



2024 Integrated Report

RIACHUELO

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intro duction

Amid a journey of transformation, 2024 marked the year we strengthened the integration of sustainability across our business model and throughout our value chain. We restructured the ESG strategy and developed a new materiality, aligned with a more integrated performance, focused on the impacts generated



About the Report

We are pleased to present our fourth Annual Report—and third Integrated Report—sharing the results achieved in 2024 as part of the Company’s journey of transformation, which began two years ago with the arrival of our current CEO, André Farber. This journey has been defined by the evolution of our organizational priorities and the reinforcement of sustainability as a core element of our business model.

This report highlights the progress and challenges related to our ESG (Environmental, Social, and Corporate Governance) strategy, which was restructured in 2024 to promote a fashion industry that reinvents itself, transforms lives, and regenerates nature. As part of this evolution, we strengthened our team with the arrival of Taciana Abreu, who took over as the Group’s Sustainability Director in September 2024, bringing a more integrated and cross-cutting approach to the business. On this journey, we have deepened our connection to our Northeastern roots, with the aim of building a future that honors the Company’s past.

The initiatives, along with the operational and financial results presented in this report, cover the period from January 1 to December

31, 2024, with a focus on Guararapes Group’s material topics, which were updated this year in partnership with the Report Group, a specialized consultancy firm (learn more on [page 41](#)). This process occurred at a strategic moment in our evolution, reflecting the integration of sustainability into corporate governance and the company’s growth strategy. Adopting a dual materiality perspective, we consider how ESG issues affect our company and how our company affects society and the environment.

Lojas Riachuelo S.A. exclusively prepares, drafts, centralizes, and manages the reported information and indicators. It is solely responsible for gathering, consolidating, and validating the data presented throughout this document, which refers to ‘Guararapes Group’ and certain other companies operating under the group. In this sense, the “2024 Integrated Annual Report of Lojas Riachuelo” considers all of the group’s companies mentioned therein.

This report fully complies with the requirements of the IIRC standard, including all Integrated Report criteria. The company’s highest governance body was involved in establishing the report’s structure and

acknowledged its responsibility for the report's integrity.

Additionally, we perform a detailed diagnosis of the company's ESG maturity, which is complemented by a strategic analysis of each material topic. Based on the new materiality and ESG diagnosis conducted in 2024, we reviewed the company's ESG Strategy, which is called "Fashion that Transforms" (find out more on [page 40](#)).

Integrating financial and non-financial indicators, this document follows the International Integrated Reporting Council (IIRC) guidelines and incorporates content from the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD) It was also drafted based on the 2021 version of the standards of the Global Reporting Initiative (GRI).

Covering all Group business units, the report includes the same entities reported in the financial report and maintains the same reporting frequency. Adhering to market standards for publicly traded companies

(Corporations), the information is validated by the Board of Directors for transparency and integrity. The document also undergoes external assurance by KPMG, a practice in place since 2021. The data presented remain consistent concerning minority interests, and there are no inconsistencies in the handling of material topics or in the information presented throughout the report regarding the entities of the Guararapes Group.

GRI 2-2,2-5, 2-6, 2-14

We wish you an excellent reading experience!

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Contact us

For additional information about the report, sustainability management and ESG aspects of the organization, please e-mail us at modaquetransforma@riachuelo.com.br.

GRI 2-3





Message from Leadership GRI 2-22

Since joining Riachuelo in May 2023, I have personally witnessed the core pillars that shape our essence: a passion for our work and a forward-looking vision grounded in drive and determination—an inspiring legacy established by our founder, Nevaldo Rocha. Here, we believe and work to inspire Brazil through fashion. We create opportunities, jobs, income and transform lives.

The past two years have been characterized by deep transformations. In 2024, we focused heavily on evolving people management and the leadership structure. Within this context, we welcomed three new members of the executive committee: the Executive Director of Marketing, the Executive Director of Finance and the Executive Director of Supply Chain, an area created in 2024.

In 2024, we achieved a record consolidated EBITDA of BRL 1.5 billion, representing a 45 percent increase over the previous year. Our consolidated net revenue was BRL 9.6 billion, up 9.5 percent year-on-year. The strength of our value proposition, coupled with collections that were well-received by our customers, led to a same-store sales increase of 11.3 percent for the year.

Upholding our commitment to reducing the Company's leverage, we achieved a reduction of over 50 percent in net debt and

recorded a leverage ratio of 0.3x. This result demonstrates the consistency and coherence in the execution of our strategic planning, as well as the strength of our integrated business model.

One of our biggest challenges was to further integrate the factory with retail. Through strategic investments, we reinforced this connection, which led to greater margin expansion and increased efficiency in capital allocation. We increased production volume at our Natal plant by 33 percent and improved our operational efficiency by 4 percentage points, thus strengthening our production capacity. Furthermore, this progress advanced our mission to create jobs and income in Brazil, as we expanded our workforce by over 1,300 new jobs, bringing the total number of factory employees to more than 8,400.

We continue to invest in improving our products and factory structure. We established processes to strengthen our core categories—women's, men's, jeans, and basics—which played a fundamental role in our growth in 2024.

Our commitment to Brazil is also reflected in investments in sports and culture. We sponsored music festivals such as Lollapalooza, gymnast Rebeca Andrade (who achieved tremendous success during

her journey at the Paris Olympics), and the Brazilian Olympic Committee (COB)—further reinforcing Riachuelo's image as a Brazilian brand that believes in the potential of the country and its people.

Digital transformation continues to be an essential pillar for our growth. In 2024, we increased our investments in technology, allocating over BRL 282 million to enhancements spanning everything from manufacturing processes to the consumer purchasing journey, ensuring a more seamless and efficient experience.

Through our “Fashion that Transforms” sustainability platform we are committed daily to creating, producing, distributing, selling, and reusing our fashion in the most sustainable way possible—preserving natural resources, reducing greenhouse gas emissions, promoting circularity, and making a positive impact on lives. In 2024, with the addition of Taciana Abreu to our team, the company intensified its efforts to balance economic growth with environmental and social responsibility.

As signatories of the United Nations Global Compact, we continue to align our sustainability strategy with its Ten Principles and commitments, which include upholding human rights and decent working conditions, promoting diversity and inclusion, protecting the environment, and preventing corruption.

Among our major milestones is the work of the Riachuelo Institute, which, since its inception, has directly impacted more than 4,000 lives and invested over BRL 3 million in professional training within the Northeastern production chain. We were recognized by CDP*, with the Company achieving an

A grade in Climate Change, in addition to maintaining leadership in Water Security (A-) and making progress in Forests (B). In addition, we invested BRL 6.3 million in CAPEX dedicated to eco-efficiency improvements in our factory and formally established our Greenhouse Gas reduction target through the Science Based Targets initiative (SBTi).

We continued investing to strengthen the country's economy, expand opportunities and build a more sustainable and promising future for everyone. We ended the year with a workforce of nearly 32,000 people, celebrating more than 2,000 promotions and over 2,800 new hires. We remain steadfast in our purpose of driving Brazil's growth through fashion, innovation, and job creation, always staying true to our values and our mission.

André Farber
CEO of the Guararapes Group



“We work to inspire Brazil through fashion and to transform lives”

* The acronym CDP refers to the former Carbon Disclosure Project.

Highlights of the Year

Our science-based GHG emission **reduction targets** have been validated by the Science Based Targets initiative (SBTi). By 2030, we are committed to reducing our scope 1 and 2 emissions by 46.2 percent, and our scope 3 emissions by 55 percent.

We got the **top score,** “A,” in the CDP Climate Change questionnaire, an improvement on the previous score (“B”).

We improved our CDP Forests questionnaire score from C to B.

We reached **79 percent** in the use of more sustainable threads and fabrics in our own production.

We completed the research and development of the **textile recycling technology** in partnership with the Institute of Technological Research (IPT).

We launched Riachuelo’s first Circular Collection, with **5,800+ pieces** in the men’s and women’s categories.

We were nominated, for the third consecutive year, to be part of the portfolio of the B3 **Corporate Sustainability** Index (ISE).

We directly impacted more than **4,000 people** across 36 municipalities in the Seridó semi-arid hinterlands through Riachuelo Institute projects.

We achieved a record consolidated EBITDA of **BRL 1.5 billion,** representing a growth of 44.7 percent compared to 2023.

We grew Midway Financeira’s EBITDA by **107.3 percent.**

Sales growth of **11.3 percent** in Same Store Sales (SSS).

Net profit of **BRL 235 million** (reversal of the 2023 loss).





2024 Awards and Distinctions

- Riachuelo is recognized as one the best companies to work for in Brazil, according to the Great Place to Work (GPTW) ranking.
- The Riachuelo Institute received the Abit Merit Medal 2024, which honors institutions for their contributions to training, income generation and social inclusion. The medal, awarded by the Brazilian Textile and Clothing Industry Association (Abit), acknowledged the results achieved through programs such as Pró-Sertão, Agro-Sertão, and the training initiative for embroiderers in Timbaúba dos Batistas—initiatives that impact thousands of families in the semi-arid Northeast. (See more details on [page 69](#)).
- The Guararapes Group was recognized with the Legal Department 4.0 certificate by AB2L (Brazilian Association of Lawtechs and Legaltechs). The certificate recognizes companies that demonstrate best practices in legal efficiency, strategic partnerships with internal clients, compliance, and legal innovation.

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Click here

to learn more about our sustainable actions that make a difference.

- Carter's was granted the Ibevar-FIA 2024 Award as the company most admired by consumers in the children's segment.
- Riachuelo won the bronze trophy in the Employee Relationship category of the 2024 Smart Customer Awards.
- FanLab was recognized at Summit Sanrio with the award for best retail exhibition for its outstanding participation in the 2023 edition of CCXP, the main Brazilian pop culture convention.
- For the fourth consecutive year, we were granted the Gold Seal from the Brazilian GHG Protocol Program. This recognition is given to companies that publish and transparently manage their greenhouse gas emissions, submitting their inventories to third-party verification.



about us

INTEGRATED BUSINESS MODEL	OUR FACTORY	RCHLOVER CULTURE
PRESENCE IN BRAZIL	VALUE GENERATION	STRATEGIC PRIORITIES
CUSTOMER AT THE CENTER		CORPORATE GOVERNANCE

Integrated Business Model

GRI 2-1, 2-6

The Guararapes Group has dedicated more than 77 years to inspiring Brazil through fashion and continually building a company that creates opportunities every day. Recognized as a leader in the country's fashion industry, the Company stands out for its integrated business model, which ensures efficiency, agility, and competitiveness in its operations.

Our values are the threads that guide us toward achieving great dreams, grounded in high performance, delivering results, and a strong commitment to our partners. They drive us to create democratic fashion that unites affordable prices, quality, and responsibility, generating value for our employees, consumers, suppliers, and communities.

Guararapes Confecções S.A. is a for-profit publicly traded corporation headquartered

in Brazil, in the city of Natal (RN). The Group operates a unique vertical chain in the country, bringing together several segments: in retail, we have the brands Riachuelo, Casa Riachuelo, FANLAB, and Carter's; in industry, the Guararapes Confecções factory in Natal, Rio Grande do Norte, stands as one of the largest active textile manufacturing hubs in Latin America. In logistics, Transportadora Casa Verde is strategically positioned across the country, ensuring the efficient distribution of a portion of our products. Our strength in the financial sector comes from Midway Financeira, a leader in this segment, which offers practical solutions for customers of all brands operated by the Company. With a focus on excellent customer service, our Contact Center provides comprehensive support to clients, as well as conducting research and managing additional commercial and financial services and products.

Present in retail, industry, logistics, and the financial sector, the Guararapes Group builds accessible and responsible fashion every day, linking its values to the creation of opportunities, results, and positive impact for its customers and stakeholders



Dieure dos Santos Pereira, Laundry Guararapes Factory, Natal-RN



Our integrated business model offers significant growth potential, featuring 425 physical stores and an e-commerce platform that provides customers with a seamless and unified shopping experience.

We are the largest direct employer in the state of Rio Grande do Norte. In our factory, we directly employ over 8,400 people and generate more than 3,100 indirect jobs in municipalities in the interior. In these locations, through the Pró-Sertão program, more than 13 million pieces were made in 2024 (learn more on [page 68](#)).

We continue to weave our story by valuing our Brazilian identity, strengthening our roots, and fostering an ever closer connection with our customers and the communities where we operate. Each collection, each piece, is a step forward in our mission to create opportunities and bring responsible and accessible fashion to all Brazilians.

77 years
of history connect the pioneering spirit of the Group's founder, Nevaldo Rocha, to a legacy of social transformation and growth in the textile sector



A story of dreams and entrepreneurship

The history of the Guararapes Group is the fulfillment of a visionary dream that began with a boy just 12 years old. Nevaldo Rocha, born in Caraúbas, in the interior of Rio Grande do Norte, left alone for the capital, Natal, in search of work. To him, getting a job was the key to transforming his family's life.

His first job was at Loja Capital, where he discovered his passion for retail. In 1947, he took over his former boss' business, founding the Guararapes Group. Shortly thereafter, he invested in three sewing machines, establishing his first clothing factory. With an eye on the future, Nevaldo, who had learned English from American soldiers stationed in Natal during World War II, traveled to the United States to seek inspiration from retail innovations and bring back new ideas to further delight his customers. And it was in 1979 that the Riachuelo chain of stores was established, specializing in selling fabrics by the meter and apparel.

Nevaldo Rocha's childhood dream of improving his family's life through his first job resulted in one of the largest job-creating companies in the country. Over the decades, the Company has played a key role in the democratization of fashion in Brazil, always focusing on innovation, sustainability and creating social impact.

As we celebrate 77 years of history in 2024, the legacy of Nevaldo Rocha, who passed away in 2020, remains more alive than ever, resonating throughout the Group. This mission is especially vibrant in the northeastern semi-arid hinterlands, the birthplace of our founder, where it all began.

Major figures



*As we affectionately call our employees.

Goods – platform for brands, industry and e-commerce **GRI 2-6**

The company's brand platform includes Lojas Riachuelo, Casa Riachuelo, Carter's and Fanlab. Alongside them, we have the Natal factory and our e-commerce platform. This integrated model enables the Group to offer customers quality products at affordable prices and a comprehensive shopping experience.



Riachuelo store, in the Ibirapuera Shopping Mall, in São Paulo – SP.

RIACHUELO

Riachuelo translates fashion and lifestyle with Brazilian authenticity. With a portfolio ranging from basics to jeans and the latest trends in the fashion universe, the Group offers clothing, perfumes, and electronics, democratizing fashion through variety, quality, and affordable prices. Operating in the women's, men's, and children's segments, the Group inspires Brazil with an innovative style and an omnichannel shopping experience.

CASA RIACHUELO

Casa Riachuelo offers a diversified range of decor, bedding, tableware, and bath products, aligned with the latest trends—bringing fashion and functionality at affordable prices to suit a variety of environments. It provides an integrated omnichannel shopping experience, combining a welcoming environment with customized service.

425

physical stores

and an integrated digital platform offer our customers an integrated and fluid purchasing journey

CARTER'S

With the exclusivity of Carter's in Brazil, the Guararapes Group is consolidating its position in the baby and early childhood clothing segment. This partnership, marked by strong synergy with Riachuelo's value proposition, offers high-quality products with excellent value for money. The collaboration also contributes to promoting the expansion of the Company's physical and digital channel platform.

FANLAB

Launched in 2022, the brand targets fans of series, books, films, and games, integrating fashion, lifestyle, and geek culture. With an omnichannel approach, it complements the Group's integrated business model and serves diverse audiences through a varied portfolio that includes clothing, accessories, collectibles, home decor, home fashion, and special products for pets. Its exclusive collections from brands such as Harry Potter, Marvel, DC, Looney Tunes, and Free Fire reinforce the brand's commitment to connecting with the passions of its customers.

GUARARAPES FACTORY

The industrial hub of the Guararapes Group, one of the largest textile manufacturing complexes in Latin America and located in Natal (RN), plays a central role in the production of knitwear, clothing, dyeing, laundry, sewing, and customization. With a team of approximately 8,400 employees, this unit is responsible for producing 33 percent of the products offered to our customers and about 50 percent of the clothing items for Lojas Riachuelo in the Women's, Men's, and Children's categories—underscoring its strategic importance across our entire value chain.

E-COMMERCE AND MARKETPLACE

The Group's e-commerce connects physical stores to the online environment, consolidating an operation aligned with the omnichannel concept. This provides consumers with a seamless, integrated, and feature-rich shopping experience. Complementing this integrated model, Riachuelo Marketplace offers partner retailers a robust sales platform, along with additional services such as payment solutions and data protection.

Our integrated business model ensures greater control over the value chain, leading to increased agility and operational efficiency



Financial Institution

MIDWAY FINANCEIRA

Midway Financeira is a comprehensive platform offering financial products and services, fully integrated with the Group's retail business model. In addition to providing cards and personal loans in physical stores, Midway has expanded its operations to the digital environment, offering digital accounts, cards (both private label and branded), as well as loans, insurance, and assistance services. These solutions provide customers with convenience and independence, serving as a vital channel for deepening consumer relationships, encouraging cross-selling, and increasing revenue. In 2024, the Midway app recorded the opening of 1.2 million digital accounts.

Midway Mall

MIDWAY MALL

Located in Natal (RN), the Midway Mall shopping center is the largest retail center in the city, featuring more than 300 stores across 63,000 square meters of area. In addition to being a shopping destination, the mall combines entertainment and convenience in a single space. Our largest store, both in size and revenue, is located there, and the mall also houses one of the theaters supported by Riachuelo.

1.2
million
digital accounts were
opened through the
Midway Financeira
app in 2024

Three logistics centers
— in Guarulhos, Manaus
and Natal — ensure agile
product distribution,
connecting industry and
retail and reaching all
regions of Brazil



Support units

DISTRIBUTION CENTER

The Group's logistics centers, strategically located in Guarulhos (SP), Manaus (AM), and Natal (RN), ensure efficient product distribution to all regions of Brazil. This structure enables customers to rapidly connect production to retail, optimizing our supply chain.

CONTACT CENTER

Located in Natal (RN), the Group's Contact Center is responsible for serving customers of the Riachuelo Card and all of the Company's stores, including transactions related to financial products, card sales, and conducting surveys. The center acts as an important point of contact and support, promoting an integrated experience for consumers.

TRANSPORTADORA CASA VERDE

Casa Verde, specializing in road transport, handles the logistics operations for the Guararapes Group, which also utilizes outsourced partners. With ongoing investments in technology in recent years, the carrier ensures efficient and consistent product delivery to our stores, directly contributing to outstanding customer service.

OWN OFFICES AND PROPERTIES

Three corporate offices — two located in São Paulo and one in Shanghai, China — support the Group's operations. In addition, the Company has a network of 48 stores located in its own properties, totaling 124,600 square meters of sales area. The Group encompasses roughly 723,100 square meters of gross built area across all its properties where operations are conducted.

124,600 m²
in sales area in our own properties, with
infrastructure designed to offer complete
experiences to our customers

Our Factory

Located in Natal (RN), the Guararapes factory is a cornerstone of the Company's integrated business model and a symbol of the value of in-house production seamlessly connected to retail. This unit, together with the sewing workshops that are part of the Pró-Sertão Program (learn more on [page 68](#)), plays a fundamental role in creating jobs in the Northeast, a region that faces significant socioeconomic challenges.

We directly employ more than 8,400 people at the factory. Our impact on job creation in the state is further amplified by outsourced workshops within our value chain, which employ more than 3,100 people across 30 cities in the interior.

8,400+

people work in our factory, consolidating the Group's leadership in creating direct jobs in Rio Grande do Norte

In many of these locations, the clothing industry stands out as the largest creator of formal jobs, offering many workers the opportunity to have their work cards signed for the first time.

The Guararapes factory accounts for approximately 33 percent of the products sold by the Group and around 50 percent of clothing products if we consider Lojas Riachuelo in the Women's, Men's and Children's categories.

When including domestic purchases from suppliers, this percentage rises to 69 percent, representing the share of products sourced within Brazil.

We are continually investing in more efficient technologies and production processes, from the use of more sustainable raw materials to the management of water, waste and chemicals (learn more on [page 52](#)). As part of this effort, in 2024, we held a major strategic meeting for managers and interface areas—Conecta Guara—where we recognized our achievements and established the levers and Objectives and Key Results (OKRs) for 2025, further intensifying our sustainable practices.



With the Guararapes factory, satellite workshops and domestic purchases, 69 percent of our products are manufactured in Brazil



The power of production

The Guararapes factory houses three sewing units that directly employ over 4,000 seamstresses and tailors, with a production capacity of more than 105,000 garments per day. The sewing workshops complement this production, delivering more than 53,000 pieces daily. In total, in 2024, Guararapes supplied 41 million pieces, distributed countrywide.

The facility is equipped with the necessary infrastructure to ensure a safe and inviting atmosphere for all employees, highlighting our commitment to their well-being.

We serve

7,550

meals daily.

We count on

3,215 motorcycles

circulating within the complex, making the operation agile and dynamic.

Our Espaço Saúde health service provides an average of

250

daily appointments.

We trained

480 students

in 2024, through Escola de Costura (a sewing school), in partnership with Senai.

We have a transport system that offers 177 routes and

112 buses

that serve an average of 6,400 factory and Distribution Center employees in Natal.

In 2024, our efforts at the Guararapes factory are centered on two primary focuses that align with our strategic objective to enhance the value of our assets. They are:

- **Increased productivity and growth in apparel gross margin.** This initiative encompasses efforts to elevate the quality as perceived by our customers, solidify the understanding of the factory's core competencies, and implement enhancements in key processes related to productivity. We increased manufacturing volume by 33 percent and improved our operational efficiency by 4 percentage points.

To achieve these goals, we increased our workforce by more than 1,300 people and saw an increase of more than 10 million pieces produced compared to 2023. This growth was accompanied by an optimization in the purchase and consumption of inputs, contributing to the improvement of our operating margin. We are also focused on reducing transformation costs by improving in-house sewing productivity.

- **Development of an integrated plan, aiming to align factory operations with retail demands.** This initiative is designed to enhance the factory's service level, boost the supply chain's responsiveness to market fluctuations, and establish a unified vision between the industrial and commercial sectors.

To accomplish our strategic goals, we have implemented Sales & Operations Planning (S&OP), a process that enhances the information flow and operations between the retail sector and the factory. This tool will be integrated into the Sales and Operations Execution (S&OE), thereby further enhancing the execution of our strategic planning. To date, these approaches have already delivered significant improvements in our operating margin, raised the quality of customer service and reduced stockouts.

Furthermore, the initiative integrates a series of strategic actions designed to structure the supply chain, enhance production planning and control, optimize inventory management, and boost responsiveness to consumer demand. Furthermore, the implementation of innovative technologies and systems supports the entire supply chain, making our operations more efficient and agile.

The Guararapes factory grew production by 33 percent and hired more than 1,300 people, focusing on increasing asset value, operational efficiency and greater integration between industry and retail



Our Threads

For 77 years, Riachuelo has maintained its cultural essence, continually evolving to inspire Brazil through fashion and open up new possibilities. Our history is intricately woven by the values that define us—known as Our Threads—embodying our ambition to grow, the simplicity that yields results, the talent that fuels high performance, and the belief that success is a collaborative effort. Driven by restlessness, we continue to strengthen this web, connecting people, dreams and opportunities to transform the future.

Our Threads are part of a cultural evolution movement that began in 2024, an outcome of the Company's strategic transformation, which began the previous year. More than a change, this initiative reaffirms and strengthens our identity, built over almost eight decades. Developed collaboratively, this initiative involved the participation of over 3,000 team members.

The aim of this evolution is to establish a strong and vibrant culture where our values guide our daily activities, influence strategic decisions, and strengthen relationships with our stakeholders. This continuous movement is built by everyone, promoting an environment of learning and innovation, with the desire to be the best fashion company in Brazil.



“Our Threads” marks the Group’s cultural evolution to inspire Brazil and create opportunities through fashion. With more than 3,000 employees involved, the movement strengthens an identity built over almost eight decades of history



Our Threads

Fashion that Inspires Brazil:

Every day we build a company that creates possibilities.

Desire to grow:

We make big dreams come true.

Simple is amazing:

We focus on what generates results.

Talent is achievement:

We build high performance daily.

No one does it alone:

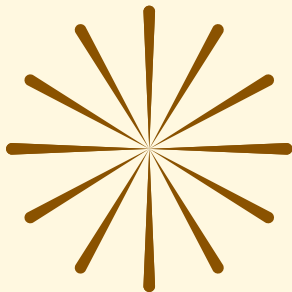
We have commitments to all our partners.



Fashion that inspires Brazil

Every day we build a company that creates opportunities

- I understand the customer’s desires and take care of their experience from start to finish.
- Performance is non-negotiable, balancing short and long term.
- I work for a delightful product and a brand that makes me proud.
- I contribute to environmentally responsible fashion that transforms lives.



Desire to grow

We make big dreams come true

- I have the courage to test and learn.
- I take care of it as if it were my own company.
- I use my creativity; I look for innovative ways to generate impact.
- I see the glass half full and I remove barriers.

Simple is amazing

We focus on what generates results

- I do what moves the needle.
- I make decisions with the customer in mind.
- I structure the whole before doing my part.
- I communicate “what” and “how” in a structured way.

Talent is achievement

We build high performance daily

- I want good people on the team.
- I give constructive feedback.
- I seek references to keep learning.
- I value building with diverse people.

No one does anything alone

We have commitments to our partners

- I set the organization into action.
- I argue as if I were right, I listen as if I were wrong.
- I take care of our employees and relationships.
- I help to make the journey light and fun.



Presence in Brazil

Total stores: 425



Generation of value

By adopting a business model that encompasses Manufactured, Natural, Human, Intellectual, Social and Relationship, and Financial capital, the Guararapes Group aligns with the recommendations of the International Integrated Reporting Council (IIRC). This approach underscores the importance of a holistic vision for sustainability. The effectiveness of this integration is monitored through indicators that allow the Company to assess both its financial performance and its socio-environmental impacts.

Each of these capitals represents a stock of value that can be increased, decreased or transformed by business activities. Focusing on the integrated management of these resources allows the Company to adapt and prosper, being able to respond quickly and assertively to changes in the internal and external environments. This systemic approach aids in steering the Company's future strategies, concentrating on mitigating negative impacts and generating long-term value for all stakeholders.

Managing these six capitals enhances the Group's capacity to generate long-term value, minimize negative impacts, and swiftly address internal and external challenges



Business Model

Inputs



Financial Capital

- Revenue generated by retail, industry, finance and e-commerce
- Financing and reinvestments
- Taxes, fees & contributions, expenditure



Manufactured Capital

- Infrastructure
- Factory
- Logistics and Distribution Centers
- Machinery and equipment
- Physical stores



Intellectual Capital

- Technology
- R&D Projects
- Innovation in Circularity



Human Capital

- Job creation



Social and Relationship Capital

- Relationship with customers, suppliers and resellers
- Community relations
- Supplier chain management
- Brand and reputation management



Natural Capital

- Use of more sustainable raw materials
- Responsible waste management
- Technologies with lower environmental impact

Impacts/outcomes



Financial Capital

- Increased profitability and sustainable growth
- Capex
- Positive cash flow
- Debt reduction



Manufactured Capital

- Infrastructure expansion
- Factory productivity
- Inventory optimization
- Logistics efficiency
- Energy efficiency



Intellectual Capital

- Development of technologies for operational efficiency
- Digital transformation
- Organizational development
- Circular Collection



Human Capital

- Inclusion of women in leadership positions
- Training and Qualification Programs
- Investments in quality of life and benefits



Social and Relationship Capital

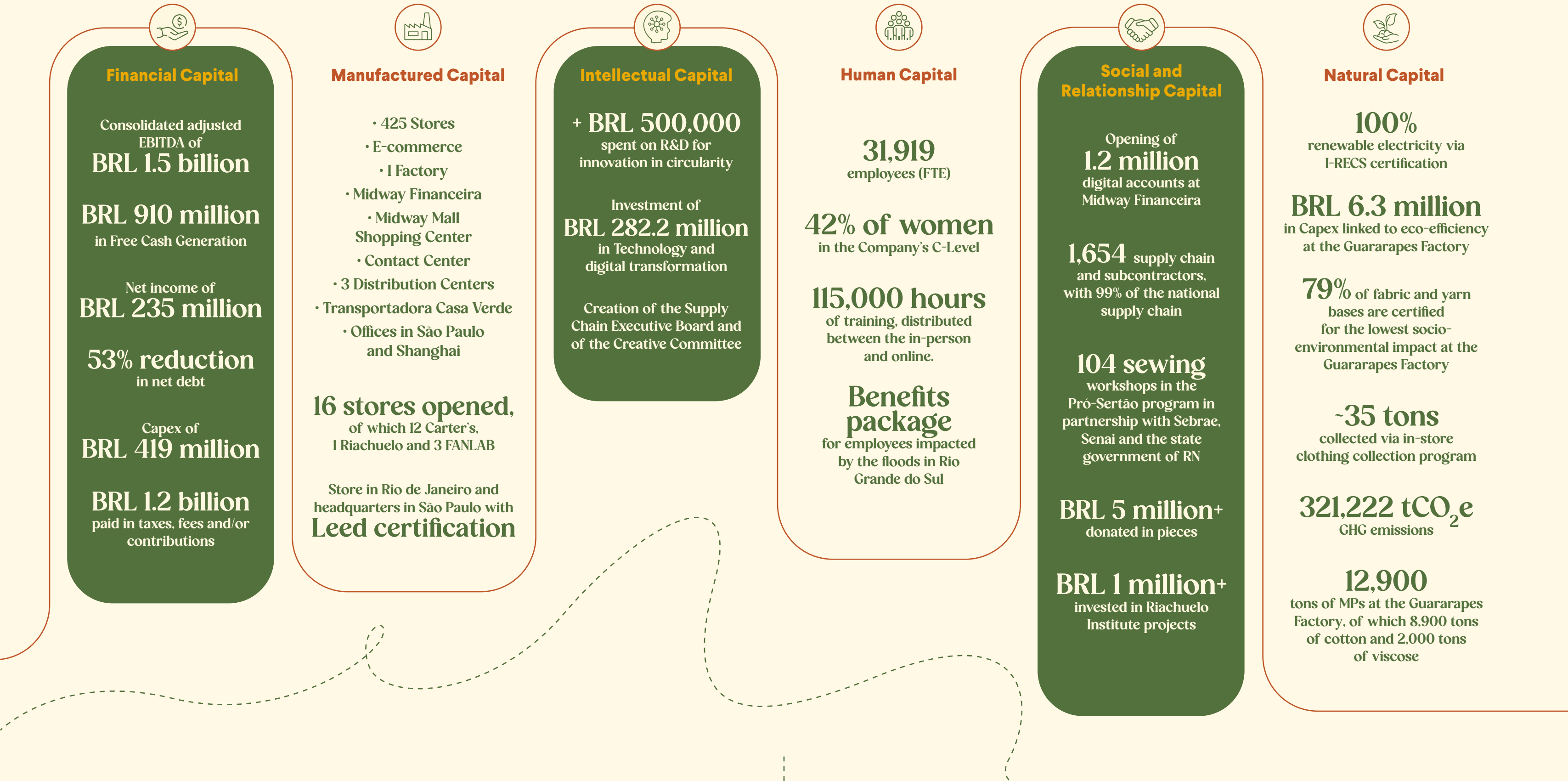
- Strategic partnerships
- Social investments and donations
- Positive impact on communities
- Strengthening of the brand's reputation



Natural Capital

- Reduction of GHG emissions
- Reverse logistics and circularity
- Textile recycling, reuse and repurposing of waste





Strategic Priorities

In 2024, we continued our transformation journey, guided by four key pillars that were established following a comprehensive analysis of processes. This analysis illuminated growth levers and key initiatives aligned with our strategic priorities. At the heart of this journey is our commitment to the Company's sustainable growth, always placing the customer at the center of our decisions. This process drives innovation and adaptation, ensuring that necessary changes are implemented to align our operations with challenges and opportunities.

1. Obsession for the product:

Focus on bolstering the value proposition in clothing by expanding our range of fashion products and elevating the brand's relevance in basics and jeans, as well as catering to various styles and occasions. The objective is to consistently be the first purchasing choice for our customers.

2. Democratize access to fashion:

Commitment to the continuous improvement of mix and store segmentation strategies, as well as to pricing optimization. Guided by active listening to our customers, which is always at the heart of what we do, we seek to meet their needs more effectively.

3. Valuing our assets:

Intensification of the integration among factory, retail, logistics and financial operations, creating a more proactive, efficient and connected chain, in addition to exploring the potential of the verticalized structure to maximize value generation.

4. Operational efficiency:

Enhancing process efficiency involves optimizing store supply through more effective initial allocations and precise replenishments, thereby ensuring high product availability for our customers. This includes reducing and improving inventory management, as well as optimizing working capital. We also seek to increase cash generation and reduce leverage, aiming for a more sustainable and balanced operation.

Customer at the Center

Each piece we produce at the Guararapes Group celebrates what is most special about our customers, capturing the authenticity and diversity of the lifestyles found across the various regions of Brazil. We select raw materials, fashion creations, and production processes that are more responsible, investing in innovation to deliver a captivating shopping experience both in our physical stores and through our digital channels.

Our mission is to put our customers' wishes at the center of our actions and decisions. We are dedicated to advancing a more inclusive omnichannel approach, enhancing our customer service, and democratizing sustainable fashion.

In 2024, we evolved with more business intelligence, customer focus and a more efficient purchasing journey

Product connected to the customer journey

To improve excellence in customer service, we created a commercial operations area focused on understanding customer needs. Consisting of 60 professionals spread across Brazil, this team's primary objectives are to execute commercial strategies directly in stores and provide continuous feedback to the headquarters. This includes information on product performance, trends, and market practices.

This system facilitates faster decision-making adjustments by our buyers, product managers, stylists, and supply and logistics teams, ensuring that our product offerings consistently align with customer expectations.

The year 2024 also marked the introduction of the "Customer Squad" program, featuring five missions aimed at delivering a more welcoming and efficient shopping experience: maintaining clean, organized, and well-lit stores; emphasizing products through winning displays; offering personalized, eye-to-eye service; ensuring cashiers operate with minimal queues and friction, and strengthening team capabilities. In each initiative we seek to simplify processes and facilitate the implementation of corporate strategies.



TECHNOLOGY IN STORES

As a key component of our digital transformation and integration efforts, we successfully implemented RFID (Radio Frequency Identification) technology across all our stores in 2024. Utilizing this technology, every item is tagged with a label that can be read via radio frequency. This enhancement allows for greater inventory accuracy in stores and increases efficiency in product replenishment.

Additionally, we are planning to implement new points of sale designed to be more agile, thereby enhancing our self-checkout system.



Innovation and Digital Transformation GRI 3-3

In 2024, we restructured our technology team and invested approximately BRL 500 million in technology and digital transformation. This investment expanded our capabilities and brought technology closer to our business operations through the adoption of new systems and data structures.

The Guararapes Group is investing in the use of data to improve the quality of decisions and planning. To do this, we reinforce the entire central data structure, in addition to fostering an analytical culture that supports strategic decisions in each area.

Five focuses guide our evolution in data: Customer Relationship Management (CRM), supply chain coordination, commercial management, Midway model evolution, and e-commerce growth.

In 2024, together with the evolution in data, we implemented a new CRM platform. This aims to provide more assertive, customized and timely communication for our customers. We use this tool to optimize campaigns, act on purchase frequency and customer retention.

Within the supply chain, we have made progress in implementing technologies that increase process visibility and allow for

greater assertiveness in demand forecasting, resulting in more efficient supply.

Regarding commercial management, we established a pricing area that emphasizes testing and data analysis to achieve more dynamic pricing strategies. We have already achieved significant results in reducing demarcations. We also collaborated with a specialized consultancy firm to review our methodology and collection planning tools. These initiatives resulted in a reduction in collection surpluses, a decrease in stock and more assertive demarcations.

At Midway, we emphasize the sophisticated use of data, conducting tests with Artificial Intelligence (AI) for direct consumer negotiations and enhancing efficiency in customer service. Additionally, we employ machine learning techniques for informed credit decision-making.

BRL 282 million

invested in technology and digital transformation have improved data-driven decision making



E-COMMERCE

In 2024, we centralized the management of our e-commerce operations and implemented a virtuous cycle that attracted more consumers, increased purchase frequency, enhanced service levels, and strengthened customer retention. These changes were bolstered by internal restructuring efforts, including the implementation of a squad technology model. This approach focused on high-impact projects and fostered agility in communication between teams. Additionally, we have formed an internal team dedicated to campaign management.

In terms of data, our e-commerce is advancing with a focus on democratizing data access, structuring a data lake, and applying artificial intelligence. These efforts aim to facilitate faster and more accurate decision-making. An example of this evolution is the creation of a roadmap designed to deepen our analysis of sales attributions to campaigns, as well as integrate data from sales transitions. This initiative supports the development of more effective performance media strategies.

As a result of these processes, the number of visits to our platform increased by 18 percent over the year, while the conversion rate grew by 13 percent. This is due to improvements in user experience, which provided more fluid navigation and reduced friction in the purchase completion process.

We also revamped our omnichannel model, resulting in a reduction in cost per order and an increase in the efficiency of both deliveries and in-store pickup. The enhanced quality of the customer experience is evident in an increase in our Net Promoter Score (NPS) from 59 to 73 over the past two years, alongside a reduction in call volume to our call center. Looking ahead, we envision an increasingly seamless journey for our customers, with refined integration across all of our assets.

In 2024, we advanced our e-commerce platform to provide a seamless customer experience, resulting in increased conversion rates and reduced operating costs



Our strategic positioning aims to ensure the Company's longevity and generate value for employees, customers, shareholders, suppliers and communities



Corporate Governance

GRI 2-9

Guararapes Confecções S.A. has been a publicly traded company listed since 1970. Our corporate governance model strives to harmonize tradition with innovation, emphasizing management's dedication to integration and efficiency within our integrated business model. This approach is reinforced by practices that promote transparency, ethics, and integrity. The shareholding structure consists of 82.76 percent of shares owned by controlling shareholders and 17.24 percent in free circulation, amounting to a total of 499.2 million exclusively common stock. Our shares are listed in the Novo Mercado segment of the Stock Exchange (B3), the highest governance segment, which brings together companies recognized for adopting standards and rules that increase transparency, which encourages investor attraction.

Additionally, the Company publishes the Corporate Governance Report, which details its alignment with the practices recommended by the Brazilian Corporate Governance Code. It also adopts the principles outlined in the Code of Best Corporate Governance Practices by the Brazilian Institute of Corporate Governance (IBGC), all rooted in principles of ethics and integrity.

In 2024, the Group once again solidified its recognition in ESG practices by being nominated, for the third consecutive year, to be part of the B3 Corporate Sustainability Index (ISE) portfolio. This achievement highlights the company's progress in ESG practices, driven by investments in innovative solutions for more sustainable fashion production. This strategic positioning aims to ensure the Company's longevity and generate value for employees, customers, shareholders and communities.

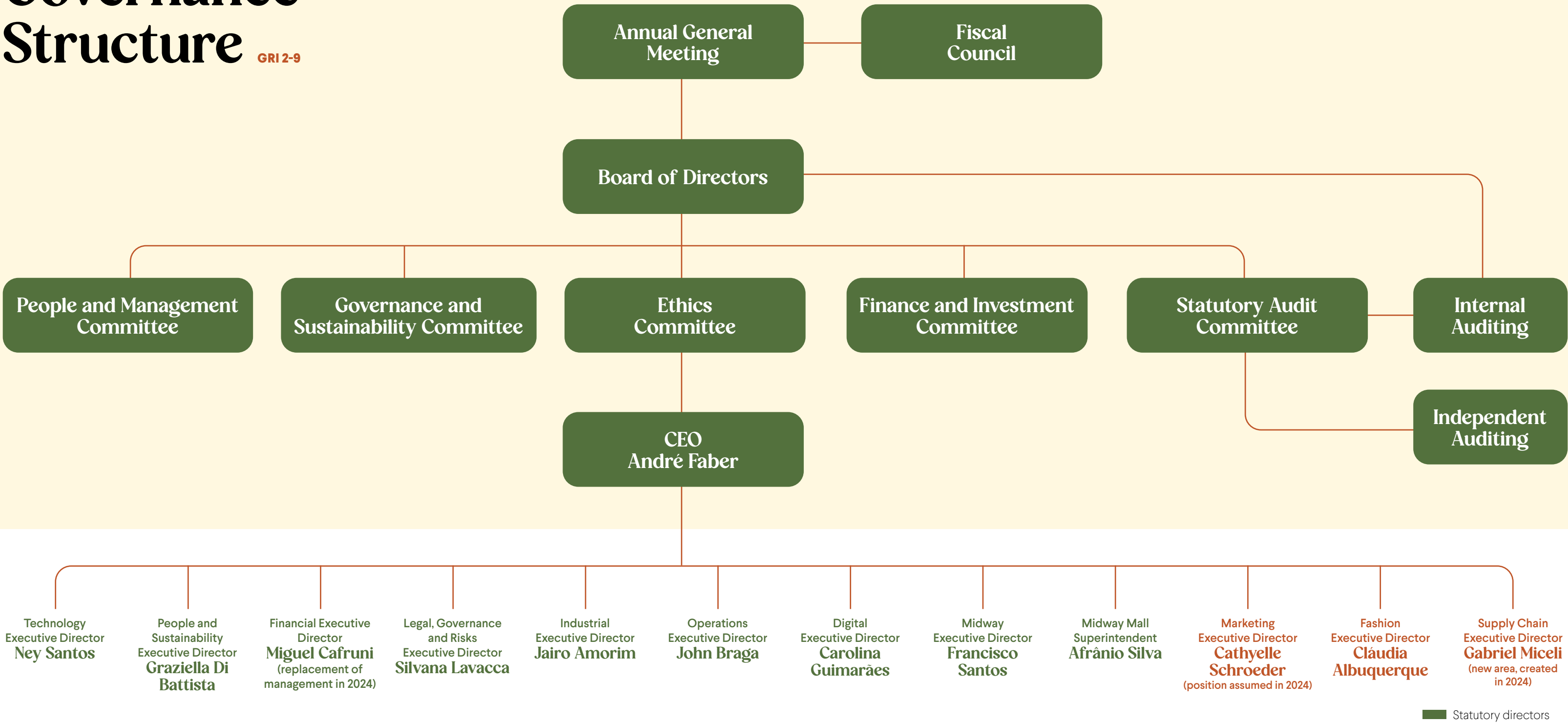
Click here

More information about the Group's shareholding structure is available on the **Investor Relations** portal.

Governance

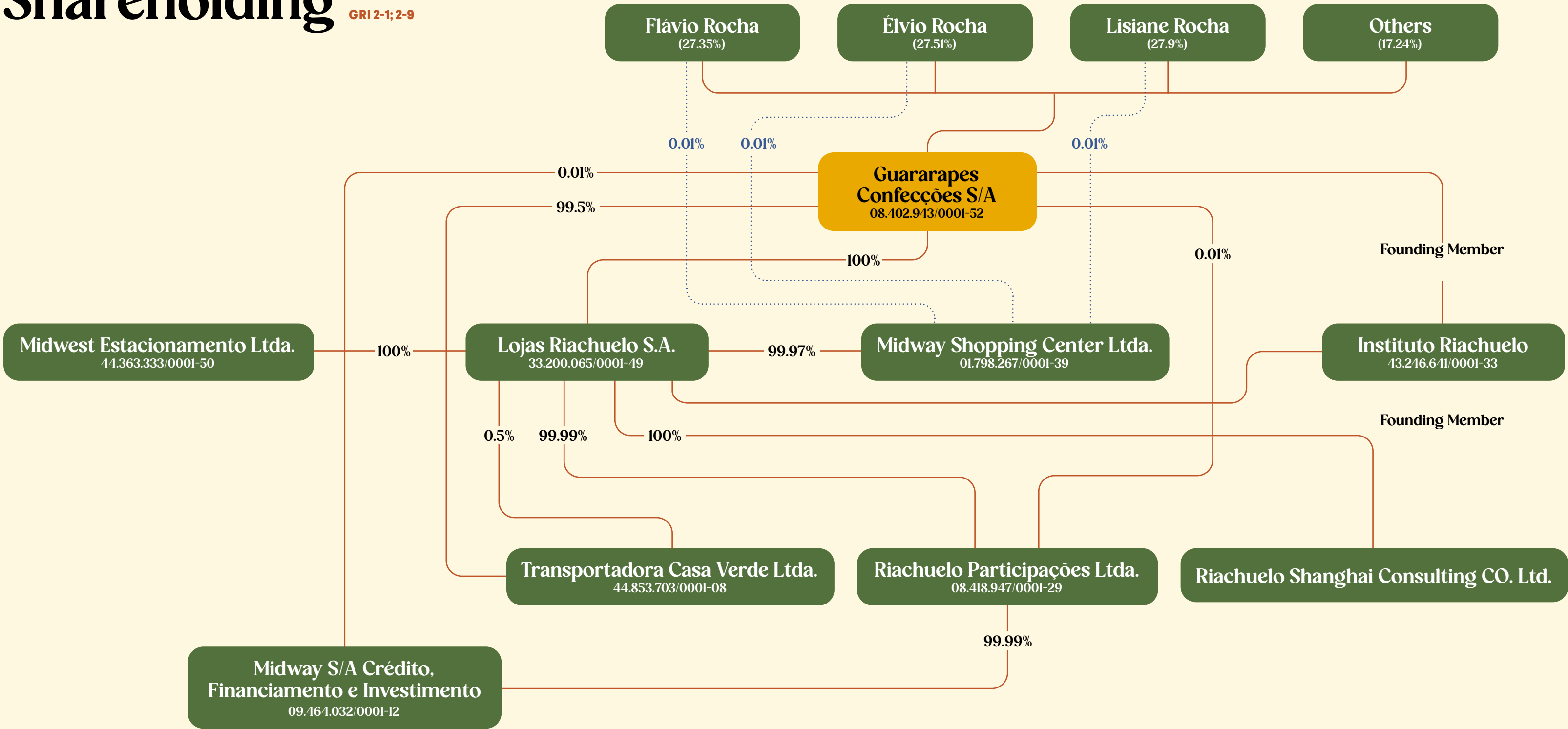
Structure

GRI 2-9



Shareholding

GRI 2-1; 2-9



General Meeting

In 2024, our Extraordinary and Ordinary Annual General Meeting was held exclusively in a digital format, ensuring equal participation for all shareholders, regardless of location, and promoting greater accessibility and transparency in the decision-making process.

Following best corporate governance practices, we call our meetings at least 30 days in advance. To support investors, we provide a complete and objective Proposal and an Assembly Manual, allowing shareholders to evaluate the agenda and make informed decisions.

We adopt the best corporate governance practices and are recognized for them. Our shares are listed on B3's Novo Mercado, which brings together companies with robust governance practices



CEO:
Flávio Rocha



Vice chair: Élvio Rocha



Lisiane Rocha
(member)



Maria Aparecida
Fonseca (independent
member)



Ivo Luiz Vieitas
(independent
member)

Board of Directors

GRI 2-10, 2-11, 2-12, 2-14

The Board of Directors is responsible for setting the Company's strategy, overseeing its operations, assessing performance and reporting, and ensuring business sustainability and value creation. It appoints the Executive Board, defines strategic guidelines, manages risks, and ensures compliance with policies, laws, and regulations.

Composed of three to nine members, with at least two or 20 percent—whichever is greater—serving as independent directors, in accordance with the requirements of the Novo Mercado Regulation. Nominations prioritize diversity and complementary experiences for informed decisions. Senior management must include at least two women, one of whom must be an independent director.

The selection and appointment of directors follow the guidelines of the Director Appointment Policy, approved in 2019 and revised in 2024. Reelection is based on periodic evaluations that consider performance, experience and attendance. To ensure strategic governance, no member holds an executive role or represents any stakeholder group.

With support from the Sustainability and Governance Committee, the Board monitors the Company's environmental, economic, and social impacts. In 2024, it contributed to defining the company's materiality, addressing topics such as climate transition, circularity and the use of more sustainable products, reinforcing its commitment to continuous updating in sustainability.

ASSESSMENT PROCESS

GRI 2-18

The Group conducts an annual independent evaluation of the performance of its highest governance body in overseeing economic, environmental, and social impacts. The process involves self-assessment, decision-making and corrective action reviews, structured feedback from the chairman, and the development of action plans.

The Board of Directors conducts an annual assessment of its performance as a collegiate body and of its committees, seeking a high level of specialization. However, there is no individual evaluation of the members or the president.

For this process, the Company may rely on a specialized consultancy, but, in 2024, it chose to conduct it internally. The assessment was done through questionnaires that addressed governance, business strategy, risk management, organizational culture, ESG and the dynamics of the Board's performance.

Fiscal Council

The Fiscal Council is established at the request of shareholders and is composed of three to five members, with their respective alternates.

Its main function is to monitor, provide recommendations, review, and issue opinions on the management report and matters to be presented at the Annual General Meeting.

The current composition of the Fiscal Council was approved at the 2024 Ordinary Annual General Meeting (AGM), with a term of office running until August 2025.

Members:

Chairman: Murici dos Santos
Full members: Eduardo Yamaguchi and Gilberto Imuzida
Alternates: Alberto Jorge da Costa, Peter Edward Wilson, and Eugênio Dias de Oliveira

Statutory Board

GRI 2-10, 2-12

The Company has a Statutory Board composed of three members: the CEO, the Financial and Investor Relations Officer and the Industrial Executive Officer. The selection of the Chief Executive Officer considers their ability to lead the company's operations while adhering to the strategic guidelines and risk limits approved by the Board. For other directors, experience and skills related to their areas of activity are required.

In the other companies of the Group, there is a team of Statutory Executives, which includes three women, reflecting our commitment to diversity within the leadership structure. The main responsibilities of this team include formulating policies and goals, allocating resources efficiently, monitoring performance indicators, and fostering an organizational culture rooted in ethical and responsible practices. Furthermore, this group ensures that sustainability guidelines are incorporated into strategic planning, ensuring transparency and adaptability to global and local demands related to the topic.



Corporate Policies

Guararapes Group's corporate policies are available on the Company's [Investor Relations portal](#), including:

- Code of Ethics and Conduct
- Director Appointment Policy
- Indemnity Policy
- Policy on Disclosure of Relevant Acts or Facts and Trading of Securities
- Risk Management Policy
- Related Party Transactions Policy
- Environmental Policy
- Diversity and Inclusion Policy
- Sustainability Policy
- Social Investment Policy
- Management Remuneration Policy
- Profit Allocation Policy



Commitees

STATUTORY AUDIT COMMITTEE

GRI 2-10

This is an advisory body linked to the Board of Directors, consisting of at least three members, with at least one independent member and one specialist in corporate accounting. None of the members may be a controller of the company, a director, or have a subordinate relationship with the controlling shareholders or companies within the Group.

This Committee oversees the internal audit's work, reviews the independent audit's findings, including financial statements, internal controls, and corporate risk management. Any critical communications identified by the committee are forwarded to the Board of Directors for appropriate treatment.

In addition to the Audit Committee, the Board may create other committees with specific objectives. Committees not provided for in the Bylaws may have three to ten members, elected by the Board of Directors.

Members:
Coordinator and specialist in corporate accounting matters: Marcello Pacheco
Full member: Corinto Arruda
Full independent advisor: Ivo Luiz Vieitas



GOVERNANCE AND SUSTAINABILITY COMMITTEE

GRI 2-13, 2-17

The Governance and Sustainability Committee supports the Company's adherence to best corporate governance and sustainability practices, as well as the advancement of the value creation agenda for all stakeholders.

The committee is composed of four members, all of whom are part of the Board of Directors, reinforcing senior leadership's commitment to sustainable governance and the responsible management of organizational impacts.

The Board delegates the management of the organization's impacts to the executive team, which is responsible for developing and implementing sustainability strategies, as well as evaluating and monitoring sustainable performance. The Committee is also responsible for ensuring compliance with regulations and standards, integrating sustainability into processes and operations, promoting stakeholder engagement,

publishing sustainability reports, educating and raising awareness within the organization, and assessing risks and opportunities.

The management of these impacts is reported to the highest governance body through the Governance and Sustainability Committee, which is supported by the People and Sustainability Executive Board and the Legal Governance and Risks Executive Board.

The Committee's meetings take place every two months, with eight meetings having been held in 2024. Among the topics covered, the GHG reduction target set with the Science Based Targets Initiative (SBTi) for 2030, the new materiality matrix, and the replacement of the area's leadership are highlighted.

Members:
Coordinator and independent member of the Board of Directors: Maria Aparecida Fonseca
Lisiane Rocha, Flávio Rocha and Elvio Rocha

The engagement of our senior leadership strengthens governance and ensures the responsible management of organizational impacts



PEOPLE AND MANAGEMENT COMMITTEE

The People and Management Committee supports the Board of Directors in all strategies related to the topic, recommending and proposing alternatives to support decision-making. It is composed of four members, two of whom are members of the Board of Directors. Furthermore, it offers strategic and technical support for the area, seeking the best market practices and adapting to the company's demands.

Members:
Coordinator: Maria Aparecida Fonseca
Elvio Rocha, André Farber and Marcella Kanner

FINANCE AND INVESTMENT COMMITTEE

The Finance and Investment Committee plays a crucial role in supporting the Company's strategic planning, particularly in defining and managing its capital and financial structure. Its performance contributes to assertive decision-making, ensuring the sustainability and growth of the organization in the long term.

Members:
Coordinator: Ivo Luis Vieitas
Miguel Cafruni, Marcella Kanner and Francisco Santos

ETHICS COMMITTEE

Established in May 2024, the Ethics Committee's role is to analyze cases reported through the Reporting Channel that have no precedents and assess reports that could lead to disciplinary sanctions. Additionally, the Committee proposes improvements to enhance the effectiveness and quality of decisions, ensuring the integrity of the company's operations.

The Committee consists of five members, three of whom are permanent: the Chief Legal and Governance and Risk Officer, the Chief People and Sustainability Officer, and the Compliance Manager; and two members elected by the Board of Directors. The terms are for two years.

Members:
Legal, Governance and Risks Executive Director: Silvana Lavacca
People and Sustainability Executive Director: Graziella Di Battista
Compliance Manager: Nelson Malaquias
Members elected by the Board of Directors: João Braga and Jairo Amorim

With a focus on integrity, our Ethics Committee proposes improvements that improve the quality of organizational decisions



Risk Management

At the Guararapes Group, we are committed to protecting the interests of our stakeholders and ensuring the integrity of our corporate governance environment. Our goal is to ensure that all internal controls comply with current regulations, aligned with the guidelines of the Brazilian Corporate Governance Code.

Our Risk Management Policy provides the guidelines for conducting transparent and efficient management. To this end, we have a corporate risk map that supports the Company in developing a strategic, effective, and high-value risk management process, taking into account the key business risks that may impact the execution of its strategy.

In this context, the processes related to risks prioritized by senior management are evaluated using a methodology aligned with leading market practices, such as COSO,

enabling the continuous analysis and review of risks inherent to operations. The process is conducted collaboratively, involving the Internal Controls and Operational Risks areas together with managers from different areas of the company. This way, it is possible to evaluate the risk environment in depth, ensuring the efficiency of internal controls.

The Company conducts integrated and continuous assessments that encompass, in a coordinated manner, the stages of risk identification, assessment, control, monitoring and reporting. This process leads to the development of a risk matrix, categorized by potential impact—both quantitative and qualitative—and the likelihood of occurrence. This flow ensures transparency and promotes a culture of shared responsibility in risk management across the organization.

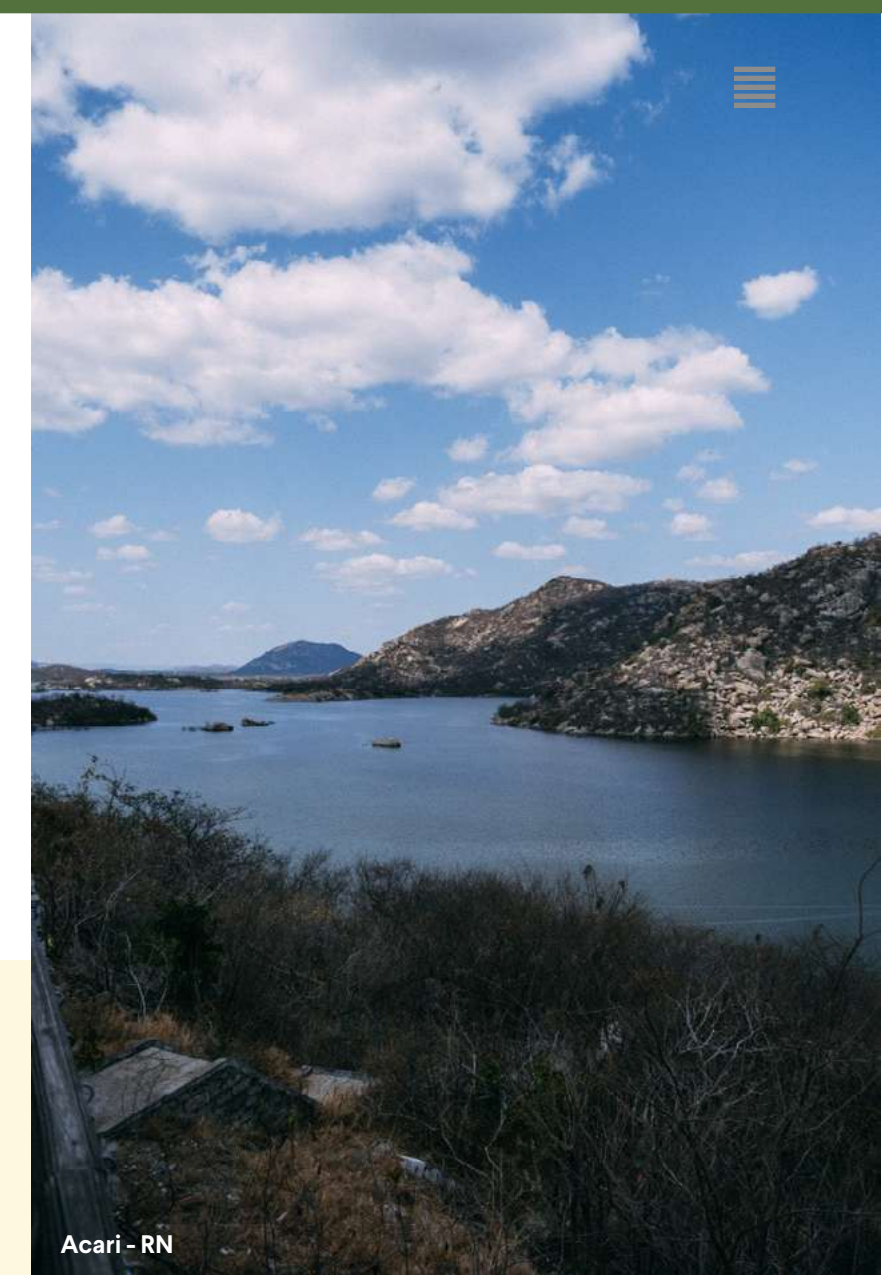
With recognized methodology and integrated action, we prioritize internal controls and promote shared responsibility in risk management

SOCIO-ENVIRONMENTAL RISK

The Company's policy establishes the commitment to employ due diligence in relation to the actual and potential risks of its activities, with a focus on minimizing negative socio-environmental impacts. To this end, it conducts frequent socio-environmental audits and careful analyses. These measures aim, mainly, to ensure respect for human rights and full compliance with labor obligations (see more on [page 75](#)).

At the same time, to manage and mitigate socio-environmental risks, the Company conducts greenhouse gas emissions inventories and water reports, and adheres to the CDP, emissions reduction targets approved by the Science Based Targets initiative (SBTi), management of restricted chemical substances in line with ZDHC (Zero Discharge of Harmful Chemicals), and investments in circular economy practices.

The Company's commitment to the climate agenda is integrated into its business strategy and is directly overseen by the Board of Directors. Initiatives include prospecting for raw materials with a lower carbon footprint and meeting targets set by 2030. In 2024, our Risk Matrix began to include Climate Change and Natural Disasters among the 25 mapped strategic risks.



The climate agenda is integrated into our strategy, with targets for 2030 and oversight from senior leadership

Ethics, integrity and compliance

GRI 2-23, 2-24, 2-26

Our actions are guided by core principles of ethics, integrity, transparency, sustainability, and respect for human rights. We understand that these values are essential to guarantee an integral environment and generate positive impacts on society.

The Guararapes Group has a Code of Ethics and Conduct, approved by the Board of Directors, that applies to shareholders, members of the Board of Directors, Executive Board, Statutory Committees, Advisory Committees to the Board, Fiscal Council, employees, suppliers, and service providers. This code guides all company planning and actions to be based on honesty and respect for human beings, reflecting the company's commitment to ethical and transparent values in all its relationships, as well as integrity in conducting business.

In addition, the Company has Diversity and Inclusion, Sustainability and Social Investment policies, in addition to the Code of Conduct for Suppliers and Third Parties, available on the [Investor Relations](#) portal. These documents are also available through our corporate digital platforms, with special emphasis on our ETC'on e-learning system,

which provides up-to-date training and qualifications accessible to all employees.

The Board of Directors oversees the implementation of these guidelines by setting goals and monitoring performance, ensuring their application across all levels of the organization. These commitments are integrated into organizational strategies through the Compliance Policy, accessible to all employees via Workplace, along with other internal guidelines, training, communication, and ongoing monitoring.

In commercial relations, the Group maintains a careful selection of partners, in addition to conducting periodic audits and assessments of the supply chain. Resale suppliers, identified as higher risk, get specialized training conducted by the Sustainability team, which also ensures compliance with the Code of Conduct for Suppliers and Third Parties.

With the support of the Ethics Committee and the Company's People and Management and Legal areas, the Corporate Compliance department is responsible for monitoring compliance with our Code of Ethics and Conduct.

Our actions are guided by core principles of ethics, integrity, transparency, sustainability, and respect for human rights



Larissa Souza da Silva, salesperson at Riachuelo.

Training

We hold Compliance Week annually, an event in which key topics related to business, ethics and integrity in the Company are reinforced. In 2024, we held the fourth edition of the event, offering lectures, interactive activities and a play called “Jogo Limpo” (Fair Play). The event was conducted in a hybrid format, combining live sessions accessible to all employees with in-person lectures held at different business units.

Additionally, we offer compliance training at several stores in Natal (RN) and at the Guarulhos Distribution Center (SP), aiming to highlight, in an accessible and practical manner, the importance of ethics, respect, and transparency in the company's daily operations. During these sessions, we explore the Code of Ethics and Conduct, the use of the Reporting Channel and the role of each employee in maintaining an environment of respect within our integrated business model.

Reporting Channel

GRI 2-25, 2-26

The Company has a Reporting Channel to ensure integrity in operations and address any negative impacts. This channel is managed by an independent company, ensuring confidentiality and impartiality in the receipt and processing of all reports. Through this channel, employees and business partners can report attitudes that are contrary to the Company's Code of Ethics and Conduct, laws or our corporate values.

The effectiveness of the Reporting Channel is monitored by a management system that generates usage and result indicators. Although stakeholders do not directly participate in the design or review of these mechanisms, whistleblowers can track the status of their complaints remotely, ensuring transparency in the investigation and resolution of cases.

The Channel is available in Portuguese and English, ensuring greater reach and accessibility to relevant audiences. The organization monitors user satisfaction by conducting periodic surveys, such as the corporate assessment conducted in 2024 to measure its perception and effectiveness.

Complaints can be submitted through the following channels:

WEBSITE:
<https://www.contatoseguro.com.br/riachuelo>

E-MAIL:
canaldedenuncias@riachuelo.com.br

PHONE:
0800 055 7611
available 24/7



Conflict of Interest

GRI 2-15

We adopt processes to prevent and mitigate conflicts of interest, ensuring the transparency and integrity of our operations. Our measures include policies and ongoing training on the topic, in addition to the Ethics Committee's role in analyzing potential conflicts. In addition, we ensure transparency through detailed records of all decisions, the isolation of people or parties related to conflicts of interest, in addition to the continuous review of policies and procedures to ensure their effectiveness.

Conflicts of interest are handled internally in accordance with the Related Party Transactions Policy, the Internal Regulations of the Board of Directors and the company's Code of Ethics and Conduct. Administrators and employees are responsible for identifying and reporting potential conflicts, refraining from participating in affected discussions and decisions. If this is not done spontaneously, any collegiate employee who becomes aware of the fact must report the situation, ensuring that the Company's governance applies the established standards of ethics and transparency.

We define a conflict of interest as any situation where there is a potential for personal gain by an employee that may conflict with their professional duties, or with the interests, image, and products sold in the Group's physical stores and digital platforms. An employee or administrator serving as a shareholder, partner, employee, or consultant for a competing company also creates a conflict of interest.

Our documents comply with our Bylaws, our Code of Ethics and Conduct and the laws that regulate the subject, in addition to the regulations issued by the Brazilian Securities and Exchange Commission (CVM), including those related to the Novo Mercado.

During the Annual General Meetings, conflict of interest management is handled in compliance with the legislation, particularly Article 115 of the Corporations Law. This reiterates our commitment to transparency and integrity at all levels, protecting the interests of shareholders.

In addition, we provide the Reporting Channel to report any non-compliance with the Code of Ethics and Conduct, internal rules, laws or regulations, ensuring that these issues are promptly resolved.

Cybersecurity and Data Privacy GRI 3-3

At the Guararapes Group, we prioritize the security and privacy of the personal data of everyone who interacts with our business. Our General Privacy Policy fully complies with the General Data Protection Law (LGPD), ensuring that personal information is handled with the highest level of seriousness and transparency. This guideline also extends to our business partners who process personal data.

We have adopted a series of measures to ensure compliance with the LGPD and protect personal data, including an ongoing LGPD compliance program, privacy clauses in contracts and a Business Continuity Plan, reviewed and tested annually.

We also apply the Privacy by Design methodology to all projects involving the processing of personal data, ensuring protection from conception to execution. We complement these actions with training, courses related to Privacy and Data Protection, policies with guidelines for data processing and supplier monitoring processes.

We have extended our data privacy guidelines to partners, reinforcing security from the source

PREVENTIVE MEASURES

As preventive measures, the company promotes awareness about data security, rigorously evaluates suppliers and maintains a Product Committee to ensure the ethical use of information. In addition to these initiatives, we invest in automating incident responses, preventing fraud and strengthening technological infrastructure for greater protection against digital threats.

The effectiveness of the measures is monitored by security tools, regular audits, incident reviews, training and cyber attack simulations. Satisfaction surveys and communication channels are utilized to gather stakeholder feedback, enabling continuous adjustments to the security strategy. Based on this feedback, the company identified the need to expand automation and invest in new technologies to increase resilience against cyberattacks.

Engaging with stakeholders is crucial to strengthening digital governance. The Group conducts surveys to assess customer and employee perceptions of data security, maintains channels for reporting concerns, and uses these insights to enhance its practices. This continuous monitoring ensures that the company is protected against digital risks and that its strategies meet the expectations of customers, partners and investors.

To guarantee these practices are followed, we employ a certified and highly experienced Data Protection Officer (DPO). This individual not only guides our activities in compliance with current legislation but is also readily available to communicate with data subjects and relevant authorities.

To guarantee the exercise of rights relating to personal data, we provide the Privacy Portal.

[Click here](#) 
to access the **Privacy Portal**



Security Week - Tech Safe

During the 1st Security Week – Tech Safe, held in 2024, employees had the opportunity to deepen their understanding of Information Security. Started in São Paulo, the event showcased the launch of a SOP on passwords, a collaborative initiative that united efforts from multiple teams. The event also featured debates on the challenges of security awareness, along with expert-led lectures that delved into topics such as the risks associated with sharing personal information and strategies for preventing persuasion attacks.

The program featured interactive visits to the Guararapes Factory in Natal, where participants received training on best practices in information security. The event concluded at the Group's Contact Center, where eight classes engaged in dynamic training sessions. Alongside in-person sessions, online lectures provided valuable insights into a variety of security topics.



ESG stra tegy

FASHION THAT TRANSFORMS FASHION	FASHION THAT TRANSFORMS LIVES
FASHION THAT COLLABORATES TO TRANSFORM	FASHION THAT INVESTS IN TRANSFORMATION



In 2024, we enhanced our sustainability journey by proposing a new materiality model. Adopting the dual materiality approach, we now assess both the financial risks to our business and the broader impacts our organization has on society and the environment. This assessment includes evaluating both likelihood and magnitude criteria. This initiative underscores our ongoing commitment to transparency, sustainability, and value creation for all our stakeholders.

To ensure a broad and representative view of the company's challenges and opportunities, the process involved consultation with customers, consumers, employees, suppliers, local communities and the third sector. The methodology included individual interviews, online consultations, document analysis and working meetings. In addition, technical visits were made to the factory, to the sewing workshops of the Pró-Sertão Program, to the Guarulhos Distribution Center, to CCR and to stores in various regions of Brazil.

In financial materiality, the Executive Board, the Board of Directors and the Audit Committee actively participated, ensuring consideration of economic and strategic impacts. Prioritization was guided by criteria including likelihood, severity (considering intensity, extent, and reversibility), and relevance to the stakeholders. Finally, the Board of Directors oversaw and validated the final list of material topics, ensuring strategic alignment and compliance with sustainability guidelines. **GRI 3-1**



The Company's new materiality framework enhances our ESG strategy by integrating risks, impacts, and stakeholder perspectives

Material topics

GRI 3-2

The new list of material topics, developed from the materiality process, reflects transformations in our business strategy and the evolving expectations of our customers and stakeholders.

Following a thorough analysis of the impacts and risks associated with our company's operations, new topics were incorporated, while existing ones were adjusted or removed, resulting in the consolidation of 10 priority themes.



Maria Gildete dos Santos Silva, seamstress at the Guararapes factory, RN

The ten priority topics are:

- | | | | | |
|--|---------------------------------|--|---------------------------------------|---|
| 1.
Supplier chain management | 2.
More sustainable products | 3.
Textile waste management and circularity | 4.
Innovation and technology | 5.
Cybersecurity and data privacy and security |
| 6.
Attraction, development and retention of employees | 7.
Health and well-being | 8.
Local Development | 9.
Diversity, inclusion and equity | 10.
Climate Change |

Incorporated Topics

5.
Cybersecurity and data privacy and security
6.
Attraction, development and retention of employees
8.
Local Development

Topics excluded

Governance, Ethics and Transparency*; Value Generation; Management of non-textile waste**; Water; and Chemicals.

* The Governance, Ethics and Transparency topic was indicated as having some relevance for the stakeholders. However, no positive or negative highlights were identified related to the company's management in this aspect, or strategic demands that would justify its inclusion in the material topics. Additionally, since the topic did not present significant socio-environmental risks or impacts, it was recommended for exclusion from our materiality framework. This decision does not compromise the Company's commitment to ethics and transparency, which is upheld through ongoing monitoring and continuous communication regarding this topic.

** Management of non-textile waste, water and chemicals are no longer addressed as isolated material topics, but continue to be considered in an integrated manner in the topics of more sustainable products and climate change.



Ilda Regia Pereira, embroiderer in Timbaúba dos Batistas - RN.

Our fashion has a purpose

The material topics identified by the Company serve as a guiding framework for our actions in adopting environmental, social, and governance (ESG) practices. These topics drive us towards a new paradigm of production and consumption, prioritizing regenerative, circular, and environmentally mindful processes.

We adopt environmental, social and corporate governance (ESG) principles, criteria and practices, aligned with the six capitals (learn more on [page 24](#)), as an invitation to conscientious transformation. We view fashion as a powerful tool with the potential to create a positive societal impact. This perspective advocates for a new approach to production and consumption, where regenerative and circular processes, along with products that minimize environmental impact, take center stage.

Our ESG strategy aims to balance financial results with positive impacts on the lives of people and communities where we are present, focusing on generating jobs, stimulating socioeconomic development, regenerating lives and ecosystems, in addition to valuing Brazilian culture. We

recognize the importance of mitigating risks and implementing practices that allow the democratization of sustainable fashion, offering products that respect human rights and the environment, as expressed in our [Sustainability and Environmental Policy](#).

We are committed to acting responsibly, seeking technologies and processes that can reduce and eliminate the main known impacts of the textile industry, such as the consumption of natural resources and the generation of waste, with a focus on doing our part in mitigating climate change. We also work with our value chain to combat precarious work in the supply chain, another major risk in the supply of clothing. Since it was founded, the Guararapes Group has also sought fair pricing for its products, to make quality fashion accessible to everyone.

As a company operating an integrated and vertical business model, we have the opportunity to create positive impacts throughout our entire production chain. This begins with the selection of our raw materials and extends through responsible design and production practices, ultimately reaching our customers in the store.



Fashion that Transforms

Fashion that transforms **lives, realities, communities.**

Fashion that **empowers, educates, enables** and **develops.**

Fashion whose clothing is the cause itself: the dream of **employment and income.**

Fashion that is**regenerative** that plants its own cotton and makes it rain in the hinterlands,

That restores the Caatinga and pride in our **Northeastern origin.**

And it goes further. **Reduces impacts,** recycles inputs, it **reinvents itself.**

This is our fashion. The fashion that transforms Brazil, for you.



We are continuously advancing on this journey to embed sustainability into the everyday operations of all our processes. In 2024, we took another step in this direction by reorganizing our ESG strategy, called “Fashion that Transforms,” into four axes that unfold into sustainability pillars. They are:

1. FASHION THAT transforms fashion:

This journey encompasses the creation, production, distribution, sale, and reuse of our fashion items in the most eco-efficient manner possible. Our efforts focus on preserving natural resources, reducing greenhouse gas emissions, and accelerating the circular economy.

Environmental Topics:
Circular economy; Responsible production; and Climate change.

2. FASHION THAT transforms lives:

Focus on turning dreams into achievements, through the generation of employment, income and inclusive human development. This includes initiatives aimed at employees, the local community and society as a whole.

Social Topics:
Our people; Talent attraction, development and retention; Health and well-being; Diversity, Equity and Inclusion; Social Responsibility; and the Riachuelo Institute.

3. FASHION THAT collaborates to transform:

This approach includes collaborating transparently and ethically with our diverse stakeholders to drive the systemic transformation of the fashion industry.

Corporate Governance Topics:
Responsible Supply Chain and Partnerships to Transform Fashion.

4. FASHION THAT invests to transform:

Our focus is on investing in the present and future of fashion to minimize negative impacts and implement practices that benefit both people and the environment. This commitment promotes the sustainable and responsible growth of the Company.

Economic Topic:
Financial and Operational Performance.



Maria Azevedo farmer in Cruzeta - RN

FASHION THAT **transforms fashion**

We craft our products using more sustainable raw materials and innovative processes, which help to reduce environmental impacts and ensure respect for human rights throughout our supply chain.

More responsible raw materials **GRI 3-3**

Our priority is to offer consumers products made from more responsible raw materials, using innovative processes that minimize environmental impacts, with respect for human rights at all stages of our supply chain.

To drive this agenda forward, the Company has structured new guidelines for classifying more sustainable raw materials from 2024 onwards, providing greater transparency and more precise criteria to this process. The raw materials employed in the textile industry were thoroughly analyzed, considering the environmental impact of each material in terms of land use, water and energy consumption, chemical management, and greenhouse gas (GHG) emissions. This analysis also considered best ESG practices and the well-being of both workers and animals.

With new guidelines, we have improved transparency in the criteria for more sustainable products, combining innovation and socio-environmental responsibility



Based on our studies, we have structured a new product classification:

1. Regenerative practices:

Contains at least 60 percent certified organic and regenerative and/or agroecological natural fibers.

2. Circular practices:

Contains at least 20 percent recycled or defibrated natural or synthetic fibers – certified or circularity processes validated by the sustainability team and/or external audit.

3. Certified for lower impact:

Contains at least 60 percent natural, cellulosic, and synthetic fibers certified by processes with reduced impact. This category includes the various certifications of more sustainable raw materials and processes.

4. Conventional:

has fibers that are not regenerative, circular or certified for lower impact. Consequently, these materials fall short of sustainability criteria, necessitating the pursuit of more environmentally responsible alternatives.

The adoption of the new guideline for classifying raw materials is crucial for enabling more informed decision-making. This approach promotes the increased use of sustainable inputs that are aligned with the best socio-environmental practices. This effort aims to progressively reduce dependence on conventional materials.

To support the effective implementation of this guideline, the Group's Sustainability Committee—established in July 2024—is tasked with engaging teams from sourcing, style, marketing, commercial, and sustainability areas to develop solutions

aligned with regenerative, circular practices and reduced socio-environmental impact.

Throughout 2024, we developed several initiatives to promote the use of more responsible raw materials in our product portfolio, in view of this new classification. Here are some examples:

In 2024, the Group reached the 79 percent mark in the use of more sustainable raw materials in its own production



Regenerative practices

Through the Agro-Sertão Program, supported by the Riachuelo Institute, we encourage the reintroduction of cotton farming in the state of Rio Grande do Norte through the production of agroecological cotton (learn more on [page 70](#)). This cotton is cultivated using the dry farming method, relying solely on rainwater and eliminating the need for artificial irrigation. Another characteristic of this crop is the absence of agrochemicals, replaced by biofertilizers and biopesticides, which promote soil and farmer health, support local biodiversity, and aid in the regeneration of the Caatinga biome.

Circular practices:

We produced our first Circular Collection with 5,800 pieces, using around 30 percent recycled yarn in the knitwear pieces and 24 percent recycled fabric in the denim pieces, coming from waste generated in our factory (read more on [page 49](#)). We also produced approximately 900 denim jackets worn by Team Brazil during the opening ceremony of the Paris Olympics, made with 23 percent recycled fibers.

Certified for lower impact

Ninety-six percent of the cotton sourced for our manufacturing processes is certified. This outcome stems from several initiatives, including our partnerships with ABR (Responsible Brazilian Cotton) and Better Cotton (BC), which certify producers based on agricultural practices with lower environmental impact and fairer, safer working conditions. In 2024, we also achieved 71 percent certified viscose in our mill. Certifications cover responsible forest management and use of restricted chemicals.

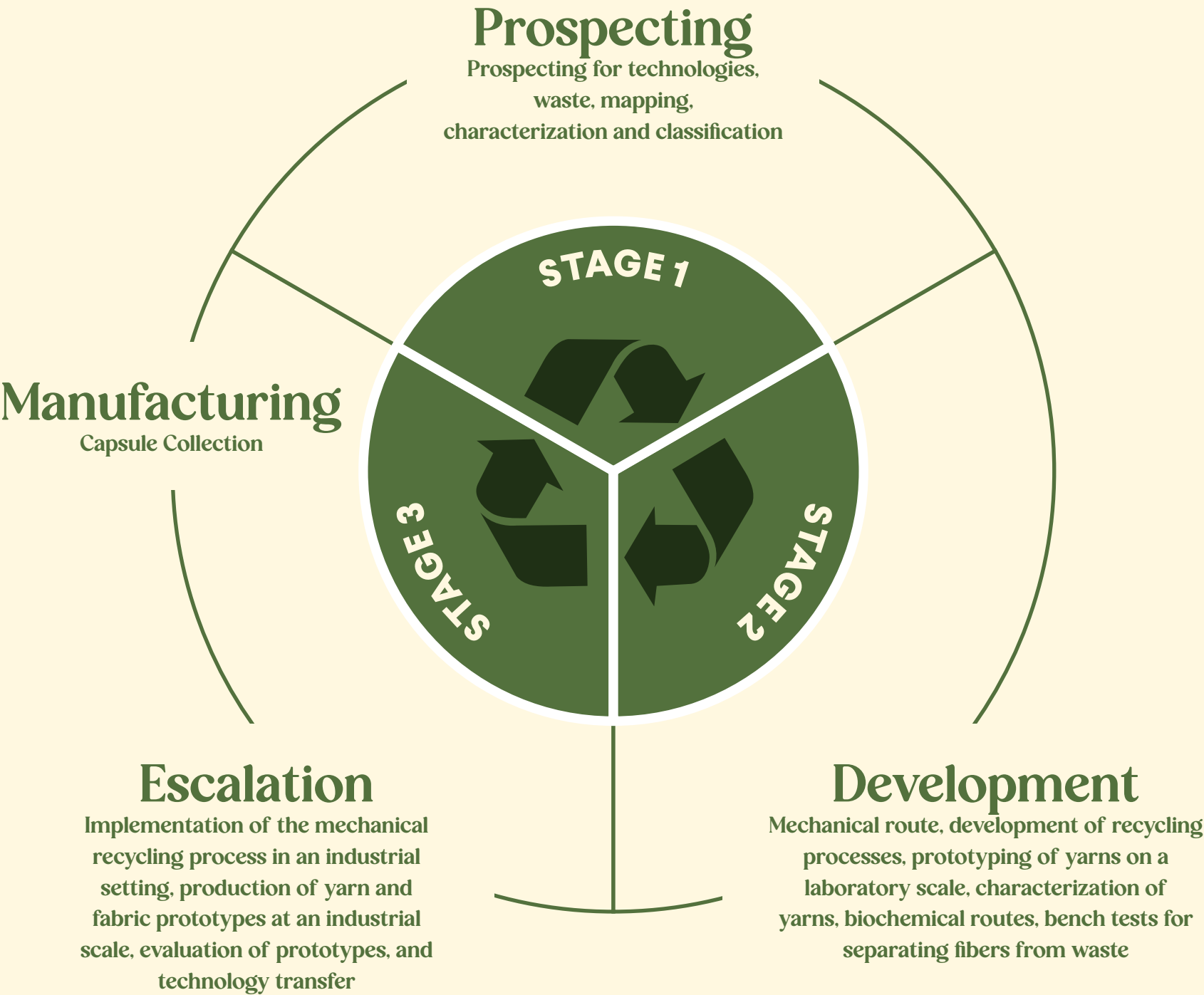
Circular economy GRI 3-3

Circularity is embedded throughout our value chain, from operations to the various stages of the product life cycle. This concept is applied from the conception, design, and production of our collections (see more on [page 49](#)) to the reintroduction of textile waste into our production chain, always aiming to reduce socio-environmental impact.

We understand circularity as a central strategy for the democratization of more sustainable fashion. For this reason, we consistently invest in technologies, research, and development to optimize the use of natural resources and reduce reliance on virgin raw materials in clothing production, prioritizing recycled, recyclable, durable, and renewable inputs.

In 2024, we completed the research and development process for textile innovation in circularity, conducted in partnership with the Institute of Technological Research (IPT), at the University of São Paulo (USP), since 2022.

The project will be divided into three phases:



After testing various textile recycling methods, we advanced to the industrial phase of the project (beginning of Phase 3 in the diagram), applying the recycling process and producing fibers using the mechanical defibration method. In this phase, we created six fabric samples made from 100 percent recycled cotton waste, as tests with synthetic fibers showed low feasibility. Three samples of plain fabric and three samples of knitted fabric were produced, with the following compositions:

Structure	Composition (%)	
	Defibrated Cotton	Virgin Cotton
Knit	12%	88%
Knit	30%	70%
Knit	30%	70%
Woven	30%	70%
Woven	35%	65%
Woven	50%	50%

This collaboration allowed the implementation of recycling processes for waste from our clothing industry, enabling its reinsertion as raw material in the production chain.

Circular Collection

In 2024, we launched our first Circular Collection, the result of the progression of the textile recycling project developed by the Guararapes Group in partnership with IPT. In this collection, over eight tons of textile waste generated in our own factory were reused, emphasizing the importance of closed-loop circularity in the textile industry.

Launched in São Paulo, our Circular Collection got a special activation at the Lollapalooza music festival. The collection was distributed across approximately 40 stores and made available on our e-commerce platform, totaling 5,800 pieces, including jeans and t-shirts. Knitwear contains approximately 30 percent recycled yarn, while denim contains 24 percent recycled fabric.

Building on the experience of producing this pilot collection, our goal for 2025 is to implement a continuous textile recycling system, gradually increasing the recycling of pre-consumer textile waste from Guararapes and further reducing our environmental impact.

In 2024, 3,200 tons of textile waste were generated from the production of 41 million items of clothing coming directly from our Guararapes factory. These figures highlight the importance of implementing circularity at scale, a challenge that requires investment, continuous innovation and integrated strategies.

Our first Circular Collection was made up of pieces containing up to 30 percent recycled yarn. We also produced the denim jackets Team Brazil wore during the opening ceremony of the Paris Olympics, made with 23 percent recycled fibers. In both initiatives, the products contain textile waste generated in our own factory

**5,800
pieces**

**from our Circular Collection
were made available in our
stores and via e-commerce**



FROM DISPOSAL TO TRANSFORMATION

We aim to involve our customers and employees in the circular economy by promoting more sustainable cycles through reverse logistics of post-consumer clothing, a key source of environmental impact in the textile industry. In our Riachuelo stores, our Clothing Collection Program provides collection bins for used items, offering a convenient way for customers and employees to dispose of clothing, extending the life cycle of products or ensuring they are repurposed as inputs for other industries.

The collected clothes are sent to the Civil Society Organization (OSC) Liga Solidária, in São Paulo, where they undergo sorting. The items are repurposed in various ways: some are sold at bazaars, generating funds for the organization's social projects; a portion is donated to vulnerable communities; and the rest is sent for textile recycling, enabling the materials to be reused by industries such as the automotive sector.

Packaging recycling

Riachuelo has established Voluntary Delivery Points (PEVs) in its stores in São Paulo, Rio de Janeiro, Espírito Santo, and Mato Grosso do Sul for the responsible disposal of cosmetic and perfume packaging. This initiative is conducted in collaboration with Puig, a company specialized in the sale of perfumes. The packaging of these discarded items is sent to the Group's distribution centers. At that location, a packaging cleaning process is carried out, facilitating its recycling. The waste generated in this segregation, as well as packaging that cannot be recycled, is disposed of appropriately and sent for co-processing. Puig supports Riachuelo in this reverse logistics, ensuring the recycling of glass and other waste considered hazardous.

We engage customers and employees in the circular economy, driving reverse logistics for clothing to reduce environmental impacts



Result of the Clothing Collection Program: approximately 35 tons of items collected



90%
gained a new life

6%
have undergone textile recycling

4%
were disposed of responsibly

Responsible Production

The textile manufacturing process is an essential step in offering more sustainable fashion. Therefore, we continuously enhance our operations, striving for processes that minimize the consumption of natural resources, such as water and energy, while reducing waste and effluent generation. Each of these aspects is described in the corresponding items of this chapter.

At the Guararapes factory, digital printing stands out among the technologies and processes implemented to minimize our environmental impact. This technology enables direct printing onto fabrics, making it more ecological compared to traditional cylinder printing, as it reduces the generation of polluting chemical waste. We have the capacity to produce up to 13,000 meters of digital print per day, using reactive dyes adapted for natural fibers such as cotton, viscose and linen.

We also utilize washing and dyeing processes for jeans that reduce the use of chemicals and water. In 2024, we brought laser technology to generate the “used” - or worn - effect in a more eco-efficient way. In just three months of implementation, this initiative enabled us to save 500,000 liters of water, reduce chemical product usage by 200 kilograms in our jeans, and to generate an economic efficiency of approximately BRL 42,000 in input costs.

13,000

meters of digital print can be produced per day with dyes adapted to natural fibers

500,000

liters of water were saved with the application of laser technology in our jeans production



In 2024, 11,700 tons of waste were generated, of which 62 percent had a more sustainable destination.

In 2024, the main waste generated in our operations were:

FABRIC SCRAPS:
3,200 tons, 100 percent reused, 73 percent of which was sold as a by-product or recycled, and 27 percent was used for energy recovery.

PAPER AND CARDBOARD:
3,000 tons, 100 percent destined for recycling.

ORDINARY WASTE:
3,070 tons. To mitigate the impact of this type of waste, the company implemented monthly monitoring and launched a project to convert part of it into fertilizer.

Responsible logistics and reuse

Reduction of plastic

Since 2022, we have been developing a program to reduce the use of plastic packaging in our logistics. We are gradually replacing plastic bags with ecobags made from unused fabrics from our factory, providing a sustainable solution for obsolete stock.

Cardboard reuse

Our packaging reuse program aims to boost the reuse of cardboard boxes for transporting products between stores and Distribution Centers, reducing the demand

for new boxes and minimizing waste generation. In 2024, more than 566,000 boxes were reused.

Additionally, the Natal factory has partnered with a supplier to reuse cardboard tubes on which fabrics are rolled. After the product is removed, the tubes are returned to the supplier, generating a discount on the acquisition of new raw materials.

We also developed the “Bobina PDV” (POS Paper Roll) Project, with the aim of eliminating 100 percent of the plastic tubes used to issue invoices in all stores.



Waste Management

GRI 3-3, 306-1, 306-2, 306-2

We recognize that the fashion industry is a major generator of textile and non-textile waste that can have significant impacts on the environment if not treated and disposed of correctly. To address this issue, the Guararapes Group invests in research, innovation, and initiatives focused on monitoring, proper disposal, recycling, and reuse of materials throughout all stages of production.

We implement efficient waste management through a nationally integrated system that ensures proper disposal and traceability through Waste Transport Manifests (MTRs) and Final Destination Certificates (CDFs).

Complementing our efforts, the Guararapes factory has adopted practices such as reuse, waste commercialization, and co-processing, along with process optimization to minimize waste generation. An example is the use of the CLO system, a three-dimensional digital modeling software that helps reduce the need for physical prototypes, material consumption, and scrap generation.

In this process, where approximately 15 percent of the fabric would typically become waste, the system ensures precision and optimization in fittings, reducing losses and eliminating waste during the creation of pilot pieces.

In a circular logic, we sell cuttings generated in our factory to companies approved and registered with the Institute for Sustainable Development and the Environment of Rio Grande do Norte (Idema). This waste is transformed into new inputs that are used in the manufacture of items such as carpets and upholstery.

The company monitors the effectiveness of its actions through indicators of waste and reuse of fabrics. Initiated in January 2025, the factory's Sustainability Committee reinforces the monitoring of the management of circular raw materials and the definition of goals for expanding these practices.

Our circular practices and technologies reduce waste, ensure proper disposal and promote the reuse of materials throughout the entire production chain



Chemicals management

SASB CG-AA-250A.1; SASB CG-AA-250A.2

The use of chemicals plays a key role in the textile production process, particularly in stages like washing, dyeing, bleaching, and customization. However, these products can pose risks of contamination to soil, water resources and people. At the Guararapes factory, our chemical waste management focuses on minimizing these risks, ensuring that the inputs used comply with global sustainability and safety standards.

In 2024, we completed the diagnosis of our Chemicals Management Program, allowing us to identify all restricted and certified inputs used in our own production. We use the ZDHC (Zero Discharge of Hazardous Chemicals) Gateway platform as a reference, which offers a list of certified manufacturers and chemicals, supporting the management of chemical substances in the production process and helping identify improvement areas and opportunities to reduce the use of restricted substances.

It is important to highlight that we comply with Brazilian legislation regarding the use of chemicals. However, our adherence to ZDHC standards demonstrates our commitment to going beyond domestic parameters, adopting measures that result in a more sustainable production chain.

By 2024, we identified that 49 percent of the chemicals used in our industrial production are certified according to ZDHC Level 1. We aim to reach 60 percent in the second quarter of 2025. Out of a total of 18 restricted

chemicals identified through the diagnosis, we concluded, in 2024, the replacement of five products with more sustainable alternatives.

Our next step involves testing our effluents, with the aim of verifying the level of compliance with ZDHC standards.

In addition to our efforts within our factory, we also engage with our supply chain to encourage the replacement of products that are more harmful to the environment with alternatives that have a lower environmental impact.

In 2024, we made progress in the management of chemicals and reduced the use of restricted substances



Water Management **GRI 303-1**

In a scenario of increasing water scarcity intensified by climate change, optimizing water use becomes essential to ensure the resilience of the textile sector in the long term, considering that the production of our raw materials and our industrial processes depend on this resource. Furthermore, part of our operations are concentrated in the Northeast, a region that is at risk of water shortages. Thus, efficient management of water resources is part of our business strategy, through reducing water consumption and diversifying supply sources.

In our raw material portfolio, we use certified cotton of Brazilian origin, cultivated using practices that minimize water usage impact. According to the “Sou de Algodão” movement, 90 percent of the cotton produced in Brazil uses exclusively rainwater.

In addition, we conduct continuous monitoring of water and effluent consumption in 100 percent of our units, including factories, distribution centers and stores, guiding our investments in studies for the implementation of rainwater collection systems and the reuse of our effluents. At our industrial plant, we operate a Waste Water Treatment Plant (WWTP) that ensures all industrial effluents are properly treated before disposal, in compliance with the standards set by environmental licensing agencies.

We aim to reduce the volume of water collected by 20 percent by 2030*, based on 2019 data. To achieve this goal, a water reuse project is underway, which will enable the reuse of part of the effluent treated in our WWTP.

Regarding water disposal, we follow the norms and standards stipulated by Brazilian legislation and the regulations established by local environmental agencies. For example, in the factory, disposal follows the requirements specified in the environmental license, which is guided by the Institute for Sustainable Development and the Environment (Idema). In this way, the company ensures that its processes are aligned with legal requirements and best environmental practices. **GRI 303-2**

Our water management also covers the company's main suppliers in terms of fabrics, yarn and laundries. In 2024, we used the Arca ESG System water management questionnaire to gather and analyze data from 13 suppliers on various topics, including presence in watersheds, water pollutant levels, water consumption, and water management practices. This process allows us to map and identify which suppliers are already adopting water efficiency measures. With this analysis, we can develop effective engagement strategies and plan targeted actions, especially for water stress scenarios.

* target revised in 2024, being linked to our Guararapes Factory, the unit with the highest consumption

100%
of our units undergo
continuous water and
effluent monitoring

20%
is our goal of
reducing the
volume of water
withdrawal by 2030

Energy

Our energy transition strategy focuses on the use of clean and renewable energy sources, combined with processes that promote energy efficiency. Since 2022, we have ensured the traceability of 100 percent of the electrical energy consumed in our operational units through the acquisition of Renewable Energy Certificates (I-RECs). This initiative enabled the elimination of Scope 2 emissions and, consequently, reduced the Company's direct emissions (Scopes 1 and 2) by around 30 percent.

The Group also has an energy transition plan that foresees the replacement of fossil fuels with biofuels.

In our stores, we also adopt eco-efficient processes to promote sustainability. We monitor energy consumption and implement advanced technologies, such as automated lighting and air conditioning systems, LED lamps, and water-saving faucets and toilets, ensuring a more responsible use of natural resources. In 2024, we will invest approximately BRL 1.5 million in these initiatives.

The Riachuelo store in Ipanema (RJ) and our headquarters in São Paulo are certified by Leed (Leadership in Energy and Environmental Design), an international system that recognizes sustainable buildings





Climate change GRI 3-3

The Guararapes Group has made a public commitment to voluntarily reduce greenhouse gas (GHG) emissions and adopt renewable energy as part of its strategy to mitigate the impacts of climate change. These actions aim to address the various types of risks associated with climate change, which may affect both the production of renewable raw materials and the Company's production, distribution and retail operations processes.

In 2024, we took an important step on our climate journey with the approval of our targets for reducing greenhouse gas (GHG) emissions by 2030, as confirmed by the Science Based Targets Initiative (SBTi). For this commitment, we conducted a mapping and estimated all other scope 3 emission categories, complementing scopes 1 and 2, which have been measured by the Company since 2019.

The targets were approved by the Company's Board of Directors in 2023 and validated by SBTi in March 2024. This milestone confirms the alignment of our strategy with internationally recognized standards and methodologies, reinforcing our role as an active contributor to the global transition toward a low-carbon economy and the mitigation of climate change impacts.

Achieving the target established for Scopes 1 and 2 is linked to two initiatives:

- Maintenance of the annual acquisition of I-RECs to ensure the traceability of 100 percent of the electricity consumed by the Company, which has been conducted since 2022.
- Implementation of biomass-powered boilers, replacing the existing natural gas-powered ones at the Guararapes factory.

Our Company's Scope 3 emissions reduction target includes the category of "purchased goods and services," encompassing products and raw materials purchased from third-party suppliers. This process encompasses yarn, fabrics and finished products, and is the category that contributes most to the organization's emissions, representing 77 percent of the total generated.

To reduce Scope 3 emissions, one of our strategies is to expand the use of raw materials with lower emission factors,

ensuring practices with lower socio-environmental impact in the management of natural resources.

In 2024, we also contracted a new platform for managing data, indicators and climate targets, contributing to improving our emissions management aimed at advancing the assumed goals.

To promote and ensure transparency in our climate change management, we responded to the questionnaire of CDP—an organization that operates a global disclosure system for investors, companies, cities, states, and regions focused on managing environmental impacts. In 2024, we achieved an A rating from CDP Climate Change for the first time. In Water Security, we maintained our Leadership Level with an A- rating and advanced to a B+ rating in the Forestry assessment—a questionnaire we began responding to in 2023.



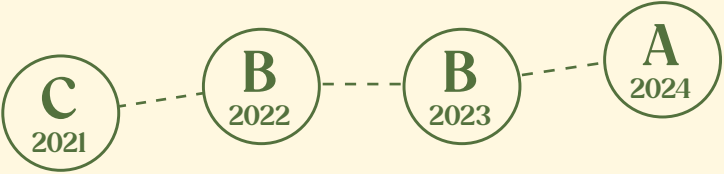
Goals approved by SBTi*

- Reduction of absolute scope 1 and 2 GHG emissions by 46.2 percent by 2030.
- 55 percent reduction in scope 3 GHG emissions related to goods and services purchased per item of clothing and footwear by 2030.

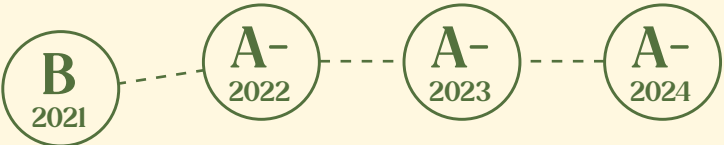
* The targets are based on data from the 2019 base year and cover all operational units in Brazil, except for the theater located in Rio de Janeiro.

EVOLUTION IN CDP

Climate



Water security



Forests



Emissions Inventory

Since 2019, we have prepared our Corporate Greenhouse Gas (GHG) Emissions Inventory annually using the GHG Protocol methodology. In 2024, we included key new Scope 3 categories in the third-party audit, making our inventory more comprehensive. As a result of these ongoing improvements, we were granted the GHG Protocol Gold Seal for the fourth consecutive year, recognizing our commitment to maximum transparency through audits conducted by independent organizations. This tool enables us to accurately map and quantify the main sources of GHG emissions across all our operations, covering our factory, logistics centers, stores, shopping center and administrative offices.

Biodiversity

Mitigating our environmental impacts includes protecting forests and biodiversity. Our certified viscose suppliers, such as Lenzing and Birla, as well as Better Cotton certified cotton suppliers, are committed to conserving endangered forests and High Conservation Value (HCV) areas. The sourcing policies of these companies are supported by global certifications such as FSC and PEFC, Sustainable Forestry Initiative, and Programme for Endorsement of Forest Certification.

With support from the Riachuelo Institute and the Agro-Sertão Program, we promote the cultivation of agroecological cotton across approximately 100 hectares of the Caatinga biome. This initiative contributes to soil regeneration, strengthens local sociobiodiversity and boosts the region's sustainability (learn more on [page 68](#)).

We mitigate environmental impacts with partners who follow global standards to protect forests and areas of high ecological value





FASHION THAT Transforms Lives

We value our history and talents, cultivating pride in producing more sustainable fashion that inspires Brazil.

Antonio Augusto, farmer in Cruzeta - RN.



Our people GRI 2-7

At the Guararapes Group, fashion with purpose is driven by people who embody our values and actively lead the renewal of our culture. We consider it a non-negotiable moral duty to respect human rights, guarantee a welcoming and inclusive environment, and promote the health, well-being and quality of life of our people, ensuring that everyone has the opportunity to develop fully.

Our business platform, diverse and present in several regions of the country, seeks to generate results through the construction of a fairer and more inclusive society. That is why we participate in movements like the Global Compact and observe the United Nations (UN) Guiding Principles on Business and Human Rights.

The Guararapes Group plays a key role as a driver of social transformation, especially through creating of jobs and opportunities, with a focus on the Northeast region of Brazil. Representing 47 percent of our workforce, the Northeast is an area where deficits in health and education are often found. Inspired by the legacy of our founder, Nevaldo Rocha, we are committed to promoting the personal and professional growth of those in our ecosystem by providing training and creating opportunities that transform lives through work.

We ended 2024 with 31,919* Rchlovers—our employees across the administrative area, factory, stores, the Contact Center, and distribution centers—up 13 percent compared to 2023.GRI 2-7

This year, we were once again recognized by the Great Place to Work ranking of the 175 best companies to work for in Brazil.

Employees by region GRI 2-7



* The total of 31,919 employees is expressed in Full-Time Equivalent (FTE), including CLT employees, interns, temporary employees, intermittent employees, directors, and lifetime employees, but excluding affiliates and self-employed workers. The calculation was based on the division of hours worked by 220 for most employees and by 183.25 for intermittent ones.

In 2024, we undertook a transformation process that restores our essence and incorporate new strengths. We have developed pillars that focus on expanding our talent pool and consolidating new capabilities, fostering integration among

areas, transforming the experience in physical stores, and optimizing resources. These initiatives have contributed to the evolution of our culture and efficiency, positively impacting the growth of our business.

Here are some of the initiatives carried out within these pillars in 2024:

We promoted
2,140 Rchlovers,
50% more than
in 2023.

We democratize organizational
information in the digital format,
giving leaders, Business Partners (BPs)
and specialist areas more
autonomy.

We work in change management and in
the development of the organizational
structure, contributing to the
integration
between our factory and
the commercial area.

2,886
employees and created 1,300 jobs
in our factory, resulting in greater
efficiency and productivity.

We have evolved
in our recruitment
processes and implemented
more competitive
benefits.

We promoted
connection and alignment between senior
leadership and business areas, through various
events and communication initiatives.

We strengthened
the culture of high performance.



Attraction, development and retention **GRI 3-3**

Our talent attraction and development processes are grounded in valuing our essence and the vision of continuous improvement, while ensuring that every decision reflects our core values.

With this approach, we advance in our transformation process in 2024, strengthening skills in areas such as communication, supply chain, sustainability and technology. We have refined our selection process to offer specialized service to each business segment.

At the same time, we have strengthened our culture of high-performance through training, increased feedback frequency, and expanded employee recognition, while revisiting the merit cycle.

To enhance our customers' experience in physical stores, we have implemented new part-time contracting formats, providing greater flexibility in workforce allocation across 34 stores.

In addition, we strengthened our integration process between our factory and commercial operations, implementing a new Supply Chain structure, hiring seven strategic positions and 23 tactical ones.

At the Guararapes factory, we prioritized attracting and training talent, contributing to promoting efficiency and productivity (learn more on [page 16](#)). We created more than 1,300 jobs, totaling 3,130 hires in 2024. Additionally, we trained more than 700 versatile seamstresses.

1,300

jobs created in our factory demonstrate our commitment to creating opportunities

700

versatile seamstresses were trained, expanding opportunities and strengthening the production chain

Connections that transform

We strengthened the alignment of the Company's strategies, goals, challenges and results through the monthly "Chat with the CEO" meeting. In addition, we promoted several events designed to reinforce dialogue between leaders and employees, as well as the connection of our teams with the Company's brand, products and social impact projects.

In 2024, we fostered the connection between our talents and the business through debates and training, including a roundtable discussion on digital transformation with Microsoft Vice President Yu-Ting Kuo, a course on Powerful Presentations taught by Bain & Company, and an event where more than 480 employees shared insights from South by Southwest (SXSW), the world's largest creativity and innovation festival. In addition, we implemented our Creative Committee, made up of multidisciplinary and external professionals who work together with Riachuelo professionals.

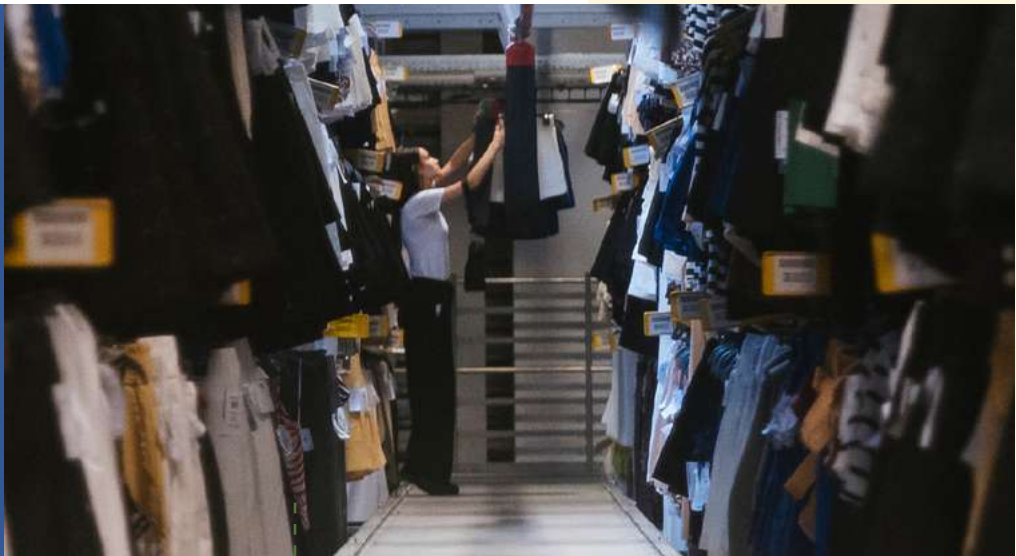
Climate and engagement

In 2024, we conducted our Climate and Engagement Survey aimed at senior employees in administrative offices, reaching an 89.5 percent participation rate, totaling 2,363 participants. This biannual survey guides the development of action plans and has the support of Business Partners (BPs) to implement improvements. Conducted by an external consultancy, the survey directly involved leaders in report reviews and preparation, promoting a learning cycle and the creation of more assertive action plans.

The results demonstrated an increase of 6 points in the Net Promoter Score (NPS) and 9 points in the Leadership Net Promoter Score (LNPS), reversing the decline observed in the previous year. We also saw growth in the average favorability in the Leadership experience (4.1%), Relationship with leadership (4.3) and Employee experience (0.5%) dimensions.

Recognition of our organizational culture and identification with our products remain the most highly rated aspects. Regarding leadership, the support offered by leaders during the changes, equal treatment and appreciation of diversity were recognized. Areas that still deserve attention include aligning leadership with the new organizational culture and expanding development opportunities.

Internal appreciation generated 3,044 promotions and merits among industry teams, stores and distribution centers



Continuous development

To encourage our employees' learning, we emphasize work-integrated learning, promoting continuous development, focused on knowledge relevant to each area.

In 2024, we offered improvement programs, courses, and internal training focused on socio-emotional and technological skills, diversity and inclusion, ethical conduct, information security, anti-money laundering prevention, and compliance with the LGPD. Training covers topics such as leadership, time management, agile methodologies, data analysis, UX design, KPIs, and OKRs, as well as specialized courses like Libras (the Brazilian Sign Language) and Aurora, in addition to mandatory training on security and operational processes.

We support external training, hiring institutions and consultants such as Rocket Set, Alura, Lingopass and Enmoda, expanding development opportunities. We also provide support for career transitions through the Internal Recruitment Program (PRI), Trainee Programs and lateral movements between areas. **GRI 404-2**

Through our Customer Squad Program, we prepare our store employees to transform the customer experience by performing live broadcasts and providing knowledge pills and communication materials throughout the year (learn more on [page 27](#)).

Another highlight was the accelerated hiring and training of over 2,900 seamstresses at our factory, enabling them to achieve full performance in 20 percent less time. Additionally, we have trained more than 700 versatile seamstresses and qualified more than 2,800 employees as Quality Guardians in our industry.



Riachuelo store, in the Ibirapuera Shopping Mall, in São Paulo - SP.

Learning ecosystem

Through our platform, called [etc][®], Ecosistema Transformacional por Competências (Transformational Ecosystem by Competencies), we train talents and accelerate the development of our employees. In this ecosystem, learning takes place through online and offline experiences, as well as through collective and market interactions. The platform integrates proprietary content and collaborations with schools, offering a wide range of topics aligned with the strategic changes of our business. In 2024, the platform made 818 online courses available on various subjects, including ethics, diversity, discrimination and harassment.

In addition, we developed the programs “A Escalada” (The Climb), “Expresso” (Express), “Fábrica de Aviões” (Airplane Factory) and “Navegar” (Navigate), which are structured in seven modules, with monthly meetings. In each class, we address a specific topic, focused on developing practical skills for day-to-day work, such as business vision, process management and conflict resolution.

We also have the Move program, an initiative aimed at accelerating digital transformation, and Monitor, which seeks to expand the analytical capacity of participants. In the technology area, we have a partnership with the Alura study platform, with the aim of

training 200 employees every six months to improve skills and prepare our teams to meet the specific demands of this sector.

Our portfolio also includes the Libras Program, which this year celebrated the graduation of its first national class, training 47 employees, aiming to promote the inclusion of deaf and hearing-impaired professionals. We also highlight the Aurora project, aimed at welcoming and integrating migrants and refugees, which has already benefited 74 people.

We have conducted more than 328,000 hours of training, distributed between in-person and online modalities throughout the Guararapes Group

Emerson Nascimento Marques, salesperson at Riachuelo.



Performance assessment
GRI 404-3

The Company's performance assessments take place every six months through a digital platform, covering eligible employees. Our suite of tools allows for customization of assessments to suit different leadership positions and administrative areas. In 2024, adherence to the performance evaluation process was 98 percent among men and 97percent among women, with the team engaging in 651 hours of activities.

Health and well-being
GRI 3-3; 403-3; 403-6

With a dedication to supporting those who accompany us on our journey, we established the “Abraçamos Você” (We Embrace You) Program. This initiative is designed to embrace employees and their families at various life stages, prioritizing quality of life, preventive measures, and comprehensive care.

The program is built upon several key pillars that deliver physical, emotional, and social support to our employees:

HEALTH SPACE:

Reference outpatient clinic with free care, medical consultations, occupational care, breastfeeding room and referrals to specialists.

MOTHERLY HUG:

Support for expectant mothers and future parents includes comprehensive pregnancy monitoring, dedicated meetings for pregnant women, exemption from co-payment for prenatal care, and guidance on their rights within the company.

HEALTH CAMPAIGNS:

Preventive initiatives encompass exams and vaccinations aimed at fostering awareness and encouraging self-care. These efforts are highlighted through campaigns such as Pink October and Blue November.

ONCOLOGY CARE:

Support for employees facing oncological diseases includes providing essential guidance, emotional support, and continuous monitoring throughout their treatment journey.

TELEMEDICINE BY SPECIALTIES AND PSYCHOLOGY:

A complimentary 24/7 digital service is available, featuring consultations in a range of specialties, access to a virtual emergency room, and an Employee Support Center providing psychological, nutritional, and physical support around the clock.

MEDICATION ASSISTANCE:

Democratization of access to medication, reduction of healthcare costs and encouragement of appropriate treatment.

DISCOUNT ON MEDICATIONS:

Partnerships with pharmacies to provide discounts, thereby promoting self-care and supporting adherence to treatments.

WELLHUB (GYMPASS):

Promotion of physical activity is encouraged through unlimited access to gyms, studios, personal trainers, and wellness apps.

YOUR HEALTH:

Monitoring and follow-up of employees with chronic illnesses and Autism Spectrum Disorder (ASD), with personalized guidance.


EMBRACE:

Support for hospitalized employees, with guidance during hospitalization and follow-up after discharge.

Employees have the convenience of accessing services via the online platform abracamosvoce.com.br, which serves as a centralized hub for information about health programs. Additionally, the internal Workplace channel hosts a dedicated page for the program, ensuring that employees have easy access to information and the benefits provided.

We also promote job rotation to avoid repetitive movements and offer an expanded health plan with nationwide coverage.

The company upholds strict confidentiality concerning employee health information by ensuring data protection through contractual clauses that are in compliance with the General Data Protection Law (LGPD).



Michelle Silva Ávila, employee at the Guarulhos Distribution Center, SP.

“Abrace Qualidade de Vida!” (Embrace Quality of Life!)

Our Contact Center proudly hosted the 10th edition of Viva – Abrace Qualidade de Vida! During a week of activities, our Rchlovers were involved in interactions inspired by the theme “Live the Power of Art,” highlighting art as a powerful tool for self-knowledge. The initiative was designed to promote the personal development and physical and mental well-being of our Rchlovers.

Health and safety **GRI 403-8**

The Company’s Occupational Health and Safety Policy is dedicated to promoting well-being and preventing workplace illnesses and accidents. This is achieved through initiatives that focus on comprehensive employee health, the implementation of safe practices, and ongoing enhancements in health and safety management processes. Additionally, the policy emphasizes raising employee awareness and engagement to foster a healthier lifestyle.

We have implemented an occupational health and safety management system, aligned with legal requirements and regulatory standards. This system covers 100 percent of workers, including direct employees and third parties, with data compiled on the SOC platform.

We have a Specialized Service in Safety Engineering and Occupational Medicine (SESMT), which is tasked with coordinating and implementing strategic actions and relevant training across all our operational units. The activities proposed by the SESMT team, alongside the Health and Safety Management Plans implemented within the Company, strictly adhere to the current Brazilian labor laws. This adherence ensures transparency throughout every stage of the processes.

Benefits **GRI 401-2**

We provide a comprehensive benefits package to all our employees across 100 percent of our operational units, regardless of whether they are working full-time or part-time. Based on a benchmarking survey, we reviewed our benefits portfolio, consolidating efforts to expand the packages offered and promote enhancements. Among the key initiatives are the enhancement of the food/meal voucher and improvements in the health plan, particularly targeted at administrative personnel. These changes were implemented without impacting our expenses, thanks to more efficient management of the existing budget, mainly due to the change in the way the medical plan is managed.

Alongside these benefits, we offer life insurance, a dental plan, a health plan, assistance for disability and invalidity, extended maternity and paternity leave, a private pension scheme, and a stock acquisition plan.

The Collective Labor Agreement ensures the provision of life insurance, offering options for membership or activity-based coverage, in addition to childcare assistance and cultural vouchers. We have also introduced Profit Sharing (PS) for administrative employees at the Guararapes factory and increased the PS benefits for corporate employees.

Our Health and Safety policy ensures well-being, prevention and safe practices in all operating units

Diversity, equity and inclusion GRI 3-3

We perceive fashion as a powerful tool for inclusion, enabling everyone to express themselves in a manner that is fair, equal, accessible, and responsible. With our Code of Ethics and Diversity and Inclusion Policy, we raise awareness and engage our employees, incorporating these values into all decision-making spheres. We aim to foster a respectful, welcoming, and equitable environment, free from distinctions based on gender, sexual orientation, ethnicity, religion, or disability. Our commitment is to ensure that our workplaces support the full development of each employee.

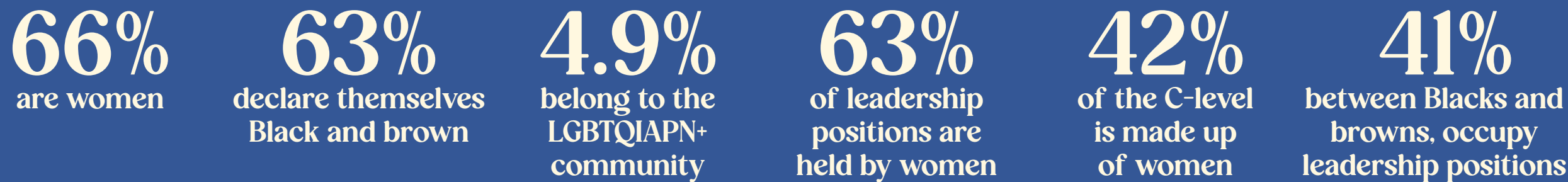
We also provide a confidential Reporting Channel (learn more on [page 38](#)) monitored by the Ethics Committee to receive complaints in cases of violation of our guidelines.

Our roots and robust presence in the Northeast, coupled with the expansion of our operations across the country, help cultivate a diverse, creative, and innovative professional team. This team is dedicated to producing fashion that seamlessly blends trends with sustainability.

Fashion, due to its creative and artistic characteristics, offers fertile ground for us to advance further towards our diversity goals, making our environment diverse by nature. To facilitate this progression, in 2024, we established a specific position devoted to diversity, equity, and inclusion. This role will spearhead, in 2025, the implementation of a Diversity, Equity, and Inclusion Census, the review of our Diversity Policy, and the development and execution of the Group's DE&I strategy and initiatives.



In 2024, out of a total of 31,919 employees:



Commitments and recognition

In 2019, the Company became a member of the LGBTI+ Business and Rights Forum, committing to ten guiding principles that encourage engagement and respect for the rights of this community. In terms of gender equality, the company was awarded the special seal of Women on Board (WOB), an initiative supported by UN Women, which recognizes organizations with the presence of women on their Boards of Directors.



Social responsibility

Dedicated to social transformation, the Guararapes Group has implemented a Social Investment strategy that aligns with its mission to generate value for communities and addresses the material theme of local development. In addition to the structuring projects coordinated through the Riachuelo Institute (learn more on page 65), the Company strengthens its positive impact with volunteer programs, allocation of resources via tax incentive laws, donations and emergency support. Here are some initiatives we introduced in 2024:



Aligned with the purpose of generating social value, we integrate structured actions, tax incentives and corporate volunteering into our strategy

Together for Rio Grande do Sul

In a show of solidarity with the people of Rio Grande do Sul, who experienced the worst flooding in the state in 2024, our stores across Brazil were converted into collection points for gathering donations. In addition to this initiative, we launched our RchloveRS Volunteer Program - Together for RS, which mobilized 40 volunteers and accumulated 204 hours dedicated to this emergency effort.

The following initiatives also stand out:

Support was provided to 51 Group employees directly affected by the disaster through emergency financial aid and advance payment of benefits. Psychological support was also offered to aid in their emotional recovery. Additionally, emergency items such as basic food baskets, cleaning and hygiene products, clothing, and home fashion items were distributed. Furthermore, we donated 19,000 liters of drinking water via the Red Cross social organization.

Direct donation to the community of:

70 mattresses	2,300 Carter's pieces	2,200 liters of water
2.4 tons of clothing	2.3 tons of food and pet food	

Promotion of culture

The Group operates two cultural complexes located in Rio de Janeiro (RJ) and Natal (RN), which are supported by tax incentives provided through the Rouanet Law. These resources are entirely allocated to support Teatros Riachuelo, with the objective of promoting art, culture, and entertainment in the regions where we operate.



Volunteerism

Throughout the year, we coordinated structured corporate volunteering activities, engaging more than 80 employees in initiatives that collectively amounted to 544 hours dedicated to social action. Some of these initiatives included:

TOGETHER FOR RIO GRANDE DO SUL:

In response to the floods that affected the state, our employees collaborated with the Red Cross and our Distribution Center (DC) in Guarulhos. This partnership ensured that the donations collected at our sales points successfully reached the impacted communities. Sorted and organized were:

715

basic food baskets
assembled at the
Red Cross

1.3

tons of clothes separated
at the Red Cross

14.3

tons of clothes sorted
at the Riachuelo DC

READING IS PLAYING:

Seeking to promote education and culture, we undertook two actions aimed at access to knowledge and children's leisure:

- We undertook an educational visit to the State of São Paulo Pinacoteca museum, with 40 children from the social organization Liga Solidária. Our employees worked as monitors during the experience;
- We organized a book gathering campaign across five stores located between São Paulo and Rio de Janeiro, which led to the donation of over 755 books to Liga Solidária.

Donations

We assist populations in situations of social vulnerability by making donations that help to promote dignity. In 2024, the Company allocated over BRL 5.3 million worth of clothing items to partner entities, amounting to more than 147,000 clothing and home fashion items from Riachuelo.



In 2024, the Riachuelo Institute invested more than BRL 1 million in the development of communities in the semi-arid northeast

4,000+

people directly impacted by the Riachuelo Institute



Maria Azevedo, farmer in Cruzeta - RN

Riachuelo Institute

GRI 3-3

In 2021, the Guararapes Group established the Riachuelo Institute, drawing inspiration from the journey of its founder, Nevaldo Rocha, whose roots are in the so-called Northeastern Sertão region. Nevaldo was born in Caraúbas, in Rio Grande do Norte, and, as a child, he had to leave his homeland in search of opportunities. In homage to this legacy, the Institute was founded with the mission of transforming lives through education and the creation of employment and income opportunities, with a particular focus on the sustainable economic development of the region.

The Northeast is home to 28 percent of the Brazilian population and has a high rate of extreme poverty. Although there was a reduction of 2 percentage points in 2023, it still impacts 2.7 percent of the population, according to data from the Continuous National Household Sample Survey conducted by IBGE between 2022 and 2023. The study shows that, among Black women, this rate is 1.9 percent. Moreover, the region exhibits the lowest average income among all regions in the country, with a disparity exceeding 52 percent when compared to the national average. The unemployment rate is

the highest in Brazil, reaching 11 percent, while the national average is 8 percent.

Keenly aware of this reality, the Institute strives to boost the local economy and enhance the quality of life for the communities in which it operates. Since its inception, the Institute has directly impacted over 4,000 individuals and invested more than BRL 3 million in initiatives focused on professional and educational training as well as strengthening the production chain in the Northeast.

Its activities extend across several rural and urban communities in 36 municipalities, where we take on the challenge of expanding formal employment and strengthening initiatives that promote sustainable development.

In addition to supporting sewing workshops, we promote local crafts, encouraging embroidery and other traditional techniques, preserving northeastern culture and generating new opportunities for artisans. We also invest in education and professional training, preparing young people and adults for the job market.

In the field, the Agro-Sertão project boosts the production of agroecological cotton, adding value to the production chain and connecting family farmers to the textile industry. Each signed employment record book, each certified workshop, and each new educational opportunity signifies a meaningful stride towards a more prosperous hinterland, transforming lives through fashion.

BRL 3 million+

in actions aimed at professional training and strengthening the production chain in the Northeast

MAIN AREA OF ACTIVITY OF THE RIACHUELO INSTITUTE



The Riachuelo Institute operates in these municipalities:

Acari, Antonio Martins, Assu, Bodo, Brejinho, Caicó, Carnaúba dos Dantas, Ceara Mirim, Cerro Corá, Cruzeta, Currais Novos, Encanto, Equador, Florânia, Grossos, Ipueira, Jardim do Seridó, Jucurutu, Lagoa Nova, Lajes, Lucrécia, Martins, Messias Targino, Mossoró, Ouro Branco, Parelhas, Passa e Fica, Santa Cruz, Santana do Seridó, Santo Antônio, São Fernando, São João do Sabugi, São José do Seridó, São Vicente, Tenente Laurentino Cruz, Timbaúba dos Batistas



Since 2021, the Riachuelo Institute has invested more than BRL 3 million in the development of communities in of semi-arid northeast

Our pillars

In 2024, the Institute's projects were structured into three pillars, encompassing various aspects of the fashion value chain and human development. The first pillar, Threads, focuses on initiatives aimed at developing sewing workshops in the Northeastern Sertão, with emphasis on the Pró-Sertão project. We also encourage embroidery and other forms of lace, promoting and preserving local tradition and culture.

The Fibers pillar focuses on supporting the production of agroecological cotton, connected to the Agro-Sertão project. Initiatives focused on education and training make up the Weave pillar, which includes the Sesi School, the Sewing School and the Reviver Program, promoting the development of new skills and opportunities for communities.

[Click here](#)
Learn more on [page 71](#)

Pillars of the Riachuelo Institute





Maria da Guia, seamstress at the FL Workshop, in Sitio Cachoeira, Parelhas - RN.

THREADS

Pró-Sertão

In a region where economic opportunities are limited and social vulnerability is prevalent, initiatives focused on inclusive and sustainable economic development are crucial for fostering human development. To achieve this goal, the Riachuelo Institute supports the Pró-Sertão project. This initiative is coordinated by the Federation of Industries of the State of Rio Grande do Norte (Fiern), the Department of Economic Development of RN (Sedec-RN), and Sebrae-RN. The project's aim is to professionalize sewing workshops in the semi-arid region of Rio Grande do Norte.

Sewing emerges as a feasible activity because it requires minimal natural resources, which are scarce in the region. It also facilitates the decentralization of work into small sewing workshops. These ventures can integrate into the value chain of large fashion industries without causing any disruption to production processes.

Pró-Sertão is grounded in social technologies and the Sebrae-RN Productive Chain Program, in collaboration with Senai. It offers training to managers and workers in areas like financial management, people management, and process optimization. The goal is to strengthen this segment of the chain, fostering productive integration and sustainable growth of the enterprises.

The program's results demonstrate its transformative impact on the communities of the hinterland:

- About 90 percent of beneficiaries had their employment record book signed for the first time, representing an important step forward in the formalization of employment.
- By generating formal income, the program has gradually enhanced the purchasing power of beneficiary families. This improvement enables them to acquire new means of transportation, such as bicycles, motorcycles, and cars, along with other enhancements in their quality of life.
- The initiative creates conditions that allow individuals to stay in their hometowns, close to their families, thus helping to prevent rural exodus.
- Of the total number of members, 67 percent are women. Through the program, participants attain financial independence, which also plays a crucial role in breaking cycles of domestic violence.
- Many participating workshops, along with all those partnering with Riachuelo, have obtained ABVTEX certification. This aligns them with best practices and compliance standards within the fashion chain, thereby enhancing their market competitiveness.

104
sewing
workshops
supported in 30 municipalities
in Rio Grande do Norte

3,194
people employed

Approximately
53,000
daily pieces produced, totaling
around 13 million items
made throughout the year

About BRL 100
million were injected into the
sewing workshops through purchases
from the Guararapes factory



Embroidery and crafts

Traditional Seridó embroidery, present in culture for over 100 years, is preserved in an initiative in partnership with Sebrae RN. The Riachuelo Institute supports the group of embroiderers from Timbaúba dos Batistas, promoting improvements in product quality, on-demand production and sales techniques, ensuring the appreciation of this heritage.

Embroiderers from Timbaúba dos Batistas

The embroidered jackets worn by Brazilian athletes during the opening ceremony of the Paris 2024 Olympic Games showcased the richness of the country's fauna, featuring representations of animals such as the jaguar, macaw, and the toucan. These unique pieces were crafted by the embroiderers from Timbaúba dos Batistas in Rio Grande do Norte, who were supported by the Riachuelo Institute to bring this work to fruition.

To create the Brazilian Team uniforms, 80 women from the city's embroidery association took part in the process. They contributed their skills and dedication to crafting pieces that celebrate Brazilian culture and biodiversity. More than 21,900 pieces were also made available for customer acquisition through Riachuelo's stores and e-commerce.



Casa das Bordadeiras, in Timbaúba dos Batistas - RN.

Heading to Paris

During the opening ceremony in Paris, Riachuelo invited a select group of embroiderers who represented the group to attend the event. They celebrated with emotion as they watched the Brazilian athletes parade in the uniforms they helped to create. This moment symbolized not only the recognition of his art, but also the appreciation of Brazilian craftsmanship on the world stage.





FIBER

Agro-Sertão

Agro-Sertão was initiated in 2022 as a project aimed at reintroducing cotton cultivation in Rio Grande do Norte. The region's cotton production had previously been devastated in the 1980s by the boll weevil pest. The initiative results from a partnership between Embrapa Algodão, Sebrae-RN, Fundação Banco do Brasil, and the Rio Grande do Norte Agricultural Research Company (Emparn), with support from the Riachuelo Institute and the region's municipal governments. Together, these partnerships facilitate the revival of cotton farming in the Seridó region, promoting a sustainable production model rooted in agroecology.

Through this initiative, 143 farmers from 15 municipalities work on growing agroecological cotton, without the use of chemical inputs, in consortium with foods such as beans, broad beans, corn and sesame. This regenerative approach enhances biodiversity and conserves the natural resources of the Caatinga. It also provides income and food security for farming families and their animals, who now benefit from a diet rich in vegetable proteins. Additionally, it fosters community strengthening and invigorates the local economy, creating opportunities that encourage families to remain in the countryside and contribute to building a more sustainable and prosperous hinterland.

In 2024, 64 tons of raw cotton were harvested, resulting in 25.4 tons of cotton lint, generating more than BRL 400,000 in income

for participating families. To enhance this production chain, the Institute earmarked BRL 500,000 to training farmers, promoting technical knowledge, and providing continuous support for rural development.

Besides the socio-environmental benefits, Agro-Sertão bolsters the responsible fashion chain by introducing new suppliers of agroecological cotton into a market where, according to the Materials Market Report 2024 by Textile Exchange, such production still accounts for less than 1 percent of global cotton production, which is predominantly dominated by conventional cultivation. To ensure economic feasibility and encourage project continuity, the Riachuelo Institute ensures 100 percent of the purchase of each harvest at a fair price practiced by the market, guaranteeing predictability and financial sustainability for the farmers involved.

**In 15 municipalities,
143 farmers grow
agroecological
cotton, generating
income, food security
and preserving the
Caatinga biome**

WEAVE

Education and professional qualification

We promote human development through education and training initiatives. In 2024, the Riachuelo Institute, in partnership with Sesi Escola, provided 172 children of employees at the Guararapes factory with 90 percent scholarships on tuition fees, thereby contributing to the enhancement of the students' future prospects.

In technical training, the Sewing School trained 1,174 seamstresses throughout the year. Furthermore, in partnership with Senai, we offer the Industrial Sewing course free of charge, benefiting 480 people and expanding opportunities for insertion in the job market.

In partnership with Sesi Escola, 172 children of employees received 90 percent scholarships, expanding access to quality education

Reviver Program

In partnership with Grupo Reviver, we undertake actions that encourage health prevention and well-being. The Riachuelo Institute and the Guararapes Group promote breast cancer prevention in the Metropolitan Region of Natal and in Seridó, in Rio Grande do Norte. A mobile health unit offers mammograms, ultrasounds, and biopsies, while also educating women aged 30 to 69 on the importance of self-examination and early diagnosis. Access to services is facilitated by a national platform.

In 2024, the Program facilitated the performance of 569 mammograms across the 13 municipalities it served. Since the beginning of the project, in 2021, 1,271 women have had access to exams, strengthening prevention and care for women's health.





Danjan sewing workshop, in Currais Novos, Jardim do Seridó - RN.

FASHION THAT **Collaborates to Transform**

We have embraced collaboration with our diverse stakeholders as a guiding principle to promote the systemic transformation of the fashion industry.



We uphold an active and transparent relationship with business partners, civil society organizations, consumers, customers, employees, shareholders, investors, and suppliers.

This engagement strengthens decision-making, promotes risk and opportunity management, ensures regulatory compliance and contributes to brand reputation. To improve these processes, we adopt strategies such as open communication, continuous training and compliance with ethical and regulatory standards. **GRI 2-29**

Transparency and dialogue with stakeholders are guided by the Code of Ethics and Conduct and are carefully monitored in line with regulatory changes. Furthermore, to mitigate risks to the organizational image, we provide training on digital conduct and management of confidential information, in addition to providing a Reporting Channel.

+

Click here

Learn more about the Reporting Channel on **page 38**

With an emphasis on fostering a healthy and safe environment and transforming our ecosystem, we are engaged in the following initiatives:

- Since 2022, we have voluntarily participated in the B3 Corporate Sustainability Index (ISE) questionnaire, offering a transparent overview of ESG performance among publicly traded companies, guided by a distinct methodology.
- We inform our shareholders about the Company's sustainability performance in an open and inclusive manner. We ensure the implementation of a feedback process that allows active participation in decisions related to the topic.
- We value our employees through an inclusive environment and opportunities for continuous development (learn more on [page 57](#)) and we prioritize offering an innovative and sustainable shopping experience for our customers. The Riachuelo Institute's programs promote economic, social, and environmental development in the interior of Rio Grande do Norte, generating a positive impact on the community (learn more on [page 65](#)).
- We monitor and develop our supply chain to ensure alignment with our social and environmental responsibility principles, as outlined in our Code of Conduct for Suppliers (learn more on [page 75](#)).
- We transparently disclose our actions and results related to sustainability. This includes our commitment to reducing greenhouse gas (GHG) emissions, supported by the international SBTi initiative, and the public disclosure of our emissions inventory on the GHG Protocol platform. In addition, we have been responding to the CDP questionnaire since 2022 in the Water and Climate Change categories, having included the Forests category in 2023 (learn more on [page 54](#)). Every year, we also publish our integrated report, which complies with the IIRC (International Integrated Reporting Council) guidelines and GRI standards, and is subject to external assurance.
- We voluntarily adhere to the Fashion Transparency Index Brazil (ITMB), an initiative by Fashion Revolution, which assesses how committed Brazilian fashion brands are to ethical and responsible production processes. To this end, ITMB reviews the public disclosure of brands based on 250 indicators.
- We are part of the steering committee of the UN Global Compact's Fashion Textiles Working Group, which addresses urgent collective actions for the fashion sector in relation to human rights. This team developed the Climate Justice Notebook in 2024 and is working on developing the Human Rights Book, which will be presented at COP 30, in Belém (PA), in 2025.
- We are members of national and international associations and organizations that promote sustainable development, corporate governance, and social responsibility.



Among the main partnerships in national and international associations and organizations, the following stand out: **GRI 2-28**

ABVTEX (Brazilian Textile Retail Association): Focus on the best practices and compliance in the textile and retail sector.

IDV (Institute for Retail Development): This institute represents the interests of retail and promotes innovation and competitiveness.

UN Global Compact in Brazil: Alignment with UN guidelines on sustainability, human rights and combating corruption.

LGBTI+ Businesses and Rights Forum: Promoting diversity and inclusion in the corporate environment.

SBTi (Science Based Targets initiative): Setting science-based carbon emission reduction targets.

CDP: Transparency in the management of environmental impacts and climate change.

GHG Greenhouse Gas Protocol: Monitoring and accounting for greenhouse gas emissions.

InPACTO (National Pact for the Eradication of Slave Labor): Commitment to responsible practices in the production chain and combating slave-like labor.

Responsible supply chain **GRI 3-3, CG-AA-000.A**

Our supply chain reflects the Company's strong commitment to domestic production and the socioeconomic development of the regions in which we operate.

The Guararapes factory, located in Natal (RN), is the company's main supplier, accounting for 33 percent of the products offered by the Group and 50 percent of clothing products if we consider Lojas Riachuelo in the Women's, Men's and Children's categories.

The domestic supply chain accounts for 58 percent, comprising over 240 direct suppliers and 723 subcontractors in Brazil, while the international supply chain includes 691 suppliers—442 of which are suppliers (149 being offices or trading companies) and 249 factories.

In addition to the Guararapes factory and the sewing workshops of the Pró-Sertão Program, located in Rio Grande do Norte, the Company's other suppliers are concentrated mainly in the South and Southeast regions of Brazil, mainly in Santa Catarina, São Paulo, Rio Grande do Sul and Minas Gerais.



Casa das Bordadeiras, in Timbaúba dos Batistas - RN.

Chain map

1,654
suppliers and subcontractors
divided into:

963
domestic
Suppliers: 240
Subcontracted: 723

691
international
Suppliers: 442
Factories: 249

58%
of the chain is
domestic

1,301
social audits
conducted

3,264
corrective action
plans undertaken



SUSTAINABLE MANAGEMENT AND COMPLIANCE

GRI 308-1, 414-1, CG-AA-430B.1

Our Code of Conduct for Suppliers and Third Parties, together with the Sustainability Policy and the Code of Ethics and Conduct, establish socio-environmental standards aligned with key global conventions, such as the International Labor Organization (ILO) and other agreements adopted by Brazil, aiming to ensure that all our suppliers, both Brazilian and international, comply with human and social rights. In addition, we participate in committees such as the UN Global Compact Human Rights Working Group.

We apply socio-environmental criteria when selecting new suppliers, ensuring that 100 percent of contracts undergo thorough evaluation. This process includes the analysis of socio-environmental legal compliance, waste management, and on-site audits to ensure sustainable practices and adherence to legislation related to human rights. The selection process includes the initial evaluation of suppliers, the establishment of socio-environmental criteria, analysis of the responses received, audits and verifications, final selection, and continuous monitoring to ensure the maintenance of the required standards.

100%

of new contracts signed with our suppliers undergo socio-environmental assessment

99%

of our direct suppliers have ABVTEX certification, recognized for validating the best socio-environmental practices in the industry

If a supplier does not meet the established criteria, they receive a detailed report with the identified points for improvement, and can implement the necessary adjustments for a new assessment. In 2024, we reviewed and approved 55 new domestic and 17 international suppliers.

To ensure compliance in our supply chain, we conduct annual audits of all domestic textile resale suppliers. We use an exclusive protocol that covers socio-environmental and traceability audits, including subcontracting, ensuring that all levels of the chain meet the company's standards. This process is supported by third-party audits and is coordinated by a specific department dedicated to Supply Chain Management. We ensure that 100 percent of our direct suppliers are certified by the Brazilian Textile Retail Association (ABVTEX), following the best socio-environmental practices in the market.

Furthermore, since 2017, the Company has supported the National Pact Institute for the Eradication of Slave Labor (InPACTO), which is dedicated to the prevention and eradication of slave labor in the production chain.

Regarding environmental risks, we ensure that our suppliers hold relevant

environmental certifications and comply with local legislation, with a focus on water management, waste, climate change, and biodiversity protection. We demand the same commitments from international suppliers, who must follow the legislation of their countries with globally recognized certifications.

We conduct annual on-site audits at 100 percent of our textile resale suppliers. These audits cover aspects such as occupational health and safety, infrastructure, environmental issues, social responsibility, and tax and labor compliance.

In 2024, in the domestic market, 217 suppliers and 688 subcontractors were subjected to audits conducted by external auditors. This represents 94 percent of the domestic production chain, with the remaining 6 percent corresponding to companies impacted by natural disasters and major brands. In the international market, all suppliers and subcontractors underwent third-party socio-environmental audits, ensuring that 100 percent of the international production chain was audited.

When non-conformities are identified, we implement and monitor Continuous Improvement Action Plans, closely tracking suppliers to ensure the adoption of corrective measures within the established deadlines. Suppliers who do not comply with the agreements may be disqualified.

All of our international suppliers and subcontractors have been audited by external companies, with a focus on socio-environmental compliance



SUPPLIER DEVELOPMENT

The Company recognizes the value of its supply chain and invests in the development of its suppliers. Through action plans, suppliers receive support from the company in addressing weaknesses identified during our audits, promoting continuous improvement of businesses and local development.

In 2024, 49 training sessions were held with the participation of 321 suppliers on topics related to the supply chain, including processes and quality.

321

suppliers

participated in training
aimed at strengthening
the supply chain

Best Compliance Practices Forum

In 2024, we highlight the Best Compliance Practices Forum held in Parelhas (RN). The event brought together 100 sewing workshops from the Seridó region, with a total participation of 131 people. The training covered topics such as supply requirements, the Code of Conduct for Suppliers and Third Parties, group audits, and ABVTEX Certification, as well as the monitoring of Corrective Action Plans and the parts traceability process.

Practical activities were also conducted, allowing participants to share the challenges they encounter daily regarding these issues. Based on this survey, the Supply Chain Management area developed a strategic plan in partnership with the factory, aiming to undertake improvements in the regional chain.

The effectiveness of the measures is monitored by tracking the progress of Corrective Action Plans and supplier development, using indicators that include the classification of these organizations, monthly monitoring of corrective plans, and compliance with scheduled audits.



Partnerships to Transform Fashion

Riachuelo is recognized for its vocation to offer customers collections that celebrate national identity, promote individual expression and create emotional connections. Below, we highlight our lines of action that promote more representative, innovative and democratic fashion.



PARIS 2024 OLYMPICS

We sponsored the Brazilian Olympic Committee (COB) and were the official fashion brand of Team Brazil at the Paris 2024 Olympic Games. With a commitment to valuing Brazil's sociobiodiversity, we produced the uniforms worn by all athletes during the trips and in the official opening parade of the event, with special emphasis on the denim jackets made with 23 percent recycled cotton fibers and featuring unique embroidery created by the embroiderers of Timabúba dos Batistas (learn more on [page 68](#)).

To celebrate this partnership, we launched the "Orgulho Bordado no Peito" (Pride Embroidered on Your Chest) campaign, featuring Brazilian athletes and reinforcing the connection between fashion and Brazilian identity. In addition to publicity in the media, the Company decorated an Azul aircraft supporting the Brazilian team, with embroidered illustrations and messages about sustainability, fashion and gender equality.

Riachuelo has also sponsored gymnast Rebeca Andrade since 2020. She played an active role in the campaign, featuring in several communication pieces and showcasing the values and quality of the Riachuelo brand to the world.

Brand exposure

After the end of the Olympics, we conducted a survey to evaluate the brand return of Riachuelo's exposure as an official sponsor of the COB during the games. The results indicated a positive impact on brand consideration, preference, proximity and image among consumers. The survey showed strong approval of the sponsorship and recognition of the connection between the brand and the sporting territory.

According to the survey, among all the campaigns promoted by Riachuelo in 2024, the "Orgulho Bordado no Peito" initiative stood out with the greatest spontaneous identification with the brand, reaching 71 percent correct association among participants. Of those interviewed who had contact with the campaign, 57 percent visited the Riachuelo website, app or physical store to learn more about the products, resulting in a 51 percent conversion on items from the collection. Only 2 percent of respondents expressed dissatisfaction, specifically regarding the uniforms worn by athletes during the Olympic opening event.



BIEL

To celebrate the São João festival, we honored our Northeastern roots through a campaign featuring Biel, an artist from Caicó (RN). The initiative incorporated traditional elements such as “cordel” literature illustrations, collages and woodcuts, in addition to offering free customization of pieces in selected stores in four states in the Northeast.

INCERTI

Supporting fashion also involves nurturing emerging talent. During Carnival 2024, we celebrated the richness of Brazilian culture with a vibrant collection in collaboration with João Incerti, an artist renowned for his exuberant tropical aesthetic.

NIINI + RIACHUELO

Our mission is to democratize style at affordable prices. In 2024, we launched the exclusive NIINI+Riachuelo collection, which blends the classic and modern essence of Carol Celico's brand into 43 versatile and adaptable pieces.

VOLLEYBALL BW

We combine technology and sustainability, redefining standards and offering innovative solutions. Riachuelo and Body Work, the company's sportswear brand, partnered with the Brazilian Volleyball Confederation (CBV) to produce the new uniforms for the Brazilian indoor and beach volleyball teams. The uniforms pay tribute to the 40th anniversary of the sport's first Olympic medal, combining cutting-edge technology with sustainability. The knit is made with 92 percent Coolmax® EcoMade fiber, derived from textile waste. This composition ensures that athletes stay cool, dry and have complete freedom of movement.

We combine technology and sustainability in the new uniforms of the Brazilian volleyball team, made with 92 percent fiber derived from textile waste





FASHION THAT **Invests to Transform**

Guararapes Group's initiative to establish the "Fashion that Invests to Transform" pillar reflects the strategic alignment between financial and sustainability perspectives.

To generate value sustainably, our investments are driven by the purpose of being the fashion that inspires Brazil, with a focus on responsible growth and the collective development of solutions. In this context, the Fashion that Invests to Transform pillar integrates planning and budget allocation for socio-environmental initiatives, aligned with a long-term strategic vision focused on competitiveness and organizational resilience.

This agenda also incorporates initiatives that respond to new demands for transparency in the market. Since 2022, we have complied with the TCFD (Task-Force on Climate-Related Financial Disclosures) framework, disclosing our financial information linked to climate change-related risks and opportunities. We are also preparing to comply with IFRS guidelines, which combine financial data and sustainability, providing a broader vision to our investors.

The strength of these initiatives is reflected in the Group's recognition in the ESG scenario. In 2024, we were selected, for the third consecutive year, to be part of the B3 Corporate Sustainability Index (ISE) portfolio, which brings together 82 companies, belonging to 40 industries, with the best ESG practices in the country. This achievement highlights the continuous investments in environmental, social and governance actions, aimed at generating sustainable value for all audiences.

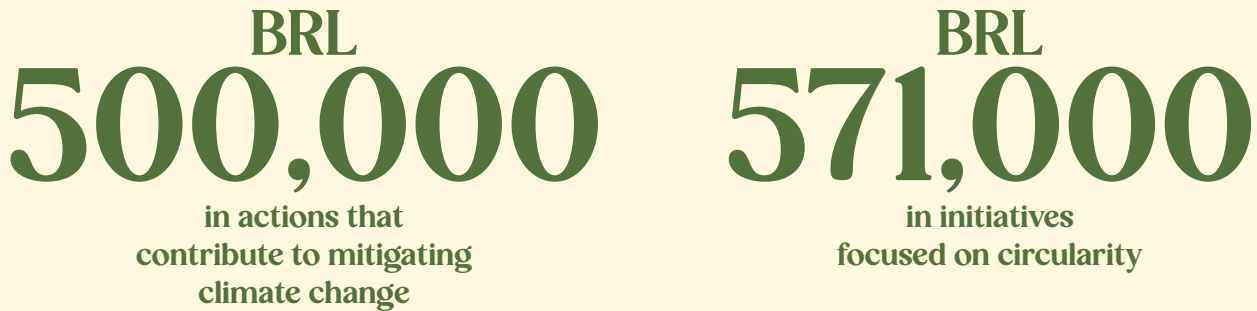
To strengthen this trajectory, our investments are focused on transitioning to more sustainable operating models, ensuring regulatory compliance, mitigating risks, and empowering the organization to make informed decisions—crucial for maintaining our relevance and driving sustainable growth.



Click here

Learn more about TCFD on page 101

Main investments made in sustainability in 2024:



We invest in transparency by enhancing the quality of the information we share and fostering dialogue with our customers and stakeholders

Financial and Operational Performance

In 2024, textile retail in Brazil saw an increase in the consumption of commercialized pieces, according to the Brazilian Textile Retail Association (ABVTEX), driven by a decrease in inflationary pressure from the previous period, greater access to credit, and improved confidence in the economy. In this scenario, the Guararapes Group made strategic investments, culminating in record operational and financial results. We were able to expand our margins, increase sales per square meter and optimize capital allocation, reinforcing the robustness of our business model and our value proposition.

The Company recorded consolidated net revenue of BRL 9.6 billion, reflecting a 9.5 percent growth compared to 2023, with revenue increases across all segments. Net profit reached BRL 235 million, reversing the loss recorded in the previous year. Adjusted consolidated EBITDA reached BRL 1.5 billion, up 44.7 percent compared to the previous cycle.

Regarding financial performance, net debt totaled BRL 498.8 million at the end of 2024, 53.2 percent less than in 2023. As a consequence, the leverage ratio also fell, reaching 0.3x in 2024. At the end of 2024, we recorded BRL 1.5 billion in available cash.

The Company continues its strategy of capital allocation with discipline, prioritizing essential projects. Our Capex topped-out at BRL 419 million, 11.2 percent more than in the previous year.



Merchandise:

The net merchandise revenue totaled BRL 7.2 billion in 2024, representing a 12.1 percent growth compared to the previous year.s In the same-store (SSS) concept, there was an increase of 11.3 percent compared to 2023, demonstrating the strong acceptance of the collections by our customers throughout the year. We maintained market share gains, with sales performance higher than the 2024 Clothing PMC (IBGE). The gross merchandise margin reached 50.9 percent, an increase of 2.0 p.p. in relation to 2023. A highlight was the gross margin for clothing, which rose to 54.3 percent in 2024, up from 52.5 percent in 2023.

Midway Financeira:

Midway Financeira's gross revenue reached BRL 2.4 billion in 2024, a 2.7 percent increase over the previous year, driven by more efficient portfolio management. Furthermore, we recorded an EBITDA 107.3 percent higher than in 2023, reaching BRL 404 million in 2024. Our financial products and services are increasingly and consistently integrated into retail, aiming to strengthen customer relationships and enhance business profitability.

Midway Mall:

In 2024, Midway Mall's net revenue totaled BRL 115.6 million, up 7.1 percent compared to the previous year, driven by increased parking and rental revenue. During the same period, EBITDA reached BRL 96.4 million, representing an increase of 6.3 percent compared to 2023. Furthermore, the NOI (Net Operating Income) reached BRL 109.5 million, with a margin of 94.7 percent.

BRL 1.5 B
was the result of adjusted consolidated EBITDA, reflecting a cycle of margin expansion, operational gains and focus on sustainable value generation

GRI, SASB and TCFD Indicator Report

MATERIAL TOPIC

3-3 - SUPPLY CHAIN MANAGEMENT

The textile and clothing industry faces challenges in ensuring human rights across the supply chain, including the fight against child and forced labor, the promotion of decent work, and the appreciation of diversity. Furthermore, environmental issues, such as climate change and the preservation of ecosystems, make this management even more complex.

In this context, the Guararapes Group maintains an ongoing commitment to responsible supply chain management, promoting sustainable practices and ensuring rigorous environmental and social standards. In terms of opportunities, the company recognizes the importance of closely monitoring suppliers and providing more frequent training.

In 2024, raising awareness among internal teams in commercial, purchasing, and sourcing areas was key to promoting responsible practices among suppliers, while the continuous training of these partners reinforced the importance of legal compliance to safeguard the business and strengthen sustainability across the supply chain.

Learn more about sustainable management, compliance and supply chain development on [page 75](#).

204-1 - Proportion of spending on local suppliers

In 2024, 31 percent of the Guararapes factory's procurement was made from local suppliers.

Production is outsourced to 104 sewing workshops, spread across 30 cities in Seridó, in the interior of the state, all classified as local suppliers. Throughout the year, investments in this production chain exceeded BRL 100 million, boosting the local economy and strengthening the textile industry in the region.

CG-AA-430b.3 - Consumer Goods Sector - Apparel, Accessories, and Footwear | Working Conditions in the Supply Chain

Risks related to working conditions are managed and mitigated through the Code of Conduct for Suppliers and Third Parties, along with continuous monitoring of textile resale suppliers and subcontractors. To ensure compliance with the required standards, the Company conducts periodic socio-environmental audits. Companies that do not meet the established criteria may be de-accredited ([learn more on page 75](#)). The main risks involved are:

- Social and occupational risks: Failure to collect Social Security contributions, Severance Pay Fund, failure to pay wages within the legal deadline, presence in the registry of employees who use precarious labor, excessive overtime and lack of employment contracts.
- Related environmental risks: Lack of effluent treatment and consistent management treatment.
- Financial risks: The company's level of debt, tax default and money laundering.

MATERIAL TOPIC

3-3 - MORE SUSTAINABLE PRODUCTS

The textile industry has a significant environmental impact, primarily due to high water consumption, intensive use of chemicals, and greenhouse gas emissions. The Guararapes Group understands that the transition to more sustainable fashion requires the choice of raw materials with less impact and continuous innovation in production processes.

Committed to this transformation, the Company invests in technologies that reduce the consumption of natural resources and improve production efficiency. The jeans segment stands out, for example, in which processes are used that replace highly polluting methods, contributing to the reduction of waste and mitigation of environmental impacts such as:

- Use of ozone: eliminates excess water and chemicals in fabric desizing, cleaning and whitening.
- Laser application: eliminates the need for manual sanding and the use of aggressive chemicals, promoting more safety for workers.
- Enzymaging by nebulization: a biodegradable process that provides a worn effect to jeans with less environmental impact.

Riachuelo identified positive impacts from adopting more sustainable products, both in internal production and in physical stores, including the advancement of sustainable practices across the production chain, benefits in product marketing, and improved energy efficiency. These innovations are aligned with the Company's new guidelines for classifying more sustainable raw materials, implemented in 2024.

Learn more about the new raw material classification guideline and sustainable production on [page 46](#).

301-1 - Materials, broken down by weight or volume

Materials broken down by weight GRI 301-1 SASB CG-AA-440a.4									
Material	2022 Total(t)	2022 Certified/more sustainable (t)	2022%	2023 Total(t)	2023 Certified/more sustainable (t)	2023%	2024 Total(t)	2024 Certified/more sustainable (t)	2024%
Polyester	1,430	0	0	1,340	2	0	1,414	117	8
Elastane	132	0	0	123	0	0	148	-	0
Polyamide	58	0	0	59	0	0	123	-	-
Polyurethane	0	0	0	0	0	0	-	-	-
Other fibers	18	0	0	12	0	0	19	-	0
Non-renewable materials	1,638	0	0	1,534	2	0	1,704	117	8
Cotton	7,790	7,600	98	6,471	6,278	97	8,976	8,640	96
Viscose	2,080	807	39	1,378	943	68	2,034	1,441	71
Linen	120	3	3	53	34	65	145	0	0
Mode	-	-	-	-	-	-	15	8	1
Lyocel	12	11	92	5	5	95	11	5	45
Renewable materials	10,002	8,421	84	7,907	7,260	92	11,181	10,094	10
TOTAL	11,640	8,421	72	9,441	7,262	77	12,885	10,212	79

Note: The data refers to the purchase of raw materials from our own factory.

301-2 - Recycled

Percentage of raw materials or recycled materials used GRI 301-2		
	2023	2024
	Weight (tons)	Weight (tons)
Total raw materials or recycled materials used	7.71	117.48
Percentage of raw materials or recycled materials used	0.082%	0.91%

Note: The data refers to the purchase of raw materials from our own factory.

301-3 - Reused

Percentage of products and packaging reused GRI 301-3									
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Product category	Reclaimed products and their packaging materials (unit)			Products purchased (unit)			Percentage of products and packaging reused		
Cardboard boxes in logistics - Distribution Center	588,570	496,765	566,590	909,040	745,129	904,291	65%	67%	63%

Note: The data refers to the purchase of raw materials from our own factory.

CG-AA -440a. 3 - Consumer Goods Sector - Apparel, Accessories, and Footwear | Supply of Raw Materials

The company's three main raw materials—cotton, viscose, and polyester—each pose environmental and social challenges that can affect sourcing and the supply chain.

To mitigate these challenges, the company adopts diversification strategies, investing in more responsible alternatives, such as recycled fibers and circular materials that reuse textile waste. Furthermore, the implementation of a new internal classification for more sustainable raw materials fosters the development of innovative solutions within the supply chain, ensuring greater resilience and alignment with the business's sustainability principles.

Learn more about the new classification guideline for more sustainable raw materials and products on [page 46](#).



MATERIAL TOPIC

3-3 - TEXTILE WASTE MANAGEMENT AND CIRCULARITY

Circularity represents both a challenge and an opportunity for the textile sector. At the Guararapes Group, the topic is one of the Company's strategic pillars with a view to a more sustainable production model, based on innovation, efficient traceability and integration of the entire production chain. In this context, the circular economy plays a key role as a solution to reduce environmental impacts and optimize the use of resources.

Lessons learned throughout the process highlighted the need to improve traceability of recycled materials, expand sustainable initiatives in the factory, and strengthen the adoption of circular practices among third-party suppliers. These lessons have been incorporated into the company's policies, and new goals and indicators will be set for 2025 to intensify the circular economy, ensure the responsible use of natural resources throughout the production chain, and promote biodiversity conservation.

Learn more about circular economy practices and waste management in the production chain on [page 48](#).

306-1 - Waste generation and significant waste-related impacts

Efficient waste management in the textile sector is crucial for reducing environmental impacts, optimizing natural resources, and decreasing reliance on landfills. The Guararapes Group has integrated waste management, ensuring proper disposal and traceability through regulatory instruments.

In addition to internal management, the company also works to reduce impacts on the entry and exit of materials. In the input phase, such as fabrics, packaging and chemicals used in the Natal factory, the Company invests in the acquisition of raw materials and sustainable solutions from the development of the products. In post-consumption, initiatives such as collecting clothes in stores, reusing items, and responsible disposal contribute to minimizing environmental impacts.

The Natal factory accounts for 80 percent of the waste generated, followed by the Guarulhos Distribution Center (SP), which contributes 17 percent. During operational activities, integrated waste management enables the mapping of units and the implementation of measures to mitigate environmental risks, mainly related to hazardous waste.

Learn more about waste management, reverse logistics and reuse initiatives on [page 50](#).

306-2 - Management of significant waste-related impacts

The company's waste management is handled by outsourced companies, following a structured process that ensures contractual and legal compliance. The sustainability area defines requirements, evaluates documentation, and continuously monitors suppliers, leading to a reduction in the amount of waste sent to landfills from 44 percent in 2019 to 38 percent in 2024.

Total weight of waste generated GRI 306-3	
2024	
Hazardous waste	Quantity generated (tons)*
Hospital waste**	0.7
Light bulbs	1.75
Perfumery	1.85
Cells and batteries	8.15
Other waste***	13.6
Total	26.05

Notes:
* Waste data is collected and monitored monthly, with disposal flow weighing, measuring and monitoring.
** We have a medical structure in our Natal factory and in our Guarulhos (SP) Distribution Center.
*** Other materials (such as the blend of contaminated waste, paint and oil-contaminated packaging, electronic waste, etc.).



Non-hazardous waste GRI 306-3			
	2022	2023	2024
Non-hazardous waste	Quantity generated (tons)	Quantity generated (tons)	Quantity generated (tons)
Fabric scraps	3,323.36	2,427.75	3,211.61
Cardboard and paper	2,870.18	2,768.32	3,005.84
Ordinary waste	3,398.45	2,829.83	3,077.81
WWTP sludge	1,331.50	1,255.23	1,374.96
Organic waste	294.44	196.45	221.53
Contaminated recyclables	106.11	132.38	178.06
Metal	113.81	332.62	355.77
Wood	82.04	95.65	75.47
Glass	16.47	11.68	4.2
Home Fashion (damage)	6.23	2.28	1.08
Plastic	210.44	195.17	202.53
Other waste	37.00	38.50	24.06
Total	11,790.03	10,285.86	11,732.93

Total waste GRI 306-3			
	2022	2023	2024
	Quantity generated (tons)	Quantity generated (tons)	Quantity generated (tons)
Hazardous waste	25.76	13.29	26.05
Non-hazardous waste	11,790.03	10,285.86	11,732.93
Total	11,815.79	10,299.15	11,758.99

306-4 - Waste diverted from disposal

Total weight of waste diverted from disposal GRI 306-4	
Non-hazardous waste	Weight diverted from disposal (tons)
Fabric scraps	2,330.98
Paper and cardboard	3,005.84
Metal	355.77
Organic waste	221.53
Plastic	202.53
Wood	73.23
Other waste	12.62
Glass	2.86
Total	6,205.36

Note: The methodology used to compile data on the total weight of waste avoided in 2024 considers three main company initiatives: Clothing Collection Program in stores; use of recycled raw materials; and reuse of cardboard boxes at the Guarulhos Distribution Center.

Waste diverted from disposal GRI 306- 4	
Waste	Weight diverted from disposal (tons)
Cells and batteries	8.15
Oil	3.6
Total	11.75

Total weight of waste diverted from disposal by recovery operation (tons) GRI 306-4			
Type of recovery	Total weight within the organization (tons)	Total weight outside the organization (tons)	Total
Preparation for reuse	0	0	0
Recycling	0	11.75	11.75
Total	0	11.75	11.75

Total weight of waste diverted from disposal by recovery operation (tons) GRI 306-4			
Type of Recovery	2022	2023	2024
Preparation for reuse	3,548.44	2,624.19	2,552.51
Recycling	3,297.87	3,407.43	3,652.85
Total	6,846.31	6,031.63	6,205.36

Note: Waste data is collected and recorded through mandatory documents that guarantee disposed material trackability. When the waste is removed from the operational unit, a Waste Transport Manifest (MTR) is generated, a document that accompanies the load to its final destination. Upon arrival at the destination, a Final Destination Certificate (CDF) is issued, confirming the method of disposal and showing the quantity of waste processed. These records ensure compliance with legal requirements and allow accurate monitoring of the waste generated by each operational unit. All waste generated by the organization is sent for external disposal, following strict environmental criteria and aligned with the best sustainability practices.

Total weight of waste diverted from disposal (tons) GRI 306-5	
Non-hazardous waste	Weight directed to disposal (tons)
Ordinary waste	3,077.81
WWTP sludge	1,374.96
Fabric scraps	880.64
Contaminated recyclables	178.06
Home Fashion (damage)	1.08
Wood	2.24
Other waste (tire)	7.32
Other waste (garden pruning)	4.12
Glass	1.34
Total	5,527.57



306-5 - Waste directed to disposal

Hazardous waste	Waste directed to disposal (tons) GRI 306-5		
Light bulbs	1.75		
Hospital waste	0.71		
Perfumery	1.85		
Other waste	10		
Total	14.31		
Total weight of hazardous waste diverted from disposal by operation (tons) GRI 306-5			
	2022	2023	2024
Types of disposal	Total weight	Total weight	Total weight
Incineration (with energy recovery)	17.31	5.21	1.85
Incineration (without energy recovery)	1.48	26.41	11.21
Other disposal operations	0.22	0.70	1.25
Total	19.01	32.32	14.31

Note: All waste is disposed of outside the organization.

Total weight of non-hazardous waste diverted from disposal by operation (tons) GRI 306-5			
	2022	2023	2024
Types of disposal	Total weight	Total weight	Total weight
Incineration (with energy recovery)	128.90	135.49	1,060.94
Incineration (without energy recovery)	5.63	5.34	9.74
Landfill	4,974.98	4,089.34	4,456.89
Total	5,109.51	4,230.16	5,527.57

Note: All waste is disposed of outside the organization. Waste data is collected from records generated during the removal of waste from operational units, documented through Waste Transport Manifests (MTRs), and upon arrival at the final destination, verified by Final Destination Certificates (CDFs). These documents ensure waste trackability, as required by law, and provide details on the quantities generated and disposed of by each company unit.

MATERIAL TOPIC
3-3 – INNOVATION AND TECHNOLOGY

Innovation is a cross-cutting axis in the Company’s operations. The Group has invested heavily in technology updates, in the digitalization of processes, upgrade of systems and in the improvement of the customer experience. Noteworthy initiatives include the modernization of points of sale (POS), enhancements to the app to improve the digital customer journey, and the implementation of Kaizen processes aimed at reducing queue waiting times. These initiatives were developed based on customer feedback and the monitoring of indicators such as the Net Promoter Score (NPS).

The positive impacts of these innovations are reflected in greater operational efficiency, loss prevention and improved customer experience, in addition to contributing to alignment among the factory, logistics and retail.

Learn more about technology, innovation and digital transformation initiatives on page 28.

MATERIAL TOPIC
3-3 - CYBERSECURITY AND DATA PRIVACY AND SECURITY

Cybersecurity, privacy, and data protection are critical to ensuring business continuity and maintaining customer trust, as they directly affect the Company’s operations, reputation, and stakeholder relations.

Among the potential negative impacts, notable risks include technology obsolescence in the face of cyberattacks, increasingly stringent regulatory requirements, shutdown of critical systems, unethical use of Artificial Intelligence, data breaches, and the exposure of sensitive information.

Positive impacts include rapid incident response and data recovery, resulting from investment in automated tools for fraud prevention and protection of personal information.

In this context, information security is treated as a strategic priority at the Guararapes Group. In 2024, the company made progress in governance and compliance on this topic, as well as in prevention, risk monitoring and safety culture.

Learn more about the cybersecurity and data privacy initiatives on page 39.

418-1 - Substantiated complaints concerning breaches of customer privacy and losses of customer data

In 2024, the Guararapes Group did not receive any official or targeted complaints from the National Data Protection Authority (ANPD) related to confirmed non-conformities or non-compliance with legal requirements. The Company remains committed to ensuring the Privacy and Data Protection of its customers (data subjects), adhering to the guidelines of Regulatory Bodies and, above all, complying with applicable legal provisions, while remaining available for any clarifications and/or evidence of compliance that may be required.

Learn more about the cybersecurity and data privacy initiatives on page 39.

MATERIAL TOPIC
3-3 - ATTRACTION, DEVELOPMENT AND RETENTION OF EMPLOYEES

The Guararapes Group is committed to ensuring dignified and welcoming working conditions, providing opportunities for the development of talents and skills, in addition to guaranteeing fair and regular remuneration. This commitment is essential to drive economic and social development, contributing to the reduction of inequalities and promoting a more equitable work environment.

The company supports and respects the protection of internationally recognized human rights, including freedom of association and the right to collective bargaining. These principles are fundamental to strengthening working relationships and creating a more inclusive and sustainable organizational environment.



The positive impacts of this approach include expanded internal opportunities through the Internal Recruitment Program, increased leadership engagement resulting from the equalization of benefits, and job growth in Rio Grande do Norte. The expansion of the Guararapes factory and of the CCR has created new opportunities, while the Seamstress School, located in the factory unit, trains professionals and helps to reduce the shortage of qualified labor in the textile industry.

Learn more about the initiatives aimed at talent attraction, development and retention on [page 58](#).

2-7 - Employees

2022				2023				2024	
Employees broken down by region and gender	Men	Women	Total	Men	Women	Total	Men	Women	Total
North	483	1,046	1,529	467	1,015	1,482	495	1,039	1,534
Northeast	5,514	10,029	15,543	4,857	8,013	12,871	5,667	9,314	14,981
Midwest	402	1,008	1,410	379	1,002	1,381	424	1,071	1,495
Southeast	3,791	7,127	10,918	3,606	7,237	10,843	3,874	8,215	12,089
South	521	1,233	1,755	481	1,189	1,670	536	1,284	1,820
Total	10,711	20,444	31,155	9,791	18,456	28,247	10,996	20,923	31,919
									2024
Employees by contract type and gender	Indefinite term			Specified period			Total		
Men	10,865			132			10,997		
Women	20,509			413			20,922		
Total	31,374			545			31,919		
									2024
Employees by type of employment and region	Indefinite term			Specified period			Total		
North	1,515			19			1,534		
Northeast	14,926			55			14,981		
Midwest	1,484			11			1,495		
Southeast	11,641			448			12,089		
South	1,808			12			1,820		
Total	31,374			545			31,919		
									2024
2022				2023				2024	
Employees by type of employment and gender	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total
Men	10,698	13	10,711	9,678	113	9,791	10,988	9	10,997
Women	20,417	27	20,444	18,422	33	18,456	20,890	32	20,922
Total	31,155	40	31,155	28,101	146	28,247	31,878	41	31,919



			2024
Employees by type of employment and region	Full time	Part time	Total
North	1,534	0	1,534
Northeast	14,962	19	14,981
Midwest	1,495	0	1,495
South	1,807	13	1,820
Southeast	12,080	9	12,089
Total	31,878	41	31,919

	2022	2023	2024
Employees without guaranteed working hours by gender	Total	Total	Total
Men	415	893	775
Women	1,048	1,834	1,516
Total	1,463	2,728	2,291

		2024
Employees without guaranteed working hours by region		Total
North		255
Northeast		730
Midwest		189
Southeast		820
South		297
Total		2,291

Note: The data presented were sourced from the LG payroll system, the Dynamic Personnel Management dashboard, and the “Regionals by Store” database. The employee count was based on full-time equivalent (FTE), considering CLTs, interns, temporary, intermittent, directors and lifelong employees, but excluding affiliates and self-employed workers. The calculation was based on the division of hours worked by 220 for most employees and by 183.25 for intermittent ones. Those hired were fully counted, while those dismissed were not included. Methodological changes were made, in particularly in the classification of part-time employees, which now follows Article 58-A of the CLT, and in the accounting of apprentices, who are now considered to have a full-time equivalent workload (1 FTE). These changes impacted fluctuations in the total number of employees over the reporting period.

Learn more about employees on page 58.

401-1 - New employee hires and employee turnover

Total number and rate of new employee hires during the reporting period, by gender GRI 401-1						
Category	2022		2023		2024	
	Hirings	Rate (%)	Hirings	Rate (%)	Hirings	Rate (%)
Men	4,103	38%	4,707	48%	4,942	45%
Women	8,228	4%	9,266	5%	9,776	47%
TOTAL	12,331	4%	13,972	49%	14,718	46%
Category	Dismissals		Rate		Dismissals	
	Dismissals	Rate	Dismissals	Rate	Dismissals	Rate
Men	5,369	5%	5,083	52%	4,940	45%
Women	10,585	52%	10,198	55%	10,702	49%
TOTAL	15,954	51%	15,282	54%	15,642	48%

Total number of employees, hires, and turnover during the period, by region GRI 401-1						
Category	2022		2023		2024	
	Hirings	Rate (%)	Hirings	Rate (%)	Hirings	Rate (%)
North	840	55%	813	55%	822	54%
Northeast	3,452	22%	3,745	29%	4,957	33%
Midwest	970	69%	1,174	85%	1,289	86%
South	1,214	69%	1,385	83%	1,552	85%
Southeast	5,854	54%	6,855	63%	6,098	50%
TOTAL	12,331	4%	13,972	49%	14,718	46%
Category	Dismissals		Rate (%)		Dismissals	
	Dismissals	Rate (%)	Dismissals	Rate (%)	Dismissals	Rate (%)
North	913	6%	750	51%	867	55%
Northeast	6,449	41%	5,471	43%	4,565	32%
Midwest	975	69%	1,019	74%	1,099	80%
South	1,263	72%	1,258	75%	1,454	83%
Southeast	6,354	58%	6,783	63%	7,657	57%
TOTAL	15,954	51%	15,282	54%	15,642	48%

Total number of employees, hires, and turnover during the period, by age group GRI 401-1						
Category	2022		2023		2024	
	Hirings	Rate (%)	Hirings	Rate (%)	Hirings	Rate (%)
Aged fewer than 30 years	9,260	59%	10,230	77%	9,800	61%
Between 23 to 50 years	2,985	21%	3,595	28%	4,577	32%
Aged more than 50 years	86	8%	147	15%	341	24%
TOTAL	12,331	4%	13,972	49%	14,718	46%

Total number of employees, hires, and turnover during the period, by age group GRI 401-1						
Category	2022		2023		2024	
	Dismissals	Rate	Dismissals	Rate (%)	Dismissals	Rate (%)
Aged fewer than 30 years	9,507	6%	9,401	66%	10,455	63%
Between 23 to 50 years	6,067	42%	5,519	42%	4,893	33%
Aged more than 50 years	380	37%	362	38%	294	22%
TOTAL	15,954	51%	15,282	54%	15,642	48%

402-1 - Minimum notice periods regarding operational changes

The Company has not defined a minimum notice period for communicating significant operational changes to employees; however, in such cases, it adheres to the guidelines set forth in collective bargaining agreements.

407-1 - Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

The Guararapes Group audits its national resale production chain using a socio-environmental checklist that covers health, safety, environmental, and labor legislation aspects. This assessment also includes verification of the right to freely associate and engage in collective bargaining. In 2024, no irregularities were identified in this item.

401-3 Parental leave

	2022	2023	2024
Total number of employees that took parental leave			
Men	186	248	233
Women	1,158	922	862
Total number of employees who returned to work after parental leave ended			
Men	186	245	245
Women	1,140	912	912
Total employees that returned to work after parental leave ended that were still employed 12 months after their return to work			
Men	186	203	215
Women	857	767	714
Rate of return			
Men	100%	99%	99%
Women	98%	99%	97%
Rate of retention			
Men	100%	83%	88%
Women	75%	84%	78%

404-1 - Average hours of training per year per employee

Average hours of training per year per employee by gender GRI 404-1			
Gender	2022	2023	2024*
Men	78.56	4.82	1.72
Women	91.19	5.57	1.59

*Note: In 2024, we used the total number of FTE (Full-Time Equivalent) employees. In 2023, we considered the total number of employees in the training base, which was higher than the number of FTE employees.

Average hours of training per year per employee by employee category GRI 404-1			
Employee category	2022	2023	2024
Executive Board/Superintendence	0.52	2.34	0.87
Management	0.54	6.29	2.78
Supervision/Coordination	0.40	4.22	2.42
Administrative	392.13	5.97	1.21
Production	-	-	2.08
Operational	52.20	4.91	1.48

404-3 - Percentage of employees receiving regular performance and career development reviews

In 2024, the performance review process reached 98 percent of men and 97 percent of women, considering the active employee base in December 2024. The analysis included employees from the following classifications: CLT (Consolidation of Labor Laws), interns (EST), temporary extra staff (G50), intermittent (INT), directors (DIR) and lifetime employees (VIT).

Employees classified as Souchlover affiliates (AFI) and self-employed workers (AUT) were not considered. The survey covered two review cycles, conducted in the first and second half of 2024, ensuring continuous monitoring of employees' performance and career development.

Learn more about performance reviews on page 60.

MATERIAL TOPIC

3-3 – HEALTH AND WELL-BEING

The company promotes the Mental Health, Quality of Life and Well-Being of its employees through the “Abraçamos Você” (We Embrace You) program, which offers support to both employees and their families. To address well-being-related risks effectively, the Company has launched a series of initiatives. These efforts are closely monitored via monthly indicators visualized in Power BI, supplemented by internal audits and employee engagement surveys. This ensures that all actions remain tightly aligned with the genuine needs of our employees.

Employee involvement was crucial in developing these initiatives, with the engagement survey serving as a fundamental tool for enhancing actions and creating a healthier, more welcoming work environment.

Learn more about health and well-being and details related to the “Abraçamos Você” Program on [page 60](#).

403-1 - Occupational health and safety management system

The Guararapes Group has a structured Occupational Health and Safety Management System to ensure compliance with legal and regulatory requirements. This system conforms to labor laws, ILO conventions, Civil and Penal Codes, collective agreements, sectoral regulations, licensing requirements, and guidelines from the Labor Public Prosecutor's Office (MPT), covering inspection standards and civil and criminal liability aspects. This system is based on the Regulatory Standards (NRs) of the Ministry of Labor and Employment.

The Company's Health and Safety Policy prioritizes the well-being of employees, the mitigation of occupational risks and the continuous improvement of safety processes. To prevent recurrences, the company thoroughly investigates incidents and accidents and implements preventative measures to ensure a progressively safer work environment. Additionally, it enforces control and inspection procedures to ensure that outsourced companies comply with occupational health and safety standards.

403-2 - Hazard identification, risk assessment, and incident investigation

The Company adopts structured processes to identify and mitigate hazards and risks associated with routine and non-routine activities. To do this, it uses the LTCAT (Technical Report on Environmental Conditions at Work), prepared in accordance with Fundacentro guidelines and in compliance with standards such as NR-15 of the Ministry of Labor and Employment and Decree No. 3,048/1999.

The Risk Management Program is designed to anticipate and evaluate risks, monitor occupational exposure, and assess the effectiveness of implemented control measures. To ensure process quality and reliability, the Company conducts annual measurements through third-party firms. The data obtained are analyzed by the Specialized Service in Safety Engineering and Occupational Medicine (SESMT), ensuring methodological adherence and the effectiveness of the actions adopted.

The results of these assessments are recorded in the SOC System, which uses risk matrices to define and prioritize corrective measures for risks classified as moderate or higher.

Committed to maintaining a safe work environment, the Company offers several communication channels, including Jira, “Fale com o SESMT,” and the Reporting Channel — all of which ensure anonymity and protection against potential reprisals. Furthermore, the Occupational Health and Safety Policy guarantees the worker's right to withdraw from situations of imminent risk, supported by training aimed at managers and the possibility of anonymous communication.

403-4 - Worker participation, consultation, and communication on occupational health and safety

The Company encourages active worker participation in occupational health and safety management through formal committees, such as the Internal Accident Prevention Committee (CIPA) and the Harassment Prevention Committee. Employees are actively involved in identifying and analyzing risks, developing prevention plans, and creating the risk map. Health and safety-related information is widely disseminated through the Workplace platform.

Health and safety committees, composed of employer and employee representatives, are responsible for representing employee interests, monitoring compliance with regulations, suggesting improvements, reporting irregularities, and contributing to the Prevention Program. Monthly meetings are held to ensure implementation of preventive measures and compliance with occupational health best practices.

403-5 - Worker training on occupational health and safety

The Company provides Occupational Health and Safety training and qualification programs both online, via the ETC'On platform, and in person, in accordance with legal requirements. The courses cover topics such as: onboarding, CIPA (NR-05), electrical safety (NR-10), machine operation (NR-11), cargo handling, ergonomics (NR-17), Fire Brigade, checkout operation, confined spaces (NR-33), and work at height (NR-35), covering both general and specific risks. Employees in high-risk roles or positions requiring mandatory certifications also receive the appropriate training.

Training is applied according to the position and occupational risks, following the frequency defined by the standards. Revalidation occurs every 24 months for NR-10 and NR-35 and every 12 months for the Fire Brigade. The training uses accessible language and is taught by safety technicians, specialized companies, engineers and occupational physicians.

403-7 - Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

The company does not map hazards and risks in operations or business partners over which it has no control. However, in 100 percent of the company's units, a comprehensive risk and hazard mapping is in place for all internal activities, ensuring the safety of workers in their operations.

403-9 - Work-related injuries

The identification of occupational accident risks occurs during data mapping to assemble the risk inventory. During the reporting period, no serious accidents were reported.

Work-related injuries GRI 403-9		
	2024	
	Employees	Workers who are not employees (third parties)
Number of hours worked	75,293,606	-
Base of the number of hours worked (200,000 or 1,000,000)	1,000,000	0
Number of fatalities resulting from work-related injuries	0	0
Index of fatalities resulting from work-related injuries	0	0
Number of work-related injuries with serious consequences (except for fatalities)	0	0
Index of work-related injuries with serious consequences (except for fatalities)	0	0
Number of work-related injuries of mandatory reporting (including fatalities)	288	1
Index of work-related injuries of mandatory reporting (including fatalities)	3.83	0

Note: The company recorded typical work accidents, including falls from different levels, impacts with objects, excessive effort during load handling, entrapments, exposure to high temperatures, and accidents caused by natural phenomena. All of these risks had already been mapped, identified and classified as hazards in the risk inventory. All workers are included in the accident data, with no exclusions. The data is compiled based on the Work Accident Report (CAT), as provided for in article 169 of the CLT and Law 8,213/1991. However, it is not possible to measure the hours worked by third parties for detailed statistical calculation.

403-10 - Work-related ill health

No deaths resulting from occupational diseases were recorded. However, 22 cases of occupational diseases requiring mandatory reporting were identified.

MATERIAL TOPIC
3-3 – LOCAL DEVELOPMENT

The Guararapes Group prioritizes the creation of employment and income in its strategy, with the aim of promoting socioeconomic development in the regions where it operates, improving the quality of life of the communities.

One of the Company's main focuses is strengthening the sewing workshops of the Pró-Sertão Program, located in the interior of Rio Grande do Norte. Through the Riachuelo Institute, the company invests in professional training and technical support, in addition to establishing strategic partnerships to improve infrastructure and training. The effectiveness of these initiatives is monitored through regular audits by the Institute and specific indicators, such as the number of beneficiaries, fundraising, training provided and impact on participants' income.

As a learning experience, the company identified the need to improve the supply of workshops and hired a director to work directly on this issue.

Stakeholder involvement is ensured through weekly technical visits to the workshops and communities benefited, as well as strategic consultations based on feedback from materiality surveys.

Learn more about the Riachuelo Institute's initiatives on page 65.

202-1 - Ratios of standard entry level wage by gender compared to local minimum wage

The lowest salary at the Guararapes Group is the same for men and women, at the ratio of 1 to 1 of the minimum wage practiced by labor legislation in the regions in which the Company operates directly. The company ensures that non-employed workers receive wages above the minimum through compensation policies aligned with market practices. Salary surveys indicate that the company pays above the retail average, providing better financial conditions to workers in its value chain. In addition, the company continually monitors industry wage practices, ensuring that suppliers and partners follow fair payment standards in compliance with current labor laws and collective agreements.

202-2 - Proportion of senior management hired from the local community

Percentage of executive board members of key operating units hired from the local community (%) GRI 202- 2		
	2023	2024
Total	20%	14%

Note: The definition of the executive board includes both executive directors, responsible for the Company's strategic decisions, and directors of areas or business units, who lead specific sectors. The local community is understood as the region of Rio Grande do Norte, where the Riachuelo factory is located, and is recognized for its relevance in job creation, economic development and the company's social impact.

413-1 - Operations with local community engagement, impact assessments, and development programs

The Guararapes Group undertakes community engagement actions, impact monitoring, and development programs through the Riachuelo Institute, ensuring that all its operations include initiatives focused on strengthening the local community. Although it does not conduct social impact assessments with participatory processes, the company maintains continuous monitoring of environmental impacts, publicly disclosing the results of these analyses.

The Company developed local development plans based on the community's needs. In addition, it provides a publicly-accessible Reporting Channel, which can be contacted at canaldedenuncias@riachuelo.com.br or by telephone, at 0800 055 76 11.

The local community is defined as the region of Rio Grande do Norte, where the Riachuelo factory is located, serving as a strategic hub for both the business and its employees.

Learn more about the Riachuelo Institute's initiatives on [page 65](#).

413-2 - Operations with significant actual and potential negative impacts on local communities

The company does not record significant negative impacts on local communities but acknowledges the potential impacts of its activities, such as environmental pollution, displacement of communities, and increased real estate costs.

In the Northeastern Sertão region, where the Pró-Sertão Program — an initiative supported by the Riachuelo Institute — is undertaken, 104 textile workshops provide services to the Group, playing an essential role in generating jobs and strengthening the local economy.

Learn more about the Riachuelo Institute's initiatives on [page 65](#).

MATERIAL TOPIC
3-3 – DIVERSITY, INCLUSION AND EQUITY

The Guararapes Group is committed to ensuring decent working conditions in a safe, productive, and welcoming environment, aiming to eliminate discrimination throughout the recruitment process and career progression, and guaranteeing equal access to training, remuneration, evaluation, and promotions. The company ensures opportunities for everyone, regardless of sex, race, age, origin, sexual orientation, gender identity, religion, physical or health condition, with special attention to historically marginalized groups.

To monitor the effectiveness of these initiatives, the company uses engagement surveys, diversity indicators and analysis of complaints received. As a learning experience, the Company identified the importance of creating a specific area for Diversity and Equity, undertaking periodic diversity censuses and establishing a strategic agenda more aligned with the business. Although these changes have not yet been fully integrated into operational policies and processes, they mark a significant step forward in the company's commitment to inclusion and equity within the corporate environment.

Learn more about the guidelines and initiatives to promote diversity, inclusion and equity on [page 62](#).

405-1 - Diversity of governance bodies and employees

Percentage of individuals within the organization's governance bodies by gender GRI 405-1			
			2024
Board of Directors	Men	Women	Total
Number of members of governance bodies	3	2	5
Percentage of members of governance bodies by gender	60	40	100

Percentage of individuals within the organization's governance bodies by age group GRI 405-1		
		2024
Board of Directors	Number	Percentage
Aged fewer than 30 years	0	0
Aged 30 to 50 years	0	0
Aged more than 50 years	5	100

Percentage of employees by employee category and gender GRI 405-1						
Employee category	2022		2023		2024	
	Men (%)	Women (%)	Men (%)	Women (%)	Men (%)	Women (%)
Board	-	-	83%	17%	60%	40%
Executive Board/Superintendence	75%	25%	54%	46%	61%	39%
Management	38%	62%	35%	65%	35%	65%
Supervision/Coordination	36%	64%	38%	62%	37%	63%
Administrative	46%	54%	41%	59%	39%	61%
Production	33%	67%	37%	63%	37%	63%
Operational	33%	67%	33%	67%	33%	67%
Total	34%	66%	35%	65%	34%	66%

Percentage of employees by employee category and age group GRI 405-1									
Employee category	2022			2023			2024		
	Aged fewer than 30 years (%)	Aged 30 to 50 years (%)	Aged more than 50 years (%)	Aged fewer than 30 years (%)	Aged 30 to 50 years (%)	Aged more than 50 years (%)	Aged fewer than 30 years (%)	Aged 30 to 50 years (%)	Aged more than 50 years (%)
Board	-	-	-	0%	0%	100%	0%	0%	100%
Executive Board/Superintendence	0%	55%	45%	0%	73%	27%	0%	77%	22%
Management	8%	88%	4%	10%	87%	4%	8%	87%	5%
Supervision/Coordination	24%	74%	2%	25%	73%	3%	19%	78%	3%
Administrative	46%	52%	2%	42%	56%	2%	46%	51%	3%
Production	27%	65%	8%	28%	64%	8%	31%	58%	10%
Operational	63%	35%	2%	62%	36%	2%	60%	37%	3%
Total	51%	46%	3%	51%	46%	3%	50%	45%	4%

Percentage of employees from minority and/or vulnerable groups by employee category GRI 405-1				
Employee category	Blacks (%)	LGBT (%)	PwDs (%)	Indigenous (%)
Board	0%	0%	0%	0%
Executive Board/Superintendence	6.56%	0%	0%	0%
Management	26.47%	7.68%	0.14%	0.14%
Supervision/Coordination	52.89%	8.6%	0.79%	0.09%
Administrative	47.48%	7.05%	2.3%	0.13%
Production	81.43%	3.04%	5.28%	0.16%
Operational	62.31%	4.84%	3.65%	0.49%
Total	63.34%	4.9%	3.65%	1.02%

405-2 - Ratio of the basic salary and remuneration of women to men

Ratio of basic salary and remuneration of women to men by employee category GRI 405-2		
Employee category	Salary Ratio - Women vs. Men (Base Salary) %	Salary Ratio - Women vs. Men (Remuneration) %
Executive Board	0.86	0.73
Management	0.75	0.76
Leadership/Coordination	0.95	0.92
Technicians/Supervisors	1.11	1.11
Administrative	0.64	0.62
Operational	0.96	0.99

Note: Intermittent, intern and apprentice positions are not considered. The total income, PLR, PRV, vacation, thirteenth bonus salary, and an average of indirect benefits such as medical insurance, meal/food vouchers, and transportation vouchers were included in the remuneration calculation.

406-1 - Incidents of discrimination and corrective actions taken

During the reporting period, 96 cases of discrimination were recorded. All cases were reviewed, with 77 investigations completed and 19 still ongoing, subject to corrective action. Of the finalized analyses, 36 cases were considered valid or partially valid, 38 were unfounded and 3 were inconclusive. As part of the action plan, the company implemented measures such as dismissals, suspensions, warnings (both verbal and written), terms of awareness and commitment, feedback, and training.

The results of these actions are regularly monitored by internal management, with supervision by the Compliance Manager and the Ethics Committee.

MATERIAL TOPIC

3-3 – CLIMATE CHANGE

Climate change poses potential negative impacts, including heightened litigation and sanctions related to emissions, the creation of a regulated carbon market, stricter regulatory requirements, and rising energy costs due to reliance on non-renewable sources. Additionally, there is a risk of increased frequency of extreme weather events that could impact operations.

To mitigate the impacts of climate change, the Guararapes Group prioritizes initiatives to voluntarily reduce greenhouse gas (GHG) emissions and adopt renewable energy.

Learn more about climate change mitigation and adaptation actions on [page 58](#)

201-2 - Financial implications and other risks and opportunities due to climate change

Financial implications and other risks and opportunities due to climate change GRI 201-2		
Risks and Opportunities	Classification	Related financial implications and management methods
Risk 1: Drought - lower yields due to reduced production capacity	Chronic Physical	Some of the Group's operating units, including the Midway Mall shopping center, the Contact Center, and primarily its own factory, Guararapes Confecções, heavily utilize water and are situated in Brazil's northeast river basins, which experience high water stress based on Aqueduct (WRI) risk assessments, and are of high criticality concerning water availability and quality, according to ANA (National Water Agency) maps. Water scarcity can lead to negative impacts on the business that would generate lower income due to reduced production capacity. The estimated cost of measures taken to manage this risk is approximately BRL 794,000.
Risk 2: Drought - increased direct costs	Acute Physical	The main raw material of our manufacturing unit in Natal-RN is cotton, whose production process requires the use of water. A reduction in supply or even an interruption in the supply of this raw material, due to water factors, could affect costs for the company. The estimated cost of measures taken to manage this risk is approximately BRL 620,000.
Risk 3: Increased legal obligations to report emissions	Emerging Regulation	The regulation of the carbon market in Brazil indicates a potential risk for companies, particularly in industries, as they may be required to report their annual emissions and present a clear emissions reduction plan. Failure to do so could result in reduced access to capital. The estimated cost of measures taken to manage this risk is approximately BRL 767,000.
Opportunity 1: Use of energy sources with lower indirect costs and lower emission rates	-	The Company monitors its carbon emissions through annual inventories, creating opportunities to reduce GHG emissions by utilizing renewable and more cost-effective sources compared to conventional fuels. In 2020, Sustainability identified an opportunity to replace boiler fuel; currently using the fossil fuel Natural Gas, it could be substituted with biomass, a renewable and more cost-effective alternative. The estimated investment to replace the boiler is BRL 15.5 million.
Opportunity 2: Diversification of water sources with lower indirect costs.	-	Riachuelo has been mapping and monitoring its water consumption in order to identify opportunities to increase efficiency, reduce consumption and diversify its supply sources. In 2020, a preliminary feasibility study was prepared for the use of rainwater in the shopping mall. Lower direct costs Methods and data used to quantify the values described in the CDP Risk and Opportunity matrices, BRL 492,000.00.
Opportunity 3: Implementation of energy efficiency measures, with the reduction of operational costs.”	-	By implementing energy efficiency measures, and reducing operational costs to minimize environmental impacts associated with energy consumption, we continuously enhance energy efficiency in our stores by replacing conventional lamps with LED lamps. Lower estimated indirect (operational) costs: BRL 38,600.
Opportunity 4: Implementation of Reclaimed Water in the factory”	-	The company continues mapping and monitoring its water withdrawal volumes in order to identify opportunities to increase efficiency, reduce consumption and diversify its supply sources. In 2022, a preliminary feasibility study was prepared for the implementation of water reuse at the Natal factory's WWTP. With the preliminary assessment, it is estimated that 20 percent of the treated wastewater can be reused in the dyeing and laundry processes. Lower estimated indirect (operational) costs: BRL 8 million.



302-1 - Energy consumption within the organization

Energy consumption within the organization GRI 302-1			
Category	2022 (GJ)	2023 (GJ)	2024 (GJ)
Natural gas	294,387	233,742	289,522
Gasoline	1,844	1,794	1,401
LPG	2,765	2,311	2,839
Diesel fuel	77,277	278,198	78,838
Total consumption of fuels derived from non-renewable sources (a)	376,275	312,681	372,601
Biodiesel	8,015	9,077	11,683
Ethanol	453	438	369
Total consumption of fuels derived from renewable sources (b)	8,469	9,515	12,053
Electricity consumption (c)	880,262	842,563	893,856
Total consumption (a + b + c)	1,265,007	1,164,761	1,278,510

302-2 - Energy consumption outside the organization

Energy consumption outside the organization GRI 302-2		
Category	2023 (GJ)	2024 (GJ)
Total energy consumption outside the organization	927,452	1,277,130

302-3 - Energy intensity

Energy intensity GRI 302-3		
	Energy consumed within the organization	Energy consumed outside the organization
2024	0.00305 MWh/unit	0.00305 MWh/unit
2023	0.003011 MWh/unit	0.003011 MWh/unit
2022	0.003325 MWh/unit	0.003325 MWh/unit

Note: These rates express the energy required per unit sold. Intensity ratings are often referred to as normalized environmental impact data. This indicator is calculated by dividing total energy consumption by the metric of the number of units sold. The formula is as follows: Energy Intensity = Total Energy Consumption / No. of units sold.

302-4 - Reductions in energy consumption

We implement initiatives to reduce energy consumption by converting and adapting equipment, focusing on automating air conditioning systems in our stores. In addition, we developed an energy efficiency program focused on replacing conventional lamps with LED lamps in all business units.

As a result of these actions, an absolute reduction of 24,730 GJ in electricity consumption in stores was recorded, compared to the base year of 2019. It is important to highlight that, in that year, there were still no structured programs for replacing LED lamps or automated air conditioning systems. Even with the increase in the number of stores between 2019 and 2024, the company managed to reduce its total energy consumption, demonstrating the effectiveness of the measures adopted.

302-5 - Reductions in energy requirements of products and services

Reductions in energy requirements of products and services GRI 302-5	
Reduction in electricity consumption per store compared to 2019 (base year)	Reduction achieved (in GJ)
2024	27%
2023	28%
2022	25%

303-1 - Interactions with water as a shared resource

The organization sources water from public supply systems, artesian wells, and deep wells, alongside reusing treated wastewater. Water consumption takes place across various activities, including use in toilets, landscape and garden irrigation, facility and equipment cleaning and maintenance, firefighting systems, cafeterias and kitchens, as well as in production processes. Water disposal is carried out through public Sewage Treatment Plants (STP) and through reclaiming.

Learn more about Water Management on [page 93](#).

303-2 - Management of water discharge-related impacts

The organization disposes of water and liquid effluents through the sewage collection network. All facilities operate in locations where there are requirements for water disposal, ensuring compliance with environmental regulations.

Learn more about Water Management on [page 93](#).

303-3 - Water withdrawal

Water withdrawal by source (megaliter ML) GRI 303-3						
	2022		2023		2024	
	Total of the areas	Total with water stress	Total of the areas	Total with water stress	Total of the areas	Total with water stress
Surface water (total)	-	-	-	-	-	-
Groundwater (total)	1,003.17	1,003.17	961.71	961.71	1,210.43	1,210.43
Seawater (total)	-	-	-	-	-	-
Third-party water (total)	127.82	127.82	386.51	300.42	426.29	332.76
TOTAL WITHDRAWAL	1,130.99	1,130.99	1,348.22	1,262.13	1,636.72	1,543.19

The Company maintained its water withdrawal profile, experiencing an approximate 20 percent increase compared to the previous year. The most significant increase was groundwater withdrawal, which increased by 26 percent compared to 2024. This increase is anticipated, as the Guararapes Factory is the unit that consumes the most water from wells, and the rise in withdrawal is likely attributed to increased productivity. Monitoring the index m³/piece produced, it is noted that it remained stable in relation to 2023. In other words, the factory consumed more water, but this was justified by the increase in the number of pieces manufactured. The 2022 data was reassessed and updated, as previous reports considered data on produced water. Produced water (reclaimed water) is not considered in table 303-3, which addresses Withdrawal.



305-1, 305-2, 305-3 - GHG emissions (in tCO₂ equivalent)

GHG emissions (in tCO ₂ equivalent - does not include biogenic emissions) GRI 305-1, 305-2, 305-3			
	2022	2023	2024
Type of Emission	Total emissions (tCO ₂ e)	Total emissions (tCO ₂ e)	Total emissions (tCO ₂ e)
Scope 1 (direct)	37,211	28,188	34,054
Scope 2 (indirect - energy) market	0	0	0
Scope 2 (indirect – energy) location	10,517	9,007	13,457
Scope 3 (other emissions)	203,415	220,363	287,168

305-4 GHG emissions - intensity

GHG emissions intensity GRI 305-4			
Category	2022	2023	2024
Per piece produced at the Guararapes factory (kgCO ₂ e/piece manufactured)	0.50	0.52	0.42
By store sales area, in m ² (kgCO ₂ e/m ²)	51.53	39.49	48.30
Per store (tCO ₂ e/store)	90.76	67.45	80.13

305-5 - Reduction of GHG emissions

The main increase in Scope 1 emissions compared to 2023 is due to the Fugitive Emissions category, with emissions from this source occurring primarily in stores. (According to the engineering department, there were more requests for refills of air conditioning equipment in 2024, as these units become older over time, requiring more maintenance and refills.)

It is also noteworthy that there was an increase in emissions from stationary combustion compared to 2023, driven by heightened production at the Guararapes factory. Most emissions in this Scope 1 category stem from the consumption of natural gas in boilers.

For Scope 2, since 2022, Riachuelo has been acquiring renewable energy certificates (I-RECs) for the consumption of electrical energy in all its operations.

Regarding Scope 3, there was a notable increase in emissions from Category 1 – Purchased Goods and Services, driven by higher volumes of raw material purchases (thread and fabrics) and the acquisition of finished products for resale.

305-6 - Emissions of ozone-depleting substances (ODS)

Emissions of ozone-depleting substances (ODS) GRI 305-6			
	2022	2023	2024
	Amount	Amount	Amount
ODS Produced	0.164	0.184	0.186

305-7 - NOx, SOx, and other significant air emissions

NOx, SOx, and other significant air emissions GRI 305-7			
	2022	2023	2024*
Substance	Amount	Amount	Amount
NOx	5.6 mg/Nm ³	63.52 mg/Nm ³	51.4 mg/Nm ³
SOx	0 mg/Nm ³	0 mg/Nm ³	-*
Other standard categories of air emissions identified in relevant laws and regulations	1,310.1 mg/Nm ³	159.62 mg/Nm ³	116.16 mg/Nm ³

Note: Emissions of NOx, SOx, and other gases such as carbon monoxide and carbon dioxide are monitored annually in boilers, knit dryers, and fluid heaters at the factories, as required by the environmental license, through an accredited laboratory. The data presented above are the emissions measured in a boiler at the Natal factory. Monitoring of emissions from pollution sources is monitored annually by an accredited laboratory to meet the conditions of the factories' environmental permit.
* The organization did not perform the SOx measurement.

303- 4, 303-5 - Water consumption

Water consumption in megaliters GRI 303- 4 303-5						
	2022		2023		2024	
	Total areas	Areas with water stress	Total areas	Areas with water stress	Total areas	Areas with water stress
Total water withdrawal	1,130.986	1,130.986	1,348.218	1,262.131	1,636.72	1,543.19
Total water discharge	918.991	918.991	1,113.406	1,044.5377	1,309.37	1,234.55
Water consumption	212.00	212.00	234.81	217.59	327.35	308.64

Note: Water consumption is calculated by subtracting the total volume of water discharged from the total volume of water withdrawn.

EM-MM-110a.1 - Gross global scope 1 emissions, percentage covered by emission-limiting regulations

Gross global scope 1 greenhouse gas (GHG) emissions to the atmosphere	
	2024
	Metric tons and percentage
Gross global Scope 1 emissions	34,053.84

EM-MM-130a.1 -.1 Total energy consumed, (2) percentage grid electricity and (3) percentage renewable

Total energy consumed; percentage grid electricity; renewable percentage	
	2024
	Quantitative
Total energy consumed	893,750 GJ
Percentage of energy consumed that was supplied by grid electricity	20.2%
Percentage of energy consumed from renewable energy	79.8%

Note: 100% renewable with the purchase of I-RECs

OTHER GENERAL CONTENT INDICATORS

2-4 Restatements of information

The data in the report has changed due to changes in measurement methodologies or definitions used. These reformulations ensure greater precision and alignment with the new methodologies applied:

- GRI 401-3: Information on paternity leave has been adjusted due to a change in assumptions, resulting in updated data for 2023 and 2022 in this report.
- GRI 305-5: The values related to the reduction of greenhouse gases have undergone changes, resulting in the update of the 2023 data in this report.

2-8 - Workers who are not employees

Workers who are not employees GRI 2-8	
Self-employed	148
Outsourced	4,442
Total	4,590

Note: The total number of workers was determined based on data available at the end of the reporting period. During the period covered by the report, there were significant fluctuations in the number of workers. The main variation was observed in the accounting of self-employed workers. In the previous year, all self-employed workers who worked for the company during the year were reported, including both active and terminated individuals. This year, the company chose to report only self-employed workers who were active at the end of the period, resulting in a reduction in the total number recorded.

2-16 Communication of critical concerns

The Board of Directors monitors and guides the management of critical concerns through its meetings and regular interactions with its committees and the Executive Board, and no critical concerns were reported in 2024.

2-19 Remuneration policies

The duty to approve the Remuneration Policy for the Group's senior leadership rests with the Board of Directors. This policy establishes criteria and guidelines to define the fixed and variable remuneration and benefits granted to members of the Executive Board and the Company's committees. Based on market practices, this process aims to attract and retain qualified professionals and align the interests of managers with those of shareholders.

The Group's variable remuneration policies are directly linked to the company's strategic and financial performance, ensuring that the interests of leaders are aligned with the organization's long-term objectives. Approval of the distribution of global remuneration takes place at the Annual General Meeting, which is also linked to the organization's strategic guidelines.

2-20 Process to determine remuneration

The creation of remuneration policies adheres to a structured process, initiating with the establishment of clear objectives and a philosophy that aligns with the company's strategies and best market practices.

The Remuneration Committee oversees the process, ensuring compliance with governance principles and corporate guidelines. Stakeholder participation, including that of shareholders, takes place through meetings, surveys, and structured consultations. Additionally, independent compensation and governance consultants assist in defining criteria aligned with global trends.

2-21 Annual total compensation ratio

Annual total compensation ratio		
	2023	2024
	Values	Values
Ratio of the annual remuneration paid to the highest-paid employee to the average annual remuneration of all employees (excluding the highest-paid employee)	180.03	219.94
Ratio of the annual remuneration paid to the highest-paid employee to the average annual remuneration of all employees (excluding the highest-paid employee)	0	3.03

Note: The annual remuneration was calculated based solely on active employees classified under regular activity, vacation, and director's fees, excluding those in intermittent work, internship, and apprenticeship positions. The value was obtained through the monthly average per person, multiplied by 12 months. In the previous period, the highest paid professional worked only eight months and did not receive variable remuneration. The calculation includes all benefits, profit sharing (PLR), variable remuneration programs (PRV, ILP), vacations, thirteenth bonus wage and an average of indirect benefits, such as medical insurance, meal/food vouchers and transportation vouchers.

2-25 Processes to remediate negative impacts

The data presented indicate that the main incidents recorded in the Reporting Channel in 2024 are related to “Inappropriate behavior” and “Harassment.” Most reports originate from stores, followed by the factory and distribution centers. To mitigate these occurrences, we offer various training sessions, with a particular emphasis on educating managers on the topic. The main measures adopted to deal with the reported situations were: feedback, clarifications, dismissals, training and verbal warnings.

2-27 Compliance with laws and regulations

No significant cases of non-compliance with laws and regulations were identified, considering fines and non-monetary sanctions. We consider significant cases to be fines above BRL 5 million or potential reputational/operational impact.

2-30 Collective bargaining agreements

The Guararapes Group has 90 percent of its workforce covered by collective bargaining agreements. For other employees, working conditions and terms of employment are outlined in Collective Labor Agreements.

The company prioritizes adherence to Collective Agreements; however, in regions where these agreements may negatively impact the business, it opts for direct negotiations. This practice guarantees better working conditions for employees, balancing business sustainability with employee well-being.

TCFD Governance

a) Description of board oversight of climate-related risks and opportunities.

The Guararapes Group has integrated the oversight of climate issues into its governance structure through the Board of Directors and the Governance and Sustainability Committee. The Board approves climate goals and objectives, considering risks and opportunities from climate change. The Committee holds bimonthly meetings, during which it receives reports from the People and Sustainability Executive Board and monitors environmental progress, such as the implementation of the biomass boiler at the Guararapes factory. In 2024, eight meetings were held, including one exclusively to define the 2025 climate strategy.

In 2024, the risk related to **Climate Change and Natural Disasters** was included in the Company's Risk Matrix among the 25 strategic risks. In financial planning, the 2024 budget allocated resources to climate management, such as carbon inventory and the purchase of I-RECs. A detailed diagnosis of climate risks is planned for 2025, in line with CVM regulation 193 and the ISSB.

b) Description of management's role in assessing and managing climate-related risks and opportunities.

The Company structured its climate governance with responsibilities assigned to the Sustainability Committee, which advises the Board of Directors on the implementation of environmental guidelines. The Sustainability Department, subordinate to the Executive Director of People and Sustainability, leads and monitors climate initiatives. The Sustainability Committee, consisting of five members, including independent advisors and Board of Directors members, is responsible for evaluating, proposing, and overseeing strategic actions to mitigate and adapt to climate change.

Strategy

a) Description of the climate-related risks and opportunities identified by the organization in the short, medium, and long term.

Time horizons	Time range	Description
Short-term	Up to 5 years	During this period, the company focuses on the risks and opportunities that may arise in the coming year. This may include market changes, regulatory changes or even operational risks. The company's immediate financial security depends on the proper management of these risks.
Medium term	5 to 10 years	This period allows the company to plan and prepare for potential opportunities and risks. This may include strategic investments, market expansion or risk reduction.
Long-term	From 10 years	In this case, the company plans for the distant future. This enables the Guararapes Group to identify and prepare for trends, industry changes, and other factors that may impact the company's long-term financial health.

The Company adopts a structured process to identify and assess climate risks and opportunities, integrating these factors into its business strategy and financial management. The assessment begins with data collection by the Sustainability Department, in partnership with external experts and support from the Engineering Department. Risks are analyzed across the entire value chain, from direct operations to distribution and consumption, and are presented to the Governance and Sustainability Committee, which then recommends strategies to the Board of Directors.

Climate risks are incorporated into the company's overall risk management, considering financial, operational, regulatory, market, reputational and technological impacts. The Compliance Department assesses the likelihood and financial impact of risks using predefined criteria. A practical example was the analysis of water scarcity at the Guararapes factory, conducted using the Aqueduct tool (WRI), which identified vulnerability to a reduction in water supply, posing a

significant operational and financial risk. Strategic risks are classified according to their financial impact, with those exceeding BRL 7 million being considered critical. One of the main risks identified is the increased frequency of extreme events, such as prolonged droughts in the factory region, in Natal (RN), which can affect the water supply and increase operating costs.

In addition to risk management, the company identifies strategic opportunities linked to climate change, using the same financial criteria. The Sustainability Department and external experts analyze opportunities in low-carbon economy, energy efficiency and sustainable product development. These analyses are reported to the People and Sustainability Executive Board, which presents them to the Governance and Sustainability Committee. The Committee, in turn, presents recommendations to the Board of Directors, which oversees the integration of these initiatives into the company's budget and strategy. The Board of Directors, advised by the Governance and Sustainability Committee, plays a central role in overseeing climate management, holding bimonthly meetings to discuss risks and opportunities.

Transition risks include political and legal changes, such as increased carbon emissions reporting obligations. In Brazil, a potential regulation requiring the neutralization of Scope 1 and 2 emissions could result in an estimated financial impact of BRL 515,614.89, if the company were to fully offset its emissions through carbon credits. To mitigate this risk, the Company invested in carbon management, such as emissions inventory, audits, participation in the GHG Protocol and purchase of I-RECs, totaling a response cost of BRL 396,360.24.

Physical risks, in turn, include drought in areas critical to operations and the supply chain. In Rio Grande do Norte, water shortages could disrupt production, affecting between 15 percent and 30 percent of the factory's annual revenue, resulting in a financial impact ranging from BRL 192.9 million to BRL 385.8 million. Furthermore, in cotton producing regions, drought can increase the cost of raw materials by 30 percent to 60 percent, generating an impact of BRL 54.1 million to BRL 108.2 million. To mitigate these risks, the Group invested in technical assessments for water withdrawal and reclaiming, in addition to strengthening its partnership with Better Cotton, which promotes sustainable agricultural practices. The total cost of the response was approximately BRL 1.6 million.



Among the opportunities identified, replacing fossil fuels with biomass in the factory can reduce operating costs by up to BRL 5.54 million per year, with an investment of BRL 14 million. Other initiatives include the use of rainwater at the Shopping Midway mall, which could generate savings of up to BRL 120,416.00 per year, and the reuse of water at the Natal factory, which helps reduce effluent disposal costs by up to BRL 2.18 million annually. The return time for these investments varies between 4 and 5 years, demonstrating the economic feasibility of the sustainable initiatives adopted by the Company.

b) Description of the impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning.

In 2024, Rio Grande do Sul faced a serious climate disaster caused by intense rains, which profoundly impacted the region. This event brought significant challenges to the local community, including Riachuelo employees who live in the area and had their routines and safety affected. Furthermore, store operations in the region were also impacted by extreme weather conditions and the structural damage caused by the event. In light of this situation, we reinforce our support for our employees and the affected communities, reaffirming our care for people in facing the impacts of climate change.

Areas	Impact of climate-related issues on your business and strategy
Products and services	The Company considers climate impacts in the development of its products and services. One example of this is that in 2024 the Group developed a new guideline for the classification of more responsible raw materials. Learn more on page 46 of our Integrated Report.
Supply chain and/or value chain	We view partnerships with suppliers that adopt sustainable practices as a competitive advantage. With the new science-based Scope 3 target, we will reduce the carbon footprint across our value chain. We will also work on product traceability and strengthening environmental governance policies with our partners.
Adaptation and mitigation activities	The Group implements mitigation and adaptation measures to address climate challenges, including the adoption of energy efficiency systems in its operations, the reduction of Greenhouse Gas (GHG) emissions, and participation in environmental compensation projects. Additionally, we invest in adaptation strategies to reduce the vulnerability of our businesses to extreme weather events.
Investments in research and development	We invest in research and development to drive sustainable innovation. An example of this was the investment in R&D of the textile recycling project in partnership with the Technological Research Institute of the state of São Paulo (SP).
Operations (including types of operations and location of facilities)	We seek to consider climate risks when planning our new operations and facilities. An example is the opening of the new store in Cascavel (PR) in 2024, launched under the “Fashion that Transforms” concept, which emphasizes eco-efficiency and the rational use of natural resources. Additionally, we constantly assess the resilience of our facilities to extreme weather events to ensure business continuity.

Committed to reducing GHG emissions, the Company has also established goals aligned with the Paris Agreement. After reducing scope 1 and 2 emissions by 30 percent by 2022, it joined the Science Based Targets initiative (SBTi). In 2024, the company validated its target to reduce Scope 1 and 2 emissions by 46.2 percent and Scope 3 emissions by 55 percent by 2030, compared to 2019 levels, reinforcing its transition to a low-carbon economy. Furthermore, it continually invests in R&D to develop innovative solutions that reduce environmental impacts.

The Group is also committed to long-term investments in climate adaptation and mitigation of environmental impacts. One of the main

projects is the construction of the biomass boiler, scheduled for 2026, gradually replacing natural gas in the factory. Additionally, the company structured a plan to expand supply chain traceability, ensuring that suppliers adopt practices aligned with emissions reduction targets and efficient use of natural resources.

To optimize its operations and reduce carbon, energy and water consumption, the company constantly reviews its strategies. The factory already adopts measures to minimize water waste and is studying the implementation of a water reuse system at the waste water treatment plant (WWTP). Furthermore, upgrading lighting systems to LED technology in stores and offices has led to a significant reduction in energy consumption. These initiatives demonstrate the company's commitment to operational efficiency and adaptation to environmental requirements.

c) Description of the resilience of the organization's strategy, considering different climate-related scenarios, including a scenario of 2°C or less.

The Company recognizes the influence of climate risks and opportunities on its strategy and is developing a climate transition plan for the coming years. Senior management monitors these variables and has committed to emissions reduction targets in scopes 1, 2 and 3, established with Science Based Targets (SBTi).

In addition, it continuously verifies its GHG inventory, adopts low-carbon initiatives, engages suppliers and considers climate impacts in its financial planning. A few actions are already underway, and the company intends to expand its initiatives towards a complete climate transition.

Key areas where the strategy may be affected include supply chain disruptions caused by extreme weather events, increased raw material costs due to natural resource scarcity, new environmental regulations mandating more sustainable practices, and shifts in consumer preferences that may influence competitiveness. To mitigate these risks and seize opportunities, the company seeks to expand the offering of sustainable products and improve the operational efficiency of its business units.

Risk Management

a) Description of organization processes used to identify and assess climate-related risks.

Climate Risk Management Processes

The identification and assessment of climate risks at the Guararapes Group start with the Sustainability Department gathering and analyzing data. This process leverages both internal and external sources to map potential threats and opportunities. External experts assist in assessing these risks, considering climate scenarios, regulatory trends and financial impacts. The Governance and Sustainability Committee discusses these analyses and proposes strategic actions to the Board of Directors, which oversees and guides the company's strategy based on these risks.

The company integrates climate risks into its overall corporate risk management model, analyzing them together with other financial, operational and strategic risks. The risk matrix utilized by the Company evaluates the impact magnitude and the likelihood of each risk occurring, ensuring that climate risks are effectively compared and appropriately weighted within the broader business context.

Consideration of Existing and Emerging Regulatory Requirements

The company tracks and considers both existing and emerging regulatory requirements related to climate change, including emissions reduction targets, GHG emission limits, and climate reporting obligations. In addition, the Group monitors regulatory trends, such as the possible creation of a regulated carbon market in Brazil, and prepares to comply with future requirements. This approach allows the company to anticipate changes and take proactive measures to mitigate regulatory risks.

Process for assessing the size and scope of climate risks

The identified climate risks are assessed across different dimensions, including financial, operational, legal, market, reputational and technological impacts. This assessment allows the company to prioritize the most relevant risks and develop mitigation strategies aligned with its business objectives. Examples of risks assessed include water shortages at the factory, which could affect production, and increased raw material costs due to climate variations.

Risk Definition and Terminology

Climate risks and opportunities are identified and reported in accordance with internationally recognized methodologies, such as the CDP guidelines. Furthermore, the Company's risk management includes socio-environmental risks broadly in its risk management policy, ensuring that environmental and climate aspects are duly considered in all strategic decisions.

b) Describe the organization's processes for managing climate-related risks

At the Guararapes Group, climate risk management is woven into the Company's overall risk management framework, ensuring strategic identification, analysis, and mitigation of financial, operational, and regulatory impacts tied to climate change. The Sustainability Department leads this process, collaborating with external experts and other company areas, including engineering and compliance.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Climate risks are included in the Corporate Risk Matrix and classified according to financial impact, likelihood of occurrence and effect on operations. In 2024, Riachuelo made a significant investment in mapping corporate risks, in partnership with Deloitte and the Risk Management Department. This process was validated by the Board of Directors, leading to the inclusion of Climate Change and Natural Disasters risk in the Company's Top 25 risks ranking, thereby reinforcing its strategic significance.

Metrics and Targets

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Climate performance metrics are not yet part of Grupo Gurarapes' remuneration policies, but the company is moving forward with integrating this agenda into its corporate strategy. Aligning environmental indicators with incentive policies is an area poised for development in the coming years.

b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

Scope 1 emissions details			
Categories - scope 1	Emissions history in tCO ₂ e (inventoried/ reported year - 2 years)	Emissions history in tCO ₂ e (inventoried/ reported year - 1 year)	Current year
Stationary combustion	18,798.14	14,920.08	16,401.58
Mobile combustion	6,672.24	5,737.34	6,010.66
Fugitive emissions	11,740.25	7,531.01	11,549.20
Effluent treatment	-	-	92.39
Total emissions (tCO₂e)	37,210.63	28,188.43	34,053.83

The risks related to the Group's Scope 1 emissions are directly connected to the energy matrix of its industrial operations, particularly concerning the transition from natural gas to biomass. The main risks identified include the non-implementation of the biomass boiler, labor risks and lack of fuel due to demand from competitors.

Scope 2 emissions details			
Categories - scope 2	Emissions history in tCO ₂ e (inventoried/ reported year - 2 years)	Emissions history in tCO ₂ e (inventoried/ reported year - 1 year)	Current year
Electricity (location approach)	10,516.65	9,006.64	13,456.53
Total (location approach)	10,516.65	9,006.64	13,456.53
Total (purchase choice)	0	9,006.64	13,456.53

The Company faces risks associated with scope 2 and 3 emissions in its climate strategy. In Scope 2, the risk of not acquiring I-RECs could increase the company's vulnerability to emissions fluctuations in the National Interconnected System (SIN), particularly when thermoelectric plants play a larger role in the energy mix. Conversely, acquiring I-RECs presents risks like price volatility and limited availability, which could affect the Company's costs and emissions offsetting strategy.

In 2022, Riachuelo had not yet finalized the mapping of emissions associated with Scope 3, particularly in Category 1 (Purchased goods and services) and Category 4 (Upstream transportation and distribution). Furthermore, to comply with the SBTi targets, it was necessary to review Category 3 (Activities related to fuel and energy not included in scopes 1 and 2). In 2023, a thorough mapping was conducted for the Science-Based Target initiative (SBTi), using 2019 as the base year, and included further revisions for the years 2021 and 2023. From that year onwards, the mapping of these categories began to be carried out annually and incorporated into the company's emissions inventory.

Risks associated with scope 3 include the heavy dependence on raw materials, which represent approximately 70 percent of the company's total impact in this scope. This creates challenges such as volatility in the prices of certified raw materials and the limited availability of low-carbon inputs in sufficient quantities to meet the climate targets set for scope 3.

To monitor and manage its carbon footprint, the Group uses various efficiency rates and emissions intensity metrics, such as:

- kgCO₂e/piece produced at the factory: Measures the intensity of emissions associated with the production of each item of clothing in the manufacturing unit.
- kgCO₂e/store sales area (m²): Evaluates the carbon footprint of stores relative to their sales area, offering a metric to enhance energy efficiency in retail.
- tCO₂e/store: Quantifies total emissions per store unit, allowing comparisons between different retail operations.

The methodologies used to calculate these metrics include:

- For kgCO₂e per piece produced in the factory, the calculation considers the total emissions from Scopes 1 and 2 of the manufacturing unit and the total number of parts produced.
- For kgCO₂e/sales area of stores (m²) and tCO₂e/store, the total emissions of scopes 1 and 2 of the main business (retail – sale of goods) are used, associating them with the square meters of the stores or the total number of units.



c) Description of the goals used by the organization to manage climate-related risks and opportunities, performance against the relation to the goals

The Company has established medium and long-term climate-related goals, focusing on reducing Greenhouse Gas (GHG) emissions, energy efficiency and the adoption of sustainable raw materials. The goals are aligned with the Science Based Targets initiative (SBTi), ensuring that the company contributes to limiting global warming to 1.5°C.

The first target defined is a 46.2 percent reduction in absolute scope 1 and 2 emissions by 2030, compared to 2019 levels. This target is measurable through the GHG Emissions metric (CO₂e) and considers monitoring the implementation of the biomass boiler as one of the main performance indicators. In the short term, the focus is on finalizing the biomass boiler executive project by 2025, with construction expected to be completed by June 2026.

The second target aims to reduce scope 3 emissions related to goods and services purchased per garment by 55 percent by 2030, also based on 2019. This target, unlike the first, is based on intensity, allowing the assessment of the reduction in emissions per unit produced. Progress will be measured by the percentage of participation of raw materials with regenerative, circular and certified practices. To achieve this goal, short-term actions include:

- Implementation of the R&D project on textile recycling at the Natal factory, in partnership with the Technological Research Institute (IPT).
- Expanding the use of raw materials with regenerative practices, such as agroecological cotton from the Riachuelo Institute.
- Implementation and monitoring of the new classification of sustainable raw materials, accompanied by the establishment of internal targets for progress in these categories.

GRI Content Summary

Statement of Use	Riachuelo reported the information mentioned in this GRI content summary for the period ranging from January 1 to the December 31, 2024 based on the GRI Standards.
GRI 1 used	GRI 1: Fundamentals 2021

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	SDG
GRI 2: General Content 2021	General disclosures		
	2-1 Organizational details	11, 31	
	2-2 Entities included in the organization's sustainability reporting	5	
	2-3 Reporting period, frequency, and contact point	5	
	2-4 Restatements of information	99	
	2-5 External assurance	5	
	2-6 Activities, value chain, and other business relationships	14	
	2-7 Employees	57, 88	8, 10
	2-8 Workers who are not employees	99	8
	2-9 Governance structure and composition	29, 30	5, 16
	2-10 Nomination and selection of the highest governance body	32, 33, 34	5, 16
	2- 11 Chair of the highest governance body	32	16
	2-12 Role of the highest governance body in overseeing the management of impacts	32, 33	16
	2-13 Delegation of responsibility for managing impacts	34	
	2-14 Role of the highest governance body in sustainability reporting	5, 32	
	2-15 Conflicts of interest	38	16
	2-16 Communication of critical concerns	99	
	2-17 Collective knowledge of the highest governance body	34	
	2-18 Evaluation of the performance of the highest governance body	32	
	2-19 Remuneration policies	100	
	2-20 Process to determine remuneration	100	
	2-21 Annual total compensation ratio	100	
	2-22 Statement on sustainable development strategy	6	
	2-23 Policy commitments	37	16
	2-24 Embedding policy commitments	37	
	2-25 Processes to remediate negative impacts	38	
	2-26 Mechanisms for seeking advice and raising concerns	37	16
	2-27 Compliance with laws and regulations	100	
	2-28 Membership in associations	73	
	2-29 Approach to stakeholder engagement	73	
	2-30 Collective bargaining agreements	100	8

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	SDG
Material topics			
GRI 3: Material Topics 2021	3-1 Process of determining material topics	41	
	3-2 List of material topics	42	
Innovation and technology			
GRI 3: Material Topics 2021	3-3 Management of material topics	87	
Attraction, development and retention of employees			
GRI 3: Material Topics 2021	3-3 Management of material topics	58, 87	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	89, 90	4, 5, 8, 10
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	61	3, 5, 8
GRI 401: Employment 2016	401-3 Parental leave	90	5, 8
GRI 402: Labor/Management Relations 2016	402-1 Minimum caveat periods regarding operational changes	90	8
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	90	4, 5, 8, 10
GRI 404: Training and education 2016	404-2 Programs for improving employee skills and career transition assistance	59	8
GRI 404: Training and education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	60	5, 8, 10
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	90	8
Cybersecurity and data privacy and security			
GRI 3: Material Topics 2021	3-3 Management of material topics	39, 87	
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	87	16
Diversity, inclusion and equity			
GRI 3: Material Topics 2021	3-3 Management of material topics	93	
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	93, 94	5, 8
GRI 405: Diversity and equal opportunity 2016	405-2 Ratio of the basic salary and remuneration of women to men	94	5, 8, 10
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	94	5, 8
Supplier chain management			
GRI 3: Material Topics 2021	3-3 Management of material topics	83	
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	83	8
GRI 308: Environmental assessment of suppliers 2016	308-1 New suppliers that were screened using environmental criteria	75	
GRI 414: Social assessment of suppliers 2016	414-1 New suppliers that were screened using social criteria	75	5, 8, 16
SASB CG-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	75	
SASB CG-AA-430b.3	Description of the greatest (1) labor and (2) environmental, health and safety risks in the supply chain	83	
SASB CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	74	

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	SDG
Textile waste management and circularity			
GRI 3: Material Topics 2021	3-3 Management of material topics	85	
GRI 306: Waste 2020	306-1 Significant actual and potential waste-related impacts	52	3, 6, 11, 12
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	52	3, 6, 8, 11, 12
GRI 306: Waste 2020	306-3 Waste generated by composition	85, 86	3, 6, 11, 12
GRI 306: Waste 2020	306-4 Waste diverted from disposal	86	3, 11, 12
GRI 306: Waste 2020	306-5 Waste directed to disposal	86, 87	3, 6, 11, 12, 15
Climate Change			
GRI 3: Material Topics 2021	3-3 Management of material topics	54, 95	
GRI 201: Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	95	13
GRI 302: Energy 2016	302-1 Energy consumption within the organization	96	7, 8, 12, 13
GRI 302: Energy 2016	302-2 Energy consumption outside the organization	96	7, 8, 12, 13
GRI 302: Energy 2016	302-3 Energy intensity	96	7, 8, 12, 13
GRI 302: Energy 2016	302-4 Reductions in energy consumption	96	7, 8, 12, 13
GRI 302: Energy 2016	302-5 Reductions in energy requirements for products and services	96	7, 8, 12, 13
GRI 303: Water and wastewater 2018	303-1 Interactions with water as a shared resource	53, 96	6, 12
GRI 303: Water and wastewater 2018	303-2 Management of water discharge-related impacts	53, 96	6
GRI 303: Water and wastewater 2018	303-3 Water withdrawal	97	6
GRI 303: Water and wastewater 2018	303-4 Water discharge	99	6
GRI 303: Water and wastewater 2018	303-5 Water consumption	99	6
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	98	3, 12, 13, 14, 15
GRI 305: Emissions 2016	305-2 Indirect (Scope 2) GHG emissions from energy acquisition	98	3, 12, 13, 14, 15
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	98	3, 12, 13, 14, 15
GRI 305: Emissions 2016	305-4 GHG emissions intensity	98	13, 14, 15
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	98	13, 14, 15
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	98	3, 12
GRI 305: Emissions 2016	305-7 NOX, SOX, and other significant air emissions	98	3, 12, 14, 15
SASB EM-MM-130a.1	1) Total energy consumed, 2) percentage of electrical energy, 3) percentage of renewable energy	99	
SASB EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	99	
More sustainable products			
GRI 3: Material Topics 2021	3-3 Management of material topics	83	
GRI 301: Materials 2016	301-1 Materials, broken by weight or volume	84	8, 12
GRI 301: Materials 2016	301-2 Raw materials or recycled materials used	84	8, 12
GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials	84	8, 12

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	SDG
SASB CG-AA-440a.3	(1) List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to be a threat, (3) discussion of business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy to address business risks and opportunities	84	
SASB CG-AA-440a.4	(1) Quantity of priority raw materials purchased, per material, and (2) total certified under an environmental and/or social standard from third parties, by standard	84	
Health and Well-Being			
GRI 3: Material Topics 2021	3-3 Management of material topics	60, 91	
GRI 403: Health and safety at work 2018	403-1 Occupational health and safety management system	91	8
GRI 403: Health and safety at work 2018	403-2 Hazard identification, risk assessment, and incident investigation	91	8
GRI 403: Health and safety at work 2018	403-3 Occupational health services	91	8
GRI 403: Health and safety at work 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	91	8, 16
GRI 403: Health and safety at work 2018	403-5 Worker training on occupational health and safety	91	9
GRI 403: Health and safety at work 2018	403-6 Worker access to non-occupational medical and healthcare services	60	3
GRI 403: Health and safety at work 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	92	8
GRI 403: Health and safety at work 2018	403-8 Workers covered by an occupational health and safety management system	61	8
GRI 403: Health and safety at work 2018	403-9 Work-related injuries	92	3, 8, 16
GRI 403: Health and safety at work 2018	403-10 Work-related ill health	92	3, 8, 16
Local Development			
GRI 3: Material Topics 2021	3-3 Management of material topics	92	
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	93	5, 8
GRI 202: Market presence 2016	202-2 Proportion of senior management hired from the local community	93	8
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	93	
GRI 413: Local communities 2016	413-2 Operations with significant actual or potential negative impacts on local communities	93	1, 2
Non-Materials			
SASB CG-AA-250a.1	Discussion of processes to maintain compliance with regulations regarding restricted substances	52	
SASB CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	52	
SASB EM-MM-150a.10	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	N/A	

TCFD

CODE	METRICS	LOCATION/RESPONSE
Governance	a. Description of board oversight to climate change-related risks and opportunities.	101
	b. Description of management’s role in assessing and managing climate-related risks and opportunities.	101
Strategy	a. Climate-related risks and opportunities identified by the organization in the short, medium, and long term.	101, 102
	b. Impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	101, 102
	c. Resilience of the organization’s strategy, considering different climate-related scenarios, including a scenario of 2°C or less.	101, 102
Risk Management	a. Describe the processes used by the organization to identify and assess climate-related risks.	103
	b. Describe the organization's processes for managing climate-related risks.	103
	c. How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	103
Metrics and goals	a. Metrics the organization used to assess climate-related risks and opportunities in accordance with the risk management strategy and process.	104
	b. Report Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the risks related to them.	104
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	104

Assurance Report



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Relatório de asseguaração limitada dos auditores independentes

Ao Conselho de Administração e Acionistas das
Lojas Riachuelo S.A.
São Paulo - SP

Relatório de asseguuração limitada dos auditores independentes sobre os indicadores ambientais, sociais e de governança (ESG) constantes no Relatório Integrado 2024 das Lojas Riachuelo S.A.

Conclusão

Realizamos um trabalho de asseguração limitada sobre os indicadores ambientais, sociais e de governança (ESG) constantes no "Relato Integrado 2024" ("Relatório") das Lojas Riachuelo S.A. ("Companhia") relativas ao exercício findo em 31 de dezembro de 2024 preparadas com base nas normas da *Global Reporting Initiative (GRI) - GRI Standards*, do *Sustainability Accounting Standards Board (SASB)*, do *Task Force on Climate-Related Financial Disclosures (TCFD)*, e com a *Orientação CPC 09 – Relato Integrado* (que tem correlação à *Estrutura Conceitual Básica do Relato Integrado*, elaborada pelo *International Integrated Reporting Council – IIRC*), e com os controles internos da Companhia aplicáveis ("Critérios").

Com base nos procedimentos executados e nas evidências obtidas, não temos conhecimento de nenhum fato que nos leve a acreditar que os indicadores ambientais, sociais e de governança (ESG) constantes no "Relato Integrado 2024" das Lojas Riachuelo S.A. relativas ao exercício findo em 31 de dezembro de 2024 não foram preparados, em todos os aspectos relevantes, com base nas normas da Global Reporting Initiative (GRI) - GRI Standards, do Sustainability Accounting Standards Board (SASB), do Task Force on Climate-Related Financial Disclosures (TCFD), e com a Orientação CPC 09 – Relato Integrado (que tem correlação à Estrutura Conceitual Básica do Relato Integrado, elaborada pelo International Integrated Reporting Council – IIRC) e com os controles internos da Companhia adiciáveis.

Base para a conclusão

Conduzimos nosso trabalho de acordo com a NBC TO 3000 (revisada) – Trabalhos de Asseguração Diferente de Auditoria e Revisão e a ISAE 3000 (revised) – *Assurance engagements other than audits or reviews of historical financial information*, emitidas pelo Conselho Federal de Contabilidade (CFC) e *International Auditing and Assurance Standards Board (IAASB)*, respectivamente. Nossas responsabilidades em relação a essas normas estão descritas mais detalhadamente na seção "Nossas responsabilidades" do relatório.

KPMG Assessoria é integrante das K20, uma sociedade simples e asférica, de responsabilidade limitada e firma-membro da organização global KPMG de membros-membros independentes, controlada pela KPMG International Limited, uma empresa a licença e fundo de responsabilidade limitada.

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Cumprimos com os requisitos de independência e outros requisitos éticos do Código de Ética Profissional do Contador e das Normas Profissionais (incluindo as Normas de Independência) emitidos pelo Conselho Federal de Contabilidade (CFC) baseados nos princípios fundamentais de integridade, objetividade, competência profissional e devido zelo, confidencialidade e comportamento profissional.

Nossa firma aplica a NBC PA 01 Gestão de Qualidade para Firms (Pessoas Jurídicas e Físicas), as Auditorias independentes e a *International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, emitidas pelo CFC e IAA3B, respectivamente. Essa norma requer que a firma elabore, implemente e opere um sistema de gestão de qualidade, incluindo políticas ou procedimentos relativos ao cumprimento de requisitos éticos, normas profissionais e requisitos legais e regulatórios aplicáveis.

Acreditamos que as evidências obtidas são suficientes e apropriadas para fundamentar a nossa conclusão.

Responsabilidades da administração da Companhia pelo Relatório

A administração da Companhia é responsável pelo

- desenho, a implementação e a manutenção dos controles internos relevantes para a preparação das informações constantes no Relatório que estão livres de distorção relevante, independente se devido a fraude ou erro;
- a seleção dos critérios adequados para a preparação das informações constantes no Relatório e a referência apropriada aos critérios utilizados ou descrição desses critérios; e
- a preparação e apresentação adequada das informações constantes no Relatório com base nos critérios.

Nossas Responsabilidades

Somos responsáveis por:

- planejar e executar o trabalho para obter uma asseguuração limitada sobre se as informações constantes no Relatório da Companhia relativas ao exercício findo em 31 de dezembro de 2024, preparadas com base nos Critérios estão livres de distorção relevantes, independentemente se devido a fraude ou erro;
- formar uma conclusão independente, de acordo com os procedimentos executados e nas evidências obtidas; e
- reportar nossa conclusão ao Conselho de Administração e Acionistas da Companhia.

Resumo do trabalho que executamos como base para nossa conclusão

Exercemos julgamento profissional e mantivemos o ceticismo profissional ao longo do trabalho. Desenhámos e executámos nossos procedimentos para obter evidência sobre as informações não financeiras constantes no Relatório das Lojas Riachuelo S.A. que é suficiente e apropriada para fornecer uma base para nossa conclusão. Nossos procedimentos selecionados dependem do nosso entendimento das informações não financeiras constantes no Relatório da Companhia e de outras circunstâncias do trabalho, além de nossa consideração das áreas em que é provável que surjam distorções materiais. Ao realizar o trabalho, nós:

KPMG Assurances independente Ltda., uma sociedade simples brasileira, de responsabilidade limitada e filia-membro da organização global KPMG de filias-membros independentes incorporada na KPMG International Limited, um empresa a ligada à rede de responsabilidade limitada.

FPML Auditors Independent *Wyle*, a director and subsidiary company, and a member of the *FPML* global expansion of independent members affiliated with *FPML* International Limited, a private English company limited by guarantee.



- planejamos os trabalhos, considerando a materialidade dos aspectos para as atividades da Companhia, a relevância das informações divulgadas, o volume de informações quantitativas e qualitativas e dos sistemas operacionais e de controles internos que servirão de base para a elaboração das informações constantes no Relatório;
- obtivemos o entendimento da metodologia de cálculos e dos procedimentos para a compilação dos indicadores por meio de indagações e entrevistas com os gestores responsáveis pela elaboração das informações;
- realizamos procedimentos analíticos sobre as informações quantitativas e indagações sobre as informações qualitativas e sua correlação com os indicadores divulgados nas informações constantes no Relatório, e
- avaliamos o processo para a elaboração do Relatório e da sua estrutura e conteúdo, com base nos Critérios.

Os procedimentos realizados em um trabalho de asseguaração limitada variam em termos de natureza e época, e sua extensão é restrita (menos extensa) do que em trabalho de asseguaração razoável. Assim, o nível de segurança obtido em um trabalho de asseguaração limitada é substancialmente menor do que a segurança que teria sido obtida caso um trabalho de asseguaração razoável tivesse sido realizado.

São Paulo, 28 de abril de 2025

KPMG Auditores Independentes Ltda
CRC 2SP-014428/O-6

Bernardo Moreira Peixoto Neto
Contador CRC RJ-064887/O-8

KPMG Auditores Independentes Ltda., uma sociedade simples brasileira, de responsabilidade limitada e firma-membro de organização global KPMG de firma-membro independente e afiliada da KPMG International Limited, um entesado, sujeito privado de responsabilidade limitada.

KPMG Kustanes Independentes, Lda, a Brazilian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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