to be completed in 2022. The 2,300 m² space will serve as a hub for the textile industry – the first of its kind in Latin America, with a global scope and connected with our offices around the world.



The new center of innovation in services for the jeans market in Maracanaú (CE) will have

2,300 m²

Fashion Hub

A platform for innovation in the textile and fashion industry, Fashion Hub connects fashion companies to startups, helping to generate pioneering projects. Through the platform, we engaged in 2021 with startups Flow and Talkative, social networks that are standing out in the market with a focus on communication between companies and their audiences.

In the second semester, we worked with startup Ubivis to develop a single platform integrating our databases, allowing the monitoring and analysis of the behavior in real time of a hundred variables, such as yarn pressure and water flow, for agile decision-making in the production process.



Raw Material Care

Attentive to the entire production process, we dedicate special care to our raw materials, as confirmed by our various certifications. Already aligned with the Better Cotton Initiative for several years, in 2021, we intensified our attention to the cotton chain, through the SouABR program, of the Brazilian Association of Cotton Producers (Abrapa). We also want to continue growing in recycled products - today, we use around 10% of pre-consumer recycled cotton.

Due to its climatic characteristics, Brazil stands out in the production of this commodity, managing it differently from other parts of the world and having less than 10% of the cultivation being irrigated artificially. No-till farming, with crop rotation, is more beneficial to the soil, making Brazilian production more sustainable. The country's legislation also requires that farmers in cerrado, the biome in which most crops are located, maintain 35% of reserve areas, promoting the protection of the environment and biodiversity.

Abrapa's initiative offers physical traceability of the input, with a direct connection from the producer. To this end, we have made improvements to our internal procedures: each cotton bale has an identifier recording the farmer, the farm and the location of origin of the material, allowing the consumer to have access and confidence in the production chain. Even when we buy from intermediary companies (tradings), we are able to trace the input back to the source.

SouABR

SouABR (acronym for Responsible Brazilian Cotton) is the first blockchain traceability program for the textile industry in Brazil. Created by the Brazilian Association of Cotton Producers (Abrapa) through the Sou de Algodão movement, with the companies Reserva and Renner, the SouABR program provides information on the certified origin of cotton and the production process of the items. As one of the main Brazilian textile companies, we are part of the chain of suppliers that participate in the program, in partnership with Reserva.

The main purpose of the program is to offer transparency to consumers, and encourage more conscious choices, showing that the cotton present in that item of clothing has the ABR social and environmental certification, which gives the industry the commitment of producers to the three pillars of sustainability: social, environmental and economic.

By scanning the QR Code on the clothing label, consumers can get to know the farm where the socio-environmental certified cotton was grown, the spinning mill that turned it into yarn, the weaving or knitting company that developed the fabric or knit, and the confection company who cut and sewed it.

Financial performance

2. Our operations

After the instabilities generated by the pandemic, 2021 showed sustainable results, generating confidence for investors and shareholders. We had historical records in the main financial indicators, highlighting the highest net revenue, EBITDA and net income in our trajectory. For the first time, the international market represented approximately half of our total sales YTD. Our performance also allowed us to make a first move to lengthen the debt term, improving the capital structure.

MIO	2021	2020
Net Revenue	2,594	1,513
Gross Profit	654	249
% Margin	25%	16%
EBITDA	483	6
% Margin	19%	0%
Profit (Loss)	161	(237)
% Margin	6%	-16%
Net Debt	753	982
12M EBITDA	483	6
Net Debt/EBITDA	1.6	175.4

The EBITDA recorded by Vicunha was positively impacted by the record production volume at our plants, which worked at full capacity, providing the dilution of fixed costs. It was also the result of products in the Brazilian, Ecuadorian and Argentinean markets, and the ability to add value from exports to more than 1,000 clients around the world, mainly in Colombia, Peru, Mexico, and Europe. We also passed on sales prices the cost and exchange pressures on cotton, our main raw material.

■ Direct economic value generated and distributed > GRI 201-1

Direct economic value generated: net operating revenue	BRL 2,594,121 thousand
Distributed economic value (operating costs, employee salaries and benefits, payments to capital providers, payments to government and community investments)	BRL 2,432,930 thousand
Withheld economic value: net income for the fiscal year	BRL 161,191 thousand



3. *Our environmental management* > GRI 304-2

- Water and effluents
- Materials and waste
- Emissions
- Energy



3. Our environmental management

Global compact

> Global Compact 7 and 8

The world is increasingly suffering from human actions that cause negative changes in the environment. As an industry that benefits from natural resources, we play a fundamental role in changing this culture. Our commitment is to continuously reduce the impact of our activities on the environment, leading and promoting sustainable initiatives in our chain. Every year, we use 6.8 thousand tons of recycled cotton fibers from internal reuse and reused cotton from the waste generated in the spinning to weaving processes, as well saving more than 83 million liters of water and 11 thousand MWh of energy, in addition to offsetting 30 thousand tons of CO₂.

We continually assess our environmental aspects, the result of the interaction between the activities performed by our company and the environment, to ensure that our environmental performance is correct. In the case of aspects with significant impacts, we maintain operational control and prioritize troubleshooting. If it does not affect the environment (or brings very low risk), there is no control requirement, but we follow up to verify over time if the aspect/impact has become more severe.

We carry out environmental control with preventive or corrective methodologies, with actions to avoid or reduce impacts of each environmental aspect. The operational controls are in the standard operating procedures (SOP), routine actions and checklists. The objective of each of our people must be to prevent and reduce significant environmental aspects and impacts associated with the activities of their

work process. We use the 3R (reduce, reuse and recycle) and Kaizen methodologies - linked to Lean Manufacturing - to support the management of these factors.

We are committed to protecting the environment in our chain on different fronts and we have adopted actions that significantly impact biodiversity. Our main raw material, cotton, which is used to produce our fabrics, is purchased taking into account good socio-environmental practices in cultivation. Another important factor in our operations is the use of biomass, from areas with forest management and nut shell residues, as fuel for boilers that generate steam to feed machines in the production process. Another important project is the incentive and support given to the search for solutions, through the Kaizen Cycles, to reduce the consumption of natural resources, such as the reuse of water.

We managed to offset CO₂ directed to the emission of our boilers to neutralize our effluent treatment plants. We also carry out monthly monitoring of boiler emissions, as well as evaluate mobile diesel sources that are directly involved with our operations.

We always seek to bring technology and innovation to our production process, more efficient machines and equipment with less socio-environmental impact. Since 2017, we have been working on the guidelines of the ZDHC (Zero Disposal of Hazardous Chemicals) Program to manage chemicals. We develop products with less impact, referring to water, chemicals and the use of recycled raw materials.

In Ecuador, we are committed to carrying out a biodiversity study and actions for the conservation of the watershed. We carry out reforestation actions both on our own land and in the Pululahua geobotanical reserve, with annual reforestation campaigns in areas of direct and indirect influence.

Green Line (Linha Verde)

It's our direct channel with our employees to clarify doubts, collect suggestions and complaints on any environmental sustainability-related subject. The program contributes to socio-environmental development, working in the areas of awareness and preservation. In addition to the internal extension, it is possible to access the form on the Vicunha intranet, Vicnet. The information can be filled in quickly, and image or video files can also be uploaded to exemplify what needs to be improved at our sites.

Among the topics monitored by Green Line are:

 **Leaking**
water in faucets,
pipes, etc

 **Maintenance**
actions that can
generate environmental
gains and savings for
the company

 **Focus**
on waste of natural
or chemical resources

 Existence of
materials to be
recycled

Vicunha Water Footprint Project

We know that the biggest impact of the textile industry is the intensive use of water in the processes. In order to better understand this impact and improve our operations, in addition to generating information for the entire industry, we carried out, in partnership with the Ecoera Movement, a pioneer in integrating sustainability in the fashion, design and beauty industry in Brazil, the Vicunha Water Footprint project. Through it, we use our own metrics to map water consumption in the life cycle of a pair of jeans in the country - from cotton planting to the end consumer. The results and findings of the study, which reinforces our transparency and pioneering spirit in sustainability, were presented exclusively to the entire textile market in order to promote transparency in the country's fashion chain.

 **5,196 liters**
of water are consumed for each pair of jeans. Of this amount, 4,247 liters are used in the cultivation process until the cotton harvest - which uses 92% of rainwater in its cultivation - and 127 liters in weaving, that is, the transformation of cotton into yarn

3. Our environmental management



Our efforts are to reduce the water withdrawal from concessionaires located in regions of water stress

Water

and effluents

> GRI 303-1, 303-2

We understand that water is one of the main inputs used in the textile industry, from the planting of our supplier's raw material to the washing of our client's fashion item. We have different sources of water withdrawing, such as utilities, well water, rainwater harvesting and reuse water. In Brazil, our improvement project efforts are aimed at reducing water harvesting from utility companies, as it is supplied from reservoirs located in strategic regions of water stress.

We receive the water from a state utility, but we have to submit it to a treatment process so that it can meet the parameters of our industrial process, which are periodically monitored by laboratory tests. We have the Green Channel internally, through which any employee can report any water/effluent leaks or impacts observed at the plant. With the aim of a more faithful monitoring of water consumption data, we are in progress with a project to install meters not only by industry, as we currently have, but by machine, in order to identify consumption or leaks.

Our raw material suppliers are part of the Responsible Brazilian Cotton (ABR) program, which makes us more responsible, as we aim at cultivation as a water impact for our business chain. In addition, we recycle textile waste and, consequently, we reach levels of water and chemical savings in product lines with a sustainable approach. We also provide advice to our clients to mitigate the impact of water use on their operations.

Internally, we manage water resources on a shared basis, with the corporate goal subdivided into the units and the respec-

tive industrial production processes and support area. For this management, we have weekly meetings to deal with water consumption, as we can act immediately if the impact of high consumption has been caused by a technical problem. Monthly we publish newsletters with water target and consumption data by email and on bulletin boards throughout the plant. Externally, we have initiatives to publicize the impacts of water consumption in the fashion industry, such as the Vicunha Water Footprint project.

Annually, we carry out a review of the ordinary goal, where we challenge utilities managers to reduce water consumption per ton of fabric produced. We hold a monthly corporate meeting with all manufacturing units to share difficulties and results. Each unit monitors the consumption of the respective production and support areas on a weekly basis. If in three months the manufacturing unit is out of target, it is necessary to carry out an action plan to achieve the established.

In Ecuador, we do not use utility water. Extracted from wells, the resource undergoes a treatment process at a plant where a process of coagulation, flocculation and iron oxidation is carried out, with the objective of reducing solids and color; once it meets the quality requirements, the water is supplied to the industrial processes and, after being used, it is sent to the effluent treatment station for processing and guaranteeing that the water quality requirements are met. Withdrawing water from a well does not interfere with the water

supply to the community, whose supply is ensured by the municipal water company, which harvests water from sources far from the basin in which we are located. The process of establishing objectives and targets was carried out in the Environmental Impact Study, substantiated in a declaration approved by the competent national authority, which contains an Environmental Management Plan (EMP). Objectives include improving water quality and preliminary effluent reduction, changing the mercerization system to avoid the use of acetic acid; treatment of 100% of effluents; recycling and reuse projects, wetland project in progress; protection and restoration of ecosystems, with an increase in the green area with native vegetation in our own areas of direct influence; and study of biodiversity and recovery of green areas around the unit. We discharge water into the public sewage system, so effluent quality standards must meet the limits allowed by regulations. The results of applying the EMP must be reported annually and are externally audited every two years.

The water used in our unit in Argentina is obtained from two wells, with a usable flow defined by the regulatory agency. Usage management is carried out by the Effluent Treatment Station (ETE) and Environment team. The water consumption of the different industries and activities involved (weaving, dyeing, indigo, boiler, recovery coolant, hot water return, condenser return, sludge press) is measured daily, as well as the effluent flow generated by the different industries and the water vapor generated in the process tank.

In Brazil, the effluents from the manufacturing units are discharged into two state-owned collectors, with the plants meeting the required parameters for disposal. The management of parameters is carried out in Maracanaú and Pacajus by the Environment Department of Ceará, and in Natal, by the Institute for Economic Development and the Environment, through internal and external laboratory testing and on-site visits by pertinent authorities.

“Our raw **materials suppliers** are part of the Brazilian Responsible Cotton Program (ABR). This criterion gives us an even greater **responsibility**

Use of water and local development in Pacajus > GRI 203-1

Our plant in Pacajus, State of Ceará, is located in the semi-arid region of the Northeastern Region, without groundwater and supplied by reservoirs. Opting for the Pacajus-Horizonte region as an industrial hub resulted in technical difficulties for the disposal of treated effluents, as the region lacks a suitable receiving water body for this purpose. Based on current legislation, the water bodies closest to the industrial hub are connected to dams that are used as water sources for the Metropolitan Area of Fortaleza and nearby municipalities.

Thus, the final disposal of treated industrial effluents occurs through infiltration/evaporation ponds, but the disposal was never adequate for the natural conditions of the area. In view of this, we realized the need to improve the treatment of these industrial effluents, taking advantage of reused water in our industrial processes. In a public-private partnership with Companhia de Água e Esgoto do Ceará (Cagece), the unprecedented project in the textile industry involves investments of BRL 35 million.

With the support of a specialized company and in extensive negotiations with the government, we developed a project to reuse the sanitary effluent from the sewage treatment plant in the city of Horizonte to produce reuse water for our Pacajus unit and surrounding companies, collaborating to expand a sustainable strategic scenario between the industries



In a public-private partnership with Companhia de Água e Esgoto do Ceará (Cagece), the unprecedented project in the textile industry involves investments of **BRL 35 million**



the reduction in water consumption at the Pacajus unit and surrounding companies will be **95%**

in the region and the local utility. The project has financing approved by the Superintendency for the Development of Northeast (Sudene) and will reduce incoming water consumption by almost 95%, collected from water resources. Designed in 2021, the initiative should be inaugurated in December 2022, and the model should also be implemented at our Maracanaú unit, in the Metropolitan Area of Fortaleza.

■ **Water harvesting by source (megaliters)** > GRI 303-3

WATER WITHDRAWAL	AREAS WITHOUT WATER STRESS	AREAS WITH WATER STRESS
Surface water	-	88.21
Groundwater	244.81	1,470.55
Produced water	-	189.16
Third party water - 100% surface water	8.11	820.21
TOTAL WATER HARVESTING	252.92	2,568.13

AREAS WITH WATER STRESS	MARACANAÚ	NATAL	PACAJUS	SAN JUAN (AR)	VICUNHA
Surface water	20.98	0	67.23	0	88.21
Groundwater	0	1,156.94	0	313.61	1,470.55
Seawater	0	0	0	0	0
Produced water	103.64	56.11	29.41	0	189.16
Third-party water	575.13	0	244.95	0.13	820.21

■ **Water disposal by destination (in megaliters)** > GRI 303-4

	AREAS WITHOUT WATER STRESS (ML)	AREAS WITH WATER STRESS (ML)
Surface water	0	0
Groundwater	0	0
Seawater	0	0
Third-party water (total)	161.29	1630.72
Third-party water sent for use by other organizations	0	0
Surface water + groundwater + seawater + third party water (total)	161.29	1630.72

■ **Water consumption (megaliters)** > GRI 303-5

	ALL AREAS (ML)	AREAS WITH WATER STRESS (ML)	
Total water consumption	91.624	937.41	
Maracanaú	Natal	Pacajus	San Juan - Argentina
219.66	575.66	132.29	9.799

Note: Although the absolute volume is an important data, we follow up and monitor the associated indicator (m³ of water per ton of finished fabric). In this way, we can verify whether we are being effective or not in the use of water. For Vicunha Brazil, the target is 33.6 m³/ton and is divided into the three manufacturing units in Brazil. Ecuador is the only manufacturing site that is not located in an area with water stress.

Materials and waste

> [GRI 306-1, 306-2, 306-3, 306-4, 306-5](#)

Working on the principle of the 3Rs (Reduce, Reuse and Recycle) combined with selective collection, we manage and manage all our solid waste, from generation to proper disposal. Our Solid Waste Management Program (PGRS) consists of an already internalized practice, which goes beyond compliance with applicable environmental legislation, as it expresses a feeling of environmental preservation, evidenced and disseminated in the Quality Policy and Health, Safety and Environment Policy of the company.

The implementation of the practices guarantees the achievement of satisfactory results with regard to the minimization of environmental impacts, insofar as it allows the monitoring of the evolution of the generated waste and the proposition of corrective actions when necessary. Thus, our selective waste management contributes to adding value to the capital invested, insofar as there is a reuse of previously useless resources (sale of by-products), as well as to prevent pollution, as the final disposal of waste complies with current environmental legislation.

Our waste is first segregated at its places of origin through selective collection and then moved to pre-established collection points, internal treatment sites (separation by type/size, compaction, etc.) and later stored until the proper destination of the generated waste. Selective collection allows waste to be destined for nobler purposes such as reuse, recycling and recovery. An example of this is process waste, which is properly segregated and can be reused and recycled internally and reintroduced into the manufacturing process. There is waste

sold as animal feed and destined for reuse and external recycling. In addition to reintroducing waste from internal processes, we also acquire waste from external processes for reintroduction into manufacturing, a practice that guarantees us two certifications ([GRS and RCS – see more in Seals, Certifications and Commitments](#)). 📄

The waste generated in the processes of opening, spinning and preparation for weaving is sent to our unit in Maracanaú, where the recycling process takes place (defibration of tow

yarns for reintroduction of the material into the production process). In addition to this process, we reuse cotton waste generated in the opening and carding processes.

We inspect the environmental documents of suppliers for hazardous waste treatment and transport services, and we only work with companies that prove their compliance with all environmental legislation. We have textile waste reduction targets, the results of which are discussed for implementation of improvement actions.

3. Our environmental management

■ Materials used (in tons) > [GRI 301-1](#)

	BRAZIL	ARGENTINA	ECUADOR	TOTAL
Non-renewable materials	462,223.73	N/A	185,133.69	781,007.26
Renewable materials	84,712.71	3,246.00	11,816.28	96,528.99

■ Raw materials or recycled materials used > [GRI 301-2](#)

	BRAZIL	ARGENTINA	ECUADOR	TOTAL
Percentage of raw materials or recycled materials used in the manufacture of products	15.49%	0	6%	11%

Waste

SPINNING

Raw Material Receipt:

- Polypropylene bags;
- Polyethylene bags;
- Cardboard packaging;
- Steel wires;
- Wooden pallets;
- Dust collected in the capture system (channel dust);
- Polyethylene straps;
- Jute bags.

Opening:

- Recovered cotton;
- Briquette;
- Cyclone waste;
- Sweeping;
- Cardboard packaging;
- Steel wires;
- Dust collected in the capture system (channel dust);
- Contaminated tow;
- Polypropylene straps;
- Jute bags;
- Cotton waste.

Winder:

- White/Lycra tow;
- Dust collected in the capture system (channel dust).

Carding:

- Carding strip;
- Recovered cotton;
- Dust collected in the capture system (channel dust);
- Cotton waste.

Ironing:

- Recovered cotton;
- Dust collected in the capture system (channel dust);
- Cotton waste.

Winding machine:

- Polyester waste;
- Elastane waste.

Conventional spinning machine:

- Pneumafil Lycra/Cotton;
- Dust collected in the capture system (channel dust);
- Recovered cotton.

Autoclave:

- Plastic film (polyethylene);
- Carton.

Rover:

- Rover's roving;
- Recovered cotton;
- Dust collected in the capture system (channel dust).

Open-end spinning machine:

- Open-end Bombril;
- Pneumafil Lycra/Cotton;
- Dust collected in the capture system (channel dust);
- Cotton waste;
- Contaminated tow;
- Damaged Polypropylene Tubes;
- Damaged cardboard tubes.

Yarn storage:

- Plastic films;
- Cardboard tubes;
- Plastic tubes;
- Adhesive tape;
- Masking tape;
- Wooden pallet;
- Plywood;
- Cardboard packaging (box);
- Cardboard dividers;
- Plastic packaging (bags).

WEAVING

Warping:

- White Tow;
- Cardboard cones;
- Damaged plastic cones;
- Dust collected in the capture system (channel dust).

Raw fabric storage:

- Plastic films;
- Cardboard tubes;
- Iron pipes;
- Covering cloth;
- Weaving yarns;
- Scraps;
- Adhesive tape;
- Masking tape;
- Wood beam.

Starch process:

- Raw tow;
- Starched tow;
- Polyethylene bags;
- Polypropylene bags;
- Cardboard bags;
- Starch waste;
- Cartons;
- Contaminated tows.

Weaving:

- Starched tow;
- Raw tow;
- Plastic Film (polyethylene);
- Dust collected in the capture system (channel dust);
- Cardboard;
- Cardboard cones;
- Damaged plastic cones;
- Sweeping waste.

Indigo dyeing:

- Raw tow;
- Dye tow;
- Polyethylene or Polypropylene bags;
- Cardboard bags;
- Cartons;
- Metal drums;
- Plastic drums
- 1000 L containers;
- Background waste from the Indigo process.

Warping:

- Starched tow;
- Sweeping waste.

GINNING

Preparation (CEO/PA/MERCE/Brush/Chemical Kitchen/Korting):

- Scraps;
- Damaged clear plastic film;
- Damaged black plastic film;
- Dust from brush containers;
- Plastic drums;
- 1000-L container;
- Satex ink packaging;
- Brush dust;
- Wet cotton waste;
- Chemical disposal (sporadic);
- Caustic soda sludge.

Dyeing (WASHING MACHINE/PAD-STEAM/PAD-BATCH/PAD-DRY):

- Scraps;
- Damaged plastic film;
- Satex ink packaging;
- Plastic drums;
- Metal drums;
- Carton;
- Plastic Bags;
- 1000-L containers.

Finishing (CALENDERING/EMBROIDERY FRAME/SANFORIZING):

- Scraps;
- Damaged plastic film;
- Satex ink packaging;
- Plastic drums;
- Metal drums;
- Damaged patch blanket;
- Used transfer paper (Sublimation Calenderer);
- Protective paper (calender felt).

PRODUCTION SUPPORT

Chemical Laboratory:

- Scraps;
- Office supplies;
- Damaged glassware;
- Chemical Packaging.

Indigo Laboratory:

- Scraps;
- Indigo waste;
- Brooms;
- Damaged glassware;
- Chemical Packaging.

Spinning QC Laboratory:

- Cartons;
- Cotton yarn waste;
- Plastic Bags.

Shipping:

- Damaged wooden shims;
- Adhesive tape;
- Label paper (Ribbon).

Quality Control Laboratory (Laundry/Test Room/Test Bench):

- Scraps;
- Plastic drums;
- Chemical Packaging;
- Satex ink packaging;
- Soap boxes (cardboard).

Finished Fabric Review:

- Scraps;
- Patchwork;
- Cardboard;
- Damaged plastic film;
- Damaged cardboard tube;
- Label paper (Ribbon).

Final Product Storage:

- Damaged wooden shims;
- Adhesive tape;
- Label paper.

Maintenance:

- Lubricating oil used;
- Ink, solvent, spray, degreaser packaging;
- Disposal of cationic resin;
- Tow soiled with grease and oil;
- Oil filters;
- Batteries;
- Ferrous Metallic Waste;
- Non-Ferrous Metallic Waste;
- Tires;
- Plastic containers;
- Hydraulic Hoses;
- Damaged bearings;
- Scrap electronic components;
- Cylinder grinding dust;
- Patches grinding dust;
- Iron swarf;
- Copper slag;
- Civil Construction Waste;
- Fluorescent lamps;
- Rubber waste from textile cylinder lining.

Stockroom:

- Office supplies;
- Plastic Bags;
- Cardboard;
- Plastic;
- Damaged wooden pallets.

ETE/ETA:

- Chemical packaging;
- Damaged glassware;
- Sludge from the treatment station;
- Plastic Bags;
- Damaged wooden pallets;
- Raffia bags;
- Solid waste from the station entrance (Parshall flume/filtering).

ADMINISTRATIVE AREAS

Offices/Reception:

- Office supplies;
- Collective and personal protective equipment;
- Paper.

Toilets and changing rooms:

- Toilet paper;
- Paper towels;
- Sweeping waste.

Cafeteria:

- Disposable items;
- Toothpicks;
- Napkins;
- Food scraps;
- Plastic Bags;
- Metal containers (cans).

Parking:

- Sweeping waste.

Streets and waste common to all areas:

- Sanitary waste;
- Disposable cups;
- Sweeping waste;
- Lamps;
- Office supplies.

Outpatient clinic:

- Outpatient clinic waste;
- Office supplies.

■ Total weight of waste generated (in tons) > GRI 306-3

	BRAZIL	ARGENTINA	ECUADOR	TOTAL
Hazardous waste	196.66	1201.83	55.92	1454.41
Non-Hazardous waste	15824.31	2218.83	995.87	19039.01
TOTAL	16020.97	3420.66	1051.79	20493.60

Note: hazardous waste includes special waste and health services; non-hazardous waste includes textiles, construction, recyclables/reusables.



In Brazil, **16.020,97 tons** of waste were produced in 2021

■ Waste diverted from disposal (in tons) > GRI 306-4

	BRAZIL	ARGENTINA	ECUADOR	TOTAL
Total weight of waste generated	9,568.68	1,174.83	467.22	11,210.73
Textile Waste	7,008.89	778.62	186	7,973.51
Cardboard	947.61	320.69	0	1,268.30
Metals	1,087.95	18.73	0	1,106.67
Plastic	198.85	43.16	0	242.01
Contaminated waste, hazardous and special substances	22.33	0.00	19.29	41.62
Tires and rubbers	1.85	0.00	0	1.85
Wood	298.14	13.62	0	311.76
Glass	3.07	0.00	0	3.07
Recyclable non-textile non-hazardous waste	0.00	0.00	261.93	261.93
Total weight generated hazardous waste not disposed	22.33	0.00	19.29	41.62
Preparation for reuse;	0.00	0.00	0	0.00
Recycling;	13.42	0.00	19.29	32.71
Other recovery operations;	8.91	0.00	0	8.91
Total weight of non-hazardous waste generated not disposed	9,546.35	1,174.83	447.93	11,169.11
Preparation for reuse;	0.00	0.00	0	0.00
Recycling;	9,546.35	1,174.83	447.93	11,169.11
Other recovery operations;		0.00	0	0.00
within the organization;	0*	0.00	0	0.00
outside the organization.	9,546.35	1,174.83	447.93	11,169.11

■ Waste directed to disposal (in tons) > GRI 306-5

	BRAZIL	ARGENTINA	ECUADOR	TOTAL
Total weight	6,452.27	2,245.83	584.76	7,037.03
Incineration (with energy recovery)	173.38	7.33	32.47	213.17
Incineration (no energy recovery)	0.00	1,194.50	4.08	1,198.58
Class I sanitary landfill for hazardous waste	0.95	0.00	0.00	0.95
Other disposal operations	0.00	0.00	0.08	0.08
Incineration (with energy recovery)	1.32	0.00	0.00	1.32
Incineration (no energy recovery)	1.08	0.00	0.19	1.26
Class IIA and IIB landfills	4,747.89	98.00	547.94	5,393.83
Reserve landfill - Waste from Civil Construction/Recycling	1,527.65	946.00	0.00	2,473.65
within the organization	0.00	0.00	0.00	0.00
outside the organization	6,452.27	2,245.83	584.76	9,282.85

Note: the waste that is recovered (cotton) is consumed in the generating units (there is no MTR generation). The waste that is recycled (yarns and tows) through the defibration process is generated in the three manufacturing units, sent from Units II and III (generating MTR) to Unit I, where it is consumed in the production process of Unit I. A portion of textile waste generated in units II and III is recovered and undergoes internal defibration process. The recovered material can return to the production process, and the defibered material can return to the process or be used for other purposes, such as animal feed.



3. Our environmental management

Our focus is on optimizing the use of resources such as water, energy and steam

Emissions

> GRI 305-1, 305-2, 305-3, 305-4, 305-6, 305-7

We manage the quality of the gases from the chimneys of our boilers, so we are able to prepare a balance of the volume of CO₂ emissions. Our boilers supply water steam for the textile process in the areas from preparation to weaving and finishing, that is, we do not use boilers as a source of electromotive drive. In 2021, in Brazil, we stopped emitting about 10 tons of CO₂ into the atmosphere, adding up the three manufacturing units. This monitoring is carried out through theoretical calculations for the neutralization of our Effluent Treatment Station (ETE). To neutralize the caustic soda load from our dyeing process, we use CO₂ from the boiler chimneys with the aid of blowers.

“ Our **first emissions** inventory will be prepared in 2022, taking into account our **internal and external** sources



the emission of **10 tons** of CO₂ were avoided in the year 2021





Energy > GRI 302-1

Between 2016 and 2017, we carried out projects that resulted in a reduction in electric energy consumption through energy efficiency actions. We replaced approximately 13,400 HO fluorescent lamps with (more efficient) LED lamps at the Brazil units, which resulted in annual savings estimated at 5,400 MWh. Besides, we sought efficiency in the use of engines (replacement by high-performance engines) at unit II, which resulted in an estimated annual savings of 580 MWh.

Biomass is the main energy matrix used to generate steam in our plants. The main biomass we consume is from cashew, prosopis juliflora and eucalyptus firewood (forest plantations) and native wood (sustained forest management plans). By using biomass, we are more sustainable because we replace the use of natural gas. We were pioneers in the use of cashew nut shell as a fuel for steam generation. We have been using it as input for more than two decades.

In Ecuador, most of the energy consumed in the industrial plant comes from its own hydroelectric power plant. We sell surplus energy and purchase energy during low-generation hours.



5,400 MWh
was saved annually
after we replaced 13,400 HO
fluorescent lamps to LED lamps

3. Our environmental management



■ Energy consumption (in gigajoules) within the organization > GRI 302-1

Non-Renewable Sources	Natural Gas	248,815,789.69
	Liquefied Petroleum Gas (LPG)	430,194.07
	Diesel Fuel	124,173.33
	Electric Energy	1,374,193.34
Renewable Sources	Gasoline	563.24
	Biomass - Brazil	1,980,818.94
	Ecuador Electric Power - Vicunha Hydroelectric Power Plant	126,128.92
TOTAL		252,725,732.61

Non-Renewable Sources	Natural Gas	248,815,789.69
	Liquefied Petroleum Gas (LPG)	430,194.07
	Diesel Fuel	124,173.33
	Electric Energy	1,374,193.34
Renewable Sources	Gasoline	563.24
	Biomass - Brazil	1,980,818.94
	Ecuador Electric Power - Vicunha Hydroelectric Power Plant	126,128.92
TOTAL		252,725,732.61

■ Energy consumption (in gigajoules) within the organization > GRI 302-1

Energy consumption	115.86
Steam consumption	2,181,712.84
Electricity sold	115,862.35

4. *Our social role*

- Clients
- Suppliers
- Our people
- Communities

“ It is **plural** and
has many names.
Different in wear
and live.
It brings **Brazil** in
the **roots** and
the **entire** world as
a reference

■ **Vicunha Statement**

In a stage of expansion and transformation of our company, we understand that, in addition to our know-how in manufacturing and distribution capacity, the relationship with the people in our production chain is one of our main strategic assets to ensure the sustainability of our success. Our clients' market knowledge allows us to develop the best textile solutions; this is only possible with the investment in our people and the deepening of the connection with our suppliers, to share and amplify this knowledge. From another perspective, we are attentive to the needs of the communities with which we are directly or indirectly related, in order to guarantee our credibility and the promotion of positive impacts on our surroundings. Our actions are based on social respect, we encourage education and we support small entrepreneurs, communities and the society in which we operate.

Clients

Client focus means moving away from merely transactional actions and seeking a deep understanding of your business, generating a mutual relationship of trust. Understanding the client allows us to efficiently and quickly offer products and services that meet their needs in a personalized way and adhere to the different fields of activity, so that they can differentiate themselves. Along these lines, we have worked in cooperation with many brands, creating solutions that speak directly to their consumers, combining the efficiency and productivity that already characterize us with the attributes demanded by the market today.

In the cool hunting process, we analyze consumer behavior and point out trends that impact the way people act and consume, meeting our purpose of boosting the jeans wear culture, with solutions that allow each individual in the world to find their jeans identity. This knowledge is enhanced by our participation in events and direct contact with clients who generate inputs to identify the industry trends. Through the Salesforce tool, a Customer Relationship Management (CRM) platform, which integrates marketing, sales, customer service, credit and collection departments, we obtain a unique and shared view of each of our clients.

Jeans according to Brazilians

In 2021, we commissioned a study from IEMI Inteligência de Mercado to find out what Brazilians think about jeans wear, especially “fashion-loving” users who are the main propagators of consumer trends for this product, as well as younger people, who will compose the great mass of consumers in the next ten years. The survey interviewed 800 consumers of all profiles (age, gender, purchasing power, fashion lovers or not) and from all Brazilian regions. In addition to identifying who are the consumers of jeans wear in Brazil and how much they spend on jeans, the survey showed data on purchase intention and the influence of sustainability on the purchase decision.

87%

of Brazilians say that jeans are the most democratic garment, belonging to all ages.

80%

say that jeans are essential (an indispensable wardrobe item).

53%

believe that the jeans they purchased in their last purchase are sustainable.

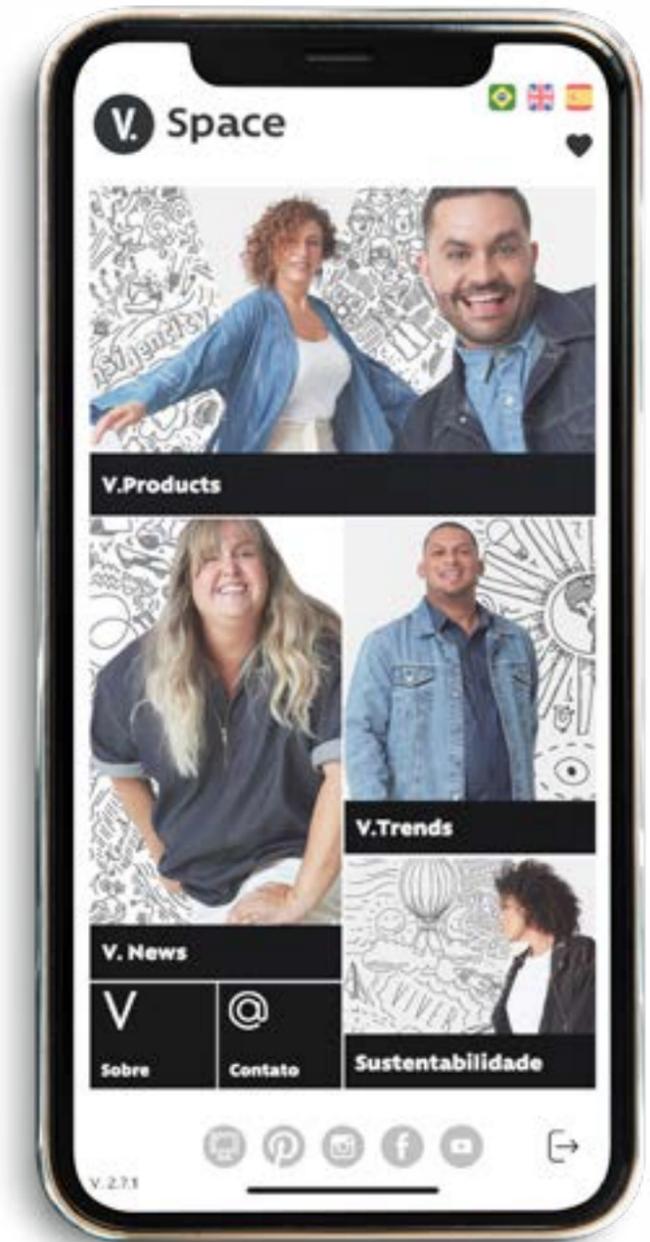
40%

are informed about the sustainability of the brand, product or packaging.

We have tools such as [V.Space](#) application that, in addition to presenting Vicunha’s articles in a dynamic and attractive way, brings the company closer and closer to our clients, providing qualified information and service. It’s the first app in the textile industry with 3D simulation and the only app in the Brazilian jeans wear market to offer a digital catalog with our more than 300 products. Providing users with agility, autonomy and practicality, the application also provides up-to-date information on the main trends in fashion and behavior and provides transparency to our sustainability certificates and actions. In the Wishlist, users can choose the fabrics they want, request pilot run and share it with their contacts. The app is available in three languages on [Apple Store](#) and [Google Play](#).

In 2021, we launched a new [client area on our website](#), where people can learn more about our products, trends, market research and sustainable technologies. We also provide consulting and other exclusive services that help our partners to develop and be more competitive. In an agile and efficient way, our partners can also monitor their portfolio of payables, making our services even easier and more transparent.

In order to provide transparency and provide our clients and consumers with information about our products, our fabrics are labeled, and 100% of the packaged products are identified with the country of origin; composition; con-



sumption care labeling; packaging recycling labeling; other data of interest to clients: weight, meters, width, color and product classification. [GRI 417-1](#)

4. Our social role

V.Talks – Jeansware information channel

Presented by cool hunter Lola Botti and journalist and Vicunha content creator Carol Pasternack, V.Talks is yet another innovative initiative by Vicunha. It's a platform to share knowledge about the jeans wear universe. The podcast is available on our website, app and on platforms such as Spotify, Deezer and Amazon Music. The episodes, which are made available fortnightly, feature relevant content for clients, partners, employees and fashion professionals. Scan the QR Code and listen to the podcast on your favorite app.

4. Our social role



QR Code

point your cell phone camera and scan the code to access the information

Suppliers

> GRI 204-1

Our relationships with stakeholders are guided by ethics, transparency and mutual creation of value. We seek to maintain a close relationship with our suppliers and business partners in order to always be at the forefront of solutions that are developed for the industry. In addition, this proximity allows us to develop lasting, sustainable relationships that foster good practices, encouraging the improvement of the textile chain as a whole.

In Brazil, 21.63% of our significant expenses* are allocated to local suppliers in the Northeast region of the country. In Ecuador** and Argentina***, 27.00% and 79.83% of significant expenses, respectively, are allocated to suppliers in their own countries.

*Regarding curve A, which considers 50% of total spend in Brazil and limited to the most significant units, our plants.

** Refers to purchases of goods and services at the Ecuador unit.

*** Concerning curve A, which considers 50% of total spend in Argentina and limited to the most significant unit, our plant in San Juan.

Our people

> GRI 2-7, 2-8, 2-30, 405-1, 405-2

■ Permanent employees > GRI 2-7

			2019	2020	2021
TOTAL	Men		5,219	5,137	5,436
TOTAL	Women		900	882	905
Brazil	Unit I	Maracanaú/CE	2,243	2,326	2,383
	Unit II	Natal/CE	1,583	1,555	1,696
	Unit III	Pacajus/CE	813	798	822
	Office	São Paulo/SP	244	226	226
	Warehouse	Guarulhos/SP	59	51	54
Argentina	Unit I	Pocito/San Juan	459	459	467
	Office	CABA/Buenos Aires	35	35	35
	Warehouse	Malvinas Argentinas/Buenos Aires	18	19	25
Ecuador	Unit I	Quito	666	550	633
TOTAL			6,120	6,019	6,341

■ Apprentices - temporary employees > GRI 2-7

			2019	2020	2021
TOTAL	Men		122	109	131
TOTAL	Women		46	68	113
Brazil	Unit I	Maracanaú/CE	53	68	110
	Unit II	Natal/CE	59	68	77
	Unit III	Pacajus/CE	28	34	40
	Office	São Paulo/SP	6	5	5
	Warehouse	Guarulhos/SP	4	2	2
Argentina	Unit I	Pocito/San Juan	0	0	0
	Office	CABA/Buenos Aires	0	0	0
	Warehouse	Malvinas Argentinas/Buenos Aires	13	16	10
Ecuador	Unit I	Quito	0	0	0
TOTAL			163	193	244

■ Full-time employees > GRI 2-7

			2019	2020	2021
TOTAL	Men		5,214	5,132	5,431
TOTAL	Women		901	882	905
Brazil	Unit I	Maracanaú/CE	2,240	2,323	2,380
	Unit II	Natal/CE	1,582	1,554	1,695
	Unit III	Pacajus/CE	812	797	821
	Office	São Paulo/SP	244	226	226
	Warehouse	Guarulhos/SP	59	51	54
Argentina	Unit I	Pocito/San Juan	459	459	467
	Unit II	CABA/Buenos Aires	35	35	35
	Unit III	Malvinas Argentinas/ Buenos Aires	18	19	25
Ecuador	Unit I	Quito	666	550	633
TOTAL			6,115	6,014	6,336

■ Part-time employees > GRI 2-7

			2019	2020	2021
TOTAL	Men		5	5	5
TOTAL	Women		0	0	0
Brazil	Unit I	Maracanaú/CE	3	3	3
	Unit II	Natal/CE	1	1	1
	Unit III	Pacajus/CE	1	1	1
	Office	São Paulo/SP	0	0	0
	Warehouse	Guarulhos/SP	0	0	0
Argentina	Unit I	Pocito/San Juan	0	0	0
	Unit II	CABA/Buenos Aires	0	0	0
	Unit III	Malvinas Argentinas/ Buenos Aires	0	0	0
Ecuador	Unit I	Quito	0	0	0
TOTAL			5	5	5

Note: The data refer to December of each year. "Permanent" means employees, and "temporary" means apprentices. Part-time staff is deemed as doctors only. We do not have employees with unguaranteed hours.

■ **Non-employee workers** > **GRI 2-8**

	2019	2020	2021
Interns			
Brazil	56	64	77
Argentina	4	0	4
Ecuador	4	0	4
TOTAL	64	64	85
Subcontractors			
Brazil	606	653	556
Argentina	ND*	ND*	36
Ecuador	39	33	39
TOTAL	645	686	631

Note: The outsourced activities refer to the provision of outsourced services (general services, cleaning, security, food, gardening, ambulatory clinic, loading/transport, maintenance and technical support). Data refer to December of each year. The management of outsourced employees is carried out by the Contract Management area, with documentation controlled in the GED3 system - Electronic Management of Third Party Documents.

*Data not available for Argentina for the years 2019 and 2020.

Identity, versatility and multiplicity of cultures are attributes that we seek to associate with our products and our brand, and the actions for this start within the company itself. The raw material that makes our jeans one of the most innovative and comfortable in the fashion world is not just cotton, but the cultural diversity formed by the mixture of all our fronts and people. We build an environment rich in diversity, encourage differences and see employees as the soul of the company.

Our recruitment and selection processes are carried out in three ways: external, mixed and internal, and all employees, interns and apprentices who are already part of our staff can participate in the selection processes, as long as they meet the determined criteria.


83,5%
of our employees in Brazil
were covered by collective
bargaining agreements



We have Young Apprentice and Internship Programs in place in accordance with current legislation in each country. We select apprentice candidates through partnerships with educational and/or training institutions, and internship candidates through public or private higher education or vocational technical institutions with which the company has an effective internship agreement. Our percentage of employees covered by collective bargaining agreements is 83.5% in Brazil (Maracanaú, Pacajus, Natal, Guarulhos, and São Paulo), 93.0% in Argentina and 84.6% in Ecuador. > **GRI 2-30, Global Compact 3**

In 2021, the diversity of our people was highlighted in the #AcaradoNossoJeans campaign. Through videos, photos and advertising materials available on our website and social networks, we release statements of Vicunha employees, giving voice to the people who help to build our identity.

■ Diversity of governance bodies and employees > GRI 405-1

	BRAZIL			ARGENTINA			ECUADOR			
	2019	2020	2021	2019	2020	2021	2019	2020	2021	
Governance bodies	Men	84.9%	84.3%	83.1%	67.0%	68.0%	62.0%	88.9%	88.9%	94.1%
	Women	15.1%	15.7%	16.9%	33.0%	32.0%	38.0%	11.1%	11.1%	5.9%
	Below 30 years old	4.6%	5.0%	5.9%	0.0%	0.0%	0.0%	5.6%	5.6%	0.0%
	30 to 50 years old	79.4%	79.8%	78.1%	71.0%	68.0%	68.0%	38.9%	38.9%	47.1%
	Over 50 years old	16.0%	15.2%	16.0%	29.0%	32.0%	32.0%	55.6%	55.6%	52.9%
	Persons with Disabilities	1.1%	1.3%	1.4%	0.0%	0.0%	0.0%	5.6%	5.6%	5.9%
Employees	Men	83%	83%	83%	93%	94%	93%	89%	88%	89%
	Women	16.7%	16.7%	16.8%	7.0%	6.2%	6.6%	11.1%	11.8%	11.1%
	Below 30 years old	32.1%	29.9%	30.9%	32.9%	29.0%	26.7%	12.8%	11.6%	25.9%
	30 to 50 years old	58.1%	59.8%	58.8%	60.4%	63.4%	65.2%	66.8%	66.0%	57.5%
	Over 50 years old	9.8%	10.3%	10.3%	6.6%	7.6%	8.1%	20.4%	22.4%	16.6%
	Persons with Disabilities	4.2%	4.6%	4.6%	0.0%	0.0%	0.0%	4.1%	4.9%	4.2%

4. Our
social role

*In Vicunha, we
developed our
people to grow
together*

Vicunha

Culture Evolution

■ Ratio of basic salary and remuneration of women to men
 > GRI 405-1

	BRAZIL			ARGENTINA			ECUADOR		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Officer	95%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Manager	102%	105%	102%	N/A	N/A	N/A	N/A	N/A	N/A
Coordinator/Expert	100%	102%	101%	136%	115%	112%	86.16%	88.32%	86.80%
Analyst	90%	92%	91%	114%	121%	121%	117.82%	123.56%	92.92%
Technician	87%	85%	87%	72%	81%	69%	108.24%	111.90%	96.10%
Administrative	75%	72%	70%	N/A	N/A	N/A	98.53%	109.89%	102.34%
Operational	92%	93%	94%	84%	69%	101%	N/A	N/A	N/A

Note: The indicator non-applicable (N/A) relates to positions where there is no presence of women.

In order for us to meet the demands of a changing world that faces challenges for sustainable development, we need to constantly evolve. In 2019, we started Vicunha Culture Evolution to permeate all aspects of our work; its dissemination goes through all the relationships we have built throughout our history, especially with our people.

Based on the strategy outlined in 2019, we established a collective process enriched by the diversity of perspectives and knowledge, which determined the evolution of the foundations of our culture: **belief, purpose and principles**. We believe that our organizational culture is a way of thinking and doing things, a set of behaviors, attitudes, processes and procedures that define our identity and our style. A clear and cohesive culture, in which everyone works towards the same goal, is essential for efficiency and synergy between teams.

To spread our organizational culture, we hold dissemination events, with the aim of strengthening the link between our purpose and principles and the day-to-day activities of our leaders and employees. Thus, in addition to strengthening the culture, this relationship guarantees more satisfaction at work, through the meaning of each activity. For this purpose, we demonstrate in practice how our principles are embedded in our activities, projects and products.



Performance and development

> GRI 404-1, 404-2, 404-3

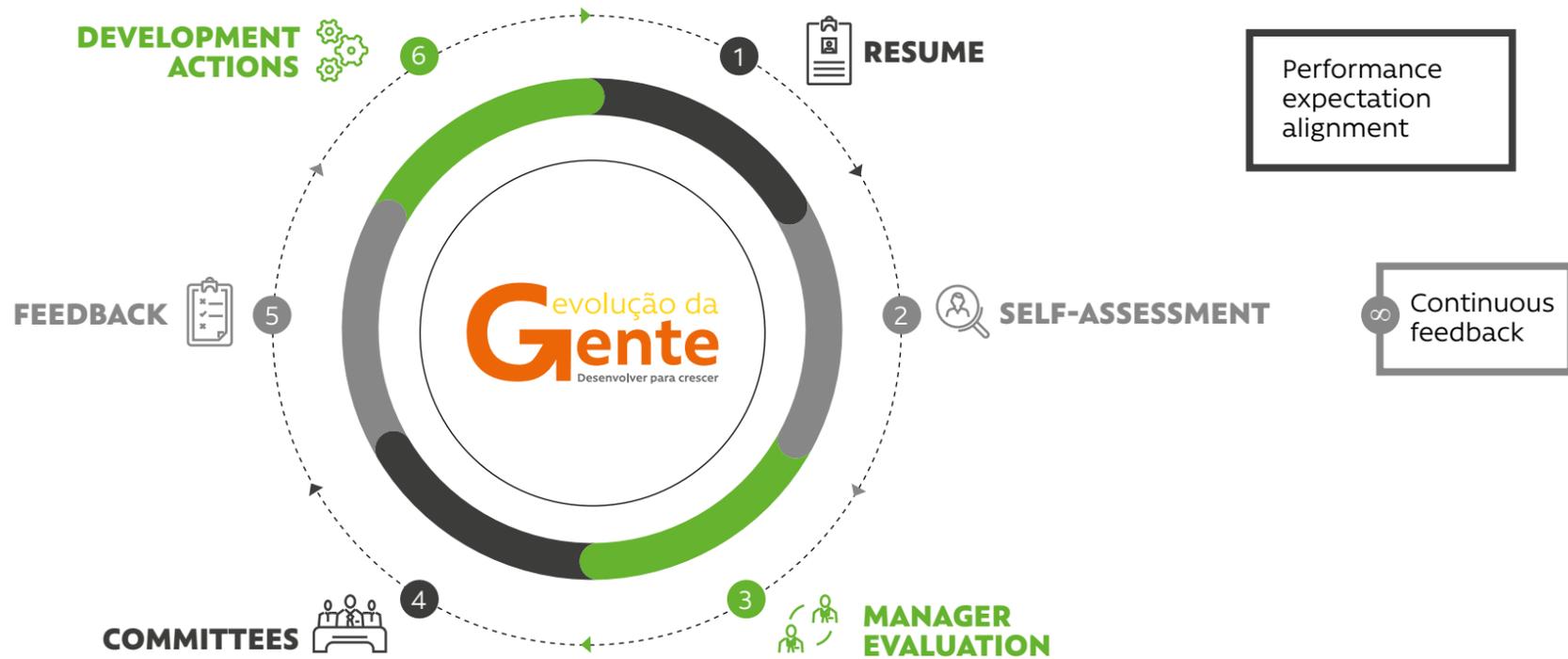
Part of the Vicunha Culture Evolution, the People Evolution (*Evolução da Gente*) is our performance management program and the main people management process used to guide us in important decisions regarding employees and teams for development, transfers, retention and recognition. The process of defining and aligning work expectations, monitoring performance, evaluating results and implementing improvement and development actions is continuous and mobilizes managers and employees in pursuit of the company's strategic objectives.

It started at People's Week (*Semana da Gente*), in March 2021, and has three support tools as pillars: résumé, self-assessment and ongoing feedback. In addition to keeping their résumé updated in the system, through self-assessment, employees can reflectively point out their strengths, challenges for development and potential. The preparation of the Individual Development Plan (IDP) is carried out jointly with the manager, who directs the planning of actions, periodically supporting and monitoring compliance. The People Committees, composed of the senior manager, the immediate managers of the evaluated employees and a representative from the human resources area, facilitate the balance of the discussion and contribute to the establishment of fair and constructive definitions. All actions are developed within the People Evolution portal. The activities of the first cycle took place throughout 2021, and the program schedule has actions planned until the end of 2023. This first phase of the program had the participation of 4,208 employees in the

“ The activities of the first cycle **took place throughout 2021**, and the program schedule has actions **planned** until the end of 2023

year, accounting for 66% of our total staff. It created opportunities for technical and behavioral development for all involved, in addition to an environment favorable to transformation, dialogue and evolution.

Further details of People Evolution can be found at <https://evolucaodagente.vicunha.com/> 📄



Development actions

To improve the performance of the new evaluated individuals, let's think about actions in three ways...

70 EXPERIENCE

- Expanding scope of work
- Job rotation
- Participating or carrying out an activity, project, meeting, improvement group, troubleshooting
- Carrying out activities in areas or processes for a certain period of time

20 INTERACTION

- Guidance by a reference person in the competence
- Requesting feedback from senior colleagues
- Research and application of best practices (benchmarking)
- Creating or taking part in professional relationship networks

10 FORMAL

- Book (directed reading); Movie (guided observation)
- Creating or implementing tools (checklist; action plan, controls, etc.)
- Participating or preparing training courses
- Basic Education, Higher Education

People's Week

With the theme People and Open Dialogue, People's Week took place from March 15 to 22, 2021, where the programs and actions of the People Evolution took their first step, strengthening dialogues between teams and their leaders, in addition to creating an environment conducive to transformation and to individual and collective growth.



Education and Training

> GRI 404-1, 404-2, 404-3

■ Average hours of training per year per employee > GRI 404-1

	BRAZIL			ARGENTINA			ECUADOR		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Average hours of training per year per employee (men)	79	28	57	14	1	8	10.29	9.43	21.62
Average training hours per year per employee (women)	72	20	37	10	4	21	10.97	19.98	18.78

Gender: Female

Senior Management	0	17	15
Middle Management	81	17	56
Expert	76	6	45
Technician	53	24	47
Operational	72	23	34

Tot-I - Women 72 20 36

Gender: Male

Senior Management	0	4	8
Middle Management	155	18	43
Expert	38	7	33
Technician	94	12	55
Operational	76	30	58

Tot-I - Men 79 28 56

Data by functional category are not available for the units in Argentina and Ecuador

Average hours of training by gender and employee category

> GRI 404-2

Onboarding of new employees

Our Onboarding Program comprises three stages: setting, visit to the manufacturing process and explanation of role specifics. On the first day of work, the employee receives all the information about Vicu'ha's history, its structure, safety-related procedures, in addition to learning about the main IMS and human resources programs and actions. They also immerse themselves in their work area with a training instructor or other professional delegated by the area manager in order to know in detail the specific activities and procedures of the role they will perform.

Basic Education

In partnership with SESI, we offer a program of courses to improve the basic education level (elementary and high school) of employees. Classes are held at our facilities and take place remotely. In 2021, 15 employees completed basic-level courses through the project.

Training in Operating Procedures

The basis of technical knowledge is defined in the Operating Procedures, which are updated and made available to employees through training carried out by plant instructors, immediate managers or senior professionals in the areas. Planning of training sessions is carried out through HCM System, a tool used to manage Vicu'ha's training routines.

Textile Technical Course

In partnership with SENAI, we offer a technical-level training program for Vicunha employees with the potential to succeed in leadership positions or who need technical knowledge to work in the job. Classes are held on our premises.

So far, 127 people have completed the Technical Course:



■ **Class 1 (2016 – 2018):**
59 people

■ **Class 2 (2011 – 2013):**
41 people

■ **Class 3 (2019 – 2021):**
27 people

Supplementary Courses

Courses for acquiring or deepening the knowledge of the employee in the role, such as training in information technology, languages, technical subjects, among others.

Mandatory Courses

Mandatory courses to comply with legislation (Regulatory or Technical Standards).

V. Academy

To reinforce the management of our knowledge, V. Academy was created to combine organizational culture, performance and innovation with professional growth, multiplicity of audiences and a business strategy based on client focus. With the Business, Leadership and Culture conjectures, the initiative considers our entire jeans wear ecosystem as a technical training hub for the industry.

It is focused on the essential skills for business success, with active involvement of leaders in the definition and learning process, customized for Vicu'ha's culture and context, with face-to-face and virtual classes for employees and the company's value chain. The idea is to foster an environment of autonomy, based on collaboration, agility and simplicity.

Making knowledge available in a reproducible manner, where and when necessary, V. Academy develops important skills for business performance and can be improved over time with new experiences accumulated, in constant updating in the face of the strategic challenges and market context that the company has inserted.



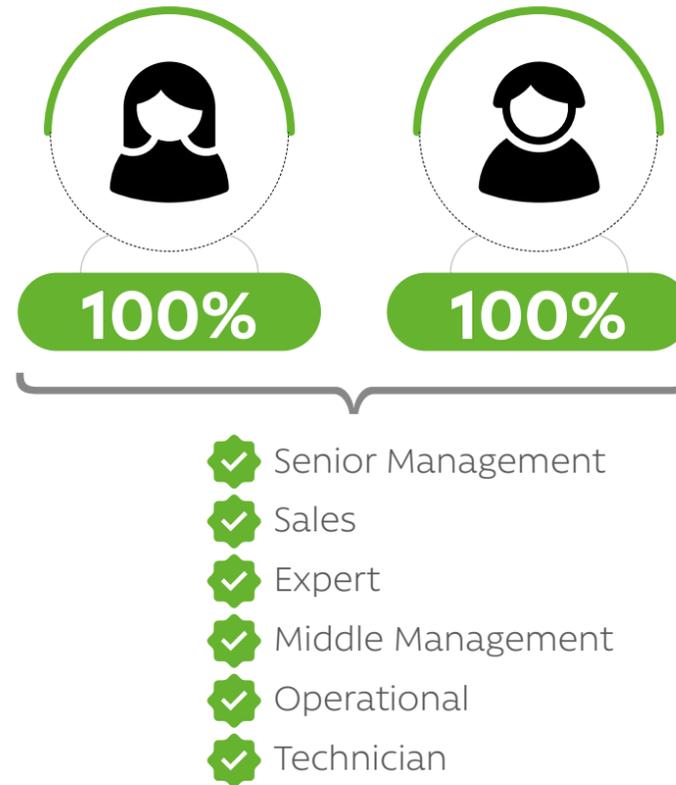
Occupational health and safety

> GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9

> GRI 404-3

Percentage of total employees, broken down by gender and employee category, who received regular performance and career development evaluations during the period.

■ 2021

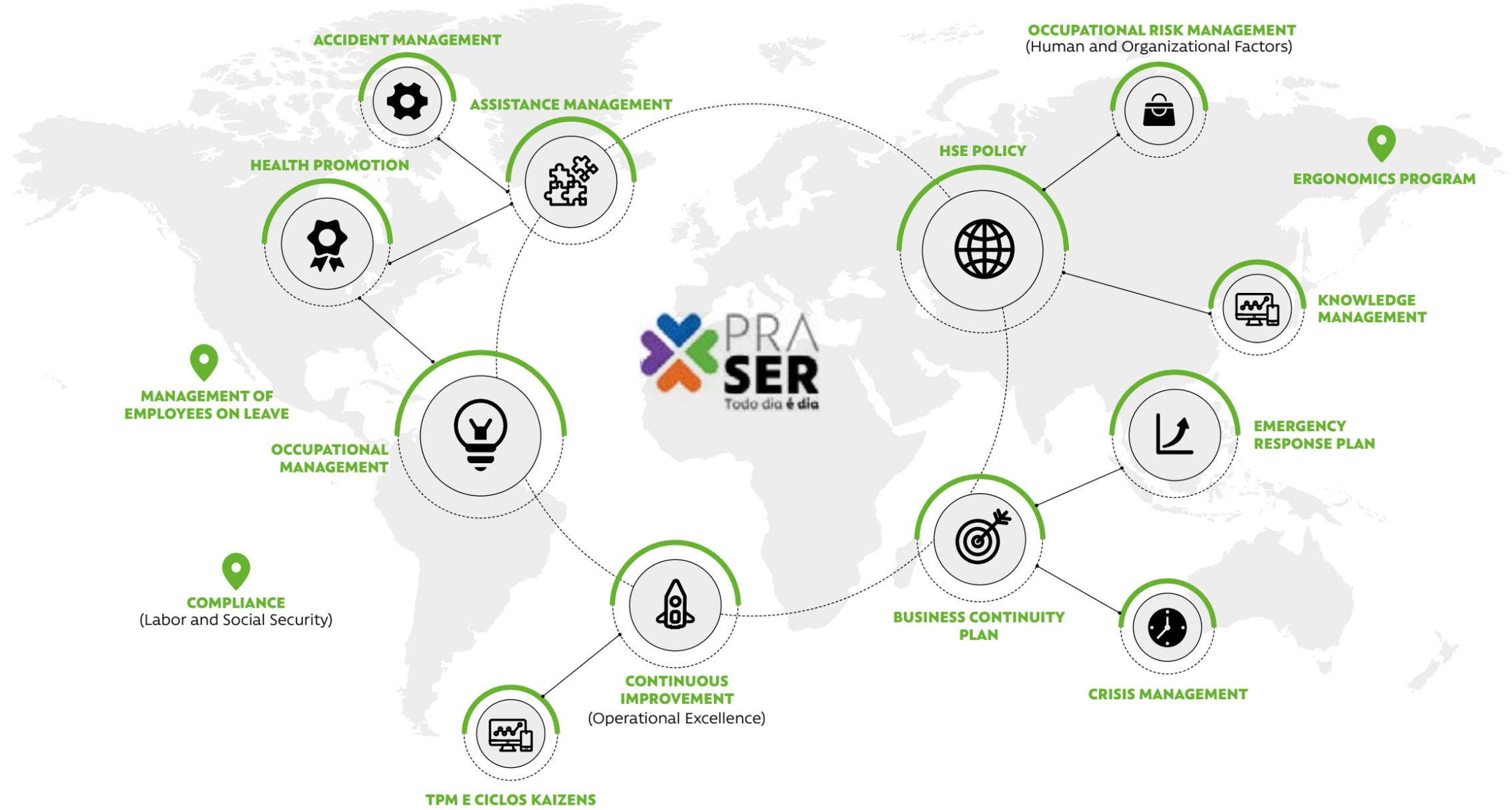


Our Occupational Health and Safety policy covers all employees and different publics that interact with us. Our commitment to health and welfare is focused on excellence and we seek to ensure compliance with related actions through ethical and safe behavior in our relationships. All our units are covered by the Environmental Risk Prevention Program (PPRA).

Created in 2019, the **PraSer (To Be)** program was created to promote occupational health and safety, environmental and social responsibility management and includes all necessary aspects, risks and opportunities inherent to the processes, the good operations of the company and welfare of employees.

“Our commitment to **health** and **welfare** is focused on **excellence**”

4. Our social role





Vicunha's PraSer (Prevention, Responsibility, Attitude and Safety) aims to ensure the health and safety of all our stakeholders - all employees, contractors, service providers and visitors - where all leaders are protagonists. We understand that every day is unique when it comes to caring for people.

The program focuses on the following pillars: Health, Safety and Environment Policy, occupational risk management (human and organizational factors), knowledge management in Occupational Health and Safety (OHS), crisis management, emergency response plan, vulnerability analysis, operational excellence, occupational management, health promotion, care management, accident management, ergonomic process, management of medical absenteeism and legal assistance (labor and social security).

All these pillars are broken down into actions that generate data for the continuous improvement of health and safety processes. The data is collected by microprocesses and worked on by the business intelligence (BI) team of the human resources area. The information is modeled and processed in order to evolve in the understanding of the possible causes of the problems found and to mitigate the dangers and risks quickly and effectively.

The health, safety and quality of life area is made up of a multidisciplinary team that develops lessons learned for the evolution of our safety culture: manager, engineers, technicians, civil firefighters, occupational physicians, oc-

“ PraSer Vicunha is 100% **integrated** with all health and **safety actions at work**”

cupational nursing technicians, quality of life analysts, ergonomists, psychologists, administrative assistants and HR analysts.

Within the pillar of occupational risk management, we carry out risk assessments using preliminary analysis tools used by leaders as requirements in the preparation of operating procedures. This action transforms everyone in protagonists in security actions in their respective areas. Additionally, the occupational health and safety area carries out qualitative and quantitative analyzes in accordance with the comp'ny's own sampling strategy and risk matrix, which serves as the basis for the Risk Management Program. This program is integrated with all occupational health and safety actions.



4. Our social role

We control risks to build an environment of health, safety and well-being

The main purpose of occupational risk management is to control risks in the workplace, identifying hazards and possible injuries or health problems, always evaluating their potential for damage, risk levels and prevention measures according to the order of priority. According to the risk analyzes carried out, action plans are prepared and discussed in safety meetings with leaders. Different processes and tools allow employees and third parties to record risks and deviations, and this type of reporting is encouraged through internal communication campaigns.

Among the hazards that present a risk of work-related injuries with serious consequences, we identified work in places where there is a need to improve the physical arrangement, machines and equipment without protection, inadequate storage and inadequate tools. There are also hazards in material handling areas and ergonomic hazards. According to our risk analysis, we take measures to eliminate hazards, minimize them and control them with the adoption of collective protection measures (projects: security of machinery and equipment, electrical installations, internal noise reduction and implementation of lifelines). We also take administrative or work organization measures (observation and behavioral approach, golden rules, safe hours, breaks, rotation, change of activities according to health assessment) and individual protection (PPE).

We have a telehealth service channel, in addition to face-to-face consultations at all units. The area actively par-

ticipates in the processes of analysis of activities critical to health and safety, in admission processes, preparing prerequisites for recruitment and periodic monitoring for training and aptitude in critical activities. The health area carries out monthly visits to the industrial process in order to monitor activities in loco.

Our training matrix meets all legal standards and requirements for all employees according to the activity performed and consequent risk exposure. For third parties, generic training is provided. The training matrix has five pillars: health and safety management system, organizational factors, human factors, safety procedures and legal training.

With lectures on "safety deviations", we held qualification and training events so that the employee can learn more about unsafe conditions and behaviors that can pose risks. We have adopted human factors tools, which serve to quantify safety abnormalities and allow us to monitor these events by level of severity and compare them over time, with a focus on combating deviations that cause accidents and, consequently, on prevention and safety. of the worker in their day-to-day. In our manufacturing units, we are always monitoring occurrences through the Internal Commissions on Accident Prevention (Cipa), our eight Golden Rules, as well as actions to raise awareness and training in accident prevention.

Golden Rules

In 2020, we implemented our Golden Rules to recognizing expected behaviors and valuing a safe workplace through operational discipline. The rules were distributed to employees by their managers in pills (videos) lasting 15 seconds and, to reinforce the conversation about safety and make the subject more adherent, the characters Vick and Jean were created. Compliance with the rules is a necessary condition to work in the company and they do not overlap or replace other requirements, whether internal or the applicable legal requirements.



Vicunha Index of accidents at work with mandatory reporting was

9.4

Golden Rules



ALWAYS WEAR THE REQUIRED PPE
following existing guidelines and signs



OPERATE EQUIPMENT ONLY
if you are trained, qualified and authorized



DO NOT TOUCH MOVING PARTS
of machines and equipment



Only perform tasks where **RISKS ARE PROPERLY ASSESSED** and controlled



Always keep a **SAFE DISTANCE** from suspended loads, lifting devices and hooks



DO NOT USE YOUR MOBILE while walking or when carrying out your work activities



Keep work areas **CLEAN AND ORGANIZED**



Follow LOTO (Lockout/Tagout) procedure for all **ENERGY SOURCES** before working on machines and equipment

4. Our social role

Work-related injuries > GRI 403-9

	2019		2020		2021		
	NO.	RATE	NO.	RATE	NO.	RATE	
All employees	Number and rate of deaths resulting from occupational accidents	0	0	0	0	1	0.1
	Number and rate of work-related injuries with serious consequences (except deaths)	53	4.4	55	5.5	61	5.0
	Number and rate of work-related injuries required to be reported	95	7.9	87	8.8	115	9.4
	Main types of occupational accidents	Cat 1 (With Leave)		Cat 1 (With Leave)		Cat 1 (With Leave)	
	Worked hours	12068610.94		9914720.714		12248073.99	
Non-employee workers whose work and/or workplace is controlled by the organization	Number and rate of deaths resulting from occupational accidents	0	0	0	0	0	0
	Number and rate of work-related injuries with serious consequences (except deaths)	3	0	1	0	3	0
	Number and rate of work-related injuries required to be reported	3	0	1	0	7	0
	Main types of occupational accidents	Cat 1 (Com Afastamento)		Cat 1 (Com Afastamento)		Cat 2 (Sem Afastamento)	
	Number of worked hours	0		0		0	

Dealing with Covid-19

Since March 2020, we adopted all the recommendations of pertinent authorities, respecting the protocols and encouraging vaccination and maintaining all the measures adopted even in times of lower contamination. In a challenging time, we work to take all the necessary care, concerned with the welfare of our people, with the preservation of jobs and with the sustainability of our business. The main actions were based on:

- general measures in the workplace;
- internal measures for identification and isolation of confirmed/suspected cases;
- control measures in the premises;
- immunization-related measures.

Since the beginning of the pandemic, we have produced and distributed more than a hundred materials in different formats to inform, guide and prevent the spread of the virus among our employees and their families. At the time we stopped operations by government determination, we created a specific landing page on the topic (<https://www.vicunha.com/covid-19/>), 📱 as a direct communication channel with all our employees, including the operations staff, which does not have access to emails and needed to receive information from the company. We also created a contact channel on this page, where the employee could

“ We **produced and distributed more than a hundred materials with the aim of informing, guiding and preventing the spread of the virus**”

access the main areas of the company for useful information during the lockdown period. The landing page is still active, and we update it with information about prevention and our protocols and measures, which are still in place to preserve the lives and welfare of our people, as well as for the sustainability of our business and the textile chain.

Actions during the pandemic

- Extensive periodic testing of our employees.
- Monitoring the health of workers, strengthening hygiene and distancing measures and mandatory use of a mask in the units.
- Reduction in the number of workers in administrative areas (work from home).
- Intensification of monitoring compliance with prevention standards in all units.
- Return to face-to-face work implemented gradually, observing the context of the pandemic.
- Raising awareness and providing guidance for employees on individual care.
- Health monitoring and access to telehealth services, with testing according to clinical status (RT-PCR and Serology), coverage for home collection of exams and Covid-19 control rooms for monitoring cases.
- All employees were instructed to report any symptoms immediately.
- We have disclosed specific communication channels (telehealth and email).
- We have monitored suspected cases and their contacts from the first report, taking all preventive measures to avoid contagion, guiding our employees and applying RT-PCR test in real time, when indicated by the health team.
- We have anticipated influenza vaccination.
- We have canceled third-party visits and travel between states/countries.

4. Our social role

We have incorporated the theme within the **PraSer** program and developed a weekly executive report, in addition to Vicu'ha's Stay Tuned (Atualiza Vicunha) newsletter, which brought emergency announcements about the measures adopted during the pandemic. We have also worked on communication with scripts for leaders, notices and newsletters, posts on social media, releases and positioning notes. We have distributed a Tips Guide for employees working from home, and prepared an ergonomics guide to support them, as well as a booklet and video for the safe resumption of face-to-face activities. Throughout 2021, we reviewed the guidelines and carried out a campaign to vaccinate our people.



To Be Human (Pra Ser Humano) Channel

The treatment of mental health issues has been gaining more and more importance in Brazil and in the world, and with the pandemic, emotions, behaviors and feelings have changed and aggravated disorders such as depression, anxiety and uncertainties regarding the economic and social scenario. Being aware of the need to act on this front as an issue regarding quality of life, we have created the To Be Human (Pra Ser Humano) program, a channel for psychological and social care, with sensitive listening available to all our employees. From July to December 2021, **433** consultations were performed.

433
psychological and social
services were carried out from
July to December 2021



Welfare and quality of life

Our employees receive care from the social assistance teams through welcoming and listening so that their needs are understood, receiving guidance and referrals so that they can solve their demands, whether in the social, family, economic or professional sphere. We also carry out physical and mental health prevention campaigns, working on specific occasions such as White January, Yellow September, Pink October and Blue November.



Managing Pregnancy (Gestar Bem)

Managing Pregnancy (Gestar Bem) is our assistance program for pregnant women and their family. Its purpose is to promote preventive and educational measures, encourage prenatal care and help pregnant women and their families in this unique and important moment. The service takes place in the following stages: enrollment in the quality-of-life area, meeting of pregnant women and their families with a multidisciplinary health team, referral to the occupational physician, referral to prenatal care and home visits.

Pregnant women receive humane care, reception throughout the gestational period and on her return to work, in addition to a kit for the first care of the baby.

To Be Healthy (Pra Ser Saúde)

To strengthen our comprehensive actions for the welfare of people in Vicunha, through To Be Healthy (Pra Ser Saúde), in 2021 we signed a partnership with the Sesi Innovation Center for Health and Safety. The cooperation aims to understand in depth the health profile of our people and, based on this assessment, to promote assertive actions focused on welfare. The work, which started in 2021, consists of four stages, the first **two** of which were carried out in the year.

Stage 1

Leadership training on the health profile (held in 2021).

Stage 2

Employee survey (held in 2021).

Stage 3

Evaluation of clinical information from employees.

Stage 4

Development of actions to improve the physical and mental health, safety and welfare of our people, based on the results of the evaluation.

“We signed in 2021 a **partnership** with the Center of Sesi’s Innovation savings for Health and safety

All our employees in Brazil, including apprentices and interns, benefit from life insurance and health insurance. In Argentina, we offer access to health insurance and transportation benefits, as well as a cafeteria at the plant in San Juan and at the office and warehouse in Buenos Aires.

In Ecuador, in addition to transportation, food, primary dental care and day care benefits, we provide for the estimated value of the employer's pension, which applies to employees with more than 25 years in the company. The disbursement is made upon the employee's departure. According to this calculation, the value of employees over the age of 25 is fully covered by the provision, which in 2021, totaled US\$ 5,912,005.

➤ **GRI 201-3, 401-2**



97%

of women returned to work after the end of maternity license

4. Our social role

■ **Maternity/paternity leave** ➤ **GRI 401-3**

	2021	BRAZIL	ARGENTINA	ECUADOR
Total number of employees entitled to parental leave	Women	915	2	71
	Men	4,500	43	566
Total number of employees who took parental leave	Women	25	2	3
	Men	158	43	21
Total number of employees who returned to work after the end of parental leave	Women	24	2	3
	Men	158	43	21
Total number of employees who returned to work after their parental leave ended and continued working 12 months after their return	Women	21	2	3
	Men	149	43	21
Return to work rate of employees who took parental leave	Women	96%	100%	100%
	Men	100%	100%	100%
Retention rate of employees who took parental leave	Women	87.50%	100%	100%
	Men	94.30%	100%	100%

■ **New employee hires and employee turnover (2021)** > GRI 401-1

	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
TOTAL HIRED	BRAZIL			ARGENTINA			ECUADOR			CONSOLIDATED		
Men	144	506	745	44	21	61	60	86	184	248	613	990
Women	45	99	107	2	1	5	14	12	17	61	112	129
below 30 years old	123	376	487	24	12	36	53	74	154	200	462	677
30 to 50 years old	61	224	357	22	10	29	21	24	46	104	258	432
over 50 years old	5	5	8	0	0	1	0	0	1	5	5	10
São Paulo	31	19	39	NA	NA	NA	NA	NA	NA	31	19	39
Northeast	158	586	813	NA	NA	NA	NA	NA	NA	158	586	813
NEW EMPLOYEE HIRE RATE	BRAZIL			ARGENTINA			ECUADOR			CONSOLIDATED		
Men	2.91%	10.21%	14.38%	9%	9%	20%	10%	18%	33%	4.1%	10.2%	15.6%
Women	0.91%	2.00%	2.07%	4%	7%	25%	19%	18%	24%	1.0%	1.9%	2%
below 30 years old	2.49%	7.59%	9.40%	4.9%	5.1%	11.8%	7.96%	13.45%	24.18%	3.27%	7.68%	10.68%
30 to 50 years old	1.23%	4.52%	6.89%	4.5%	4.3%	9.5%	3.15%	4.36%	7.22%	1.70%	4.29%	6.81%
over 50 years old	0.10%	0.10%	0.15%	0	0	0	0.00%	0.00%	0.16%	0.08%	0.08%	0.16%
São Paulo	0.63%	0.38%	0.75%	NA	NA	NA	NA	NA	NA	0.63%	0.38%	0.75%
Northeast	3.2%	11.8%	15.7%	NA	NA	NA	NA	NA	NA	3.2%	11.8%	15.7%

■ **New employee hires and employee turnover (2021)** > GRI 401-1

	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021			
TOTAL EMPLOYEE TURNOVER				BRAZIL			ARGENTINA			ECUADOR			CONSOLIDATED		
Men	882	484	539	51	27	63	59	189	100	992	700	702			
Women	140	106	90	7	2	5	20	17	9	167	125	104			
below 30 years old	424	225	245	26	9	35	24	88	48	474	322	328			
30 to 50 years old	495	293	349	28	20	30	43	107	43	566	420	422			
over 50 years old	103	72	35	4	0	3	12	11	18	119	83	56			
São Paulo	64	45	37	NA	NA	NA	NA	NA	NA	64	45	37			
Northeast	958	545	592	NA	NA	NA	NA	NA	NA	958	545	592			
EMPLOYEE TURNOVER RATE				BRAZIL			ARGENTINA			ECUADOR			CONSOLIDATED		
Men	10.4%	10.0%	12.4%	16%	8%	16%	10%	39%	18%	16.2%	11.6%	11.1%			
Women	1.9%	2.1%	1.9%	26%	7%	16%	27%	26%	13%	2.7%	2.1%	1.6%			
below 30 years old	5.5%	6.1%	7.1%	7.4%	2.4%	8.3%	3.60%	16.00%	7.54%	7.8%	5.3%	5.2%			
30 to 50 years old	5.6%	5.2%	6.8%	8.0%	5.4%	7.1%	6.46%	19.45%	6.75%	9.3%	7.0%	6.7%			
over 50 years old	1.1%	0.8%	0.4%	1.1%	0%	0.7%	1.80%	2.00%	2.83%	1.9%	1.45	0.9%			
São Paulo	1.0%	0.6%	0.7%	NA	NA	NA	NA	NA	NA	1%	0.6%	0.7%			
Northeast	11.3%	11.4%	13.6%	NA	NA	NA	NA	NA	NA	11.3%	11.4%	13.6%			

Communities

> GRI 203-2, 413-1

Our manufacturing units, located in three countries, maintain relationship channels with the surrounding communities in order to ensure that our operations are aligned with the best practices of respect for the environment and people.

We have engagement initiatives and development programs aimed at the local community, such as our partnership with Projeto Pescar ([see chart](#)). 🇺🇵 In Rio Grande do Norte, we promoted an Electromechanical course, with 87 young people enrolled, 40 men and 47 women, of which 20 (10 of each gender) were selected as employees. In Ceará, our Industrial Mechanics and Electromechanics course had 410 young people enrolled in 2021, 208 men and 202 women. We selected 38 of these young people to work with us. In Ecuador, our relationship with the community is guided by the Environmental Management Plan, through which we have developed a plan for citizen participation and community relations. In Argentina, we do not carry out assessments or social impact programs.

Over the past two years, much of our efforts in communities have focused on reducing the negative impacts caused by the Covid-19 pandemic. We believe that thinking about lasting relationships is contributing to the welfare of our employees, partners and society in general. We know that together we are stronger to face this challenging time and to make the world better.

In addition to dozens of initiatives promoted by our employees voluntarily, in 2021, we promoted the donation of 25 beds of intensive care units (ICU) to the State of Ceará, destined for the six campaign units created by the State to care for patients with the disease. We also donated 1,000 basic food baskets to the Federation of State Industries (FIEC), to pass on to families in need, which were impacted by the health and economic crisis.

We also promote local initiatives (in Brazil) to meet urgent needs in the context of Covid-19, such as:

- Creation of VTEX, an initiative that reinforces the company's performance with a focus on stimulating national fashion and encouraging new talent and businesses in the industry, which was expanded during the pandemic. The Fabric Bank is added to the actions as a way of supporting institutions, brands and small entrepreneurs in the fight against Covid-19. Examples of this partnership are the NGOs Amigos do Bem and Doutores da Alegria, the brand Consciência Jeans, as well as the Association for Education, Sports, Entrepreneurship and Patients' Rights of the Rehabilitation Division of Hospital das Clínicas (AEDREHC).
- Donation of fabrics to the Guararapes Group for the production of **40,000 masks** and the delivery of **27,000 pieces of PPE** to the state departments of Ceará and Rio Grande do Norte.

- Support for institutions such as Avenues World School, in São Paulo, to make masks for communities in need and health professionals, and the Federal University of Pernambuco (UFPE).
- In the critical period of the pandemic, the Sewing Room was made available for the production of 36 thousand masks for employees, their families and the local community.

We also made a donation of a 15m³ oxygen plant to Raimundo Célio Rodrigues Municipal Hospital in the city of Pacatuba, State of Ceará. The municipality was one of the places in the state most in need of this type of service, according to a survey by the state government. In return for our initiative, the BNDES, through the Saving Lives program, built another oxygen plant for Hospital da Criança Santo Antônio, owned by the municipal government of Boa Vista, in Roraima.

Projeto Pescar

We believe that professional training is the first step towards the development of citizen training. We were pioneers in the state of Ceará when we opened a Projeto Pescar franchise in August 2004. In the partnership, we provide the development of young people between the ages of 17 and 19 in a socially vulnerable situation through an Industrial Machinery Maintenance technical course. Classes are free and offer content focused on human and social aspects, providing complete training to participants.

In addition to the human and professional content, which includes technical activities and personal and environmental development, we offer complementary benefits such as hygiene kits, uniforms, food, life insurance and health care. Young people are selected based on socio-economic criteria, and the recruitment is carried out with external dissemination in schools, community centers and churches in the communities. Since the beginning of the project, 317 young people have been trained in Vicunha.

The courses currently offered are Industrial Mechanical Maintenance, Electromechanics and Information Technology, with a duration of 11 months; 60% of the course is taught for social training and 40% for professional training.

The course syllabus was comprehensively designed, focusing on the development of technical and behavioral skills that are important to the company and the foundation. The disciplines are centered on three cores that build

the basic skills desired by the young person at the end of the course:



Personal Core

Personal and socio-affective development;



Citizen Core

Social and citizen development;



Professional Core

Technical and professional development.

The Projeto Pescar Foundation, created in 1995, is a non-profit, non-governmental organization maintained by companies and supported by private and public, national and international institutions. It was created to disseminate the pioneering model of social franchising developed by Projeto Pescar in Brazil, and its main activity include raising awareness and engaging business organizations in rescuing citizenship and preparing low-income adolescents through the exercise of a profession so as to promote social inclusion. Since its inception, the project - of which we are sponsors - has trained more than 35,000 young people in 65 units throughout Brazil.



35,000

young people have already been trained in Projeto Pescar in 65 units spread across Brazil

Positive impact through mechanisms of tax breaks > Global Compact 8

Backed by tax incentive laws, we expanded our generation of positive impact on local communities by supporting social development, culture and sports projects, totaling BRL 155,000 in contributions in 2021.

Semeando nas Dunas

Semeando nas Dunas is a documentary short film project that addresses the practice of urban agriculture in the region of Sabiaguaba, one of the last strongholds of preserved dune fields in the city of Fortaleza. It featured relationship actions, such as lectures on the environment and community of Sabiaguaba.



Beneficiaries:
400 people



Project Value:
R\$90,288.00



Place:
Capital



Media:
Instagram



Cores:
Audiovisual



ODS:
11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION

Triathlon School

It's a project that introduced 50 children and adolescents, between 8 and 16 years old, from public schools in the State of Ceará, to triathlon practice. The project was created to encourage the practice of sports and a healthy lifestyle among young people and reveal talents through the three modalities of the activity. It was coordinated by the organizations Menina Olímpica and the Ceará Triathlon Federation (Federação Cearense de Triatlton).



Beneficiaries:
50 children and teenagers



Project Value:
R\$437,650.00



Media:
Instagram



Cores:
Lessons



Place:
Entire State



ODS:
1 NO POVERTY
4 QUALITY EDUCATION

Tech Tea (Chá Tecnológico)

This project aims to promote culture and digital inclusion of the elderly population through training and access to digital technologies and the internet, prioritizing low-income seniors, and complementing activities with workshops involving welfare and health.



Beneficiaries:
500 Seniors



Project Value:
R\$1000,000



Media:
Site, Instagram



Cores:
Digital inclusion
Cooking
Craftsmanship



Place:
All Municipalities of Ceará



ODS:
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION

Sustainable Social Inclusion Transforming Lives Through Comprehensive Education

The Instituto Educação Portal's project provides vocational training for young people and adolescents in situations of social vulnerability in the municipalities of Eusébio Horizonte, Fortaleza, Caucaia, Maracanaú and other locations, and focuses on training apprentices.



Beneficiaries:
3500 young people



Project Value:
R\$908,128.00



Place:
Metropolitan Area



Media:
Site, Instagram



Cores:
Professional Occupation



Epigenetic profile of patients with myelodysplastic syndrome

With the purpose of identifying new biomarkers that determine the prognosis of acute myelodysplastic syndrome (MDS) and acute myeloid leukemia (AML), using mutation analysis, gene expression, the project coordinated by the Education and Oncology Studies Group of the Faculdade de Medicina Federal do Ceará performs pre-clinical exams, necessary to conduct pharmacokinetic, efficacy and safety studies for patients with MDS and AML.



Beneficiaries:
900 people



Project Value:
R\$5,862,966.79



Place:
Fortaleza - CE



Media:
Instagram



Cores:
Survey Oncology



5. About this report > GRI 2-2, 2-3, 2-14

■ Materiality process

Materiality process > GRI 3-1

This annual report reflects the activities of Vicunha Têxtil S.A. and its subsidiaries (Vicunha Ecuador S.A. and Vicunha Argentina S.A.), in Brazil and abroad, from January 1 to December 31, 2021, and is the first document of its kind published by the company.

The document is based on the principles and was produced with reference to the standards of the Global Reporting Initiative (GRI). The content, including the materiality process, was reviewed and approved by the members of our Steering Committee, as well as appreciated by our Sustainability Committee. The Steering Committee is made up of the highest level of statutory officers in the company.

Our financial statements are audited by PWC - PricewaterhouseCoopers Auditores Independentes Ltda. The information is consolidated partly via ERP and partly in reported files of the Financial Statements forwarded by the branches. In the eliminations, we consider sales/purchases between related parties in the consolidation, only taking into account their effective sale to the final client.

More information about this document can be obtained by email sgi_gestao@vicunha.com.br. 📧

The determination of material topics was given as follows: structuring, consulting process, prioritization of themes and completion. For the selection of topics, a benchmark was carried out with three companies in the textile industry. The guidelines of the Global Reporting Initiative, the indicators of the Sustainability Accounting Standards Board (SASB) and aspects of the UN Global Compact were analyzed. This process resulted in an initial list of 30 themes.

The list was released for consultation by our main stakeholders in an online survey conducted in July 2022. The following external audiences participated in the consultation process: clients, end consumers, class associations (unions), scientific community, associated communities, institutes and social organizations, service providers, certifiers, regulatory bodies, opinion leaders, distributors and representatives, government representatives, agricultural producers. Internally, members of the Board of Directors, executive officers and employees of various positions were involved.

The consolidation of the results underwent a new sectorial analysis, a prioritization workshop with the participation of the members of our Sustainability Committee, a graphic presentation of the materiality matrix and an evaluation of the relationship of material themes with the Sustainable Development Goals (SDGs).



514

people among employees and external stakeholders were consulted for the development of the Vicunha's Materiality Matrix

Management of material topics

> GRI 3-3

We have actions and indicators that demonstrate the monitoring of eight of our nine material themes: water and energy, worker health and safety, professional training/education, solid waste and effluents and emissions. Diversity and inclusion is a topic that we still need to structure and work with our internal stakeholders.

We define operational controls to mitigate or avoid possible environmental impacts, through the matrices of environmental aspects and impacts of the operational units. Additionally, we have systems for tracking and monitoring environmental parameters to comply with legislation and focus on environmental performance and achievement of the indicators' targets. Economic performance is also monitored by the finance department in partnership with strategic planning. The topics of diversity and inclusion and biodiversity are dealt with in the organization, but there is still no formal management clearly directed towards these topics.

Our commitments to the themes raised are present in our Code of Ethics and Conduct and in our Health, Safety and Environment Policy, Quality Policy, Chemical Management Policy, and Procurement Policy. The aspects are also part of our commitment to the 10 Principles of the UN Global Compact.

The indicators derived from the unfolding of our policies demonstrate the performance of activities related to environmental, quality and health and safety issues. In the event of non-achievement of the target for two consecutive periods, we take corrective actions, as defined in internal procedures. In addition to being monitored within their respective follow-ups, the indicators are also analyzed in the periodic meetings of critical analysis of the management system and in the executive board committees. Monthly corporate meetings are also held at the units in Brazil, Argentina and Ecuador to discuss the results and align the environmental indicators.

“Our **commitment** with the material topics are **reflected in our strategy, in our management system** and are the basis for our **sustainability culture**”

Table of Contents > GRI 2-4

GRI	DESCRIPTION	ANSWER OF THE ORGANIZATION	SDG CORRELATION
2-1	Organizational details	Page 12	-
2-2	Entities included in the organization's sustainability reporting	Page 83	-
2-3	Reporting period, frequency and contact point	Page 83	-
2-6	Activities, value chain and other business relationships	Page 12	-
2-7	Employees	Page 57	-
2-8	Workers who are not employees	Page 57	-
2-9	Governance structure and composition	Page 23	-
2-10	Nomination and election of the highest governance body	Page 23	-
2-11	Chair of the highest governance body	Page 23	-
2-12	Role of the highest governance body in overseeing the management of impacts	Page 23	-
2-14	Role of the highest governance body in sustainability reporting	Page 83	-
2-22	Declaration on sustainable development strategy	Page 7	-
2-23	Policy commitments	Pages 15 , 18 , 21 and 26	-
2-27	Compliance with laws and regulations	In 2021, we had 3 non-monetary sanctions applied in Ecuador and 8 cases of fines for non-compliance with laws and regulations, totaling BRL 432,827.56. The cases were related to violation and tax-deficiency notices issued by the State of Ceará demanding the payment of ICMS for alleged violations of local legislation and labor, work safety and social security sanctions.	-
2-28	Membership associations	Pages 15 and 18	16
2-29	Approach to stakeholder engagement	Pages 15 and 17	-
2-30	Collective bargaining agreements	Pages 57 and 59	-
3-1	Process to determine material topics	Page 84	-
3-2	List of material topics	Page 5	-
3-3	Management of material topics	Page 85	-
201-1	Direct economic value generated and distributed	Page 36	8 and 9
201-2	Financial implications and other risks and opportunities due to climate change	We are preparing the GHG emissions inventory to better understand our emissions and design a plan related to climate change.	8 and 9
201-3	Defined benefit plan obligations and other retirement plans	Page 76	8 and 9
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	In 2021, the lowest salary paid to men and women was equivalent to 102% of the local minimum wage in Brazil, 150% in Argentina, and 103% in Ecuador.	8 and 9
203-1	Infrastructure investments and services supported	Page 42	8 and 9
203-2	Significant indirect economic impacts	Page 79	8 and 9

GRI	DESCRIPTION	ANSWER OF THE ORGANIZATION	SDG CORRELATION
204-1	Proportion of spending on local vendors	Page 56	10, 11 and 12
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	We did not record any pending or closed lawsuits during the reporting period relating to unfair competition and violations of antitrust and antitrust laws.	12, 16 and 17
301-1	Materials used by weight or volume	Page 44	6, 12, 13, 14 and 15
301-2	Recycled input materials used	Page 44	6, 12, 13, 14 and 15
302-1	Energy consumption within the organization	Pages 51 and 52	6, 7, 9, 12 and 13
302-2	Energy consumption outside of the organization	Vicunha does not yet have a centralized management of energy information used outside the organization.	6, 7, 9, 12 and 13
302-3	Energy intensity	Vicunha does not yet have a centralized management of energy intensity information.	6, 7, 9, 12 and 13
302-4	Reduction of energy consumption	In 2021, energy efficiency actions were developed that resulted in energy savings; however, the values were not significant.	6, 7, 9, 12 and 13
302-5	Reductions in energy requirements of products and services	In 2021, energy efficiency actions were developed that resulted in energy savings; however, the values were not significant.	6, 7, 9, 12 and 13
303-1	Interactions with water as a shared resource	Page 41	6, 9, 12, 13, 14 and 15
303-2	Management of water discharge-related impacts	Page 41	6, 9, 12, 13, 14 and 15
303-3	Water withdrawal	Page 43	6, 9, 12, 13, 14 and 15
303-4	Water discharge	Page 43	6, 9, 12, 13, 14 and 15
303-5	Water consumption	Page 43	6, 9, 12, 13, 14 and 15
304-2	Significant impacts of activities, products, and services on biodiversity	Page 37	6, 12, 13, 14 and 15
305-1	Direct (Scope 1) GHG emissions	Page 50	6, 9, 12, 13, 14 and 15
305-2	Energy indirect (Scope 2) GHG emissions	Page 50	6, 9, 12, 13, 14 and 15
305-3	Other indirect (Scope 3) GHG emissions	Page 50	6, 9, 12, 13, 14 and 15
305-4	GHG emissions intensity	Page 50	6, 9, 12, 13, 14 and 15
305-6	Emissions of ozone-depleting substances (ODS)	Page 50	6, 9, 12, 13, 14 and 15
305-7	Nitrogen Oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Page 50	6, 9, 12, 13, 14 and 15
306-1	Waste generation and significant waste-related impacts	Page 44	6, 12, 13, 14 and 15
306-2	Management of significant waste-related impacts	Page 44	6, 12, 13, 14 and 15
306-3	Waste generated	Page 44	6, 12, 13, 14 and 15
306-4	Waste diverted from disposal	Page 44	6, 12, 13, 14 and 15

GRI	DESCRIPTION	ANSWER OF THE ORGANIZATION	SDG CORRELATION
306-5	Waste directed to disposal	Page 44	6, 12, 13, 14 and 15
307-1	Non-compliance with environmental laws and regulations	During the period, we did not record significant fines within the parameters established for this analysis or non-monetary sanctions.	16 and 17
401-1	New employee hires and employee turnover	Pages 77 and 78	5, 10 and 12
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 76	5, 10 and 12
401-3	Parental leave	Page 76	5, 10 and 12
403-1	Occupational health and safety management system	Page 67	8, 9, 10, 12 and 16
403-2	Hazard identification, risk assessment and incident investigation	Page 67	8, 9, 10, 12 and 16
403-3	Occupational health services	Page 67	8, 9, 10, 12 and 16
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 67	8, 9, 10, 12 and 16
403-5	Worker training on occupational health and safety	Page 67	4, 8, 9, 10, 12 and 16
403-6	Promotion of worker health	Page 67	8, 9, 10, 12 and 16
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 67	8, 9, 10, 12 and 16
403-8	Workers covered by an occupational health and safety management system	Page 67	8, 9, 10, 12 and 16
403-9	Work-related injuries	Pages 67 and 72	8, 9, 10, 12 and 16
403-10	Work-related ill health	There were work-related ill health cases in the period.	8, 9, 10, 12 and 16
404-1	Average hours of training per year per employee	Pages 63 and 65	4, 8, 9 and 10
404-2	Programs for upgrading employee skills and transition assistance programs	Pages 63 , 65 and 66	4, 8, 9 and 10
404-3	Percentage of employees receiving regular performance and career development reviews	Pages 63 , 65 and 67	4, 8, 9 and 10
405-1	Diversity of governance bodies and employees	Pages 57 , 60 and 62	5, 10 and 12
405-2	Ratio of basic salary and remuneration of women to men	Page 57	5, 10 and 12
406-1	Incidents of discrimination and corrective actions taken	There were no confirmed cases of discrimination in our activities in the period.	5, 10 and 12
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There is no risk in our operations. Learn more about in: Our People (Page 59).	8, 10, 11 and 16
408-1	Operations and suppliers at significant risk for incidents of child labor	There is no risk in our operations. Learn more about in: Ethics and Conduct (Page 26).	6, 8 and 9
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	There is no risk in our operations. Learn more about in: Ethics and Conduct (Page 26).	6, 8 and 9
410-1	Security personnel trained in human rights policies or procedures	Page 26	6, 8 and 9

GRI	DESCRIPTION	ANSWER OF THE ORGANIZATION	SDG CORRELATION
411-1	Incidents of violations involving rights of indigenous peoples	We did not record incidents of violations involving rights of indigenous peoples in 2021.	6, 8 and 9
412-2	Operations that have been subject to human rights reviews or impact assessments	Page 26	4, 6, 8 and 9
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Page 26	6, 8 and 9
413-1	Operations with local community engagement, impact assessments, and development programs	Page 79	6, 8 and 9
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	During the period, we did not identify any declared non-conformities that affect the health and safety of our consumers in relation to our products.	8, 9, 12 and 16
417-1	Requirements for product and service information and labeling	Page 55	11 and 12
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	We did not identify any substantiated complaints in the period.	8, 12 and 16

GLOBAL COMPACT	DESCRIPTION	ANSWER OF THE ORGANIZATION	SDG CORRELATION
PRINCIPLE 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Page 26	8, 10 and 16
PRINCIPLE 2	Businesses should make sure that they are not complicit in human rights abuses.	Page 26	8, 10 and 16
PRINCIPLE 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Page 59	8, 10 and 16
PRINCIPLE 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	There is no risk in own operations. Learn more about in: Ethics and Conduct (Page 26).	8, 10 and 16
PRINCIPLE 5	Businesses should uphold the effective abolition of child labor.	There is no risk in own operations. Learn more about in: Ethics and Conduct (Page 26).	8, 10 and 16
PRINCIPLE 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	There were no confirmed cases of description in our activities in the period.	8, 10 and 16
PRINCIPLE 7	Businesses should support a precautionary approach to environmental challenges.	Page 38	11, 12, 13, 14 and 15
PRINCIPLE 8	Businesses should undertake initiatives to promote greater environmental responsibility.	Pages 38 and 81	11, 12, 13, 14 and 15
PRINCIPLE 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Page 31	11, 12, 13, 14 and 15
PRINCIPLE 10	Businesses should work against corruption in all its forms, including extortion and bribery.	The Vicunha Anti-Corruption Policy is being developed and will be implemented in 2023.	16

Credits and Corporate Information

- 
- | Presidency**
 - | HR Board**
 - | Business and Operations Board**
 - | Commercial Board**
 - | Financial Board**
 - | Supply Chain Board**

| SGI Vicunha

| Marketing & Communications Vicunha

| Arcadis Consulting

Nadja Costa (General Coordination)
Thailla Calabrez (GRI Consultant)
Bruno Torres (GRI Consultant)
Nadia Zuca (GRI Consultant)

| Editorial Content

Svendla Chaves

| Artistic and Design Direction

www.L7design.com.br

| Photographs

Vicunha Archive

VICUNHA
jeansidentity