2025 ANNUAL SUSTAINABILITY REPORT

ALPARGATAS



Moving forward with focus, consistency, and positive impact

Welcome to the abridged version of the Alpargatas 2025 Annual Sustainability Report.

Here, we present the year's key achievements, connecting strategy, financial performance, and progress on environmental, social, and governance topics. This concise overview highlights the priorities that inform our decisions and support long-term value creation, all while staying true to our purpose of **inspiring the world with a lighter footprint**.

For a comprehensive overview, click here to access the full version of the report, prepared in accordance with the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB), incorporating references from the International Integrated Reporting Council (IIRC), and externally assured by PricewaterhouseCoopers (PwC).

Enjoy your reading!

We are **Alpa**

Alpargatas is a global company founded in Brazil 119 years ago, focused on building relevant and desirable brands that create a positive impact on society.

We are a team of 12,133 employees across Alpargatas and ioasys* operations, and our products are present in more than 100 countries, reflecting our extensive commercial reach and integrated value chain, which connects design, manufacturing, and distribution on a global scale.



** Rothy's is included only in the financial results. For further details, please refer to Alpargatas's 2025 Annual Sustainability Report.*







havaianas

Our portfolio is led by Havaianas, the iconic brand created in 1962, offering consumers flip-flops that embody a sense of freedom and comfort, always with style.

1,200+
exclusive brand stores in Brazil and internationally

350,000+
points of sale, in addition to the e-commerce channel

ioasys

Immersed in the digital world and specialized in developing agile and efficient solutions with a focus on user experience, ioasys joined the portfolio in 2021 and contributes directly to Alpargatas's digital journey.

2 offices in Brazil

44% growth in its active client portfolio compared to 2024

ROTHY'S

With a strong sustainability appeal, Rothy's offers footwear, handbags, and accessories made from textile fibers derived from recycled plastic waste, including PET bottles.

31 physical stores, in addition to its e-commerce channel

Products available in the United States, Australia, Spain, France, Hong Kong, and the United Kingdom

Governance

Governance remains one of Alpargatas's foundational pillars, ensuring disciplined execution and consistent decision-making. The company has a Board of Directors, Executive Board, committees, and commissions that help ensure the business is conducted in accordance with its Code of Conduct and in line with the best market practices.

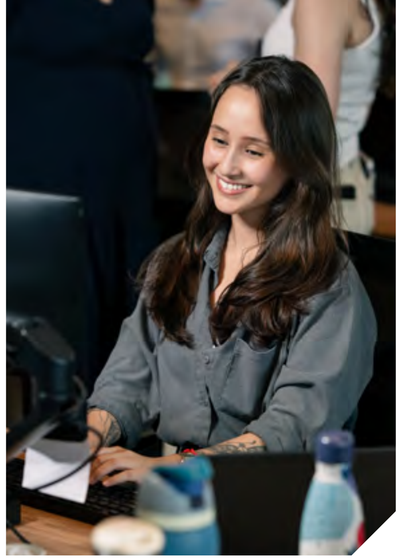
Sustainability integrated into the business

Sustainability is an integral part of the company's corporate strategy and directly connected to its governing bodies, with ongoing oversight provided by the Sustainability Commission and the People, Management, and Sustainability Committee (CGGS). Both groups include members of the Executive Board.

The company's long-term commitments are monitored through a cross-functional structure involving multiple areas, regular follow-up meetings, and continuous reporting to the executive leadership team.

Materiality

In 2025, we reevaluated the material topics and updated our priorities based on the perspectives of different stakeholders. This update incorporates a double materiality approach, considering two key aspects: first, the business's significant environmental and social impacts; and second, the sustainability-related risks and opportunities that may affect the company's financial results.





Ethics and compliance

To ensure responsible, ethical, and integrity-driven management, we have a Code of Conduct and Ethics that applies to employees, board members, suppliers, clients, shareholders, and other stakeholders.

The Whistleblower Channel is the primary tool through which individuals can report concerns or conduct that is not aligned with the Code.

Official whistleblower channels

Websites

Portuguese
www.canalconfidencial.com.br/alpargatas

English and Spanish
www.compliancehelplinealpargatas.com

Telephone

Toll-free number **0800 770 7791**
(available only in Brazil)

Learn more in the full version of our 2025 Annual Sustainability Report.

Strategy and results

In 2025, we made progress in executing our strategic plan by reinforcing discipline, focus, and operational consistency.

Our strategy continues to be anchored in two pillars:

Focus and competitiveness

Sustainable growth

This approach translates into more selective investment decisions, greater operational efficiency, and stronger brands in our key markets.

Throughout the year, we made progress in operational efficiency, process simplification, and alignment across teams, creating a stronger foundation for consistent growth.

In our engagement with the market, we resumed Alpa Day, an important transparency initiative that strengthens the company's credibility with analysts and investors.



2025 Key Figures

Net revenue of
R$ 4.6 billion
(up 11.1% vs. 2024)

Positive operating cash generation of
R$ 257 million

Adjusted EBITDA of
R$ 865.5 million
(up 145.5% vs. 2024)

Net income of
R$ 567.9 million,
the best annual result in the company's history

Improvement in the OTIF (On Time In Full) index, which increased from **61.8%** to **81.3%**

228.7 million
pairs of Havaianas flip-flops sold
(up 1% vs. 2024)

EBITDA adjusted margin of
19% (up 10.4 p.p. vs. 2024)

Sustainability strategy

The Sustainability Strategy guides decisions, investments, and priorities. It is fully aligned with the business strategy and is structured around three pillars:

- **Circular economy**
- **Responsible operations**
- **Diversity & inclusion and social responsibility**

To support this effort, we have established a robust governance structure, with bimonthly meetings involving leaders and the vice presidencies responsible for each topic for reporting, discussion, and decision-making.

Learn more in the full version of our 2025 Annual Sustainability Report.

Progress toward the 2030 Sustainability Strategy goals

Learn more in the full version of our 2025 Annual Sustainability Report.

CIRCULAR ECONOMY

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

In 2025, in addition to establishing a multidisciplinary working group, we advanced several initiatives, including consumer research, the development of new material solutions, and other related efforts.

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



Recycling chain
Strengthen the Havaianas rubber recycling value chain.

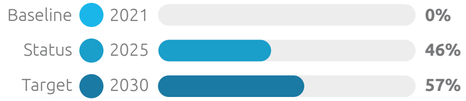


Reverse logistics
Implement the reverse logistics program across 100% of monobrand stores.

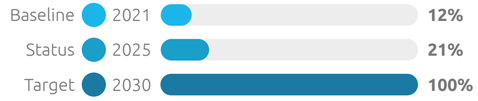


RESPONSIBLE OPERATIONS

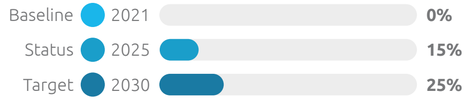
Climate Change
Reduce Scope 1 and 2 emissions by 57% by 2030 and advance value chain emissions management to establish a Scope 3 target by 2026.



Renewable energy
Have 100% of electricity from renewable sources.



Energy intensity
Reduce energy intensity across manufacturing operations by 25%.

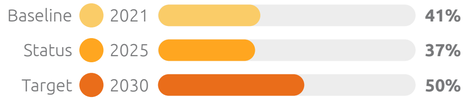


Sustainable suppliers
Ensure that 100% of suppliers are approved and monitored in accordance with Alpargatas's social and environmental criteria.

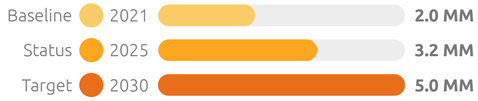


DIVERSITY & INCLUSION AND SOCIAL RESPONSIBILITY

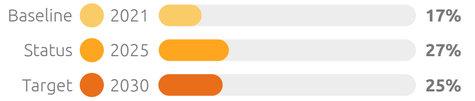
Women in leadership positions
Ensure that 50% of leadership positions are held by women.



Local development
Create 5 million development opportunities in the regions where we operate through development programs.



Underrepresented groups in management positions
Ensure that 25% of management positions are held by individuals from underrepresented groups.



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



Our products and campaigns

In 2025, Alpargatas sought to strengthen connections through product development. Internally, teams worked even more closely together to improve processes that supported logistics across a wide range of sales channels. Externally, the focus remained on consumers, partners, and society, further strengthening the portfolio. Throughout the year, our campaigns reinforced Havaianas's positioning as a global brand, synonymous with Brazilian flair, a fashion icon, and deeply connected to Brazilian culture.

Innovation also shaped deliverables during the period, whether in the models developed, brand presentation, or brand positioning across different initiatives, supported by active listening and rapid responses to consumer feedback.

Campaigns



Havaianas + Gigi Hadid: in 2025, we launched a capsule collection designed by a new global ambassador



Havaianas + Corinthians: humor and creativity in a high-impact campaign



Havaianas + Copacabana Palace: expanding the brand's presence into new lifestyle territories

Launches



Havaianas + Dolce & Gabbana: second capsule collection



Havaianas + Zellerfled, featuring 3D printing



Havaianas "Encardida"



Men's line: Track Waves, Top Max Comfort, and Track Plus models

Cause products

Havaianas continues to support priority social and environmental causes.

- 7% of net profit from sales is directed to strategic partners.
- **Havaianas Pride:** donation of R$150,381 in 2025 to support LGBTQIA+ advocacy through a partnership with All Out.



- **Havaianas IPÊ – Institute for Ecological Research:** R$126,264 contributed in 2025 to support Brazilian biome conservation projects.

Learn more in the full version of our 2025 Annual Sustainability Report.

Our operation

By transforming strategy into action, in 2025 we made progress in standardizing how we measure operational efficiency across all plants. As a result, the entire company adopted the same measurement criteria and assumptions, ensuring meaningful performance comparability and greater transparency of the indicators.

Environmental management

Steady progress was made on the environmental agenda in 2025, with advances in climate governance, operational efficiency, and the circular economy.

Key drivers include:

- Progress in incorporating renewable and recycled materials
- Advances in reverse logistics and waste management
- Emissions reduction and improved energy efficiency
- Strengthened climate risk management

Industrial highlights

- **7%** increase in Havaianas production, totaling **231,387 thousand pairs**
- **0.4 p.p. improvement** in Overall Equipment Effectiveness (OEE)
- **69 eNPS**, up from 66 in 2024
- **14.60%** Leadership Turnover (LTO), down from 15.32% in 2024

Alpargatas at COP30

In collaboration with IPÊ – Institute for Ecological Research, a partner of ours for more than 20 years, we participated in COP30, held in Belém, Pará, in 2025.



Casa IPÊ, a space furnished and decorated with tangible examples of solutions developed from reciclying post-consumer flip-flops, welcomed groups for dialogue, collaboration, and networking, as well as panels and discussions on circularity and innovation. Alpargatas showcased the Havaianas reCYCLE initiative at Casa IPÊ and at events promoted by the UN Global Compact in the Green Zone and at the C.A.S.E. Solutions House.

The Sustainable Business COP (SB COP) Awards recognized Havaianas's reverse logistics program for its consistent evolution. Out of nearly 700 entries, the reCYCLE initiative was one of 48 selected for its outstanding innovation and circularity.



In Belém, we also donated 40 recycling bins for public spaces to promote environmental education and strengthen waste separation and recycling practices.

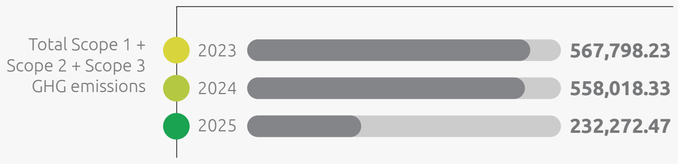
Climate in focus

In 2025, we enhanced our climate risk mapping and improved the quality of our data and in the management of emissions, targets, and other topics on the corporate climate agenda. Consequently, our achievements supported improvements in CDP performance and a B score in the Climate questionnaire for the 2024 reporting year. In this context, we conducted a gap assessment against the climate-related risks and opportunities requirements of IFRS S1 and S2. The assessment resulted in cross-functional action plans jointly implemented by the different areas involved.

Regarding Scope 1 and Scope 2 greenhouse gas (GHG) emissions, we improved our management practices, resulting in a reduction in emissions. For Scope 3, we achieved significant progress in both emissions measurement and reduction, driven by stronger engagement across our value chain. We concluded 2025 with a supplier prioritization process and a detailed mapping of more than 80% of Category 1 emissions (purchased goods and services), as well as the implementation of primary data collection with our logistics partners.

Our emissions reduction targets were revised and are now aligned with the Intergovernmental Panel on Climate Change (IPCC) 1.5°C warming scenario, using the Science Based Targets (SBTi) methodology to establish our commitments.

Total GHG emissions for the organization (tCO_2e)



Learn more in the *Our Operations* section of the 2025 Annual Sustainability Report.

havaianas reCYCLE

The greatest challenge of our reverse logistics program, Havaianas reCYCLE, is to foster the development and structuring of the rubber value chain from end to end.

To support this effort, we improved our monitoring of the program by incorporating indicators such as material inflows and outflows, as well as the maintenance and development of solutions using post-consumer rubber. This approach goes far beyond simply measuring the volume of flip-flops collected.



In Brazil, we achieved our goal of implementing flip-flop collection at 100% of monobrand stores, fulfilling a company commitment by expanding the program's reach to more than 300 additional stores, increasing from 200 to 515 locations.

Havaianas reCYCLE in 2025

269,757 pairs
collected worldwide



70+ partner
recycling cooperatives in more than 10 Brazilian states

650+
collection points, with collection bins available in stores across **more than 10 countries**



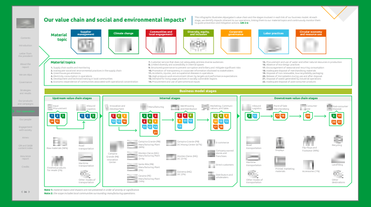
Explore each stage on page 49 of the 2025 Annual Sustainability Report.

20+ products
launched by our partners

93 metric tons
of waste transformed

Value chain and social and environmental impacts

In 2025, we mapped the stages of our value chain and the impacts associated with our operations. This enables us to continuously monitor each link in our business model and guide our partners on actions to prevent and mitigate these impacts.



Learn more in the infographic on page 36 of the 2025 Annual Sustainability Report.

Our people

Our more than 11,000 employees* play a key role in turning our business strategy into reality and ensuring that our products are admired and desired in more than 100 countries

We foster environments that embrace diversity in all its forms and ensure the inclusion of everyone who works with us, guided by our Respect for Diversity Policy.

**** Data exclude ioasys and Rothy's.***

11,976 employees

587 people with disabilities

Location

8,405
in Northeastern Brazil

3,394
in Southeastern Brazil

177 in other countries

Race

122	Asian
2,191	White
20	Indigenous
875	Black
8,352	Mixed-race (*Pardo*)
416	Not disclosed

Gender

8,183 male **3,688** female **97** other genders **8** not disclosed

Alpargatas culture

In 2025, Alpargatas continued to strengthen an environment that encourages autonomy, accountability, and proactive leadership, reinforcing a sense of ownership at all levels of the organization.

The strategy focused on adopting communication rituals and channels that integrate the culture into both office and manufacturing environments, fostering strategic alignment and stronger connections with teams.



Alpargatas Culture Principles

We are inspired by consumers

We move forward together

We make things happen

Development at Alpargatas

In addition to corporate development initiatives, such as the Alpa Learning Universe (ALU), 2025 was marked by significant progress in strengthening the talent pipeline within our industrial operations, with a focus on technical development, succession planning, and the long-term sustainability of the business.

We also invested in early-career initiatives, including trainee and internship programs.

In 2025

13,713 applications were received for the trainee program

8 new trainees joined the company

57 joined the internship program

Engagement with society

Our social initiatives continue to be structured through Instituto Alpargatas, with a focus on creating value in the communities where we operate.

In 2025, we maintained a data-driven approach, expanding the reach of our programs and strengthening local partnerships.

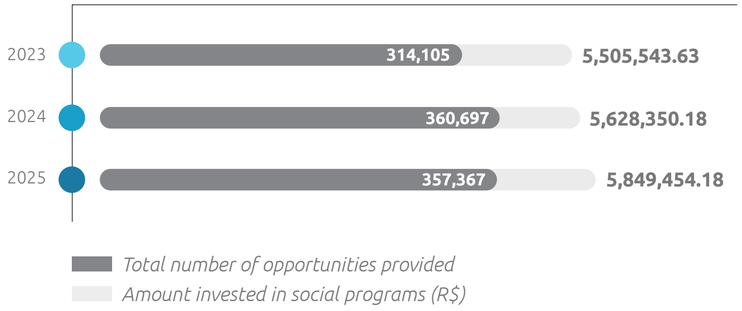
Our initiatives are organized around the following strategic focus areas:

Opportunity generation and economic inclusion

Inclusive and quality education

Volunteering
(a cross-cutting initiative that supports both focus areas)

Number of opportunities provided through Alpargatas Institute programs and social investments



We seek to make a direct impact on the communities surrounding our operations while engaging both our value chain and our employees through the volunteer programs we support.



Donations and community support

In 2025, through Instituto Alpargatas, we donated products and materials as part of our strategy to strengthen relationships with strategic partners while responsibly allocating surplus inventory.

By 2030, we aim to create

5 million

development opportunities in the regions where we operate through structural programs.



Learn more in the full version of our 2025 Annual Sustainability Report.