



2024 ANNUAL SUSTAINABILITY REPORT

Inspire the world to walk a lighter path

Welcome to the abridged version of Alpargatas's 2024 Annual Sustainability Report!

In this report, we share the year's key highlights related to our business and our progress on social, environmental, and governance topics.

To learn more about our achievements and challenges throughout the year, click [here](#) to access the full version of the report, which was developed in accordance with the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) and assured by KPMG.



WE ARE ALPA

Alpargatas is a global company, founded and headquartered in Brazil for over 117 years, with a commitment to delight the world with incredible brands that bring lightness and joy to consumers' daily lives.

havaianas®

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



Present in **95%** of Brazilian homes



More than **1,300** exclusive Havaianas stores worldwide



More than **350,000 points of sale** in Brazil through our commercial partners



ioasys

Company acquired in 2021 that provides technology and innovation solutions to support our digital transformation.



2 offices in Brazil



38 active clients in 2024



ROTHY'S

A brand that uses textile fibers developed from PET bottles to make premium footwear, handbags, and accessories. We own **49.2%** of Rothy's.



26 physical stores in the United States



More than **200 million** PET bottles recycled



GOVERNANCE

We have a robust governance framework that includes a Board of Directors, Executive Board, committees, and support commissions, ensuring responsible management. *[Click here for details of our management structure.](#)*

SUSTAINABILITY COMMISSION

After a pause in 2023, the Sustainability Committee was re-established in 2024 to strategically discuss progress on the sustainability agenda. The Vice Presidents and the new CEO, Liel Miranda, actively participate in this initiative.

PEOPLE, MANAGEMENT, AND SUSTAINABILITY COMMITTEE

In 2024, sustainability became part of the discussion with the Board of Directors when it was added to the agenda of the People, Management, and Sustainability Committee – previously known as the People and Management Committee.



Read more in the full version of our *2024 Annual Sustainability Report.*

ETHICS AND COMPLIANCE

To identify and prevent inappropriate behavior and strengthen ethics and integrity in the company, we have the Reporting Channel, an essential and independent tool that guarantees confidentiality and protection for whistleblowers.

Official reporting channels:



Website

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



Phone

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



Access all materials of the *Compliance Program* on our website.



STRATEGY AND RESULTS

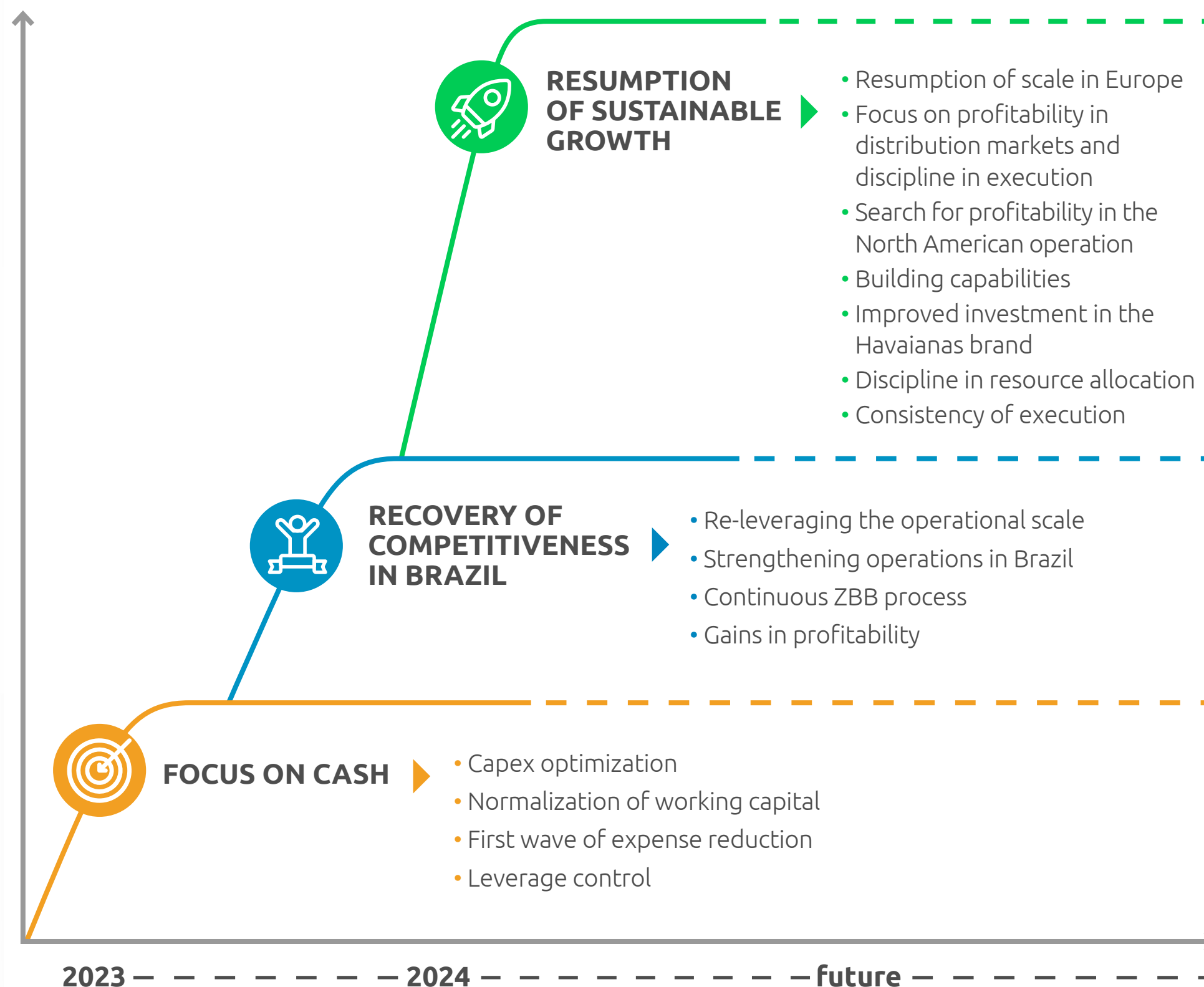
CORPORATE STRATEGY

In 2024, we continued our journey to regain growth. This evolution has driven changes in our organizational culture and our vision for the future, reflecting our global presence, brands, products, and collaborative culture.

VISION Inspire the world to walk a lighter path

Pillars of our corporate strategy

- Focus and competitiveness
- Sustainable growth



Main Results

In 2024, we worked to establish our financial discipline by focusing on cash management, optimizing expenses, and improving inventory management. We also streamlined our portfolio, enhancing our operational efficiency and achieving an increase in production and sales volumes.

Operating cash generation

R\$570 million generated in 2024, marking the 7th consecutive quarter of positive net cash and accumulating R\$1.1 billion since the trend reversal in May 2023.

Volume

226.6 million pairs of Havaianas footwear sold (up 9.5% from 2023)
Brazil: 204.4 million pairs (up 11.1% from 2023)
International: 22.2 million pairs (down 3.1% from 2023)

Net revenue

R\$4.1 billion in consolidated net revenue (up 10.1% from 2023)

Adjusted Recurring EBITDA

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

Adjusted net income

R\$157.9 million adjusted net income



Read about our value creation model in the full version of our *2024 Annual Sustainability Report*.

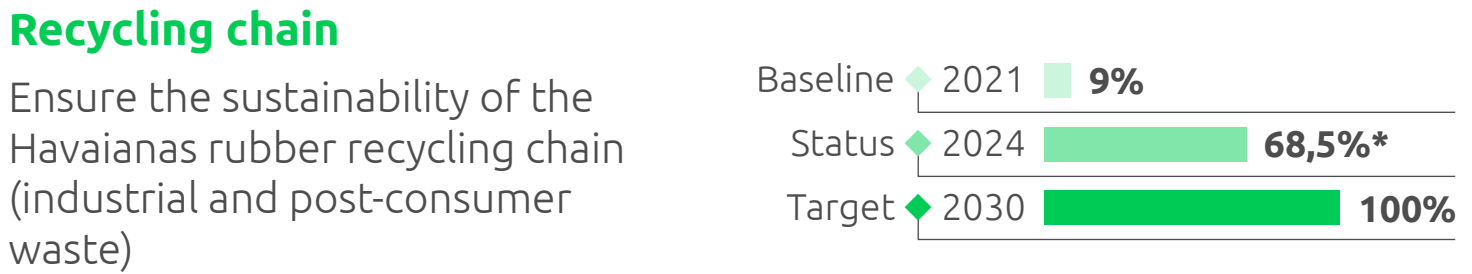
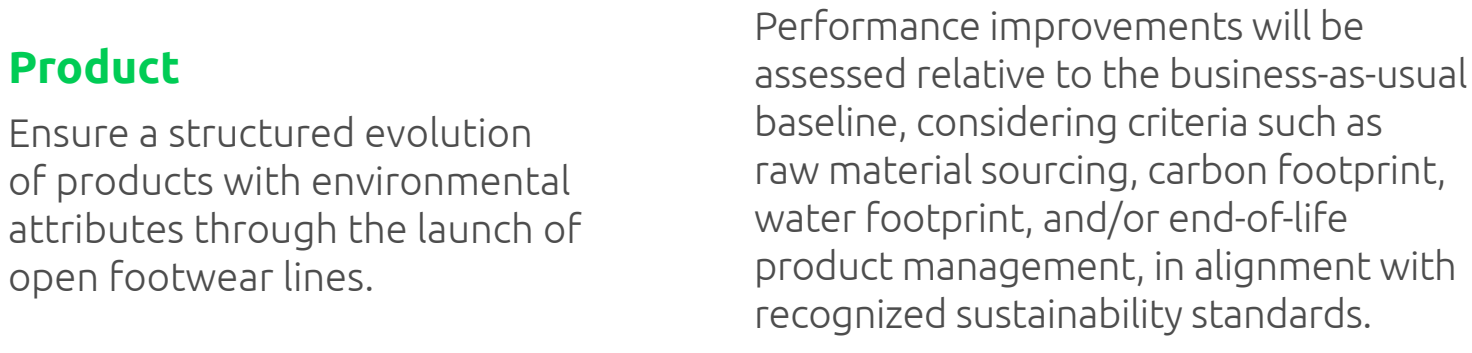
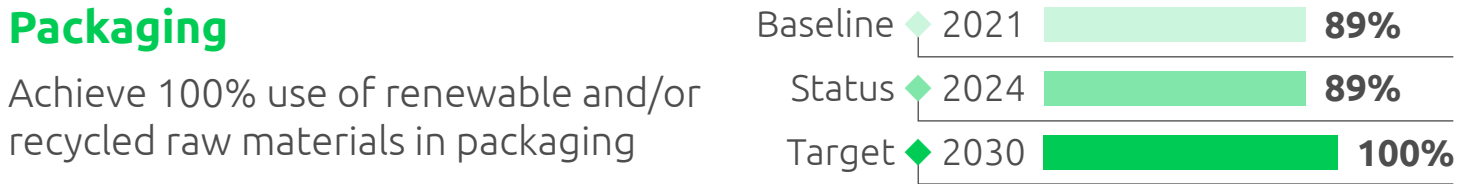
ALPARGATAS SUSTAINABILITY STRATEGY

Our sustainability strategy includes 12 commitments across the areas of Circular Economy, Responsible Operations, and Diversity & Inclusion and Social Responsibility. In 2024, after maturing for two years, we revised these commitments to make them more robust, clear, and in line with market needs.

Read about our 12 commitments below, and access the full version of our [2024 Annual Sustainability Report](#) here to see how they have progressed and the initiatives taken.

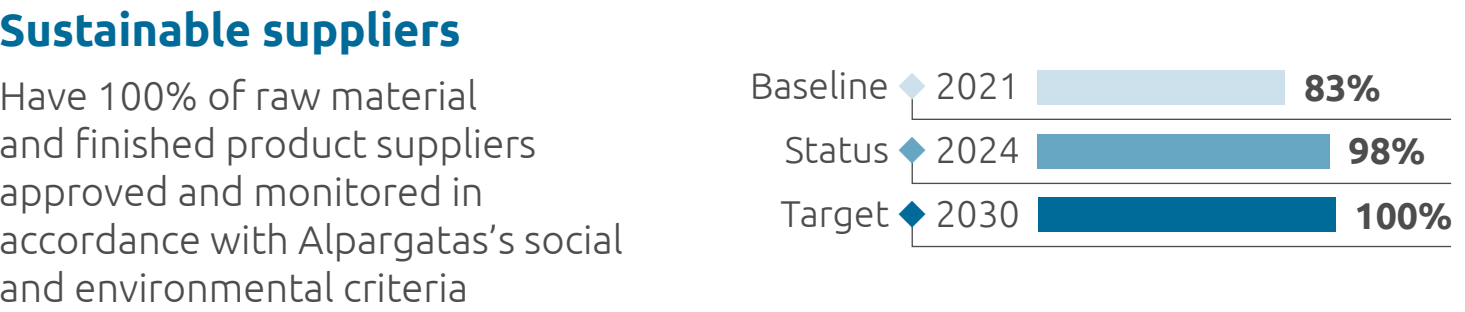
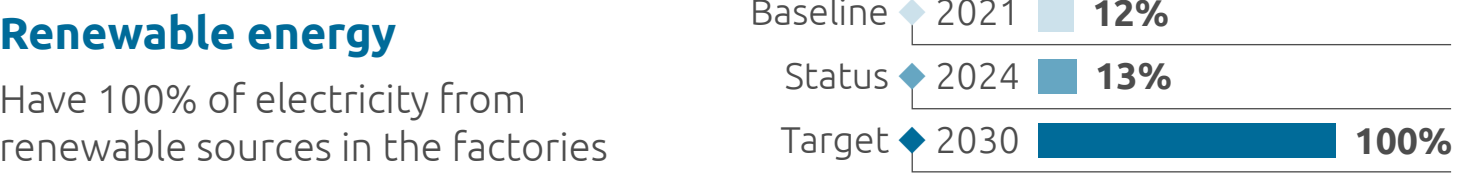
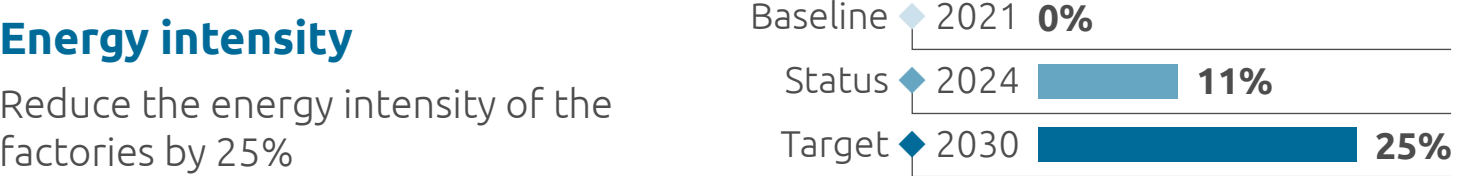
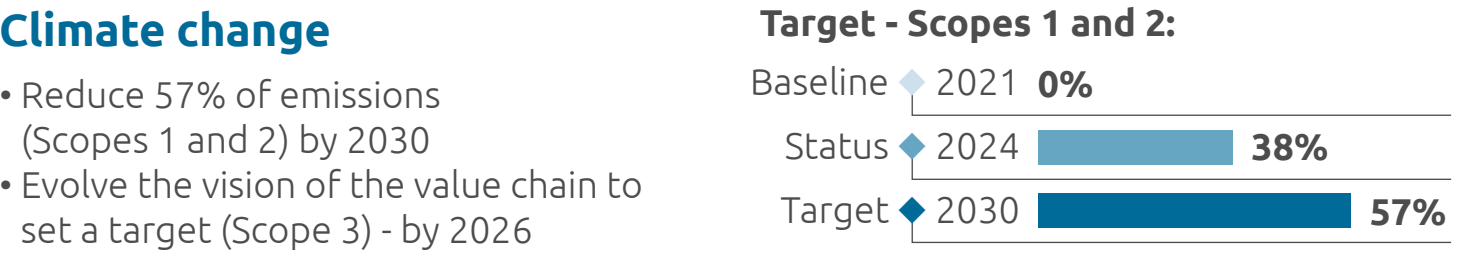
CIRCULAR ECONOMY

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



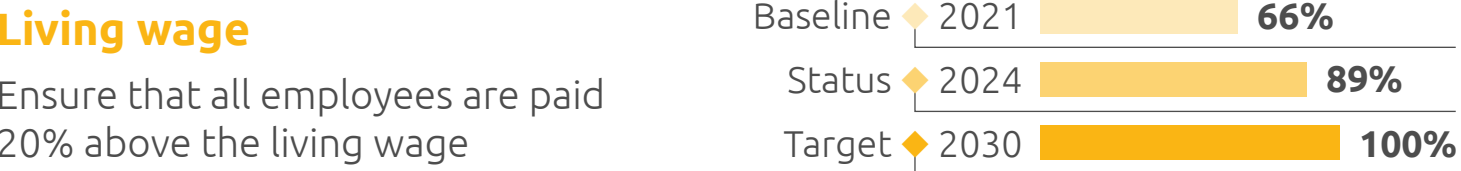
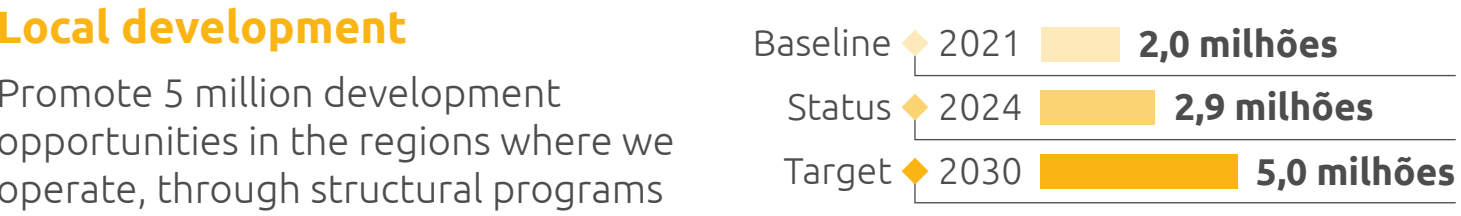
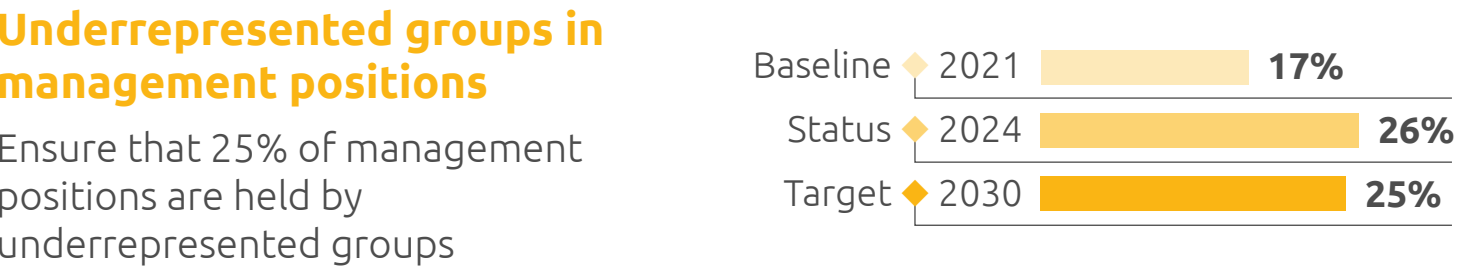
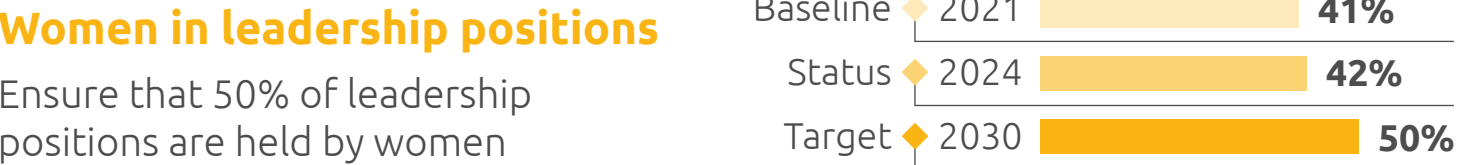
RESPONSIBLE OPERATIONS

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



DIVERSITY & INCLUSION AND SOCIAL RESPONSIBILITY

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



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

*Calculated using the Science Based Targets initiative (SBTi) as a methodological reference.

OUR PRODUCTS AND CAMPAIGNS

Our portfolio was streamlined with a 50% reduction compared to the previous collection, ending the year with growth in production and sales volumes compared to 2023. We resumed global investment in marketing, which helped us to regain a physical and emotional presence in the lives of our consumers.

► New collabs



► Launch of an inclusive product for people with disabilities

Havaianas sponsored the Brazilian Olympic and Paralympic Committees at the Paris 2024 Games, was the official footwear of Team Brazil, and launched an inclusive product for people with disabilities in partnership with the Brazilian Paralympic Committee (CPB).



► Cause products

We donated **7% of net sales** of cause products to each of our partners.

IPÊ - Institute for Ecological Research

In 2024, we celebrated the 20th anniversary of our partnership with IPÊ. Each year, a new collection highlights animals of the Brazilian fauna and their habitats. To date, **more than R\$11 million** has been allocated to support conservation projects in the Atlantic Forest, the Amazon, and in the Pantanal and Cerrado biomes.



Pride Line

Since 2020, we have allocated more than **R\$5 million** to the NGO All Out to bring more visibility to the LGBTQIAP+ cause.



Gerando Falcões

Since 2022, we have allocated more than **R\$1.3 million** to projects aimed at developing Brazil's favelas and city outskirts.



Learn more about all of our products starting on page 31 of our [2024 Annual Sustainability Report](#).

OUR OPERATION

Industrial highlights

- 217 million pairs produced in 2024 (up 7.5% from 2023)
- 5.8% increase in operational OEE*
- 2.9 p.p. increase in direct labor efficiency
- 10% reduction in production cost per pair

*Overall Equipment Effectiveness - Indicator that measures the effectiveness of equipment usage.



Learn more about our value chain starting on page 36 of our [2024 Annual Sustainability Report](#).

Environmental management

In 2024, we established a dedicated Environment department, an area that had previously been part of the Health, Safety, and Environment (HSE) department. We also conducted our first mapping of investments directly aimed at environmental benefits, with a focus on sustainability, the circular economy, and wastewater, totaling more than R\$8 million.

CLIMATE CHANGE

We made progress in consolidating the climate change agenda and engaging our value chain. The aim of this initiative is to strengthen the information base and thus enable more effective proposals and investments to reduce Scope 3 emissions.

With regard to climate risk management, we strengthened the governance of the climate agenda, focusing on alignment with the IFRS S2 international standards. In this context, we conducted a project to map, prioritize, and manage climate risks and opportunities relevant to the company.

In 2024, we reduced our absolute emissions (Scopes 1, 2, and 3) by 2% compared to 2023, despite a 7% increase in production volume.

Absolute greenhouse gas (GHG) emissions



Learn more about how we address climate change starting on page 45 of our [2024 Annual Sustainability Report](#).

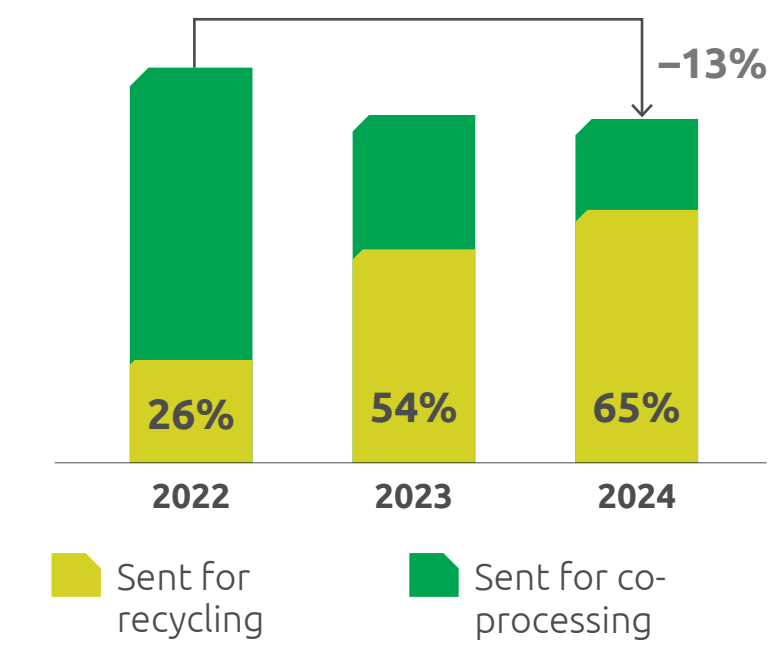
INDUSTRIAL WASTE

In 2024, we generated approximately 42,000 metric tons of industrial waste.

The most significant type of waste for our business is rubber, which accounted for nearly 87% of the total generated. Of this volume, **72% was reintroduced into the production process**, meaning that up to 40% of the sole of our flip-flops is made up of leftover rubber reintroduced into the process.

Scraps that cannot be reintroduced are sent for external disposal, currently for co-processing or recycling.

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



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

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

- Since 2022, we have successfully:
- Achieved a 13% reduction in the generation of uncontaminated vulcanized rubber waste per pair produced
 - Enhanced the recycling rate of this waste from 26% to 65%

Our commitment is to recycle 100% of this type of waste by 2030.



Learn more about this topic in the [Our Operation](#) section of our [2024 Annual Sustainability Report](#).

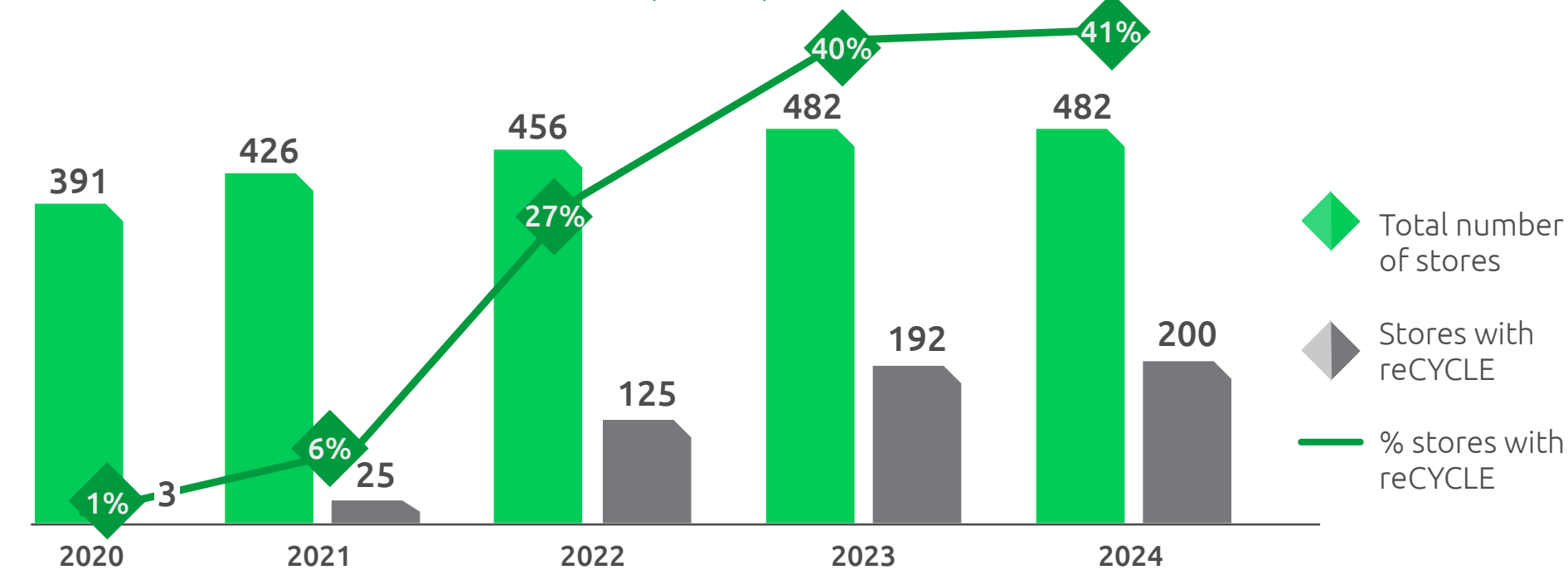
havaianas reCYCLE

We also adopt a careful and responsible approach to post-consumer rubber waste from discarded flip-flops; in 2020 we launched Havaianas reCYCLE, our reverse logistics program that promotes the transformation of Havaianas flip-flops discarded by consumers by collecting, sorting, processing, and reintroducing the materials into new production chains.

The flip-flops are collected at containers installed at **more than 350 collection points in our stores in more than 15 countries**. In Brazil, they are also collected at other fronts, such as cooperatives and ecoparks (technological centers for the sorting and destination of waste). We have an ecosystem of partners who shred the waste and reuse it in new products, such as rubber flooring, furniture and decorations, accessories, etc.

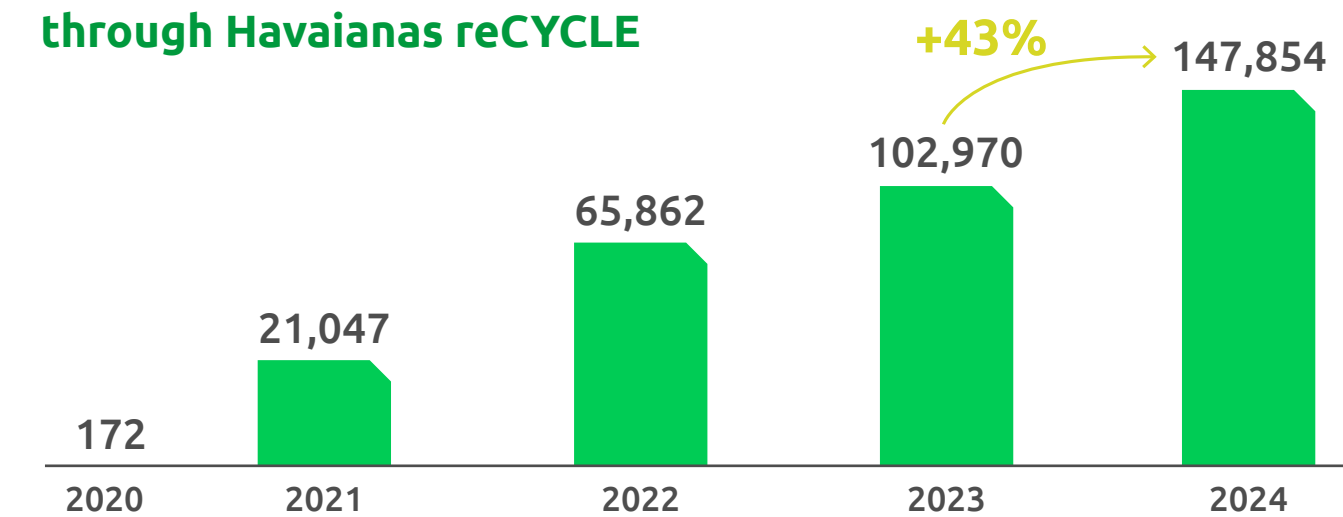
In addition to the waste collected through reCYCLE, we send the rubber waste generated during production for processing.

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



Note: does not include kiosks and containers.

Pairs of flip-flops collected
through Havaianas reCYCLE



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

337,905

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

118,267

kilograms of waste.

Our commitments

We are committed to having 100% of monobrand stores with a reverse logistics program by 2025 and to ensuring the sustainability of the Havaianas rubber recycling chain by 2030.

Collection and sorting:

More than 70 recycling
cooperatives throughout Brazil



Processing and Transformation:

More than 5 partners in Brazil
and in international operations.



Final products:

Product line launches with
our partners Grupo Force and
Aubicon at FEICON – the largest
construction trade fair in
Latin America.



Learn more about reCYCLE and our
operation starting on page 51 of our **2024
Annual Sustainability Report**.



OUR PEOPLE

We ended 2024 with a workforce of 10,948 employees worldwide, including ioasys. The Northeast region of Brazil accounts for 65% of our workforce, as three of our four factories are located there.

In 2024



Principles of the Alpargatas culture

The company's restructuring process has driven the evolution of our organizational culture. Today, our culture is based on three fundamental pillars. Click here to learn more

Principles of the Alpargatas culture



Inspired by consumers



Walk together



Make it happen

Development

The main highlight of the company's corporate university, Alpa Learning Universe (ALU), in 2024 was the introduction of more functional training and business-oriented programs in line with our new corporate strategy. We focused on improving both execution and efficiency in delivering results, ensuring greater integration between commercial and industrial areas.



Learn more about this and other highlights starting on page 61 of our [2024 Annual Sustainability Report](#).

Diversity and inclusion

At Alpargatas, we believe that we should not only surround ourselves with a diversity of voices, but also provide the means for them to be heard and respected. Our goal for 2030 is to have 50% of leadership positions held by women and 25% of management positions held by underrepresented groups.

We joined the **Business Movement for Racial Equity** (Mover), which will support us in our journey to make Alpa more diverse and inclusive.



Learn about other achievements on the D&I front in the Our People section of our [2024 Annual Sustainability Report](#).

RELATIONSHIP WITH SOCIETY

ALPARGATAS INSTITUTE

For over 20 years leading our social initiatives, we have revised the strategy of our Alpargatas Institute and redefined its strategic areas starting in 2025.



Read more about our social initiatives in the full version of our [2024 Annual Sustainability Report](#).



Focus area 1

Generating Opportunities and Productive Inclusion:

Focus on income generation and productive inclusion of people in Alpargatas's areas of influence, aiming at local entrepreneurship, sustainability and, where feasible, at the fashion value chain.



Focus area 2

Inclusive and Quality Education:

It aims to promote inclusive and quality public education by strengthening multidisciplinary, supporting science, innovation, and Brazilian diversity, with a special focus on the inclusion of Afro-Brazilian and Indigenous history and culture in public schools.



Cross-cutting focus area

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



2024 Highlights



More than R\$9.5 million invested in social programs, including the programs and projects of the Alpargatas Institute, Corporate Social Responsibility initiatives, and the donation of proceeds from our products to causes related to this topic.



Nearly 357,000 people impacted by the initiatives of the Alpargatas Institute in its three areas of activity.



R\$3.1 million in products donated, part of which went to people affected by the floods in Rio Grande do Sul, in partnership with Movimento União BR.

